



No. H-230320
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

LANYARD INVESTMENTS INC. as general partner of LFC
KESEF-B21 LIMITED PARTNERSHIP
FISGARD CAPITAL CORPORATION

Petitioners

AND:

AC NANAIMO INVESTMENT GP LTD.
AC NANAIMO INVESTMENT LIMITED PARTNERSHIP
AC NANAIMO NOMINEE LTD. formerly known as ANSEN
NANAIMO 26 DEVELOPMENT BARE TRUSTEE LTD.
COROMANDEL HOLDINGS LTD.
ZHEN YU ZHONG also known as ZHENYU ZHONG
JUN CHAO MO also known as JUNCHAO MO
ALIGN BC PROPERTIES CORP. formerly known as VIVAGRAN
DEVELOPMENT CORP.
ZHONG LIANG
XINTAI LIU
YING LIANG
CHIENMING LI
JOHN DOE

ALL TENANTS OR OCCUPIERS OF THE SUBJECT LANDS AND PREMISES

Respondents

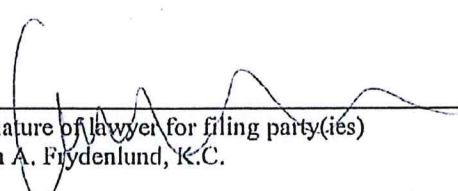
REQUISITION - GENERAL

Filed by: OWEN BIRD LAW CORPORATION

Required:

Please file the attached Third Report of the Receiver and Manager, D. Manning & Associates Inc., dated December 12, 2023.

Date: December 12, 2023.


Signature of lawyer for filing party(ies)
Alan A. Frydenlund, K.C.

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No. H230320
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IN THE SUPREME COURT OF BRITISH COLUMBIA

Between:

LANYARD INVESTMENTS INC. as general partner of
KESEF-B21 LIMITED PARTNERSHIP
FISGARD CAPITAL CORPORATION

Petitioners

AND:

AC NANAIMO INVESTMENT GP LTD.
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DEVELOPMENT CORP.
ZHONG LIANG XINTAI LIU YING
LIANG CHENMING LI
JOHN DOE
ALL TENANTS OR OCCUPIERS OF THE SUBJECT LANDS AND PREMISES

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF
AC NANAIMO INVESTMENT LIMITED PARTNERSHIP and AC NANAIMO
NOMINEE LTD. formerly known as ANSEN NANAIMO 26 DEVELOPMENT BARE
TRUSTEE LTD.**

**THIRD REPORT OF THE RECEIVER AND MANAGER
D. MANNING & ASSOCIATES INC.**

DECEMBER 12, 2023

D. MANNING & ASSOCIATES INC.
COURT-APPOINTED RECEIVER MANAGER OF THE
ASSETS, UNDERTAKINGS AND PROPERTY OF
AC NANAIMO INVESTMENT LIMITED PARTNERSHIP and
AC NANAIMO NOMINEE LTD. formerly known as
ANSEN NANAIMO 26 DEVELOPMENT BARE TRUSTEE
SUITE 520 – 625 HOWE STREET
VANCOUVER, B.C. V6C 2T6
(604)683-8030, FAX (604)683-8327
www.manning-trustee.com

I. INTRODUCTION

This is the Third Report of D. Manning & Associates Inc. (the “**Receiver**”), in its capacity as Court-Appointed Receiver and Manager of the Assets, Undertakings and Property of AC Nanaimo Investment Limited Partnership (“**AC LP**”) and AC Nanaimo Nominee Ltd. formerly known as Ansen Nanaimo 26 Development Bare Trustee (“**AC Nominee**”) (collectively the “**Companies**”). Collectively, the Companies are a real estate developer, one of many operating under the umbrella of the Coromandel Group of Companies (“**Coromandel**”). The Receiver’s First Report was dated November 14, 2023 and its Second Report was dated December 6, 2023.

AC Nominee is the registered owner, and AC LP is the beneficial owner, of a development property consisting of nine (9) adjacent lots in the City of Vancouver, legally described as:

Parcel Identifier: 013-823-892, Lot 5 Except the North 20 Feet now Lane Block 1 South ½ of Section 46 Town of Hastings Suburban Lands Plan 2440
(Civic address: 2415 East 26th Avenue, Vancouver, B.C.)

Parcel Identifier: 013-823-906, Lot 6 Except the North 20 Feet now Lane Block 1 South ½ of Section 46 Town of Hastings Suburban Lands Plan 2440
(Civic address: 2419 East 26th Avenue, Vancouver, B.C.)

Parcel Identifier: 013-823-881, Lot 7 Except the North 20 Feet now Lane Block 1 South ½ of Section 46 Town of Hastings Suburban Lands Plan 2440
(Civic address: 2425 East 26th Avenue, Vancouver, B.C.)

Parcel Identifier: 013-823-914, Lot 8 Except the North 20 Feet now Lane Block 1 South ½ of Section 46 Town of Hastings Suburban Lands Plan 2440
(Civic address: 2441 East 26th Avenue, Vancouver, B.C.)

Parcel Identifier: 013-823-554, Lot 9 Except the North 20 Feet now Lane Block 1 South ½ of Section 46 Town of Hastings Suburban Lands Plan 2440
(Civic address: 2459 East 26th Avenue, Vancouver, B.C.)

Parcel Identifier: 013-823-402, Lot 10 Except the North 20 Feet now Lane Block 1 South ½ of Section 46 Town of Hastings Suburban Lands Plan 2440
(Civic address: 2461 East 26th Avenue, Vancouver, B.C.)

Parcel Identifier: 013-823-543, Lot 11 Except the North 20 Feet now Lane Block 1 South ½ of Section 46 Town of Hastings Suburban Lands Plan 2440
(Civic address: 2469 East 26th Avenue, Vancouver, B.C.)

Parcel Identifier: 013-823-922, Lot 12 Except the North 20 Feet now Lane Block 1 South ½ of Section 46 Town of Hastings Suburban Lands Plan 2440
(Civic address: 2475 East 26th Avenue, Vancouver, B.C.)

Parcel Identifier: 013-823-931, Lot 13 Except the North 20 Feet now Lane Block 1 South 1/2 of Section 46 Town of Hastings Suburban Lands Plan 2440 (Civic address: 2483 East 26th Avenue, Vancouver, B.C.)

(collectively the “**Properties**”)

The Properties consist of eight (8) tenanted single family houses, while the ninth (9th) does not have improvements but is rented pursuant to a Bare Land Use Agreement. The Properties are in a single row on the north side of East 26th Avenue, near Nanaimo Skytrain Station.

The Receiver was appointed by Order of Justice Forth of the Supreme Court of British Columbia on August 23, 2023 under Action No. H230320 (Vancouver Registry) (the “**Order**”) on the application of Lanyard Investments Inc. as general partner of Kesef-B21 Limited Partnership (“**Lanyard**”), the first secured creditor and mortgagee.

II. DECEMBER 6, 2023 COURT HEARING

An application to approve the sale of the Properties was set to be heard Thursday December 7, 2023; however, as the competitive bidder and the original offeror wanted to further rebid on the recommendation of the Receiver, the Court (Master Muir) adjourned the hearing to 10:00 AM on Wednesday, December 13, 2023, with a deadline for Offers to be received by the Receiver by 2:00 PM on Tuesday, December 12, 2023.

III. OFFERS RECEIVED ON THE PROPERTIES

On December 8, 2023, the Receiver, through Colliers, received a new Offer on the Properties from 1447800 B.C. Ltd. (“**1447800**”). The Receiver’s counsel has confirmed that the operating mind of 1447800 is Mr. Xintai (Jeffrey) Liu, and that 1447800 is related to Xintai Liu, Ying Liang and Chenming Li (collectively the “**Second Mortgagees**”). The 1447800 Offer is attached as **Schedule “A”**.

