



Court File No. S-253889

Estate No. 11-254849

Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**NATIONAL BANK OF CANADA**

PETITIONER

AND

**RUPERT MEWS LIMITED PARTNERSHIP,  
RUPERT MEWS GP LTD. AND 1152846 B.C. LTD.**

RESPONDENT

**IN THE MATTER OF THE RECEIVERSHIP OF RUPERT MEWS LIMITED PARTNERSHIP,  
RUPERT MEWS GP LTD. AND 1152846 B.C. LTD.**

**FIRST REPORT OF THE RECEIVER**

October 5, 2026

**KPMG INC., IN ITS CAPACITY AS  
COURT-APPOINTED RECEIVER**

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# 1. ***INTRODUCTION AND PURPOSE OF REPORT***

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## **Introduction**

1. On June 19, 2025 (the “**Appointment Date**”), on the application of the National Bank of Canada (“**NBC**”), the Supreme Court of British Columbia (the “**Court**”) granted an order (the “**Receivership Order**”) pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 39 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253, as amended, appointing KPMG Inc. (“**KPMG**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and property of Rupert Mews Limited Partnership (“**Rupert Mews LP**”), Rupert Mews GP Ltd. (“**Rupert Mews GP**”), and 1152846 B.C. Ltd. (“**115 BC**” and together with Rupert Mews LP and Rupert Mews GP, the “**Companies**”).

## **Purpose of the Report**

2. This is the Receiver’s first report to the Court (the “**First Report**” or this “**Report**”) which has been prepared to provide the Court with:
  - a) a summary of the Receiver’s activities since the Appointment Date;
  - b) a summary of the sales process for the Properties and prevailing market conditions;
  - c) details of the proposed transaction (“**Proposed Transaction**”) contemplated by the purchase and sale agreement (“**PSA**”) entered into between the Receiver and Porte Acquisitions Corp. (the “**Purchaser**”);
  - d) the Receiver’s recommendations and information pertaining to the Receiver’s application seeking:
    - i. a sale approval and vesting order (the “**SAVO**”) approving the Proposed Transaction and authorizing the Receiver to take such steps as are necessary to complete the Proposed Transaction,
    - ii. a sealing order (the “**Sealing Order**”) temporarily sealing the Confidential Supplement of Receiver dated October 5, 2026 (the “**Confidential Supplement**”), that contains commercially sensitive information, such as:
      - i. the appraised value of the Properties;
      - ii. the offers received pursuant to the sales process; and,
      - iii. financial terms of the PSA, and
    - iii. a distribution and discharge order (the “**Distribution and Discharge Order**”) approving:

- i. the reported actions of the Receiver in administering the receivership proceedings;
- ii. the professional fees and disbursements of the Receiver and the Receiver's legal counsel, McCarthy Tétrault LLP ("**McCarthy**");
- iii. an increase in the Receiver's borrowing powers should the Proposed Transaction not close;
- iv. a distribution to NBC of any funds remaining in the Receiver's trust account after the payment of any costs and professional fees; and
- v. the discharge of the Receiver upon filing of a certificate (the "**Discharge Certificate**") by the Receiver confirming the completion of the Remaining Matters (as defined herein).

### **Terms of Reference**

- 3. All Court materials, orders and other materials filed in connection with these proceedings are available to creditors and other interested parties in electronic format on the Receiver's website established for the proceedings <https://kpmg.com/ca/en/services/advisory/deal-advisory/creditorlinks/rupert-mews-limited-partnership-et-al.html> (the "**Receiver's Website**").
- 4. In preparing this Report, the Receiver has been provided with, and has relied upon, unaudited financial information, available books and records, creditor information, account statements, and other information prepared by the Companies or provided by the Companies' representatives (collectively, the "**Information**").
- 5. The Receiver has reviewed the Information for reasonableness, internal consistency and its use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
- 6. The information contained in this Report is not intended to be relied upon by any prospective purchaser, investor, creditor or other stakeholder for any purpose other than these receivership proceedings.
- 7. Unless otherwise stated, all monetary amounts noted in this Report are expressed in Canadian dollars.

## ***2. BACKGROUND***

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- 8. 115 BC is the legal owner, and Rupert Mews LP is the beneficial owner, of five adjacent residential properties located in North Vancouver, British Columbia at:

- a) 1565 Rupert Street (the “**Vacant Unit**”);
  - b) 1571 Rupert Street;
  - c) 1581 Rupert Street;
  - d) 1585 Rupert Street; and
  - e) 1589 Rupert Street
- (together, the “**Properties**”).
9. Rupert Mews GP is the general partner of Rupert Mews LP. Rupert Mews GP does not hold any property, nor does it engage in any business other than as the general partner of Rupert Mews LP.
10. Rupert Mews LP has four limited partners: Danacan Holdings Inc. (“**Danacan**”), which holds a 50% interest; 1137951 B.C. Ltd. (“**113 BC**”), which holds a 40% interest; Tavankar Industries Ltd. (“**Tavankar**”), which holds a 5% interest; and D.M.S. Enterprises Ltd. (“**DMS**”, Danacan, 113 BC, Tavankar, and DMS are collectively referred to as, the “**Limited Partners**”), which holds a 5% interest.
11. 115 BC is the trustee under a bare trust agreement and holds legal title to the Properties on behalf of Rupert Mews LP. Rupert Mews LP is the beneficial owner of the Properties, and 115 BC does not hold any beneficial interest in the Properties other than in its capacity as bare trustee.

### **The Properties**

12. As at the Appointment Date, the Properties consisted of five residential homes: four tenanted properties (the “**Tenanted Units**”) and the Vacant Unit.
13. Each of the Tenanted Units is subject to a month-to-month residential lease that is governed by the *Residential Tenancy Act*.
14. The Vacant Unit was vacant at the Appointment Date. As further detailed below, the Vacant Unit is not in habitable condition and cannot be tenanted without the performance of extensive remediation work.
15. The Properties were originally intended to be redeveloped by the Companies into a multi-family development, which would require demolishing the existing buildings and completing new construction.
16. Prior to 2024, the Companies obtained a development permit for the Properties from the District of North Vancouver. However, the development permit lapsed in 2024 and has not been renewed.

### **The Limited Partnership Dispute**

17. On September 19, 2024, 113 BC filed a petition (the “**Limited Partner Petition**”), with the Court in proceedings No. S-246543 (Vancouver Registry) (the “**Limited Partner Action**”). The Limited Partner Petition sought, among other things, an order for the dissolution of Rupert Mews LP, an accounting to facilitate the settling of accounts between the Limited Partners, and the appointment of a receiver or receiver-manager of Rupert Mews LP.

18. Among other things, the Limited Partner Petition alleged: (i) numerous breaches of the partnership agreement between the Limited Partners; and, (ii) that, due to ongoing governance disputes, Rupert Mews LP was no longer capable of fulfilling its purpose of redeveloping and selling the Properties.
19. On November 18, 2024, Danacan and Tavankar filed a response to the Limited Partner Petition (the “**Response to Limited Partner Petition**”).
20. To the knowledge of the Receiver, there have been no material developments in the Limited Partner Action by mid-2025, when NBC sought the appointment of a receiver.

#### **The NBC Loan and Security**

21. NBC provided Rupert Mews LP and Rupert Mews GP with an uncommitted interim land loan in the amount of approximately \$9.3 million pursuant to a loan agreement dated October 8, 2020, as amended. The purpose of the loan was to provide acquisition financing for the Properties. The loan was initially required to be repaid within 12 months of the initial drawdown, but the Companies subsequently obtained multiple extensions, with the final extension requiring repayment by May 1, 2025.
22. After the Companies failed to repay the loan on May 1, 2025, NBC demanded repayment and issued notices pursuant to the BIA. As at May 12, 2025, NBC was owed approximately \$9.3 million, exclusive of interest, fees and expenses. NBC subsequently sought the appointment of a receiver.

### ***3. ACTIVITIES OF THE RECEIVER***

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23. On June 19, 2025, following its appointment, the Receiver attended the Properties, notified the tenants of the Tenanted Units of the receivership proceedings and inspected the Properties. While the Receiver did not take physical possession of the Tenanted Units, it secured the Vacant Unit.
24. Since its appointment, the Receiver has undertaken the following activities:
  - a) sent notices to financial institutions requesting that the Companies’ accounts be frozen but remain open for deposits only;
  - b) established the Receiver’s estate bank account;
  - c) confirmed that there was adequate insurance coverage in place and directed the insurance provider to add the Receiver as a named insured/loss payee;
  - d) reviewed bank statements and rental agreements;
  - e) arranged for mail redirection to the Receiver’s office;
  - f) prepared the Notice and Statement of the Receiver which was sent to the known creditors of the Companies as required by the BIA;

- g) liaised with Canada Revenue Agency, BC Hydro, the District of North Vancouver Property Tax Office, the Land Title Office and FortisBC to obtain and review outstanding assessments and balances;
- h) received and responded to numerous creditor and stakeholder inquiries throughout these receivership proceedings;
- i) circulated a request for proposals (“**RFP**”) to commercial realtors in the Vancouver area;
- j) engaged CBRE Limited (“**CBRE**”) to market and list the Properties in August 2025;
- k) engaged Birds Nest Properties (the “**Property Manager**”) on September 1, 2025 to manage the Properties and tenants;
- l) reviewed monthly reporting from the Property Manager and approved miscellaneous repairs and maintenance required for the Properties;
- m) communicated with CBRE regularly with respect to its marketing efforts and current market challenges; and
- n) negotiated with prospective purchasers with respect to the Properties.

### **The Properties and Tenants**

- 25. As at the Appointment Date, the Vacant Unit was not in habitable condition, and the Receiver took safety precautions to secure the Vacant Unit from unauthorized access, including boarding the exterior access points.
- 26. The Receiver also undertook certain testing for hazardous materials at the Vacant Unit to assess conditions and remediation requirements, if any. These conditions were disclosed to the Purchaser, and testing results were provided during the Purchaser’s due diligence period.
- 27. The Receiver has determined that the value of the Properties is maximized by their potential for redevelopment of the adjoining parcels into a multi-family development, rather than by selling each of the Properties individually. In addition, in the Receiver’s opinion, the remediation work required to render the Vacant Unit habitable exceeds the potential value that could be obtained for the Companies and their stakeholders by completing the remediation work and leasing the Vacant Unit. As a result, the Receiver did not undertake any remediation work on the Vacant Unit, nor has the Receiver attempted to rent the Vacant Unit.

### **Funding the Receivership Proceedings**

- 28. Rental income collected from the Tenanted Units during the receivership proceedings was used to fund a portion of the ongoing operating costs associated with the Properties, including taxes, property management fees, repairs and maintenance, utilities, insurance and other carrying costs.

