



Court File No. **VLC-S-S-249020**

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *LAW AND EQUITY ACT*, R.S.B.C. 1996, c. 253, AS
AMENDED**

**AND IN THE MATTER OF THE PROCEEDINGS OF SVC-MOUNTAINSIDE ULC
AND SHELL OWNERS ASSOCIATION – PACIFIC**

PETITIONERS

PETITION TO THE COURT

ON NOTICE TO:

The parties at the addresses listed in **Schedule “A”** hereto.

The address of the registry is: Vancouver Registry
800 Smithe Street
Vancouver, B.C., V6Z 2E1

The Petitioners estimate that the hearing of the petition will take approximately half a day.

This matter is an application for judicial review.

This matter is not an application for judicial review. **This proceeding has been started by the petitioners for the relief set out in Part 1 below.**

If you intend to respond to this petition, you or your lawyer must:

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioners:
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

TIME FOR RESPONSE TO PETITION

A response to petition must be filed and served on the petitioners,

- (a) if you were served with the petition anywhere in Canada, within 21 days after that service,
- (b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the petition anywhere else, within 49 days after that service, or
- (d) if the time for response has been set by order of the court, within that time.

(1)	<p>The ADDRESS FOR SERVICE of the petitioners is:</p> <p>SVC-Mountainside ULC and Shell Owners Association – Pacific c/o Thornton Grout Finnigan LLP 100 Wellington Street West Suite 3200 TD West Tower, Toronto-Dominion Centre Toronto, ON M5K 1K7</p> <p>Attention: Mitch Grossell, Adam Driedger, Shurabi Srikaruna, Andrew Nesbitt</p> <p>E-mail address for service (if any) of the Petitioners: mgrossell@tgf.ca, adriedger@tgf.ca, ssrikaruna@tgf.ca, anesbitt@tgf.ca</p> <p>And:</p> <p>Farris LLP 2500-700 West Georgia Street Vancouver, BC V7Y 1B3</p> <p>Attention: Tevia R.M. Jeffries</p> <p>Email: tjeffries@farris.com</p>
(2)	<p>The name and office address of the petitioners' lawyer is:</p> <p>Thornton Grout Finnigan LLP 100 Wellington Street West Suite 3200 TD West Tower, Toronto-Dominion Centre Toronto, ON M5K 1K7</p> <p>Attention: Mitch Grossell, Adam Driedger, Shurabi Srikaruna, Andrew Nesbitt</p>

CLAIM OF THE PETITIONERS

Part 1: ORDER(S) SOUGHT

1. An order (the “**Appointment Order**”) substantially in the form attached hereto as **Schedule “B”**:¹
 - (i) appointing BDO Canada Limited (“**BDO**”) as administrator of the Petitioners (in such capacity, the “**Administrator**”) pursuant to section 39 *Law and Equity Act*, R.S.B.C. 1996, c. 253, as amended (the “**LEA**”) and the *Supreme Court Civil Rule* 10-2;
 - (ii) granting the Petitioners with the authority to disclaim agreements, save and except the Restructuring Support Agreement dated December 16, 2024;
 - (iii) granting a stay of proceedings in favour of the Petitioners, the Administrator and the directors and officers of the Petitioners;
 - (iv) approving the debtor-in-possession financing facility up to the maximum principal amount of \$1.5 million (the “**DIP Facility**”) to be provided by Executive Inn Inc. (the “**DIP Lender**”); and
 - (v) granting the following super-priority charges (collectively, the “**Charges**”) over the Property (as defined below), listed in descending order of priority:
 - (1) a charge as security for the respective fees and disbursements of the Administrator, counsel to the Administrator and counsel to the Petitioners up to the maximum amount of \$500,000 in respect of the proceedings;
 - (2) a charge in favour of the DIP Lender as security for any amounts due and owing to the DIP Lender; and

¹ Capitalized terms not expressly defined herein are otherwise defined in the Affidavit of Anthony Cimo sworn December 23, 2024 (the “**Cimo Affidavit**”).

- (3) a charge in favour of the directors and officers of the Petitioners up to the maximum amount of \$350,000 in respect of the proceedings.
2. An order (the “**SISP Order**”) substantially in the form attached as **Schedule “C”** approving the proposed sale and investment solicitation process (the “**SISP**”) in respect of the Shell Mountainside Lodge and/or the Business (each as defined below), the Listing Agreement to be entered into between the Administrator and Avison Young Commercial Real Estate Services, LP, and approving the Stalking Horse Asset Purchase Agreement dated as of December 16, 2024 (the “**Stalking Horse Agreement**”) among the Petitioners, as vendors, and Executive Mountainside Holdings Ltd. (the “**Stalking Horse Purchaser**”), as purchaser.
3. An order for any further relief that this Honourable Court may seem just.
4. The relief sought should be granted on the basis that it is “just or convenient” to appoint the proposed Administrator, and therefore the applicable legal test set out under section 39 of the LEA is satisfied. The proposed Appointment Order largely follows the British Columbia Model Receivership Order (the “**Model Order**”) with necessary modifications to respond to the unique facts of this case. The terms that deviate from the model order are necessary, reasonable and justified in the circumstances, and do not materially prejudice any stakeholder of the Petitioners.

Part 2: FACTUAL BASIS

Overview

5. SVC-Mountainside ULC (“**ULC**”) and Shell Owners Association – Pacific (“**SOAP**” and together with ULC, the “**Petitioners**”) operate a vacation lease and timeshare business at the Mountainside Lodge, a resort centrally located in Whistler Village, British Columbia (“**Shell Mountainside Lodge**”). As part of the Travel + Leisure Group, a global leader in hospitality and timeshare services, the Petitioners have managed this business for over ten years. However, despite the prime location of the Shell Mountainside Lodge, the Petitioners now face significant financial and operational challenges due to an aging building that requires substantial capital improvements in the near-term, and a liquidity

crisis exacerbated by rising costs and increased delinquencies among members of the Shell Mountainside Lodge.

6. To address these issues and preserve value for their stakeholders, the Petitioners propose to divest Shell Mountainside Lodge through this restructuring proceeding. This process provides the only viable platform to market and sell the Shell Mountainside Lodge given its complex contractual structure and incomplete records, which have previously impeded divestiture efforts. Without this proceeding, the Petitioners face the prospect of bankruptcy or forced liquidation. Either alternative would significantly diminish recoveries for all parties involved.
7. The relief sought is necessary as a result of the financial challenges experienced by the Shell Mountainside Lodge and the looming insolvency which, if the *status quo* is permitted to continue, would further erode value through a forced shut-down and liquidation.
8. Shell Mountainside Lodge is suffering from a spiral of decreasing revenue collection coupled with increasing operational costs and looming significant capital expenditure costs to maintain the building.
9. The appointment of the Administrator will allow the Petitioners to implement their restructuring plan (as described below) in consultation with the Administrator.
10. Many of the issues affecting Shell Mountainside Lodge are the result of contractual limitations and a complex organizational structure that cannot be terminated or unwound outside of a court-supervised process. The relief sought on this petition, including the appointment of the Administrator, will overcome these obstacles. A competitive SISP, with the Stalking Horse Agreement setting a robust baseline for all bids, will maximize the value of the Shell Mountainside Lodge for all stakeholders. The availability of a vesting order will ensure that the Shell Mountainside Lodge can be marketed in a manner that is unencumbered by organizational complexity and informational gaps in the books and records of the Petitioners, which made previous sale efforts unworkable. The proposed DIP Facility will resolve the immediate liquidity issues of the Petitioners. This proceeding will also resolve the ongoing litigation with the Executive Entities.

11. For the reasons provided herein, the Petitioners respectfully submit that granting the relief sought in the Appointment Order is in the best interests of the Petitioners and the Owners and is just and convenient in the circumstances.
12. The facts relied upon are more particularly set out in the Affidavit of Anthony Cimo sworn December 23, 2024 (the “**Cimo Affidavit**”).

Overview of the Petitioners

13. Shell Mountainside Lodge is in Whistler, British Columbia. It is part of a four-storey building of which the Petitioners’ interest is comprised of 56 strata lots, which include guest rooms of varying configurations (each, a “**Guest Room**”), among other facilities.
14. SOAP is the registered owner on title of all 56 strata lots (the “**Petitioner Strata Lots**”), with beneficial ownership divided between SOAP and ULC. SOAP is the beneficial owner of 20 of the Petitioner Strata Lots, while ULC is the beneficial owner of the remaining 36 Petitioner Strata Lots. The Petitioner Strata Lots accommodate SOAP’s timeshare program and ULC’s vacation lease program.

The Timeshare Business

15. The Petitioner Strata Lots owned by SOAP are used in connection with the timeshare business (“**Timeshare Business**”) and are part of the Shell Owners Club – Pacific vacation plan (the “**Timeshare Plan**”). The Timeshare Plan allows members to acquire a certain amount of timeshare points each year in exchange for an initial upfront payment and annual membership fees.
16. Annual membership fees under the Timeshare Plan are calculated based on the number of points a member receives each year. These fees cover general maintenance, operational costs, and access to the broader network of timeshare properties. In 2025, membership fees range from \$637.63 to \$23,566.67, depending on the number of points received by a member each year.
17. Individuals join the Timeshare Plan and become SOAP Members by entering into an agreement with ULC for the purchase of Timeshare Points (each a “**Timeshare Purchase**”).

Agreement”, and collectively, the “**Timeshare Purchase Agreements**”). ULC received the Timeshare Points pursuant to certain annexation agreements between ULC and SOAP.

18. The Timeshare Purchase Agreements do not provide a mechanism for SOAP Members to terminate their membership. These agreements set out the terms of membership, including rights to transfer or sell points to third parties. Transfers are subject to SOAP’s approval. Members who fall into arrears with respect to the payment of their annual fees are subject to certain penalties pursuant to the Timeshare Purchase Agreements, including suspension of their right to book.
19. SOAP relies on a limited subsidy agreement with ULC to fund operational shortfalls. Under this agreement, ULC has agreed to cover the difference between SOAP’s expenses and revenues, subject to a specified cap. ULC has historically provided funding to SOAP in excess of this cap. However, ULC’s liquidity constraints have made it increasingly difficult to provide the necessary funding.

The Vacation Lease Business

20. ULC operates the vacation lease business, which allows participants to acquire leasehold interests in specific Guest Rooms at the Shell Mountainside Lodge (“**Vacation Lease Business**” and together with the Timeshare Business, the “**Business**”). These vacation leases grant participants the right to use a designated Guest Room during specific weeks during the year (“**Vacation Leases**”).
21. The Mountainside Lodge Members Association (“**MLMA**”) is an unincorporated association representing individuals who hold Vacation Leases (“**MLMA Members**”). By entering into a Vacation Lease, individuals automatically become MLMA Members. MLMA is subject to its own bylaws, which provides MLMA with the authority to take certain actions and represent the MLMA Members.
22. MLMA Members are also required to pay annual fees pursuant to their Vacation Lease, which range from \$1,396.04 to \$2,041.57 in 2025, depending on the type of Guest Room.
23. Vacation leases are categorized as either “fixed” or “floating.” Fixed leases grant the leaseholder exclusive rights to a specific Guest Room during the same week each year,

while floating leases allow for more flexible scheduling within designated periods. The average term of these leases is 50 years, with most set to expire around 2046.

24. The Vacation Leases do not contain a termination clause. However, they do provide that MLMA Members may sell or assign their Vacation Lease to third parties with the consent of ULC or negotiate to assign their Vacation Lease back to ULC.
25. MLMA Members who fail to pay their fees are subject to penalties under the Vacation Leases. If an MLMA Member is in default for 30 days or more, their right to use the Guest Room is suspended, and ULC is permitted to sublet the Guest Room during the default period. After six months of delinquency, the MLMA Member is deemed to have offered to sell their lease back to ULC at a discounted rate.

Financial Challenges and Operational Complexity

26. Both the Timeshare Business and the Vacation Lease Business are struggling with increasing delinquency rates among participants. Approximately 19% of SOAP members are in arrears, owing an aggregate of approximately \$500,000 in unpaid fees, while 45% of MLMA Member accounts are delinquent, resulting in arrears of approximately \$7.3 million. These arrears have significantly contributed to their current liquidity crisis.
27. Absent the relief sought on this petition, it is anticipated that the Petitioners' financial challenges will be compounded by future capital expenditure requirements, which are projected to increase significantly within the next year. Armstrong Consulting completed a 30-year reserve study of Shell Mountainside Lodge and estimated that the Shell Mountainside Lodge will require capital expenditures of approximately \$3 million by 2025. The Petitioners are currently unable to fund these capital expenditures.
28. Similarly, Sense Engineering conducted a 30-year reserve study for the common assets of the Shell Mountainside Lodge and estimated that the Strata Corporation requires approximately \$6.2 million in capital expenditures in the near-term. The vast majority of the recommendations contained in this study have not been implemented due to the financial constraints of the Petitioners.

Proposed Restructuring Plan

29. To address these challenges, the Petitioners seek relief through a court-supervised restructuring process. This includes:
- (a) the appointment of BDO as Administrator to oversee the process and report to the Court and the Petitioners' stakeholders;
 - (b) approval of a DIP Facility in the principal amount of \$1.5 million to address the immediate liquidity constraints; and
 - (c) implementation of a SISP to market and sell Shell Mountainside Lodge, anchored by a Stalking Horse Agreement that sets a baseline bid of \$12 million.
30. The relief sought is intended to lay the foundation for a transparent and flexible process, under the supervision of the Court, to divest the Shell Mountainside Lodge in a manner that maximizes value for all stakeholders. This proceeding will also stabilize the Petitioners' operations, address their liquidity crisis, and resolve the ongoing litigation with the Executive Entities.