Purchaser:	1447800 B.C. Ltd.
Purchaser’s Agent:	none
Price:	\$19,500,000
Deposit:	\$1,200,000 (confirmed paid to Receiver’s counsel)
Subjects:	None
Other terms:	<ol style="list-style-type: none"> 1) No Property Condition Disclosure Statement 2) Purchaser to assume all existing tenancies 3) \$0.01 to be allocated to Personal Property 4) Purchase price to be paid in cash equal to the Receiver’s Charges plus the First Mortgage Payout Amount less the Deposit 5) Remainder of purchase price to be paid by a non-interest bearing Demand Promissory Note from the Buyer to the Receiver 6) Upon closing, Receiver to assign the Demand

	Promissory Note to Xintai Liu (40/60 interest), Ying Liang (10/60 interest) and Chenming Li (10/60 interest)
	7) Interest on the deposit to be credited to the account of the Buyer
Completion:	60 business days following Court approval or February 16, 2024, whichever is later
Acceptance open:	5:00 PM, December 13, 2023

Following receipt of the 1447800 Rebid, the Receiver's counsel advised the City of Vancouver (the "City") that a new Competitive Bid had been received. With the consent of 1447800, the 1447800 Rebid was disclosed to the City.

The City has submitted a further revised Offer to the Receiver, through Colliers, on December 12, 2023 (the "City's December 12 Rebid"). The terms of the City's December 12 Rebid, attached as **Schedule "B"**, are:

Purchaser:	City of Vancouver
Purchaser's Agent:	None
Price:	\$18,000,000
Deposit:	\$500,000 (previously paid)
Subjects:	None
Other terms:	No Property Condition Disclosure Statement City to assume all existing tenancies
Completion:	10 business days following Court approval
Acceptance open:	5:00 PM, December 14, 2023.

IV. RECEIVER'S ANALYSIS

On its face, the 1447800 Rebid (\$19,500,000) is significantly higher than the City's December 12 Rebid (\$18,000,000).

The 1447800 Rebid completes 60 business days following Court approval or February 16, 2024, whichever is later. In this scenario, February 16, 2024 is the later date. The City's December 12 Rebid completes only 10 business days following Court approval, or December 29, 2023. February 16, 2024 is 49 days later than December 29, 2023.

The estimated per diem on the mortgages and Receiver's borrowings is \$8,000 per day. 49 days x \$8,000 = \$392,000.

Colliers' commission on the City's December 12 Rebid is \$283,500 (1.5% plus GST), while on the 1447800 Rebid it is \$105,000 (\$100,000 plus GST) as the Receiver negotiated a reduced commission if a "related party" purchased the Properties.

With the adjustments for lower commission and later closing date, the 147800 Rebid is \$1,286,500 higher than the City's December 12 Rebid.

The Receiver's counsel has been advised by 1447800's counsel that **"Our client advises that it holds a portion of the purchase price to be paid in cash, and is**

expecting to receive the balance of funds to complete upon the upcoming maturity of an investment. It is also lining up financing for completion. The directing mind of the purchaser is the principal of a well-known private lender in this market, Cenyard, who routinely completes investment, loan and acquisition transactions relating to land in the Lower Mainland.

The Receiver remains concerned that, even though 1447800's Rebid is not made "subject to financing", actual completion of the transaction may be conditional on whether or not the Purchaser is able to liquidate its investment, and to obtain third party financing. This introduces the very real possibility that the sale may not complete by February 16, 2024. However that risk is borne by the purchaser to the extent of the \$1,200,000 deposit made, which would be lost by the purchaser if they do not complete the purchase.

Nonetheless, 1447800 has:

- 1) increased the purchase price from \$19,000,000 to \$19,500,000;
- 2) increased the non-refundable deposit from \$600,000 to \$1,200,000;
- 3) used a standard Schedule "A" similar to that attached to the City's December 12 Rebid but still including a clause at paragraph 22 reflecting the terms for payment of the purchase price.

The increased purchase price, the increased non-refundable deposit, and the use of a standard Schedule "A" (with changes) serve to mitigate the risk to the Receiver.

V. RECEIVER'S RECOMMENDATIONS

The Receiver makes the following recommendations:

- 1) Court approval of the 1447800 B.C. Ltd. Rebid;
- 2) Continue monitoring PQ's collection of rents from tenants and deal with any tenancy-related issues;
- 3) Court authorization for the Receiver to file Speculation and Vacancy Tax Declarations and Empty Homes Tax Declarations on all of the Properties;
- 4) Seek further directions from the Court, if necessary;
- 5) Complete the sale of the Properties including payment of applicable real estate commissions, property taxes, and another items requiring adjustment;
- 6) Pay operating costs to maintain and preserve the Properties;
- 7) Assign tenancy agreements to the Purchaser;
- 8) Continue to address creditor and stakeholder enquiries;
- 9) Prepare and file B.C. Speculation and Vacancy Tax, City of Vancouver Empty Homes Tax and federal Unused Housing Tax returns for the year 2023 and as otherwise may be required;
- 10) Address all withholding taxes and file returns as may be necessary to obtain clearance;
- 11) Pay Receivership costs and Receiver's legal costs;
- 12) Determine the appropriate holdbacks for the Receiver and its legal counsel's costs, then make distributions to secured creditors from sale proceeds on the Property pursuant to a Court Order;

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AC Nanaimo Investment Limited Partnership and AC Nanaimo Nominee Ltd.
Third Report of the Receiver and Manager
December 12, 2023
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- 13) Apply for the Receiver's discharge and passing of accounts;
- 14) Prepare and file final statutory returns.

Should you have any questions or comments, please contact the writer at (604) 683-8030 or (alex.ng@manning-trustee.com).

Yours very truly,

D. MANNING & ASSOCIATES INC.
LICENSED INSOLVENCY TRUSTEE
COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKINGS
AND PROPERTY OF AC NANAIMO INVESTMENT LIMITED PARTNERSHIP and AC NANAIMO
NOMINEE LTD. formerly known as ANSEN NANAIMO 26 DEVELOPMENT BARE TRUSTEE
LTD.

(not in its personal capacity)



Per: Alex E.H. Ng, LIT, CIRP, President

Attachments

SCHEDULE "A"

1447800 B.C. LTD. REBID

PURCHASE CONTRACT

Effective Date: December 8, 2023

Parties: 1447800 B.C. Ltd. and D. Manning & Associates Inc., Court-Appointed Receiver and Manager of the assets, undertakings and property of AC Nanaimo Investment Limited Partnership and AC Nanaimo Nominee Ltd. (formerly known as Ansen Nanaimo 26 Development Bare Trustee Ltd.) pursuant to an order of the Supreme Court of British Columbia made August 23, 2023 in a proceeding numbered H230320 in the Vancouver Registry (“**Receivership Order**”).
Consideration: In return for the Deposit and the Buyer’s agreements, the receipt and sufficiency of which the Seller acknowledges, and in return for the Seller’s agreements, the receipt and sufficiency of which the Buyer acknowledges, the Seller and Buyer agree to be bound by the terms and conditions of this Contract. **Contract terms and conditions:** The Seller and Buyer agree as follows:

**SECTION 1.
INTERPRETATION**

1.1 Definitions. In this Contract:

- 1.1.1. “**Buyer**” means 1447800 B.C. Ltd.;
- 1.1.2. “**Closing Date**” means the later of February 16, 2024 and 60 days after Court approval or, if the LTO is not open on that day, the first following day that the LTO is open for business;
- 1.1.3. “**Contract**” means this document and attached schedules;
- 1.1.4. “**CPL**” means the Certificate of Pending Litigation registered against title to the Property under number CB580918;
- 1.1.5. “**Deposit**” means \$1,200,000.00;
- 1.1.6. “**Effective Date**” means the date set out at the start of this Contract;
- 1.1.7. “**Financial Charges**” mean mortgages and assignments of rents and any other financial charges registered against title to the Property on the Closing Date;
- 1.1.8. “**including**” means “including, without limitation”;
- 1.1.9. “**LTO**” means the New Westminster Land Title Office;
- 1.1.10. “**Permitted Charges**” means all non-financial charges, and all reservations and exceptions in the original Crown grant for the Property;
- 1.1.11. “**Person**” means any legal entity including any individual, firm, corporation, or government body;

1.1.12. **“Property”** means collectively, those certain lands in Vancouver, British Columbia legally described as:

PID: 013-823-892, LOT 5 EXCEPT THE NORTH 20 FEET NOW LANE BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 013-823-906, LOT 6 EXCEPT THE NORTH 20 FEET NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 004-170-881, LOT 7, EXCEPT THE NORTH 20 FEET, NOW ROAD BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 013-823-914, LOT 8, EXCEPT THE NORTH 20 FEET NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 011-949-554, LOT 9, EXCEPT THE NORTH 20 FEET NOW ROAD, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 010-162-402, LOT 10, EXCEPT THE NORTH 20 FEET, NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 002-412-543, LOT 11, EXCEPT THE NORTH 20 FEET, NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 013-823-922, LOT 12, EXCEPT THE NORTH 20 FEET NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440 and