29. The Vacant Unit incurred ongoing carrying costs throughout the receivership, including insurance and property management costs, without offsetting rental income.
30. The remaining costs for these proceedings, including the remaining portion of the operating costs associated with the Properties, have been funded through the use of the Receiver's borrowings.

#### ***4. SALES PROCESS AND PROPOSED TRANSACTION***

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##### **The Sales Process**

31. On June 27, 2025, the Receiver circulated an RFP to six commercial real estate brokerages in the Greater Vancouver area. The RFP sought information regarding qualifications and experience, valuation methodology, proposed listing price, commission structure, marketing strategy and anticipated timelines.
32. The Receiver received proposals from five commercial real estate brokerages. Following its review of the proposals, the Receiver selected CBRE as the listing broker due to CBRE's familiarity with the area and Properties along with their competitive sale timeline, list price and commission structure and entered into an exclusive sales listing agreement with CBRE dated August 11, 2025.
33. The Receiver also engaged CBRE's Valuation & Advisory Services group to prepare an independent appraisal (the "**CBRE Appraisal**") of the Properties. The CBRE Appraisal is attached as Appendix "A" to the Confidential Supplement.
34. Following its engagement, CBRE prepared marketing materials, created a data room, and commenced a marketing process for the Properties that was directed toward developers, investors and other prospective purchasers active in the Greater Vancouver development market. The Properties were listed for sale on September 9, 2025 at a list price of approximately \$12.8 million.
35. CBRE posted the listing on its website, launched an email marketing campaign to its qualified investor list of over 1,000 parties, promoted the listing on LinkedIn, and placed advertisements in the North Shore News, the Western Investor Newspaper and the BC Landlord publication, as well as persistent mobile banner ads on North Shore News and Business in Vancouver Real Estate.
36. CBRE provided the Receiver with routine updates throughout the marketing process regarding its marketing efforts, prospective purchaser interest, and general market conditions. CBRE advised that prospective purchasers were hesitant and/or unable to submit offers on the Properties due to market and development-related factors, including:
  - a) the lengthy development approval process in the District of North Vancouver;
  - b) softening rental-market conditions;
  - c) increased development costs; and
  - d) challenges obtaining equity financing for development projects.

37. With respect to the development approval process, the District of North Vancouver is currently developing an official community plan (the “OCP”) for the area where the Properties are located, which has caused some uncertainty with respect to obtaining further development permits and ensuring compliance with zoning requirements.
38. The OCP caused some uncertainty for potential purchasers of the Properties, with respect to the ability to redevelop the Properties into a multi-family development. The District of North Vancouver will also hold municipal elections in October 2026, which may cause additional development approval delays.
39. The Receiver also noted that there were at least three other residential construction projects near the Properties in various stages of development and/or leasing that impacted the sales process.
40. Between September 2025 to November 2025, CBRE communicated with 36 interested parties, 14 parties executed non-disclosure agreements, and 13 parties accessed the CBRE data room. However, no offers for the Properties were received.
41. In January 2026, given the limited interest from prospective purchasers, the Receiver, in consultation with CBRE, approved a list price reduction to \$11.6 million in an effort to attract additional market interest. However, the reduced list price did not generate any acceptable offers.
42. In or about April 2026, the Receiver instructed CBRE to re-engage with prospective purchasers who had previously expressed interest in the Properties to invite them to submit offers based on their own assessment of the Properties and prevailing market conditions. These efforts resulted in two letters of intent (“LOIs”). Copies of the LOIs are attached as Appendix “B” and Appendix “C” to the Confidential Supplement.

### **Proposed Transaction**

43. After a review of the LOIs and further negotiations, the Receiver entered into the PSA with the Purchaser on June 16, 2026, subject to a 90-day due diligence period and Court approval. A copy of the PSA with commercially sensitive information redacted is attached as Appendix “A” to this Report. An unredacted copy of the PSA is attached as Appendix “D” to the Confidential Supplement.
44. The Purchaser paid the initial deposit required under the PSA and undertook its due diligence. The Purchaser concluded its due diligence early, waiving its conditions on August 14, 2026 and paying the second deposit required under the PSA.
45. The Purchaser also opted to assign its interest in the PSA to Porte Homes (Rupert) Limited Partnership (“PHRLP”) on August 17, 2026. The Purchaser provided supporting documentation reflecting that Porte Industries Ltd. owns all the shares of Porte and holds all the units of PHRLP.
46. The Proposed Transaction remains subject only to Court approval.
47. The key terms of the PSA are summarized in the Confidential Supplement.

48. The Receiver is of the view that the Properties have been exposed to the market for a lengthy period of time (nearly one year), the market has been extensively canvassed by CBRE and the Proposed Transaction is indicative of fair market value.
49. Furthermore, NBC, as the principal secured creditor, is supportive of the Proposed Transaction.
50. Given the foregoing, the Receiver is seeking Court approval of the Proposed Transaction contemplated by the PSA.

### **Subsequent Interest**

51. On July 29, 2026, the Receiver received an email from Keyvan Danaei (“**Mr. Danaei**”) a director of Danacan, a former director and shareholder of Rupert Mews GP and a personal guarantor of the Companies’ debt to NBC, indicating an interest in submitting an offer for the Properties, inquiring about the sales procedures and if the Receiver had accepted an offer.
52. The Receiver responded to Mr. Danaei’s email advising that CBRE was the listing agent for the Properties and prospective purchasers are invited to submit offers through CBRE. The Receiver also confirmed that the Receiver was under contract and not in a position to enter into another contract at that time, but Mr. Danaei was welcome to submit an offer for the Receiver’s review and ultimately, any offer was subject to court approval.
53. On August 20, 2026, CBRE was contacted by Redpoint Law LLP (“**Redpoint**”) advising that Redpoint had been retained by a numbered company, of which Mr. Danaei is one of the principals, to assist with drafting an offer to purchase the Properties.
54. To date, the Receiver has not received an offer from Mr. Danaei or any party associated with Mr. Danaei.

## ***5. SEALING RELIEF***

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55. In the event the Proposed Transaction does not close, the Properties may be subject to further marketing, and the Receiver’s ability to obtain the highest and best possible price would be severely compromised if the contents of the Confidential Supplement (which contains confidential and commercially sensitive financial information relating to, among other things, the CBRE Appraisal, the LOIs, and the PSA) are made available on the Court record. Disclosure of the information contained in the Confidential Supplement would cause irreparable harm and prejudice to the creditors and other stakeholders of the Companies.
56. As a result, the Receiver seeks the Sealing Order, which would seal the contents of the Confidential Supplement, until the earlier of: (i) the Receiver filing its certificate confirming that the Proposed Transaction has closed; or (ii) further order of the Court. The Receiver considers the proposed Sealing

Order to be necessary and constitutes the least restrictive means possible to prevent disclosure of the confidential and commercially sensitive information in the Confidential Supplement, and that no reasonable alternative measures exist.

## ***6. RECEIVER'S BORROWINGS***

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57. Pursuant to the Receivership Order, the Receiver was authorized to borrow funds in an aggregate principal amount not exceeding \$250,000 (the “**Receiver’s Borrowings**”), on the terms and conditions set out therein.
58. As of the date of this Report, the Receiver has borrowed the full amount authorized under the Receiver’s Borrowings, being \$250,000. These funds have been used to, among other things:
- a) fund operating shortfalls associated with the Properties, which are generating insufficient rental income to cover ongoing expenses;
  - b) pay critical operating costs, including utilities, insurance, and property management fees; and,
  - c) fund professional fees and costs associated with the marketing process and administration of the estate.
59. While rental income generated from the Properties assisted in funding certain operating and carrying costs, such income has been insufficient to fully fund the administration of the receivership proceedings and the realization efforts undertaken by the Receiver.
60. Accordingly, the Receiver is seeking an order increasing the Receiver’s Borrowings, from \$250,000 to \$500,000, in the event that the Proposed Transaction does not close by October 30, 2026.
61. In the Receiver’s view, the proposed increase is reasonable and appropriate in the circumstances and will avoid cost and time associated with a further court application should the Proposed Transaction not close as the Receiver will be required to continue administering the receivership proceedings. The increase will ensure that the Receiver is able to meet critical payments, including outstanding and estimated professional fees required to administer the Receivership Proceedings and relaunch the marketing process.
62. In the event that the Proposed Transaction is approved by the Court and closes as expected, the Receiver does not anticipate requiring any funds to be drawn from the increased Receiver’s Borrowings. However, in the event the Proposed Transaction does not complete, the Receiver will not have sufficient funds to continue the administration of the estate and engage in the remarketing of the Properties.
63. NBC is supportive of the increase to the Receiver’s Borrowings and has agreed to fund the additional borrowings required by the Receiver, subject to the approval of this Court.
64. Additional information regarding the Receiver’s receipts, disbursements and borrowings is provided later in this Report.

## ***7. TRANSACTION REVIEW***

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65. Based on its review of the available books and records, nothing has come to the Receiver's attention that, in its view, warrants further investigation or the commencement of proceedings in respect of a potential preference or transfer at undervalue. Further, the Receiver is of the view that conducting additional investigations would not be a cost-effective or commercially reasonable use of the remaining estate resources.

## ***8. NBC CLAIM AND SECURITY***

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66. The outstanding balance of the NBC indebtedness as at May 12, 2025, was \$9,369,992.06 with interest and expenses, including legal costs, continuing to accrue.
67. McCarthy has reviewed the security documents provided by NBC's counsel and has provided a security opinion (the "**Security Opinion**") to the Receiver that, subject to the customary qualifications and assumptions, confirms NBC has valid and enforceable security interest/mortgages over the Properties.
68. The Receiver is unaware of any other creditors having a security interest in the Properties, by virtue of a security agreement, which would rank in priority to NBC.

## ***9. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS***

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### **Receipts and Disbursements - Cash Position as at September 30, 2026**

69. The Receiver's interim statement of receipts and disbursements (the "**Interim SRD**") for the period from June 19, 2025 to September 30, 2026 is summarized below.

| Rupert Mews Limited Partnership et al. - In Receivership |                 |
|----------------------------------------------------------|-----------------|
| Statement of Receipts and Disbursements ("SRD")          |                 |
| For the period June 19, 2025 to September 30, 2026       |                 |
|                                                          | Amount (CAD \$) |
| <b>Receipts</b>                                          |                 |
| Receiver's borrowing certificate                         | 250,000         |
| Rental income from properties                            | 139,060         |
| Interest                                                 | 1,984           |
| Total receipts                                           | 391,044         |
| <b>Disbursements</b>                                     |                 |
| Receiver's fees                                          | (131,374)       |
| Property taxes                                           | (77,287)        |
| Property management                                      | (52,815)        |
| Legal fees                                               | (48,152)        |
| Annual utility fees                                      | (16,018)        |
| Bank fees                                                | (18,895)        |
| GST/PST                                                  | (13,271)        |
| Insurance                                                | (7,317)         |
| OSB filing fees                                          | (252)           |
| Total disbursements                                      | (365,380)       |
| <b>Excess receipts over disbursements</b>                | <b>25,664</b>   |

**Notes:**

1. Property management includes property management fees, property repairs and maintenance and, property reserve funds of \$3,000.

