

No. S-137743
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 THE *CANADA BUSINESS CORPORATIONS ACT*
R.S.C., 1985, c. C-44 AS AMENDED**

AND

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*
SBC, 2002, C-57 AS AMENDED**

AND

**IN THE MATTER OF LEAGUE ASSETS CORPORATION AND THE
PETITIONERS LISTED IN APPENDIX "A"
(COLLECTIVELY "LEAGUE" OR THE "COMPANY")**

**MONITOR'S 35th REPORT TO COURT
Sale of the Gatineau Property**

August 4, 2015



**LEAGUE ASSETS CORPORATION, ET AL
MONITOR'S 35th REPORT TO COURT**

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1. INTRODUCTION

- 1.1 On October 18, 2013, (the "**Filing Date**") on the application of League Assets Corporation and those parties listed in Appendix A (collectively referred to as "**League**" or the "**Company**"), the Supreme Court of British Columbia (the "**Court**") made an order (the "**Initial Order**") granting League protection from its creditors pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Under the Initial Order, PricewaterhouseCoopers Inc. ("**PwC**") was appointed Monitor of the Companies (the "**Monitor**").
- 1.2 The purpose of this report is to provide information in support of the Monitor's application seeking the approval of the Court for the sale of the Company's interest in the Gatineau Property (as defined herein) to 9003452 Canada Inc. ("**9003**"), the first secured lender on the Gatineau Property.
- 1.3 Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars. Capitalized terms not otherwise defined herein are as defined in previous reports of the Monitor.
- 1.4 The Monitor has set up a website at:

www.pwc.com/car-leagueassets
- 1.5 All prescribed materials filed by League and the Monitor relating to this CCAA proceeding are available to creditors, Investors, and other interested parties in electronic format on the Monitor's website. The Monitor will make regular updates to the website to ensure creditors, Investors, and interested parties are kept current and to add prescribed materials as required.

2. THE GATINEAU PROPERTY

- 2.1 Gatineau Centre Real Estate Development Corporation ("**Gatineau Corp.**") is the registered legal owner of the Gatineau Property as nominee for Gatineau Centre Development Limited Partnership ("**Gatineau LP**").
- 2.2 The Gatineau Property is a 138.2 acre property located in Gatineau, Quebec (the "**Gatineau Property**"). The Gatineau Property is currently leased to 8925879 Canada

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Inc., an independent entity from League, which operates an 18-hole golf course on the property, known as the Tecumseh Golf Club.

- 2.3 The Gatineau Property was purchased by Gatineau Corp. in September 2012 for \$9 million with the intention of having the property rezoned to a mixed-use retail / commercial / residential designation to enable redevelopment. A copy of the Deed of Sale is attached as Appendix B.
- 2.4 On closing of the purchase of the Gatineau Property, Gatineau Corp. paid approximately \$4.5 million (the “**Cash Purchase Price**”) to Resolute FP Canada Inc. (“**Resolute**”). The Cash Purchase Price was raised by the issuance of secured notes (the “**Secured Notes**”) and unsecured notes as well as partnership units in Gatineau LP. The Secured Notes are guaranteed by Gatineau Corp. and secured on the Gatineau Property.
- 2.5 The remaining amount of the purchase price in the amount of \$4.5 million was financed by way of a vendor take back mortgage (the “**VTB**”) from Resolute. The VTB was:
- 2.5.1 secured by a hypothec registered on the Gatineau Property in favour of Resolute LP in the amount of \$4.5 million with interest accruing thereon at 8% per annum; and
- 2.5.2 Guaranteed by Gatineau LP.
- 2.6 As of the Filing Date, \$3 million in principal was outstanding and owing under the VTB. In addition to the VTB and Secured Notes, Gatineau LP had the following outstanding investor obligations at the Filing Date:

	Amount outstanding \$million
Unsecured investor notes	\$0.7
Limited partnership units	\$5.6
TOTAL	\$6.3

- 2.7 On October 31, 2014, Resolute assigned its loan and corresponding mortgage to 9003 (the “**Resolute Assignment**”), an entity formed by a group of individuals associated with the Tecumseh Golf Club, the operator of the golf course. A copy of the Assignment of Hypothecary Claim is attached as Appendix C.

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2.8 There are two mortgages registered on the Gatineau Property, the key terms of which are summarized as follows:

Priority	Mortgagee	Amount outstanding* \$million	Interest Rate
1 st	Resolute as assigned to 9003	\$3.8	8.0%
2 nd	Computershare Trust Company of Canada (“ Computershare ”), on behalf of the Secured Notes issued by Gatineau LP.	\$1.0	8.0%
TOTAL		\$4.8	

* Approximate amount as at August 4, 2015

2.9 The Monitor’s counsel has reviewed the security granted by Gatineau Corp. to Resolute, as assigned to 9003 and to Computershare on behalf of the Secured Notes. The Monitor’s counsel is of the view that the security granted to Resolute and subsequently assigned to 9003 and the security granted to Computershare in respect of the Secured Notes both constitute legal, valid and binding obligations of Gatineau Corp. and Gatineau LP enforceable against them in accordance with their respective terms.

3. EFFORTS TO RESTRUCTURE GATINEAU LP

3.1 The Gatineau Property’s location is adjacent to a commercial corridor and both League and the Monitor believed that significant value could be realized from the property if it was rezoned for mixed-use development.

3.2 In January 2012, Colliers appraised the Gatineau Property at \$4.8 million in its current state (i.e. as a golf course) in comparison to an estimated value, once re-zoned, of \$35 million. At the time that League filed for CCAA protection, rezoning the property was expected to take two years and if the anticipated value was realized, all of the secured and unsecured creditors of Gatineau Corp. and Gatineau LP were expected to receive a full payment and the limited partners were expected to realize a gain on their equity

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investment. The Monitor, with guidance from Colliers, adopted an Estimated Transaction Value (“ETV”) of \$21 million (after developer’s profit, risk premium and carrying costs) in the Waterfall Analysis presented in the Monitors Report to Stakeholders dated June 23, 2014.

- 3.3 Given the potential for this increase in value, League, working in conjunction with the Monitor, pursued various plans to re-finance Gatineau LP and raise the \$1 million required to fund the re-zoning process. These efforts were primarily undertaken during the latter half of 2014 and the beginning of 2015. In the event that League was successful in securing the additional financing, it intended to carve Gatineau LP out of the CCAA proceedings and replace the general partner of Gatineau LP and League Asset Corporation as the manager of Gatineau LP.
- 3.4 League’s efforts to restructure Gatineau LP were further complicated by the Resolute Assignment. As the mortgage assigned to 9003 was in default due to League’s inability to make the required payments, 9003 had the right to take steps to enforce the mortgage. As such, League sought to negotiate a forbearance with 9003 to provide sufficient time to refinance Gatineau LP and complete the re-zoning.
- 3.5 9003 was interested in retaining the Gatineau Property in its current state so that the Tecumseh Golf Club could continue to lease the land. 9003 offered to forbear for up to 18 months to complete the re-zoning on the condition that Gatineau Corp would transfer the Gatineau Property to 9003 if the loan was not repaid at the end of the forbearance period. As it was doubtful whether a re-zoning could be accomplished in 18 months, League declined the offer and concluded that this loan would need to be re-financed as part of any restructuring of Gatineau LP.
- 3.6 League proceeded to seek financing to repay the loan owed to 9003 and fund the re-zoning. The low market value of the Gatineau Property in its current state limited the amount of debt financing available on reasonable terms to approximately \$2.5 million such that new equity financing of \$1.5 million would be required to help repay the loan from 9003. After taking into consideration the anticipated re-zoning costs, total new equity required amounted to approximately \$2.5 million.

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- 3.7 League's efforts to restructure Gatineau LP included the following:
- 3.7.1 Hosting conference calls open to all Gatineau LP investors on September 23, 2014, to present an initial restructuring plan and seek feedback from the investors. The Monitor participated in these conference calls.
 - 3.7.2 Canvassing third party lenders to determine the amount of debt financing available to repay the loan from 9003 as part of any restructuring. Various term sheets were received in connection with the restructuring and all were contingent upon securing additional equity financing.
 - 3.7.3 Holding various meetings and discussions with Meckelborg Financial Group Ltd ("**Meckelborg**"), the fund manager for certain unit holders, to determine their view on the restructuring plan and whether they could assist with raising the additional funding required. Meckelborg declined to assist with raising the additional funding.
 - 3.7.4 Holding various meetings and discussions with several significant investors in Gatineau LP to determine whether they were prepared to invest further capital.
 - 3.7.5 Hosting a further conference call with investors on January 29, 2015 to present an amended restructuring plan and seeking feedback from the investors as to whether equity financing would be provided by them. The Monitor attended this conference call.
- 3.8 As a result of the aforementioned meetings and discussions, League and the Monitor determined that the investors were not prepared to provide the necessary equity capital to restructure Gatineau LP.
- 3.9 As external financing was not available without the committed financial support of the current investors, League determined that a restructuring of Gatineau LP could not be completed and the only remaining option was to list the Gatineau Property for sale.

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4. MARKETING THE GATINEAU PROPERTY

Forbearance by 9003

- 4.1 As 9003 was entitled to enforce its mortgage security, League and the Monitor negotiated and entered into a Suspension of Security Enforcement and First Refusal Right with Respect to the Sale of Property Agreement with 9003 effective as of March 16, 2015 (the “**First Secured Creditor Agreement**”) to allow Gatineau LP time to canvass the market for a purchaser of the Gatineau Property. A copy of the First Secured Creditor Agreement is attached as Appendix D. Key terms of the First Secured Creditor Agreement are as follows:
- 4.1.1 Gatineau LP was given until August 31, 2015 to obtain an unconditional offer to purchase the Gatineau Property that exceeded a minimum floor price and closed prior to October 1, 2015 (the “**Qualified Offer**”). The copy of the First Secured Creditor Agreement attached to this Report has the amount of the minimum floor price redacted. Should the proposed transaction with 9003 not close, the Monitor is of the view that public disclosure of the minimum floor price would negatively affect any further marketing of the Gatineau Property.
- 4.1.2 9003 was provided a Right of First Refusal (the “**ROFR**”). Under the terms of the ROFR, on written notice from the Monitor of the receipt of a Qualified Offer, 9003 had five days to determine if it would purchase the Gatineau Property on the same terms and conditions as the Qualified Offer (the “**Matching Offer**”).
- 4.1.3 The Monitor and 9003 agreed that in the event 9003 matched a Qualified Offer, the Monitor will within a reasonable time bring an application to the CCAA court to approve the Matching Offer and transfer title to the Gatineau Property to 9003 free and clear of all encumbrances.
- 4.1.4 In the event that 9003 purchased the Gatineau Property, any liabilities or obligations owing by League relating to the Gatineau Property which accrued after the Filing Date would be assumed and satisfied by 9003 and 9003 would indemnify and save harmless League and the Monitor from any such obligations and liabilities.
- 4.1.5 League and the Monitor agreed to seek court approval for the Gatineau Property to be transferred to 9003 as full satisfaction of its loan to Gatineau LP if:
- 4.1.5.1 A Qualified Offer was not received by August 31, 2015; or,

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4.1.5.2 A sale was not closed by October 1, 2015 unless League, the Monitor and 9003 agreed to an extension of this period.

Sales Process

- 4.2 League engaged Colliers to list the Gatineau Property in April 2015. The property was listed at \$8.5 million. Given the nature of the property Colliers undertook a list and sell approach, which included:
- 4.2.1 Listing the property on Colliers' website, Loopnet (the largest online commercial real estate marketplace in North America) and Spacelist;
 - 4.2.2 Sending a "teaser" property brochure via email to over 750 potential purchasers identified by Colliers, including:
 - 4.2.2.1 Private and institutional investors known to be active in the commercial and residential asset class;
 - 4.2.2.2 Local builders and developers; and
 - 4.2.2.3 Owner/operators/developers of theme parks and other activities permitted under the existing zoning; and
 - 4.2.3 Calling numerous potential purchasers identified by Colliers to discuss the opportunity.
- 4.3 The marketing efforts resulted in Colliers receiving enquires from eight prospective purchasers that were granted access to due diligence documentation in an online data room. Colliers engaged in discussions with each of these prospective purchasers and sought unconditional offers from them.
- 4.4 League and the Monitor received an unconditional offer from a third party to purchase the Gatineau Property on June 2, 2015. The purchase price of \$7.3 million was greater than the ETV contained within the Monitor's updated Waterfall Analysis presented in the Monitors 31st Report to the Court dated March 25, 2015. Based on the ETV at that time, it was expected the first ranking mortgage of 9003 would be repaid and the Secured Notes would only receive a partial recovery. The purchase price of \$7.3 million will enable both

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9003 and the Secured Notes to be repaid in full and a partial recovery to the unsecured creditors and investors holding unsecured notes.

- 4.5 League, with the Monitor's consent, accepted the offer of \$7.3 million subject to the ROFR, after due and careful consideration of the price, terms and conditions of the offer, and considering the deadlines established with the first ranking secured creditor to deal with the property.
- 4.6 Following acceptance of the Qualified Offer, the Monitor notified 9003 of the Qualified Offer.
- 4.7 On June 5, 2015, within the 5 prescribed days, 9003 notified the Monitor that it would exercise its ROFR and agreed to purchase the Gatineau Property on the same terms and conditions as the Qualified Offer in accordance with the terms of the First Secured Creditor Agreement. This constituted the Matching Offer. A copy of 9003's correspondence confirming its decision to exercise its ROFR is attached as Appendix E.
- 4.8 Thereafter 9003 provided the Monitor with a deposit of \$1 million as required by the Qualified Offer.
- 4.9 The Monitor and the Company have been working with 9003 to memorialize the agreed upon transaction in a purchase agreement that reflects the terms of the Qualified Offer submitted. Such formal purchase agreement has not, to date, been executed by 9003, although 9003's counsel has advised League's counsel that such executed agreement is forthcoming.

Summary of Key Terms of the Qualified Offer

- 4.10 Subject to court approval and pursuant to the terms of the First Secured Creditor Agreement, 9003 through the exercise of the ROFR provided the Monitor with a Matching Offer - agreeing to purchase the Gatineau Property on the same terms and conditions as the Qualified Offer which is attached as Appendix F. The key terms of the Qualified Offer are as follows:
 - 4.10.1 A gross purchase price of \$7.3 million;
 - 4.10.2 The Gatineau Property is being sold on an "as is where is" basis.

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- 4.10.3 The gross purchase price will be adjusted for typical closing adjustments, including rent deposits, utilities and taxes, in order to calculate the net proceeds to Gatineau LP;
- 4.10.4 A deposit of \$1,000,000 shall be provided to the Monitor. The deposit shall be credited to the gross purchase price upon closing. The deposit becomes non-refundable in the event that the purchaser does not close the purchase once the Court has approved the sale. The deposit has been received by the Monitor;
- 4.10.5 The offer is subject to court approval and the issuance of an Approval and Vesting Order; and
- 4.10.6 Closing of the purchase by 9003 would occur on September 25, 2015.

5. DISPOSITION OF SALE PROCEEDS

- 5.1 It is proposed in the draft Approval and Vesting Order provide that the sale proceeds be applied until exhausted as follows:
 - 5.1.1 First, to the adjustments in respect of the sale, including outstanding property taxes and utilities and any penalties or interest on any charges;
 - 5.1.2 Second to pay the applicable Colliers real estate commission or fees;
 - 5.1.3 Third, to pay 9003 on account of its first ranking mortgage secured against the Gatineau Property;
 - 5.1.4 Fourth, to pay Computershare Trust Company of Canada, on behalf of the Secured Noteholders on account of its second ranking mortgage secured against the Gatineau Property; and,
 - 5.1.5 Fifth, additional amounts, if any, to be held by the Monitor to be available for the following:
 - 5.1.5.1 Funding of general corporate costs and professional fees; and
 - 5.1.5.2 Distribution to League stakeholders pursuant to further Order of the Court.

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6. RECOMMENDATION OF THE MONITOR

- 6.1 The Monitor recommends that the Court approve the sale of the Gatineau Property to 9003 and the proposed disposition of the sale proceeds, for the following reasons:
- 6.1.1 Significant efforts were made to execute a restructuring of Gatineau LP to realize the enhanced value of the Gatineau Property which was expected from completing a re-zoning process. Through conference calls and other discussions, Gatineau LP investors were provided the opportunity to support a restructuring to realize the enhanced value.
 - 6.1.2 Once it became clear that a restructuring of Gatineau LP would not be feasible, the Gatineau Property was fully exposed to the market for a reasonable period of time and in accordance with arrangements reached with the first secured creditor.
 - 6.1.3 The Monitor is of the view that the value obtained for the Gatineau Property is fair and reasonable in the circumstances. The purchase price is reflective of the limited financing available for land acquisitions, the length and uncertainty of the re-zoning process required to unlock the potential increased value of the property and the fact that Gatineau LP was in default of its obligations to the first secured creditor.
 - 6.1.4 The purchase price is higher than the ETV ascribed by the Monitor within the Monitor's updated Waterfall Analysis presented in the Monitors 31st Report to the Court dated March 25, 2015.
 - 6.1.5 The Monitor has advised Representative Counsel of the proposed Gatineau sale.
 - 6.1.6 9003 is not related to League.
 - 6.1.7 The sale of the Gatineau Property represented would be more beneficial to the stakeholders than a sale or disposition under a bankruptcy.
 - 6.1.8 The proposed distribution is fair and reasonable in the circumstances.

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This report is respectfully submitted this 4th day of August, 2015.

**PricewaterhouseCoopers Inc.
Court Appointed Monitor of
League Assets Corporation, et al**

A handwritten signature in blue ink, appearing to read 'M. Vermette', with a stylized flourish at the end.

**Michael Vermette, CPA, CA, CIRP
Senior Vice President**

APPENDIX A

List of Petitioners

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List of Petitioners

Corporations

1. 0781591 B.C. Ltd.
2. 0811883 B.C. Ltd.
3. 0812307 B.C. Ltd.
4. 0827524 B.C. Ltd.
5. 0873201 B.C. Ltd.
6. 0891146 B.C. Ltd.
7. 0895249 B.C. Ltd.
8. 0895251 B.C. Ltd.
9. 0908150 B.C. Ltd.
10. 2128273 Ontario Inc.
11. 2146431 Ontario Inc.
12. 2148711 Ontario Inc.
13. 2164613 Ontario Inc.
14. 2164614 Ontario Inc.
15. 2246329 Ontario Limited
16. 2291088 Ontario Inc.
17. 2314845 Ontario Inc.
18. 473 Albert St. Office GP Inc.
19. 7667906 Canada Inc.
20. Arbutus Industrial Park Ltd.
21. Colwood's Triumph GP Ltd.
22. Cowichan District Financial Centre GP Inc.
23. Cygnet Apartments GP Inc.
24. Cygnet Properties GP Inc.
25. TreblaCity Centre GP Inc.
26. Durham Portfolio GP Inc.
27. Fort St. John Retail GP Inc.
28. Gatineau Centre Development GP Inc.