PID: 013-823-931, LOT 13, EXCEPT THE NORTH 20 FEET NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440,

together with the houses and other improvements on those lands;

1.1.13. **“Purchase Price”** means \$19,500,000.00;

1.1.14. **“Seller”** means D. Manning & Associates Inc., in its capacity as Court-Appointed Receiver and Manager of the assets, undertakings and property of AC Nanaimo Investment Limited Partnership and AC Nanaimo Nominee Ltd. (formerly known as Ansen Nanaimo 26 Development Bare Trustee Ltd.) pursuant to the Receivership Order;

- 1.1.15. “**Seller’s Representatives**” means Owen Bird Law Corporation;
- 1.1.16. “**Tax**” means any value-added taxes levied under the *Excise Tax Act* (Canada), including the goods and services tax or the harmonized sales tax, as each may be in effect from time to time; and
- 1.1.17. “**Transfer**” means a vesting order pronounced as contemplated by the Receivership Order conveying the Property to the Buyer.

1.2 **Interpretation.** The following provisions will apply to this Contract:

- 1.2.1. sections and headings are for convenient reference, and are not to affect the meanings of provisions, and use of the singular or masculine includes the plural, feminine, or body corporate, and vice versa;
- 1.2.2. if a court of competent jurisdiction finds any provision invalid, illegal, or unenforceable, and severs it from this Contract, the remaining provisions are to remain in force and effect;
- 1.2.3. time will be of the essence, and if the Buyer or Seller expressly or impliedly waives that requirement, the Buyer or Seller may re-instate it by delivering notice to the other;
- 1.2.4. this Contract represents the entire agreement between the Buyer and Seller regarding the matters set out in it, and supersedes all prior agreements, understandings, letters of intent, negotiations, or discussion about those matters, and no amendment is to have any force or effect unless the Buyer and Seller have signed it;
- 1.2.5. the Seller will execute and deliver to the Buyer, on request, such further assurances and documents, and do such further things, as the Buyer may require to give full force and effect to this Contract; and
- 1.2.6. references to statutes and bylaws are to them as they exist on the Effective Date, and to later amendments or replacements of them.

**SECTION 2.
SALE AND PURCHASE**

- 2.1 **Sale and purchase.** The Seller will sell the Property to the Buyer free from all liens, charges, encumbrances, equities, claims, encroachments, and defects in title, except for Permitted Charges, and the Buyer will purchase the Property from the Seller, subject to the terms and conditions of this Contract.
- 2.2 **Purchase price.** The Buyer will pay the Purchase Price to the Seller for the Property. The Purchase Price will include any buildings, improvements, fixtures, appurtenances, and attachments thereto, and all blinds, awnings, screen doors, windows, curtain rods, tracks,

valances, fixed mirrors, fixed carpeting, electric plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto.

- 2.3 **Deposit.** The Seller acknowledges the sufficiency of the Deposit. The Buyer will pay the Deposit within 5 business days after the Seller's acceptance. The Deposit is on account of the Purchase Price.
- 2.4 **Closing.** The completion of the sale and purchase of the Property will occur on the Closing Date, subject to the terms and conditions of this Contract.

**SECTION 3.
REPRESENTATIONS**

- 3.1 **Seller's representations.** Regardless of any independent investigations the Buyer may make, the Seller represents to the Buyer, as representations that are true and correct on the Effective Date and will be true and correct on the Closing Date, that: in response to the Buyer's inquiry under section 116 of the *Income Tax Act* (Canada) and under Part IX of the *Excise Tax Act* (Canada), the Seller is a resident of Canada within the meaning of those Acts, and, in the case of the *Excise Tax Act*, the Seller is resident in Canada by reason other than subsection 32(2) which deems a non-resident to be resident in Canada if that non-resident has a permanent establishment in Canada;
 - 3.1.1. the Seller is the court-appointed receiver for the registered and beneficial owner of the Property, and

**SECTION 4.
CONDITIONS**

- 4.1 **Buyer's conditions.** Despite anything to the contrary in this Contract, the Buyer's obligation to complete the purchase of the Property from the Seller will be subject to the following conditions:
 - 4.1.1. the Seller's representations in section 3.1 will be true and correct on the Closing Date;
 - 4.1.2. on the Closing Date, the Seller will have complied with all of the Seller's obligations under this Contract unless they are obligations with which the Contract expressly requires the Seller to comply after the Closing Date; and
 - 4.1.3. approval by the Court of this Contract within 30 business days after acceptance.

**SECTION 5.
AGREEMENTS**

- 5.1 **Transfer of title.** The Seller will transfer title to the Property to the Buyer on the Closing Date according to the requirements of this Contract subject to the Permitted Charges, by way of vesting order.

- 5.2 **Statements and Leases.** Within five days after the Effective Date, the Seller will deliver to the Buyer:
 - 5.2.1. copies of all leases of any portions of the Property that are within the Seller's possession or control.
- 5.3 **Investigation.** The Buyer, and its officials, employees, agents, and contractors, may enter the Property at any time before the Closing Date to carry out, at its cost, such inspections, investigations, tests, and surveys as it considers necessary or desirable. The Buyer will restore the surface of the Property, and repair any damage it causes in doing so.
- 5.4 **Risk.** The Property will be at the risk of the Seller until the date and time of submission of the Transfer for registration in the LTO, and, after that, will be at the risk of the Buyer.
- 5.5 **Possession.** The Buyer will assume all tenancies and occupants of the Property, subject to Permitted Charges, on the Closing Date after payment of the Purchase Price.
- 5.6 **Adjustments.** Subject to Schedule "A", the Seller and Buyer will adjust all items customarily the subject of adjustment in the sale and purchase of property similar to the Property at the Closing Date. If the adjustments are inaccurate or incomplete, the Seller and Buyer will make further adjustments after the Closing Date.
- 5.7 **CPL.** The Seller will cause the CPL to be discharged and released from title to the Property on the Closing Date.
- 5.8 **Costs, fees, and taxes.** The Seller will pay the costs of clearing title except for Permitted Charges. The Buyer will pay any land title transfer fees and LTO application and registration fees. The Seller will execute and deliver to the Buyer on or before the Closing Date an appropriate GST exemption certificate to relieve the parties of their obligations to pay, collect and remit GST in respect of the transaction. The Buyer and Seller will each pay their own legal costs. The Buyer and Seller will pay such costs, fees, and taxes when due.
- 5.9 **Commissions.** The Seller will pay when due all fees and commissions of its real estate brokers, real estate agents, and other like Persons in connection with the sale of the Property. The Buyer may include such fees and commissions as part of the adjustments. The Buyer confirms that it is not represented by any broker or real estate agent and therefore no commissions or fees are payable to relation thereto and if for any reason the Buyer engages an agent or like person, all costs associated therewith shall be for the Buyer's account.

**SECTION 6.
CLOSING**

- 6.1 **Documents.** Before the Closing Date:
 - 6.1.1. the Buyer will cause its solicitors to prepare the Transfer, statements of adjustments, notice to tenants under leases of the Property, and other conveyance

documents the Buyer considers necessary to complete the transaction, and to deliver them to the Seller's Representatives; and

6.1.2. the Seller will sign those documents, in a form reasonably satisfactory to the Seller and the Buyer, and cause the Seller's Representatives to return them to the Buyer's solicitors.

6.2 **Closing.** The Buyer will pay the adjusted Purchase Price on the Closing Date by way of certified cheque or wire transfer to the Seller's Representatives, in trust.

The Seller and Buyer instruct the Seller's Representatives and Buyer's solicitors respectively to otherwise conduct the closing according to the customary practices of reputable lawyers having experience in such matters.

6.3 **Financial Charges.** If any Financial Charges are registered against title to the Property, the Seller, while still required to discharge such Financial Charges, may wait to do so until immediately after receipt of the adjusted Purchase Price but, in this case, the Buyer may pay the adjusted Purchase Price to the Seller's Representatives in trust on an undertaking to pay the monies pursuant to the Receivership Order and any subsequent vesting order.