## ***10. PROFESSIONAL FEES AND DISBURSEMENTS***

70. For the period from June 19, 2025 to August 31, 2025, the Receiver incurred and paid fees in the amount of \$131,373.56, (exclusive of taxes, that were paid by the Receiver). The Receiver has unpaid fees from September 1, 2025 to August 21, 2026 in the amount of \$161,408.75, and estimates costs to complete in the amount of approximately \$35,000 exclusive of taxes (the "**Receiver's Fees**").
71. For the period from June 19, 2025 to June 30, 2026, McCarthy incurred fees in the amount of \$48,152.06, exclusive of taxes, that were paid by the Receiver. McCarthy has unpaid fees to September 29, 2026 in the amount of \$31,602.50, exclusive of taxes, and estimates costs to complete in the amount of approximately \$8,000 exclusive of taxes (the "**McCarthy Fees**" and, together with the Receiver's Fees, the "**Professional Fees**"). A summary of the Professional Fees is set out below.

| Rupert Mews Limited Partnership et. al - In Receivership |                        |               |                |
|----------------------------------------------------------|------------------------|---------------|----------------|
| Summary of Professional Fees                             |                        |               |                |
| As at October 2, 2026                                    |                        |               |                |
| Service Period                                           | Fees and disbursements | Taxes         | Total Amount   |
| <b>KPMG Inc.</b>                                         |                        |               |                |
| <b>Paid fees</b>                                         |                        |               |                |
| June 19 - June 30, 2025                                  | 58,234                 | 2,912         | 61,145         |
| July 1 - August 31, 2025                                 | 73,140                 | 3,657         | 76,797         |
| Total Paid fees                                          | 131,374                | 6,569         | 137,942        |
| <b>Unpaid fees</b>                                       |                        |               |                |
| September 1 2025 to August 21, 2026                      | 126,409                | 6,346         | 132,754        |
| Estimated costs to complete                              | 35,000                 | 1,750         | 36,750         |
| Total Unpaid fees                                        | 161,409                | 8,096         | 169,504        |
| <b>Total Fees for KPMG Inc.</b>                          | <b>292,782</b>         | <b>14,664</b> | <b>307,447</b> |
| <b>McCarthy Tetrault LLP</b>                             |                        |               |                |
| <b>Paid fees</b>                                         |                        |               |                |
| June 19 - June 30, 2025                                  | 8,383                  | 1,006         | 9,389          |
| July 1 - July 31, 2025                                   | 4,109                  | 486           | 4,595          |
| August 1 - August 31, 2025                               | 1,944                  | 233           | 2,178          |
| September 1 - October 31, 2025                           | 439                    | 53            | 491            |
| November 1 - December 31, 2025                           | 73                     | 9             | 82             |
| January 1 - May 31, 2026                                 | 17,865                 | 2,127         | 19,992         |
| June 1 - June 30, 2026                                   | 15,338                 | 1,682         | 17,020         |
| Total Paid fees                                          | 48,152                 | 5,595         | 53,747         |
| <b>Unpaid fees</b>                                       |                        |               |                |
| July 1 - July 31, 2026                                   | 396                    | 48            | 444            |
| August 1 - August 31, 2026                               | 9,048                  | 1,086         | 10,134         |
| September 1 - September 29, 2026                         | 22,158                 | 2,659         | 24,816         |
| Estimated costs to complete                              | 8,000                  | 960           | 8,960          |
| Total Unpaid fees                                        | 39,602                 | 4,752         | 44,354         |
| <b>Total Fees for McCarthy Tetrault LLP</b>              | <b>87,754</b>          | <b>10,347</b> | <b>98,101</b>  |
| <b>Total Professional Fees</b>                           | <b>380,536</b>         | <b>25,011</b> | <b>405,547</b> |

72. The Receiver is seeking approval of the Professional Fees. Copies of the invoices, including detailed time entries, can be made available to the Court for inspection at the hearing of the application.

73. The Receiver is of the view that the Professional Fees have been incurred in a prudent and economical manner and are fair and reasonable given the activities of the Receiver to date as outlined in this Report.

## ***11. BOOKS AND RECORDS***

74. The Receiver has possession of certain books and records of the Companies obtained during the receivership proceedings.

75. The Receiver is seeking authorization to destroy the books and records of the Companies in its possession. The Receiver proposes to provide the former director(s) of the Companies with 30 days' notice of its intention to destroy the records unless retrieved by the former director(s) within that period.

## ***12. DISTRIBUTIONS AND DISCHARGE OF THE RECEIVER***

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### **Distributions**

76. The Receiver is not aware of any other claims that would rank ahead of NBC. As such, the Receiver seeks approval to distribute funds as follows:
- a. repayment of all Receiver's borrowings;
  - b. payment of the Professional Fees as detailed above; and
  - c. distribution of all the remaining funds to NBC.
77. The Purchase Price will not satisfy the entirety of the Indebtedness owing to NBC. As such, no other creditors will receive any recovery.
78. The Receiver has confirmed:
- a. no amounts are owing related to wages or unremitted payroll withholding, as the Companies have no employees; and
  - b. no assertion was received from the Canada Revenue Agency of a statutory priority claim for unpaid GST or HST under applicable tax legislation, nor any similar super priority claim from any other potential creditor of the Companies.

### **Discharge of the Receiver**

79. Once the Proposed Transaction has closed, the Receiver will have substantially completed the administration of the receivership proceedings with the exception of the following administrative matters (the "**Remaining Matters**"):
- a) preparing the final GST return and closing the Receiver's GST account;
  - b) making final distribution of remaining funds, preparing the final bank reconciliations, and closing the Receiver's bank account;
  - c) preparing and issuing the Receiver's final report pursuant to subsection 246(3) of the BIA;
  - d) any other matters incidental to the wind up of the administration of the receivership; and
  - e) filing the Receiver's Discharge Certificate.
80. Upon completion of the Remaining Matters, the Receiver will have completed its statutory duties and the duties imposed by the Receivership Order and any subsequent orders of the Court. Accordingly, the Receiver seeks an order discharging KPMG as Receiver, effective upon the filing of the Receiver's Discharge Certificate certifying that the Remaining Matters have been completed.
81. The Receiver seeks an order releasing KPMG, effective upon its discharge, from any liability arising by reason of or in connection with its appointment or the performance of its duties as Receiver, save and except for any liability arising from gross negligence or wilful misconduct.

### ***13. RECEIVER'S RECOMMENDATIONS***

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82. The Receiver respectfully requests and recommends that this Court grant the relief set out in this Report and seeks a Court order granting the following:

- a) approval of the Receiver's activities in the administration of this receivership as set out in this Report;
- b) approval of the Proposed Transaction and the granting of the SAVO;
- c) approval to seal the Confidential Supplement until the earlier of the closing of the Proposed Transaction and further order of this Court;
- d) approval of an increase in the Receiver's borrowing authority from \$250,000 to \$500,000;
- e) approval of the Professional Fees;
- f) authorizing and directing the Receiver to destroy the Companies' books and records no earlier than 30 days after giving notice to the former director(s) of the Companies unless records are retrieved, subject to preserving such records as required by statute or agreement;
- g) approval of the Receiver's proposed distribution of funds; and
- h) discharging the Receiver, effective upon the filing of the Receiver's Discharge Certificate confirming completion of the Remaining Matters.

This Report is respectfully submitted this 5th day of October, 2026.

**KPMG INC.,  
In its capacity as Court-appointed Receiver of Rupert Mews Limited Partnership,  
Rupert Mews GP Ltd. and 1152846 B.C. LTD.  
and not in its personal or corporate capacity**

Per:  \_\_\_\_\_

Huey Lee CPA, CIRP, LIT  
Senior Vice President

## **Appendix “A”**

**RUPERT MEWS  
PURCHASE AND SALE AGREEMENT**

**BETWEEN**

**KPMG INC.,  
in its capacity as court-appointed receiver of the assets, undertakings and property of  
RUPERT MEWS LIMITED PARTNERSHIP, RUPERT MEWS GP LTD., and 1152846 B.C.  
LTD.**

**AND**

**PORTE ACQUISITIONS CORP.**

**as Purchaser**

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## PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is dated as of June 16, 2026.

### BETWEEN:

**KPMG INC.**, in its capacity as court-appointed receiver of the assets, undertakings and property of **RUPERT MEWS LIMITED PARTNERSHIP, RUPERT MEWS GP LTD.**, and **1152846 B.C. LTD.**

(the “**Vendor**”)

### AND:

**PORTE ACQUISITIONS CORP.**

(the “**Purchaser**”)

### WHEREAS:

- A. KPMG Inc. was appointed court-appointed receiver and manager of the assets, undertakings and property of Rupert Mews Limited Partnership, Rupert Mews GP Ltd. and 1152846 B.C. Ltd., pursuant to an order pronounced by the Supreme Court of British Columbia (the “**Court**”) on June 19, 2025 in action number S-253889, Vancouver Registry (the “**Receivership Proceeding**”), and in such capacity has the authority to market and sell the Purchased Property subject to approval of the Court in the Receivership Proceeding; and
- B. The Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Purchased Property upon the terms and conditions herein contained.