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29. Gatineau Centre Real Estate Development Corporation
30. IGW Cash Management Fund Ltd.
31. IGW Diversified Redevelopment Fund GP Inc.
32. IGW Energy Capital GP Inc.
33. IGW Industrial GP Inc.
34. IGW Mortgage Investment Corporation
35. IGW Properties GP I Inc.
36. IGW Public GP Inc.
37. IGW REIT GP Inc.
38. IGW Residential Capital GP Inc.
39. Jesken Development GP Inc.
40. Jesken Investment GP Inc.
41. LAPP Global Asset Management Corp.
42. League Acquisition Corp.
43. League Assets Corp.
44. League Assets GP Inc.
45. League Assets International Inc.
46. League Capital Markets Ltd.
47. League Capital Partners Ltd.
48. League Debt Corp.
49. League Financial Partners Inc.
50. League Founding Limited Partner Ltd.
51. League Holdings Corp.
52. League Investment Fund Ltd.
53. League Investment Services Inc.
54. League Opportunity Fund Ltd.
55. League Realty Advisory Ltd.
56. League Realty Services Ltd.
57. League REIT Investco Inc.
58. Londondale Shopping Centre GP Inc.
59. Market Square Properties GP Inc.

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60. Member-Partners' Consolidated Properties GP Inc.
61. North Vernon Properties Inc.
62. Partners Equity Finance Inc.
63. Residences At Quadra Village GP Inc.
64. Sundel Square Ltd.
65. Tsawassen Retail Power Centre GP Inc.
66. Tyee Plaza GP Inc.
67. Village Green Holdings #2 Ltd.
68. Village Green Holdings #3 Ltd.
69. Zeus Energy Ltd.

Limited Partnerships

70. 473 Albert St. Office Limited Partnership
71. Colwood's Triumph Limited Partnership
72. Cowichan District Financial Centre Limited Partnership
73. TreblaCity Centre Limited Partnership
74. Durham Portfolio Limited Partnership
75. Fort St. John Retail Limited Partnership
76. Gatineau Centre Development Limited Partnership
77. IGW Diversified Redevelopment Fund Limited Partnership
78. IGW Energy Capital Limited Partnership
79. IGW Industrial Limited Partnership
80. IGW Properties Limited Partnership I
81. IGW Public Limited Partnership
82. IGW REIT Limited Partnership
83. IGW Residential Capital Limited Partnership
84. Jesken Development Limited Partnership
85. Jesken Investment Limited Partnership
86. League Assets Limited Partnership
87. Londondale Shopping Centre Limited Partnership
88. Market Square Properties Limited Partnership

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- 89. Member-Partners' Consolidated Properties Limited Partnership
- 90. North Vernon Properties Limited Partnership
- 91. Redux TreblaCity Centre Limited Partnership
- 92. Residences At Quadra Village Limited Partnership
- 93. Tsawassen Retail Power Centre Limited Partnership
- 94. Tyee Plaza Limited Partnership
- 95. Village Green Holdings Limited Partnership

Real Estate Investment Trusts

- 96. League IGW Real Estate Investment Trust

APPENDIX B

Deed of Sale

DEED OF SALE

On this thirty-first (31st) day of August, two thousand and twelve (2012).

BEFORE Mtre. Karine Lillie Topikian, Notary, practicing in the City and District of Montreal, Province of Quebec,

APPEARED: RESOLUTE FP CANADA INC., a legal person duly constituted under the laws of Canada, **RESOLUTE FP CANADA INC.** being the new name given to ABIBOW CANADA INC. pursuant to a certificate of amendment issued May 24, 2012 by Industry Canada, ABIBOW CANADA INC. being the new name given to ABITIBI-CONSOLIDATED INC. pursuant to a certificate of continuance issued December 10, 2010 by Industry Canada, ABITIBI-CONSOLIDATED INC. having resulted from the amalgamation of ABITIBI CANADA HOLDINGS ULC, ABITIBI ONTARIO HOLDINGS ULC, ABITIBI-CONSOLIDATED (UK) ULC, ABITIBI-CONSOLIDATED CANADIAN OFFICE PRODUCTS HOLDINGS ULC, ABITIBI-CONSOLIDATED INC. and BOWATER CANADIAN FOREST PRODUCTS ULC, as appears from a certificate of amalgamation issued December 9, 2010 by the Business Registry of the Province of British-Columbia, the rights of BOWATER CANADIAN FOREST PRODUCTS ULC being those of BOWATER CANADIAN FOREST PRODUCTS INC., as appears from a certificate of continuance issued December 8, 2010 by the Business Registry of the Province of British-Columbia and a certificate of name change issued December 8, 2010 by the Business Registry of the Province of British-Columbia, the rights of BOWATER CANADIAN FOREST PRODUCTS INC. being those of and resulting from the amalgamation of BOWATER PULP AND PAPER CANADA INC. and BOWATER CANADIAN FOREST PRODUCTS INC. as appears from a certificate of amalgamation issued January 1, 2002 by Industry Canada, BOWATER PULP AND PAPER CANADA INC. formerly known as AVENOR INC., its name having been changed pursuant to a certificate of amendment and articles of amendment issued July 24, 1998, AVENOR INC. formerly known as CANADIAN PACIFIC FOREST PRODUCTS LIMITED, its name having been changed on March 21, 1994 to AVENOR

INC., CANADIAN PACIFIC FOREST PRODUCTS LIMITED having resulted from the amalgamation of CIP INC. and CANADIAN PACIFIC FOREST PRODUCTS LIMITED on January 1, 1989, having its registered office at 111 Duke Street, Suite 5000, Montreal, Quebec, H3C 2M1, herein acting and represented by Jacques P. Vachon, its authorized signatory, duly authorized for the purposes hereof in virtue of a resolution of its board of directors, a certified copy of which remains hereto annexed after having been acknowledged as true and signed for identification by the said representative in the presence of the undersigned Notary;

(hereinafter called the “Vendor”)

AND: **GATINEAU CENTRE REAL ESTATE DEVELOPMENT CORPORATION**, a legal person duly constituted under the laws of Canada, having its registered office at 1501 McGill College Avenue, 26th Floor, Montreal, Quebec, H3A 3N9, herein acting and represented by Christina Sauro, its authorized signatory, duly authorized for the purposes hereof in virtue of a resolution of its board of directors, a certified copy of which remains hereto annexed after having been acknowledged as true and signed for identification by the said representative in the presence of the undersigned Notary;

(hereinafter called the “Purchaser”)

WHICH PARTIES HAVE DECLARED AND AGREED AS FOLLOWS:

1. SERVITUDES

A) RENUNCIATION OF RESTRICTION ON USE AND NO-BUILD SERVITUDE

The Vendor hereby declares:

- (a) that it is the owner of the following immovable property after having acquired same by virtue of that certain Deed of Transfer executed on the thirteenth (13th) day of December, nineteen eighty-five (1985) before Mtre. John Howard Watson, Notary, which deed is registered at the Registry Office for the Registration Division of Hull under the number 347 324 (the “**Initial Deed of Sale**”):

DESCRIPTION

Lot ONE MILLION SEVEN HUNDRED AND SIXTY-NINE THOUSAND FIVE HUNDRED AND FIFTY ONE (1 769 551) of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull ("**Land One**");

- (b) that it is the owner of the following immovable property after having acquired same by virtue of the Initial Deed of Sale:

DESCRIPTION

Lot TWO MILLION FOUR HUNDRED AND FIFTY-THREE THOUSAND FOUR HUNDRED AND NINETY (2 453 490) of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull ("**Land Two**" and collectively with Land One, the "**No-Build Dominant Land**");

- (c) that the No-Build Dominant Land has in its favour those servitudes created by virtue of that certain Deed of Servitudes (*Acte de Servitudes*) executed on the eleventh (11th) day of May, two thousand and six (2006) before Mtre. P. Jean Cl  roux, Notary, which deed is registered at the Registry Office for the Registration Division of Hull under the number 13 279 427 (the "**No-Build Servitude**");

and

- (d) that the Vendor has agreed to cancel the No-Build Servitude created in favour of the No-Build Dominant Land.

In addition, the following immovable property serves as the servient land under the No-Build Servitude:

DESCRIPTION

Land Two;

Lot ONE MILLION SEVEN HUNDRED AND SIXTY-SEVEN THOUSAND FOUR HUNDRED AND FORTY-FIVE (1 767 445) of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull;

Lot ONE MILLION SEVEN HUNDRED AND SEVENTY THOUSAND TWO HUNDRED AND FORTY-SIX (1 770 246)

of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull;

and

Certain immovable buildings and structures owned by Club de Gold Tecumseh Inc. that are erected on Land 2, the whole as described in the No-Build Servitude.

In light of the foregoing:

- (a) the Vendor, in its capacity as current owner of the No-Build Dominant Land, hereby expressly renounces to the servitudes created in the No-Build Servitude in favour of the No-Build Dominant Land and to all rights and benefits derived or to be derived therefrom as of the date hereof and agrees that the No-Build Servitude shall be terminated, extinguished and cancelled and all obligations resulting therefrom shall immediately cease; and
- (b) consequently, the Registrar is hereby authorized and directed by the Vendor to make all necessary entries in order to give effect to the aforementioned termination, extinguishment and cancellation of the No-Build Servitude.

B) MODIFICATION OF WATER SERVITUDE

The Vendor hereby declares that the Property (as defined below) has in its favour a servitude for water supply and irrigation (*eau potable et arrosage*) created by virtue of that certain Deed of Sale executed on the twenty-sixth (26th) day of September, nineteen eighty-three (1983) before Mtre. Roland Theoret, Notary, which deed is registered at the Registry Office for the Registration Division of Hull under number 317 275 (the “**Water Servitude**”).

In addition, the following immovable property serves as the servient land under the Water Servitude:

DESCRIPTION

Lot THREE MILLION ONE HUNDRED AND ELEVEN THOUSAND AND FIFTY-TWO (3 111 052) of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull;

Lot THREE MILLION ONE HUNDRED AND ELEVEN THOUSAND AND FIFTY-THREE (3 111 053) of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull;

Lot THREE MILLION SIX HUNDRED AND SIXTEEN THOUSAND FOUR HUNDRED AND EIGHTEEN (3 616 418) of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull;

Lot THREE MILLION SIX HUNDRED AND SIXTEEN THOUSAND FOUR HUNDRED AND NINETEEN (3 616 419) of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull; and

Land One.

In light of the foregoing, the Vendor, in its capacity as current owner of the Property, hereby agrees that the Water Servitude shall cease to benefit the Property in the event that the Property, in whole or in part, is no longer used as a golf course.

2. SALE

The Vendor hereby sells, assigns, cedes, conveys and transfers to the Purchaser, hereto present and accepting, the Vendor's rights, title and interest in and to the following immovable property, namely:

DESCRIPTION

That certain emplacement known and designated as lot number ONE MILLION SEVEN HUNDRED AND SEVENTY THOUSAND TWO HUNDRED AND FORTY-EIGHT (1 770 248), lot number ONE MILLION SEVEN HUNDRED AND SEVENTY THOUSAND TWO HUNDRED AND FORTY-NINE (1 770 249), and lot number TWO MILLION FOUR HUNDRED AND FIFTY-THREE THOUSAND FOUR HUNDRED AND NINETY (2 453 490) of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull (collectively, the "Property").

3. TITLE

The Vendor acquired its rights, title and interest in the Property by virtue of the Initial Deed of Sale.

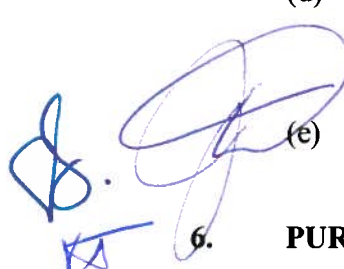
4. POSSESSION

In virtue of these presents, the Purchaser shall have immediate possession and occupancy of the Property as of this day.

5. VENDOR'S DECLARATIONS

Without limiting the representations and warranties of the Vendor set forth in the Agreement of Purchase and Sale (as hereafter defined), the Vendor makes the following declarations and warrants that as at the date hereof:

- (a) it is a corporation duly constituted under the laws of Canada, has the necessary authority, power and capacity to own its interest in the Property and to enter into this Deed and to perform its obligations hereunder and this Deed has been authorized by all requisite proceedings;
- (b) the execution, delivery and performance of this Deed and the Agreement of Purchase and Sale does not result in the violation of any of the provisions of its constating documents or by-laws;
- (c) entering into this Deed does not constitute a default under any applicable laws, and no approval or consent of any governmental authority is required;
- (d) no person or entity has been granted any right of first opportunity, right of first refusal, option or other right to purchase or acquire any interest in the Property; and
- (e) it is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada) or other similar legislation.



6. PURCHASER'S DECLARATIONS

Without limiting the representations and warranties of the Purchaser set forth in the Agreement of Purchase and Sale (as hereafter defined), the Purchaser makes the following declarations and warrants that as at the date hereof:

- (a) it is a corporation duly constituted under the laws of Canada, has the necessary authority, power and capacity to enter into this Deed, to own its interest in the Property and to perform its obligations hereunder and this Deed has been authorized by all requisite proceedings; and

- (b) the execution, delivery and performance of the Agreement of Purchase and Sale by it does not result in the violation of any provisions of its constating documents.

7. AGREEMENT OF PURCHASE AND SALE

This sale is effected in furtherance of that certain agreement of purchase and sale between League Assets Corp. ("**League**") and the Vendor dated the eighteenth (18th) day of November, two thousand eleven (2011), as amended by certain amendments dated the twenty third (23rd) day of February, two thousand and twelve (2012), the thirtieth (30th) day of March, two thousand and twelve (2012), the thirty-first (31st) day of May, two thousand and twelve (2012), the seventh (7th) day of June, two thousand and twelve (2012), the twenty-seventh (27th) day of June, two thousand and twelve (2012), the twelfth (12th) day of July, two thousand and twelve (2012), the twentieth (20th) day of July, two thousand and twelve (2012) and the twenty-seventh (27th) day of July, two thousand and twelve (2012), as further amended, supplemented, restated or otherwise modified to the date hereof and as assigned by League to the Purchaser pursuant to an Assignment and Assumption Agreement dated the thirty-first (31st) day of August, 2012 (collectively, the "**Agreement of Purchase and Sale**").

Other than the representations and warranties set forth herein and those set forth in the Agreement of Purchase and Sale, the Purchaser is acquiring the Property on an "as is, where is" basis, at the Purchaser's own risk, without any warranty of any kind whatsoever (legal or conventional) as to title or to the quality of the Property.

The Vendor hereby confirms that each and every one of its representations and warranties contained herein or in the Agreement of Purchase and Sale are true and correct as at the date hereof.

Notwithstanding anything to the contrary in these presents, in the event of any conflict between the terms and conditions of this Deed and those of the Agreement of Purchase and Sale, the terms and conditions of the Agreement of Purchase and Sale shall prevail.

8. CONDITIONS

The present sale is thus made subject to the following conditions, to the fulfillment whereof the Purchaser binds and obliges itself, namely:

- (a) to pay any mutation taxes payable on the transfer of the Property; and
- (b) to pay the costs of this Deed, of its registration and of the required copies.

9. DELIVERABLES OF THE VENDOR

The Vendor has furnished prior to the date hereof or undertakes to furnish on the date hereof to the Purchaser originals (whenever possible) of:

- (a) all title deeds relating to the Property in its possession;
- (b) notice to any tenants advising of the sale of the Property and directing all rents payable after closing to be paid to Purchaser; and
- (c) all other original documentation in the Vendor's possession relating to the Property.

10. PRICE

The present sale is made for and in consideration of the sum of **NINE MILLION DOLLARS (\$9,000,000)** (the "**Purchase Price**"), of which the Vendor acknowledges having received from the Purchaser, partly prior and partly at the execution hereof, the sum of **FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000)**, whereof quit.

And as to the balance of sale remaining of **FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000)** (the "**Balance of Sale**"), the Purchaser hereby binds and obliges itself to pay same to the Vendor in the following installments:

- (i) **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000)** in principal on or before December 31, 2012 together with all interest then having accrued;

(ii) TWO MILLION DOLLARS (\$2,000,000) in principal on or before December 31, 2013 together with all interest then having accrued; and

(iii) the remaining ONE MILLION DOLLARS (\$1,000,000) in principal on or before June 30, 2014 together with all interest then having accrued.

The said sum of FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000) or the outstanding balance thereof at any time remaining unpaid shall bear simple interest at the rate of eight percent (8%) per annum, calculated semi-annually and not in advance (the "**Interest Rate**"), from the date hereof both before and after maturity until complete payment.

The Purchaser may pre-pay the principal amount of the said balance of sale and any and all interest thereon at any time and without penalty or premium.

11. **HYPOTHEC AND ADDITIONAL OBLIGATIONS OF THE PURCHASER**

In order to secure payment to the Vendor of the Balance of Sale in principal and interest, and the performance of all of the Purchaser's obligations related thereto (the "**Obligations**"), the Purchaser hypothecates all of its right, title and interest in and to the Property, together with all constructions and works of a permanent nature situated thereon, anything forming an integral part thereof, and anything that is or will be incorporated, attached, or joined, by accession or otherwise, to the immovable and is considered immovable by law, all insurance proceeds with respect to the Property and the universality of the current and future rents payable pursuant to the existing and future leases (including amounts payable for any rights of emphyteusis, use or occupation) affecting all or part of the Property (collectively, the "**Charged Property**"), in favour of the Vendor for the principal amount of FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000), plus interest from the date of execution of this Deed, at the Interest Rate (the "**Purchaser Hypothec**"). The Purchaser hereby agrees that the Purchaser Hypothec shall remain in full force and effect until all the Obligations are fully paid and performed in the manner contemplated herein.

The Vendor hereby authorizes the Purchaser to collect the rents mentioned in the immediately preceding paragraph, when due and not in advance, it being understood that such authorization may be

withdrawn at any time by the Vendor after the occurrence of and continuance of an Event of Default hereunder.

The Purchaser shall pay when due, without subrogation, all assessments and taxes to which the Property is subject, including municipal, general and special taxes, church taxes, urban community or school taxes and taxes for local improvements, water and business taxes as well as all interest and penalties imposed with respect to such taxes.

The Purchaser shall maintain the Charged Property free of any prior claims or legal construction hypothecs and shall pay any debts which could give rise to a prior claim or a legal construction hypothec when and as such debts become due.

The Purchaser shall not grant a servitude on the Charged Property without the Vendor's prior written consent, which consent is not to be unreasonably withheld.

The Balance of Sale shall at the Vendor's option (in its sole and absolute discretion) be immediately due and payable in the event of any sale, transfer or other alienation of the Property.

The following shall constitute events of default (each an "**Event of Default**") by the Purchaser for the purposes of this Section 11:

- (a) failure by the Purchaser to pay to the Vendor the Balance of Sale when due, by acceleration or otherwise;
- (b) failure by the Purchaser to carry out any of its obligations under this Section 11 which is not remedied within thirty (30) days following receipt of written notice setting forth such failure;
- (c) should the Purchaser become or declare itself insolvent, become bankrupt, or, in general, take measures in order to arrive at a compromise, an arrangement or agreement with its creditors, or for the purpose of its liquidation or adjudication in bankruptcy; or
- (d) failure by the Purchaser to obtain a release of a seizure of any part of the Charged Property or of a notice of the exercise of a hypothecary right within thirty (30) days of it being seized or of its notification, unless the Purchaser in good faith contests the validity and posts security therefor, all to the satisfaction of the Vendor, acting reasonably.

If an Event of Default shall have occurred, the Vendor may declare the whole or any part of the Balance of Sale as being immediately due and payable, in addition to and without in any way limiting any of the rights, remedies or recourses which the Vendor may otherwise have under this Deed.

12. ADJUSTMENTS

The Vendor and the Purchaser declare that they have adjusted all matters requiring adjustment pursuant to the provisions of the Agreement of Purchase and Sale, including but not limited to Section 3.3 of the Agreement of Purchase and Sale. The Vendor and the Purchaser agree to do such further adjustments as may be required from time to time.

