



Court File No. **VLC-S-S-264260**

No. S-_____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF 464
EAGLECREST DRIVE LIMITED PARTNERSHIP, TCD DEVELOPMENTS
(GIBSONS) LTD. AND 464 EAGLECREST DRIVE PROPERTIES LTD.**

PETITIONERS

PRE-FILING REPORT OF THE PROPOSED MONITOR

June 5, 2026

PRE-FILING REPORT OF THE PROPOSED MONITOR

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INTRODUCTION

1. FTI Consulting Canada Inc. (“**FTI**” or the “**Proposed Monitor**”) has been advised that 464 Eaglecrest Drive Limited Partnership (“**464 LP**” or the “**Company**”), TCD Developments (Gibsons) Ltd. (“**TCD**”) and 464 Eaglecrest Drive Properties Ltd. (“**464 Ltd.**”, and collectively, “**Eaglecrest**” or the “**Petitioners**”) intend to make an application for an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and establish an initial stay of proceedings in favour of the Petitioners.
2. The Initial Order extends certain protections to Kind Development Group Ltd. (“**Kind**”), a non-applicant party that is related to the Petitioners.

PURPOSE

3. The purpose of this report is to provide this Honourable Court and the Petitioners’ stakeholders with information with respect to the following:
 - a. the background of the Petitioners and the causes of their insolvency;
 - b. the qualifications of FTI to act as Monitor in the CCAA Proceedings, if appointed;
 - c. the terms of an interim financing facility (the “**DIP Facility**”) to be advanced by Envision Financial, a division of Tru Cooperative Bank (“**TRU**” or the “**Interim Lender**”);
 - d. the amount and priority of the proposed Court-ordered charges;
 - e. a cash flow statement (the “**Cash Flow Statement**”) for the 13-week period ending August 28, 2026 (the “**Forecast Period**”) as well as the key assumptions on which the Cash Flow Statement is based; and

- f. the Proposed Monitor's conclusions.

TERMS OF REFERENCE

4. In preparing this report, the Proposed Monitor has relied upon certain information (the "**Information**") including the Petitioners' unaudited financial information, books and records and discussions with senior management of the Petitioners ("**Management**").
5. Except as described in this report, the Proposed Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
6. The Proposed Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
7. Future-oriented financial information reported to be relied on in preparing this report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

OVERVIEW AND CAUSES OF INSOLVENCY

9. The Petitioners are a real estate development group which have spent the past several years developing and constructing a residential complex in Gibsons, British Columbia known as Eagle View Heights (the “**Project**”).
10. 464 LP is a limited partnership formed under the laws of the province of British Columbia (“**BC**”) in August 2018. TCD and 464 Ltd. are BC corporations formed in September 2016 and August 2018 respectively. TCD is the general partner of 464 LP and 464 Ltd. holds title to the Project as a bare trustee for 464 LP.
11. Mr. Jun Bi (“**Bi**”) is a director of 464 LP and of TDC. He is also the owner of Kind, as referred to below.
12. The Project is being developed in two Phases referred to as Phase One and Phase Two. Phase One consists of 63 condominium units and townhomes contained within 12 residential buildings.
13. Phase One is substantially constructed, with outstanding work primarily related to interior finishing. Construction of Phase Two has not commenced, although the lots on which the units are to be built are fully serviced.
14. The land in between Phase One and Phase Two is to be developed as a park with a retention pond to be used for water management and wildlife conservation.
15. A partially constructed common area amenity room and swimming pool is contained within Phase One buildings which is to be shared by residents of both Phase One and Phase Two.
16. A copy of the site plan is attached as Appendix “**A**”.

17. 464 LP launched its initial marketing and sales campaign for Phase One in late 2018, securing its first pre-sale contracts in early 2019. Currently the Company has 60 pre-sale contracts (the “**Pre-Sale Units**”) with a contracted sale value of approximately \$59.9 million. Pre-sale purchasers have made deposits totaling \$12.2 million by way of cash or security bonds in respect of the Pre-Sale Units.
18. The general contractor of the Project is Kindred Construction Ltd. (“**Kindred**”) and the project manager is Kind, a related company owned by Bi.
19. 464 LP exceeded its original construction budget as a result of significant cost overruns. While the cost overruns to date have been funded by related parties, the Petitioners have advised that no further related party funding is available. 464 LP has attempted to source alternative financing to complete the Project. However, these efforts have been unsuccessful and Kindred and several of the sub-trades registered liens against the Project. As a result of the liquidity constraints, the Project ceased construction in or around March 2026.
20. The Petitioners made the decision to seek a stay of proceedings pursuant to the CCAA to allow the Petitioners to secure the interim funding required to complete construction of the Phase One units so that the Project can be completed and the agreements of purchase and sale for the Pre-Sale Units can be closed.
21. The Petitioners owe approximately \$55.6 million to creditors, including approximately:
 - a. \$48.3 million to TRU, the Company’s primary secured lender; and
 - b. \$7.3 million to trade creditors including \$6.5 million of lien claims.
22. The business and affairs of the Petitioners and the causes of their insolvency are described in further detail in the Affidavit #1 of Mr. Jun Bi dated June 5, 2026.

PROPOSED MONITOR

23. FTI is a trustee within the meaning of section 2 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended, and is not subject to any of the restrictions on who may be appointed as Monitor of the Petitioners pursuant to section 11.7 (2) of the CCAA.
24. The senior FTI personnel with carriage of the matter are Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees and have experience acting in restructuring matters of this nature and scale.
25. Since being engaged by the Petitioners, FTI has become familiar with the business and operations of the Petitioners and the key stakeholders in the proposed CCAA Proceedings and is in a position to immediately act as Monitor if appointed by this Court.

DIP FACILITY

26. As reflected in the Cash Flow Statement, the Petitioners are unable to pay current and ongoing construction and restructuring expenses without a cash injection in the coming weeks. Accordingly, the Company approached Tru regarding its decision to seek a stay of proceedings pursuant to the CCAA and request Tru's support including to provide interim financing.
27. Tru has agreed to the support 464 LP in its CCAA proceeding and on June 4, 2026, the Interim Lender provided a term sheet (the "**DIP Term Sheet**") for debtor-in-possession funding to the Company (the "**DIP Facility**"). A copy of the DIP Term Sheet is attached as Appendix "**B**".
28. The key commercial terms of the proposed DIP Facility are as follows:
 - a. 464 LP will be the borrower with indemnities provided by 464 Ltd., Kind, TCD, Bi and Robert Chetner, the other limited partner of 464 LP;

- b. The Interim Lender will provide funding to 464 LP to a maximum principal amount of \$6.75 million (the “**DIP Advance**”);
- c. Interest will accrue at the Interim Lender’s prime rate plus 6.0% per annum, payable monthly on the first day of every month;
- d. An interest reserve of \$110,000 will be funded as a deduction from the first draw and held in a non-interest-bearing demand account held by the Interim Lender which will be used to pay the monthly accrued interest on the DIP Facility;
- e. The Interim Lender will receive a commitment fee in the amount of \$150,000 which will be withdrawn by the Interim Lender from the first advance;
- f. 464 LP will also pay for the Interim Lender’s legal fees associated with the preparation, negotiation, documentation and registration of the DIP Facility;
- g. The term of the DIP Facility shall be for 6 months with all amounts outstanding including principal, interest and fees payable at maturity;
- h. 464 LP is obligated to provide regular reports to the Interim Lender, including, but not limited to:
 - i. Monthly cash flow statements prepared by 464 LP as reviewed by the Monitor;
 - ii. An updated construction budget each month including construction costs incurred to date, the projected costs to complete the Project and the remaining timeline to reach substantial completion;
 - iii. Evidence of payment of all government priority payables within 15 days of their respective due dates; and

iv. Quantity surveyor reports as requested by the Interim Lender.