Part 3:LEGAL BASIS

Jurisdiction to Grant the Requested Relief

31. The court has jurisdiction to appoint a receiver under s. 39 of the LEA and *Supreme Court Civil Rule 10-2*.² Given that substantially all of the assets and property of the Petitioners, including the Shell Mountainside Lodge, is located in British Columbia, the court has jurisdiction over this matter.

The Test for Appointing a Receiver (Administrator)

32. Section 39(1) of the LEA provides that a receiver (or in this case, an administrator) may be appointed "in all cases in which it appears to the court to be just or convenient that the

² *Royal Bank of Canada v Canwest Aerospace Inc.*, 2023 BCSC 514, at [para 9](#). *Vancouver Coastal Health Authority v Seymour Health Centre Inc.*, 2023 BCSC 1158, at [para 48](#).

order should be made.”³ Section 39(2) of the LEA further provides that “an order made under subsection (1) may be made either unconditionally or on terms and conditions the court thinks just.”⁴

33. The courts have identified the following non-exhaustive list that may be considered when determining whether the appointment of a receiver is just or convenient, viewing them not as a checklist but rather as a collection of considerations to be viewed holistically:⁵
- (a) whether irreparable harm might be caused if no order was made, although it is not essential for a party to establish irreparable harm if a receiver is not appointed;
 - (b) the nature of the property;
 - (c) the preservation and protection of the property, pending judicial resolution;
 - (d) the balance of convenience to the parties;
 - (e) the principle that the appointment of a receiver is extraordinary relief which should be granted cautiously and sparingly;
 - (f) the consideration of whether a court appointment is necessary to enable the receiver to carry out its duties more efficiently;
 - (g) the effect of the order on the parties;
 - (h) the conduct of the parties;
 - (i) the length in time that a receiver may be in place;
 - (j) the cost to the parties;

³ [Law and Equity Act, R.S.B.C. 1996, c. 253](#), as amended, s. [39\(1\)](#) [“LEA”]. The term “administrator” is used rather than “receiver” because “administrator” more accurately reflects the proposed powers of BDO and the fact that the Petitioners remain in possession and control of the Business. The two terms are used interchangeably in this section.

⁴ LEA, s. [39\(2\)](#).

⁵ *Maple Trade Finance Inc v CY Oriental Holdings Ltd*, 2009 BCSC 1527 at [para 25](#); *Schmidt v Balcom*, 2016 BCSC 2438 at [para 70](#).

- (k) the likelihood of maximizing return to the parties; and
 - (l) the goal of facilitating the duties of the receiver.
34. While the circumstances of this case are unusual, with the debtors themselves (rather than a creditor) petitioning for the appointment of a receiver to facilitate a value-maximizing outcome, the relief sought aligns with the Model Order and is consistent with orders routinely granted in insolvency proceedings across Canada. Notably, this scenario is not without precedent, as similar cases have arisen in analogous restructuring contexts.
35. In 2020, a similar restructuring proceeding was commenced in Ontario in respect of Carriage Hills Vacation Owners Association and Carriage Ridge Owners Association (collectively, “**Carriage Hills**”), which jointly operated a timeshare resort near Barrie, Ontario. In that case, Carriage Hills sought and obtained the appointment of an administrator pursuant to section 101 of the *Courts of Justice Act* (“**CJA**”), the Ontario equivalent of section 39 of the LEA.⁶ Similar to the present case, Carriage Hills remained in possession and control of its business and property, subject to the oversight of the Administrator and the court, while assisting the administrator in carrying out a court-approved sale process.
36. In the Carriage Hills case, the Honourable Justice Conway of the Ontario Superior Court of Justice (Commercial List) held that it was just and convenient to appoint the administrator for the following reasons:⁷
- (a) Carriage Hills was likely to suffer irreparable harm in the further depreciation of its financial position if the order is not granted;
 - (b) the order would permit Carriage Hills to remain in possession of its assets;
 - (c) no stakeholder would be materially prejudiced by the order;

⁶ [RSO 1990, c C 43](#).

⁷ Endorsement of Justice Conway dated May 15, 2020, at para 8 Carriage Hills Vacation Owners Association and Carriage Ridge Owners Association -CV-20-00640265-00CL and CV-20-00640266-00CL.

- (d) the court would be able to address any ongoing issue raised by any stakeholder in the context of that proceeding; and
- (e) the balance of convenience favoured granting the order.

It is Just or Convenient to Appoint an Administrator in the Circumstances

- 37. As outlined above, the Petitioners are experiencing an acute liquidity crisis that will only become worse, and their current operations are unsustainable. To address these challenges, the Petitioners seek to divest Shell Mountainside Lodge through this proceeding, which represents the only viable platform for accomplishing this outcome.
- 38. This court has the statutory jurisdiction under section 39 of the LEA to grant the relief sought by the Petitioners. A consideration of the applicable factors leads to the conclusion that the appointment of the Administrator in these circumstances is both just and convenient for the following reasons:
 - (a) the Petitioners will suffer irreparable harm if the Administrator Order is not granted. The Petitioners will be required to make significant capital expenditures in the millions of dollars to maintain the aging building. The only source of funding include the annual fees paid by MLMA Members and SOAP Members. The annual fees are not enough and will require special assessments. An increase in annual fees and special assessments will likely result in more delinquencies, further exacerbating the Petitioners' deteriorating financial position. This "death spiral" will lead to the cessation of operations and a forced liquidation absent the relief sought;
 - (b) no stakeholders will be materially prejudiced by the relief sought and all stakeholders stand to benefit from this proceeding, which will maximize the value of Shell Mountainside Lodge. It would be extremely difficult, if not impossible, to sell the Shell Mountainside Lodge outside of a proceeding. Even if such a transaction could be completed, it would likely occur at a significant discount due to the complexities, uncertainty, and risk assumed by a potential purchaser. As evidenced by the Stalking Horse Agreement, this proceeding addresses

substantially all of these issues and will facilitate the sale of the Shell Mountainside Lodge in a manner that maximizes value for all stakeholders;

- (c) the costs of this proceeding will be significantly outweighed by the benefits to stakeholders, including the value realized from the sale of Shell Mountainside Lodge and the premium associated with completing the sale through this proceeding with the benefit of a vesting order;
 - (d) during the proposed SISP, the Petitioners will remain in possession of their assets and continue to operate in the ordinary course of business. This will allow SOAP Members and MLMA Members to continue using the Shell Mountainside Lodge during the busy winter season while the restructuring plan is advanced;
 - (e) this proceeding resolves the ongoing litigation with the Executive Entities, which benefits all stakeholders;
 - (f) a court appointment is necessary for several reasons, including that the Administrator will have the protections afforded by such an appointment and would not be willing to take on this mandate without them. Additionally, a court-supervised process provides the most transparent and robust forum to market and sell the Shell Mountainside Lodge, allows the participation of a wide range of potential stakeholders (including participants in the Timeshare Business and Vacation Lease Business), and facilitates the identification and quantification of claims against the Petitioners in an orderly and efficient manner;
 - (g) given the nature of the property and the number of potential stakeholders involved, conducting this process outside of a formal court proceeding would not be feasible or efficient; and
 - (h) the balance of convenience favours granting of the Appointment Order.
39. To strike a careful balance between the interests of the Petitioners and stakeholders – such as allowing participants to continue using Shell Mountainside Lodge during this proceeding – the Petitioners determined that seeking the appointment of an Administrator

in a limited capacity, rather than a receiver with the full powers contemplated under the Model Order, is the appropriate first step in restructuring Shell Mountainside Lodge.

40. The relief sought is required and will benefit the broader community of stakeholders. There are no reasonable alternatives in the circumstances. The appointment of the proposed Administrator is both just and convenient and should be ordered by this court.

The Test for Granting the Requested Stay of Proceedings

41. Section 39(2) of the LEA provides that any order made under subsection (1) may include such terms as are considered just.⁸
42. Section 8(2) of the LEA allows the Court to direct a stay of proceedings in a cause or matter pending before it, if it thinks fit.⁹

This Court should grant the requested stay of proceedings

43. The restructuring of Shell Mountainside Lodge will necessarily be carried out in stages and will take time to implement. In order to provide the necessary breathing room to implement the restructuring plan and to ensure that no stakeholder takes any action that would jeopardize the restructuring proceeding, it is just and appropriate, under these circumstances, to order the stay of proceedings as set forth in the Appointment Order.
44. The proposed stay of proceedings is consistent with the Model Order and should be approved by the court.

⁸ LEA, [s. 39\(2\)](#).

⁹ LEA, [s. 8\(2\)](#).

Applicable Law for Approving the Administration Charge

45. Administration charges are routinely granted in receivership orders under provincial statutes pursuant to the court's statutory and/or inherent jurisdiction.¹⁰ Such charges are contained in the Model Order. In seeking approval of the Administration Charge in this case, the Petitioners rely on the Model Order as well as the statutory and/or inherent jurisdiction of the court under the LEA.
46. The LEA, similar to the CJA in Ontario, provides for the appointment of receivers on terms that are just and appropriate in the circumstances. In determining whether to approve an administration charge or receiver's charge in the context of a provincial receivership, courts have considered the following factors, which are analogous to those considered in the context of BIA receiverships or CCAA proceedings:
- (a) the size and complexity of the business being restructured;
 - (b) whether there is unwarranted duplication of roles;
 - (c) whether the quantum of the proposed charge appears to be fair and reasonable; and
 - (d) the position of the secured creditors likely to be affected by the charge.¹¹

This Court should Approve the Administration Charge

47. The Petitioners request that this Court grant a super-priority administration charge on the Property in favour of the Petitioners' counsel, the proposed Administrator, and the proposed Administrator's independent legal counsel in the aggregate amount of \$500,000 (the "**Administration Charge**").
48. The Administration Charge is just, necessary and appropriate in the circumstances given that:

¹⁰ *Integra Credit Union v. All-Wood Fibre Ltd.*, 2015 BCSC 1146, at [para 22](#); [Appointment Order](#) of Justice Conway in *Carriage Hills Vacation Owners Association* at para 30; [Appointment Order](#) of Justice Conway in *Government of Yukon v Victoria Gold Corp.* at para 20.

¹¹ *Emmanuel Village Residence Inc. v. 1250 Weber Street East*, 2016 ONSC 566 at [para. 36](#).

- (a) the proposed restructuring has already involved, and will continue to require, the extensive involvement of the professional advisors who are the beneficiaries of the Administration Charge;
- (b) the professionals subject to the Administration Charge have contributed, and will continue to contribute, to the successful restructuring of the Petitioners;
- (c) the business and legal issues arising from the Petitioners and Shell Mountainside Lodge and the design and implementation of a restructuring plan are highly complex and will require significant time and effort;
- (d) the Petitioners have no secured creditors and therefore no secured creditors are prejudiced as a result of the Administration Charge;
- (e) no stakeholders will be materially prejudiced by the granting of the Administration Charge; and
- (f) the proposed quantum is reasonable and appropriate having regard to the complexity of this case, the value of the assets, and the number of potential stakeholders involved.

Applicable Law for Approving the Directors' Charge

49. In *Jaguar Mining Inc., Re*, Morawetz J. (as he then was) stated that, in order to grant a Directors' Charge, the Court must be satisfied of the following factors: (i) notice has been given to the secured creditors likely to be affected by the charge; (ii) the amount is appropriate; (iii) the Petitioner could not obtain adequate indemnification insurance for the director at a reasonable cost; and (iv) the charge does not apply in respect of any obligation incurred by a director as a result of the director's gross negligence or wilful misconduct.¹²

This Court should Approve the Directors' Charge

¹² *Jaguar Mining Inc., Re*, 2014 ONSC 494 [at para 45](#).

50. This proposed restructuring under the LEA is different than the usual receivership proceeding because the Petitioners will remain in possession and control. Accordingly, it is not common for a court to grant a Directors' Charge in a receivership proceeding.
51. To ensure the ongoing stability of the Petitioners' business during the restructuring, the Petitioners will require the continued participation of their current director and officers. These individuals are knowledgeable about the Petitioners' businesses and are essential to the viability of the Petitioners' restructuring steps, their continuing business, and the preservation of value.
52. The Petitioners estimate, with the assistance of the Administrator, that the obligations of the Petitioners that could give rise to potential director and officer liability may amount to as much as approximately \$350,000. These amounts have been estimated by examining the potential payroll and tax liabilities of the Petitioners.
53. The Petitioners therefore request that this Court grant a super-priority charge in favour of the Petitioners' directors and officers in the amount of \$350,000 over the Property (the "**Directors' Charge**") to secure any indemnity obligations to the Petitioners' directors and officers in respect of any liabilities they may incur during the restructuring.
54. The factors in *Jaguar Mining Inc., Re* were considered under the CCAA. However, the test is applicable to the circumstances in this case whereby section 39 of the LEA provides for any relief that is just and convenient.
55. The Petitioners submit that the foregoing factors are satisfied in the circumstances for the following reasons: (i) the Petitioners do not have any secured creditors and therefore no secured creditors will be primed as a result of the Directors' Charge; (ii) the Petitioners will provide notice of the Appointment Order to all other creditors who may be impacted by the Directors' Charge; (iii) the Petitioners will benefit from the active and committed involvement of the current directors and officers, whose continued participation will help facilitate an effective restructuring; (iv) the directors and officers cannot be certain whether the existing insurance will be applicable or respond to any claims made against them; (v) the Directors' Charge will not secure any obligations incurred by a director as a result of

the director's gross negligence or wilful misconduct; and (vi) the Administrator is of the view that the Directors' Charge is reasonable and appropriate in the circumstances.