13. GOVERNING LAW

This Deed shall be governed by the laws of the Province of Quebec.

14. SUCCESSORS AND ASSIGNS

All of the covenants and agreements in this Deed shall be binding upon the parties hereto and their respective successors and assigns and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

15. HEADINGS

The captions and headings contained herein are for reference only and in no way effect this Deed or its interpretation.

16. LANGUAGE

The parties hereto declare that they have specifically requested, and do hereby confirm their request, that the present Deed be drafted and executed in the English language only. *Les parties aux présentes déclarent qu'elles ont spécifiquement demandé que le présent acte soit rédigé et signé en anglais seulement et par les présentes confirment leur dite demande.*

17. PARTICULARS REQUIRED UNDER ARTICLE 9 OF AN ACT RESPECTING DUTIES ON TRANSFERS OF IMMOVABLES (R.S.Q. C. D-15.1)

The Vendor and the Purchaser (hereinafter called, respectively, the "Transferor" and the "Transferee" for purposes of the present

declaration), in order to conform to the provisions of the above described Act, establish and acknowledge the following particulars and facts:

- (a) *the name and address of the Vendor and/or Transferor are as follows:*

RESOLUTE FP CANADA INC.
111 Duke Street
Suite 5000
Montreal, Quebec, H3C 2M1

- (b) *the name and address of the Purchaser and/or Transferee are as follows:*

**GATINEAU CENTRE REAL ESTATE
DEVELOPMENT CORPORATION**
1501 McGill College Avenue
26th Floor
Montreal, Quebec, H3A 3N9

- (c) *the immovable property herein sold and/or transferred is situated in the territory of the following municipality:*

Gatineau

- (d) *according to the Transferor and the Transferee, the amount of the consideration for the transfer of the immovable property herein sold is:*

NINE MILLION DOLLARS (\$9,000,000)

- (e) *according to the Transferor and the Transferee, the amount constituting the basis of imposition of the transfer duties is:*

NINE MILLION DOLLARS (\$9,000,000)

- (f) *the amount of transfer duties payable by the Transferee is:*

ONE HUNDRED THIRTY THREE THOUSAND FIVE HUNDRED DOLLARS (\$133,500)

The sale of the immovable property does not include, at the same time, a corporeal immovable property and movable property which is permanently attached or joined to the immovable, without losing its individuality and without being incorporated and which, in the immovable, are used

for the operation of an enterprise or the pursuit of activities, the whole as provided in section 1.0.1 of the above-described Act.

18. INTERVENTION

AND HERETO CAME AND INTERVENED:

GATINEAU CENTRE DEVELOPMENT LIMITED PARTNERSHIP, a legal person duly constituted under the laws of the Province of British Columbia, herein acting and represented by its general partner, **GATINEAU CENTRE DEVELOPMENT GENERAL PARTNER INC.**, a legal person duly constituted under the laws of Canada, having its registered office at 700 West Georgia Street, 25th floor, Vancouver, British Columbia, V7Y 1B3, herein acting and represented by Christina Sauro, its authorized signatory, duly authorized for the purposes hereof in virtue of a resolution of its board of directors, a certified copy of which remains hereto annexed after having been acknowledged as true and signed for identification by the said representative in the presence of the undersigned Notary;

(hereinafter called the “**Intervenant**”)

The Intervenant, for good and valuable consideration received, and after having taken communication of the terms and conditions of the Hypothec contained herein, declares to be entirely content and satisfied therewith and agrees to the granting by the Purchaser of the Purchaser Hypothec and the terms and conditions contained in Section 11 above, and agrees to be bound by the provisions hereof. For greater certainty, the Intervenant agrees that the Charged Property for the purposes hereof shall include any right, title or interest that the Intervenant may hold, directly or indirectly, to and in the Charged Property.

The Intervenant hereby agrees that the hypothec hereby constituted affects all of its right, title and interest in and to the Charged Property, and the Intervenant shall be bound to execute all obligations and covenants of the Purchaser contained herein in respect of the Charged Property in the same manner as the Purchaser.

In order to secure the performance of the Obligations, the Intervenant hypothecates all of its rights, title and interest in and to

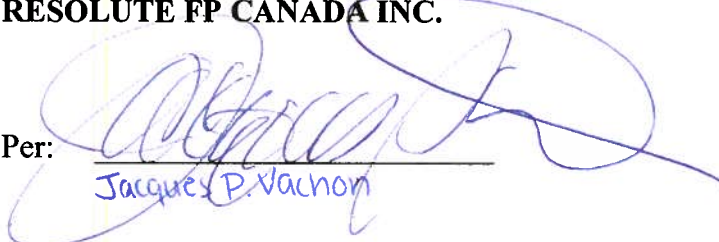
the Charged Property in favour of the Vendor for the principal amount of four million five hundred thousand dollars (\$4,500,000), plus interest from the date of execution of this Deed, at the Interest Rate (the "**Intervenant Hypothec**"). The Intervenant hereby agrees that the Intervenant Hypothec shall remain in full force and effect until all the Obligations are fully paid and performed in the manner contemplated herein.

WHEREOF ACT,


THUS DONE AND PASSED at the City of Montreal, Province of Quebec, on the date first hereinbefore mentioned and remaining of record in the office of the undersigned Notary under her minute number TEN (10).

AND AFTER the representatives of the parties declared to the Notary having taken cognizance of the present Deed and having exempted the said Notary from reading same or causing same to be read, the said representatives signed this Deed in the presence of the said Notary who also signed.

RESOLUTE FP CANADA INC.

Per: 
Jacques P. Vachon

GATINEAU CENTRE REAL ESTATE DEVELOPMENT CORPORATION

Per: 
Christina Sauro

GATINEAU CENTRE DEVELOPMENT LIMITED PARTNERSHIP, acting by its general partner GATINEAU CENTRE DEVELOPMENT GENERAL PARTNER INC.

Per: 
Christina Sauro


Mtre. Karine Lillie Topikian, Notary

APPENDIX C

Assignment of Hypothecary claim

14R09160190

No: 6 614
On October 31th, 2014

**ASSIGNMENT OF
HYPOTHECARY CLAIM**

BY

RESOLUTE FP CANADA INC.

TO

9003452 CANADA INC.

Hull Division Registry Office
On October 31th, 2014
No: 21 157 218



ASSIGNMENT OF HYPOTHECARY CLAIM

IN THE YEAR TWO THOUSAND FOURTEEN

On this thirty-first day of October

Before **Mtre Stéphane RIEL**, notary in Gatineau, province of Quebec.

APPEARED:

RESOLUTE FP CANADA INC., a legal person duly constituted under the laws of Canada, RESOLUTE FP CANADA INC. being the new name given to ABIBOW CANADA INC. pursuant to a certificate of amendment issued May 24, 2012 by Industry Canada, ABIBOW CANADA INC. being the new name given to ABITIBI-CONSOLIDATED INC. pursuant to a certificate of continuance issued December 10, 2010 by Industry Canada, ABITIBI-CONSOLIDATED INC. having resulted from the amalgamation of ABITIBI CANADA HOLDINGS ULC, ABITIBI ONTARIO HOLDINGS ULC, ABITIBI-CONSOLIDATED (UK) ULC, ABITIBI-CONSOLIDATED CANADIAN OFFICE PRODUCTS HOLDINGS ULC, ABITIBI-CONSOLIDATED INC. and BOWATER CANADIAN FOREST PRODUCTS ULC, as appears from a certificate of amalgamation issued December 9, 2010 by the Business Registry of the Province of British-Columbia, the rights of BOWATER CANADIAN FOREST PRODUCTS ULC being those of BOWATER CANADIAN FOREST PRODUCTS INC., as appears from a certificate of continuance issued December 8, 2010 by the Business Registry of the Province of British-Columbia and a certificate of name change issued December 8, 2010 by the Business Registry of the Province of British-Columbia, the rights of BOWATER CANADIAN FOREST PRODUCTS INC. being those of and resulting from the amalgamation of BOWATER PULP AND PAPER CANADA INC. and BOWATER CANADIAN FOREST PRODUCTS INC. as appears from a certificate of amalgamation issued January 1, 2002 by Industry Canada, BOWATER PULP AND PAPER CANADA INC. formerly known as AVENOR INC., its name having been changed pursuant to a certificate of amendment and articles of amendment issued July 24, 1998, AVENOR INC. formerly known as CANADIAN PACIFIC FOREST PRODUCTS LIMITED, its name having been changed on March 21, 1994 to AVENOR INC., CANADIAN PACIFIC FOREST PRODUCTS LIMITED having resulted from the amalgamation of CIP INC. and CANADIAN PACIFIC FOREST PRODUCTS LIMITED on January 1, 1989, having its registered office at 111 Duke Street, Suite 5000, Montreal, Quebec, H3C 2M1, herein acting and represented by Jacques Vachon, its Vice President and Secretary, duly authorized for the purposes hereof in virtue of a resolution of its board of directors dated April 14, 2014, a certified copy of which remains hereto annexed after having been acknowledged as true and signed for identification by the said representative in the presence of the undersigned Notary;

Hereafter called the "Assignor";

AND

9003452 CANADA INC., a corporation duly incorporated under the Canada Business Corporations Act, having its head office at 139, boulevard de l'Hôpital, bureau 127, Gatineau (Quebec) J8T 8A3, herein acting and represented by **Pierre-Hugues FORTIN, president**, and **James BRENT MAXWELL, Vice-president**, duly authorized to the effect hereof in virtue of a resolution of the Board of Directors adopted on October 30th, 2014 not revoked nor modified, a certified copy whereof being annexed to the original hereof after having been acknowledged true and signed for identification by said representative in the presence of the undersigned Notary.

Hereafter called the "Assignee";

WHO, for the purpose of the assignment of a hypothecary claim that is the subject hereof, have declared and agreed as follows:

1. SUBJECT OF CONTRACT

The Assignor hereby assigns to the Assignee the hypothecary claim described as follows:

2. IDENTIFICATION OF CLAIM

A claim in the amount of THREE MILLION DOLLARS (\$3,000,000) in principal, and the balance of the claim as at October 24, 2014 of the original amount of THREE MILLION DOLLARS (\$ 3 000 000.00) with all interest accrued and to accrue thereon since August 31, 2012 and whereof the Assignor is the holder, and GATINEAU CENTRE REAL ESTATE DEVELOPMENT CORPORATION is the debtor (hereafter called the "Debtor"), under the terms of the following deed:

- A deed of sale with the balance payable to the vendor guaranteed by hypothec entered into between GATINEAU CENTRE REAL ESTATE DEVELOPMENT CORPORATION and the Assignor, registered at the Registry office for the Registration Division of Hull under number 19 388 340.

Under the terms of the aforesaid deed, this claim bears interest at the rate of eight percent (8%) per annum, with obligation for the Debtor to reimburse in the following installments:

- i) TWO MILLION DOLLARS (\$ 2 000 000.00) in principal on or before December 31, 2013 together with all interest the having accrued; and
- ii) The remaining ONE MILLION DOLLARS (\$1 000 000.00) in principal on or before June 30, 2014 together with all interest the having accrued.

3. DELIVERY OF TITLE DEEDS

The Assignee acknowledges having received a copy of the deed indicated above and proof of registration of the rights resulting therefrom in the appropriate register for the property hereafter designated. The Assignor hereby assigns to the Assignee all rights under the policy.

4. SECURITIES ATTACHED TO CLAIM

This claim is secured by first-ranking hypothecs as well as by the securities and the other accessory rights thereto provided for under the terms of the deed indicated above affecting the property described as follows:

DESCRIPTION

That certain emplacement known and designated as lot number **ONE MILLION SEVEN HUNDRED AND SEVENTY THOUSAND TWO HUNDRED AND FORTY-EIGHT (1 770 248)**, lot number **ONE MILLION SEVEN HUNDRED AND SEVENTY THOUSAND THOW HUNDRED AND FORTY-NINE (1 770 249)**, and lot number **TWO MILLION FOUR HUNDRED AND FIFTY-THREE THOUSAND FOUR HUNDRED AND NINETY (2 453 490)** of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull (collectively, the "Property").

The hypothecs encumbering the immovable property described above, the present and future rent generated by it, as well as the indemnities paid under the insurance contracts covering such rent.

5. WARRANTY OF ASSIGNMENT

1. This assignment is made with warranty as to the existence of the claim and is owed to the Assignor.

2. The Assignor declares that it has received no notice indicating default by the Debtor in respect of any prior-ranking claim.

3. The Assignor also declares that there currently exist events of default under the Section 11 of the deed establishing and securing the claim:

- i) To the knowledge of the Assignor, the Debtor did not pay all assessments and taxes to which the Property was subject, including municipal, general and special taxes, church taxes, urban community or school taxes and taxes for local improvement, water and business taxes as well as all interest and penalties imposed with respect to such taxes;
- ii) The Debtor failed to pay to the Assignor the Balance of Sale when due, by acceleration or otherwise;
- iii) The Debtor declared itself insolvent, became bankrupt, or in general, took measures in order to arrive at a compromise, an

arrangement or agreement with its creditors, or for the purpose of its liquidation or adjudication in bankruptcy.

6. PAYMENT OF PRICE AND ASSIGNMENT OF RIGHTS

This assignment is made for good and valuable consideration which the Assignor acknowledges having received from the Assignee, whereof quit.

7. FEES AND EXPENSES

The fees and expenses of this deed, its publication, and copies shall be borne by the Assignee.

8. DECLARATION CONCERNING GOODS AND SERVICES TAX (GTS) AND QUÉBEC SALES TAX (QST)

The parties declare that the claim is a financial service which constitutes an exempt supply.

WHEREOF ACT at Gatineau, under the number six thousand six hundred and fourteen (6 614) of the repertory of the undersigned notary.

AND AFTER DUE READING HEREOF, the parties signed in the presence of the Notary as follows:

RESOLUTE FP CANADA INC., represented by Jacques VACHON, at Montreal, province of Quebec, in the presence of Mtre. Karine Lillie TOPIKIAN, notary at Montreal, on the thirtieth day of October Two thousand fourteen (October 30, 2014)

RESOLUTE FP CANADA INC., by:

SIGNÉ :

Jacques Vachon
Jacques VACHON

I, the undersigned, Mtre. Karine Lillie TOPIKIAN, notary at Montreal, province of Quebec, certify that I received the signature of Jacques Vachon, Vice-President and Secretary of Resolute FP CANADA INC., at Montreal, province of Quebec, on the thirtieth day of October Two thousand fourteen (October 30, 2014).

SIGNÉ :

Karine Lillie Topikian, Notary
Karine Lillie TOPIKIAN, notary

9003452 CANADA INC., represented by Pierre-Hugues FORTIN and James BRENT MAXWELL, at Gatineau, province of Quebec, in the presence of Mtre. Stephane RIEL, notary at Gatineau, province of Quebec, on the date hereof.

9003452 CANADA INC., by:

SIGNÉ :

Pierre-Hugues Fortin

Pierre-Hugues FORTIN

SIGNÉ :

James Brent Maxwell

James BRENT MAXWELL

SIGNÉ :

Stéphane Riel, Notary

Stéphane RIEL, notary

CERTIFIED TRUE COPY OF THE ORIGINAL REMAINING IN MY OFFICE.



APPENDIX D

First Secured Creditor Agreement

**SUSPENSION OF SECURITY ENFORCEMENT AND FIRST REFUSAL RIGHT WITH RESPECT TO THE SALE OF
PROPERTY AGREEMENT**

This Agreement effective as of March 16th, 2015

- BETWEEN:** **9003452 CANADA INC.** having its head office at 139, boulevard de l'Hopital, office 124, Gatineau, province of Quebec;
- ("The Secured Creditor")
- AND:** **GATINEAU CENTRE REAL ESTATE DEVELOPMENT CORPORATION**, a legal person duly constituted under the laws of Canada, having its registered office at 1501 McGill College Avenue, 26th Floor, Montreal, Quebec, H3A 3N9;
- ("The Debtor")
- AND:** **GATINEAU CENTRE DEVELOPMENT LIMITED PARTNERSHIP**, a legal person duly constituted under the laws of the Province of British Columbia, herein acting and represented by its general partner, **GATINEAU CENTRE DEVELOPMENT GENERAL PARTNER INC.**, a legal person duly constituted under the laws of Canada, having its registered office at 700 West Georgia Street, 25th Floor, Vancouver, British Columbia, V7Y 1B3;
- ("The Intervenants")
- AND:** **PRICEWATERHOUSECOOPERS INC.**, having its head office at 250, Howe St., Suite 700, city of Vancouver, province of British Columbia,;
- ("The Monitor")

WHEREAS:

- A. A deed of sale dated August 31st, 2012 (the 'Deed of Trust') with the balance of the sale price payable to the Vendor was secured by a first ranking hypothec between the Debtor as purchaser and Resolute FP Canada Inc. as vendor registered at the Registration Division of Hull under instrument number 19 388 340. (the 'Hypothecary Claim')
- B. The Intervenants are parties to the Deed of Trust and have hypothecated all of their right title and interest in and to the Property in favour of the Secured Creditor.
- C. The deed of sale conveyed certain property to the Debtor described as lot number one million seven hundred and seventy thousand two hundred and forty eight (1,770,248) lot number one

million seven hundred seventy thousand two hundred and forty nine (1,770,249) and lot number two million four hundred and fifty three thousand four hundred and ninety (2,453,490) of the Cadastre of Quebec, in the city of Gatineau, Registration Division of Hull (collectively "the Property")

- D. On October 31st, 2014 the Hypothecary Claim was assigned to the Secured Creditor and registered in the Hull Division Registry Office under number 21 157 218.
- E. As of April 22nd, 2015 the Debtor is indebted to the Secured Creditor in the total amount of \$3,774,723.45 inclusive of principal, interest, and taxes. (the "indebtedness")
- F. The Debtor is in default under the Deed of Sale and the Indebtedness has been accelerated and is due and owing.
- G. On October 18th 2013 the Debtor and the Intervenants with other entities applied for and obtained relief from their creditors pursuant to proceedings in the Supreme Court of British Columbia Vancouver Registry Action No. S-137743 under the Companies Creditors Arrangement Act (the "CCAA Proceedings") and PricewaterhouseCoopers Inc. was appointed the Monitor.
- H. On October 15th, 2014 the CCAA court extended the stay of proceedings under the CCAA but exempted certain secured lenders from the operation of the stay, including the Secured Creditor. Accordingly, the Secured Creditor was not stayed from enforcing its secured claim against the Debtor.
- I. Since October 31st, 2014, the Debtor and the Secured Creditor have agreed that the Monitor attempt to maximize the value for all stakeholders by exploring all investment and restructuring opportunities relating to the Property.
- J. The Monitor, the Debtor and the Secured Creditor now confirm that these restructuring opportunities have been exhausted, and that the best approach to maximize value is to allow the Monitor until August 31st, 2015 to market the Property through Colliers to obtain an unconditional offer to the purchase the Property subject to court approval in the CCAA Proceedings.
- K. The Debtor and Colliers Macaulay Nicolls Inc. ("Colliers") entered into an exclusive sale listing agreement on March 16th 2015 by which Colliers is to list the Property for \$8,400,000.

NOW THEREFORE in consideration of the premises and for other good and valuable consideration, the receipt of which is acknowledged, the parties covenant and agree as follows:

1. The parties to this agreement acknowledge and agree that these recitals are accurate and form part of and are incorporated into this agreement subject to the terms and conditions set out below.
2. Upon the execution of this Agreement by all parties, a 60 day prior Notice to Enforce Security taking into payment according to the Quebec Civil Code as attached herewith (the "Notice") is hereby served on the Debtor and Intervenants. All parties to this Agreement hereby confirm

and recognize that service of the Notice was validly performed and perfected under the laws of Quebec and British Columbia.