29. All obligations in connection with the DIP Facility are to be secured by a first-ranking charge in favour of the Interim Lender (the “**Interim Lender’s Charge**”) over all existing and after acquired property of the DIP Borrowers, subject only to the Administration Charge (defined below).
30. The DIP Facility is conditional upon, among other things, the granting of the Initial Order authorizing the borrowing under the DIP Facility and the Interim Lender’s Charge.
31. The Proposed Monitor has considered the Petitioners’ application for approval of the DIP Facility and Interim Lender’s Charge and has the following comments:
- a. The Petitioners are in urgent need of funding to support its operations and fund the restructuring costs associated with the CCAA Proceedings;
 - b. Absent interim financing, the Petitioners will be unable to fund any of the above noted costs which would result in a deterioration of the value of its operations and business;
 - c. The interim financing will assist in financing the work necessary to allow the Petitioners to continue constructing the Project and marketing the remaining unsold units in Phase One;
 - d. The interest and fees payable to the Interim Lender under the DIP Facility are within the range of market comparable transactions for debtor-in-possession interim financings in recent CCAA Proceedings; and
 - e. The Petitioners require an initial advance of \$1,800,000 to meet their obligations during the first ten days of the CCAA Proceedings, primarily related to securing the continuing support of the Project’s sub-trades.

32. Overall, it is the Proposed Monitor's view that the DIP Facility is necessary for the funding of the Petitioners' operations and restructuring costs in the near term and will enhance the Petitioners' prospects of achieving a successful restructuring and maximizing recoveries to stakeholders.

AMOUNT AND PRIORITY OF COURT-ORDERED CHARGES

33. The Initial Order provides for certain Court-ordered charges to rank in priority to all other charges and security interests against the Petitioners. The proposed charges include:

- a. An administration charge (the "**Administration Charge**"); and
- b. A charge to secure the DIP Facility (together with the Interim Lender's Charge, the "**Charges**").

Administration Charge

34. The proposed Initial Order provides for an Administration Charge to secure the fees and disbursements incurred by counsel to the Petitioners, the Proposed Monitor and the Proposed Monitor's counsel in connection with services rendered to the Petitioners before and after the commencement of the CCAA Proceedings related to the Petitioners' restructuring. The Administration Charge will not exceed \$200,000 and is contemplated to cover the initial 10-day stay period.

35. The Proposed Monitor believes it is appropriate for the beneficiaries to be afforded the benefit of the Administration Charge as they will be undertaking a necessary and integral role in the CCAA Proceedings.

36. The Proposed Monitor has reviewed the underlying assumptions upon which the Petitioners have based the quantum of the proposed Administration Charge, the anticipated complexity of the CCAA Proceedings and the services to be provided by the

beneficiaries of the Administration Charge and is of the view that the proposed quantum of the Administration Charge is reasonable and appropriate in the circumstances.

Interim Lender's Charge

37. The Initial Order provides for the Interim Lender's Charge in favour of the Interim Lender in an amount of \$1.8 million plus applicable fees and interest and to rank subordinate only to the Administration Charge to secure the anticipated advances during the initial 10-day stay period.
38. The Proposed Monitor has considered the terms and the need for the proposed DIP Facility and understands that the Interim Lender is not prepared to advance funds under the DIP Facility without the benefit of the Interim Lender's Charge. Without the funds from the DIP Facility, the Petitioners would be unable to undertake an organized restructuring in these CCAA Proceedings, which would be to the detriment of all stakeholders. Accordingly, the Proposed Monitor is of the view that the Petitioners' request for the Interim Lender's Charge is reasonable and appropriate in the circumstances.
39. The Proposed Monitor understands that if the Initial Order is granted, the Petitioners intend to seek an increase of the Interim Lender's Charge from \$1.8 million to \$6.75 million at a subsequent hearing.

CASH FLOW STATEMENT

40. The Petitioners have prepared the Cash Flow Statement to set out their liquidity requirements during the 13 weeks ending August 28, 2026. A copy of the Cash Flow Statement is attached as Appendix "C".
41. The Cash Flow Statement is summarized in the following table:

Consolidated Cash Flow Statement (CAD)	Initial Stay Period		
	Weeks 1-2	Weeks 3-13	Weeks 1-13
13-Week Period Ending August 28, 2026	Forecast	Forecast	Forecast
<i>Receipts</i>			
Sales Proceeds	\$ -	\$ -	\$ -
Other Receipts	-	-	-
<i>Total Receipts</i>	-	-	-
<i>Operating Disbursements</i>			
Hard Costs	(300,000)	(3,326,397)	(3,626,397)
Consultants	-	(90,500)	(90,500)
Insurance	(282,000)	(134,437)	(416,437)
Property Taxes	(295,657)	-	(295,657)
Cash Collateral for Park Bond	-	(298,000)	(298,000)
Other Soft Costs	(312,583)	(325,748)	(638,330)
Restructuring Professional Fees	(150,000)	(525,000)	(675,000)
Interim Lender Professional Fees	(50,000)	(75,000)	(125,000)
<i>Total Operating Disbursements</i>	(1,390,240)	(4,775,081)	(6,165,321)
<i>Interim Financing</i>			
Advances	1,800,000	4,950,000	6,750,000
Payment of Fees and Interest	(150,000)	(110,000)	(260,000)
Payment of Principal	-	-	-
<i>Total Interim Financing</i>	1,650,000	4,840,000	6,490,000
Net Cash Flow	259,761	64,919	324,679
<i>Cash</i>			
Beginning Balance	-	259,761	-
Net Cash Flow	259,761	64,919	324,679
Ending Balance	\$ 259,761	\$ 324,679	\$ 324,679

42. The Cash Flow Statement is based on the following key assumptions:

- a. Sales of completed units are not included in the Cash Flow Statement due to uncertainty around the timing of obtaining occupancy permits;
- b. Hard Costs are forecast based on the detailed cost to complete estimates from quantity surveyor reports and additional commentary from the site project manager and other Management;

- c. Consultant costs are forecast based the estimated remaining costs to be incurred to obtain occupancy on all units;
- d. Insurance includes course of construction insurance as well as deposit protection insurance and New Home Warranty premiums. It includes approximately \$282,000 in Week 1 relating to repayment of protective disbursements incurred by TRU;
- e. Property Taxes include the current year as well as arrears for 2025;
- f. Cash Collateral relates to bonds that are required in support of the work to be performed on the Project's pond and park area;
- g. Other Soft Costs include miscellaneous costs as well as contingencies for unforeseen expenses;
- h. Restructuring Professional Fees includes the Petitioners' legal counsel, the Monitor and the Monitor's legal counsel; and
- i. Interim Financing of approximately \$6.75 million is required to fund the CCAA Proceedings through the first 13 weeks, including \$1.8 million during the initial 10-day stay period.

43. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Proposed Monitor hereby reports as follows:

- a. The Cash Flow Statement has been prepared by Management for the purpose described in the notes to the Cash Flow Statement, using the probable assumptions and the hypothetical assumptions set out in notes 1 to 9 thereof;

- b. The Proposed Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied by Management and employees of the Petitioners. Since hypothetical assumptions need not be supported, the Proposed Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Proposed Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Cash Flow Statement;
- c. Based on its review, nothing has come to the attention of the Proposed Monitor that causes it to believe that, in all material respects:
 - i. The hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;
 - ii. As at the date of this report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Petitioners or do not provide a reasonable basis for the Cash Flow Statement, given the hypothetical assumptions; or
 - iii. The Cash Flow Statement does not reflect the probable and hypothetical assumptions;
- d. Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Statement will be achieved. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information present in this Report, or relied upon by the Proposed Monitor in preparing this Report; and

- e. The Cash Flow Statement has been prepared solely for the purposes described in the notes to the Cash Flow Statement and readers are cautioned that it may not be appropriate for other purposes.

CONCLUSION

44. The Initial Order will provide the Petitioners with stability and, through the DIP Facility, the required liquidity to finish construction and complete the sales of the residential units in an orderly manner that maximizes the potential recovery for all stakeholders.

All of which is respectfully submitted this 5th day of June, 2026.