6.4 **Tender.** The Buyer may tender documents or money to the Seller's Representatives, and the Seller may tender documents on the Buyer or the Buyer's solicitors. The Buyer shall tender money by certified cheque or wire transfer.

**SECTION 7.
GENERAL PROVISIONS**

7.1 **Survival.** All representations, agreements, and indemnities in this Contract will survive closing, registration of the Transfer, and payment of the Purchase Price despite any independent inquiry or investigation by the Buyer or the waiver by the Buyer of any condition set out in section 4.1, the subject matter of which is contained in a representation in the Contract.

7.2 **Notice.** Any notice, approval, consent, request, confirmation, or demand required or permitted under this Contract must be in writing, and the sender must deliver it by prepaid registered mail from any post office in British Columbia, by email or by personal service addressed to the Buyer as follows:

1447800 B.C. Ltd.
4351 Erwin Drive
West Vancouver, British Columbia
V7V 1H7
Email: JeffreyL@cenyard.com

Attention: Jeffrey Liu

with a copy to:

Lawson Lundell LLP
Suite 1600 - 925 West Georgia Street
Vancouver, BC V6C 3L2
Attention: Jack M. Yong
E-mail: [jyong@lawsonlundell.com](mailto: jyong@lawsonlundell.com)

Attention: Jack Yong

or to the Seller, by email or prepaid registered mail as follows:

D. Manning & Associates Inc.
520-625 Howe St.
Vancouver, British Columbia
V6C 2T6
Attention: Alex Ng ([alexng@manning-trustee.com](mailto: alexng@manning-trustee.com))

with a copy to:

Owen Bird Law Corporation
2900 - 733 Seymour Street
Vancouver B.C. V6B 056

Attention: Alan Frydenlund KC ([afrydenlund@owenbird.com](mailto: afrydenlund@owenbird.com))

or to such other address in the Province of British Columbia of which either party may notify the other according to the requirements of this section 7.2. Service will be deemed complete, if made by registered mail 72 hours after the date and hour of mailing, if made by electronic transmission on the first business day after the date of transmission; and if made by personal service upon the effecting of such service.

Schedule "A", attached hereto forms an integral part of this contract.

- 7.3 **Effect of Contract.** This Contract will enure to the benefit of and bind the Seller and Buyer and their respective heirs, executors, administrators, successors and assigns.
- 7.4 **Counterparts.** This Contract may be executed in counterparts and delivered by electronic means. Such counterparts together will be deemed an original document.

[Remainder of this page left intentionally blank]

TO EVIDENCE THIS CONTRACT the Seller and Buyer have signed it as of the Effective Date.

This Purchase Contract is open for acceptance until 5:00 pm Vancouver Time December 13, 2023 after which, if not fully executed by both parties, this Contract shall be null and void.

1447800 B.C. LTD.

Per: 
Authorized Signatory

D. Manning & Associates Inc., Court-Appointed Receiver and Manager of the assets, undertakings and property of AC Nanaimo Investment Limited Partnership and AC Nanaimo Nominee Ltd. formerly known as Ansen Nanaimo 26 Development Bare Trustee Ltd., not in its personal capacity

By its authorized signatory:

Per:
Alex En Hwa Ng

SCHEDULE "A"
(COURT APPROVED SALE AGREEMENT)

DATE: December 8, 2023

CONTRACT OF PURCHASE AND SALE RE:

Parcel Identifier: 013-823-892, Lot 5

Parcel Identifier: 013-823-906, Lot 6

Parcel Identifier: 004-170-881, Lot 7

Parcel Identifier: 013-823-914, Lot 8

Parcel Identifier: 011-949-554, Lot 9

Parcel Identifier: 010-162-402, Lot 10

Parcel Identifier: 002-412-543, Lot 11

Parcel Identifier: 013-823-922, Lot 12

Parcel Identifier: 013-823-931, Lot 13

Except the North 20 Feet now Lane, Block 1 South 1/2 of Section 46 Town of Hastings Suburban Lands Plan 2440

Civic Addresses:

2415, 2419, 2425, 2441, 2459, 2461, 2469, 2475 and 2483 East 26th Avenue Vancouver, B.C.

together with improvements and personal property related thereto (collectively the "Property"), between the Receiver (defined below), and 1447800 B.C. Ltd. (the "Buyer") of today's date, as attached.

Notwithstanding any term or condition contained in the Agreement of Purchase and Sale ("APS", and together with this Schedule "A", the "Offer"), this Schedule "A" modifies and where applicable overrides the APS. On entering into the Offer, the parties hereto agree as follows:

1. Where a conflict arises between the terms of this Schedule "A" and the APS, the terms of this Schedule "A" will apply. Capitalized terms not defined in this Schedule "A" shall have the meanings ascribed to them in the APS.
2. D. Manning & Associates Inc., Court-Appointed Receiver and Manager of the Assets, Undertakings and Property of AC Nanaimo Investment Limited Partnership and AC Nanaimo Nominee Ltd. (formerly known as Ansen Nanaimo 26 Development Bare Trustee Ltd.) (the "Receiver") pursuant to a Court Order in Action No. H230320 (Vancouver Registry) of the Supreme Court of British Columbia (the "Court") and not in its personal capacity, agrees, subject to the other terms of this Offer, to present this Offer to the Court for approval and in so doing is not contractually or otherwise liable to any party in any way.
3. The Buyer accepts the Property "as is, where is" as of the Possession Date and releases the Receiver from any and all claims resulting from or relating to the age, fitness, condition, zoning, lawful use, or circumstances and location of the Property, and agrees to accept the

Property subject to any outstanding work orders or notices or infractions as of the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreements, covenants, caveats, rights of way and easements.

- 4. The Buyer acknowledges and agrees that the Receiver makes no representations and/or warranties of any nature or kind whatsoever, including, without limitation, with respect to the Property, the fitness, condition (including environmental condition), zoning or lawful use of the Property and agrees to accept the Property in a "as is, where is" condition and subject to any outstanding work orders or notices of infractions as of the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including sub-division agreements, covenants, caveats, rights of way and easements.
- 5. The Buyer acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Property and its suitability for any purpose, including occupancy, development, or derivation of value.
- 6. The Buyer acknowledges that the fixtures and chattels presently on the premises are to be taken by the Buyer at the Buyer's own risk completely, without representation or warranty of any kind from the Receiver as to the ownership or state of repair of any such fixtures and chattels. Without limitation, to the extent that the Receiver is unable to convey title to any chattels, separate arrangements will have to be made by the Buyer with any owner of any chattels in order for the Buyer to take title to any chattels. The Receiver accepts that the Buyer will allocate \$0.01 of the Purchase Price to any personal property comprising the Property.
- 7. The Buyer acknowledges that any information supplied to the Buyer by the Receiver or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be wholly the responsibility of the Buyer, no property condition disclosure statement concerning the Property, its occupants and any related personal property shall form part of the Contract, and the Buyer is relying entirely on its own inspection and neither the Receiver nor its agents make any representations or warranties whatsoever in respect to the Property, its occupants, leases, licences of occupation and any related personal property, including, without limitation, with respect to title thereof, or in connection with the use or condition of any portion of the Property and any related personal property, including the buildings thereon and in respect to all matters whatsoever the Buyer accepts the Property and any related personal property "as is, where is". Without limiting the generality of the foregoing or any other provision hereof, the Buyer acknowledges that it is relying on its own environmental inspection or investigation of the Property and is not relying on the Receiver, and the Buyer further acknowledges and agrees that the Receiver makes no representations or warranties in respect to the environmental condition of the Property.
- 8. The Buyer hereby waives any requirement for the Receiver to provide to the Buyer a site profile for the Property under the *Environmental Management Act* of the Province of British Columbia and any regulations in respect thereto.