Applicable Law for Approving the Disclaimer of Agreements

56. Pursuant to the proposed Appointment Order, the Petitioners are requesting authorization to disclaim agreements with the consent of the Administrator. This is necessary to further the Petitioners proposed restructuring because it allows the Petitioners to terminate agreements that are no longer required or not conducive to the proposed restructuring. For example, the Vacation Leases and Timeshare Purchase Agreements do not include any termination provisions. Absent this relief, the Petitioners would not have the ability to disclaim such agreements.
57. The ability to claim and/or cease to perform contracts is consistent with the jurisdiction of the court to appoint a receiver (in this case, an administrator) on terms that are just in the circumstances. The ability for a debtor to disclaim agreements is a common feature of insolvency proceedings.
58. In *New Skeena Forest Products Inc, Re v Don Hull & Sons Contracting Ltd*,¹³ Braidwood JA for the British Columbia Court of Appeal recognized that it is well-established under Canadian law that court-appointed receivers are not bound by existing contracts made by the debtor and are permitted to disclaim executory contracts.¹⁴
59. This authorization includes several safeguards to fairly balance the interests of the parties. First, the Petitioners are not permitted to disclaim an agreement without the consent of the Administrator. Second, if the counterparty to the agreement proposed to be disclaimed disputes the disclaimer, the proposed Appointment Order provides that the Petitioners and the Administrator shall seek the advice and direction of the Court.

¹³ *New Skeena Forest Products Inc, Re v Don Hull & Sons Contracting Ltd*, [2005 BCCA 154](#)

¹⁴ *Bank of Montreal v Scaffold Connection Corp*, [2002 ABQB 706](#), *Re Erin Features #1 Ltd.* (1993), 15 C.B.R. (3d) 66 (B.C.S.C.); *bcIMC Construction Fund Corporation v Chandler Homer Street Ventures Ltd.*, [2008 BCSC 897](#); and *Bayhold Financial Corp. v. Clarkson* (1991), 108 N.S.R. (2d) 198, 10 C.B.R. (3d) 159 (N.S.C.A.)

60. The Petitioners anticipate that, following the sale of the Shell Mountainside Lodge, the Petitioners will call for claims against the Petitioners, including any claims that may arise due to the termination or disclaimer of any agreements. Any claims arising from such a disclaimer can be dealt with in the ordinary course pursuant to a claims process.

Applicable Law for Approving the DIP Facility and DIP Charge

61. The Court's jurisdiction to approve interim financing and grant a super-priority interim financing charge derives from a variety of sources depending upon the nature of the proceeding.

62. Historically, courts applied principles from the common law or relied on their inherent jurisdiction to grant these types of charges. Amendments to Canada's insolvency statutes over time codified the power to grant super-priority charges, such as in section 243(6) of the BIA and section 11.2(4) of the CCAA. Section 31(1) of the BIA expressly applies to receivers appointed pursuant to provincial statutes and gives such a receiver the right, pursuant to court order, to grant security on the debtor's property in priority to creditor claims.¹⁵

63. The jurisdiction to authorize such borrowing in the context of a provincial receivership also arises under the statutory and/or inherent jurisdiction of the court to make an order it sees fit. For example, section 39 of the LEA provides the court with the authority to appoint a receiver on terms and conditions it considers just.¹⁶

64. This authority has been relied upon in numerous cases to approve super-priority interim financing in provincial receiverships, including the receivership proceeding of Bridging Finance Inc. *et al* under the *Securities Act* (Ontario),¹⁷ and the recent receivership

¹⁵ BIA, s. 31(1).

¹⁶ In *King (Township) v. Rolex Equipment Co.*, [1992 CanLII 8587](#) (Ont. Ct. (Gen. Div.)), the Court granted an order appointing a Receiver in response to environmental harm on the application of the local municipality. The Court relied, in part, on the public interest in so doing.

¹⁷ See for example: the [Appointment Order](#) and the [Additional Appointment Order](#) of Justice Hailey in *Ontario Securities Commission v. Bridging Finance Inc. et al*, where the Court, on an *ex parte* basis, granted super-priority

proceeding of Victoria Gold Corp. under section 101 of the CJA (the Ontario equivalent of section 39 of the LEA), where the Honourable Justice Conway approved a \$50 million super-priority interim financing facility.¹⁸

65. Interim financing facilities with super-priority charges are routinely approved in receiverships and other restructuring proceedings. The relief sought is consistent with the Model Order, which provides for a standard super-priority charge in respect of any amounts borrowed by the receiver, commonly referred to as the “Receiver’s Borrowings Charge”. In that regard, the Petitioners are not seeking to deviate from standard practice in court-appointed receiverships.

This Court should Approve the DIP Facility and DIP Charge

66. The terms of the DIP Facility are fair, reasonable, and appropriate in the circumstances and are comparable with the terms of interim financing in other debtor-in-possession proceedings.
67. The DIP Facility and DIP Charge should be approved for the following reasons:
- (a) the Petitioners are in a liquidity crisis and require the DIP Facility in order to carry out a successful restructuring;
 - (b) the quantum of the DIP Facility and the DIP Charge are reasonable and appropriate having regard to the Cash Flow Forecast as well as the total assets and liabilities of the Petitioners;
 - (c) the DIP Term Sheet was negotiated by sophisticated arm’s length parties with counsel under the supervision of the proposed Administrator and contains terms and conditions that are reasonable and competitive having regard to the terms and

charges (including a Receiver’s Borrowings Charge) relying upon the Court’s statutory and/or inherent jurisdiction to make any order it sees fit. As in the present case, neither the *Securities Act* nor the CJA (on which the Ontario Securities Commission relied in that case) expressly provides for the authority to grant super-priority charges.

¹⁸ [Appointment Order](#) and [Endorsement](#) of Justice Conway in *Government of Yukon v Victoria Gold Corp.*

conditions of DIP financing approved in other recent debtor-in-possession proceedings;

- (d) the Petitioners do not have any secured creditors and there are no PPSA registrations against the Petitioners. As such, there are no known parties that would be prejudiced by the DIP Charge; and
- (e) the proposed Administrator participated in, and supervised, the negotiation of the DIP Term Sheet. The proposed Administrator supports and recommends that the Court approves the DIP Facility and the DIP Charge.

Applicable Law for Approving the SISP

- 68. Courts have granted receivers the power to market any or all of the property of a company, including advertising and soliciting offers in respect of the property or any part or parts thereof and negotiating such terms and conditions of sale as the receiver considers appropriate.¹⁹
- 69. Approval of sale processes is a common feature in debtor-in-possession and receivership proceedings. In *Leslie & Irene Dube Foundation Inc. v P218 Enterprises Ltd.*, the court held that in reviewing a proposed sale process, the court should consider:²⁰
 - (a) the fairness, transparency and integrity of the proposed process;
 - (b) the commercial efficacy of the proposed process in light of the specific circumstances facing the receiver; and
 - (c) whether the sales process will optimize the chances, in the particular circumstances, of securing the best possible price for the assets up for sale.

¹⁹ [Re DionyMed Brands Inc et al \(26 November 2019\), Vancouver, BCSC S1912098.](#)

²⁰ *Leslie & Irene Dube Foundation Inc. v P218 Enterprises Ltd.* 2014 BCSC 1855 at [para 21](#) [“P218 Enterprises”]; *CCM Master Qualified Fund v. blutip Power Technologies*, 2012 ONSC 1750, at [para. 6](#) [CCM].

70. The foregoing factors are based on, and should be assessed in light of, the factors for the approval of a proposed sale transaction set out by the Ontario Court of Appeal in *Royal Bank v. Soundair*.²¹

This Court should Approve the SISP

71. The Petitioners submit that the proposed SISP should be approved for the following reasons:

- (a) **The Sale Process is Warranted.** The robust marketing process contemplated in the SISP was specifically designed to reach as many interested parties as possible. The two-phase process will allow the Administrator and the Petitioners to gauge market interest in Phase 1 and then, if necessary, focus their efforts on detailed due diligence and negotiations with any parties who demonstrate significant interest and potential to complete a transaction in Phase 2. The competitive tension between participants will optimize the ability of the Petitioners and the Administrator to secure the highest and best value for the benefit of stakeholders.
- (b) **Benefit to the Whole Economic Community.** The SISP represents the best path forward in the circumstances to maximize the value of Shell Mountainside Lodge for the benefit of its stakeholders. A going concern transaction (as opposed to a liquidation or bankruptcy) will maximize value for the creditors of Shell Mountainside Lodge. It will also preserve the Business for the benefit of the Whistler community, customers, suppliers, and other parties with whom the Business transacts on a go-forward basis.
- (c) **No Viable Alternative.** As described above, a going-concern sale through the SISP represents the best option to preserve the business of Shell Mountainside Lodge and maximizes value for its stakeholders and the economic community. There is no viable alternative in the circumstances.

²¹ *Ibid*; [Royal Bank of Canada v. Soundair Corp., 1991 CanLII 2727 \(ONCA\)](#).

(d) **Satisfaction of Fairness Requirements.** The proposed SISP is consistent with other sale processes that have been approved by this Court, including the sale process in the CCAA proceeding of *Walter Energy Canada Holdings, Inc. (Re)*.²² The SISP will be carried out by the Administrator and the Petitioners under the supervision of this Court and any Transaction(s) will be subject to Court approval. The proposed SISP will last for a total of 90 days, which is more than sufficient time for a desirable asset in the heart of Whistler Village. As such, the SISP will likely satisfy all fairness requirements at the sale approval stage of this proceeding.

72. Furthermore, the use of a Stalking Horse Bids to set a baseline for the bidding process, has been recognized by Canadian courts as a reasonable and useful element of a sales process. Stalking horse bids have been approved for use in other receivership proceedings, BIA proposals, and CCAA proceedings.²³

Part 4: MATERIAL TO BE RELIED ON

- 73. Affidavit of Anthony Cimo, made on December 23, 2024;
- 74. Proposed Administrator's Pre-Filing Report, to be filed;
- 75. The consent of BDO to act as Administrator; and
- 76. Such further and other material as counsel may advise and this Honourable Court may permit.

Dated: December 23, 2024



Signature of Mitch Grossell/Tevia Jeffries,
lawyers for the Petitioners

²² *Walter Energy Canada Holdings, Inc. (Re)*, [2016 BCSC 107](#).

²³ *P218 Enterprises* at [para 20](#); *CCM*, at [para. 7](#).

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this notice of application

with the following variations and additional terms:

Date: _____

Signature of

Judge Associate Judge

Schedule "A"

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *LAW AND EQUITY ACT*, R.S.B.C. 1996, c. 253, AS
AMENDED**

**AND IN THE MATTER OF THE PROCEEDINGS OF SVC-MOUNTAIN SIDE ULC
AND SHELL OWNERS ASSOCIATION – PACIFIC**

PETITIONERS

**SERVICE LIST
(as at December 23, 2024)**

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DIP Lender and Stalking Horse Purchaser

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Schedule "B"

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *LAW AND EQUITY ACT*, R.S.B.C. 1996, c. 253, AS AMENDED
**AND IN THE MATTER OF THE PROCEEDINGS OF SVC-MOUNTAINSIDE ULC
AND SHELL OWNERS ASSOCIATION – PACIFIC**

ORDER MADE AFTER APPLICATION
APPOINTMENT ORDER

BEFORE)
) THE HONOURABLE JUSTICE) *January* ◆, 2025
) _____)
))

ON THE PETITION of the Petitioners, SVC-Mountainside ULC and Shell Owners Association – Pacific (together, the “**Petitioners**” or the “**Company**”), for an Order pursuant to Section 39 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253, as amended (the “**LEA**”), appointing BDO Canada Limited (“**BDO**”) as administrator (in such capacity, the “**Administrator**”) without security, in respect of the Petitioners and all the Petitioners’ present and future assets, undertakings and property (collectively, the “**Property**”), including, but not limited to, those 56 strata lots in which Shell Owners Association – Pacific (“**SOAP**”) is the registered owner on title (collectively, the “**Strata Lots**”), as legally described in **Schedule “A”** hereto, coming on for hearing this day at Vancouver, British Columbia.

AND ON READING the First Affidavit of Anthony Cimo sworn December 23, 2024 (the “**Initial Affidavit**”) and the consent of BDO to act as the Administrator, **AND ON HEARING** Mitch Grossell, Counsel for the Petitioners, and other counsel as listed on **Schedule “B”** hereto, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

SERVICE AND DEFINITIONS

1. The time for service of the Petition and materials filed in support of the application for this Order is hereby validated such that service of the Petition is deemed to be timely and

sufficient and the Petition is properly returnable today and further service thereof is hereby dispensed with.

2. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Initial Affidavit.