FTI Consulting Canada Inc.
in its capacity as Proposed Monitor of the Petitioners



Tom Rowell
Senior Managing Director



Craig Munro
Managing Director

Appendix A
Site Plan

Eagleview
Heights
Site Plan



PHASE #1

Central Park

PHASE #2

Appendix B
DIP Term Sheet



200 - 19933 88th Avenue, Langley, BC V2Y 4K5

June 8, 2026

PRIVATE AND CONFIDENTIAL

464 Eaglecrest Drive Limited Partnership
Suite 428-755 Burrard Street
Vancouver, BC V6Z 1X6

Re: Offer of Credit for A Senior Secured Super-Priority Debtor-In-Possession Credit Facility

We are pleased to advise that Envision Financial, a division of Tru Cooperative Bank, formerly known as First West Credit Union (the “Financial Institution” or “Lender”) has approved and hereby offers the senior secured super-priority debtor-in-possession financing to the Borrower, as described below, subject to the terms and conditions set forth in this Agreement (“Offer of Credit”) in connection with an application made under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (“CCAA”) in the Supreme Court of British Columbia (the “Court”) commenced under Action No. _____, Vancouver Registry (the “Proceedings”) and pursuant to which FTI Consulting Canada Inc. has been appointed as the Monitor (the “Monitor”). The specific details of those terms and conditions are outlined in the following sections:

1. Borrowing Party
2. Credit Facilities
3. Security
4. Fees
5. Other Terms and Conditions
6. Acceptance

Definitions and further particulars are incorporated into this Offer of Credit by reference, including attached Schedules:

- Standard Terms and Conditions – “Dip Loan”
- Commercial Insurance

1. BORROWING PARTY

BORROWER 464 Eaglecrest Drive Limited Partnership (the “Borrower”)

INDEMNITORS 464 Eaglecrest Properties Ltd. Robert Chetner
 Kind Development Group Ltd. Jun Bi
 TCD Developments (Gibsons) Ltd.

(collectively, the “Indemnitors”)

2. CREDIT FACILITY

Loan Amount	Subject to court approval in the Proceedings, a non-revolving super priority senior secured credit facility up to \$6,750,000 would be made available to the Borrower for interim financing on the general terms set out herein (the "DIP Loan").
Purpose	The DIP Loan will be used by the Borrower to fund: (i) the remaining construction costs and operating expenses to complete Phase 1 of the development project located at the property civically described as 464 Eaglecrest Drive, Gibsons, BC, V0N 1V8 and legally described as PID: 030-982-421, Lot A District Lot 1328 Group 1 New Westminster District Plan EPP86390 (the "Project" or the "Lands"); (ii) professional fees and expenses associated with the Proceeding; (iii) monthly interest on the DIP Loan; iv) the financed Commitment Fee (\$150,000); and v) the Lender's closing costs and expenses.
Interest Rate	Prime + 6.00%. Variable Rate as of today's date is Prime is 4.45% (*see Definitions of "Prime" and "Variable Rate" in the attached Standard Terms and Conditions Schedule).
Term	The maturity of the DIP Loan (the "Maturity Date") shall be the earliest of: a) 6-months from the date on which all Conditions Precedent have been satisfied and the initial advance under the DIP Loan has been made by the Financial Institution (the "Closing Date"); b) the date on which (i) the stay of proceedings under the Proceedings is lifted without the consent of the Lender, or (ii) the Proceedings are terminated for any reason; c) the conversion of the Proceedings into a receivership under the <i>Bankruptcy and Insolvency Act</i> , R.S.C. 1985, c. B-3 or applicable provincial statute; and d) 10 days following written notice being provided by the Lender to the Borrower of an Event of Default.
Payments	Interest Only. Accrued interest is payable on the first day of every month and will be charged to the Borrower's account at the Financial Institution when the same becomes payable.
Repayment	All amounts outstanding under the DIP Loan, including, without limitation, principal, interest and fees, shall be paid to the Financial Institution on the Maturity Date. If there has been no Event of Default, the Financial Institution may permit the sale of individual units within the Project (referred to individually as a "Unit") by the Borrower and in such case will grant a partial release of the Securities against each sold Unit upon receipt of 100% of the sale proceeds from the Unit, less real estate commissions, reasonable closing costs and applicable taxes.
Prepayment	The Borrower has the right, at any time when not in default hereunder or under the Securities, to prepay the whole or any portion of the balance outstanding under this Agreement without notice or bonus provided that any such payments will be applied first to interest accrued to the date of payment and second to principal.

3. SECURITY

As continuing security for the payment of all amounts payable by the Borrower to the Financial Institution under the DIP Loan, all security that has been delivered to the Financial Institution and is set forth as Securities in this Agreement shall remain in full force and effect, is expressly reserved by the Financial Institution and unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the DIP Loan.

Repayment of the DIP Loan and interest and Other Amounts will be secured by the Securities set forth in Schedule A hereto.

4. FEES

Commitment Fee **\$150,000.** The Borrower acknowledges that the Commitment Fee once paid by the Borrower to the Financial Institution is nonrefundable and is a reasonable estimate of the Financial Institution's cost incurred in investigating and preparing for the DIP Loan and of holding monies available to fund the DIP Loan, and shall be deducted from the initial advance of the DIP Loan.

5. OTHER TERMS AND CONDITIONS

CONDITIONS PRECEDENT

The Borrower must fulfil the conditions precedent, including but not limited to delivery to the Financial Institution of confirmation of completion and registration of Securities, as outlined in Sections 3.3 and 3.4 of the attached Standard Terms and Conditions – DIP Loan, prior to the initial DIP Loan advance, as well as the further conditions (to the satisfaction of the Financial Institution) outlined below (collectively, the “Conditions Precedent”):

Customary conditions precedent to closing transactions of this nature as determined by the Lender, including without limitation:

- a) Issuance of a Court Order in the Proceedings granting the Lender a super-priority charge against all the assets, properties and undertakings of the Borrower in respect of the DIP Loan, ranking in priority to all other security interests, claims or deemed trusts (statutory or otherwise), save and except the Administration Charge granted by the Court to secure payment of the) professional fees and expenses associated with the Proceeding, satisfactory in form and substance to the Lender, approving and authorizing the DIP Loan transaction described herein (the “Order”), and such Order being in full force and effect, un-amended and not stayed;
- b) There will be no pending appeals, injunctions or other legal impediments to the completion of the DIP Loan or pending litigation seeking to restrain or prohibit the completion of the DIP Loan;
- c) Execution of this Offer of Credit; and
- d) The Lender shall have been named as additional insured and first loss payee on the Borrower’s property and casualty insurance policies and Course of Construction insurance in connection with the Project.

Other Such other information as the Financial Institution may reasonably request.

CONDITIONS ONGOING

The following information is to be provided in support of the DIP Loan:

- Interest Reserve: An interest reserve account will be drawn from the budget amount and held in a non-interest-bearing demand account at the Financial Institution for the term of the DIP Loan. Accrued monthly interest will be drawn from the account. The Borrower will not have access to this account, nor are there any fees for this account. The initial reserve is required in the amount of \$110,000 and the Borrower acknowledges and agrees that requests to replenish such amounts may be called for from time-to-time by the Lender.
- Reporting:
- a) Monthly cash flow statements from the Borrower provided by the Monitor;
 - b) On a monthly basis, an updated construction budget which includes the construction costs incurred to date during the Proceedings, the projected cost to complete the Project and the remaining timeline to reach substantial completion;
 - c) Evidence of payment of all government priority payables within 15 days of their respective due dates; and
 - d) Any such other reporting the Lender may reasonably request, including a Quantity Survey report on the Project status every 45 days.
 - e) The Lender may, in its sole discretion, retain third-party quantity surveyor (at the Borrower's cost) to provide ongoing reporting for the Lender in respect of the Project. The Borrower shall provide the quantity surveyor and its agents and representatives with access to the Project during normal business hours to inspect and evaluate the Project for the purposes of compiling its reports for the Lender.
- Insurance Confirmation of Property, Asset and/or Course of Construction coverage will be provided to the Lender upon request and in any event not less than 60 days prior to the expiry of the term of the policies for such coverage.
- Authorizations By signing this Offer of Credit, the Financial Institution is authorized to obtain any required financial statements directly from the Borrower's accounting firm should it not be provided within the time frame detailed. Each party will provide any further authorizations and/or consents that may be required to give effect to this provision.

COVENANTS

The Borrower covenants and agrees with the Financial Institution, that, so long as any portion of the DIP Loan or liabilities of the Borrower under this Offer of Credit letter remain outstanding, it shall not, without the prior written consent of the Financial Institution, grant or permit additional charges on pledged security assets.

COSTS & EXPENSES

The Borrower agrees to pay the Financial Institution all fees stipulated in this Agreement and all fees relating to the documentation or registration of this Agreement and the Securities. In addition, the Borrower agrees to pay all fees (including legal fees on a full indemnity basis), costs and expenses incurred by the Financial Institution in connection with the preparation, negotiation, documentation and registration of this Agreement and any Securities and the

administration, operation, termination, enforcement, or protection of its rights in connection with this Agreement and the Securities.