9. The Receiver shall provide the Buyer with only those keys to the premises comprising the Property that are in its possession.
10. This Offer is subject to approval by the Court within 30 business days after the acceptance by the Receiver, (the "**Court Approval Date**"). This condition is for the mutual benefit of the Buyer and the Receiver and may not be unilaterally waived by either party. If this condition is not satisfied by the time specified above, this Offer will automatically terminate. The Buyer may, at its sole option exercised by written notice given to the Receiver, extend the Court Approval Date by no more than 30 days, which option can be exercised only once.
11. The Receiver has instructed its listing agent to maximize the proceeds of sale within the Court approval process. This Offer will become public information prior to the Court approval date, and the Buyer acknowledges and agrees that other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this Offer and such prospective purchasers may make competing offers which may be approved by the Court. The Buyer will have the ability (subject to the Court's discretion) to modify the Offer to respond to competing offers and it is recommended that the Buyer seek independent legal advice to advance its own offer to the Court. So long as it remains in force the Receiver will be complying with the Supreme Court of British Columbia's Practice Direction - 62 "Sealed Bid Process for Foreclosures and Other Matters Involving the Sales of Land" as may be amended or in force from time to time and the Buyer hereby acknowledges and agrees to that Bid Process and any amendments thereto. The Receiver may be compelled to advocate that the Court consider other Offers in order to obtain the highest price for the Property. The Receiver gives no undertaking to advocate the acceptance of this offer. To protect its interest in purchasing the Property, the Buyer acknowledges and agrees that a representative should attend at the Court hearing on behalf of the Buyer and be prepared there to make such amended or increased offer to purchase the Property as the Court may permit or direct, and it is recommended that the Buyer seek independent legal advice to advance its own offer to the Court.
12. This Offer may be terminated by written notice given to the Buyer at the Receiver's sole option if:
 - (a) at any time prior to Court approval, if the Receiver (in its sole discretion) determines it is not appropriate to present this Offer to the Court;
 - (b) at any time prior to Court approval, the security which is the subject of the Court proceedings is redeemed; or
 - (c) the Court makes an Order cancelling or changing the Receivership Order;and in any such event the Receiver shall have no further obligations or liability to the Buyer under this Offer or otherwise. This condition is for the sole benefit of the Receiver.

- 13. In the event that:
 - (a) The mortgagor or any other person shall become entitled to redeem, assign or place the mortgage in good standing and does so prior to the completion of the sale; or
 - (b) The Receiver is unable to complete the sale pursuant to the Court Order; then the Receiver shall have the right to terminate this Offer and upon giving written notice to the Buyer that it is so doing, this Offer shall be cancelled, without interest or deduction. Written notice shall be deemed to be validly given if received by the agent or solicitor or notary for the Buyer.
- 14. The Receiver shall not be required to furnish any title documents and shall only be required to provide such deeds, copies thereof, or evidence of title as are in its possession or control.
- 15. The Buyer acknowledges and agrees that time will be of the essence hereof, and unless the balance of the cash payment is paid or such formal agreement to pay the balance as may be necessary is entered into on or before the Closing Date, the Receiver may at its option either terminate or reaffirm the Offer, and in either event the amount paid by the Buyer, including without limitation the Deposit will be absolutely forfeited to the Receiver on account of damages without prejudice to any of the Receiver's other remedies.
- 16. The Completion, Possession and Adjustment dates shall not be later than the Closing Date, or such earlier or later date as the Buyer and the Receiver may agree in writing.
- 17. The Buyer does not require title and the Property to be conveyed with vacant possession, the Buyer will assume all tenancies, occupiers, leases, licences of occupation or any rights as may be in effect or alleged as of the date of completion. The Receiver makes no representations or warranties with respect to any of the foregoing including, without limitation, occupants, leases, damage deposits, tenancy or occupants' disputes of any kind. The Receiver assumes no responsibility for any defects in the tenancies or disputes arising therefrom. The Buyer accepts the Property and the occupants on an "as is, where is" basis. Without further limiting the generality of the foregoing or any other provision hereof, the Buyer acknowledges that it is relying on its own inspection or investigation of the Property and is not relying on the Receiver. There will be no adjustments on closing for damage deposits or other occupant security and the only adjustment for rental on closing will be on account of rental income received by the Receiver.
- 18. The Buyer acknowledges and agrees to provide the net sale proceeds to Owen Bird Law Corporation, In Trust, by way of certified cheque or wire transfer of funds to such account as the Receiver may direct in writing.
- 19. This Agreement may be signed in counterparts and each such counterpart will constitute an original document and, taken together, will constitute one and the same instrument.
- 20. In addition to the purchase price, the Buyer is liable for all applicable Goods and Services Tax ("GST"), Property Transfer Tax ("PTT"), Provincial Sales Tax ("PST") and any other applicable taxes, and without limitation. The Buyer will be liable for and shall pay all GST, PTT, PST and registration charges and transfer fees properly payable upon and in

connection with the sale and transfer of the Property by the Receiver to the Buyer. The Buyer shall pay any GST, PST and/or PTT payable in respect of the purchase of the Property hereunder, and shall fully comply with the provisions of the federal *Excise Tax Act*, *Provincial Sales Tax Act*, and *Property Transfer Tax Act*. The Buyer shall obtain its own legal, accounting and other professional advice as to GST, PST, PTT and any other applicable taxes.

- 21. The Receiver and the Buyer agree that any interest accruing on the Deposit paid under this Offer will be for the account of the Buyer, and that such Deposit will be paid as follows:
 - (a) to the Receiver on account of the Purchase Price, contemporaneously with the completion of the transactions contemplated in this Offer;
 - (b) to the Buyer, if the transactions contemplated by this Offer are not completed by reason of the Buyer's conditions in Section 4.1 of the APS not being fulfilled or waived, or if the Buyer is otherwise not required to complete the purchase contemplated by this Offer; or
 - (c) to the Receiver, as liquidated damages (the parties hereby agreeing that such amount constitutes a genuine pre-estimate of damages) and the Receiver's sole and exclusive remedy against the Buyer, its directors, officers and agents, if the transactions contemplated by this Offer are not completed solely by reason of the Buyer's default.

Upon a termination of this Offer pursuant to Section (b), the Receiver and the Buyer irrevocably direct the person holding the Deposit paid under Section 2 of the APS and any interest accrued thereon in full to the Buyer without deduction save for the sum of \$10.00 (which will be retained by the Receiver in any event as consideration for the Receiver agreeing to not revoke or withdraw this Offer prior to the times specified in Section 4.1 of the APS except in accordance herewith). This Section 21 will survive any termination of this Offer.

- 22. In this Offer, the following definitions have the following meanings:
 - (a) **"First Mortgage"** means, collectively, the mortgage and assignment of rents registered on title to the Property under registration numbers CA8849501 and CA8849502, respectively, in favour of the First Mortgagees;
 - (b) **"First Mortgagees"** means, collectively, Lanyard Investments Inc. (as to an undivided 845/1230 interest) and Fisgard Capital Corporation (as to an undivided 385/1230 interest);
 - (c) **"First Mortgage Payout Amount"** means an amount equal to the amount calculated as representing sufficient funds to require the First Mortgagees to provide a registrable discharge of the First Mortgage, as determined by the First Mortgagees' payout statement for a payout on the Completion Date (without adding any per diem interest for payment made on the Completion Date after the cut-off time); and

(d) "Receiver's Charges" means all priority charges of the Receiver in respect of the Property.

23. On closing of the transactions contemplated by this Offer, the Buyer will pay the Purchase Price of the Property as follows:

(a) by payment to the Receiver's solicitors, in trust, of an amount in cash equal to the Receiver's Charges plus the First Mortgage Payout Amount less the Deposit (provided that such amount will not exceed an amount equal to the Purchase Price less the Deposit); and

(b) by delivery of a non-interest-bearing demand promissory note by the Buyer to the Receiver in the amount of the Purchase Price (as adjusted pursuant to this Offer) less the Deposit less the sum in Section (a) above (the "Note"),

and the Receiver will deliver to the Buyer, on closing, an assignment of the Note to Xintai Liu (as to an undivided 40/60 interest), Ying Liang (as to an undivided 10/60 interest) and Chenming Li (as to an undivided 10/60 interest) in satisfaction of a portion of the debts owed by the owner of the Property to those lenders under a mortgage and assignment of rents charging the Property under registration numbers CA9849655 and CA9849656, respectively, equal to the amount of the Note.

24. The Receiver will bring an application for an order approving the sale of the Property pursuant to this Offer or other prospective purchasers pursuant to Section 11 of this Schedule "A" no later than the Court Approval Date, failing which this Offer will automatically terminate.

[Remainder of this page left intentionally blank]

DATED as of December 8, 2023.