**THEREFORE** in consideration of \$1.00 paid by each party to the other and of the covenants and agreements contained in this Agreement (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

## ARTICLE 1 INTERPRETATION

- 1.1 **Definitions.** In this Agreement, the following terms have the following meanings:

“**Beneficial Interest**” means the 100% beneficial interest in the Lands;

“**Beneficial Owner**” means Rupert Mews Limited Partnership;

“**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday (as defined in the *Employment Standards Act* (British Columbia)) in British Columbia;

“**District**” means District of North Vancouver;

“**Court**” has the meaning ascribed in Recital A;

**“Completion Date”** means that day which is 45 days after the satisfaction or waiver of all conditions precedent set out in Section 6.1;

**“Debtors”** means Rupert Mews Limited Partnership, Rupert Mews GP Ltd., and 1152846 B.C. Ltd.;

**“Delivery Materials”** means all information and material delivered to the Purchaser pursuant to Section 4.1(a);

**“Deposit”** means the amounts paid by the Purchaser pursuant to Sections 2.3(a) and 2.3(b);

**“Encumbrance”** means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, pledge, hypothecation, security interest, judgment, easement, right of way, encroachment, restrictive or statutory covenant, *profit à prendre*, right of re-entry, lease, licence, assignment, option or claim, or right of any kind or nature whatsoever which constitutes or becomes by operation of law or otherwise such a legal notation, charge, lien, interest or other encumbrance or title defect;

**“Governmental Authority”** means any federal, provincial, regional, municipal or local government, government authority, office or official having jurisdiction or other political subdivision of any of them, or any entity, authority, agency or court or person exercising executive, legislative, judicial, regulatory or administrative functions on behalf of any such government, government authority, office or official having jurisdiction or other political subdivision thereof;

**“GST”** has the meaning set out in Section 9.6;

**“GST Certificate”** has the meaning set out in Section 9.6;

**“Lands”** means that real property legally described in Schedule A, together with all buildings, improvements and fixtures thereon and all rights and benefits appurtenant thereto;

**“Leases”** means all agreements, whether written or oral, partly written and partly oral, pursuant to which any Person has any interest in the Lands in the nature of a tenancy or a right to occupy premises, including any modification, extension or renewal thereof, and including all guarantees, indemnities and other security in respect thereof (whether included in such agreements or in documents executed pursuant to, supplemental to or in connection with such agreements), and **“Lease”** means any of such Leases (for greater certainty, any new lease agreement which is entered into after the date of this Agreement will become, effective as of the date it is so entered into, a **“Lease”** for all purposes under this Agreement);

**“LTO”** means the Vancouver Land Title Office;

**“Nominee”** means 1152846 B.C. Ltd.;

**“Permitted Encumbrances”** means the Encumbrances listed in Schedule A attached hereto and the Leases;

**“Person”** includes any individual, corporation, body corporate, partnership, joint venture, trust, estate, unincorporated association or Governmental Authority however designated or constituted;

**“Purchase Price”** means the amount set out in Section 2.2;

**“Purchased Property”** means the Lands, the Leases and all other rights and benefits to be granted or transferred to the Purchaser under this Agreement;

**“Purchaser’s Solicitors”** means Beechinor Baker Hall;

**“Receivership Proceeding”** has the meaning ascribed in Recital A;

**“Tenants”** means all persons holding an interest in the Lands pursuant to the Leases, and **“Tenant”** means any of such Tenants;

**“Vendor’s Solicitors”** means the Vancouver office of McCarthy Tétrault LLP; and

**“Vesting Order”** has the meaning set out in 1(a) of Schedule B.

1.2 **General Principles.** For the purposes of this Agreement:

- (a) “this Agreement” means this Agreement, including the Schedules hereto, as the same may be supplemented or amended and in effect from time to time;
- (b) any reference in this Agreement to an Article, Section or Schedule is a reference to the appropriate Article, Section or Schedule in or to this Agreement;
- (c) if any provision of this Agreement or any part hereof is found or determined to be invalid, then it will be severable and severed from this Agreement and the remainder of this Agreement will be construed as if such invalid provision or part had been deleted from this Agreement;
- (d) the headings used in and the organization of this Agreement are solely for convenience of reference and will not in any way affect, limit, amplify or modify the terms hereof and will not be construed in any way to be part of this Agreement in the interpretation hereof;
- (e) the words “herein”, “hereof” and “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or Schedule hereof;
- (f) the word “including”, when following any general statement, term or matter, will not be construed to limit such general statement, term or matter to the specific items or matters set out immediately following such word or to similar items or matters, but will be construed to refer to all other items or matters that could reasonably fall within the scope of such general statement, term or matter,

whether or not non-limiting language (such as “without limitation”, “but not limited to” or words of similar import) is used with reference thereto;

- (g) words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural, and *vice versa*;
- (h) any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statutes or any regulations that may be passed which have the effect of supplementing or superseding such statutes or regulations; and
- (i) all references to monetary amounts in this Agreement are references to Canadian dollars.

1.3 **Schedules.** The following are the Schedules to this Agreement, each of which is an integral part hereof:

- Schedule A - Lands and Permitted Encumbrances
- Schedule B - Additional Clauses

## **ARTICLE 2**

### **PURCHASE AND SALE, PURCHASE PRICE AND PAYMENT**

- 2.1 **Purchase and Sale.** The Purchaser hereby agrees to purchase the Purchased Property from the Vendor on the terms and conditions set out herein and the Vendor agrees to sell the Purchased Property to the Purchaser on the terms and conditions set out herein.
- 2.2 **Purchase Price.** Subject to Section 5(c)(ii)B of Schedule B, the Purchase Price for the Purchased Property will be [REDACTED]. The parties agree to use reasonable efforts to agree prior to the Completion Date on an allocation of the Purchase Price among the Purchased Property. However, the parties understand and agree that failure to agree on such an allocation prior to the Completion Date will not render this Agreement unenforceable or result in a termination of this Agreement.
- 2.3 **Payment of Purchase Price.** The Purchase Price for the Purchased Property will be paid as follows:
  - (a) as to [REDACTED] by payment of such amount by the Purchaser to the Vendor's Solicitors, in trust, within three Business Days after the execution and delivery of this Agreement by both parties;
  - (b) as to [REDACTED] by payment of such amount by the Purchaser to the Vendor's Solicitors, in trust, within three Business Days after the satisfaction or waiver of all conditions precedent set out in Section 6.1; and
  - (c) as to the balance of the Purchase Price (subject to the adjustments made pursuant to Section 3.3 and addition, if any, pursuant to Section 5(c)(ii)B of

Schedule B), by payment of such amount by the Purchaser to the Vendor pursuant to Article 8.

- 2.4 **Investment of Deposit.** The Deposit will be invested by the Vendor's Solicitors in an interest-bearing trust account or certificate of deposit, with interest for the account of the Purchaser unless the Deposit and interest is paid to the Vendor pursuant to Section 2.5(a)(ii).
- 2.5 **Application of Deposit.** The amount paid at any time on account of the Deposit will be:
- (a) paid to the Vendor:
    - (i) on the Completion Date on account of the Purchase Price, if the Vendor and the Purchaser complete the sale and purchase of the Purchased Property on the Completion Date; or
    - (ii) together with interest earned thereon, upon the default of the Purchaser in completing the purchase of the Purchased Property on the Completion Date (after all of the conditions precedent set out in Section 6.1 have been satisfied or waived and the Court has made the Vesting Order), unless such default is waived in writing by the Vendor, and such amount so paid to the Vendor will be absolutely forfeited to the Vendor as liquidated damages as the Vendor's sole and exclusive remedy and this Agreement will terminate forthwith upon such payment being made; or
  - (b) paid to the Purchaser (less the \$1.00 paid by the Purchaser to the Vendor pursuant to Section 6.1):
    - (i) if the Purchaser does not notify the Vendor of the satisfaction or waiver of all of the conditions precedent set out in Section 6.1 in the manner and within the applicable times provided therein; or
    - (ii) upon the default of the Vendor without prejudice to any other right or remedy of the Purchaser, if the Vendor is in default of its obligation to complete the sale of the Purchased Property hereunder, unless such default is waived in writing by the Purchaser or the Purchaser has elected to complete the purchase of the Purchased Property without prejudice to any other right or remedy of the Purchaser.

### **ARTICLE 3 COMPLETION, POSSESSION AND ADJUSTMENTS**

- 3.1 **Completion.** The completion of the purchase and sale of the Purchased Property contemplated by this Agreement will occur on the Completion Date or such other date as may be agreed in writing by the Vendor and the Purchaser.
- 3.2 **Possession.** Subject to Section 1(c) of Schedule B, the Vendor will deliver to the Purchaser possession of the Purchased Property free from all Encumbrances other than the Permitted Encumbrances immediately upon completion of the sale and purchase of the Purchased Property.

### 3.3 Adjustments.

- (a) **Adjustment Date.** Adjustments for the Purchased Property will be made as of the Completion Date and the payment due pursuant to Section 2.3(c) will be adjusted accordingly. Except as otherwise provided in this Agreement, the Vendor will be responsible for all expenses and will be entitled to all revenues accrued with respect to the Purchased Property for the period ending on the day before the Completion Date and, for the period from and including the Completion Date, the Purchaser will be responsible for all expenses and will be entitled to all revenues accruing with respect to the Purchased Property.
- (b) **Adjustment Items.** The adjustments will include all items normally adjusted between a vendor and purchaser in respect of the sale of property similar to the Lands, provided that adjustments in respect of rents and security deposits will be made only to the extent such rents or security deposits have been actually received by the Vendor. For greater certainty, no adjustment will be made in favour of the Purchaser or the Vendor in respect of any rents, security deposits or other amounts relating to the Lands that have not been actually received by the Vendor. Any adjustment in respect of rents actually received by the Vendor through its property manager will be based on the net amount received by the Vendor after deduction of the property manager's management fees and maintenance costs. Any adjustment in respect of security deposits will apply only to security deposits actually held by the Vendor as of the Completion Date.
- (c) **Statement of Adjustments.** A statement of adjustments will be delivered to the Purchaser by the Vendor at least five Business Days prior to the Completion Date and will have annexed to it details of the calculations used to arrive at all debits and credits on such statement of adjustments. The Vendor will give the Purchaser and its representatives reasonable access to all working papers and back-up materials in order to verify such statement of adjustments.
- (d) **No Readjustment.** If the final cost or amount of an item which is to be adjusted has not been determined as of the Completion Date, then an estimate for such item will be made as of the Completion Date, such amount to be estimated by the Vendor and agreed to by the Purchaser, each acting reasonably, as of the Completion Date on the basis of the best evidence available at the Completion Date as to what the final cost or amount of such item will be, and that estimate will be final, conclusive and binding on the parties for purposes of the statement of adjustments, with no subsequent readjustment or further adjustment after the Completion Date.
- (e) **Tenant Receivables.** Any rental arrears and accounts receivable and any other claims against a Tenant payable or accrued prior to the Completion Date and unpaid on the Completion Date (the "**Tenant Receivables**") will remain the property of the Vendor and there will be no adjustment in favour of the Vendor on the statement of adjustments for such amounts. After the Completion Date, the Purchaser will use reasonable commercial efforts to recover the Tenant Receivables from the Tenants, provided that: (i) the Purchaser will not be required to take any action to recover the Tenant Receivables that would threaten any Tenant's right to possession of its premises or constitute a distraint against its personal property at its premises; (ii) the Purchaser will not be

required to expend its own money or to commence litigation; and (iii) the Purchaser's obligation to pursue the Tenant Receivables on behalf of the Vendor will only continue while any Tenant that owes Tenant Receivables remains in occupancy of its premises. Any amount of rent received or collected by the Purchaser after the Completion Date from a Tenant that owes Tenant Receivables to the Vendor will be credited, first, to current month's rent, second, to any arrears of rent owing to the Purchaser and accruing from and after the Completion Date, and third, to any Tenant Receivables owed to the Vendor. Nothing herein prevents the Vendor from bringing an action against a Tenant for a Tenant Receivable, provided that such action does not seek to dispossess the Tenant from its premises. The Purchaser will co-operate fully with the Vendor in connection with any such action.