The Borrower shall indemnify and hold the Financial Institution harmless against any loss, cost or expense incurred by the Financial Institution if the DIP Loan is repaid or prepaid other than on its Maturity Date. The determination by the Financial Institution of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Financial Institution in liquidating or redeploying deposits acquired to make or maintain any facility.

ASSET INSURANCE

All Risk Insurance Assignment / Endorsements will be provided as outlined in the attached Schedule on all of the Borrower's real and personal property including, without limitation, lands, buildings, equipment and inventory owned by the Borrower, showing the Financial Institution as first loss payable by way of standard mortgage endorsement.

SERVICE CHARGES

Service charges are as per the posted Financial Institution Service Fee Guide and amended from time to time.

[Execution Page Follows]

ACCEPTANCE

If the provisions of this Offer of Credit meet with your approval, please sign the Borrower Acceptance and return a copy of this Letter of Offer together with the Commitment Fee noted above to the Financial Institution **on or before 4:00 p.m. on, _____, 2026**, at which time the Financial Institution’s offer, unless accepted, will lapse and terminate.

Yours truly,
Envision Financial, a division of **Tru Cooperative Bank**

By its authorized signatories:

Mandeep S. Sindhi
Mandeep Sindhi, Director Credit & Special Accounts
Corporate Credit

yvonne Waugh
Yvonne Waugh, Manage Special Accounts,
Commercial

BORROWER ACCEPTANCE:

**464 Eaglecrest Drive Limited Partnership,
by its General Partner TCD Developments (Gibsons) Ltd.
Per:**

Authorized Signatory
Name & Title: Robert Chetner, Director

Authorized Signatory
Name & Title: Jun Bi, Director

We have the authority to bind the Borrower

STANDARD TERMS AND CONDITIONS – DIP LOAN

PART 1 DEFINITIONS AND INTERPRETATION

1.1 **Definitions** - In this Agreement, unless the context otherwise requires:

"Agreement" means these Standard Terms and Conditions - DIP Loan and the letter to which they are attached as the same may be amended from time to time and the expression "hereof", "herein", "hereto", "hereunder", and "hereby", and similar expressions refer to this Agreement and not to any particular provision;

"Business Day" means each day, Monday through Friday inclusive, other than a day which is a statutory holiday in the Governing Jurisdiction;

"Compounding Frequency" is monthly unless otherwise stated in the Offer of Credit or Loan Agreements.

"Construction Contracts" means all contracts between the Borrower and other persons relating to the construction of the Project;

"CreditMaster® Mortgage" or **"Mortgage"** means a mortgage in favour of the Financial Institution incorporating **For BC**: Standard Mortgage Terms MT980021 or MT030098 as Part 2 thereof or MT23001 and registered or to be registered in the applicable Land Title Office or Land Registry Office;

"Event of Default" means an event described in section 8.1;

"Governing Jurisdiction" has the meaning given thereto in Section 1.3;

"Inspector" means the quantity surveyor, engineer or other professional appointed by the Borrower and approved by the Financial Institution who will advise the Borrower on the progress of construction of the Project;

"Other Amounts" means any other amounts that are payable by the Borrower to the Financial Institution under this Agreement other than principal of the DIP Loan and interest thereon;

"Plans" means the plans for the Project;

"Prime Rate" means that rate of interest, regardless of compounding frequency, designated by the Financial Institution from time to time as the reference rate to be used to determine the rate of interest to be charged on variable rate Canadian dollar loans made by the Financial Institution (or if at any one time more than one such rate is so designated, the higher or highest of such rates as the case may be);

"Project Budget" means the budget for the Project;

"Project Costs" means all costs incurred by the Borrower in connection with the Project including

- Costs of professional advisors (including architects, engineers and lawyers);
- Construction costs;
- Interest on money borrowed to pay Project Costs;
- Costs of insuring the Project;
- Advertising and sales promotion costs; and
- Land acquisition costs;

But specifically, not including any of the following:

- Borrower's profit;
- Repayment of borrowed monies;

- Return of capital or any return of equity;
- Payment of any bonus to any person;
- Payment of wages or salary to any shareholder or director of the Borrower except as specifically authorized in writing by the Financial Institution;
- Payments of any nature or kind (whether pursuant to a contract or otherwise) to a person not at arm's length with the Borrower, except as specifically agreed to in writing by the Financial Institution;

"Property" means all of the undertaking, property and assets of the Borrower subject to the Securities;

"Securities" means the Order and the Mortgage together with any and all other security documents to be provided by the Borrower to the Financial Institution and described in the section entitled "Security" in the letter part of this Agreement and in section 2.1, together with all existing and new security set out in Schedule A attached hereto;

"Security Interests" means the security interests in favour of the Financial Institution created by this Agreement and the Securities;

"Specifications" means the specifications for the Project.

- 1.2 **Headings** - The headings herein are inserted for convenience of reference only and will not affect the construction or interpretation of this Agreement.
- 1.3 **Governing Law** – This Agreement will be governed by, and construed in accordance with, the laws of the province where the branch office of the Financial Institution set out on page 1 of this Agreement is located (the **"Governing Jurisdiction"**) and the federal laws of Canada applicable therein.
- 1.4 **Submission to Jurisdiction** - The Borrower submits to the jurisdiction of the Courts of the Governing Jurisdiction and agrees to be bound by any suit, action or proceeding commenced in such Courts and by any order or judgment resulting from such suit, action or proceeding, provided however that the foregoing will in no way limit the right of the Financial Institution to commence suits, actions, or proceedings based on this Agreement or any of the Securities in any jurisdiction.
- 1.5 **Invalidity of Any Provision** - If any covenant, obligation or provision contained in this Agreement will be invalid or unenforceable, the remainder of this Agreement will not be affected thereby and each covenant, obligation or provision of this Agreement will separately be valid and enforceable to the fullest extent permitted by law.
- 1.6 **Conflict with Other Documents** - If the provisions of the Securities or any of them conflict with, or are inconsistent with, the provisions of this Agreement, the provisions of this Agreement will prevail.
- 1.7 **Certificate of Officer of Financial Institution** - A certificate signed by any officer (including a Branch Manager) of the Financial Institution stating the Prime Rate which applied on any day or during any period will be conclusive as to the respective rate which applied on that day or during that period, as the case may be, without further proof.
- 1.8 **Amendments** - This Agreement may only be amended from time to time in writing and any such amendment may be evidenced by memoranda or letters signed by an authorized officer of the respective parties without the necessity of such amendment being executed under seal.
- 1.9 **Counterparts** - This Agreement may be executed in any number of counterparts, each of which when so executed will be deemed to be an original and such counterparts together will constitute one and the same

agreement. For the purposes of this Section, the delivery of an electronic copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement.

- 1.10 **Joint Obligations** - If more than one person constitutes the Borrower the agreements of, and all obligations and covenants to be performed and observed by, the Borrower hereunder will be the joint and several obligations and covenants of each of the persons comprising the Borrower and any request or authorization given to the Financial Institution by any of the persons comprising the Borrower will be deemed to be the joint and several requests or authorizations of each of the persons comprising the Borrower. If there is an Indemnitor and more than one person constitutes the Indemnitor, the agreements of, and all obligations and covenants to be performed and observed by, the Indemnitor hereunder will be the joint and several obligations and covenants of each of the persons comprising the Indemnitor.
- 1.11 **Date for Action** - If any date on which any action required to be taken here under by either party is not a Business Day such action will be required to be taken on the next following Business Day.
- 1.12 **Entire Agreement** - This Agreement, including any schedules hereto, and the Securities constitute the entire agreement between the parties relating to the DIP Loan, expressly superseding all prior agreements and communications (both oral and written) between any of the parties hereto with respect to all matters contained herein, and except as stated herein or in the Securities or any other instruments and documents to be executed and delivered pursuant hereto, contain all the representations and warranties of the respective parties.
- 1.13 **Included Words** - Whenever the singular or the masculine is used herein the same will be deemed to include the plural or the feminine or the body corporate where the context or the parties so require.