3. Upon execution of this Agreement, the Secured Creditor will register on title to the Property the Notice and will serve the Debtor and Intervenants a section 244 notice under the Bankruptcy and Insolvency Act (the "BIA Notice")
4. Notwithstanding the actions taken by the Secured Creditor set out above, the Secured Creditor shall grant a forbearance period until August 31st, 2015 to allow the Monitor, Debtor and Intervenants the opportunity to market the Property and bring forward an unconditional offer. The only condition being subject to court approval.
5. The Monitor shall provide the Secured Creditor with a monthly update as to the progress of the marketing and sales process of the Property. Such report will be provided within seven (7) business days of the end of each month.
6. The Secured Creditor and the Debtor hereby recognize the lease of land in favour of the current golf course operator at the Property, will be recognized by any prospective purchaser of the Property under the same terms and conditions to run until December 31st, 2016, renewable yearly thereafter until rezoning, unless otherwise terminated earlier on consent of the parties thereto or by court order;
7. The parties agree and covenant that no offer that is less than [REDACTED] ("the Minimum Floor Price") will be accepted by the Monitor and the Debtor.
8. The parties agree that the Minimum Floor Price will be kept confidential and will not be disclosed to Colliers or any potential purchaser.
9. In the event an offer is received that exceeds the Minimum Floor Price (a "Qualified Offer"), the Monitor will notify the Secured Creditor in writing of the Qualified Offer, and the Secured Creditor will have 5 days from the date that it is notified of such Qualified Offer to determine if it will purchase the Property on the same terms and conditions. In the event that the Monitor has not received confirmation in writing that the Secured Creditor will purchase the Property on the same terms and conditions as the Qualified Offer within 5 days, the Debtor and the Monitor are free to accept the Qualified Offer and the Secured Creditor agrees to support the completion of the Qualified Offer.
10. The parties agree that the right of first refusal as set out in this Agreement may at anytime be assigned by the Secured Creditor to a related company of the Secured Creditor.
11. The Monitor and the Secured Creditor agree that in the event the Secured Creditor or its assignee matches a Qualified Offer (the "Matching Offer") or a Qualified Offer has been accepted by the Debtor as the Secured Creditor has not exercised its right of first refusal, the Monitor will within a reasonable time bring an application to the CCAA court to approve the Matching Offer or the Qualified Offer, as applicable, and transfer title to the Property to the Secured Creditor or its assignee or pursuant to the Qualified Offer, as applicable, free and clear of all encumbrances except permitted encumbrances as defined in the Matching Offer or the Qualified Offer (the "Approval and Vesting Order"). The Closing Date for the transaction contemplated within the Matching Offer or the Qualified Offer shall be prior to October 1st,



2015, or such other date as mutually agreed between the Secured Lender, the Debtor and the Monitor each acting reasonably (the "Outside Date").

12. In the event a Qualified Offer is not received by the Monitor by August 31st, 2015 or the completion of a Qualified Offer has not occurred by the Outside Date, the Monitor shall within a reasonable time bring an application in the CCAA court for an Approval and Vesting Order that transfers title to the Secured Creditor free and clear of all encumbrances save permitted encumbrances to be agreed upon by the Secured Creditor at a deemed transfer value of \$ [REDACTED] million (the "Default Offer").
13. The terms of the Approval and Vesting Order shall provide that on the Closing Date the Secured Creditor and its respective officers, directors, employees, agents and assigns will be deemed to have fully and finally released the Debtor, the Monitor and the Intervenants and their directors, officers, employees from all claims or actions relating directly or indirectly to the indebtedness owing to the Secured Creditor or the Property or actions taken by the Monitor in the CCAA proceedings relating to the Property.
14. On the Closing Date, all of the Debtor's right, title and interest in and to all leases, including the lease registered in the land registry office of Hull on May 15th 2006 under number 13 279 422 and any sub leases, agreements to lease, renewals and or extensions of leases or subleases and amendments to any of the foregoing in respect of the Property and in existence on the Closing Date shall be assigned pursuant to the Qualified Offer or to the Secured Creditor as applicable.
15. The Secured Creditor hereby acknowledges and agrees with the Monitor and the Debtor that in the event it purchases the Property (either through a Matching Offer or the Default Offer), any liabilities and obligations known or unknown, owing or found to be owing by the Debtor relating to the operation of the Property which accrued after the Filing date in the CCAA proceedings (the "Post Filing Obligations") excluding any real estate commissions payable from the sale of the Property, shall be assumed and satisfied by the Secured Creditor, and the Monitor and the Debtor shall have no responsibility or obligation with respect to Post Filing Obligations. To the extent that a Post Filing Obligation has accrued but is not yet due and owing as of the Closing Date, such Post Filing Obligation shall be paid by the Secured Creditor. The Secured Creditor further agrees to indemnify and save harmless the Debtor, the Monitor and the Intervenants and their current directors and officers from all actions, proceedings, losses, damages and costs in relation any Post Filing Obligations.
16. The Secured Creditor hereby acknowledges that in the event it purchases the Property, it will be responsible for the payment of all accrued and owing taxes relating to the Property.
17. The Secured Creditor will be liable, shall self-assess, and remit to the appropriate governmental authorities all GST HST which may be payable in connection with the sale of the Property.
18. The closing conditions for the sale of the Property to the Secured Creditor which shall be required to be fulfilled and satisfied on the Closing Date shall be as follows:
 - (a) The granting by the court in the CCAA proceedings of the Approval and Vesting Order in a form substantially as attached hereto as Appendix 'A';
 - (b) Delivery of GST HST certificates if applicable;

- (c) Execution of an Assignment and Assumption Agreement of the leases and any assumed contracts (if any);
 - (d) Payment by the Secured Creditor to the Monitor of the purchase price of the Property and any other sums due pursuant to a Matching Offer; and
 - (e) Delivery to the Secured Creditor of a certificate of the Monitor filed in the CCAA Proceedings substantially in the form attached to the Approval and Vesting Order confirming the fulfillment and satisfaction of such conditions.
19. The Secured Creditor acknowledges and agrees that the Monitor acting in its capacity as the monitor in the CCAA proceedings will have no liability in connection with this Agreement whatsoever in its capacity as Monitor or otherwise.
20. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
21. This Agreement constitutes all of the agreements among the parties hereto relating to the subject matter hereof. No person shall be bound by any representations or promises made by any person relating to this agreement that is not embodied in this Agreement. Any waiver or departure from the terms of this Agreement shall only be effective if in writing and signed by all parties to this Agreement.
22. Any provision of the Agreement that is invalid or enforceable under the laws of any jurisdiction in which this Agreement is sought to be enforced shall, as to such jurisdiction and to the extent such provision is invalid or unenforceable be deemed severable and shall not affect any other provision of this Agreement.
23. This Agreement shall be governed and construed in accordance with the laws of the province of British Columbia.
24. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute on and the same agreement. Delivery by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.
25. All parties have elected to contract in the English language, les parties ont convenu de contractor en anglais.

(Signature page follows)

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



9003452 CANADA INC
The Secured Creditor



GATINEAU CENTRE REAL ESTATE
DEVELOPMENT CORPORATION
The Debtor



GATINEAU CENTRE DEVELOPMENT
LIMITED PARTNERSHIP
Intervenant



GATINEAU CENTRE DEVELOPMENT
GENERAL PARTNER INC
Intervenant



PRICEWATERHOUSECOOPERS INC,
Monitor

APPENDIX "A"

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 THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED**

AND

**IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44, AS AMENDED**

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT
OF LEAGUE ASSETS CORP. AND THOSE PARTIES LISTED ON SCHEDULE "A"**

PETITIONERS

BEFORE)
) THE HONOURABLE JUSTICE)
) FITZPATRICK)
))
))

_____/_____/2015

**ORDER MADE AFTER APPLICATION
(VESTING ORDER –GATINEAU)**

ON THE APPLICATION of PricewaterhouseCoopers Inc., in its capacity as monitor to the Petitioners (the "**Monitor**") coming on for hearing at Vancouver, British Columbia on _____, 2015 and on hearing from the counsel on the list attached hereto as Schedule "B", and upon reading the material filed, and pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. c. C-36 (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court:

THIS COURT ORDERS that:

1. The time for service of the Notice of Application herein be and is hereby abridged and the Notice of Application is properly returnable today and service hereof upon any interested

party other than those parties on the service list maintained by the Petitioners and the Monitor in this matter is hereby dispensed with.

APPROVAL OF TRANSFER AGREEMENT

2. The transaction (the “**Transaction**”) contemplated by the Sale of Property Agreement (the “**Transfer Agreement**”) between 9003452 Canada Inc. (“**900**”), Gatineau Centre Real Estate Development Corporation (“**Gatineau Real Estate**”), Gatineau Centre Development Limited Partnership, represented by Gatineau Centre Development General Gartner Inc. (“**Gatineau GP**”) and PricewaterhouseCoopers Inc. (“**PWC**”), substantially in the form as attached to the Monitor’s 3___ Report is hereby approved. The execution of the Transfer Agreement by the Petitioners and the Monitor is hereby authorized and approved, and the Petitioners and the Monitor, are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the transfer to 900 of the Subject Assets (as defined herein).

3. The Petitioners and the Monitor, with the written consent of 900, are hereby authorized to make amendments or modifications to the Transfer Agreement that would not be materially prejudicial to the interests of any of the Petitioners’ stakeholders, without further or other approval of this Court.

VESTING ORDER

4. Upon the delivery (the date and time of such delivery being the “**Effective Time**”) of a Monitor’s certificate substantially in the form attached hereto as Schedule “C” (the “**Monitor’s Certificate**”) to 900, all of the Petitioners right, title and interest in and to the lands described on Schedule “D” hereto (the “**Lands**”) and in and to all other personal property (the “**Personal Property**”) which relate to or are currently located on the Lands (the Lands and the Personal Property collectively referred to as the “**Subject Assets**”) shall vest absolutely in 900 free and clear of and from any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, options (including rights of first refusal), equitable or beneficial interests, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, conditional sale contracts, construction liens, executions, levies, charges, debentures, or other financial or monetary claims, whether or not they have been attached or been perfected, registered or filed and whether secured, unsecured, or otherwise (the “**Claims**”), including without limiting the generality of the foregoing: (i) any encumbrances or charges ordered by the Court in this proceeding; (ii) all charges, security interests, or other claims evidenced by registrations in the province of Quebec; and (iii) those Claims listed on Schedule “E” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances listed on Schedule “F” hereto, the “**Permitted Encumbrances**”), and, for greater certainty, this Court orders all of the Claims affecting or relating to the Subject Assets are hereby expunged and discharged as against the Subject Assets.

5. Upon the delivery of the Monitor's Certificate to 900, the Administration Charge, the Representative Counsel Charge, and the Directors' Charge (the "**CCAA Charges**") each as defined in the Amended & Restated Initial Order dated October 25, 2013, shall be discharged from the Subject Assets, and 900 shall take title to the Subject Assets free and clear from the CCAA Charges.

6. Upon registration in the Land Registry Office for the Land Titles Division of Hull (the "**Registry Office**") and presentation of a copy of this Order and the Monitor's Certificate to the Registry Office, the Land Registrar is hereby directed to enter 900 as the owner of the Lands described in Schedule "D" hereto in fee simple and is hereby directed to delete and expunge from title to the Lands, all of the Claims listed in Schedule "E".

7. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter made pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") in respect of the Petitioners and any bankruptcy order issued pursuant to any such application;
- (c) any proceeding relating to the Petitioners made pursuant to the *Winding-Up and Restructuring Act*, R.S.C. 1985, c. W-11; and
- (d) any assignment in bankruptcy made in respect of the Petitioners;

the Transfer Agreement and the vesting of the Petitioners' right, title, benefit and interest in and to the Subject Assets in 900 pursuant to the Transfer Agreement and this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Petitioners and shall not be void or voidable by creditors of any of the Petitioners, and neither the Transfer Agreement and the transactions contemplated thereby nor the provisions of this Order shall constitute or be deemed to be transfers at undervalue, settlements, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. The Monitor is hereby ordered and directed to file with the Court a copy of the Monitor's Certificate as soon as reasonably practicable after delivery thereof to 900.

ONGOING OBLIGATIONS

9. From and after the Effective Time, 900 shall assume all the claims, liabilities and obligations known or unknown related to the operation of the Subject Assets (the "**Gatineau Claims**"). For greater certainty, this Court orders that, from and after the Effective Time, the Petitioners and the Monitor shall have no liabilities or obligations in respect of the Gatineau

Claims and the Monitor be and is hereby relieved from any further obligations, responsibilities and duties with respect to the Gatineau Claims.

10. 900 shall assume all of the Indemnified Liabilities, as defined in and subject to the limitations contained in, and all in accordance with the terms of the Transfer Agreement.

RELEASE

11. Upon the Effective Time, 900 and its respective officers, directors, employees, agents, shareholders and assigns will be deemed to have fully, finally and forever released, remised acquitted and forever discharged, without qualification or limitation, the Petitioners, their current directors and officers and the Monitor and its respective agents, separately and jointly, of and from any and all rights, interests, obligations, debts, dues, sums of money, accounts, reckonings, claims, actions, causes of actions, counterclaims or demands whatsoever, whether known or unknown in law or in equity of whatever kind or character, suspected, fixed or contingent relating directly or indirectly to the indebtedness of the Petitioners to 900, the Gatineau Claims or both and 900, shall be forever barred, estopped, stayed and enjoined, from asserting or continuing in any manner, any action, suit, demand or other proceeding of any nature or kind whatsoever, including without limitation by way of contribution or indemnity or other relief against the Petitioners, their current directors and officers and the Monitor and their respective agents with respect to the Gatineau Claims.

GENERAL

12. **THIS COURT REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial regulatory body of the United States and the states or other subdivisions of the United States, and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

13. The approval of counsel as to form listed as Schedule “B” hereto, except for counsel for the Monitor, is dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature

Lawyer for the Monitor
Jeremy Dacks

By the Court

Registrar

Schedule "A"

LIST OF PETITIONERS

Corporations

1. 0781591 B.C. Ltd.
2. 0811883 B.C. Ltd.
3. 0812307 B.C. Ltd.
4. 0827524 B.C. Ltd.
5. 0873201 B.C. Ltd.
6. 0891146 B.C. Ltd.
7. 0895249 B.C. Ltd.
8. 0895251 B.C. Ltd.
9. 0908150 B.C. Ltd.
10. 2128273 Ontario Inc.
11. 2146431 Ontario Inc.
12. 2148711 Ontario Inc.
13. 2164613 Ontario Inc.
14. 2164614 Ontario Inc.
15. 2246329 Ontario Limited
16. 2291088 Ontario Inc.
17. 2314845 Ontario Inc.
18. 473 Albert St. Office GP Inc.
19. 7667906 Canada Inc.
20. 8252220 Canada Inc.
21. Arbutus Industrial Park Ltd.
22. Colwood Belmont Developments Ltd.
23. Colwood City Centre Corp.
24. Colwood City Centre GP Inc.
25. Colwood Jerome Developments Ltd.
26. Colwood Sooke Developments Ltd.
27. Colwood's Triumph GP Ltd.
28. Cowichan District Financial Centre GP Inc.
29. Cygnet Apartments GP Inc.
30. Cygnet Properties GP Inc.
31. Durham Portfolio GP Inc.
32. Fort St. John Retail GP Inc.
33. Gatineau Centre Development GP Inc.
34. Gatineau Centre Real Estate Development Corporation
35. IGW Cash Management Fund Ltd.
36. IGW Diversified Redevelopment Fund GP Inc.
37. IGW Energy Capital GP Inc.
38. IGW Industrial GP Inc.
39. IGW Mortgage Investment Corporation
40. IGW Properties GP I Inc.

41. IGW Public GP Inc.
42. IGW REIT GP Inc.
43. IGW Residential Capital GP Inc.
44. Jesken Development GP Inc.
45. Jesken Investment GP Inc.
46. LAPP Global Asset Management Corp.
47. League Acquisition Corp.
48. League Assets Corp.
49. League Assets GP Inc.
50. League Assets International Inc.
51. League Capital Markets Ltd.
52. League Capital Partners Ltd.
53. League Debt Corp.
54. League Financial Partners Inc.
55. League Founding Limited Partner Ltd.
56. League Holdings Corp.
57. League Investment Fund Ltd.
58. League Investment Services Inc.
59. League Opportunity Fund Ltd.
60. League Realty Advisory Ltd.
61. League Realty Services Ltd.
62. League REIT Investco Inc.
63. Londondale Shopping Centre GP Inc.
64. Market Square Properties GP Inc.
65. Member Partners' Consolidated Properties GP Inc.
66. North Vernon Properties Inc.
67. Partners Equity Finance Inc.
68. Residences At Quadra Village GP Inc.
69. Stoney Range Industrial GP Inc.
70. Sundel Square Ltd.
71. Tsawassen Retail Power Centre GP Inc.
72. Tyee Plaza GP Inc.
73. Village Green Holdings #2 Ltd.
74. Village Green Holdings #3 Ltd.
75. Zeus Energy Ltd.

Limited Partnerships

76. 473 Albert St. Office Limited Partnership
77. Colwood's Triumph Limited Partnership
78. Cowichan District Financial Centre Limited Partnership
79. Duncan City Centre Limited Partnership
80. Durham Portfolio Limited Partnership
81. Fort St. John Retail Limited Partnership
82. Gatineau Centre Development Limited Partnership
83. IGW Diversified Redevelopment Fund Limited Partnership
84. IGW Energy Capital Limited Partnership
85. IGW Industrial Limited Partnership

86. IGW Properties Limited Partnership I
87. IGW Public Limited Partnership
88. IGW REIT Limited Partnership
89. IGW Residential Capital Limited Partnership
90. Jesken Development Limited Partnership
91. Jesken Investment Limited Partnership
92. League Assets Limited Partnership
93. Londondale Shopping Centre Limited Partnership
94. Market Square Properties Limited Partnership
95. Member Partners' Consolidated Properties Limited Partnership
96. North Vernon Properties Limited Partnership
97. Redux Duncan City Centre Limited Partnership
98. Residences At Quadra Village Limited Partnership
99. Tsawassen Retail Power Centre Limited Partnership
100. Tyee Plaza Limited Partnership
101. Village Green Holdings Limited Partnership

Real Estate Investment Trusts

102. League IGW Real Estate Investment Trust

Schedule "B"

LIST OF COUNSEL

Jeremy Dacks	Monitor
Christopher Ramsay and Katie Mak	Petitioners

Schedule "C"

No. S-137743
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 THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED**

AND

**IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44, AS AMENDED**

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT
OF LEAGUE ASSETS CORP. AND THOSE PARTIES LISTED ON SCHEDULE "A"**

PETITIONERS

MONITOR'S CERTIFICATE

1. Pursuant to an Order of the Honourable Madam Justice Brown of the British Columbia Supreme Court (the "**Court**") dated October 18, 2013 PricewaterhouseCoopers Inc. was appointed as the monitor (the "**Monitor**") of the Petitioners.
2. Pursuant to an Order of the Court dated ●, 2015 (the "**Vesting Order**"), the Court ordered that all of the Petitioners' right, title and interest in and to the Subject Assets vest in the 900 effective upon the delivery by the Monitor of this certificate to 900 confirming: that the transactions contemplated by the Transfer Agreement dated March ●, 2015 have been implemented.
3. Unless otherwise defined herein, capitalized terms shall have the meanings ascribed thereto in the Vesting Order.