Buyer:

1447800 B.C. LTD.

Per:


Authorized Signatory

**D. MANNING & ASSOCIATES INC.
COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS,
UNDERTAKINGS AND PROPERTY OF AC NANAIMO INVESTMENT LIMITED
PARTNERSHIP AND AC NANAIMO NOMINEE LTD. (FORMERLY KNOWN AS
ANSEN NANAIMO 26 DEVELOPMENT BARE TRUSTEE LTD.)**
(not in its personal capacity)

By its authorized signatory:

Per:

Alex En Hwa Ng

SCHEDULE "B"

CITY OF VANCOUVER DECEMBER 12, 2023 REBID

PURCHASE CONTRACT

Effective Date: November 6th, 2023

Parties: City of Vancouver and D. Manning & Associates Inc., Court-Appointed Receiver and Manager of the assets, undertakings and property of AC Nanaimo Investment Limited Partnership and AC Nanaimo Nominee Ltd. (formerly known as Ansen Nanaimo 26 Development Bare Trustee Ltd.) pursuant to an order of the Supreme Court of British Columbia made August 23, 2023 in a proceeding numbered H230320 in the Vancouver Registry ("Receivership Order").

Consideration: In return for the Deposit and the Buyer's agreements, the receipt and sufficiency of which the Seller acknowledges, and in return for the Seller's agreements, the receipt and sufficiency of which the Buyer acknowledges, the Seller and Buyer agree to be bound by the terms and conditions of this Contract.

Contract terms and conditions: The Seller and Buyer represent and agree that:

**SECTION 1
INTERPRETATION**

1.1 Definitions. In this Contract:

- 1.1.1 "Buyer" means the City of Vancouver;
- 1.1.2 "City's Legal Director" means the Director of Legal Services for the City of Vancouver;
- 1.1.3 "Closing Date" means 10 (ten) business days after Court approval or, if the LTO is not open on that day, the first following day that the LTO is open for business;
- 1.1.4 "Contract" means this document and attached schedules;
- 1.1.5 "CPL" means the Certificate of Pending Litigation registered against title to the Property under number CB580918;
- 1.1.6 "Deposit" means \$500,000.00, to be paid 5 business days after acceptance by the Seller;
- 1.1.7 "Effective Date" means the date set out at the start of this Contract;
- 1.1.8 "Financial Charges" mean mortgages and assignments of rents registered against title to the Property on the Effective Date;
- 1.1.9 "Tax" means any value-added taxes levied under the *Excise Tax Act* (Canada), including the goods and services tax or the harmonized sales tax, as each may be in effect from time to time;
- 1.1.10 "including" means "including, without limitation";

1.1.11 "LTO" means the New Westminster Land Title Office;

1.1.12 "Permitted Charges" means all non financial charges and reservations and exceptions in the original Crown grant for the Property;

1.1.13 "Person" means any legal entity including any individual, firm, corporation, or government body;

1.1.14 "Property" means collectively those certain lands in Vancouver, British Columbia legally described as:

PID: 013-823-892, LOT 5 EXCEPT THE NORTH 20 FEET NOW LANE BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 013-823-906, LOT 6 EXCEPT THE NORTH 20 FEET NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 004-170-881, LOT 7, EXCEPT THE NORTH 20 FEET, NOW ROAD BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 013-823-914, LOT 8, EXCEPT THE NORTH 20 FEET NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 011-949-554, LOT 9, EXCEPT THE NORTH 20 FEET NOW ROAD, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 010-162-402, LOT 10, EXCEPT THE NORTH 20 FEET, NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 002-412-543, LOT 11, EXCEPT THE NORTH 20 FEET, NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440

PID: 013-823-922, LOT 12, EXCEPT THE NORTH 20 FEET NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440 and

PID: 013-823-931, LOT 13, EXCEPT THE NORTH 20 FEET NOW LANE, BLOCK 1 SOUTH 1/2 OF SECTION 46 TOWN OF HASTINGS SUBURBAN LANDS PLAN 2440,

together with the houses and other improvements on those lands;

1.1.15 "Purchase Price" means ~~\$17,200,000.00~~ ~~\$10,400,000.00~~ ^{18,000,000.00} JM

1.1.16 "Seller" means D. Manning & Associates Inc., in its capacity as Court-Appointed Receiver and Manager of the assets, undertakings and property of AC Nanaimo Investment Limited Partnership and AC Nanaimo Nominee Ltd. (formerly known as Ansen Nanaimo 26 Development Bare Trustee Ltd.) pursuant to the Receivership Order;

1.1.17 "Seller's Representatives" means Owen Bird Law Corporation; and

1.1.18 "Transfer" means a vesting order pronounced as contemplated by the Receivership Order conveying the Property to the Buyer.

1.2 Interpretation. The following provisions will apply to this Contract:

- 1.2.1 sections and headings are for convenient reference, and are not to affect the meanings of provisions, and use of the singular or masculine includes the plural, feminine, or body corporate, and vice versa;
- 1.2.2 if a court of competent jurisdiction finds any provision invalid, illegal, or unenforceable, and severs it from this Contract, the remaining provisions are to remain in force and effect;
- 1.2.3 the Seller and Buyer will interpret the language of this Contract simply, fairly, and not strictly for or against either of them;
- 1.2.4 time will be of the essence, and if the Buyer or Seller expressly or impliedly waives that requirement, the Buyer or Seller may re-instate it by delivering notice to the other;
- 1.2.5 this Contract represents the entire agreement between the Buyer and Seller regarding the matters set out in it, and supersedes all prior agreements, understandings, letters of intent, negotiations, or discussion about those matters, and no amendment is to have any force or effect unless the Buyer and Seller have signed it;
- 1.2.6 the Seller will execute and deliver to the Buyer, on request, such further assurances and documents, and do such further things, as the Buyer may require to give full force and effect to this Contract;
- 1.2.7 references to statutes and bylaws are to them as they exist on the Effective Date, and to later amendments or replacements of them; and

**SECTION 2
SALE AND PURCHASE**

2.1 Sale and purchase. The Seller will sell the Property to the Buyer free from all liens, charges, encumbrances, equities, claims, encroachments, and defects in title, except for Permitted Charges, and the Buyer will purchase the Property from the Seller, subject to the terms and conditions of this Contract.

2.2 Purchase price. The Buyer will pay the Purchase Price to the Seller for the Property. The Purchase Price will include any buildings, improvements, fixtures, appurtenances, and attachments thereto, and all blinds, awnings, screen doors, windows, curtain rods, tracks, valances, fixed mirrors, fixed carpeting, electric plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto viewed by the Buyer at the date of inspection, namely, November 9, 2023.

2.3 Deposit The Seller acknowledges the sufficiency of the Deposit and requires receipt from the Buyer of the Deposit on acceptance. The Deposit is on account of the Purchase Price.

2.4 Closing. The completion of the sale and purchase of the Property will occur on the Closing Date.

**SECTION 3
REPRESENTATIONS**

3.1 Seller's representations. Regardless of any independent investigations the Buyer may make, the Seller represents to the Buyer, as representations that are true and correct on the Effective Date and will be true and correct on the Closing Date, that:

- 3.1.1 in response to the Buyer's inquiry under section 116 of the *Income Tax Act* (Canada) and under Part IX of the *Excise Tax Act* (Canada), the Seller is a resident of Canada within the meaning of those Acts, and, in the case of the *Excise Tax Act*, the Seller is resident in Canada by reason other than subsection 32(2) which deems a non-resident to be resident in Canada if that non-resident has a permanent establishment in Canada;
- 3.1.2 the Seller is the court-appointed receiver for the registered and beneficial owner of the Property, ; and
- 3.1.3 the Seller has no knowledge that any Person associated with the Buyer has any direct or indirect interest in this sale and purchase.

**SECTION 4
CONDITIONS**

4.1 Buyer's conditions. Despite anything to the contrary in this Contract, the Buyer's obligation to complete the purchase of the Property from the Seller will be subject to the following conditions:

- 4.1.1 the Seller's representations in section 3.1 will be true and correct on the Closing Date;
- 4.1.2 on the Closing Date, the Seller will have complied with all the Seller's obligations under this Contract unless they are obligations with which the Contract expressly requires the Seller to comply after the Closing Date; and

4.2 Non-Refundable Monies. The Seller in consideration of a non-refundable deposit by the Buyer in the amount of \$500,000.00 (sufficiency of which is hereby acknowledged by the Seller) acknowledges and agrees that the monies are paid by the Buyer in consideration of the Seller allowing the Buyer the benefit of the Buyer's conditions in section 4.1 and agreeing that the Seller's acceptance of this Contract is irrevocable.