PART 2 SECURITY

- 2.1 **Further Security** - The Borrower shall provide to the Financial Institution as further security for repayment of the DIP Loan, the security described as "To be Obtained" in Schedule A attached hereto.
- 2.2 **Demand** - Notwithstanding that the Mortgage or any of the other Securities is expressed to be payable on demand, the Financial Institution will not demand payment under the Mortgage or the other Securities unless and until an Event of Default has occurred under this Agreement or unless and until an event of default has occurred with respect to other indebtedness.
- 2.3 **Registration** - The Financial Institution will, at the expense of the Borrower, register, file or record the Security Interests in all offices where such registration, filing, or recording is necessary or of advantage to the creation, perfection and preserving of the Security Interests and renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect. The Borrower acknowledges that the forms of this Agreement and the Securities have been prepared based upon the governing laws applicable thereto and the laws of Canada applicable therein in effect at the date of this Agreement and that such laws may change. The Borrower agrees that the Financial Institution will have the right to require that the forms of this Agreement and any of the Securities be amended or supplemented to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the Financial Institution the rights and security interests intended to be created hereby and thereby.

PART 3 ADVANCES

- 3.1 **Advances** - Unless the Borrower otherwise provides in writing to the Financial Institution, all advances of the DIP Loan will be made by way of deposit to the Account. The Financial Institution may deduct from advances of the DIP Loan or may charge to the Account the following, as applicable: the Financial Institution's fees, legal fees, appraisal fees, interest adjustment, prepayment penalties, and Other Amounts.

- 3.2 **Borrower to Deliver** - The Borrower will, prior to the initial advance of the DIP Loan, deliver the following to the Financial Institution:
- (a) All requirements outlined in the Offer of Credit as Conditions Precedent (to Initial Advance);
 - (b) Details in writing from the Borrower (or an officer of the Borrower if the Borrower is a corporation) of any outstanding breach of any covenant, representation, or warranty contained in this Agreement or in the Securities;
 - (c) Such other items as are specified in the Offer of Credit; and
 - (d) Such other information as the Financial Institution may reasonably request.
- 3.3 **Conditions Precedent (To Initial Advance)** - It will be a condition precedent to the initial advance under the DIP Loan that:
- (a) The Financial Institution will have received the documents and information specified in section 3.2;
 - (b) The Borrower will have duly authorized, executed and delivered the Securities and the Securities will have been registered, filed and recorded in all offices in which, in the opinion of the Financial Institution, acting reasonably, registration is necessary or of advantage to preserve or perfect the priority of the security interests intended to be created thereby.
- 3.4 **Requirements for Final Advance** - Before the final advance of the DIP Loan:
- (a) The Inspector shall have provided an inspection report certifying completion of the Project (except for minor deficiencies approved by the Financial Institution), and
 - (b) The Borrower shall have delivered to the Financial Institution an occupancy permit or similar document with respect to the Project issued by the municipality or other local government unit in which the Lands are located.
- 3.5 **Statutory Lien Holdback(s)** - The Borrower is responsible for making the statutory lien holdback under the applicable construction lien legislation in the Governing Jurisdiction. Failure to properly make the holdback is a default under this Agreement.
- If a separate lien holdback account or accounts are required to be opened by the Borrower under the applicable construction lien legislation in the Governing Jurisdiction, the Borrower will open and maintain separate lien holdback accounts in respect of each contract entered into by the Borrower (except in respect of material suppliers, architects, engineers and workers).
- If separate lien holdback accounts are not required by the applicable construction lien legislation in the Governing Jurisdiction, the Borrower may, but will not be required to, open a separate account into which to pay the required lien holdback.
- 3.6 **No Re-advances** - Advances on account of the DIP Loan once repaid by the Borrower will not be re-advanced by the Financial Institution.

PART 4 - PAYMENTS

- 4.1 **Use of Payments** - The Financial Institution will apply all payments received from the Borrower, including prepayments, in such order as the Financial Institution decides.
- 4.2 **Place of Payments** - The Borrower will make all payments under this Agreement at the address of the Financial Institution set out on page 1 of the letter part of this Agreement or at any other address specified by the Financial Institution.

- 4.3 **Time of Payments** - Payments received after 2:00 p.m. (local time) on a Business Day or received on a day which is not a Business Day will be considered received on the next Business Day of the Financial Institution's branch or office where the payment was made.

PART 5 - REPRESENTATIONS AND WARRANTIES

- 5.1 **Representations and Warranties** - The Borrower represents and warrants to the Financial Institution that:
- (a) **Corporate Status** - if the Borrower is a corporation, it is duly incorporated and is in good standing under the laws of the governing jurisdiction;
 - (b) **Corporate Powers and Authority** - if the Borrower is a corporation, the Borrower has the power and authority to carry on the business now being carried on by it and has the full power and authority to enter into this Agreement and to execute and deliver the Securities;
 - (c) **Corporate Proceedings** - if the Borrower is a corporation, all necessary and requisite corporate proceedings, resolutions and authorizations have been taken, passed, done and given by the Borrower and by the Borrower's directors to authorize, permit and enable the Borrower:
 - (i) To borrow the DIP Loan from the Financial Institution;
 - (ii) To execute and deliver this Agreement; and
 - (iii) To execute and deliver the Securities;
 - (d) **Contravene Constating Documents** - if the Borrower is a corporation, neither the borrowings nor the issue of the Securities will be in contravention or constitute default under the constating documents of the Borrower; and
 - (e) **Not Contravene Any Agreement** - neither the borrowings nor the issue of the Securities will be in contravention or constitute default under any indenture, deed, agreement, undertaking or obligation of the Borrower or to which the Borrower is a party.

PART 6 POSITIVE COVENANTS

- 6.1 **General Covenants** - The Borrower covenants with the Financial Institution:
- (a) **Corporate Existence** - that, if it is a corporation, it will at all times maintain its corporate existence;
 - (b) **Conduct Business** - that it will carry on and conduct its business in a proper, efficient and businesslike manner and in accordance with good business practices;
 - (c) **Books of Account** - that it will keep or cause to be kept proper books of account in accordance with sound accounting practice;
 - (d) **Title to Property** - that it has good title and possession of the Property save Permitted Encumbrances;
 - (e) **Insurance** - that it will obtain and keep insurance in force which meets the requirements set out in the attached Insurance Schedule and whenever and only if required in writing by the Financial Institution, the Borrower will:
 - (i) Furnish a certificate by an independent appraiser or insurance adjuster selected by the Borrower and approved by the Financial Institution as to the sufficiency of such insurance, which certificate will be conclusive as against the Borrower both as to the amount of insurance required hereunder and the perils against which coverage is required hereunder and the Borrower will immediately insure in accordance with such certificate;

- (ii) Cause to be endorsed in such form as may be required by the Financial Institution on the policies evidencing such insurance a notation that any amounts payable under such policies will be paid to the Financial Institution as its interest may appear; and
 - (iii) Deposit with the Financial Institution every policy and renewal certificate for such insurance or a certified copy thereof;
- (g) **Costs Caused By Default** - that if the Borrower defaults in any covenant to be performed by it hereunder or under the Securities the Financial Institution may perform any covenant of the Borrower capable of being performed by the Financial Institution and if the Financial Institution is put to any costs, charges, expenses or outlays to perform any such covenant, the Borrower will indemnify the Financial Institution for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays incurred by the Financial Institution (including solicitors' fees and charges incurred by the Financial Institution) may be charged by the Financial Institution to the Account and will be secured by the Securities;
- (h) **Court Costs** - that in any judicial proceedings taken to enforce this Agreement and the covenants of the Borrower hereunder or to enforce or redeem the Securities or to foreclose the interest of the Borrower in any property subject thereto the Financial Institution will be entitled to costs on a full indemnity basis. Any costs so recovered will be credited against any solicitors' fees and charges paid or incurred by the Financial Institution relating to the matters in respect of which the costs were awarded and which may have been charged by the Financial Institution to the Account in accordance with clause (g) above.