THE MONITOR HEREBY CERTIFIES as follows:

The transactions contemplated by the Transfer Agreement dated March ●, 2015 have been implemented;

DATED at the City of Vancouver, in the Province of British Columbia, this ●, day of ●, 2015.

**PRICEWATERHOUSE COOPERS INC. in
its capacity as Court-appointed Monitor of
the Petitioners and not in its personal
capacity**

By:

Name:

Title:

Schedule "D"

DESCRIPTION OF THE LANDS

Lot number one million seven hundred and seventy thousand two hundred and forty eight (1,770,248) of the Cadastre of Quebec, in the city of Gatineau, Registration Division of Hull

Lot number one million seven hundred seventy thousand two hundred and forty nine (1,770,249) of the Cadastre of Quebec, in the city of Gatineau, Registration Division of Hull and

Lot number two million four hundred and fifty three thousand four hundred and ninety (2,453,490) of the Cadastre of Quebec, in the city of Gatineau, Registration Division of Hull

Schedule "E"

CLAIMS TO BE EXPUNGED

1. Hypothec registered at the Registry Division of Hull under instrument number 19 388 340.

Schedule "F"

PERMITTED ENCUMBRANCES

1. Lot two million four hundred fifty-three thousand four hundred and ninety (2,453,490) of the Cadastre of Quebec, registration division of Hull, by lease passed before P. Jean Cl  roux, Notary, on May 11, 2006 and published in the land registry office of Hull on May 15, 2006 under number 13 279 422.

IN THE SUPREME COURT OF BRITISH COLUMBIA

B E T W E E N:

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

AND

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED**

AND

**IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c.
C-44, AS AMENDED**

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT
OF LEAGUE ASSETS CORP. AND THOSE PARTIES LISTED ON SCHEDULE "A"**

PETITIONERS

**ORDER MADE AFTER APPLICATION
(VESTING ORDER – GATINEAU)**

OSLER, HOSKIN & HARCOURT LLP

Box 50, 1 First Canadian Place
Toronto, Ontario

Telephone: (416) 362-2111

Facsimile: (416) 862-6666

APPENDIX E

Confirmation of exercise of ROFR

9003452 Canada Inc.
139, Boulevard de l'Hôpital, Office 124
Gatineau, QC J8T 8A3
Canada

June 5, 2015

Sent by Facsimile and by E-Mail

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, BC V6C 3S7

Attention: Claire Wheldon

Dear Ms. Wheldon:

Re: Suspension of Security Enforcement and First Refusal Right with respect to the Sale of Property Agreement dated March 16th, 2015 (the "Agreement")

and Re: Lot Number One Million Seven Hundred And Seventy Thousand Two Hundred And Forty Eight (1,770,248), Lot Number One Million Seven Hundred Seventy Thousand Two Hundred And Forty Nine (1,770,249) and Lot Number Two Million Four Hundred And Fifty Three Thousand Four Hundred And Ninety (2,453,490) (the "Property")

We refer to the above referenced Agreement and your letter dated June 2, 2015 in which you notified us that PwC, in its capacity as Monitor in the CCAA proceedings involving the Gatineau Centre Real Estate Development Corporation and the Property, received a Qualified Offer.

Pursuant to the terms of the Agreement, we hereby notify you that 9003452 Canada Inc. (the "Secured Creditor") exercises its Right of First Refusal to purchase the Property on the same terms and conditions as the Qualified Offer.

The deposit of \$1 million will be sent to you by wire transfer on or before Monday, June 8th, as per the terms of the Qualified Offer.


Yours very truly,

9003452 Canada Inc.
The Secured Creditor

By:


Name: James Maxwell
Title: Director

By:


Name: Pierre-Hughes Fortin
Title: Director

APPENDIX F

Qualified Offer

GATINEAU CENTRE REAL ESTATE DEVELOPMENT CORPORATION

- and -



AGREEMENT OF PURCHASE AND SALE

**LOTS 2453 490-P, 1 770 248 AND 1 770 249 OF CADASTRE DU QUEBEC IN
GATINEAU, QC**

A handwritten signature in blue ink, consisting of a vertical line and a large loop.

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SCHEDULE G REQUIRED CONTRACTS

Draft

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made as of June 2nd 2015 (the “**Execution Date**”).

B E T W E E N:

GATINEAU CENTRE REAL ESTATE DEVELOPMENT CORPORATION

(the “**Vendor**”)

- and -



RECITALS:

- A. The Vendor has agreed to sell, transfer, assign, set over and convey the Subject Assets, as hereafter defined, to the Purchaser and the Purchaser has agreed to purchase, acquire and assume the Subject Assets from the Vendor on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and the sum of \$10.00 paid by each of the Vendor and the Purchaser to the other and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree and declare as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

The terms defined herein shall have, for all purposes of this Agreement, the following meanings, unless the context expressly or by necessary implication otherwise requires:

“**Adjustment Date**” means 11:59 P.M. PT on the day before the Closing Date.

“**Adjustments**” means the adjustments to the Purchase Price provided for and determined pursuant to Sections 3.3 and 3.4.

“**Agreement**” means this agreement of purchase and sale and the schedules attached hereto, as amended from time to time; “**Article**”, “**Section**” and “**Subsection**” mean and refer to the specified article, section and subsection of this Agreement.

“**Applicable Laws**” means, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law relating or applicable to the Subject Assets, such Person, property, transaction, event or other matter.

A handwritten signature in blue ink, appearing to be '18' or similar, located in the bottom right corner of the page.

“Approval and Vesting Order” means an order (or separate orders) of the Court, in form and substance satisfactory to each of the Vendor and the Purchaser, each acting reasonably and without delay, pursuant to which the Transaction is approved by the Court and pursuant to which all right, title and interest of the Vendor in the Subject Assets shall be vested absolutely in and to the Purchaser on Closing.

“Assignment and Assumption of Contracts” means an assignment and assumption of the Assumed Contracts, such assignment and assumption to be delivered on Closing pursuant to Sections 6.1 and 6.2, in the form attached as Schedule D hereto.

“Assignment and Assumption of Leases” means an assignment and assumption of the Leases to be delivered on Closing pursuant to Sections 6.1 and 6.2, in the form attached as Schedule E hereto.

“Assignment and Assumption of Permitted Encumbrances” means an assignment and assumption of all of the right, title and interest, and all liability, covenants and obligations, of the Vendor in, to and under any Permitted Encumbrances not already subject to an Assignment and Assumption of Leases or an Assignment and Assumption of Contracts, to be delivered on Closing pursuant to Sections 6.1 and 6.2, in the form attached as Schedule F hereto.

“Assumed Contracts” has the meaning ascribed thereto in Section [7.4](#).

“Balance” has the meaning ascribed thereto in Section 3.1**(b)**.

“Bill of Sale” means a bill of sale for the Vendor’ interest in and to the Chattels to be delivered on Closing pursuant to Section 6.1(p), in the form attached as Schedule G hereto.

“Buildings” means, individually or collectively, as the context requires, all of the buildings, structures and fixed improvements located on, in or under the Lands, and improvements and fixtures contained in or on such buildings and structures used in the operation of same, but excluding: (a) improvements and fixtures not owned by the Vendor; and (b) those improvements and fixtures owned and used by any Tenant in carrying on its business and those improvements and fixtures which, in each case, are removable by any Tenant pursuant to its Lease; and **“Building”** means any one of the Buildings.

“Business Day” means any day, other than a Saturday, Sunday or statutory holiday in British Columbia, Ontario or Quebec.

“CCAA Proceedings” means the proceedings pursuant to which the League Asset Entities (including the Vendor) filed for and were granted protection by the Court under the *Companies’ Creditors Arrangement Act*.

“Chattels” means all of the tools, machinery, equipment, inventory and supplies located at the Property and owned by the Vendor and used exclusively in connection with the operation, use, enjoyment, maintenance or management of the Property, if any (including, without limitation, all elevating devices and equipment, furniture, telephones and other equipment, electric light fixtures, equipment, plumbing fixtures, furnace burner equipment, oil tanks, heating and ventilating and air-conditioning equipment, air handling equipment, boiler machinery and equipment, sprinklers, drainage, mechanical and electrical systems, janitorial equipment and

supplies, any office furniture, computers and all computer diskettes used for information storage relating to the operation and management, management records used in the leasing and operation of the Building and any other chattels or tangible personal property to the extent owned by the Vendor).

“**Claims**” means all past, present and future claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees on a solicitor and client basis and other professional fees and disbursements, interest, demands and actions of any nature or any kind whatsoever and “**Claim**” means any one of the foregoing.

“**Closing**” means the closing and consummation of this Agreement for the Subject Assets including, without limitation, the payment of the Purchase Price and the delivery of the Closing Documents, on the Closing Date at the offices of the Monitor’s Solicitors.

“**Closing Date**” means, subject to Section 2.6(b), September ^{25th} ~~15th~~, 2015. 

“**Closing Documents**” means the agreements, instruments and other documents to be delivered by the Vendor to the Purchaser pursuant to Section 6.1 and the agreements, instruments and other documents to be delivered by the Purchaser to the Vendor pursuant to Section 6.2.

“**Confidential Information**” has the meaning ascribed thereto in Section 2.5.

“**Contracts**” means, collectively, all contracts and agreements relating to the Property entered into by the Vendor or any manager or agent on behalf of the Vendor, or which have been assigned to the Vendor, or which otherwise bind and/or benefit the Vendor as owner of the Property, and includes, without limitation, the Warranties, but excludes the Excluded Contracts, the Leases and any contracts or agreements which are not assignable without the consent of the counterparty thereto.

“**Court**” means the Supreme Court of British Columbia.

“**Data Room**” means any virtual data room established by the Monitor, the Vendor or the Vendor Broker in connection with the Subject Assets.


“**Deposit**” has the meaning ascribed thereto in Section 3.1(a).

“**Destruction Election Notice**” has the meaning ascribed thereto in Section 7.2(b).

“**DIP Lender**” has the meaning ascribed thereto in the Initial Order.

“**Disclosed to the Purchaser**” means information which is or has been: (a) made available for the Purchaser’s review pursuant to Section 2.3 hereof; (b) otherwise communicated in writing by the Vendor or the Monitor or their representatives to the Purchaser; (c) made available in the Data Room; or (d) disclosed by registered title to all or parts of the Subject Assets as of the Execution Date.

“**Due Diligence Materials**” has the meaning ascribed thereto in Section 2.3.

“**Encumbrances**” means all mortgages, pledges, charges, liens, construction liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, options, equitable 

interest or beneficial interest, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, the Subject Assets or any part thereof or interest therein, including the Charges as defined in the Initial Order and any Leases, easements, servitudes, rights of way, restrictions, any subdivision, site plan, development or other agreements with a Governmental Authority affecting the Property, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing) which encumber title to the Subject Assets or any part thereof or interest therein.

“Environmental Claim” means, with respect to any Person, any action, cause of action, investigation, suit, proceeding, judgment, award, fine, penalty, assessment or written notice or claim by any Person or entity alleging potential liability (including, without limitation, potential liability for investigatory costs, clean-up costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on, in connection with or resulting from: (a) the presence, discharge, migration or release into the environment, of any Hazardous Materials at any location, whether or not owned or operated by such Person; or (b) the generation, handling, use, treatment, recycling, storage, disposal or transport of any Hazardous Materials; or (c) any violation of Environmental Laws.

“Environmental Laws” means all Applicable Laws including written policies and guidelines and directives, administrative rulings or interpretations, that are in effect and applicable to the Property or the Vendor, as well as the common law and any judicial or administrative order, consent decree or judgment, now in existence or which may come into existence from the Execution Date until Closing, governing or regulating the use, generation, storage, removal, recovery, treatment, handling, transport, disposal, control, discharge of, or exposure to Hazardous Materials or intended to protect the environment, including, without limitation, the *Atomic Energy Control Act (Canada)*, the *Canadian Environmental Protection Act (Canada)*, the *Pest Control Products Act (Canada)*, the *Transportation of Dangerous Goods Act (Canada)*, and the regulations and guidelines promulgated pursuant thereto or issued by any Governmental Authority in respect thereof, and equivalent or similar local and provincial ordinances and statutory programs and the regulations and guidelines promulgated pursuant thereto.

“Excluded Assets” means collectively:

- (a) cash, marketable securities and bank accounts of the Vendor or the Monitor, except Tenants’ deposits and any such items that are adjusted in favour of the Vendor;
- (b) arrears and any other assets or property which, pursuant to this Agreement, remain the property of the Vendor after Closing;
- (c) the Excluded Contracts;
- (d) all rights of the Vendor of every nature arising out of all insurance policies relating to any of the Subject Assets, subject to Section 7.2; and
- (e) the rights of the Vendor under this Agreement.

“Excluded Contracts” means all Contracts other than the Assumed Contracts.



“Execution Date” means the date noted on page 1 of this Agreement.

“Existing Leases” means all Leases in respect of any Property or part thereof in existence on the Execution Date, and **“Existing Lease”** means any one of the Existing Leases

“Final Adjustment Date” means the first Business Day that is 30 days from the Closing Date.

“Governmental Authority” means any government, regulatory authority, government department, agency, utility, commission, board, tribunal, court or other rule making entity having jurisdiction on behalf of any nation, province or state or other subdivision thereof or any municipality, district or other subdivision thereof, or having jurisdiction over the relevant circumstances, or any person acting under the authority of any of the foregoing (including, without limitation, the Electrical Safety Authority, Municipal Assessment Property Corporation, or any arbitrator).

“GST/QST” has the meaning ascribed thereto in Section 5.3(b).

“Hazardous Materials” means any contaminant, substance, pollutant, waste, hazardous material, toxic substance, radioactive substance, petroleum, its derivatives, by-products and other hydrocarbons, dangerous substance or dangerous goods or material that is: (i) deemed hazardous or toxic under Environmental Laws; (ii) prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Laws; or (iii) present to a degree or in an amount in excess of thresholds regulated under Environmental Laws.

“QST Act” has the meaning ascribed thereto in Section 5.2(d).

“Initial Order” means the order of the Court made on October 18, 2013, as amended and restated by further order of the Court made on October 25, 2013.

“Interim Period” means the period between the Execution Date and the Closing Date.

“Lands” means the lands and premises legally described in Schedule A attached hereto.

“League Asset Entities” means, collectively, League Assets Corp. and those parties listed on Schedule “A” to the Initial Order, each a **“League Asset Entity”**.

“Leases” means all offers to lease, sublease or sub-sublease, binding letters of intent and agreements to lease or sublease, leases, subleases, renewals and/or extensions of leases or subleases, amendments to any of the foregoing and other rights (including licences, concessions or occupancy agreements, parking and/or storage agreements and licences, telecom and/or satellite agreements and licences and solar panel leases or licences, but excluding rights in the nature of easements) granted by or on behalf of, or which bind, the Vendor or its predecessors in title as lessor and which entitle any other Person as lessee to possess or occupy any space within the Property together with all security, guarantees and indemnities relating thereto, in each case as amended, renewed, extended or otherwise varied from time to time, and **“Lease”** means any one of the Leases.

“Letters of Credit” means any and all letters of credit, letters of guarantee, deposits and/or security deposits provided by or on behalf of the Vendor to any third party in respect of the Property, particulars of which have been or will be Disclosed to the Purchaser.

“Monitor” means PricewaterhouseCoopers Inc., in its capacity as Court-appointed monitor of the League Asset Entities pursuant to the Initial Order.

“Monitor’s Certificate” means the Monitor’s certificate substantially in the form to be attached to the Approval and Vesting Order.

“New Lease” means any Lease or amendment to or renewal or extension of an Existing Lease entered into by the Vendor during the Interim Period in accordance with the terms of Section 7.3.

“Notice” has the meaning ascribed thereto in Section 8.16.

“Permitted Encumbrances” means: (a) all those Encumbrances described in Schedule B attached hereto; and (c) any Encumbrances resulting from the Purchaser’s actions or omissions.

“Person” means an individual, partnership (limited or general), corporation, trust, unincorporated organization, government or any department or agency thereof, and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual.

“Plans” means all documentation in the Vendor’s possession or control relevant to the construction of the Buildings including, without limitation, working drawings, detail drawings, shop drawings, approved municipal plans, structural, mechanical, electrical and engineering plans, site plan, other documentation prepared to illustrate or define a particular aspect of the Buildings, consultants’ contracts, construction contracts, plans submitted with all building permits issued for the Property, building and tenant area certificates, occupancy permits, governmental reports outlining compliance with applicable zoning bylaws and codes and any information relating to the Buildings’ status and specifications.

“Process Order” means the order of the Court made on November 22, 2013.

“Property” means, collectively the Lands and the Buildings.

“Property Conditions” has the meaning ascribed thereto in Section [2.4\(c\)](#).

“Property Manager” means N/A.

“Proposed Agreement” has the meaning ascribed thereto in Section 7.3.

“Purchase Price” has the meaning ascribed thereto in Section 3.1.

“Purchaser Beneficial Owner” has the meaning ascribed thereto in Section 5.3(a).

“Purchaser’s GST/QST Certificate” has the meaning ascribed thereto in Section 5.3(f).

“Purchaser’s Solicitors” means ● or such other firm or firms of solicitors or agents as are retained by the Purchaser from time to time and Notice of which is provided to the Vendor.

“Rent Receivables” has the meaning ascribed thereto in Section 3.4(a).

“Required Contracts” means the Contracts set out on Schedule H.



“Secured Lender” means ●.

‘Shares’ means all of the issued and outstanding shares of the Vendor.

“Subject Assets” means all the right, title and interest of the Vendor in and to:

- (a) the Property;
- (b) the Leases;
- (c) the Assumed Contracts;
- (d) the Permitted Encumbrances;
- (e) the Chattels; and
- (f) the Shares, at the option of the Purchaser.

but excludes the right, title and interest of the Vendor in and to the Excluded Assets.

“Tenants” means all Persons or parties having a right to occupy any rentable area of the Property pursuant to a Lease; and “Tenant” means any one of such Tenants.

“Title Transfer” has the meaning ascribed thereto in Section 6.1(a).

“Transaction” means the purchase and sale of the Subject Assets provided for in this Agreement.

“Vendor Broker” means Colliers International.

“Vendor’s Solicitors” means Clark Wilson LLP or such other firm or firms of solicitors or agents as are retained by the Vendor from time to time and Notice of which is provided to the Purchaser.

“Warranties” means any existing warranties and guarantees in favour of the Vendor in connection with the construction, condition or operation of the Buildings or any component thereof or any improvements made to the Buildings or any component thereof which are assignable without the consent of the counterparty thereto.

1.2 Schedules

The following schedules attached hereto form part of this Agreement:

- Schedule A - Lands
- Schedule B - Permitted Encumbrances
- Schedule C - Assignment and Assumption of Contracts
- Schedule D - Assignment and Assumption of Leases



- Schedule E - Assignment and Assumption of Permitted Encumbrances
- Schedule F - Bill of Sale
- Schedule G - Required Contracts

1.3 Computation of Time Periods

Except as expressly set out in this Agreement, the computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period. If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day.

ARTICLE 2 AGREEMENT OF PURCHASE AND SALE

2.1 Purchase and Sale of the Property

Upon and subject to the terms and conditions of this Agreement, the Vendor agrees to sell, and the Purchaser agrees to purchase, the Subject Assets in consideration of the payment of the Purchase Price. This Agreement shall be completed on the Closing Date at the offices of the **Monitor's Solicitors** subject to the terms and conditions of this Agreement.