APPOINTMENT

3. Pursuant to Section 39 of the LEA, BDO is appointed as Administrator, without security, of the Petitioners and the Property, including the Strata Lots, and all proceeds thereof.
4. The Administrator is not and shall not be deemed to be a “receiver” within the meaning of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3, as amended (the “BIA”) and shall not be required to comply with the provisions of the BIA as applicable to receivers including, without limiting the generality of the foregoing, any requirement to provide notice of its appointment or any statements or reports to any Persons (defined below), including the Office of the Superintendent in Bankruptcy, in accordance with sections 245 and 246 of the BIA.
5. The Petitioners, their respective members, officers, directors, agents and advisors shall advise the Administrator of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Administrator in the exercise of its powers and discharge of its obligations and provide the Administrator with the assistance that is necessary to enable the Administrator to adequately carry out the Administrator’s functions.

ADMINISTRATOR’S POWERS

6. The Administrator is empowered and authorized, but not obligated, to act at once in respect of the Property as provided in this Order and, without in any way limiting the generality of the foregoing, the Administrator is expressly empowered and authorized to do any of the following where the Administrator considers it necessary or desirable, in consultation with the Petitioners:

- (a) to advise the Petitioners in their preparation of their cash flow statements and updated cash flow projections;
- (b) to review and monitor the Petitioners' cash receipts and disbursements;
- (c) to report to this Court at such times and intervals as the Administrator may deem appropriate with respect to matters relating to the Property, the Petitioners and their business and operations (the "**Business**"), and such other matters as may be relevant to the proceedings herein;
- (d) to have full and complete access to the Property, including the Strata Lots, premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to perform its duties arising under this Order;
- (e) to provide information to the DIP Lender (as defined below) regarding the Business and affairs of the Petitioners in accordance with the DIP Term Sheet (as defined below), subject to any confidentiality restrictions;
- (f) to review and, if appropriate, provide its consent to any disclaimers of agreements that the Petitioners seek to disclaim in relation to the Property or Business, including but not limited to, Vacation Leases and Timeshare Purchase Agreements;
- (g) to assist the Petitioners with the marketing of any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof, in accordance with the SISP, subject to Court approval, and to assist the Petitioners in the negotiation of any terms and conditions to the sale of the Property;
- (h) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Administrator's powers and duties, including without limitation, those conferred by this Order;
- (i) to assist the Petitioners, to the extent required by the Petitioners, with disseminating information to the Members (as defined below), creditors or other interested persons;

- (j) to contact, communicate with and discuss the Petitioners' Property, Business and affairs with applicable municipal, provincial, and federal governments and their boards, agencies, commissions, and similar bodies, regarding matters within the Petitioners' powers pursuant to this Order;
- (k) to report, meet with and discuss with such affected Persons as the Administrator considers appropriate on all matters relating to the Property, the Petitioners, the Business and these proceedings, and to share information, subject to confidentiality terms as the Administrator considers appropriate; and
- (l) to register a copy of this Order against title to any of or all the Strata Lots; and
- (m) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations and perform such other duties as are required by this Order or by this Court from time to time,

and in each case where the Administrator takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons except the Petitioners, where applicable pursuant to this Order.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE ADMINISTRATOR

7. Each of (a) the Petitioners, (b) all of their current and former directors, officers, employees, shareholders, agents, accountants, legal counsel, Members and all other persons acting on their behalf, and (c) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Administrator of the existence of any Property in such Person's possession or control, and shall grant immediate and continued access to the Property to the Administrator upon the Administrator's request.
8. All Persons, other than governmental authorities, shall forthwith advise the Administrator of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Business or affairs of the Petitioners, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental

authorities shall advise the Administrator of the existence of any Records in that Person's possession or control.

9. Upon request, all Persons shall provide to the Administrator or permit the Administrator to make, retain and take away copies of the Records and grant to the Administrator unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 7 to 10 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Administrator due to solicitor client privilege or statutory provisions prohibiting such disclosure.
10. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Administrator for the purpose of allowing the Administrator to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Administrator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Administrator. Further, for the purposes of this paragraph, all Persons shall provide the Administrator with all such assistance in gaining immediate access to the information in the Records as the Administrator may require including, without limitation, providing the Administrator with instructions on the use of any computer or other system and providing the Administrator with any and all access codes, account names and account numbers that may be required to gain access to the information.

POSSESSION OF PROPERTY AND OPERATIONS

11. Subject to this Order and any further Order of this Court, the Petitioners shall remain in possession and control of the Property, and continue to carry on their Business in the ordinary course and in a manner consistent with the preservation of the Property and Business, and under the supervision of the Administrator. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants,

agents, experts, accountants, counsel and such other persons (collectively, the “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

12. Except as otherwise provided to the contrary herein, the Petitioners shall be entitled but not required to pay, or cause to be paid on their behalf, all reasonable expenses incurred by the Petitioners in carrying on the Business in the ordinary course and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably incurred and which are reasonably necessary for the preservation of the Property or the Business, including, without limitation, payments on account of insurance (including directors’ and officers’ insurance), maintenance and security services, provided that any capital expenditure exceeding \$100,000 shall be approved by the Administrator;
 - (b) in the event that the Petitioners employ any Persons, all outstanding and future wages, salaries, employee benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - (c) the fees and disbursements of any Assistants retained or employed by the Petitioners in respect of these proceedings, at their standard rates and charges; and
 - (d) payment for goods and services actually supplied to the Petitioners, whether prior or subsequent to the time of the granting of this Order.

13. The Petitioners shall, in accordance with legal requirements, remit or pay, or cause to be remitted or paid on their behalf:
 - (a) in the event that the Petitioners employ any Persons, any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees’ wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

- (b) all goods and services, harmonized sales or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Petitioners in connection with the sale of goods and services by the Petitioners, but only where such Sales Taxes are accrued or collected after the time of the granting of this Order, or where such Sales Taxes were accrued or collected prior to the time of the granting of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Petitioners.

RESTRUCTURING

14. Subject to the terms of this Order and further Orders of this Court, the Petitioners shall have the right to:
- (a) meet, communicate and discuss with such affected Persons as the Petitioners deem appropriate, on all matters relating to the Petitioners, the Property, the Business and these proceedings, provided that the Petitioners or their counsel notify the Administrator regarding any communication that the Petitioners have with any affected Persons;
 - (b) permanently or temporarily cease, downsize or shut down all or any part of their Business or operations and commence marketing efforts in respect of any of their redundant or non-material assets;
 - (c) disclaim arrangements or agreements, except the restructuring support agreement dated December 16, 2024 between the Petitioners, Executive Resort Management Ltd., Executive Mountainside Holdings Ltd., Executive Inn Inc., 0906175 B.C. Ltd., Wyndham Vacation Resorts Inc. and SVC – Mountainside Corp., which may only be terminated in accordance with its terms, otherwise of any nature whatsoever

with whomever, whether oral or written, as the Petitioners deem appropriate, with the Administrator's consent or pursuant to further Order of the Court. If the counterparty to an arrangement or agreement disputes the disclaimer, the Petitioners or the Administrator shall seek the advice and direction of the Court;

- (d) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;
- (e) with the consent of the Administrator, dispose of redundant or non-material Property not exceeding \$200,000 in any one transaction or \$1 million in the aggregate.

NO PROCEEDINGS AGAINST THE ADMINISTRATOR

- 15. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Administrator except with the written consent of the Administrator or with leave of this Court pursuant to an application brought on at least 7 days' notice to the Administrator and the Petitioners.

NO PROCEEDINGS AGAINST THE PETITIONERS OR THE PROPERTY

- 16. No Proceeding against or in respect of the Petitioners or the Property shall be commenced or continued except with the written consent of the Administrator or with leave of this Court and any and all Proceedings currently under way against or in respect of the Petitioners or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Petitioners and the Administrator.

NO EXERCISE OF RIGHTS OR REMEDIES

- 17. All rights and remedies (including, without limitation, set-off rights) against the Petitioners, the Administrator, or affecting the Property or Business, are stayed and

suspended except with the written consent of the Petitioners and the Administrator, or leave of this Court, provided however that nothing in this Order shall (i) empower the Petitioners to carry on any business which the Petitioners are not lawfully entitled to carry on, (ii) exempt the Petitioners from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any “eligible financial contract” as defined in the BIA.

NO INTERFERENCE WITH RIGHTS

18. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Petitioners, without written consent of the Petitioners and the Administrator, or leave of this Court.

CONTINUATION OF SERVICES

19. All Persons having oral or written agreements with the Petitioners or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Petitioners are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Petitioners, and the Petitioners shall be entitled to the continued use of their current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Administrator, or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. No Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Petitioners with respect to any claim against the directors or

officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until the Administrator is discharged, without leave of the Court.

EMPLOYEES

21. Subject to the employees' right to terminate their employment, all employees of the Petitioners, if any, shall remain the employees of the Petitioners until such time as the Petitioners may terminate the employment of such employees, as applicable. The Administrator shall not be liable for any employee-related liabilities of the Petitioners, including any successor employer liabilities.

LIMITATION ON THE ADMINISTRATOR'S LIABILITY

22. The Administrator shall not, unless permitted by further Order of this Court and consented to by the Administrator, take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business, save and except for the Administrator's duties and obligations within this Order, and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.
23. Nothing in this Order shall be construed as resulting in the Administrator being or being deemed to be an officer, director, responsible person or operator of the Petitioners or the Property within the meaning of any statute, regulation, rule or law for any purpose whatsoever.
24. The Administrator shall incur no liability or obligation as a result of its appointment or as a result of carrying out the provisions of this Order, save and except any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded by the Administrator by any applicable legislation.

PERSONAL INFORMATION

25. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5 or Section 18(1)(o) of the *Personal Information Protection*

Act, S.B.C. 2003, c. 63, the Administrator may collect and provide personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only in a manner that is in all material respects identical to the prior use of such information by the Petitioners or otherwise to the extent desirable or required to fulfil the Administrator's duties as are required by this Order or by this Court from time to time.

LIMITATION ON ENVIRONMENTAL LIABILITIES

26. Nothing in this Order shall require the Administrator to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Administrator from any duty to report or make disclosure imposed by applicable Environmental Legislation.
27. The Administrator shall not, as a result of this Order or anything done in pursuance of the Administrator's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Administrator is actually in possession.
28. Notwithstanding anything in federal or provincial law, the Administrator is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Administrator's appointment; or,
 - (b) after the Administrator's appointment, unless it is established that the condition arose or the damage occurred as a result of the Administrator's gross negligence or wilful misconduct.

ADMINISTRATION CHARGE

29. The Administrator and its legal counsel, and counsel to the Petitioners are granted a charge in the aggregate amount of \$500,000 (the “**Administration Charge**”) on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Administration Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person. The Petitioners are hereby authorized and directed to pay from time to time the interim accounts of the Administrator, counsel to the Administrator and counsel to the Petitioners in accordance with the foregoing.
30. The Administrator and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Administrator and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.

INTERIM FINANCING

31. The Petitioners are hereby authorized and empowered to obtain and borrow under a credit facility (the “**DIP Facility**”) from Executive Inn Inc. (the “**DIP Lender**”) in order to finance the Petitioners’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowing under such DIP Facility shall not exceed the aggregate principal amount of \$1.5 million unless permitted by further Order of this Court.
32. The DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Petitioners and the DIP Lender dated December 16, 2024 (the “**DIP Term Sheet**”), attached as Exhibit “S” to the Initial Affidavit.
33. The Petitioners are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents, as are contemplated in the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Petitioners are hereby authorized and directed to pay and perform all of their indebtedness, interest, liabilities and

obligations to the DIP Lender under and pursuant to the DIP Term Sheet, as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. The DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Charge**”) on the Property in the aggregate amount of the DIP Facility as security for the Petitioners’ obligations under the DIP Term Sheet. The DIP Charge shall not secure an obligation that exists before this Order is made. The DIP Charge shall have the priority set out in paragraphs 39 and 41 hereof.
35. Notwithstanding any other provision of this Order:
 - (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge;
 - (b) upon occurrence of an Event of Default (as defined in the DIP Term Sheet), the DIP Lender may, in its sole discretion, by way of written notice to the Petitioners, elect to terminate the DIP Facility and accelerate all amounts outstanding under the DIP Facility;
 - (c) with no less than five (5) business days’ notice to the Petitioners and the Administrator after the occurrence of an Event of Default, the DIP Lender may: (i) exercise all rights and powers of a secured lender pursuant to the *Personal Property Security Act* (British Columbia), or any legislation of similar effect; (ii) exercise all such other rights and remedies available under the DIP Term Sheet, this Order, or any other order of the Court of applicable law; and/or (iii) exercise the rights and powers of a secured lender pursuant to the Mortgage (as defined in the DIP Term Sheet).

DIRECTORS’ AND OFFICERS’ INDEMNIFICATION AND CHARGE

36. The Petitioners shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioners after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of such director’s or officer’s gross negligence or wilful misconduct.

37. The directors and officers of the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$350,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 36 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 39 and 41 herein.
38. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the Petitioners’ current and future directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 36 of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

39. The priorities of the Administration Charge, the DIP Charge and the Directors’ Charge (collectively, the “**Charges**”) as between them, shall be as follows:
- (a) First – Administration Charge (to the maximum amount of \$500,000);
 - (b) Second – DIP Charge (to the maximum amount of the DIP Facility, plus accrued and unpaid interest, fees and expenses thereon); and
 - (c) Third – Directors’ Charge (to the maximum amount of \$350,000).
40. Any security documentation evidencing, or the filing, registration or perfection of, the Charges shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.
41. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, the “**Encumbrances**”), in favour of any Person.

42. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Petitioners shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Administrator, the DIP Lender and the beneficiaries of the Administration Charge and the Directors' Charge, or further Order of this Court.
43. The Charges and the DIP Term Sheet shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) and/or the DIP Lender shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such application(s); (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (each, an “**Agreement**”) which binds the Petitioners, and notwithstanding any provision to the contrary in any Agreement:
- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet shall create or be deemed to constitute a breach by the Petitioners of any Agreement to which either of them are a party;
 - (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Petitioners entering into the DIP Term Sheet or the creation of the Charges; and
 - (c) payments made by the Petitioners pursuant to this Order and the DIP Term Sheet, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SERVICE AND NOTICE OF MATERIALS

44. The Administrator shall establish and maintain a website in respect of these proceedings at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/mountainsidelodge> (the “**Website**”) and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publicly available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Administrator, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
45. The Petitioners shall make commercially reasonable efforts to inform the Members (as defined below) of this Order, any reports filed in these proceedings, and any upcoming applications in these proceedings by issuing a notice substantially in the form attached hereto as **Schedule “C”** (the “**Member Notice**”) to the Members by:
- (a) sending the Member Notice via electronic mail to SOAP Members and MLMA Members that are on the member contact list (the “**Members**”); and
 - (b) posting the notice and any other subsequent notices with respect to these proceedings on the Website.
46. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Administrator and the Petitioners a demand for notice in the form attached as **Schedule “D”** (the “**Demand for Notice**”). The Administrator and the Petitioners need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Administrator and the Petitioners from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

47. The Administrator shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the “**Service List**”). The Administrator shall post and maintain an up-to-date form of the Service List on the Website.
48. Any interested party, including the Administrator, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Administrator, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided an email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
49. Notwithstanding paragraphs 48 or 50 of this Order, service of the Petition and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the *Federal Crown and the Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
50. The Administrator and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by email to the Petitioners’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL

51. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days’ notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
52. Each of the Petitioners and the Administrator may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

53. Nothing in this Order shall prevent the Administrator from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy in respect of the Petitioners, the Business or the Property.
54. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Petitioners, the Administrator and their respective agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Administrator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Petitioners and the Administrator and their respective agents in carrying out the terms of this Order.
55. The Petitioners and the Administrator are authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and that the Administrator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
56. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.
57. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

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

APPROVED BY:

Signature of Mitch Grossell
Counsel for the Petitioners

BY THE COURT

REGISTRAR

SCHEDULE "A"

Parcel Identifier #	Legal Description
006-298-192	STRATA LOT 3 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-298-214	STRATA LOT 4 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
002-996-413	STRATA LOT 5 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-298-257	STRATA LOT 6 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-298-273	STRATA LOT 7 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-298-290	STRATA LOT 8 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-298-486	STRATA LOT 13 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-298-541	STRATA LOT 15 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-298-575	STRATA LOT 16 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.

Parcel Identifier #	Legal Description
006-299-172	STRATA LOT 36 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-181	STRATA LOT 37 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-199	STRATA LOT 38 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-211	STRATA LOT 39 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-253	STRATA LOT 40 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
005-260-833	STRATA LOT 41 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
005-502-811	STRATA LOT 42 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-300	STRATA LOT 43 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-334	STRATA LOT 44 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-342	STRATA LOT 45 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.

Parcel Identifier #	Legal Description
006-299-377	STRATA LOT 46 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
003-115-429	STRATA LOT 47 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-393	STRATA LOT 48 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-407	STRATA LOT 49 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-415	STRATA LOT 50 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-440	STRATA LOT 51 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
003-004-341	STRATA LOT 52 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-466	STRATA LOT 53 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
004-581-121	STRATA LOT 54 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1
006-299-512	STRATA LOT 55 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1

Parcel Identifier #	Legal Description
006-299-547	STRATA LOT 56 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-571	STRATA LOT 57 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-628	STRATA LOT 58 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-652	STRATA LOT 59 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-687	STRATA LOT 60 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-725	STRATA LOT 61 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-733	STRATA LOT 62 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-750	STRATA LOT 63 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-873	STRATA LOT 64 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-903	STRATA LOT 65 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.

Parcel Identifier #	Legal Description
003-661-091	STRATA LOT 66 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1
006-299-938	STRATA LOT 67 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-299-989	STRATA LOT 68 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-300-014	STRATA LOT 69 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-324-223	STRATA LOT 70 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-300-081	STRATA LOT 71 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-300-146	STRATA LOT 72 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
003-020-193	STRATA LOT 73 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-300-171	STRATA LOT 74 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-300-197	STRATA LOT 75 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.

Parcel Identifier #	Legal Description
006-300-227	STRATA LOT 76 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-300-243	STRATA LOT 77 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-300-278	STRATA LOT 78 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
003-114-198	STRATA LOT 79 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-300-316	STRATA LOT 80 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
006-300-341	STRATA LOT 81 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.
010-484-973	STRATA LOT 95 DISTRICT LOTS 1902 AND 4610 STRATA PLAN VR. 1026 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1.

SCHEDULE "B"

Appearance List

Counsel Name	Party Represented

SCHEDULE “C”

NOTICE TO MEMBERS OF SOAP AND ULC

PLEASE TAKE NOTICE that on January [●], 2025, SVC-Mountainside ULC and Shell Owners Association – Pacific (collectively, the “**Petitioners**”), commenced a proceeding under the *Law and Equity Act*, R.S.B.C. 1996, c. 253, as amended, (the “**Proceeding**”) and BDO Canada Limited was appointed as Administrator of the Petitioners (in such capacity, the “**Administrator**”) by order of the Supreme Court of British Columbia (the “**Court**”) dated January [●], 2025, (the “**Appointment Order**”)

PLEASE TAKE FURTHER NOTICE that on the same day, the Petitioners brought a motion seeking approval of the sale and investment solicitation process (the “**SISP**”) and approval of the stalking horse asset purchase agreement as among the Petitioners and Executive Mountainside Holdings Ltd. dated December 16, 2024 (the “**Stalking Horse Agreement**”) as the stalking horse bid for the purpose of conducting this SISP. The purpose of the SISP is to identify one or more purchasers of and/or investors in all or substantially all of the business and/or assets of the Petitioners to make an offer (each a “**Bid**”) that is superior to the offer contemplated by the Stalking Horse Agreement, and to complete the transaction contemplated by any such offer, or the Stalking Horse Agreement if no other offers are accepted.

Copies of the Motion Record for the upcoming proceeding, the Appointment Order and the other documents related to these Proceedings will be posted on the Administrator’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/mountainsidelodge>.

In the event that your contact information is out of date, we ask that you update your information on the Administrator’s website on the link noted above. If you have any other questions or concerns please feel free to contact the Administrator at either BDO-MountainsideSOAP@bdo.ca for SOAP Members or BDO-MountainsideMLMA@bdo.ca for MLMA Members.

SCHEDULE “D”

Demand for Notice

TO: SVC Mountainside – ULC and Shell Owners Association - Pacific

c/o Thornton Grout Finnigan LLP

Attention: Mitch Grossell and Adam Driedger

Email: mgrossell@tgf.ca | adriedger@tgf.ca

AND TO: BDO Canada Limited

c/o Fasken Martineau DuMoulin LLP

Attention: Mishaal Gill and Dylan Chochla

Email: mgill@fasken.com and dchochla@fasken.com

Re: In the matter of the Proceedings of SVC Mountainside – ULC and Shell Owners Association – Pacific

I hereby request that notice of all further proceedings in the above matter be sent to me in the following manner:

1. By email, at the following address (or addresses):

OR

2. By mail, at the following address:

Name: _____

Name of Counsel (if any): _____

Contact Address: _____

Contact Phone Number: _____

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *LAW AND EQUITY ACT*, R.S.B.C.
1996, c. 253, AS AMENDED

AND

AND IN THE MATTER OF THE PROCEEDINGS OF SVC-
MOUNTAINSIDE ULC AND SHELL OWNERS
ASSOCIATION – PACIFIC

PETITIONERS

**ORDER MADE AFTER PETITION
APPOINTMENT ORDER**

File no.: 52915-2

THORNTON GROUT FINNIGAN LLP

Suite 3200, TD West Tower, 100 Wellington Street West,
Toronto, Ontario M5K 1K7
Mitch Grossell: mgrossell@tgf.ca
Adam Driedger: adriedger@tgf.ca

FARRIS LLP

25th Floor, 700 W Georgia St.
Vancouver, BC V7Y 1B3
Tevia R.M. Jeffries: tjeffries@farris.com

Schedule "C"

2. The SISP and the procedures contemplated in the SISP are hereby approved, subject to such non-material amendments as may be agreed to by the Applicants and the Administrator. The Administrator may extend the timelines prescribed in the SISP with the approval of the Applicants or further order of the Court.

3. The Administrator and the Applicants are hereby authorized and directed to carry out the SISP in accordance with its terms and the provisions of this Order, and are hereby authorized and directed to take such steps and execute such documents (including, without limitation, any confidentiality agreements) as the Administrator and the Applicants consider necessary or reasonably incidental to the SISP, provided that the Administrator and the Applicants shall seek the approval of this Court before completing or closing any transaction(s) in connection with the SISP (a “**Transaction**”).

4. The Applicants and the Administrator are authorized to immediately commence the SISP, in accordance with the SISP Procedures timelines, to solicit interest in the opportunity for a sale or investment in all or part of the Applicants’ assets or business operations.

5. The Listing Agreement between the Administrator and the Listing Agent is hereby authorized and approved, including any such minor amendments as the Administrator and the Listing Agent may deem necessary.

6. The Applicants, the Administrator, and their respective agents, employees, legal counsel, advisors, and affiliates shall have no liability whatsoever with respect to any and all losses, claims, damages, or liabilities of any nature or kind to any person or entity as a result of implementing the SISP or otherwise in connection with the SISP (including, without limitation, through the disclosure of any information and documentation regarding the Applicants, the Assets, or the Business) except to the extent that any such losses, claims, damages, or liabilities result from the gross negligence or wilful misconduct of the Applicants or the Administrator, as determined by this Court.

7. In overseeing the SISP, the Administrator shall have all of the benefits and protections granted to it under the Appointment Order and any other order of this Court in the within proceeding.

REGULATORY COMPLIANCE

8. The Applicants and the Administrator, and their respective counsel, may serve or distribute this Order, the SISP, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to any person or interested party that the Administrator or the Applicants consider appropriate, including their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

9. Pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), S.C. 2000, c. 5, as amended, section 18(10(o)) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulation promulgated under authority of either Act, and all equivalent privacy laws and regulations in other jurisdictions, as applicable, the Administrator, the Applicants and their respective advisors and agents are hereby authorized and permitted to disclose personal information of identifiable individuals including all human resource and payroll information in the Applicants' records pertaining to past or current employees ("**Personal Information**") to potential bidders, including their advisors (each, a "**Recipient**"), but only to the extent that such disclosure is necessary or desirable to implement the SISP or a Transaction. Each Recipient to whom Personal Information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Business and/or Assets in accordance with the terms hereof and the Confidentiality Agreement and, if the Business and/or Assets are no longer being considered by the Recipient, if the Recipient does not complete a Transaction under the SISP or otherwise at the request of the Administrator or the Applicants, such Recipient shall return all such information to the Administrator and the Applicants or alternatively destroy such information and provide confirmation of its destruction if so requested by the Administrator or the Applicants. The Successful Bidder(s) shall maintain and protect the privacy of such Personal Information and, upon the closing of any Transaction(s), shall be entitled to use the Personal Information provided to them that is related to the Assets or the Business subject to the Transaction(s) in a manner that is in all material respects identical to the prior use of such information by the Applicants and the Administrator, and shall return all other

Personal Information to the Applicants and the Administrator or alternatively destroy such information and provide confirmation of its destruction if so requested by the Applicants or the Administrator.

10. The Applicants and the Administrator are hereby authorized to disclose to any Recipient any information or documentation contained in the Applicants' records (including, without limitation, confidential or commercially sensitive information or documentation) regarding the Assets and/or parties with whom the Applicants transact (collectively, "**Confidential Information**"), provided that the Applicants and the Administrator shall only disclose such Confidential Information that the Applicants and the Administrator determine is reasonably necessary to permit a potential bidder to conduct due diligence with respect to a potential Transaction or that is otherwise necessary to implement the SISP or a potential Transaction.

11. Each Recipient to whom Confidential Information is disclosed pursuant to the SISP shall maintain and protect the confidentiality of such Confidential Information and limit the use of such Confidential Information to its evaluation of the Business and/or Assets in accordance with the terms of the SISP and the applicable Confidentiality Agreement and, if the Business and/or Assets is no longer being considered by the Recipient, if the Recipient does not complete a Transaction under the SISP or otherwise at the request of the Applicants or the Administrator, such Recipient shall return all such Confidential Information to the Applicants and the Administrator or alternatively destroy such Confidential Information and provide confirmation of its destruction if so requested by the Applicants or the Administrator. The Successful Bidder(s) shall maintain and protect the confidentiality of such Confidential Information and, upon the closing of any Transaction(s), shall be entitled to use the Confidential Information provided to them that is related to the Assets or the Business subject to the Transaction(s) in a manner that is in all material respects identical to the prior use of such Confidential Information by the Applicants and the Administrator and shall return all other Confidential Information to the Applicants and the Administrator or alternatively destroy such Confidential Information and provide confirmation of its destruction if so requested by the Applicants or the Administrator.