6.2 **Construction Covenants** - The Borrower will:

- (a) **Complete Project** - proceed to complete the Project with diligence and continuity in a good and workmanlike manner, in accordance with sound building and engineering practices and in accordance with the Plans and Specifications approved by the Financial Institution;
- (b) **Changes to Plans and Specifications** - not make material changes to the Plans or the Specifications without the Financial Institution's prior written consent;
- (c) **Not Cease Work** - not permit cessation of work on the Project prior to completion for a period in excess of 30 days without the prior written consent of the Financial Institution, unless cessation is caused by factors which in the opinion of the Financial Institution, acting reasonably, are beyond the control of the Borrower;
- (d) **Correct Defects** - correct promptly upon notice from the Financial Institution any defects in construction of the Project or unapproved deviations from the Plans and Specifications;
- (e) **Only Pay Project Costs** - use amounts advanced hereunder by the Financial Institution only for the payment of Project Costs and for no other purpose;
- (f) **Pay Excess** - pay from sources other than amounts advanced hereunder by the Financial Institution the Project Costs in excess of the amounts advanced hereunder;
- (g) **Ensure Un-advanced DIP Loan Sufficient** - ensure that the amount un-advanced hereunder will at all times be sufficient to pay the Project Costs necessary to complete the Project;
- (h) **Notify Financial Institution** - promptly notify the Financial Institution of any deviations from the Project budget.

6.3 **Substantial Completion** - Upon substantial completion of the Project the Borrower will provide the Financial Institution with:

- (a) An occupancy certificate or similar certification by the municipality or other local government unit certifying that the Project may be occupied; and

(b) One set of “as built” Plans.

6.4 **During Construction** - During construction the Borrower will:

- (a) Provide the Financial Institution status reports (including copies of the engineer's and/or the quantity surveyor's reports) with respect to the Project containing such information concerning the Project as the Financial Institution may reasonably require;
- (b) Permit the Financial Institution and its employees and agents access to the Project site and will permit such persons to enter and inspect the Project; and
- (c) Keep and will permit the Financial Institution and its employees and agents at all reasonable times to examine and copy books and records of the Borrower pertaining to the Project and all contracts, statements, invoices, bills and claims for labour, materials and services supplied for the Project.

6.5 **Sign** - While the DIP Loan is outstanding the Borrower will permit the Financial Institution to post a sign at the Project indicating that construction financing is being provided to the Borrower by the Financial Institution.

PART 7 NEGATIVE COVENANTS

7.1 **Covenants** - The Borrower covenants with the Financial Institution that the Borrower will not, without the consent in writing of the Financial Institution first being obtained:

- (a) **Grant Security** - make, give or create or attempt to make, give or create any mortgage, charge, lien or encumbrance upon the Property or any part or parts thereof ranking or purporting to rank prior to or pari passu with the Securities or any of them;
- (b) **Demolish Property** – demolish, remove or destroy any pledged Property or any part or parts thereof or cause or permit the demolition, or removal or destruction of the same except in the ordinary course of business;
- (c) **Sell Property** - make any sale or dispose of any substantial part of the Property at less than market value and then only in the ordinary course of business and if the Borrower disposes of the whole or any substantial part of the Property it will hold the proceeds of the sale thereof in trust for the Financial Institution;
- (d) **Payments Out of Usual Course** - make any payments to any person other than in the normal course of the Borrower's business;
- (e) **Make Loans** - make loans or extend credit to any person (including specifically if it is a corporation, any directors, officers or shareholders of the Borrower and any person related by blood or marriage to such persons or any corporation controlled by such person or relative or by the Borrower) except customers of the Borrower in the ordinary course of business;
- (f) **Reduce Capital** – if it is a corporation, purchase or redeem any of its shares or otherwise reduce its share capital;
- (g) **Alter Share Structure** - if it is a corporation, in any way vary or alter its share structure;
- (h) **Borrow Elsewhere** - raise or borrow any money from any person other than the Financial Institution, members of the Borrower and trade creditors in the ordinary course of business;
- (i) **Guarantee** - guarantee, indemnify any person for, or endorse for accommodation, the obligations of any other person, directly or indirectly;
- (j) **Sell Property** - sell, agree to sell or otherwise dispose of any of the Property subject to a specific mortgage or charge under the Securities.

PART 8 EVENTS OF DEFAULT

- 8.1 **Events of Default** - The whole of the outstanding balance of the DIP Loan (including principal, interest and all Other Amounts) will immediately become due and payable and the Securities will become enforceable in each and every of the following events:
- (a) **Default** - if the Borrower fails to observe or perform something hereby required to be done or some covenant or condition hereby required to be observed or performed;
 - (b) **Permits To Be Done** - if the Borrower does, or permits to be done, anything which the Borrower has herein agreed not to do or permits to be done;
 - (c) **Misrepresentation** - if any representation or warranty given by the Borrower (or any director or officer thereof if the Borrower is a corporation) is untrue in any material respect;
 - (d) **Winding Up** - if the Borrower is a corporation and if an order is made or a resolution passed for the winding up of the Borrower, or if a petition is filed for the winding up of the Borrower;
 - (e) **Insolvency Proceedings** – if any of the following should occur:
 - i. there is a change in the party appointed as the Borrower’s Monitor in the Proceedings without the Lender’s prior written consent;
 - ii. failure by the Borrower to pay principal or interest when due;
 - iii. failure by the Borrower to cooperate with the Monitor;
 - iv. any order is issued by a court of competent jurisdiction that materially adversely affects the Lender;
 - v. the issuance of a court order terminating the Proceeding, lifting the stay of proceedings, appointing a receiver, or granting any charge or encumbrance equal or superior in priority to the Securities; and
 - vi. any payment is made by the Borrower that is not contemplated by or within the approved cash flow budget, without the Lender’s prior written consent.
 - (g) **Execution Etc.** - if any execution, sequestration, extent or any other process of any Court become enforceable against the Borrower or if a distress or analogous process is levied against the property of the Borrower or any part thereof;
 - (h) **Other Indebtedness** - if the Borrower permits any sum which has been admitted as due by the Borrower or is not disputed to be due by the Borrower and which forms or is capable of being made a charge upon any of the Property in priority to the Securities to remain unpaid after proceedings have been taken to enforce the same as a prior charge;
 - (i) **Default in Other Payment** - if the Borrower defaults in payment of any indebtedness or liability to the Financial Institution (whether secured hereby or not) or to any other lender;
 - (j) **Sale or Lease** - if, without the prior written consent of the Financial Institution, the Borrower sells, agrees to sell, leases, agrees to lease or otherwise disposes or agrees to dispose of the Lands or any part or parts thereof or any interest therein;
 - (k) **Mortgage or Encumbrance** - if, without the prior written consent of the Financial Institution, the Borrower grants or agrees to grant any further mortgage of the Lands or any part or parts thereof or any interest therein or otherwise permits the Lands to be encumbered in any manner other than by encumbrances specifically permitted hereunder;
 - (l) **Construction Contract Default** - if the Borrower defaults under any construction contract entered into by the Borrower with respect to the Project;

- (m) **Change of Control** - if the Borrower is a corporation and if, without the prior written consent of the Financial Institution, there is in the opinion of the Financial Institution a change of effective control of the Borrower;
- (n) **Change in Risk** - if, in the sole opinion of the Financial Institution, a material adverse change in risk occurs;
or
- (o) **Default Under Securities** - if an event of default occurs under any of the Securities.

8.2 **Waiver** - The Financial Institution may waive any Event of Default, provided always that no waiver by the Financial Institution or any failure to take any action to enforce its rights or to enforce any security will extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

8.3 **Completion of Project** - If an Event of Default occurs and is continuing the Financial Institution may, in addition to any other remedies which it has under the Securities

- (a) Enter upon the Lands and complete the Project in accordance with the Plans and Specifications with such changes therein as the Financial Institution may in its absolute discretion deem appropriate;
- (b) Discontinue at any time any work commenced on the Project or change any course of action undertaken by the Borrower;
- (c) Assume any Construction Contract and take over and use all or any part of the labour, materials, supplies and equipment contracted for by the Borrower;
- (d) Engage builders, contractors, architects, engineers and other persons and trades as may be necessary for the purpose of completing the construction of the Project;
- (e) Pay, settle or compromise all bills or claims which may become liens against the Lands; and
- (f) Generally, to take or refrain from taking such action hereunder as the Financial Institution may from time to time determine.

The Borrower hereby irrevocably constitutes and appoints the Financial Institution as its true and lawful attorney in order to complete the foregoing.

8.4 **Reimbursement** - The Borrower will immediately reimburse the Financial Institution on demand for any amount paid under section 8.3 and until reimbursement the amount paid will:

- (a) Bear interest from the date incurred by the Financial Institution at the Interest Rate; and
- (b) Be secured by the Securities.