2.2 Binding Agreement

The agreements of the Vendor and the Purchaser set forth in Section 2.1 create and constitute a binding agreement of purchase and sale for the Subject Assets in accordance with the provisions of this Agreement.

2.3 Due Diligence Materials

The Purchaser acknowledges that, prior to the Execution Date, the Vendor or the Vendor Broker either delivered to the Purchaser or made available to the Purchaser (or, in the case of Plans, drawings, surveys and/or tenant correspondence files, at such other location as same are kept), the following documents and files relating to the Subject Assets, to the extent same are in the Vendor's possession or reasonable control, or otherwise made available to, the Purchaser (the "**Due Diligence Materials**"):

- (a) copies of the Leases;
- (b) the most recent plan of survey for the Property;
- (c) copies of final and interim realty tax billings and assessments for the Property for the most recent tax year, if available and any information relating to any outstanding reassessment or appeals, if any;
- (d) copies of all Contracts and Warranties for the Property in force at the Execution Date, other than Encumbrances registered on title to the Property, if any;

- (e) the current rent roll for the Property; and
- (f) a list of account receivables for the Property.

2.4 Acknowledgement of Purchaser as to Condition of the Subject Assets

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Purchaser acknowledges and agrees that:

- (a) Prior to the Execution Date, the Purchaser completed its due diligence, inquiries and investigations in respect of the Subject Assets and is satisfied, in its sole, absolute and subjective discretion with such due diligence, inquiries and investigations including, without limitation: (i) its examination of the Due Diligence Materials; (ii) the results of its physical and environmental inspections and tests of the Subject Assets; (iii) the results of its inquiries and investigations regarding the Subject Assets; (iv) the terms and conditions of financing; and (v) its review of the Leases;
- (b) The Subject Assets are being sold and purchased and the Transaction is being effected, on an “as-is, where-is” basis, without any representation, warranty or covenant by the Vendor or by the Monitor or any other Person. The Purchaser acknowledges that it has performed due diligence, inquiries and investigations in respect of the Subject Assets and shall rely solely upon its own findings resulting therefrom and not upon any information, documentation, statement or opinion, written or oral, provided by the Vendor or any agent of the Vendor or the Monitor or any agent of the Monitor other than and only to the extent of the representations and warranties set out in Section 5.1.
- (c) The Vendor makes no representations or warranties, other than and only to the extent of the representations and warranties set out in Section 5.1, of any nature whatsoever with respect to any Confidential Information or documentation disclosed to the Purchaser, nor with respect to the Subject Assets (including, without limitation, title thereto and/or the state of any Encumbrances) or the Transaction, including, without limitation, (i) the structural integrity or any other aspect of the physical condition of any Building, (ii) the conformity of any Building to any Plans or specifications (including, but not limited to, any Plans and specifications that may have been or which may be provided to the Purchaser), (iii) the conformity of the Property to past, current or future applicable zoning or building code requirements or other Applicable Laws, (iv) the existence of soil instability, past soil repairs, soil additions or conditions of soil fill or any other matter affecting the stability or integrity of the Lands, or any Building situated on or as part of any Property, (v) the sufficiency of any drainage, (vi) whether the Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area, (vii) the existence or non-existence of underground and/or above ground storage tanks, (viii) the availability of public utilities, access, parking and/or services for the Property, (ix) the fitness or suitability of the Property for occupancy or any intended use (including matters relating to health and safety) and the fitness and suitability for use of any of the Chattels, (x) the potential for further development of the Property, (xi) the



existence of land use, zoning or building entitlements affecting the Property, (xii) the presence, release or use of wastes of any nature, hazardous materials, pollutants, contaminants or other regulated substances in, under, on or about the Property or any neighbouring lands; and (xiii) the conformity or compliance of the Subject Assets to any municipal by-laws including those relating to the preservation of heritage, cultural or historical property (collectively, the "Property Conditions").

- (d) As part of the Purchaser's agreement to purchase the Subject Assets and to accept the Subject Assets in "as-is, where-is" condition, and not as a limitation on such agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Purchaser might have against the Vendor pursuant to any warranty, express or implied, of any kind or type relating to the Subject Assets or any other assets, the Property Conditions or any other aspect of the Transaction. Such waiver is absolute, unlimited and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties at law and/or in equity, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and Claims of every kind and type, including, but not limited to, Claims regarding defects, whether or not discoverable, product liability Claims, or similar Claims, and to all other extent or later created or conceived of strict liability or strict liability type Claims and rights.
- (e) The Vendor shall not be responsible or liable for any misrepresentation, lack of disclosure or incorrect or incomplete disclosure of any nature whatsoever or failure to investigate the Subject Assets on the part of any broker or sales agent, or any other purported or acknowledged agent, representative, contractor, consultant or employee of the Vendor or any third party, including the Monitor and its agents.
- (f) The Vendor shall not be required to produce any abstract of title, deed or documents or copies thereof or any evidence as to title.
- (g) The transfer of title to the Subject Assets may be subject to certain work orders, municipal requirements, including building or zoning by-laws and regulations, easements for hydro, gas, telephone affecting the Subject Assets, and like services to the Property, and restrictions and covenants which run with the land, including but not limited to the Permitted Encumbrances. Without limiting the foregoing, the Vendor shall not be responsible for rectification of any matters disclosed by any Governmental Authority.

The provisions of this Section 2.4 shall not merge on, but shall survive, Closing.

2.5 Confidentiality

- (a) Except as may be required in connection with the CCAA Proceedings, until Closing (and in the event this Agreement is terminated for any reason other than its completion, then also from and after such termination), the Purchaser and its consultants, agents, representatives, advisors, partners, solicitors, lenders and prospective lenders and their respective solicitors shall keep confidential all

information, documentation and records obtained from the Vendor or its consultants, agents, representatives, advisors or solicitors with respect to the Subject Assets, as well as any information arising out of the Purchaser's access to the Vendor's records and the Subject Assets and the Purchaser's own due diligence with respect thereto (collectively, the "**Confidential Information**"). The Purchaser shall not use any Confidential Information for any purposes not related to this Transaction or in any way knowingly detrimental to the Vendor. Nothing herein contained shall restrict or prohibit the Purchaser from disclosing the Confidential Information to its consultants, agents, representatives, advisors, partners, solicitors, lenders and prospective lenders and their respective solicitors so long as the Purchaser instructs such parties to keep such information confidential.

- (b) The Confidential Information referred to in this Section shall not include:
 - (i) public information or information in the public domain at the time of receipt by the Purchaser or its consultants, agents, advisors, partners and solicitors;
 - (ii) information which becomes public through no fault or act of the Purchaser or its consultants, agents, advisors, partners and solicitors;
 - (iii) information required to be disclosed by law; or
 - (iv) information received in good faith from a third party lawfully in possession of the information and not in breach of any confidentiality obligations.
- (c) If this Agreement is terminated for any reason, the Purchaser shall promptly return to the Vendor, or destroy (and provide a certificate of an officer of the Purchaser certifying such destruction), all Confidential Information (other than the Purchaser's notes and due diligence materials) and similar material including all copies, and shall destroy all of the Purchaser's notes and due diligence materials in hard or soft copy containing Confidential Information related to this Transaction (and provide a certificate of an officer of the Purchaser certifying such destruction). The Purchaser shall also cause all of its consultants, agents, representatives, advisors, partners, solicitors, lenders and prospective lenders and their respective solicitors to comply with the terms of this Section 2.6(c) and to certify such compliance to the Vendor.

2.6 Court Approval

- (a) The Vendor and the Monitor shall use all commercially reasonable efforts to seek the Approval and Vesting Order. In connection therewith, the Vendor and the Purchaser will cooperate with each other, each acting in good faith and reasonably, to agree upon the form and substance of the Approval and Vesting Order. To the extent reasonably possible, the Vendor shall apprise the Purchaser of all scheduled Court dates relating specifically to this Transaction as soon as such dates are known to the Vendor and shall apprise the Purchaser of whether or



not the Court has granted the Approval and Vesting Order. The Purchaser shall promptly cooperate with the Vendor and the Monitor in connection with the Vendor's attempt to obtain the Approval and Vesting Order from time to time. Without limiting the foregoing, the Purchaser shall forthwith provide such information and documentation as may be required by the Vendor, acting reasonably, from time to time in order to facilitate the granting of the Approval and Vesting Order. The Purchaser acknowledges that the approval and vesting components of the Approval and Vesting Order may be obtained separately by the Vendor and together will constitute the Approval and Vesting Order.

- (b) If the Approval and Vesting Order has not been granted by the Court prior to the originally scheduled Closing Date, the Vendor shall have the right, by delivery of notice to the Purchaser, to extend the Closing Date to be the earlier of: (a) the first Business Day that is five days after the Approval and Vesting Order is obtained; and (b) the first Business Day that is 30 days after the originally scheduled Closing Date.

2.7 Monitor's Capacity

The Purchaser acknowledges and agrees that the Monitor, acting in its capacity as the Monitor of the League Asset Entities in the CCAA Proceedings, will have no liability in connection with this Agreement whatsoever in its capacity as Monitor, in its personal capacity or otherwise.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The Purchase Price for the Subject Assets shall be **\$7,300,000**. (the "**Purchase Price**") exclusive of GST/QST where applicable. Subject to adjustment in accordance with Sections 3.3, the Purchase Price shall be paid to the Monitor (as requested by the Process Order) as follows:

- (a) as to the sum of **\$1,000,000**. (the "**Deposit**"), by wire transfer payable to the Monitor on or prior to 5:00 P.M. PT ~~on the third Business Day following the Execution Date;~~ *June 8, 2011* to be held in trust as a deposit and invested in accordance with the provisions of Section 3.2 pending the completion or other termination of this Agreement and to be credited on the Closing Date on account of the Purchase Price; and
- (b) as to the balance of the Purchase Price (the "**Balance**"), subject to Adjustments, by wire transfer payable to the Monitor or as it may direct on the Closing Date.

3.2 Deposit

The Deposit shall be invested by the Monitor in an interest bearing account or term deposit or guaranteed investment certificate with or issued by one of the five largest Canadian chartered banks. Interest on the Deposit shall accrue to the benefit of the Purchaser from the date of deposit with the Monitor until the Closing Date or other termination of this Agreement. If the Transaction is not completed for any reason, except for the default of the Purchaser, the Deposit

June 8, 2011


(together with all interest accrued thereon and without deduction) shall be thereupon returned to the Purchaser. If the Transaction is not completed as a result of the default of the Purchaser under this Agreement, the Monitor shall be entitled to retain the Deposit on behalf of the Vendor hereunder together with all interest accrued thereon as liquidated damages and not as penalty and without limitation to any other rights and remedies that the Vendor may have pursuant to this Agreement or at law.

3.3 General Adjustments

- (a) Subject to those items referred to in Section 3.4, the adjustments (the “Adjustments”) shall include all operating costs and recoveries, realty taxes, local improvement rates and charges, current rents (but, for greater certainty, excluding Rent Receivables which shall remain the Vendor’s exclusive property), percentage rent, prepaid rents, security deposits, current expense and operating recoveries from Tenants, and other adjustments established by usual practice in the municipality in which the Property is located for the purchase and sale of similar properties, as the case may be. In addition, the Adjustments shall include the other matters referred to in this Agreement which are stated to be the subject of adjustment and shall exclude the other matters in this Agreement which are stated not to be the subject of adjustment.
- (b) Adjustments shall be made as of the Adjustment Date on an accrual basis. From and after the Adjustment Date, the Purchaser shall be responsible for all expenses and shall be entitled to all revenue from the Subject Assets. The Vendor shall be responsible for all expenses and entitled to all revenue from the Subject Assets for that period ending on the Adjustment Date, including for greater certainty Rent Receivables. Subject to Section 3.3(c), the expense and operating recoveries from Tenants for the period prior to the Adjustment Date shall be re-adjusted between the Vendor and Purchaser on Closing.
- (c) If the final cost or amount of an item which is to be adjusted (including operating costs recoverable from/payable to Tenants) cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Vendor, acting reasonably, on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. In each case, when such cost or amount is determined, the Vendor or Purchaser, as the case may be, shall provide a complete statement thereof to the other and within 30 days thereafter the parties shall make a final Adjustment as of the Closing Date for the item in question. Notwithstanding the foregoing any and all readjustments shall be completed on or before the Final Adjustment Date and no Claim shall be made by either party in respect of such readjustments after the Final Adjustment Date.
- (d) The provisions of this Section 3.3 shall not merge on, but shall survive Closing.

3.4 Specific Adjustments

The Vendor and the Purchaser hereby acknowledge and agree that:



- (a) If Closing occurs on or before the fifth Business Day of a month, there shall be a credit given in favour of the Vendor on the statement of adjustments in connection with amounts payable or owing, on the Closing Date, by any Tenant under the Leases for rent or any other amounts attributable to the month in which Closing occurs provided such Tenant has no Rent Receivables for any month prior to the month in which Closing occurs. No such adjustments shall be made with respect to any other amount owing by a Tenant (including any amount owing by a Tenant where Closing occurs after the fifth Business Day of a month)(any such amounts owing being, the “**Rent Receivables**”) and the Rent Receivables shall remain the property of the Vendor on Closing. The Purchaser shall use all reasonable efforts to assist the Vendor in recovering such Rent Receivables, but shall not be required to apply current rent payments to Rent Receivables (other than any excess over amounts due to the Purchaser), or to terminate Leases, take possession of any premises leased thereunder, exercise rights of distraint or commence bankruptcy or insolvency proceedings against a Tenant, and the Vendor shall continue to have the right after Closing to recover by way of action from Tenants any Rent Receivables.
- (b) In the event that there are any realty or business tax appeals for the calendar year prior to the calendar year in which the Closing occurs for the Property, the Vendor shall, at its option, be entitled to continue such appeals and shall be entitled to receive any payment resulting therefrom, provided that the Vendor shall make any reconciliation payments to Tenants in respect of any overpayment of realty tax contributions in respect of such prior year. In the event there are realty or business tax appeals for the calendar year in which Closing occurs for the Property, the Vendor may, at its option, continue such appeals and any payments received resulting therefrom shall be paid to the Vendor and Purchaser on a per diem basis determined by reference to the periods of their respective ownership of the Property in question during such calendar year after, firstly, reimbursement to the Purchaser of its reasonable out-of-pocket costs relating to such appeals and, secondly, payment to Tenants in possession who have overpaid realty tax contributions as shown by the outcome of the appeals. To the extent the Purchaser receives any of the aforementioned payments on or after the Closing Date in respect of realty or business tax appeals for any year prior to the 2014 calendar year, it shall forthwith remit them to the Vendor, and the Vendor shall make any reconciliation payments to Tenants in possession in respect of any overpayment of realty tax contributions in respect of such prior years.
- (c) As soon as reasonably possible after the end of the percentage rent year in which the Closing Date occurs, all percentage rents, if any, earned under the Leases shall be adjusted by aggregating the percentage rents payable by Tenants to the Vendor and the Purchaser pursuant to their respective Leases for such percentage rent year and, in order to determine the Purchaser’s proportionate share, multiplying that amount by a fraction, the numerator of which is the number of days after the Adjustment Date to the last day of such percentage rent year and the denominator of which is 365 or 366, as applicable. The Vendor’s proportionate share shall be the balance of the percentage rents. If the Vendor has collected periodic payments on account of percentage rents in excess of its proportionate share, then



the Vendor shall reimburse the Purchaser for such excess, and if the Purchaser has collected periodic payments on account of percentage rents from Tenants in excess of its proportionate share of such percentage rents, then the Purchaser shall reimburse the Vendor for such excess. The adjustments of percentage rent payable under any Lease will be made within 30 days after receipt of a certified annual sales report for the relevant percentage rent year of the particular Tenant.

- (d) From and after the Closing Date, the Purchaser shall provide to the Vendor and its auditors, during normal business hours at any time and from time to time upon reasonable prior notice to the Purchaser, ongoing access to the accounting books, files, records and information of the Purchaser relating to the Subject Assets, for the purpose of calculating or verifying the amount of any adjustments.
- (e) The provisions of this Section 3.4 shall not merge on, but shall survive, Closing.

3.5 Statement of Adjustments

The statement of adjustments shall be delivered to the Purchaser by the Vendor at least five Business Days prior to the Closing Date and shall have annexed to it the calculations used by the Vendor to arrive at all debits and credits on the statement of adjustments. The Vendor shall give the Purchaser's representatives reasonable access to the Vendor's working papers and backup materials in order to confirm the statement of adjustments.

3.6 Purchase Price Allocation

The allocation of the Purchase Price between different components of the Subject Assets shall be made on a basis which is mutually agreeable to the Purchaser and the Vendor on or before Closing. Failure to agree on the allocation shall not result in the termination of this Agreement, but rather shall result in the nullity of the application of this Section, such that each party shall be free to make its own allocation.

3.7 Distribution

The Purchaser acknowledges and agrees that it will not object to any distribution made pursuant to the Process Order of all or any part of the Purchase Price to such Person as the Court may determine is lawfully entitled thereto, following the Closing. The Monitor shall distribute the Purchase Price following the Closing or shortly thereafter in accordance with the Process Order, the Approval and Vesting Order and any other order of the Court, and the Purchaser agrees that it shall:

- (a) not have any Claim against or in respect of any such distribution with respect to this Agreement or the Transaction, including, without limitation, in respect of any obligation or liability of the Vendor: (i) with respect to any representation, warranty, covenant or condition contained herein; or (ii) with respect to the Transaction after the closing of the Transaction;
- (b) have no claims against the Vendor, the Monitor, the Secured Lender, the DIP Lender or any League Asset Entity in respect of any such distribution and shall have no right to trace or otherwise recover any portion of any such distribution



from the Monitor, the Secured Lender, the DIP Lender or any League Asset Entity; and

- (c) not, at any hearing held for the purpose of obtaining Court approval of any distribution of all or part of the Purchase Price, object to such approval or such distribution or appeal any order of the Court approving any such distribution.

This section shall not merge on, but shall survive, Closing.

3.8 Letters of Credit and Deposits

On the Closing Date, the Purchaser shall issue replacement letters of credit and/or security deposits for the Letters of Credit (all of which shall be Disclosed to the Purchaser pursuant to Section 2.3) and shall use its reasonable commercial efforts to assist the Vendor or the Monitor as the case may be in obtaining the release and return of the Letters of Credit to the Vendor or the Monitor without any further drawings thereunder.

ARTICLE 4 CONDITIONS

4.1 Conditions for Vendor

The obligation of the Vendor to complete the agreement of purchase and sale constituted on the execution and delivery of this Agreement shall be subject to the following conditions:

- (a) on the Closing Date, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects;
- (b) on the Closing Date, all of the representations and warranties of the Purchaser set out in Section 5.2 shall be true and accurate in all material respects as if made as of the Closing;
- (c) on Closing, receipt of all deliveries to be made by the Purchaser as set out in Section 6.2;
- (d) on the Closing Date, the Monitor shall have received the consents required by the Process Order, including the consent of the applicable League Asset Entity and any Secured Lender having an interest in the Property; and
- (e) the Approval and Vesting Order shall have been granted by the Court and such Approval and Vesting Order shall not have been enjoined, restricted, stayed, reversed, dismissed and/or appealed, or if appealed, such appeal shall have been dismissed and all relevant appeal periods shall have expired.