#### **ARTICLE 4 VENDOR'S COVENANTS**

- 4.1 **Vendor's Covenants.** The Vendor covenants and agrees with the Purchaser that the Vendor will:
- (a) deliver to the Purchaser at its address herein on or before that day which is three Business Days after the execution and delivery of this Agreement by both parties:
    - (i) the originals or true and complete copies of the Leases;
    - (ii) the originals or true and complete copies of all plans, drawings and specifications of the Lands; and
    - (iii) the originals or true and complete copies of all third party studies, tests, surveys, investigations, reports (including engineering, geotechnical and environmental reports), plans, specifications, drawings, applications, permits and other information concerning the Lands, but not including any appraisals of the Lands;
- provided the Vendor will only be required to deliver any of the foregoing to the Purchaser if it is in the Vendor's possession or control;
- (b) subject to the overriding provisions of Section 9.15 hereof, permit and enable the Purchaser and its agents, representatives and consultants to make such copies of the material referred to in Sections 4.1(a) as the Purchaser may require in connection with its due diligence review of the Purchased Property;
  - (c) execute, or cause to be executed, and return to the Purchaser or the Purchaser's Solicitors as soon as is reasonably possible all consents or letters of authority which it may be necessary for the Vendor, the Beneficial Owner or the Nominee, or any director, officer or shareholder of any of them, to execute in order for the Purchaser to conduct such due diligence searches with respect to the purchase of the Purchased Property as it determines to be necessary; and
  - (d) forward immediately to the Purchaser any search results from government offices which are directed to the Vendor, the Beneficial Owner or the Nominee in

response to any due diligence inquiries made by or at the request of the Purchaser.

## **ARTICLE 5**

### **PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

- 5.1 **Purchaser's Representations and Warranties.** The Purchaser hereby represents and warrants as representations and warranties that are true as of the date hereof and will be true at the Completion Date as follows:
- (a) the Purchaser validly exists and is duly qualified to purchase and own the Purchased Property and has full power, authority and capacity to enter into this Agreement and carry out the transaction contemplated herein;
  - (b) there is no action or proceeding pending or to the Purchaser's knowledge, threatened against the Purchaser before any court, arbiter, arbitration panel, administrative tribunal or agency which, if decided adversely to the Purchaser, might materially affect the Purchaser's ability to perform the Purchaser's obligations hereunder; and
  - (c) neither the Purchaser's entering into this Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Purchaser is bound or subject.
- 5.2 **Purchaser's Covenants.** The Purchaser covenants and agrees with the Vendor that the Purchaser will:
- (a) keep the Delivery Materials in confidence pursuant to Section 9.15; and
  - (b) return all copies of the Delivery Materials to the Vendor in the event that the purchase and sale of the Purchased Property contemplated herein is not completed for any reason other than the default of the Vendor.
- 5.3 **Site Profile.** The Purchaser hereby waives any requirement for the Vendor to provide to the Purchaser a "site profile" for the Lands under the *Environmental Management Act* (British Columbia) or any regulation in respect thereto.

## **ARTICLE 6**

### **CONDITIONS PRECEDENT**

- 6.1 **Purchaser's Conditions Precedent.** The obligation of the Purchaser to complete the purchase of the Purchased Property on the Completion Date is subject to each of the following conditions precedent having been waived by the Purchaser in writing or satisfied by the Purchaser, on or before the applicable time and date set out below:
- (a) on or before 5:00 p.m. (Vancouver time) on that day which is 90 days after the execution of this Agreement by both parties, the Purchaser will have conducted all of its due diligence searches with respect to the Purchased Property and its review of the Delivery Materials and, without limiting any of its rights or remedies under this Agreement, have satisfied itself, in its sole discretion, as to all matters

related to the Purchased Property and the transactions contemplated hereby, including all matters related to the projected revenues and expenses, the Leases and other relevant contracts, the geotechnical, engineering and environmental condition of the Lands and the title to the Lands;

- (b) on or before 5:00 p.m. (Vancouver time) on that day which is 90 days after the execution of this Agreement by both parties, the Purchaser will have completed and been satisfied with, in its sole discretion, its ability to develop the Lands in accordance with the Purchaser's intended use; and
- (c) on or before 5:00 p.m. (Vancouver time) on that day which is 90 days after the execution of this Agreement by both parties, the Purchaser will have been satisfied with, in its sole discretion, its ability to obtain financing on terms satisfactory to the Purchaser.

In consideration of \$1.00 non-refundable paid by the Purchaser to the Vendor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Vendor, the Vendor agrees not to revoke its acceptance of the Purchaser's offer herein while this Agreement remains subject to the foregoing conditions precedent. The parties agree that this Agreement will become an unconditional contract for the sale and purchase of the Purchased Property forthwith upon the satisfaction or waiver of the foregoing conditions precedent. For greater certainty, the Purchaser acknowledges and agrees that the \$1.00 paid to the Vendor pursuant to this paragraph is the absolute property of the Vendor and in no event will the \$1.00 be returnable to or paid to the Purchaser.

- 6.2 **Waiver and Satisfaction.** The conditions precedent set out in Section 6.1 are for the Purchaser's sole benefit and each may be waived unilaterally by the Purchaser, at the Purchaser's election. None of these conditions precedent will be considered satisfied unless the Purchaser confirms to the Vendor in writing that such condition has been satisfied. If the Purchaser does not give the Vendor notice of the satisfaction or waiver of each of the conditions precedent in Section 6.1 within the times therein provided, then the Purchaser's obligation to purchase, and the Vendor's obligation to sell, the Purchased Property pursuant to this Agreement will be at an end and the Deposit and all interest accrued on it will be returned immediately to the Purchaser.

## **ARTICLE 7 PREPARATION OF CLOSING DOCUMENTS**

- 7.1 **Delivery of Closing Documents by the Vendor.** Subject to the terms of the Vesting Order, on or before the Completion Date, the Vendor will cause the Vendor's Solicitors to deliver to the Purchaser's Solicitors the following items, duly executed by the Vendor and all other Persons (other than the Purchaser) as appropriate and in registrable form wherever appropriate, to be dealt with pursuant to Article 8:

### **Documents Transferring Lands:**

- (a) an agreement pursuant to which the Vendor transfers to the Purchaser the Beneficial Owner's Beneficial Interest in the Lands, subject only to the Permitted Encumbrances;

- (b) a certified copy of the Vesting Order, issued by the Court, vesting title to the Lands in the Purchaser (or as otherwise directed by the Purchaser), subject only to the Permitted Encumbrances;
- (c) an agreement pursuant to which the Vendor assigns to the Purchaser and the Purchaser assumes the Beneficial Owner and/or the Nominee's interest in the Leases and all deposits, guarantees, indemnities and other security in respect of them;
- (d) directions to all Tenants of the Lands directing the Tenants to pay future rentals to or as directed by the Purchaser;

**Other Documents:**

- (e) a statement of adjustments prepared in accordance with Section 3.3; and
- (f) such further documentation relating to the completion of the transaction contemplated herein as the Purchaser may reasonably require.

**7.2 Delivery of Closing Documents by Purchaser.** On or before the Completion Date, the Purchaser will cause the Purchaser's Solicitors to deliver to the Vendor's Solicitors the following documents, duly executed by the Purchaser, to be dealt with pursuant to Article 8:

- (a) any documents contemplated by Section 7.1 which require execution or delivery by the Purchaser;
- (b) the GST Certificate; and
- (c) such further documentation relating to the completion of the transactions contemplated herein as the Vendor may reasonably require.

**7.3 Preparation of Closing Documents.** Except for the statement of adjustments, which will be prepared by the Vendor pursuant to Section 3.3, the closing documents contemplated in Sections 7.1 and 7.2 will be prepared by the Purchaser's Solicitors for approval by the Vendor's Solicitors, acting reasonably, and delivered to the Vendor's Solicitors by the Purchaser's Solicitors at least two Business Days prior to the Completion Date. All documents referred to in Sections 7.1 and 7.2 will be in form and substance reasonably satisfactory to the solicitors for the party entitled to delivery thereof.

## **ARTICLE 8 CLOSING PROCEDURE**

**8.1 Payment in Trust.** On or before the Completion Date, the Purchaser will pay to the Purchaser's Solicitors in trust the amount due to the Vendor pursuant to Section 2.3(c), as adjusted pursuant to Section 3.3, less the amount to be advanced to the Purchaser on the Completion Date under any mortgage financing arranged by the Purchaser in connection with its purchase of the Purchased Property.

8.2 **Registration.** Forthwith following the payment in Section 8.1 and after receipt by the Purchaser's Solicitors of the documents referred to in Section 7.1 and after receipt by the Vendor's Solicitors of the documents referred to in Section 7.2, the Purchaser will cause the Purchaser's Solicitors (or any other applicable solicitors) to file in the LTO on the Completion Date the Vesting Order and any security documents applicable to any mortgage financing arranged by the Purchaser in connection with its purchase of the Purchased Property.

8.3 **Closing.** Forthwith following the filings referred to in Section 8.2 and upon the Purchaser's Solicitors being satisfied as to the title to the Lands after conducting a post filing for registration check of the property index for the Lands disclosing only the following:

- (a) the existing title number(s) to the Lands;
- (b) the Permitted Encumbrances;
- (c) the pending numbers assigned to the instruments referred to in Section 8.2; and
- (d) any other charges granted by the Purchaser against the Lands,

the Purchaser will cause the Purchaser's Solicitors, forthwith upon receipt by them of the proceeds of any mortgage financing arranged by the Purchaser in connection with its purchase of the Purchased Property, to make available (at the offices of the Purchaser's Solicitors) to the Vendor's Solicitors on the Completion Date a wire transfer or trust cheque payable to the Vendor's Solicitors for the amount due to the Vendor pursuant to Section 2.3(c), as adjusted pursuant to Section 3.3, and concurrently therewith the Purchaser's Solicitors will be entitled to release the documents referred to in Section 7.1 to the Purchaser, the Vendor's Solicitors will be entitled to release the documents referred to in Section 7.2 to the Vendor and the Vendor's Solicitors will be entitled to release to the Purchaser all interest earned on the Deposit (unless such interest has been adjusted for on the statement of adjustments executed pursuant to Section 7.1, in which event the interest will be paid to the Vendor).