8.5 **Remedies Not Restrictive** - All remedies stipulated for by the Financial Institution hereunder or in any of the Securities will be deemed to be in addition to and not restrictive of the remedies which the Financial Institution might be entitled to at law or in equity and the Financial Institution may realize any of the Securities or any part thereof in such order as it may be advised and any such realization by any means will not bar realization of any other security or any part or parts thereof nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof nor will the failure on the part of the Financial Institution or any delay in exercising any rights under this Agreement or any of the Securities operate as a waiver.

8.6 **Set Off** - If an Event of Default has occurred and is continuing, in addition to and not in limitation of any rights now or hereafter granted under applicable law or the Securities, provided the Financial Institution is authorized to do so by Court Order, the Financial Institution may without notice to the Borrower and at any time and from time to time set off, apply or transfer any or all sums owing from time to time by the Lender to the Borrower towards the satisfaction of the outstanding balance of the DIP Loan (including principal, interest and Other Amounts).

- 8.7 **Indemnity** - Notwithstanding any other provision of this Agreement, the Borrower will fully indemnify and hold the Financial Institution harmless from and against any loss, expense, damage or liability incurred by it which the Financial Institution may sustain or incur as a result of any Event of Default, including but not limited to legal costs on a full indemnity basis.

PART 9 NOTICES

- 9.1 **Notices** - All notices which may or are required to be given herein or pursuant to this Agreement or relating to the Securities shall be in writing and may be given

- (a) Personally, by serving the same upon the party (or any officer of the party if it is a corporation) to be served, or
- (b) By mail by posting the same by prepaid registered mail addressed:
 - (i) To the Borrower at the address of the Borrower set forth in the Offer of Credit;
 - (ii) To the Financial Institution at the branch of the Financial Institution where the loan accounts reside;
 - (iii) To the Indemnitor, if any, at the address of the Indemnitor shown in the Indemnitor Provision, if any, of this Agreement.

Or such other addresses as the parties may advise by notice in writing, or

- (c) By email to the following email addresses but addressed in the manner set out in (b):
 - (i) To the Borrower at such email address, if any, as the Borrower may provide to the Financial Institution in writing;
 - (ii) To the Financial Institution at the email address of the division of the Financial Institution found on our website, or any other email address we may advise by notice in writing;
 - (iii) To the Indemnitor, if any, at such email address, if any, shown in the Indemnitor Provision, if any, of this Agreement;

or such other email addresses as the parties may advise by notice in writing.

- 9.2 **Receipt of Notice** - Subject to sections 9.3 and 9.4, any notice shall be deemed to have been received and effectively served

- (a) If served personally, at the time of delivery,
- (b) If mailed, on the third Business Day following posting, and
- (c) If sent by email, at the time of transmission.

- 9.3 **Deemed Receipt Next Business Day** - Notwithstanding any other provisions of this Agreement any notice received or otherwise deemed received after 4:30 p.m. (Pacific time) on a Business Day or on a day which is not a Business Day will be deemed to have only been received on the next Business Day.

- 9.4 **Delays** - In the event that, at the time a notice is mailed or at any time during the period of three Business Days following such mailing, postal or airline or airport employees are engaged in a strike, work slowdown or other work stoppage at the place at which the notice is mailed or at the place to which the notice is mailed or at any point through which such notice must pass, such notice will be deemed to have been given and received at the time when such notice would be received in the ordinary course of the mails, allowing for such strike, work slowdown or other work stoppage.

PART 10 TERMINATION

- 10.1 **Termination of Agreement** - This Agreement will continue in full force and effect until the outstanding balance of the DIP Loan (including principal, interest and all Other Amounts) has been paid in full.

PART 11 GENERAL

- 11.1 **No Obligation to Advance DIP Loan** - Notwithstanding any other provisions hereof neither the execution of this Agreement nor the execution and delivery of the Securities or any other security required and from time to time given by the Borrower to the Financial Institution will bind the Financial Institution to advance the DIP Loan nor will the advance of any part thereof bind the Financial Institution to advance any un-advanced portion thereof.
- 11.2 **Records** - The information in the records of the Financial Institution as to the Account and as to the Borrower being in default of this Agreement or the Securities or any of them and the amount outstanding hereunder and thereunder will be *prima facie* evidence of the obligations of the Borrower hereunder and under the Securities. The Borrower will, on reasonable notice to the Financial Institution, be entitled to obtain extracts of all entries made in such records.
- 11.3 **Costs** - The Borrower will pay the costs of and incidental to the drawing, execution and delivery of this Agreement and of the drawing, execution, delivery and registration of the Securities or any other securities required to or from time to time given by the Borrower to the Financial Institution and at its option the Financial Institution may pay the said costs for the account of the Borrower out of the monies to be advanced on account of the DIP Loan or may debit the Account for the said costs.
- 11.4 **Service Charges** - The Borrower will pay to the Financial Institution the Financial Institution's applicable handling and service charges in connection with the Account and the handling and processing of cheques drawn thereon.
- 11.5 **Assignment by Borrower** - The Borrower will not be entitled to assign any of its rights hereunder except with the prior written consent of the Financial Institution.
- 11.6 **Assignment by Financial Institution** - The Financial Institution may assign its rights hereunder, in whole or in part, but will not assign its rights or any interest under any of the Securities without also assigning the same proportionate rights or interest in this Agreement to the assignee of the Securities.
- 11.7 **Solicitor's Opinion** - The whole of the arrangements described in this Agreement are subject to the solicitors for the Financial Institution being satisfied as to the title of the Lands, the form and content of the Securities, the corporate status of the Borrower and any corporate Indemnitor and as to all legal matters pertaining to the DIP Loan and compliance with the conditions herein, subject always to the right of the solicitors for the Financial Institution to require an opinion from the solicitors for the Borrower pertaining to any of the aforesaid.
- 11.8 **Further Assurances** - The Borrower will do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including certificates, declarations, affidavits, reports and opinions) and things as the Financial Institution may reasonably request for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the representations, warranties and conditions of this Agreement or any of the Securities.
- 11.9 **Non Merger** - The taking of a judgment or judgments or any other action or dealing whatsoever by the Financial Institution in respect of any security given by the Borrower to the Financial Institution will not operate as a merger of any indebtedness of the Borrower to the Financial Institution or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which the Financial Institution may have in connection with such indebtedness and the foreclosure, surrender, cancellation or any other dealing with any such security will not release or affect the liability of the Borrower, or release or affect any of the Securities or any other security held by the Financial Institution.
- 11.10 **Examinations of Books Etc.** - The Financial Institution will have the right whenever it deems reasonably necessary either by its officers or authorized agents to enter upon the Borrower's premises and to inspect the

undertaking, property and assets of the Borrower, all books of account and records of the Borrower and copies of all returns made from time to time by the Borrower to boards, agencies or governmental departments (including the Canada Revenue Agency) and to make extracts therefrom and generally to conduct such examinations as it may see fit and without limiting the generality of the foregoing, the Financial Institution may request information from the solicitor, auditor and other advisors and agents of the Borrower for the time being concerning the affairs and the conduct of business of the Borrower and the Borrower hereby irrevocably authorizes and directs and this will constitute the sufficient authority and direction to any such solicitor, auditor or other person to disclose to the Financial Institution such information as to any and all matters touching upon the affairs and conduct of the business of the Borrower whether of confidential nature or otherwise and any costs, expenses and outlays which the Financial Institution may incur pursuant hereto may be charged to the Account.