The conditions set forth in this Section 4.1 are for the sole benefit of the Vendor and may be waived in whole or in part by the Vendor by Notice in writing to the Purchaser prior to the applicable date set forth above for their respective waiver or satisfaction.

4.2 Conditions for Purchaser

The obligation of the Purchaser to complete the agreement of purchase and sale constituted on the execution and delivery of this Agreement shall be subject to the following conditions:

- (a) on the Closing Date, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects;
- (b) on the Closing Date, all of the representations and warranties of the Vendor set out in Section 5.1 shall be true and accurate in all material respects as if made as of the Closing;
- (c) on Closing, receipt of all deliveries to be made by the Vendor as set out in Section 6.1;
- (d) on the Closing Date, the Monitor shall have received the consents required by the Process Order, including the consent of the applicable League Asset Entity and any Secured Lender having an interest in the Property; and
- (e) the Approval and Vesting Order shall have been granted by the Court and such Approval and Vesting Order shall not have been enjoined, restricted, stayed, reversed, dismissed and/or appealed, or if appealed, the appeal shall have been dismissed and all relevant appeal periods shall have expired.

The conditions set forth in this Section 4.2 are for the sole benefit of the Purchaser, and may be waived in whole or in part by the Purchaser by Notice to the Vendor prior to the applicable date set forth above for the waiver or satisfaction of each such condition.

4.3 Satisfaction of Conditions

Each party agrees to proceed in good faith, with promptness and reasonable diligence to attempt to satisfy those conditions contained in Sections 4.1 and 4.2, as applicable, that are within its control, acting reasonably; provided that nothing in this Agreement shall be interpreted as requiring the Vendor to spend money to satisfy any conditions, or to address any defects, deficiencies or concerns identified by the Purchaser (including any defects, deficiencies or concerns with title) with respect to the Subject Assets or any other matter or aspect of the Transaction whatsoever. The parties shall cooperate with each other and the Purchaser shall provide the Vendor with information in its possession or control necessary to seek the Approval and Vesting Order.

4.4 Non-Satisfaction of Conditions

- (a) If any of the conditions set out in Section 4.1 are not satisfied or waived on or before the Closing Date, the Vendor may terminate this Agreement by Notice in writing to the Purchaser given on the Closing Date, after 5:00 P.M. PT in which event this Agreement shall be terminated and of no further force or effect whatsoever, each of the parties shall be released from all of its liabilities and obligations under this Agreement save for those specified to survive termination



and the Deposit (together with all interest earned thereon) shall be returned to the Purchaser. Notwithstanding the foregoing, if the condition or conditions that have not been satisfied or waived were not satisfied solely as a result of a default of the Purchaser, the Deposit and all interest earned thereon shall be forfeited and paid to the Vendor as liquidated damages and the Vendor shall have the rights set out in Section 3.2. However, the Vendor may waive compliance with any of the conditions set out in Section 4.1 in whole or in part if it sees fit to do so, without prejudice to its rights of termination in the event of non-fulfilment of any other condition contained in Section 4.1 in whole or in part.

- (b) If any of the conditions set out in Section 4.2 are not satisfied or waived on or before the Closing Date, the Purchaser may terminate this Agreement by Notice in writing to the Vendor given on or before the Closing Date, in which event this Agreement shall be terminated, the Deposit (together with all interest earned thereon) shall be returned to the Purchaser and the Purchaser shall be released from all of its liabilities and obligations under this Agreement save for those specified to survive termination. Notwithstanding the foregoing, if the condition or conditions that have not been satisfied or waived were not satisfied solely as a result of a default of the Vendor, the Deposit (together with all interest earned thereon) shall be returned to the Purchaser and the Purchaser shall have all rights and remedies against the Vendor at law and in equity (including the remedy of specific performance), provided that the liability of the Vendor with respect to a claim for damages or for an abatement of the Purchase Price shall be limited to a maximum of \$1,000,000. However, the Purchaser may waive compliance with any of the conditions set out in Section 4.2 in whole or in part if it sees fit to do so, without prejudice to its rights of termination in the event of non-fulfilment of any other condition contained in Section 4.2 in whole or in part.
- (c) Closing Conditions. All conditions to be satisfied on Closing shall be deemed to be satisfied if Closing occurs.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of Vendor

The Vendor represents and warrants to and in favour of the Purchaser that as of the date of this Agreement:

- (a) Status. It is duly organized and subsisting under the laws of its jurisdiction of organization. Subject to the issuance of the Approval and Vesting Order, it has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements contemplated by this Agreement and to perform its obligations under this Agreement and all other agreements contemplated by this Agreement.
- (b) Authorization. Subject to the issuance of the Approval and Vesting Order, the execution and delivery of this Agreement and all other agreements contemplated by this Agreement by the Vendor and the consummation of the Transaction

contemplated by this Agreement, have been duly authorized by all necessary corporate action of the Vendor.

- (c) No Breach of Instruments or Applicable Laws. Neither the entering into nor the delivery of this Agreement nor the completion by the Vendor of the Transaction contemplated hereby will conflict with, or constitute a default under, or result in a violation of: (i) any of the provisions of the constating documents or by-laws of the Vendor; or (ii) any Applicable Laws.
- (d) Residence. The Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

5.2 Representations and Warranties of Purchaser

The Purchaser covenants, represents and warrants to and in favour of the Vendor that, as of the date of this Agreement:

- (a) Status. The Purchaser is duly organized and subsisting under the laws of its jurisdiction of organization. The Purchaser has all necessary power, authority and capacity to enter into this Agreement and all other agreements contemplated by this Agreement and to perform its obligations under this Agreement and all other agreements contemplated by this Agreement.
- (b) Authorization. The execution and delivery of this Agreement and all other agreements contemplated by this Agreement by the Purchaser and the consummation of the Transaction contemplated by this Agreement by the Purchaser have been duly authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Breach. Neither the entering into nor the delivery of this Agreement nor the completion by the Purchaser of the Transaction contemplated hereby will conflict with, or constitute a default under, or result in a violation of: (i) any of the provisions of the constating documents or by-laws of the Purchaser; or (ii) any Applicable Laws.
- (d) No Bankruptcy. The Purchaser: (i) is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada); (ii) has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof; (iii) has not had any petition for a receiving order presented in respect of it; and (iv) has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution.
- (e) GST/QST. The Purchaser will on Closing be a GST/QST registrant, as the case may be, under the *Excise Tax Act* (Canada) (the "QST Act") and be the sole "recipient" of a supply as defined thereunder and will provide its registration number to the Vendor on or before the Closing Date.



- (f) No Broker. The Purchaser has not retained the services of any real estate broker or agent in connection with the Transaction.

5.3 GST/QST

The Purchaser hereby represents and warrants to the Vendor as follows:

- (a) the Purchaser shall be purchasing the Subject Assets on the Closing Date, as principal for its own account and not as an agent, trustee or otherwise on behalf of another person; provided however that in the event that the Purchaser is purchasing the Subject Assets as agent, nominee or trustee on behalf of another person or entity as beneficial owner (the "**Purchaser Beneficial Owner**"), the Purchaser's GST/QST Certificate shall contain the GST/ QST registration number of the Purchaser and the Purchaser Beneficial Owner and shall be signed by Purchaser and the Purchaser Beneficial Owner;
- (b) the Purchaser (and the Purchaser Beneficial Owner, if any) shall be registered under subdivision d of Division V of Part IX of the GST Act for the purposes of collection and remittance of goods and services tax ("**GST**") and shall be registered under Division I of Chapter VIII of Title I of the QST Act for the collection and remittance of Quebec Sales Tax ("**QST**");
- (c) the Purchaser (and the Purchaser Beneficial Owner, if any) shall be liable, shall self-assess and remit to the appropriate governmental authority all GST and QST which is payable under the GST Act and QST Act in connection with the transfer of the Subject Assets made pursuant to the Agreement, all in accordance with the GST Act and QST Act;
- (d) the Vendor shall not collect GST and QST on Closing regarding the Subject Assets and shall allow the Purchaser (and the Purchaser Beneficial Owner, if any) to self-assess and remit GST and QST to the Receiver General in accordance with the GST Act and QST Act;
- (e) the Purchaser (and the Purchaser Beneficial Owner, if any) shall indemnify and save harmless the Vendor from and against any and all GST/QST, penalties, costs and/or interest which may become payable by or assessed against the Vendor as a result of any inaccuracy, misstatement or misrepresentation made by the Purchaser on the Closing Date in connection with any matter raised in this Section 5.3 or contained in any declaration referred to herein; and
- (f) the Purchaser (and the Purchaser Beneficial Owner, if any) shall tender on Closing a certificate and indemnity including verification of its registration number issued by Canada Revenue Agency under the *Income Tax Act* (Canada) (the "**Purchaser's GST/QST Certificate**") and under the QST Act.



**ARTICLE 6
CLOSING DOCUMENTS**

6.1 Vendor's Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Vendor shall prepare and execute or cause to be executed and shall deliver or cause to be delivered to the Purchaser the following:

- (a) such documents as are reasonably required for title to the Property to be registered in the name of the Purchaser (the "**Title Transfer**");
- (b) the Assignment and Assumption of Leases and other assignment, assumption and other documents as are required by the terms of the Leases;
- (c) the Assignment and Assumption of Contracts and other assignment, assumption and other documents as are required by the terms of the Assumed Contracts;
- (d) the Assignment and Assumption of Permitted Encumbrances, and such other assignment assumption or other documents as are required by the terms of the Permitted Encumbrances;
- (e) a notice to all Tenants advising of the sale of the Property and directing that all rents payable after Closing be paid to the Purchaser or as the Purchaser directs;
- (f) a direction as to the payee or payees of the Purchase Price;
- (g) a statement of adjustments prepared and delivered in accordance with Section 3.5;
- (h) an undertaking by the Vendor to re-adjust the Adjustments;
- (i) a certificate of an officer of the Vendor (in such capacity and without personal liability) confirming that it is not a non-resident pursuant to the provisions of the *Income Tax Act* (Canada) and is receiving the Balance on its own account and not as agent, trustee or nominee for other Person, and that the representations and warranties set out in Section 5.1 are true and accurate in all material respects;
- (j) to the extent in the Vendor's possession or control, all keys to the Buildings, all security cards relating to the Property; all combinations to vaults and combination locks located at the Property;
- (k) to the extent in the Vendor's possession or control, original copies of all Leases, all Assumed Contracts, if any, Building records and tenant files;
- (l) an assignment of Warranties, to the extent there are any and that they are assignable without consent;
- (m) original copies of documents referred to in Section ~~2.42.3~~, to the extent in the Vendor's possession or control;



- (n) all rental cheques endorsed (without recourse) in favour of the Purchaser;
- (o) a Bill of Sale in respect of the Chattels;
- (p) the Plans and an assignment of all of the Vendor's right title and interest therein;
- (q) a copy of the Approval and Vesting Order;
- (r) the Monitor's Certificate;
- (s) an acknowledgement in favour of the Monitor confirming that each of the Vendor's conditions as set out in Section 4.1 have been satisfied or waived; and
- (t) such other documents as may be reasonably required by the Purchaser to complete the purchase and sale of the Subject Assets.

All documentation shall be in form and substance acceptable to the Purchaser and the Vendor each acting reasonably and in good faith, provided that none of such documents shall contain covenants, representations or warranties which are in addition to or more onerous upon either the Vendor or the Purchaser than those expressly set forth in this Agreement.

6.2 Purchaser's Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Purchaser shall execute or cause to be executed and shall deliver or cause to be delivered to the **Monitor's Solicitors** or the Monitor, as applicable, the following:

- (a) the Balance of the Purchase Price;
- (b) the Assignment and Assumption of Leases, and other assignment, assumption and other documents as are required by the terms of the Leases;
- (c) the Assignment and Assumption of Contracts, and other assignment, assumption and other documents as are required by the terms of the Assumed Contracts;
- (d) the Assignment and Assumption of Permitted Encumbrances, and other assignment, assumption and other documents as are required by the terms of the Permitted Encumbrances;
- (e) an undertaking by the Purchaser to re-adjust the Adjustments;
- (f) a certificate of an officer of the Purchaser (in such capacity and without personal liability) confirming that the representations and warranties set out in Section 5.1 are true and accurate in all material respects;
- (g) the Purchaser's GST/QST Certificate;
- (h) an assignment of Warranties, to the extent there are any and that they are assignable without consent



- (i) an acknowledgement in favour of the Vendor and the Monitor confirming that each of the Purchaser's conditions as set out in Section 4.2 have been satisfied or waived; and
- (j) such other documents as may be reasonably required by the Vendor to complete the purchase and sale of the Subject Assets.

All documentation shall be in form and substance acceptable to the Purchaser and the Vendor each acting reasonably and in good faith, provided that none of such documents shall contain covenants, representations or warranties which are in addition to or more onerous upon either the Vendor or the Purchaser than those expressly set forth in this Agreement.

6.3 Registration and Other Costs

- (a) The Vendor shall be responsible for the costs of the Vendor's Solicitors in respect of this Transaction. The Purchaser shall be responsible for the costs of the Purchaser's Solicitors in respect of this Transaction. The Purchaser shall be responsible for and pay any land transfer taxes payable on the transfer of the Property, all registration fees payable in respect of registration by it of any documents on Closing and all federal and provincial sales and other taxes payable by a purchaser upon or in connection with the conveyance or transfer of the Subject Assets, including provincial retail sales tax and goods and services tax.
- (b) The Purchaser shall indemnify and save harmless the Monitor and the Vendor and their shareholders, directors, officers, employees, advisors and agents from all claims, actions, causes of action, proceedings, losses, damages, costs, liabilities and expenses incurred, suffered or sustained as a result of a failure by the Purchaser:
 - (i) to pay any federal, provincial or other taxes payable by the Purchaser in connection with the conveyance or transfer of the Subject Assets whether arising from a reassessment or otherwise, including provincial retail sales tax and goods and services tax, if applicable; and/or
 - (ii) to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the conveyance or transfer of the Subject Assets.
- (c) This Section shall survive and not merge on Closing.

6.4 Closing Escrow

All Closing Documents (other than the Balance) shall be delivered into escrow at the place of Closing on or before the Closing Date. Such Closing Documents shall be held by the **Monitor's Solicitors** in escrow until both parties, acting reasonably, are satisfied that all conditions set forth in Sections 4.1 and 4.2 to be satisfied on or before Closing have been satisfied (or waived) other than:



- (a) the payment of the Balance and release of the Deposit (and all interest accrued on the Deposit); and
- (b) the registration of the Title Transfers,

whereupon the Purchaser shall cause the Balance to be wire transferred to the Monitor's account and, upon the Monitor receiving confirmation from the applicable bank that the Balance has been deposited, the Vendor's Solicitors shall release the Title Transfers for registration, the Closing Documents shall be released from escrow and the payment of the Balance and release of the Deposit (and all interest accrued on the Deposit), shall be delivered immediately to the Monitor and distributed subject to Section 3.7.

ARTICLE 7 OPERATION OF THE PROPERTY

7.1 Operation Before Closing

- (a) During the Interim Period, subject to the Initial Order, the Process Order and any other order made in the CCAA Proceedings, the Vendor shall operate the Property in accordance with its usual business and management practices consistent with its management of the Property prior to entering into this Agreement and will carry out all routine day-to-day repairs and maintenance thereof that are its responsibility under the respective Leases. During the Interim Period, the Vendor shall keep the Purchaser fully informed with respect to leasing activity at the Property and any Proposed Agreement to be entered into with respect to the Property.

7.2 Damage Before Closing

- (a) The interest of the Vendor in and to the Property being purchased, acquired and assumed by the Purchaser pursuant to the terms and conditions of this Agreement shall be at the risk of the Vendor until Closing.
- (b) If any loss, damage or expropriation occurs before Closing to a Property (a) in respect of which the cost of repair is more than 25% of the Purchase Price, or if such repair will take more than 6 months all as determined by the Vendor's arm's length, independent architect, engineer or other qualified expert; or (b) which entitles Tenants occupying in excess of 25% of the rentable area of the Property in question to terminate their Leases, within 15 Business Days after disclosure to the Purchaser by the Vendor of the loss or damage and the extent thereof, the Purchaser, at its option, shall by Notice in writing to the Vendor and the Monitor (the "**Destruction Election Notice**") elect either:
 - (i) to complete the purchase of that Property, in which event the insurance proceeds payable in respect of such damaged Property shall be assigned or paid to the Purchaser and the Vendor (to the extent same are not recoverable pursuant to the Leases) shall pay any deductibles in respect of such loss or damage and an amount equal to any deficiency in insurance



proceeds arising from any co-insurance relating to such insurance policy or for any other reason; or

- (ii) to not complete the purchase of such Property or Subject Assets.

If the Purchaser fails to deliver the Destruction Election Notice in the manner contemplated herein, the Purchaser will be deemed to have made the election in paragraph (i) above. Provided, however, if the Purchaser elects in the Destruction Election Notice to proceed under paragraph (i) above, the Vendor shall have the option upon Notice from the Vendor to the Purchaser (the "**Destruction Termination Notice**"), in the Vendor's sole, unfettered and unreviewable discretion, to terminate this Agreement in its entirety within 5 Business Days following receipt of the Destruction Election Notice; provided further however, that the Purchaser shall have the further option to withdraw the Destruction Election Notice within 2 Business Days after the Vendor delivers the Destruction Termination Notice to the Purchaser of its election to terminate this Agreement. If the Purchaser delivers the aforementioned Notice to withdraw in a timely manner, the Purchaser will have been deemed to have made the election in paragraph (i) above.

- (c) If loss or damage to any Buildings that does not trigger the rights set out in Section 7.2(b) occurs, the Purchaser shall have no right to terminate this Agreement under Section 7.2(b) and the Purchaser shall be entitled to all proceeds of insurance in respect of such loss or damage, the Vendor shall pay any deductible in respect of such loss or damage and an amount equal to any deficiency in insurance proceeds arising from any co-insurance relating to such insurance policy or for any other reason, and the parties shall complete the Transaction.

7.3 Approvals of the Purchaser

- (a) From and after the Execution Date, the Vendor shall not be entitled to enter into any New Lease, Contract or other agreement affecting the Property (each, a "Proposed Agreement") which cannot be cancelled on 30 days' notice without any bonus or penalty, subject to any order made in the CCAA Proceedings, without the approval of the Purchaser, which approval may not be unreasonably withheld. The Vendor shall give Notice to the Purchaser of any Proposed Agreement that the Vendor proposes to enter into from and after the Execution Date, together with a copy of the Proposed Agreement and all material information that would be reasonably required for the Purchaser to be able to decide whether to grant its approval thereof. The Purchaser shall have a period of five Business Days following receipt of such Notice from the Vendor within which to determine whether to grant its approval. If the Purchaser fails to give Notice to the Vendor of its approval or disapproval within such five Business Day period, the Purchaser shall be deemed to have approved such Proposed Agreement. Approval shall be deemed to have been given if the Proposed Agreement is necessary in response to an emergency which threatens damage to persons or the Property and does not exceed 5% of the Purchase Price allocated to such Property.



- (b) ~~(e)~~ The Vendor shall provide the Purchaser with a fully executed copy of any Proposed Agreement entered into by the Vendor within two Business Days after execution and delivery of the same.

7.4 **Contracts**

On Closing, the Purchaser shall assume (the “**Assumed Contracts**”):

- (a) the Required Contracts; and
- (b) those other Contracts that the Purchaser advises the Vendor it wants to assume by Notice delivered to the Vendor at least 10 days prior to the Closing Date.