APPROVAL OF STALKING HORSE BID

12. The Applicants are hereby authorized and empowered to enter into an asset purchase agreement (the “**Stalking Horse Agreement**”) between Shell Owners Association – Pacific and SVC-Mountainside ULC, as vendors, and Executive Mountainside Holdings Ltd., as purchaser (the “**Stalking Horse Bidder**”), dated as of December 16, 2024, with such minor amendments as may be acceptable to each of the parties thereto, with the prior approval of the Administrator, provided that nothing herein approves the transactions contemplated in the Stalking Horse Agreement and that the approval of the transaction contemplated in the Stalking Horse Agreement shall be considered by this Court on a subsequent application made to this Court if the Stalking Horse Agreement is the Successful Bid pursuant to the terms of the SISP.

13. The Stalking Horse Agreement is hereby approved and accepted solely for the purposes of being the Stalking Horse Bid under the SISP and subject to further Order of this Court referred to in paragraph 12 above.

BID PROTECTIONS

14. If the Stalking Horse Bidder is not the Successful Bidder, the Applicants are authorized to pay the Break Fee in the amount of \$180,000, in accordance with the terms of the Stalking Horse Agreement.

15. The Stalking Horse Agreement shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Bidder thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made in connection therewith; (b) any motion(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”) or any bankruptcy order(s) made pursuant to such motions; (c) the filing of any assignments in bankruptcy made or deemed to be made in respect of the Applicants for the general benefit of creditors pursuant to the BIA; (d) the provisions of any federal or provincial statutes, including any such provisions pertaining to fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, other reviewable transactions, or oppressive or unfairly prejudicial conduct; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or

the creation of security interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the execution, delivery or performance of the Stalking Horse Agreement shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) the Stalking Horse Bidder shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Stalking Horse Agreement; and
- (c) the payments made by the Applicants pursuant to this Order or the Stalking Horse Agreement, if any, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

GENERAL

16. The Applicants and the Administrator may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder.

17. This Order shall have full force and effect in all provinces and territories in Canada.

18. THIS COURT REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada to give effect to this Order and to assist the Applicants and the Administrator and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Administrator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Administrator and their agents in carrying out the terms of this Order.

19. The Applicants and the Administrator be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located,

for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Administrator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

20. Endorsement of this Order by counsel appearing on this application other than counsel for the Applicants is hereby dispensed with.

21. This Order and all of its provisions are effective as of 12:01 a.m. (local Vancouver time) on the date of this Order without the need for entry or filing.

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

APPROVED BY:

Signature of Mitch Grossell

Counsel for the Applicants

BY THE COURT

REGISTRAR

Schedule "B"

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

On [●], 2025, SVC-Mountainside ULC (“**ULC**”) and Shell Owners Association – Pacific (“**SOAP**” and together with ULC, the “**Companies**”) commenced a court-supervised proceeding (the “**Restructuring Proceeding**”) in the Supreme Court of British Columbia (the “**Court**”), obtaining an order (the “**Appointment Order**”), among other things, appointing BDO Canada Limited as the court-officer in the Restructuring Proceeding (in such capacity, the “**Administrator**”).

On the same day, the Companies applied to the Court for an order that, among other things: (a) approves this sale and investment solicitation process (the “**SISP**”), and (b) authorizes the execution by the Companies of the stalking horse agreement of purchase and sale as among the Companies and the Stalking Horse Bidder (as defined below) dated December 16, 2024 (the “**Stalking Horse Agreement**”) as the stalking horse bid for the purpose of conducting this SISP.

The purpose of the SISP is to identify one or more purchasers of and/or investors in all or substantially all of the Business and/or Assets (each as defined below) of the Companies to make an offer (each a “**Bid**”) that is superior to the offer contemplated by the Stalking Horse Agreement, and to complete the transaction contemplated by any such offer, or the Stalking Horse Agreement if no other offers are accepted. Set forth below are the procedures (the “**SISP Procedures**”) that shall govern the SISP and any transaction consummated as a result thereof.

Pursuant to this SISP, the Administrator, in consultation with the Companies, plan to engage a listing agent (the “**Listing Agent**”) to assist with the SISP.

1. Defined Terms

The following capitalized terms have the following meanings when used in this SISP:

“**Administrator**” has the meaning given to it in the Introduction;

“**Acknowledgment of the SISP**” means an acknowledgement of the SISP in the form attached as Schedule “A” hereto;

“**Aggregate Bid**” means a combination of Portion Bids that do not overlap for Assets sought to be purchased, and which, when totalled, equal or exceed the Minimum Bid Amount;

“**Assets**” means the assets, undertakings and property of the Companies, including any strata lots owned by the Companies;

“**Auction**” has the meaning given to it in Section 15;

“**Auction Procedure**” has the meaning given to it in Section 15;

“**Back-Up Bid Expiration Date**” has the meaning given to it in Section 19;

“**Back-Up Bid**” has the meaning given to it in Section 15;

“**Bid**” has the meaning given to it in the Introduction;

“**Break Fee**” has the meaning given to it in Section 2;

“**Business**” means the business carried on by the Companies including, without limitation, the operation of a timeshare resort and several vacation leases arising from or out of their ownership of the strata lots;

“**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of British Columbia, on which commercial banks in Vancouver, British Columbia are open for business;

“**Companies**” has the meaning given to it in the Introduction;

“**Confidential Data Room**” means a private and confidential data room prepared and maintained by the Administrator or the Listing Agent, as the case may be, containing confidential information in respect of the Companies, the Business and the Assets;

“**Confidentiality Agreement**” means the confidentiality agreement, upon terms satisfactory to the Companies, in consultation with the Administrator, entered into between the Companies and an Interested Party;

“**Court**” has the meaning given to it in the Introduction;

“**DIP Lender**” means Executive Inn Inc.;

“**DIP Term Sheet**” means the debtor-in-possession financing term sheet dated December 16, 2024 between ULC and SOAP, as borrowers, and the DIP Lender, as lender;

“**Form Purchase Agreement**” means the template agreement of purchase and sale posted in the Confidential Data Room substantially in the form of the Stalking Horse Agreement;

“**Interested Party**” has the meaning given to it in Section 2;

“**Investment Proposal**” has the meaning given to it in in Section 9;

“**Known Potential Bidders**” has the meaning given to in Section 5(a);

“**Listing Agent**” has the meaning given to it in the Introduction;

“**Minimum Bid Amount**” means the Purchase Price under the Stalking Horse Agreement, plus the Break Fee;

“**Notice**” has the meaning given to it in Section 5(b);

“Outside Date” means May 12, 2025, or such other date as the Companies, the Administrator, and the Successful Bidder(s) or the Back-Up Bidder, if applicable, may agree, acting reasonably;

“Phase I Bid” means an initial non-binding Bid submitted by an Interested Party pursuant to Section 9 hereof;

“Phase I Bid Deadline” has the meaning given to it in Section 9;

“Phase I Bidder” means a bidder submitting a Phase I Bid;

“Phase I Deposit” has the meaning given to it in Section 11(i);

“Phase I Participant Requirements” has the meaning given to it in Section 10;

“Phase II Bid” means a binding and unconditional Bid submitted by a Qualified Phase I Bidder;

“Phase II Bidder” means a bidder submitting a Phase II Bid;

“Phase II Bid Deadline” has the meaning given to it in Section 9;

“Portion Bid” means a Bid for less than all, or substantially all of the Assets, that is otherwise a Qualified Phase I Bid or a Qualified Phase II Bid;

“Portion Bidder” means a Qualified Phase I Bidder and/or a Qualified Phase II Bidder that submits a Portion Bid;

“Purchase Price” has the meaning given to it in Section 11(a)(i);

“Qualified Phase I Bid” means a Phase I Bid that satisfies the conditions set out in Section 11. For greater certainty, a Portion Bid may be a Qualified Phase II Bid if it forms part of an Aggregate Bid;

“Qualified Phase I Bidder” means a bidder submitting a Qualified Phase I Bid;

“Qualified Phase II Bid” means a Phase II Bid that satisfies the conditions set out in Section 14. For greater certainty, a Portion Bid may be a Qualified Phase II Bid if it forms part of an Aggregate Bid;

“Qualified Phase II Bidder” means a bidder submitting a Qualified Phase II Bid;

“Qualified Investment Bid” is an Investment Proposal that is determined to be a Qualified Phase II Bid by the Administrator, in consultation with the Companies, pursuant to Section 14;

“Qualified Sale Bid” is a Sale Proposal that is determined to be a Qualified Phase II Bid by the Administrator, in consultation with the Companies, pursuant to Section 14;

“**Sale Approval Hearing**” has the meaning given to it in Section 18

“**Sale Proposal**” has the meaning given to it in Section 9;

“**SISP**” has the meaning given to it in the Introduction;

“**SISP Procedures**” has the meaning given to it in the Introduction;

“**Stalking Horse Agreement**” has the meaning given to it in the Introduction;

“**Stalking Horse Bidder**” means Executive Mountainside Holdings Ltd., or an affiliate thereof;

“**Successful Bid**” has the meaning given to it in Section 15;

“**Successful Bidder**” has the meaning given to it in Section 15; and

“**Teaser Letter**” has the meaning given to it in Section 5(c).

2. **The SISP Procedures**

The SISP shall consist of two phases. In the first phase, any interested party (an “**Interested Party**”) that meets the preliminary participant requirements set out herein, including having executed a Confidentiality Agreement and an Acknowledgement of the SISP, shall be provided with access to the Confidential Data Room to prepare and submit a Phase I Bid by the Phase I Bid Deadline. Phase I Bidders that are determined by the Administrator, in consultation with the Companies, to be Qualified Phase I Bidders shall be invited to participate in the second phase wherein they will prepare and submit a Phase II Bid by the Phase II Bid Deadline.

The Administrator, in consultation with the Companies, shall supervise the SISP Procedures. The Administrator shall be required to consult with the Companies in respect of all matters arising out of this SISP. The Administrator shall direct and preside over the Auction, if applicable. If there is disagreement as to the interpretation or application of this SISP, the Court will have the jurisdiction to hear and resolve such dispute.

Certain bid protections are provided for in the Stalking Horse Agreement (including a break fee) (the “**Break Fee**”), subject to the conditions set forth therein. No other bidder may request or receive any form of bid protection as part of any bid made pursuant to the SISP.

3. **“As Is, Where Is”**

The sale of the Business or all or any part of the Assets or an investment in the Companies will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature or description by the Companies, the Administrator, the Listing Agent or any of their respective employees, officers, directors, agents or advisors, except to the extent set forth in the relevant definitive Sale Proposal or Investment Proposal agreement, if applicable, with a Successful Bidder. None of the Administrator, the Companies, or their

respective employees, officers, directors, partners, agents or advisors makes any representation or warranty as to title, description, fitness for purpose, merchantability, quantity, conditions or quality of any of the Assets, the Business or the accuracy or completeness of the information provided to any party pursuant to the SISP or otherwise, including the information contained in any of the Teaser Letter and the Confidential Data Room.

By participating in this process, each Interested Party is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Business, the Assets or the Companies prior to making its Bid, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or regarding the Business, the Assets or the Companies in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Business, the Assets or the Companies or the completeness of any information provided in connection therewith, except as expressly stated in the terms of any definitive transaction documents.

4. **Timeline**

The following table sets out the key milestones under the SISP:¹

Milestone	Deadline
Commencement of the SISP	T (January 6, 2025)
Distribution of the Notice, Teaser Letter, Confidentiality Agreement and Acknowledgment of SISP	As soon as reasonably practicable following January 6, 2025
Phase I Bid Deadline (5:00 PM (Pacific Time))	T + 60 days (March 7, 2025)
Phase II Bid Deadline (5:00 PM (Pacific Time))	T + 91 days (April 7, 2025)
Selection of Successful Bid(s), Back-Up Bid(s), or Notification of Auction (if any)	T + 98 days (April 14, 2025)
Auction (if any)	No later than April 17, 2025
Sale Approval Hearing	As soon as practicable
Closing Date Deadline	May 12, 2025

¹ The dates included in the table and in the SISP are for indicative purposes and will change based on the date that the Court approves the SISP.

5. **Solicitation of Interest**

As soon as reasonably practicable following the commencement of the SISP:

- (a) the Administrator, with the assistance of the Companies and the Listing Agent, will prepare a list of potential bidders, including (i) any parties that have previously approached the Companies, the Administrator or the Listing Agent indicating an interest in the opportunity; and (ii) strategic parties whom the Companies, the Administrator, or the Listing Agent believe may be interested in purchasing all or part of the Business and Assets, or investing in the Companies, pursuant to the SISP (collectively, the “**Known Potential Bidders**”);
- (b) the Administrator will cause a notice of the SISP and such other relevant information that the Administrator, in consultation with the Companies and the Listing Agent, considers appropriate (the “**Notice**”) to be published in *The Globe and Mail* (National Edition) and *Insolvency Insider* and any other newspaper, journal or industry publication as the Companies, the Administrator and Listing Agent consider appropriate, if any; and
- (c) the Administrator, in consultation with the Companies and the Listing Agent, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the process and timelines under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; (ii) a Confidentiality Agreement; and (iii) an Acknowledgement of the SISP, in each case in form and substance satisfactory to the Companies.