- 11.11 **Extension of Dates** - The Financial Institution may extend all relevant dates, including those contained in this Agreement, in the event of fires, strikes, and Acts of God and other events beyond the Borrower's reasonable control and the Borrower will pay all resulting costs to the Financial Institution of extending the date or dates.
- 11.12 **Enurement** - This Agreement and all its provisions will enure to the benefit of and be binding upon the parties hereto, their successors and assigns.
- 11.13 **Statute References** - A reference in this document to a particular statute means the statute as amended from time to time and any statute substituted therefore.
- 11.14 **Interest Act** – If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Financial Institution in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by that Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:
- 11.14.1 first, by reducing the amount or rate of interest required to be paid to the affected Financial Institution under this Section 11.14; and
- 11.14.2 thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Financial Institution which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).
- 11.15 **Electronic Mail** - The Financial Institution is entitled to rely on any agreement, document or instrument provided by the Borrower and/or any Indemnitor as applicable, by way of electronic mail as though it were an original document. The Financial Institution is further entitled to assume that any communication from the Borrower and/or any Indemnitor received by electronic mail is a reliable communication from the Borrower and/or any Indemnitor.
- 11.16 **Electronic Imaging** - The parties hereto agree that, at any time, the Financial Institution may convert paper records of this Agreement and all other documentation delivered to the Financial Institution (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Financial Institution's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

INSURANCE SCHEDULE - COURSE OF CONSTRUCTION REQUIREMENT

1. During Construction

- (a) The property must be insured for 100% of replacement cost under a form providing coverage at least equivalent to IAO Form 507 - Builders Risk - All Risk.
- (b) The Builders Risk - All Risk cover must grant permission for partial or full occupancy.
- (c) The insurance policy should include the insurance of the foundation and all parts below ground level.
- (d) Loss must be made payable firstly to the Financial Institution, as its interest may appear and a standard IAO mortgage clause must be attached.
- (e) Comprehensive General Liability Insurance for bodily injury and/or death and damage to property of others in an amount not less than \$3,000,000.

2. Upon Completion of Construction

The Borrower shall keep in force the following insurance in respect of the Lands:

- (a) "All Risks" coverage equivalent to the IAO Commercial Building Form (CBF) for 100% of replacement cost on a stated amount basis, with loss must be made payable firstly to the Financial Institution, as its interests may appear. The policy must contain:
 - (i) A stated amount co-insurance clause;
 - (ii) A standard IAO mortgage clause;
 - (iii) A replacement cost endorsement.
- (b) Broad form boiler insurance including pressure vessels insurance and air-conditioning equipment, if any, and repair and replacement and use and occupancy coverage, with loss must be made payable firstly to the Financial Institution, as its interest may appear and a standard IAO mortgage clause must be attached.
- (c) Wrap-up liability insurance for the Project.
- (d) Rental insurance coverage sufficient to cover 100% of the gross annual rents and if on a net basis, the equivalent gross rentals, for a period of one year.

All of the above policies must be with insurers and on terms and conditions satisfactory to the Financial Institution, must be signed by the insurers and the originals of the policies signed by the insurers must be deposited with the Financial Institution prior to any advances under the loan.

All fire insurance policies must include the insurance of the foundation and all parts below level and in case of destruction of the reconstruction should not be limited to the same site and shall cover debris removal costs.

3. Other Requirements

- (a) All insurance policies will be issued by a company to be communicated to the Financial Institution to confirm acceptability.
- (b) Any deductible amounts under such policies shall be at a maximum of \$25,000.
- (c) The terms and conditions of all insurance policies will be provided to the Financial Institution for review and to confirm acceptability.

4. Loss payable

The policy or policies will contain a standard mortgage clause approved by the Insurance Bureau of Canada and will name Tru Cooperative Bank as first loss payee (as first mortgagee), as its interest may appear and a standard IAO mortgage clause must be attached.

5. Cancellation

The Insurer may reserve the right to cancel the policy as provided by statutory provisions but must agree that it will neither terminate nor alter the policy to our prejudice except by registered letter giving a notification of thirty (30) days to the Financial Institution.

All of the above policies must be with insurers and on terms and conditions satisfactory to the Financial Institution, including the provisions of thirty (30) days written notice to the Financial Institution of cancellation or of any alteration to the policy to the prejudice of the Financial Institution, must be signed by the insurers and the originals of the policies signed by the insurers must be deposited with the Financial Institution prior to any advances under the loan.

6. Adequacy

To confirm adequate coverage, the Financial Institution may, at its discretion, have its insurance consultant review all policies of insurance.

Appendix C
Cash Flow Statement

464 Eaglecrest Drive Limited Partnership, TCD Developments (Gibsons) Ltd, and 464 Eaglecrest Drive Properties Ltd. (collectively, the "Petitioners")
 Consolidated Cash Flow Forecast of the Petitioners

(C-11)

Forecast Week	05-Jun-26	12-Jun-26	19-Jun-26	26-Jun-26	03-Jul-26	10-Jul-26	17-Jul-26	24-Jul-26	31-Jul-26	07-Aug-26	14-Aug-26	21-Aug-26	28-Aug-26	13 Weeks Total
Forecast Week Ending Friday	1	2	3	4	5	6	7	8	9	10	11	12	13	13 Weeks Total
Receipts														
Sales Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	[2]	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Disbursements														
Hard Costs	[3] (300,000)	-	-	(1,075,466)	(50,000)	-	-	(1,075,466)	(50,000)	-	-	(1,075,466)	-	(3,626,397)
Consultants	[4] -	-	-	(46,167)	-	-	-	(22,167)	-	-	-	(22,167)	-	(90,500)
Insurance	[5] (282,000)	-	-	(123,919)	-	-	-	(10,517)	-	-	-	-	-	(416,437)
Property Taxes	[6] (295,657)	-	-	-	-	-	-	-	-	-	-	-	-	(295,657)
Cash Collateral for Park Bond	[7] -	-	-	(298,000)	-	-	-	-	-	-	-	-	-	(298,000)
Other Soft Costs	[8] (312,583)	-	-	(141,916)	-	-	-	(91,916)	-	-	-	(91,916)	-	(658,330)
Restructuring Professional Fees	[9] (150,000)	-	-	(175,000)	-	-	-	(175,000)	-	-	-	(175,000)	-	(675,000)
Interim Lender Professional Fees	(50,000)	-	-	(25,000)	-	-	-	(25,000)	-	-	-	(25,000)	-	(125,000)
Total Operating Disbursements	(1,390,240)	-	-	(1,885,468)	(50,000)	-	-	(1,400,065)	(50,000)	-	-	(1,389,548)	-	(6,165,321)
Interim Financing														
Advances	1,800,000	-	-	2,000,000	-	-	-	1,450,000	-	-	-	1,500,000	-	6,750,000
Payment of Fees and Interest	(150,000)	-	(110,000)	-	-	-	-	-	-	-	-	-	-	(260,000)
Payment of Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Interim Financing	1,650,000	-	(110,000)	2,000,000	-	-	-	1,450,000	-	-	-	1,500,000	-	6,490,000
Net Cash Flow	259,761	-	(110,000)	114,532	(50,000)	-	-	49,935	(50,000)	-	-	110,452	-	324,679
Cash														
Beginning Balance	-	259,761	259,761	149,761	264,293	214,293	214,293	214,293	264,228	214,228	214,228	214,228	214,228	-
Net Cash Flow	259,761	-	(110,000)	114,532	(50,000)	-	-	49,935	(50,000)	-	-	110,452	-	324,679
Ending Balance	\$ 259,761	\$ 259,761	\$ 149,761	\$ 264,293	\$ 214,293	\$ 214,293	\$ 214,293	\$ 264,228	\$ 214,228	\$ 214,228	\$ 214,228	\$ 324,679	\$ 324,679	\$ 324,679

Notes to the Consolidated Cash Flow Forecast:

- [1] The purpose of the Cash Flow Forecast is to estimate the liquidity requirements of the Petitioners. The forecast above is presented in Canadian Dollars and has been forecasted on a cash basis.
- [2] Forecast Total Receipts is presented exclusive of anticipated sales of completed units during the forecast period due to uncertainty around timing of occupancy permits.
- [3] Forecast Hard Costs are based on recent quantity surveyor reports with adjustments to certain items to reflect conservatism or contracted costs.
- [4] Forecast Consultants costs are based on the estimated remaining costs to be incurred to achieve occupancy on all units.
- [5] Forecast Insurance includes COC Insurance as well as DP1 and New Home Warranty premiums. \$282,000 in Week 1 relates to repayment of protective disbursements incurred by TRU.
- [6] Forecast Property Taxes include the current year as well as arrears for 2025.
- [7] Forecast Cash Collateral for Park Bond relates to bonds that may be required for work to be performed on the project's park and retention bond.
- [8] Forecast Other Soft Costs includes miscellaneous costs as well as contingencies for unforeseen expenses.
- [9] Forecast Restructuring Professional Fees includes the Company's legal counsel, the Monitor and the Monitor's legal counsel.