The Vendor, at its own cost and expense, shall terminate on or before the Closing Date, all Contracts other than the Assumed Contracts. The Purchaser shall assume the Assumed Contracts, to the extent they are assignable and in force on Closing, pursuant to the Assignment and Assumption of Contracts.

7.5 **Expropriation**

In the event that prior to the Closing Date part of the Property valued at 15% of the Purchase Price or more is expropriated or notice of expropriation or intent to expropriate part of the Property valued at 15% of the Purchase Price or more is issued by any Governmental Authority, the Vendor shall immediately advise the Purchaser thereof by Notice in writing and the Purchaser shall have the following options exercisable by written Notice to be given to the Vendor within five Business Days of the receipt of such Notice from the Vendor:

- (a) to complete the Transaction without reduction of the Purchase Price, in which event all compensation for expropriation shall be payable to the Purchaser and all right and claim of the Vendor to such amounts shall be assigned to the Purchaser; or
- (b) to refuse to complete the Transaction contemplated herein in which event this Agreement shall be null and void and of no further force and effect and all Deposits and accrued interest shall be immediately returned to the Purchaser without deduction and each party shall be released from all of its liabilities and obligations under this Agreement save for those specified to survive termination.

ARTICLE 8 GENERAL

8.1 Gender and Number

Words importing the singular include the plural and vice versa. Words importing gender include all genders.

8.2 Captions and Table of Contents

The caption, headings and table of contents contained herein are for reference only and in no way effect this Agreement or its interpretation.



8.3 Obligations as Covenants

Each agreement and obligation of any of the parties hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

8.4 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein and shall be treated in all respects as an Quebec contract.

8.5 Currency

All reference to currency in this Agreement shall be deemed to be reference to Canadian dollars.

8.6 Invalidity

If any immaterial covenant, obligation, agreement or part thereof or the application thereof to any Person or circumstance, to any extent, shall be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any Person, party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

8.7 Amendment of Agreement

Except as expressly provided otherwise in this Agreement, no supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto in the same manner as the execution of this Agreement.

8.8 Time of the Essence

Time shall be of the essence of this Agreement.

8.9 Further Assurances

Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

8.10 Entire Agreement

This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreement between the parties hereto pertaining to the agreement of purchase and sale provided for herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto, and there are no other warranties or representations and no other agreements between the parties hereto in connection with the agreement of purchase and sale



provided for herein except as specifically set forth in this Agreement or the Schedules attached hereto.

8.11 Waiver

No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided.

8.12 Solicitors as Agents and Tender

Any Notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement (including, without limitation, any agreement to amend this Agreement) may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor and any tender of Closing Documents may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

8.13 Merger

Except as otherwise expressly set out herein, this Agreement shall merge with the Closing of the Transaction contemplated herein.

8.14 Successors and Assigns

All of the covenants and agreements in this Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors and their permitted assigns pursuant to the terms and conditions of this Agreement.

8.15 Assignment

The Purchaser shall have the right to assign this Agreement, without the consent of the Vendor but on written notice to the Vendor upon such assignment taking place to an affiliate (as such term is defined in the *Canada Business Corporations Act*), provided in the case of such assignment that the assignee executes and delivers an agreement in favour of the Vendor agreeing to be bound by all obligations of the Purchaser hereunder. The Purchaser shall not otherwise assign its rights and/or obligations hereunder without the prior written consent of the Vendor, which consent may be unreasonably withheld in the Vendor's sole discretion. Notwithstanding any assignment the Purchaser shall not be released or relieved from any of its obligations hereunder until Closing and shall be solidarily liable with the assignee hereunder until Closing.

8.16 Notice

Any notice, demand, approval, consent, information, agreement, offer, request or other communication (a "Notice") to be given under or in connection with this Agreement shall be in writing and shall be given by personal delivery during regular business hours on any Business Day or by telecopier, facsimile transmission or other electronic communication which results in a



written or printed notice being given, addressed or sent as set out below or to such other address or electronic number as may from time to time be the subject of a Notice:

(a) Vendor: GATINEAU CENTRE REAL ESTATE DEVELOPMENT CORPORATION

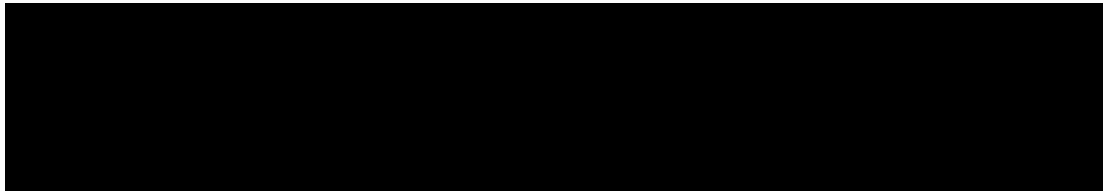
Attention: John Parkinson
Facsimile:
Email: john.parkinson@league.ca

(b) with a copy to the Vendor's Solicitors:

[Clark Wilson LLP](#)

Attention: [Christopher Ramsay](#)
Facsimile: [604-687-6314](tel:604-687-6314)
Email: CRamsay@cwilson.com

(c)



(d) with a copy to the Purchaser's Solicitors:

●

Attention:
Facsimile:
Email:

(e) Monitor: PricewaterhouseCoopers Inc.

Attention: Michael J. Vermette
Facsimile: 604 806 7806
Email: michael.j.vermette@ca.pwc.com

(f) with a copy to the Monitor's Solicitors:

Osler, Hoskin & Harcourt LLP

Attention: Tracy C. Sandler
Facsimile: 416-862-6666
Email: tsandler@osler.com

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the date of such delivery and if sent by telecopier, facsimile transmission or other electronic communication with confirmation of transmission prior to 5:00 P.M. PT, shall be deemed to have been validly and effectively given and received on the Business Day it was sent

A handwritten signature in blue ink, appearing to be 'A. B.' or similar.

unless the confirmation of transmission was after 5:00 P.M. PT in which case it shall be deemed to have been received on the next following Business Day.

8.17 Effect of Termination of Agreement

Notwithstanding the termination of this Agreement for any reason, the confidentiality provisions contained in Section 2.5 of this Agreement shall survive termination and shall remain in full force and effect.

8.18 Language

The parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations have been and shall be drawn up in the English language only. *Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.*

8.19 No Registration of Agreement

The Purchaser covenants and agrees not to register this Agreement or any notice of this Agreement on title to the Lands or any part thereof or interest therein, save if the Vendor is in default hereunder.

8.20 Announcements

Except as otherwise required by Applicable Laws or a Governmental Authority, or as may be required in connection with the CCAA Proceedings, including in order to obtain the Approval and Vesting Order, no press release or public announcement with respect to this Agreement or the Transaction may be made except with the prior written consent and joint approval of the Vendor and the Purchaser. Where the public disclosure is required by Applicable Laws, a Governmental Authority or in connection with the CCAA Proceedings, the party required to make the public disclosure will use its reasonable commercial efforts to obtain the approval of the other party as to the form, nature and extent of the disclosure.

8.21 Commissions

The Vendor agrees that it is responsible to pay the Vendor Broker any fees or commissions in respect of the purchase and sale of the Subject Assets. The Purchaser (and not the Vendor) is solely responsible to pay all other fees and/or commissions claimed and/or otherwise owing to any other Person with whom the Purchaser had any communications and/or dealings in respect of the Subject Assets and the Purchaser shall indemnify and save the Vendor harmless from all Claims with respect to same. This Section shall survive and not merge on Closing.

8.22 Counterparts; Electronic Transmission

This Agreement may be executed in any number of counterparts, all of which taken together shall be deemed to constitute one and the same instrument. All parties agree that this Agreement may be transmitted by telecopier or electronic transmission via email and that the reproduction of signatures by way of telecopier or electronic transmission via email will be treated as though such reproduction were executed originals and each party undertakes to provide the other with a





copy of this Agreement bearing original signatures within a reasonable time after the date of execution.



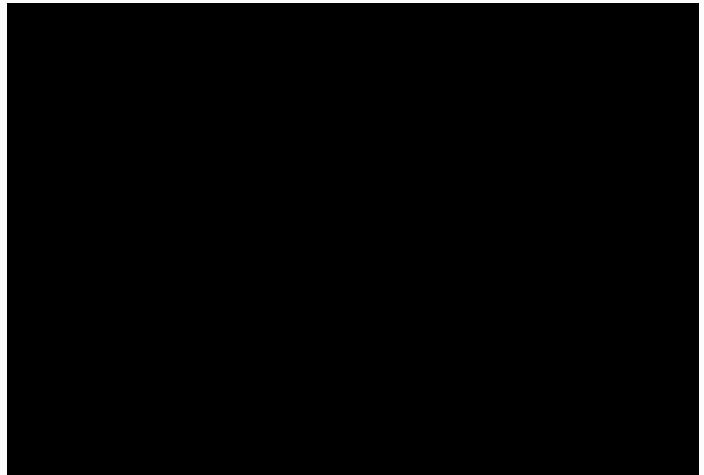
IN WITNESS WHEREOF the Vendor and Purchaser have executed this Agreement as of the Execution Date.


**GATINEAU CENTRE REAL ESTATE
DEVELOPMENT CORPORATION**

By:  
Name: John Parkinson
Title: PRESIDENT

By: _____
Name:
Title:

I/We have authority to bind the Corporation.



 Subject to the secured lender, 9003452 Canada Inc.,
not exercising their First Refusal Right on or before
June 7th, 2015.





SCHEDULE A

LANDS

An emplacement known and designated as LOTS 2453 490-P, 1 770 248 AND 1 770 249
OF CADASTRE DU QUEBEC IN GATINEAU, QC



SCHEDULE B

PERMITTED ENCUMBRANCES

GENERAL ENCUMBRANCES

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown including, without limitation, the reservation of any mines and minerals in the Crown or in any other person.
2. Subdivision agreements, site plan control agreements, development agreements, heritage easements and agreements relating thereto, servicing agreements, utility agreements, permits, licenses, airport zoning regulations and other similar agreements with Government Authorities or private or public utilities affecting the development or use of any Property, provided same have been complied with.
3. Rail siding agreements or facility, cost sharing, servicing, reciprocal use or other similar agreements, provided same have been complied with and the provision of certificate from non Vendor party to such agreements on or before Closing that there are no defaults by Vendor thereunder.
4. The Leases and any charges of a Tenant's or sub-Tenant's interest therein and which do not encumber the interest of the landlord thereunder.
5. Any easements or rights of way in favour of any Governmental Authority, any private or public utility, any railway company or any adjoining owner which in the aggregate do not materially impair the current use, operation or marketability of a Property, provided same have been complied with.
6. Any unregistered easements, rights-of-way or other unregistered interests or claims not disclosed by registered title in respect of the provision of utilities to a Property, provided same have been complied with.
7. Any rights of expropriation, access or use or any other similar rights conferred or reserved by Applicable Law.
8. Encumbrances for real property taxes (which term includes charges, rates and assessments) or charges for electricity, power, gas, water and other services and utilities in connection with a Property that have accrued but are not yet due and owing or, if due and owing, are adjusted for on Closing.
9. Restrictive covenants, exclusivity provisions, and other similar land use control agreements, provided same have been complied with and which in the aggregate do not materially impair the current use, operation or marketability of a Property.
10. Minor encroachments by a Property over neighbouring lands and/or permitted under agreements with neighbouring landowners and minor encroachments over a Property by improvements of neighbouring landowners and/or permitted under agreements with



neighbouring landowners that, in either case, do not materially and adversely impair the current use, operation or marketability of a Property.

11. The provisions of all Applicable Laws, including by-laws, regulations, ordinances and similar instruments relating to development and zoning of a Property, provided same have been complied with and there are no breaches of same.
12. Security given to a public utility or any Governmental Authority when required by the operations of a Property in the ordinary course of business.
13. Any statutory liens, charges, adverse claims, prior claims, security interests, deemed trusts or other encumbrances of any nature whatsoever which are not registered on the title to a Property and of which the Vendor does not have notice, claimed or held by Her Majesty the Queen in Right of Canada, Her Majesty the Queen in Right of the Province of Ontario or by any other Governmental Authority under or pursuant to any Applicable Laws, provided the Purchaser at law cannot become responsible to satisfy same.
14. Any lien, together with any certificate of action (collectively the “Lien”) registered in respect thereof, a claim for which, although registered or of which notice has been given, relates solely to work done by or on behalf of a Tenant, and all Encumbrances affecting the Tenant’s interest in a Property and the Vendor has not assumed payment of same, is not named in the Lien or is not responsible for payment of same pursuant to the particular construction lien act.
15. All registrations on title to the Lands as of the date of this Agreement with the exception of registrations in favour of the Secured Lenders.



SCHEDULE C

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

THIS AGREEMENT made as of ●.

B E T W E E N:

●
(the "Assignor")

- and -

●
(the "Assignee")

RECITALS:

- A. Pursuant to an Agreement of Purchase and Sale dated ● (the "Purchase Agreement"), the Assignee has agreed to purchase all of the rights, title and interest of the Assignor in and to the land and premises described on Schedule A (the "Property").
- B. In connection with the Purchase Agreement, the Assignor wishes to assign all of its rights, title, interests, liabilities, covenants and obligations in and to the Assumed Contracts, and the Assignee wishes to assume same.
- C. The Assignor and the Assignee have agreed to enter into this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Definitions

Capitalized terms used herein but not defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

2. Assignment by Assignor

The Assignor hereby grants, assigns, transfers and sets over unto the Assignee as of the date hereof all of the Assignor's rights, title, interests, liabilities, covenants and obligations in and to the Contracts.

3. Assumption by Assignee

The Assignee hereby accepts the assignment and transfer contained in Section 2 hereof and hereby agrees that the Assignee will observe and perform the obligations and liabilities under the Contracts which are to be observed or performed thereunder as and from the date hereof.



4. Indemnity by the Assignee

The Assignee will at all times hereafter well and truly save, defend and keep harmless and fully indemnified the Assignor from and against all losses, costs, charges, damages and expenses which the Assignor may, at any time or times, suffer, be at or be put unto for or by any reason or on account of any claims or demands whatsoever arising under, from or out of any breach by the Assignee of its obligations in respect of the Contracts.

5. Successor and Assigns

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

6. Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. **[TO BE TAILORED BASED ON PROVINCE]**

7. Execution by Counterparts

This Agreement may be executed in several counterparts and by facsimile transmission and each such counterpart shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

8. Further Assurances

Each of the parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this assignment and shall use its best efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.



IN WITNESS WHEREOF the parties have executed this Agreement as of the date first mentioned.

[ASSIGNOR]

By: _____
Name: ●
Title: ●

By: _____
Name: ●
Title: ●

[ASSIGNEE]

By: _____
Name: ●
Title: ●

By: _____
Name: ●
Title: ●



SCHEDULE D

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS AGREEMENT made as of ●.

B E T W E E N:

●
(the "Assignor")

- and -

●
(the "Assignee")

RECITALS:

- A. Pursuant to an Agreement of Purchase and Sale dated ● (the "Purchase Agreement"), the Assignee has agreed to purchase all of the rights, title and interest of the Assignor in and to the land and premises described on Schedule A (the "Property").
- B. In connection with the Purchase Agreement, the Assignor wishes to assign all of its rights, title, interests, liabilities, covenants and obligations in and to the Leases, and the Assignee wishes to assume same.
- C. The Assignor and the Assignee have agreed to enter into this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Definitions

Capitalized terms used herein but not defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

2. Assignment by Assignor

The Assignor hereby grants, assigns, transfers and sets over unto the Assignee as of the date hereof all of the Assignor's rights, title, interests, liabilities, covenants and obligations in and to the Leases.

3. Assumption by Assignee

The Assignee hereby accepts the assignment and transfer contained in Section 2 hereof and hereby agrees that the Assignee will observe and perform the obligations and liabilities of the Landlord under the Leases which are to be observed or performed thereunder as and from the date hereof.



4. Indemnity by the Assignee

The Assignee will at all times hereafter well and truly save, defend and keep harmless and fully indemnified the Assignor from and against all losses, costs, charges, damages and expenses which the Assignor may, at any time or times, suffer, be at or be put unto for or by any reason or on account of any claims or demands whatsoever arising under, from or out of any breach by the Assignee of its obligations in respect of the Leases.

5. Successor and Assigns

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

6. Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. [TO BE TAILORED BASED ON PROVINCE]

7. Execution by Counterparts

This Agreement may be executed in several counterparts and by facsimile transmission and each such counterpart shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

8. Further Assurances

Each of the parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this assignment and shall use its best efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first mentioned.

[ASSIGNOR]

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

[ASSIGNEE]

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●



SCHEDULE E

ASSIGNMENT AND ASSUMPTION OF PERMITTED ENCUMBRANCES

THIS AGREEMENT made as of ●.

B E T W E E N:

●
(the "Assignor")

- and -

●
(the "Assignee")

RECITALS:

- A. Pursuant to an Agreement of Purchase and Sale dated ● (the "Purchase Agreement"), the Assignee has agreed to purchase all of the rights, title and interest of the Assignor in and to the land and premises described on Schedule A (the "Property").
- B. In connection with the Purchase Agreement, the Assignor wishes to assign all of its rights, title, interests, liabilities, covenants and obligations in and to the Permitted Encumbrances and the Assignee wishes to assume same.
- C. The Assignor and the Assignee have agreed to enter into this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Definitions

Capitalized terms used herein but not defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

2. Assignment by Assignor

The Assignor hereby grants, assigns, transfers and sets over unto the Assignee as of the date hereof all of the Assignor's rights, title, interests, liabilities, covenants and obligations in and to the Permitted Encumbrances.

3. Assumption by Assignee

The Assignee hereby accepts the assignment and transfer contained in Section 2 hereof and hereby agrees that the Assignee will observe and perform the obligations and liabilities under the Permitted Encumbrances which are to be observed or performed thereunder as and from the date hereof.



4. Indemnity by the Assignee

The Assignee will at all times hereafter well and truly save, defend and keep harmless and fully indemnified the Assignor from and against all losses, costs, charges, damages and expenses which the Assignor may, at any time or times, suffer, be at or be put unto for or by any reason or on account of any claims or demands whatsoever arising under, from or out of any breach by the Assignee of its obligations in respect of the Permitted Encumbrances.

5. Successor and Assigns

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

6. Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. [TO BE TAILORED BASED ON PROVINCE]

7. Execution by Counterparts

This Agreement may be executed in several counterparts and by facsimile transmission and each such counterpart shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

8. Further Assurances

Each of the parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this assignment and shall use its best efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.



IN WITNESS WHEREOF the parties have executed this Agreement as of the date first mentioned.

[ASSIGNOR]

By: _____
Name: ●
Title: ●

By: _____
Name: ●
Title: ●

[ASSIGNEE]

By: _____
Name: ●
Title: ●

By: _____
Name: ●
Title: ●



SCHEDULE F

BILL OF SALE

TO: ●
(the "Purchaser")

RE: Sale of ● (the "Property") to the Purchaser by ● pursuant to an Agreement of Purchase and Sale dated ● (the "Purchase Agreement")

NOW THEREFORE in consideration of the sum of \$●.00 and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Vendor hereby sells, assigns and transfers to the Purchaser all of the right, title and interest of the Vendor in and to the Chattels (as defined in the Purchase Agreement).

DATED _____

●

By: _____
Name:
Title:

By: _____
Name:
Title:

We have authority to bind the Corporation.



SCHEDULE G
REQUIRED CONTRACTS

Handwritten signature and initials in blue ink, located in the bottom right corner of the page.