**SECTION 5
AGREEMENTS**

5.1 **Transfer of title.** The Seller will transfer title to the Property to the Buyer on the Closing Date according to the requirements of this Contract subject to the Permitted Charges, by way of vesting order.

5.2 **Statements and Leases.** Within five days after the Effective Date, the Seller will deliver to the Buyer:

5.2.1 copies of all leases of any portions of the Property that are within the Seller's possession or control.

5.3 **Investigation.** The Buyer, and its officials, employees, agents, and contractors, may enter the Property at any time before the Closing Date to carry out, at its cost, such inspections, investigations, tests, and surveys as it considers necessary or desirable. The Buyer will restore the surface of the Property, and repair any damage it causes in doing so.

5.4 **Risk.** The Property will be at the risk of the Seller until the date and time of submission of the Transfer for registration in the LTO, and, after that, will be at the risk of the Buyer.

5.5 **Possession.** The Buyer will assume all tenancies and occupants of the Property, subject to Permitted Charges, on the Closing Date after payment of the Purchase Price.

5.6 **Adjustments.** The Seller and Buyer will adjust all items customarily the subject of adjustment in the sale and purchase of property similar to the Property at the Closing Date. If the adjustments are inaccurate or incomplete, the Seller and Buyer will make further adjustments after the Closing Date.

5.7 **CPL.** The Seller will cause the CPL to be discharged and released from title on the Closing Date.

5.8 **Costs, fees, and taxes.** The Seller will pay the costs of clearing title except for Permitted Charges. The Buyer will pay any land title transfer fees and LTO application and registration fees. As the Buyer is a registrant under the *Excise Tax Act* (Canada) with Business Number 121361042, the Buyer will remit directly to the Receiver General of Canada any Tax levied under the *Excise Tax Act* (Canada) and payable by the Buyer on the purchase of the Land. The Buyer and Seller will each pay their own legal costs. The Buyer and Seller will pay such costs, fees, and taxes when due.

5.9 **Commissions.** The Seller will pay when due all fees and commissions of its real estate brokers, real estate agents, and other like Persons in connection with the sale of the Property. The Buyer may include such fees and commissions as part of the adjustments. The Buyer confirms that it is not represented by any broker or real estate agent and therefore no commissions or fees are payable in relation thereto and if for any reason the Buyer engages an agent or like person, all costs associated therewith shall be for the Buyer's account.

**SECTION 6
CLOSING**

6.1 Documents. Before the Closing Date:

6.1.1 the Buyer will cause the City's Legal Director to prepare the Transfer, statements of adjustments, notice to tenants under leases of the Property, and other conveyance documents the Buyer considers necessary to complete the transaction, and to deliver them to the Seller's Representatives; and

6.1.2 the Seller will sign those documents, if satisfactory and cause the Seller's Representatives to return them to the City's Legal Director.

6.2 Closing. The Buyer will pay the adjusted Purchase Price on the Closing Date by way of certified cheque to the Seller's Representatives:

The Seller and Buyer instruct the Seller's Representatives and City's Legal Director respectively to otherwise conduct the closing according to the customary practices of reputable lawyers having experience in such matters,.

6.3 Financial Charges. If any Financial Charges are registered against title to the Property, the Seller, while still required to discharge such Financial Charges, may wait to do so until immediately after receipt of the adjusted Purchase Price but, in this case, the Buyer may pay the adjusted Purchase Price to the Seller's Representatives in trust on an undertaking to pay the monies to the Seller pursuant to the Receivership Order and any subsequent vesting order.

6.4 Tender. The Buyer may tender documents or money to the Seller's Representatives, and the Seller may tender documents on the Buyer or the City's Legal Director. The Buyer shall tender money by certified cheque.

**SECTION 7
GENERAL PROVISIONS**

7.1 Survival. All representations, agreements, and indemnities in this Contract will survive closing, registration of the Transfer, and payment of the Purchase Price despite any independent inquiry or investigation by the Buyer or the waiver by the Buyer of any condition set out in section 4.1, the subject matter of which is contained in a representation in the Contract.

7.2 Notice. Any notice, approval, consent, request, confirmation, or demand required or permitted under this Contract must be in writing, and the sender must deliver it by prepaid registered mail from any post office in British Columbia, by fax or by personal service addressed to the Buyer as follows:

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia
V5Y 1V4
Fax: (604) 871-6119

Attention: Director of Real Estate Services

with a copy to:

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia
V5Y 1V4
Fax: (604) 873-7445

Attention: Director of Legal Services

with a copy to:

Whitelaw Twining
2400 - 200 Granville Street
Vancouver, B.C. V6C 1S4

Attention: John Fiddick (jfiddick@wt.ca)

or to the Seller, by email or prepaid registered mail as follows:

D. Manning & Associates Inc.
520-625 Howe St.
Vancouver, British Columbia
V6C 2T6

Attention: Alex Ng (alexng@manning-trustee.com)

with a copy to:

Owen Bird Law Corporation *Attention Alan Frydenlund KC (afrydenlund@owenbird.com)*
2900 - 733 Seymour Street
Vancouver B.C. V6B 0S6

or to such other address in the Province of British Columbia of which either party may notify the other according to the requirements of this section 7.2. Service will be deemed complete, if made by registered mail 72 hours after the date and hour of mailing; if made by faxed transmission on the first business day after the date of transmission; and if made by personal service upon the effecting of such service.

Schedule "A" attached hereto forms an integral part of this contract.
[remainder of page left deliberately blank]

7.3 Effect of Contract. This Contract will enure to the benefit of and bind the Seller and Buyer and their respective heirs, executors, administrators, successors and assigns.

TO EVIDENCE THIS CONTRACT the Seller and Buyer have signed it as of the Effective Date.

This Purchase Contract is open for acceptance until 5:00 pm Pacific Standard Time ~~November 10~~ December 14, 2023 after which, if not fully executed by both parties, this Purchase Contract shall be null and void. *JM*

City of Vancouver by its authorized signatory:

per: _____
Authorized Signatory

D. Manning & Associates Inc., Court-Appointed Receiver and Manager of the assets, undertakings and property of AC Nanaimo Investment Limited Partnership and AC Nanaimo Nominee Ltd. formerly known as Ansen Nanaimo 26 Development Bare Trustee Ltd., not in its personal capacity

By its authorized signatories:

per: _____
Alex Ng
En Hwa

SCHEDULE "A"
(Court Approved Sale Agreement)

DATE: November 6 , 2023

CONTRACT OF PURCHASE AND SALE RE:

Parcel Identifier: 013-823-892, Lot 5
Parcel Identifier: 013-823-906, Lot 6
Parcel Identifier: 004-170-881, Lot 7
Parcel Identifier: 013-823-914, Lot 8
Parcel Identifier: 011-949-554, Lot 9
Parcel Identifier: 010-162-402, Lot 10
Parcel Identifier: 002-412-543, Lot 11
Parcel Identifier: 013-823-922, Lot 12
Parcel Identifier: 013-823-931, Lot 13
Except the North 20 Feet now Lane, Block 1 South ½ of Section 46
Town of Hastings Suburban Lands Plan 2440

Civic Addresses:

2415, 2419, 2425, 2441, 2459, 2461, 2469, 2475 and 2483 East 26th Avenue
Vancouver, B.C.

together with improvements and personal property related thereto (collectively the "Property"), between the Receiver (defined below), and City of Vancouver (the "Buyer") of today's date, as attached.