8.4 **Concurrent Requirements.** It is a condition of this Agreement that all requirements of Sections 8.1 to 8.3 are concurrent requirements and it is specifically agreed that nothing will be completed on the Completion Date until everything that is required to be paid, executed and delivered in connection with the closing of the purchase and sale of the Purchased Property pursuant to this Agreement has been so paid, executed and delivered and until the Purchaser's Solicitors have satisfied themselves as to title pursuant to Section 8.3.

8.5 **Discharge of Encumbrances by Vesting Order.** The parties acknowledge and agree that the Vesting Order shall vest title to the Lands in the Purchaser free and clear of all Encumbrances other than the Permitted Encumbrances. Accordingly, the Vendor will have no obligation to obtain or register discharges, releases or other instruments in respect of any Encumbrances that are to be removed from title pursuant to the Vesting Order, and the Purchaser shall complete the transaction on that basis.

8.6 **Closing Deliveries.** To the extent that the Vendor has not already delivered such items to the Purchaser and to the extent that such items are within the possession or control of

the Vendor, the Vendor will, or will cause its property manager to, deliver to the Purchaser within three Business Days after the Completion Date, the items listed below:

- (a) originally executed copies of the Leases;
- (b) all keys and like devices for the Lands;
- (c) all files, manuals, plans and other relevant documents in the possession or control of the Vendor pertaining to the Lands and reasonably required by the Purchaser for the future continuous operation of the Lands;
- (d) all instructions, manuals, plans and other documents associated with any of the improvements on the Lands; and
- (e) the originals of the documents referred to in Sections 4.1(a).

## **ARTICLE 9 MISCELLANEOUS**

- 9.1 **Time.** Time will be of the essence of this Agreement and will remain of the essence notwithstanding the extension of any of the dates hereunder.
- 9.2 **Business Day.** If the date for the performance of any act or thing falls on a day other than a Business Day, then the date for the performance of such act or thing will be extended to the next Business Day.
- 9.3 **No Waiver.** No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as may be limited herein, either party may, in its sole discretion, exercise any and all rights, powers and remedies available to it under this Agreement or otherwise and such rights, powers and remedies may be exercised concurrently or individually without the necessity of making any election.
- 9.4 **Tender.** It is agreed that any tender of documents or money may be made upon the respective solicitors for the parties and that it will be sufficient to tender a solicitor's trust cheque rather than cash. Notwithstanding the foregoing or any other provision of this Agreement, the parties agree that the Purchaser may cause the Purchaser's Solicitors to wire transfer any amount to be paid pursuant to Section 8.3 to the trust account of the Vendor's Solicitors and will make all commercially reasonable efforts to ensure that such amount will be transferred to and received by the Vendor's Solicitors on or before 5:00 p.m. (Vancouver time) on the Completion Date. If the Purchaser's Solicitors have initiated such wire transfer prior to the time and date set out above and provide evidence thereof to the Vendor's Solicitors, but for any reason out of the control of the Purchaser (which, for greater certainty, will not include any event which is a default by the Purchaser under this Agreement) such amount is not received by the Vendor's Solicitors on or before the time and date set out above, then the time and date on which such payment must be received by the Vendor's Solicitors will be extended to 5:00 p.m. (Vancouver time) on the next Business Day following the Completion Date so long as, in addition to such amount, the Purchaser also pays to the Vendor or the Vendor's

Solicitors on such next Business Day following the Completion Date interest on such amount, at a rate equal to the Prime Rate plus two percent per annum, for each day from and including the Completion Date to but not including the day such payment is made. “**Prime Rate**”, as used herein, means that variable annual rate of interest quoted by the main branch of Royal Bank of Canada, Vancouver, British Columbia, from time to time as the rate of interest used by it as a reference rate for setting rates of interest on Canadian dollar loans in Canada repayable on demand and commonly referred to by such Bank as its “**prime rate**”.

- 9.5 **Fees and Expenses.** Each party will pay its own legal fees. The Purchaser will be responsible for all registration fees payable in connection with the registration of any documents registered in connection with the completion of the sale and purchase of the Purchased Property and for any GST and property transfer tax payable in connection with the Purchaser's acquisition of the Purchased Property.
- 9.6 **Goods and Services Tax.** On or before the Completion Date, the Purchaser will provide the Vendor with a certificate (the “**GST Certificate**”) stating that the Purchaser is registered with Canada Revenue Agency or any successor thereto for the purposes of goods and services tax (“**GST**”) and setting out its GST registration number, failing which the Purchaser will pay to the Vendor the GST applicable to the purchase and sale of the Purchased Property on the Completion Date.
- 9.7 **Commission.**
- (a) Subject to Section 9.7(b) below and Section 1(g) of Schedule B, the Vendor will be solely responsible for all real estate broker fees or commissions payable in respect of the purchase and sale of the Purchased Property pursuant to this Agreement.
  - (b) Each of the Vendor and the Purchaser acknowledges, represents and agrees to and with the other that:
    - (i) it has dealt with no broker in regard to the transaction contemplated by this Agreement other than CBRE Limited; and
    - (ii) it will indemnify, defend and hold harmless the other as a result of any claim arising out of the acts of the indemnifying party for any commission, finder's fee or similar compensation made by any broker, other than CBRE Limited in regard to the transactions contemplated by this Agreement.
- 9.8 **Entire Agreement.** This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the parties with respect to matters herein and there are no oral or written agreements, promises, warranties, terms, conditions, representations or collateral agreements whatsoever, express or implied, other than those contained in this Agreement.
- 9.9 **Survival.** All representations, warranties, promises, agreements and indemnities made by the parties in this Agreement will survive the Completion Date and the transfer of the Purchased Property to the Purchaser for a period of one year.

- 9.10 **Amendment.** This Agreement may be altered or amended only by an agreement in writing signed by the parties hereto.
- 9.11 **Further Assurances.** The Vendor and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to carry out effectively or better evidence or perfect the full intent and meaning of this Agreement.
- 9.12 **Notices.** Any demand or notice which may be given pursuant to this Agreement will be in writing and delivered, transmitted by electronic mail or sent by postage prepaid mail and addressed to the parties as follows:

To the Purchaser:

Porte Acquisitions Corp.  
500 – 1308 Adanac Street  
Vancouver, B.C. V5L 0C6

Attention: Joelle D. Wendt, CFA, Vice President, Acquisitions  
Email: joelle@porte.ca

with a copy to:

Beechinor Baker Hall  
Barristers and Solicitors  
300 - 1681 Chestnut Street  
Vancouver BC V6J 4M6

Attention: Thomas J. Beechinor  
Email: beech@bbh.bc.ca

To the Vendor:

KPMG INC.  
777 Dunsmuir Street  
Vancouver, BC V7Y 1K3

Attention: Huey Lee/Julie Kennedy  
Email: hueylee@kpmg.ca and juliekennedy@kpmg.ca

with a copy to:

McCarthy Tétrault LLP  
Barristers and Solicitors  
2400 – 745 Thurlow Street  
Vancouver, British Columbia  
V6E 0C5

Attention: Craig Shirreff  
Email: CShirreff@mccarthy.ca

or at such other address or electronic mail address as either party may specify in writing to the other. The time of giving and receiving any such notice will be deemed to be on the day of delivery or transmittal if delivered or sent by electronic mail (so long as such delivery or transmittal was carried out prior to 5:00 p.m. on a Business Day, failing which such notice will be deemed to have been given and received on the next succeeding Business Day), or on the third Business Day after the day of mailing thereof if sent by mail. In the event of any disruption of mail services, all notices will be delivered or sent by electronic mail rather than mailed.

- 9.13 **Assignment.** The Purchaser shall not be permitted to assign its legal and beneficial interests in this Agreement to any other Person except in accordance with Section 2 of Schedule B.
- 9.14 **No Partnership.** Nothing in this Agreement will be construed to create a partnership or joint venture between the parties with respect to the Lands.
- 9.15 **Confidentiality.** Unless the sale and purchase of the Purchased Property contemplated by this Agreement is completed, the parties will not disclose to any third party the existence, contents or effect of this Agreement or any documents, materials or information (including the results of any due diligence tests, assessments or searches) provided pursuant to or obtained in relation to this Agreement, without the prior written consent of the other party, except that each party may disclose the same to its employees, inspectors, lenders, agents, advisors, consultants, potential investors and such other Persons as may reasonably be required and except that each party may disclose the same as required by law or in connection with any regulatory disclosure requirements which must be satisfied in connection with the proposed sale and purchase of the Purchased Property. Until such time as the transaction contemplated by this Agreement is completed, the Vendor and the Purchaser also agree that neither of them will issue any press or other publicity release or communication to the general public concerning the proposed purchase and sale of the Purchased Property without the prior written approval of the other party, unless any such disclosure is otherwise required by law.
- 9.16 **No Further Dealing.** The Vendor agrees that, so long as this Agreement is in force and effect, the Vendor will not, and will not authorize or permit any of its officers, directors, employees, agents, representatives or co-owners to, (a) initiate contact with, solicit or enter into negotiations with any Person, in each case directly or indirectly, concerning any possible proposal regarding the sale of the Purchased Property or any part thereof or (b) furnish, directly or indirectly, any internal non-public financial or business information to any Person in connection with any such possible proposal.
- 9.17 **Governing Law.** This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of British Columbia, which will be deemed to be the proper law hereof, and the courts of British Columbia will have the exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Agreement and the validity, existence and enforceability hereof.
- 9.18 **Joint and Several.** If either the Vendor or the Purchaser is comprised of more than one Person, then all the covenants, agreements, representations, warranties and indemnities of the Vendor or the Purchaser, as applicable, in this Agreement will be deemed to be

joint and several covenants, agreements, representations, warranties and indemnities of each of such Persons.

- 9.19 **Binding Effect.** This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and assigns of the parties.
- 9.20 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument.
- 9.21 **Execution by Electronic Transmission.** Delivery of an executed copy of this Agreement by any party by electronic transmission will be as effective as personal delivery of an originally executed copy of this Agreement by such party.

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first above written.

***By the Vendor:***

**KPMG INC.**, in its capacity as court-appointed receiver of the assets, undertakings and property of **RUPERT MEWS LIMITED PARTNERSHIP**, **RUPERT MEWS GP LTD.**, and **1152846 B.C. LTD.** and not in its personal or corporate capacity

By:   
Authorized Signatory

***By the Purchaser:***

**PORTE ACQUISITIONS CORP.**

By: \_\_\_\_\_  
Authorized Signatory

joint and several covenants, agreements, representations, warranties and indemnities of each of such Persons.