The Administrator will publish the Notice and send the Teaser Letter, Confidentiality Agreement, and Acknowledgement of the SISP to all Known Potential Bidders as soon as reasonably practicable following January 6, 2025, and to any other party who requests a copy of the Teaser Letter, Confidentiality Agreement, and Acknowledgement of the SISP, or who is identified to the Companies, the Administrator or the Listing Agent as a potential bidder, as soon as reasonably practicable after such request or identification.

6. **Role of Management of the Companies**

In the event that any party that is affiliated or associated with the Board of Directors or management of the Companies intends to submit a Bid pursuant to the SISP, any such party must advise the Administrator of such intention in writing by January 20, 2025. Any such party(ies) shall be entitled to participate in the SISP as an Interested Party, provided that, and only to the extent that, such party(ies) shall: (i) be excluded from participating in the SISP in any manner or capacity that would be reasonably likely to create an unfair advantage for any party or otherwise jeopardize the integrity of the SISP, as determined by the Administrator; and (ii) be subject to such restrictions as the Administrator determines to be necessary to ensure compliance with (i).

7. **Role of the Administrator**

The Administrator’s responsibilities pursuant to the SISP include:

- (a) consulting with the Companies in connection with the bidding procedures included in this SISP and assisting the Companies with the closing of the transaction contemplated in the Successful Bid(s);
- (b) assisting the Companies with supervision of the SISP Procedures;
- (c) reporting to the Court in connection with the SISP Procedures, including the bidding procedures described in this SISP, and the closing of the transaction contemplated with the Successful Bid(s);
- (d) conducting an Auction, if necessary, in accordance with the Auction Procedures attached hereto as Schedule "C"; and
- (e) assisting the Companies to facilitate information requests, including assisting the Companies in preparing or modifying financial information to assist with the bidding procedures described in this SISP and the closing of the transaction contemplated in the Successful Bid(s) (including the Stalking Horse Agreement).

8. **Access to Due Diligence Materials**

Only Interested Parties that satisfy the Phase I Participant Requirements (including the Stalking Horse Bidder) will be eligible to receive access to the Confidential Data Room.

The Administrator, in consultation with the Companies, will be responsible for the coordination of all reasonable requests for additional information and due diligence access from Interested Parties. The Companies, the Administrator, and the Listing Agent shall not be obligated to furnish additional due diligence information after the Phase I Bid Deadline to Qualified Phase I Bidders before the Phase II Bid Deadline. Further, the Companies, the Administrator and the Listing Agent shall not be obligated to furnish any due diligence information after the Phase II Bid Deadline, provided however that the Companies, the Administrator, or the Listing Agent may (but are not obligated to) provide further information including, without limitation, financial information to the Successful Bidder (including the Stalking Horse Bidder). The Companies, the Administrator, and the Listing Agent shall not be responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Assets and the Business, or an investment in the Companies. If the Companies, the Administrator or the Listing Agent provide additional information and due diligence to an Interested Party that was not previously provided to the Stalking Horse Bidder, either the Companies, the Administrator or the Listing Agent shall concurrently provide such additional information to the Stalking Horse Bidder or notify the Stalking Horse Bidder that such information is available in the Confidential Data Room.

9. **Bid Deadlines**

An Interested Party that wishes to make a Bid to: (a) acquire the Business or all, or substantially all or any part of the Assets, including the strata lots owned by the Companies (a "Sale Proposal"); or (b) make an investment in the Companies by way of private issuances, sale or placement of newly issued or treasury equity, equity-linked or debt

securities, instruments or obligations of the Companies with one or more lenders and/or investors or security holders (an “**Investment Proposal**”), must deliver an executed copy of a Phase I Bid to the Administrator, with a copy to the Companies, at the e-mail addresses specified in Schedule “B”, so as to be received by it **no later than 5:00 p.m. (Pacific Time) on March 7, 2025**, or such other later date or time as may be agreed by the Companies and the Administrator (the “**Phase I Bid Deadline**”).

All Phase II Bids must be submitted to the Administrator, with a copy to the Companies, at the e-mail addresses specified in Schedule “B”, so as to be received by it **no later than 5:00 p.m. (Pacific Time) on April 7, 2025**, or such other later date or time as may be agreed by the Companies and the Administrator (the “**Phase II Bid Deadline**”).

PHASE 1 – NON BINDING BIDS

10. **Phase I Participant Requirements**

To participate in Phase I of the SISP and to otherwise be considered for any purpose hereunder, each Interested Party must provide the Administrator and the Companies with an executed copy of each of the following prior to being provided with access to the Confidential Data Room: (i) a Confidentiality Agreement; and (ii) an Acknowledgement of the SISP (collectively, the “**Phase I Participant Requirements**”).

11. **Qualified Phase I Bids**

Only Qualified Phase I Bidders shall be allowed to participate in Phase II of the SISP.

In order for the Administrator, in consultation with the Companies, to determine whether an Interested Party is a Qualified Phase I Bidder, the Interested Party must provide, in form and substance satisfactory to the Administrator, in consultation with the Companies, each of the following on or before the Phase I Bid Deadline:

- (a) **Non-Binding Letter of Intent Describing Phase I Bid:** A non-binding letter of intent describing the material terms of the Phase I Bid, which includes the following information:
 - (i) **Sale Proposal:** In the case of a Sale Proposal, the material terms and conditions of the proposed transaction, including identification of the Business or the Assets proposed to be acquired, the obligations to be assumed, the purchase price for the Business or Assets proposed to be acquired (the “**Purchase Price**”), and the structure and financing of the proposed transaction;
 - (ii) **Investment Proposal:** In the case of an Investment Proposal, the material terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Companies following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding

the *pro forma* capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Companies, and the debt, equity, or other securities, if any, proposed to be allocated to creditors of the Companies;

- (b) Purchase Price: Evidence that the Purchase Price (in the case of a Sale Proposal) or imputed value (in the case of an Investment Proposal) under the Phase I Bid or Aggregate Bid shall be an amount equal to or greater than the Minimum Bid Amount (a “**Superior Offer**”), provided that any Portion Bidder shall not be subject to the Minimum Bid Amount except to the extent that it forms part of an Aggregate Bid;
- (c) Proof of Financial Ability to Perform: Written evidence upon which the Companies and the Administrator may reasonably conclude that the Interested Party has obtained, or shall obtain on or before the Phase II Bid Deadline, the necessary sources of financing that it shall require to close the contemplated transaction on or before the Outside Date, including, without limitation: (i) the sources of such financing and contact names and phone numbers required to verify same; and (ii) any such other form of financial disclosure or credit-quality support information or enhancement requested by and reasonably acceptable to the Administrator, in consultation with the Companies, demonstrating that such Phase I Bidder has, or will have, the ability to close the contemplated transaction;
- (d) Outstanding Due Diligence: A description of any additional due diligence required to be conducted in order to submit a Qualified Phase II Bid and the impact any additional due diligence may have on the final Purchase Price in a Sale Proposal or the imputed value in an Investment Proposal;
- (e) Identification: Full written disclosure of the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Phase I Bid, including whether any prior or current member of the Companies’ board, management, any employee or consultant to the Companies or any creditor or shareholder of the Companies is involved in any way with the Phase I Bid or assisted with the Phase I Bid, and the complete terms of any such participation as well as evidence of corporate authority to sponsor or participate in the Phase I Bid;
- (f) Acknowledgment: An acknowledgement and representation that the Interested Party: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents regarding the Companies, the Business and/or the Assets to be acquired, or the liabilities to be assumed in making its Phase I Bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise) by the Companies, the Administrator, the Listing Agent or any of their respective employees, directors, officers, agents, advisors or other representatives, regarding the Companies, the Business, the Assets to be acquired, or the liabilities to be assumed, or the completeness of any information

provided in connection therewith, except as expressly provided in any definitive transaction documents;

- (g) Authorization: Evidence, in form and substance reasonably satisfactory to the Administrator, in consultation with the Companies, of authorization and approval from the Interested Party's board of directors (or comparable governing body) with respect to the submission, execution and delivery of the Phase I Bid, and identification of any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (h) No Break or Termination Fee: Evidence that the Phase I Bid does not include any request for or entitlement to any break or termination fee, expense, reimbursement or similar type of payment, and confirmation that the Interested Party shall be responsible for all of its costs and expenses associated with conducting due diligence and submitting a Bid;
- (i) Deposit: A cash deposit (the "**Phase I Deposit**") in an amount equal to 10% of the Purchase Price (in the case of a Sale Proposal) or imputed value (in the case of an Investment Proposal) that shall be paid to the Administrator in trust, which Phase I Deposit shall be held and dealt with in accordance with this SISP;
- (j) Other: Such other information as may reasonably be requested by the Companies or the Administrator; and
- (k) Phase I Bid Deadline: It is received by the Administrator, with a copy to the Companies, at the e-mail addresses specified in Schedule "B" on or before the Phase I Bid Deadline.

The Administrator, in consultation with the Companies, may waive any one or more minor and non-material violations of the requirements specified for Qualified Phase I Bids and deem such non-compliant Bids to be Qualified Phase I Bids.

12. **Evaluation of Qualified Phase I Bids and Designation as Qualified Phase I Bidder**

The Administrator, in consultation with the Companies, shall evaluate Qualified Phase I Bids on various grounds including, but not limited to: the Purchase Price or imputed or projected value, the assumed liabilities, the certainty of closing the transactions contemplated by the Phase I Bid on or before the Outside Date and any delay or other risks (including closing risks) in connection with the Qualified Phase I Bids.

The Administrator, in consultation with the Companies, shall have the option, in its discretion, to aggregate Portion Bids into an Aggregate Bid.

The Administrator and the Companies shall be under no obligation to accept the highest or best offer or any offer (other than the offer contained in the Stalking Horse Agreement if no Superior Offer is accepted).

As soon as practicable after the Phase I Bid Deadline, the Administrator will advise an Interested Party whether or not its Phase I Bid constitutes a Qualified Phase I Bid and that it is a Qualified Phase I Bidder and, if such Phase I Bidder is a Qualified Phase I Bidder, that it is invited to participate in Phase II of the SISP.

Notwithstanding the requirements set forth in Section 11, the Stalking Horse Agreement shall be deemed to be a Qualified Phase I Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Phase I Bidder for all purposes of this SISP.

13. **No Qualified Phase I Bids**

If no Qualified Phase I Bid other than the Bid pursuant to the Stalking Horse Agreement is received by the Phase I Bid Deadline, the Stalking Horse Bidder shall be declared the Successful Bidder and the Stalking Horse Agreement shall be declared the Successful Bid.

PHASE II – BINDING BIDS

14. **Qualified Phase II Bid Requirements**

Only Qualified Phase I Bidders shall be entitled to submit a Phase II Bid. In order to be considered a Qualified Phase II Bid, as determined by the Administrator, in consultation with the Companies: (i) a Phase II Bid must satisfy all the requirements for a Qualified Phase I Bid contained in Section 11, provided, however, that the Phase II Bid Deadline shall apply in lieu of the Phase I Bid Deadline, as set forth below, and (ii) the Qualified Phase I Bidder must also submit the following, in form and substance satisfactory to the Administrator, in consultation with the Companies, on or before the Phase II Bid Deadline:

- (a) **Irrevocable Bid:** A cover letter confirming that the Phase II Bid is irrevocable until Court approval of the Successful Bid(s), provided that if such Phase II Bidder is selected as the Successful Bidder or the Back-Up Bidder, its Phase II Bid shall remain irrevocable until the Back-Up Bid Expiration Date, which includes:
 - (i) **Sale Proposal:** In the case of a Sale Proposal, a duly authorized and executed definitive purchase agreement, together with completed schedules thereto substantially in the form of the Form Purchase Agreement, together with a blackline comparing the purchase agreement submitted to the Form Purchase Agreement, which includes all or substantially all of the terms set out in the non-binding letter of intent submitted in Phase I; and
 - (ii) **Investment Proposal:** In the case of an Investment Proposal, a duly authorized and executed binding term sheet that includes all or substantially all of the terms set out in the non-binding investment proposal submitted in Phase I;
- (b) **Unconditional Bid:** Evidence that the Phase II Bid is not conditioned on: (i) the outcome of unperformed due diligence; (ii) obtaining financing; and/or (iii) any other material closing conditions;

- (c) Proof of Financial Ability to Perform: Written evidence upon which the Companies and the Administrator may reasonably conclude that the Phase II Bidder has the necessary financial ability to fully fund and consummate the transaction contemplated by the Phase II Bid and satisfy its obligations under the definitive purchase agreement, including: (i) binding equity or debt commitment letters and/or financial guarantees (i.e., bank guarantees) covering the full value of all cash consideration; (ii) evidence of the Phase II Bidder's internal financial resources; and (iii) any such other form of financial disclosure or credit-quality support information or enhancement requested by and reasonably acceptable to the Administrator, in consultation with the Companies, demonstrating that the Phase II Bidder has the ability to close the contemplated transaction;
- (d) Acknowledgment: An acknowledgement and representation that the Phase II Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents regarding the Companies, the Business and/or the Assets to be acquired, or liabilities to be assumed in making its Phase II Bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise) by the Companies, the Administrator, the Listing Agent, or any of their respective employees, directors, officers, agents, advisors or other representatives, regarding the Companies, the Business, the Assets to be acquired, liabilities to be assumed, or the completeness of any information provided in connection therewith, except as expressly provided in any definitive transaction documents;
- (e) Authorization: Evidence, in form and substance reasonably satisfactory to the Administrator, in consultation with the Companies, of authorization and approval from the Interested Party's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Phase II Bid, and confirmation that any other required approvals have been obtained;
- (f) Other: Such other information as may reasonably be requested by the Companies or the Administrator; and
- (g) Phase II Bid Deadline: it is received by the Administrator, with a copy to the Companies, at the addresses specified in Schedule "B" hereto (including by e-mail) on or before the Phase II Bid Deadline.