Notwithstanding any term or condition contained in the Agreement of Purchase and Sale ("APS"), this Schedule "A" modifies and where applicable overrides the APS. On entering into the APS the parties hereto agree as follows:

1. Where a conflict arises between the terms of this Schedule "A" and the APS, the terms of this Schedule "A" will apply. Capitalized terms not defined in this Schedule "A" shall have the meanings ascribed to them in the APS;
2. D. Manning & Associates Inc., Court-Appointed Receiver and Manager of the Assets, Undertakings and Property of AC Nanaimo Investment Limited Partnership and AC Nanaimo Nominee Ltd. (formerly known as Ansen Nanaimo 26 Development Bare Trustee Ltd.) (the "Receiver") pursuant to a Court Order in Action No. H230320 (Vancouver Registry) of the Supreme Court of British Columbia (the "Court") and not in its personal capacity, agrees, subject to the other terms of the APS, to present the APS to the Court for approval and in so doing is not contractually or otherwise liable to any party in any way.
3. The Buyer accepts the Property "as is, where is" as of the Possession Date and covenants and agrees to save the Receiver harmless from any and all claims resulting from or relating to the age, fitness, condition, zoning, lawful use, or circumstances and location of the Property,

and agrees to accept the Property subject to any outstanding work orders or notices or infractions as of the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreements, covenants, caveats, rights of way and easements.

4. The Buyer acknowledges and agrees that the Receiver makes no representations and/or warranties of any nature or kind whatsoever, including, without limitation, with respect to the Property, the fitness, condition (including environmental condition), zoning or lawful use of the Property and agrees to accept the Property in a "as is, where is" condition and subject to any outstanding work orders or notices of infractions as of the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including sub-division agreements, covenants, caveats, rights of way and easements.

5. The Buyer acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Property and its suitability for any purpose, including occupancy, development, or derivation of value.

6. The Buyer acknowledges that the fixtures and chattels presently on the premises are to be taken by the Buyer at the Buyer's own risk completely, without representation or warranty of any kind from the Receiver as to the ownership or state of repair of any such fixtures and chattels. Without limitation, to the extent that the Receiver is unable to convey title to any chattels, separate arrangements will have to be made by the Buyer with any owner of any chattels in order for the Buyer to take title to any chattels.

7. The Buyer acknowledges that any information supplied to the Buyer by the Receiver or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be wholly the responsibility of the Buyer, no property condition disclosure statement concerning the Property, its occupants and any related personal property shall form part of the Contract, and the Buyer is relying entirely on its own inspection and neither the Receiver nor its agents make any representations or warranties whatsoever in respect to the Property it occupants, leases, licences of occupation and any related personal property, including, without limitation, with respect to title thereof, or in connection with the use or condition of any portion of the Property and any related personal property, including the buildings thereon and in respect to all matters whatsoever the Buyer accepts the Property and any related personal property "as is, where is". Without limiting the generality of the foregoing or any other provision hereof, the Buyer acknowledges that it is relying on its own environmental inspection or investigation of the Property and is not relying on the Receiver, and the Buyer further acknowledges and agrees that the Receiver makes no representations or warranties in respect to the environmental condition of the Property.

8. The Buyer hereby waives any requirement for the Receiver to provide to the Buyer a site profile for the Property under the Environmental Management Act of the Province of British Columbia and any regulations in respect thereto.

9. The Receiver shall provide the Buyer with only those keys to the premises comprising the Property that are in its possession.

10. The APS is subject to approval by the Court within 30 business days after acceptance. This condition is for the sole benefit of the Receiver.

11. The Receiver has instructed its listing agent to maximize the proceeds of sale within the Court approval process. This Offer will become public information prior to the Court approval date, and the Buyer acknowledges and agrees that other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this APS and such prospective purchasers may make competing offers which may be approved by the Court. The Buyer will have the ability (subject to the Court's discretion) to modify the APS to respond to competing Offers and it is recommended that the Buyer seek independent legal advice to advance its own APS to the Court. So long as it remains in force the Receiver will be complying with the Supreme Court of British Columbia's Practice Direction - 62 "Sealed Bid Process for Foreclosures and Other Matters Involving the Sales of Land" as may be amended or in force from time to time and the Buyer hereby acknowledges and agrees to that Bid Process and any amendments thereto. The Receiver may be compelled to advocate that the Court consider other Offers in order to obtain the highest price for the Property. The Receiver gives no undertaking to advocate the acceptance of this offer. To protect its interest in purchasing the Property, the Buyer acknowledges and agrees that a representative should attend at the Court hearing on behalf of the Buyer and be prepared there to make such amended or increased offer to purchase the Property as the Court may permit or direct, and it is recommended that the Buyer seek independent legal advice to advance its own APS to the Court.

12. The APS may be terminated at the Receiver's sole option if:

- a) at any time prior to Court approval, if the Receiver (in its sole discretion) determines it is not appropriate to present the APS to the Court;
- b) at any time prior to Court approval, the security which is the subject of the Court proceedings is redeemed; or
- c) the Court makes an Order cancelling or changing the Receivership Order;

and in any such event the Receiver shall have no further obligations or liability to the Buyer under the APS or otherwise. This condition is for the sole benefit of the Receiver.

13. In the event that:

- a) The mortgagor or any other person shall become entitled to redeem, assign or place the mortgage in good standing and does so prior to the completion of the sale; or
- b) The Receiver is unable to complete the sale pursuant to the Court Order;

then the Receiver shall have the right to terminate the APS and upon giving written notice to the Buyer that it is so doing, the APS shall be cancelled, without interest or deduction. Written notice shall be deemed to be validly given if received by the agent or solicitor or notary for the Buyer.

14. The Receiver shall not be required to furnish any title documents and shall only be required to provide such deeds, copies thereof, or evidence of title as are in its possession or control.

15. The Buyer acknowledges and agrees that time will be of the essence hereof, and unless the balance of the cash payment is paid or such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Receiver may at its option either terminate or reaffirm the APS, and in either event the amount paid by the Buyer, including without limitation the deposit will be absolutely forfeited to the Receiver on account of damages without prejudice to any of the Receiver's other remedies.

16. The Completion, Possession and Adjustment dates shall not be later than the later of the tenth business day after Court approval, or such earlier or later date as the Buyer and the Receiver may agree.

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18. The Buyer does not require title and the Property to be conveyed with vacant possession, the Buyer will assume all tenancies, occupiers, leases, licences of occupation or any rights as may be in effect or alleged as of the date of completion. The Receiver makes no representations or warranties with respect to any of the foregoing including, without limitation, occupants, leases, damage deposits, tenancy or occupants' disputes of any kind. The Receiver assumes no responsibility for any defects in the tenancies or disputes arising therefrom. The Buyer accepts the Property and the occupants on an "as is, where is" basis. Without further limiting the generality of the foregoing or any other provision hereof, the Buyer acknowledges that it is relying on its own inspection or investigation of the Property and is not relying on the Receiver. There will be no adjustments on closing for damage deposits or other occupant security and the only adjustment for rental on closing will be on account of rental income received by the Receiver.

19. The Buyer acknowledges and agrees to provide the net sale proceeds to Owen Bird Law Corporation, In Trust, by way of certified cheque or wire transfer of funds.

20. This Agreement may be signed in counterparts and each such counterpart will constitute an original document and, taken together, will constitute one and the same instrument.

21. In addition to the purchase price, the Buyer is liable for all applicable Goods and Services Tax ("GST"), Property Transfer Tax ("PTT"), Provincial Sales Tax ("PST") and any other applicable taxes, and without limitation. The Buyer will be liable for and shall pay all GST, PTT, PST and registration charges and transfer fees properly payable upon and in connection with the sale and transfer of the Property by the Receiver to the Buyer. On the completion date for the sale, the Buyer will provide the Receiver with a certificate signed by the Buyer or its officer confirming the Buyer's GST and PST registration numbers together with an undertaking to self-assess and remit any GST or PST payable in respect of the transaction and an indemnity in a form acceptable to the Receiver, and, in any event, the Buyer shall pay any GST, PST and/or PTT payable in respect of the purchase of the Property hereunder, and shall fully comply with the provisions of the federal Excise Tax Act, Provincial Sales Tax Act, and Property Transfer Tax Act. The Buyer shall obtain its own legal, accounting and other professional advice as to GST, PST, PTT and any other applicable taxes.

Witness

Buyer City of Vancouver by
its authorized signatory

D. MANNING & ASSOCIATES INC.
COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKINGS AND
PROPERTY OF AC NANAIMO INVESTMENT LIMITED PARTNERSHIP AND AC NANAIMO NOMINEE
LTD. (FORMERLY KNOWN AS ANSEN NANAIMO 26 DEVELOPMENT BARE TRUSTEE LTD.)
(not in its personal capacity)

Witness

Per:

Authorized Signatory