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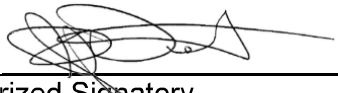
***By the Vendor:***

**KPMG INC.**, in its capacity as court-appointed receiver of the assets, undertakings and property of **RUPERT MEWS LIMITED PARTNERSHIP, RUPERT MEWS GP LTD.**, and **1152846 B.C. LTD.** and not in its personal or corporate capacity

By: \_\_\_\_\_  
Authorized Signatory

***By the Purchaser:***

**PORTE ACQUISITIONS CORP.**

By:  \_\_\_\_\_  
Authorized Signatory

**SCHEDULE A  
LANDS AND PERMITTED ENCUMBRANCES**

**Lands**

1565 Rupert Street, North Vancouver

Parcel Identifier: 004-423-305, Lot 10 Block 43 District Lot 204 Plan 1340

1571 Rupert Street, North Vancouver

Parcel Identifier: 005-089-701, Amended Lot 11 (see 204726L) Block 43 District Lot 204 Plan 1340

1581 Rupert Street, North Vancouver

Parcel Identifier: 007-046-405, Amended Lot 13 (see 204725-L) Block 43 District Lot 204 Plan 1340

1585 Rupert Street, North Vancouver

Parcel Identifier: 002-795-469, Lot 14 Block 43 District Lot 204 Plan 1340

1589 Rupert Street, North Vancouver

Parcel Identifier: 014-741-555, Lot 15 Block 43 District Lot 204 Plan 1340

**Permitted Encumbrances**

The Lands are subject to the following Permitted Encumbrances:

*Legal Notations:*

1. This title may be affected by a permit under Part 14 of the *Local Government Act*, see CB267490.

*Charges, Liens and Interests:*

2. Covenant CB48334

*Other*

3. The Leases.
4. The rights reserved to or vested in or deemed to be reserved to or vested in any Governmental Authority pursuant to the Crown Grant applicable to the Lands or pursuant to any applicable statutory provisions.

## **SCHEDULE B ADDITIONAL CLAUSES**

This Schedule B reiterates and supplements certain key terms contained within this Agreement. The parties agree that this Schedule B replaces, modifies and, where applicable overrides the other terms of this Agreement. Where any conflict arises between this Schedule B and the other terms of this Agreement, the terms of this Schedule B shall apply.

### **1. COURT ORDER SALE**

- (a) The effectiveness of this Agreement is subject to the approval of the Court and will become effective from the time an order of the Court is made approving this offer (the “**Vesting Order**”).
- (b) If the Purchaser does not exercise its option under Section 5 of this Schedule B, title to the Lands will be transferred to the Purchaser free and clear of all registered encumbrances other than the Permitted Encumbrances in accordance with the Vesting Order.
- (c) Possession will be governed by the terms of the Vesting Order.
- (d) The Vendor is subject to the jurisdiction and discretion of the Court to entertain other offers and to any further orders the Court may make regarding the Purchased Property. The Vendor may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Purchased Property. In that regard, the Purchaser may wish to consider making its own arrangements to support this Agreement in Court if other offers are received by the Vendor.
- (e) Acceptance of this Agreement by the Vendor, and any obligation of the Vendor to put this Agreement before the Court, may be terminated at any time before the Court makes the Vesting Order approving this sale if the debts secured against the Purchased Property are redeemed, or at the option of the Vendor in its sole discretion. This condition is for the sole benefit of the Vendor.
- (f) Legal title to the Lands is held by the Nominee, as nominee, agent and bare trustee for and on behalf of the Beneficial Owner. The Purchaser agrees, notwithstanding any provisions to the contrary herein or in the *Property Law Act* (British Columbia), to accept the Vesting Order and other closing documents executed by the Vendor, in its capacity as court-appointed receiver and manager of all of the assets, undertakings and property of the Nominee and Beneficial Owner, in satisfaction of section 6 of the *Property Law Act* (British Columbia);
- (g) Real estate commission is payable relative to this Agreement only if this Agreement is approved by the Court and the sale is completed pursuant to the Vesting Order.
- (h) No representations are made regarding the residency of the Debtors. The Purchaser is satisfied that there is no need for a holdback from the Purchase Price for the possibility that the Vendor or Rupert Mews Limited Partnership,

Rupert Mews GP Ltd., and 1152846 B.C. Ltd. are not Canadian residents for the purposes of the *Income Tax Act* (Canada).

- (i) The Purchaser agrees not to holdback any part of the purchase price for any other reason.
- (j) The Vendor, as party having conduct of sale of the Purchased Property as court-appointed receiver is not and will not be liable to the Purchaser, nor to anyone claiming by, through or under the Purchaser, for any damages, costs or expenses, including but not limited to damage caused to the Purchaser by the registered owner(s) of the Lands or their tenants, guests, assigns, agents or persons unknown, or for them failing to provide possession when required. The Purchaser acknowledges that if possession is not available on the Completion Date, the Purchaser will complete the sale in any event. The Vendor will make reasonable efforts to obtain a writ of possession or similar Court proceeding, and the Purchaser acknowledges that this process may take a considerable period of time.
- (k) The Purchaser acknowledges and agrees that the Vendor may, in its sole discretion, terminate this Agreement at any time by giving written notice to the Purchaser or the Purchaser's Solicitors that:
  - (i) the mortgages secured against the Lands are redeemed pursuant to the terms of an order nisi of foreclosure or otherwise; or
  - (ii) the Vendor is not able to obtain the Vesting Order, or otherwise determines, in its sole discretion, that it is not advisable to present this Agreement to the court in furtherance of obtaining the Vesting Order.

If the Vendor so terminates this Agreement, this Agreement will be null and void effective as of the day the Vendor delivers notice of termination to the Purchaser, and the Vendor will return to the Purchaser that portion of the Deposit (together with all accrued interest thereon,) paid by the Purchaser pursuant to this Agreement. The Purchaser acknowledges and agrees that it will not have any right to terminate this Agreement while this Agreement remains subject to the foregoing termination rights in favour of the Vendor. The Purchaser acknowledges and agrees that the Vendor will not be liable for any damages or costs whatsoever incurred by the Purchaser resulting from any such termination including, without limitation, professional fees and disbursements, opportunity costs, loss of bargain, damages and/or costs resulting from hardship or any other damages or costs incurred by the Purchaser, directly or indirectly, and that this provision will constitute a complete defence to any claim that may be made against the Vendor by the Purchaser in respect of the Vendor's termination of this Agreement and any matter associated therewith.

- (l) The Purchaser acknowledges and agrees that the Vendor (a) is acting solely in its representative capacity as receiver and manager of all of the assets, undertakings and property of the Beneficial Owner and Nominee; and (b) shall have no personal liability under or as a result of entering into this Agreement or carrying out the transaction that is the subject of this Agreement.

## 2. ASSIGNMENT

- (a) The parties hereto expressly agree that this Agreement and the rights of the Purchaser under this Agreement will not be assigned without the prior written consent of the Vendor, which consent may be arbitrarily withheld by the Vendor in its sole discretion. Notwithstanding the foregoing, the Purchaser may assign this Agreement and the rights of the Purchaser hereunder if:
  - (i) no Vesting Order for the Purchased Property has been obtained by the Vendor;
  - (ii) the proposed assignee (the “**Proposed Assignee**”) is an affiliate (as defined in the *Business Corporations Act* (British Columbia)) and the Purchaser or its solicitor provides such proof thereof as will be required by the Vendor’s Solicitors acting reasonably; and
  - (iii) the Purchaser and the Proposed Assignee enter into the Vendor’s form of assignment and assumption agreement pursuant to which the Purchaser and the Proposed Assignee will covenant and agree that each of them are jointly and severally liable to Vendor for the observance and performance of all of the Purchaser’s obligations in this Agreement.

## 3. “AS IS, WHERE IS” TRANSACTION

- (a) The Purchaser is purchasing the Purchased Property on an “as is, where is” basis as of the Completion Date.
- (b) The Purchaser is purchasing the Purchased Property without any representations and warranties from the Vendor regarding the environmental condition of the Purchased Property.
- (c) The Purchaser agrees that the Vendor has no obligation to maintain the Purchased Property in the condition it may have been in at any time before the Completion Date. The Vendor assumes no risk with respect to the buildings on the Lands or any other items included in this purchase and sale.
- (d) No property condition disclosure statement concerning the Lands will be given by the Vendor.
- (e) The Purchaser has undertaken to its satisfaction such searches, independent investigations, inspections and other due diligence in connection with entering into this Agreement, and based solely thereon, has determined to proceed with the transactions contemplated by this Agreement.
- (f) All written and oral information provided by any of the Vendor, the Beneficial Owner or the Nominee and their respective directors, officers, employees, consultants, financial advisors, legal counsel, accountants and other agents (all such persons, collectively, the “**Representatives**”) to the Purchaser in connection with the Purchased Property has been provided for the convenience of the Purchaser only, and none of the Vendor, the Beneficial Owner, nor the Nominee, nor any of their respective Representatives, has made or is making

any representation or warranty, express or implied, statutory or otherwise, as to the accuracy or completeness of any such information other than any representations and warranties expressly set out in this Agreement.

- (g) Other than any representations and warranties expressly set out in this Agreement, the Vendor, the Beneficial Owner, the Nominee and their respective Representatives have made no representations, warranties, conditions, statements or promises whatsoever, express or implied, statutory or otherwise, with respect to the Purchased Property, including, without limitation, with respect to: (i) the Vendor, the Beneficial Owner and the Nominee's right, title and interest in or to the Purchased Property; (ii) the merchantability, marketability, location, condition, description, or fitness for a particular purpose of the Purchased Property; (iii) compliance or non compliance with laws or regulations, including environmental rules; (iv) existence of any parts or components, latent defects, quality, quantity, encumbrances, liens or charges or any other thing affecting the Purchased Property; and (v) any infringement of intellectual property rights of a third party, whether arising by law, course of dealing, course of performance, usage of trade, or otherwise connected to the Purchased Property.

#### 4. ACCESS TO LANDS

- (a) The Purchaser acknowledges and agrees that the Purchaser will not be entitled to have access to the Lands prior to the Completion Date without the prior written consent of the Vendor, which consent the Vendor may not withhold unreasonably or arbitrarily, and then only if accompanied by an authorized representative of the Vendor.
- (b) The Purchaser hereby releases the Vendor and its directors, officers, shareholders, unit holders, employees, agents, contractors and representatives (collectively, the **"Released Parties"**) from and against any loss, cost, damage, injury or death resulting from any act or omission of any one or more of the Released Parties, including any loss, cost, damage, injury or death arising from the negligence of any one or more of the Released Parties, or any condition within the Lands and agrees to indemnify and hold harmless the Released Parties from and against any loss, cost, damage, injury or death resulting from the presence of the Purchaser or any person acting on behalf of the Purchaser on the Lands, or any act or omission of the Purchaser or any person acting on behalf of the Purchaser while on the Lands. The Purchaser hereby acknowledges and the Vendor hereby confirms that the Vendor has acted as agent for and on behalf of the other Released Parties with respect to obtaining the foregoing release and indemnity from the Purchaser for the benefit of such Released Parties.

#### 5. OPTION TO ACQUIRE NOMINEE

- (a) Registered title to the Lands is held by the Nominee as a bare trustee on behalf of the Beneficial Owner. The Vendor agrees with the Purchaser that the Purchaser will have the right to purchase from the Vendor:
  - (i) all of the issued and outstanding shares (the **"Shares"**) in the capital stock of the Nominee for \$1.00; and

- (ii) all of the interest of the Beneficial Owner in the Purchased Property for the Purchase Price less \$2.00.

The foregoing right is exercisable by the Purchaser by delivering notice thereof to the Vendor on or prior to the date that the Purchaser waives or satisfies the last of the Purchaser's Conditions Precedent. If the Purchaser does not deliver such notice within the time required herein, the Purchaser shall be deemed to have elected to complete the transaction by way of a transfer of the Lands pursuant to a Vesting Order. The Purchaser acknowledges that the form of Vesting Order to be sought from the Court will be based on the Purchaser's election and the Purchaser agrees to cooperate with the Vendor in settling such form of order and related court materials.

- (b) The Vendor will, within three Business Days after the execution and delivery of this Agreement by both parties, deliver to the Purchaser the following:
  - (i) true and complete copies of all documents, records, tax returns, tax assessments, financial information and other information and material pertaining to the Nominee; and
  - (ii) true and complete copies of the trust declaration(s) pursuant to which the Nominee holds legal title to its interest in the Lands in trust for the Beneficial Owner,

provided the Vendor will only be required to deliver the foregoing to the extent it is in the Vendor's possession or control. The Purchaser agrees to keep such materials in confidence and to return all copies of the same to the Vendor in the event that the purchase and sale of the Purchased Property contemplated in this Agreement is not completed for any reason other than the default of the Vendor.

- (c) If the Purchaser exercises its option under Section 5(a) of this Schedule B, then the following terms will apply and, to the extent any such terms are inconsistent with any terms elsewhere in this Agreement, the following terms will prevail:
  - (i) The Vendor will execute and provide to the Purchaser, together with the other closing documents required in this Agreement a written direction from the Beneficial Owner to the Nominee that, from and after the Completion Date, the Nominee will hold legal title to its interest in the Lands in trust for the Purchaser or as directed by the Purchaser and a termination of the existing nominee agreement between the Beneficial Owner and the Nominee with respect to its interest in the Lands. For greater certainty, the parties acknowledge and agree that in the event the Purchaser exercises the option to buy the Shares, the Vesting Order shall vest title to the Shares in the Purchaser free and clear of all Encumbrances other than the Permitted Encumbrances. Accordingly, the Vendor will have no obligation to obtain any resolutions or releases by directors or officers of Beneficial Owner or the Nominee, any transfers of the Shares or any other instruments in respect of the Shares (or the transfer thereof) and the Purchaser shall complete the transaction on that basis.

- (ii) If the Purchaser exercises the option to buy the Shares and, as a result, the Vendor is required to seek a reverse vesting order (“**RVO**”) in connection with the completion of the transaction contemplated by this Agreement, then:
- A. except where the context otherwise requires, each reference in this Agreement to “Vesting Order” shall be deemed to be a reference to the “RVO”, with such changes as are necessary to give effect to the parties’ intention that the transaction be completed by way of RVO rather than by way of a Vesting Order; and
  - B. the Purchaser will be responsible for the additional costs and expenses incurred by the Vendor in connection with proceeding by way of RVO rather than by way of a Vesting Order in respect of the Lands, including additional legal fees and disbursements, court filing fees and other reasonably necessary out-of-pocket costs associated with the preparation, application for, obtaining and implementation of the RVO. The amount of such additional costs and expenses will be determined by the Vendor, subject to review and approval by the Purchaser, in each case acting reasonably, and will be added to the Purchase Price.
- (iii) Within three Business Days after the Completion Date, the Vendor will deliver to the Purchaser all records, books of account, financial records, tax returns and tax assessments of the Nominee including minute books, share register books, share certificate books and annual reports (to the extent that such items have not previously been delivered to the Purchaser and that such items are in the possession or control of the Vendor).

## AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is dated as of June 24, 2026.

BETWEEN:

**KPMG INC.**, in its capacity as court-appointed receiver of the assets,  
undertakings and property of **RUPERT MEWS LIMITED PARTNERSHIP**,  
**RUPERT MEWS GP LTD.**, and **1152846 B.C. LTD.**

(the “**Vendor**”)

AND:

**PORTE ACQUISITIONS CORP.**

(the “**Purchaser**”)

WHEREAS:

- A. By a purchase and sale agreement dated for reference June 16, 2026 (the “**Purchase Agreement**”) between the Purchaser, as purchaser, and the Vendor, as vendor, the Purchaser agreed to purchase from the Vendor and the Vendor agreed to sell to the Purchaser the Purchased Property;
- B. The Purchaser and the Vendor wish to amend the Purchase Agreement as set out herein.

NOW THEREFORE in consideration of the amount of \$1.00 now paid by each party to the others and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties agree as follows:

- 1. **Definitions.** Each capitalized term used in this Agreement shall have the meaning given to it in the Purchase Agreement, unless otherwise defined herein.
- 2. **Amendment.** The Vendor and the Purchaser agree to hereby amend the Purchase Agreement by deleting the definition of “Completion Date” under Section 1.1 in its entirety and replacing it with the following:  
  
““**Completion Date**” means that day which is 30 days after the Court has made the Vesting Order;”
- 3. **Ratification.** The parties hereby ratify and affirm the Purchase Agreement, as amended hereby, and confirm that the Purchase Agreement, as so amended, remains in full force and effect.
- 4. **Interpretation.** This Agreement shall, from the date of this Agreement, be read and construed together with the Purchase Agreement and be treated as part thereof.

5. **Conflict.** In case of any conflict between the provisions of the Purchase Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.
6. **Further Assurances.** Each party shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Agreement.
7. **Binding Effect.** This Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties.
8. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to constitute one and the same instrument.
9. **Delivery by Electronic Transmission.** Delivery of an executed copy of this Agreement by any party by electronic transmission shall be as effective as personal delivery of an originally executed copy of this Agreement by such party.

*[Remainder of page blank; signature page follows.]*

IN WITNESS WHEREOF the Purchaser and the Vendor have executed this Agreement as of the date first above written.

**KPMG INC.**, in its capacity as court-appointed receiver of the assets, undertakings and property of **RUPERT MEWS LIMITED PARTNERSHIP, RUPERT MEWS GP LTD.**, and **1152846 B.C. LTD.** and not in its personal or corporate capacity:

Per:   
Authorized Signatory

**PORTE ACQUISITIONS CORP.**, by its authorized signatory:

Per:   
Authorized Signatory

**AMENDMENT TO PURCHASE AND SALE AGREEMENT AND  
WAIVER OF PURCHASER'S CONDITIONS PRECEDENT**

THIS AGREEMENT is dated as of August 14, 2026.

BETWEEN:

**KPMG INC.**, in its capacity as court-appointed receiver of the assets,  
undertakings and property of **RUPERT MEWS LIMITED PARTNERSHIP**,  
**RUPERT MEWS GP LTD.**, and **1152846 B.C. LTD.**

(the "**Vendor**")

AND:

**PORTE ACQUISITIONS CORP.**

(the "**Purchaser**")

**WHEREAS:**

- A. By a certain purchase and sale agreement dated for reference June 16, 2026 between the Purchaser as "Purchaser" and KPMG INC., in its capacity as court appointed receiver of the assets, undertakings and property of Rupert Mews Limited Partnership, Rupert Mews (GP) Ltd. and 1152846 B.C. Ltd. as "Vendor", as amended by the Amendment To Purchase and Sale Agreement dated as of June 24, 2026, (together the "**Purchase Agreement**"), the Purchaser agreed to purchase from the Vendor and the Vendor agreed to sell to the Purchaser the Purchased Property, as defined in the Purchase Agreement, on the terms and conditions contained therein and any further amendments thereto;
- B. The Purchaser and the Vendor wish to further amend the Purchase Agreement as set out herein and
- C. The Purchaser wishes to waive and declare satisfied the Purchaser's conditions precedent set out in Subsections 6.1(a), (b) and (c) of the Purchase Agreement.

**NOW THEREFORE** in consideration of the amount of \$1.00 now paid by each party to the others and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties agree as follows:

- 1. **Definitions.** Each capitalized term used in this Agreement shall have the meaning given to it in the Purchase Agreement, unless otherwise defined herein.
- 2. **Amendment.** The Vendor and the Purchaser agree to hereby amend the Purchase Agreement by deleting the definition of "Completion Date" under Section 1.1 in its entirety and replacing it with the following:  
  
"**Completion Date**" means that day which is 14 days after the Court has made the Vesting Order."
- 3. **Waiver.** The Purchaser hereby waives and declares satisfied the Purchaser's conditions precedent set out in Subsections 6.1(a), 6.1(b) and 6.1(c) of the Purchase Agreement.

4. **Ratification.** The parties hereby ratify and affirm the Purchase Agreement, as amended hereby, and confirm that the Purchase Agreement, as so amended, remains in full force and effect.
5. **Interpretation.** This Agreement shall, from the date of this Agreement, be read and construed together with the Purchase Agreement and be treated as part thereof.
6. **Conflict.** In case of any conflict between the provisions of the Purchase Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.
7. **Further Assurances.** Each party shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Agreement.
8. **Binding Effect.** This Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties.
9. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to constitute one and the same instrument.
10. **Delivery by Electronic Transmission.** Delivery of an executed copy of this Agreement by any party by electronic transmission shall be as effective as personal delivery of an originally executed copy of this Agreement by such party.

*[Remainder of page blank; signature page follows.]*

IN WITNESS WHEREOF the Purchaser and the Vendor have executed this Agreement as of the date first above written.

**KPMG INC.**, in its capacity as court-appointed receiver of the assets, undertakings and property of **RUPERT MEWS LIMITED PARTNERSHIP, RUPERT MEWS GP LTD.**, and **1152846 B.C. LTD.** and not in its personal or corporate capacity:

Per:  \_\_\_\_\_  
Authorized Signatory

**PORTE ACQUISITIONS CORP.**, by its authorized signatory:

Per:  \_\_\_\_\_  
Authorized Signatory

# 20260814 Waiver and Amending Rupert

Final Audit Report

2026-08-14

|                 |                                             |
|-----------------|---------------------------------------------|
| Created:        | 2026-08-14                                  |
| By:             | Joelle Wendt (joelle@porte.ca)              |
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