15. **Evaluation of Qualified Phase II Bids and Subsequent Actions**

The Administrator, in consultation with the Companies, shall evaluate Qualified Phase II Bids on various grounds, including but not limited to: (a) the Purchase Price or imputed or projected value, (b) the assumed liabilities, (c) the certainty of closing the transactions contemplated by the Qualified Phase II Bid on or before the Outside Date, and (d) any delay or other risks (including closing risks) in connection with the Qualified Phase II Bids.

Following such evaluation, the Administrator, with the approval of the Companies, shall:

- (a) identify if any Qualified Phase II Bid is a Superior Offer; and
- (b) if one or more Qualified Phase II Bids are considered to be a Superior Offer, each Qualified Phase II Bidder presenting a Superior Offer shall proceed to an auction (the “**Auction**”) with the Stalking Horse Bidder in accordance with the procedures set out in the attached Schedule “C” (the “**Auction Procedure**”) to identify the “**Successful Bid**”, and the Qualified Phase II Bidder making such Successful Bid will be the “**Successful Bidder**”. The determination of any Successful Bid by the Administrator, with the approval of the Companies, shall be subject to approval by the Court.

The Administrator, in consultation with the Companies, shall have the option to aggregate Portion Bids into an Aggregate Bid. Notwithstanding anything to the contrary herein, the Administrator, in consultation with the Companies, shall be permitted to include Qualified Investment Bids or Qualified Sale Bids in the Auction, including to the extent such Qualified Phase II Bids are Portion Bids, provided that such Qualified Investment Bids or Qualified Sale Bids constitute a Superior Offer.

Notwithstanding the requirements set forth in Section 14, the Stalking Horse Agreement shall be deemed to be a Qualified Phase II Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Phase II Bidder for all purposes of this SISP.

Following the selection of the Successful Bid, the Companies shall take such steps as may be necessary to finalize definitive transaction documents for the Successful Bid(s) with the Successful Bidder(s) prior to Court approval of the Successful Bid.

The Administrator, with the approval of the Companies, may conditionally accept one or more (if for distinct and compatible transactions that are Portion Bids) Qualified Phase II Bids, which acceptance will be conditional upon the failure of the transaction(s) contemplated by the Successful Bid to close (the “**Back-up Bid**”, and Qualified Phase II Bidder making such Back-up Bid being the “**Back-up Bidder**”).

For greater certainty, any accepted offer, whether at the Auction or otherwise, must constitute a Superior Offer.

As soon as reasonably practicable and by no later than three days after the Phase II Bid Deadline, the Administrator shall advise the Qualified Phase II Bidders if Successful Bid(s) and Back-Up Bid(s) have been accepted, or conditionally accepted, as the case may be. If the Administrator, in consultation with the Companies, determine it is necessary to conduct an Auction pursuant to the SISP Procedures, the Administrator, as soon as reasonably practicable and by no later than April 14, 2025, will advise the Qualified Phase II Bidders of the date, time, location and the rules (if any) of the Auction in accordance with the Auction Procedure.

16. **No Qualified Phase II Bids**

If no Superior Offer is received by the Phase II Bid Deadline, the Auction will not be held, and the Stalking Horse Bidder will be declared to be the Successful Bidder and the Stalking Horse Agreement shall be declared the Successful Bid.

17. **Allocation of Purchase Price**

The Companies reserve the right to allocate, as between themselves, the Purchase Price of a Successful Bid, acting reasonably and in consultation with the Administrator, at a later date for distribution purposes.

APPROVAL MOTION

18. **Approval Application**

The Companies shall use reasonable efforts to bring an application to the Court to approve the Successful Bid(s) and Back-Up Bid(s) as soon as practicable following the determination by the Administrator, with the approval of the Companies, of the Successful Bidder(s) and the execution of definitive documents (the “**Sale Approval Hearing**”). The Companies will be deemed to have accepted the Successful Bid(s) only when it has been approved by the Court. All Qualified Phase II Bids (other than the Successful Bid(s) and the Back-Up Bid(s)) shall be deemed rejected by the Companies on and as of the date of approval of the Successful Bid(s) by the Court.

19. **Back-Up Bidder**

If a Successful Bidder fails to close the transaction contemplated by the Successful Bid(s) on or before the Outside Date for any reason, then the Companies will be deemed to have accepted the Back-Up Bid(s) and will proceed with the transaction pursuant to the terms thereof. The Back-Up Bid(s) shall remain open for acceptance until the closing of the Successful Bid(s), or such other later date as the Companies and the Back-Up Bidder may agree, acting reasonably (the “**Back-Up Bid Expiration Date**”).

20. **Information From Interested Parties**

Each Interested Party shall comply with all reasonable requests for additional information by the Companies, the Administrator, or the Listing Agent regarding such Interested Party and its contemplated transaction. Failure by an Interested Party to comply with the requests for additional information will be a basis for the Administrator, in consultation with the Companies, to determine that the Interested Party is not a Qualified Phase I Bidder or a Qualified Phase II Bidder, as applicable.

21. **Deposits**

All deposits shall be held by the Administrator in a non interest-bearing account designated solely for such purpose. A deposit made by a Successful Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Successful Bid. Deposits, and any interested earned thereon, paid by Phase I Bidders not selected as either a Qualified Phase I Bidder or a Qualified Phase II Bidder shall be returned

to such Phase I Bidder or Phase II Bidder as soon as practicable, and in any event no later than seven (7) Business Days of being advised that it is not a Qualified Phase I Bidder or a Qualified Phase II Bidder, as the case may be. Deposits, and any interest thereon, paid by a Qualified Phase II Bidders not selected as either a Successful Bidder or a Back-Up Bidder shall be returned to such Qualified Phase II Bidders as soon as practicable, and in any event no later than seven (7) Business Days following Court approval of the Successful Bid. In the case of Back-Up Bid(s), the deposit and any interest earned thereon shall be retained by the Administrator until the Back-Up Bid Expiration Date and returned to the Back-Up Bidder as soon as practicable, and in any event no later than seven (7) Business Days thereafter or, if a Back-Up Bid becomes a Successful Bid, shall be dealt with in accordance with the definitive documents for the Back-Up Bid.

22. **Modifications and Termination**

The Administrator, in consultation with the Companies, shall have the right to adopt such other rules for the SISP Procedures (including rules that may depart from those set forth herein) that will better promote the sale of the Business or all or any part of the Assets or investment in the Companies under this SISP. The Companies, in consultation with the Administrator and the Stalking Horse Bidder, shall apply to the Court, on no less than five business days' notice to the Stalking Horse Bidder, if it wishes to materially modify or terminate the process set out in this SISP. For certainty, any amendments to the Phase I Bid Deadline or the Phase II Deadline or other dates set out in this SISP, including those relating to the Auction, shall not constitute a material modification, provided that any extensions to the Phase I Bid Deadline or the Phase II Deadline are not longer than fourteen calendar days.

23. **Confidentiality and Access to Information**

The DIP Lender, the Stalking Horse Bidder and all participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the SISP, including the details of any confidential discussions or correspondence between the Administrator and such other participants in connection with the SISP, except to the extent that the Administrator, with the consent of the applicable participants, seeks to combine Portion Bids into a single Bid.

All discussions regarding the SISP should be directed through the Administrator. Under no circumstances should any participants and prospective participants be in contact with one another in respect of its involvement in the SISP without the prior written consent of the Administrator and the Companies. Any such unauthorized contact or communication could result in exclusion of the Interested Party from the SISP at the discretion of the Court.

24. **Other**

Neither the Companies nor the Administrator shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid(s) and Back-Up Bid(s). Any

such claim shall be the sole liability of the parties that submitted such Successful Bid(s) and Back-Up Bid(s).

This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Companies, the Administrator and any Known Potential Bidder, Phase I Bidder, Phase II Bidder, a Successful Bidder or Back-Up Bidder, or any creditor, or other stakeholder, for any act or omission related to this SISP.

The Companies, the Administrator and the Listing Agent shall not have any liability whatsoever to any person or party, including without limitation, to any Known Potential Bidder, Phase I Bidder, Phase II Bidder, a Successful Bidder or Back-Up Bidder, or any creditor, or other stakeholder, for any act or omission related to this SISP. By submitting a Bid, each Interested Party shall be deemed to have agreed that it has no claim against the Companies, the Administrator or the Listing Agent for any reason, matter or thing whatsoever related to this SISP.

At any time during the course of the SISP, the Administrator may apply to the Court for advice and directions with respect to the discharge of its obligations and duties herein.

**SCHEDULE “A”
ACKNOWLEDGMENT OF THE SISP**

The undersigned hereby acknowledges receipt of the Sale and Investment Solicitation Process (the “**SISP**”) and that compliance with the terms and provisions of the SISP is required in order to participate in the SISP and for any Bids to be considered by the Companies.

This _____ day of [_____,] 2025.

[NAME]

By:

[Signing Officer]

**SCHEDULE “B”
ADDRESS PARTICULARS**

To the Administrator:

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto, ON, M5E 1C5
Canada

Attention: Matthew Marchand and Adam Boettger
E-mail: mmarchand@bdo.ca | aboettger@bdo.ca

To the Companies:

Travel + Leisure Co.
6277 Sea Harbor Drive
Orlando, FL, 32821
U.S.A.

Attention: Erik Brandt and David Oigarden and Tony Cimo
E-mail: Erik.Brandt@travandleisure.com | David.Oigarden@travandleisure.com | Anthony.cimo@travandleisure.com

With a copy to:

Thornton Grout Finnigan LLP
100 Wellington Street West, TD West Tower, Suite 3200
Toronto, ON, M5K 1K7
Canada

Attention: Mitch Grossell and Adam Driedger
E-mail: mgrossell@tgf.ca | adriedger@tgf.ca

SCHEDULE “C” AUCTION PROCEDURES

Auction

1. If the Administrator, in consultation with the Companies, decides to conduct an Auction pursuant to the SISP Procedures, the Administrator will notify the Qualified Phase II Bidders (including the Stalking Horse Bidder) who made a Qualified Phase II Bid that the Auction will be held at a location to be determined (which, for greater certainty, may take place virtually) at 10:00 a.m. (Pacific Time) on a date that is determined by the Administrator, in consultation with the Companies, provided that it is a date that is not later than April 17, 2025, or such other place, date and time as the Companies or the Administrator may advise. Capitalized terms used but not defined herein have the meaning given to them in the SISP Procedures.

The Auction shall be conducted in accordance with the following procedures:

- (a) Participation at the Auction. Only a Qualified Phase II Bidder is eligible to participate in the Auction. Each Qualified Phase II Bidder must inform the Administrator whether it intends to participate in the Auction by no later than 12:00 p.m. (Pacific Time) on the Business Day prior to the Auction. Only the authorized representatives of each of the Qualified Phase II Bidders, the Administrator and legal counsel of the Companies, and their respective advisors, and any other parties acceptable to the Administrator, shall be permitted to attend the Auction.
- (b) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The highest Qualified Phase II Bid at the beginning of the Auction shall constitute the “**Opening Bid**” for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the “**Opening Bid**” for each following round. In each round, each Qualified Phase II Bidder may submit no more than one Overbid. Only a Qualified Phase II Bidder who bids in a round (including the Qualified Phase II Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction. For greater certainty, an Aggregate Bid may be determined to be the Opening Bid for any round including the opening round.
- (c) Administrator Shall Conduct the Auction. The Administrator and its advisors shall direct and preside over the Auction. At the start of the Auction, the Administrator shall provide the terms of the Opening Bid to all participating Qualified Phase II Bidders at the Auction and the true identity of bidders, including their principals. The determination by the Administrator of which bid constitutes the Opening Bid for each round shall take into account any factors that the Administrator reasonably deems relevant to the value of the Qualified Phase II Bid, including, among other things, the following: (i) the amount and nature of the consideration, including the value of any non-cash consideration; (ii) the proposed assumption of any liabilities; (iii) the Administrator’s reasonable assessment of the certainty of the Qualified Phase II Bidder to close the proposed transaction on or before the Outside Date;

(iv) the likelihood, extent and impact of any potential delays in closing; (v) the impact of the contemplated transaction on any actual or potential litigation; (vi) the net economic effect of any changes from the Opening Bid of the previous round; and (vii) such other considerations as the Administrator deems relevant in its reasonable business judgment (collectively, the “**Bid Assessment Criteria**”). For greater certainty, the Administrator may ascribe monetary values to non-monetary terms in Overbids for the purposes of assessing and valuing such Overbids, including without limitation, the value to be ascribed to any liabilities or contracts to be assumed. All Bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and best Overbids shall be fully disclosed to all other Qualified Phase II Bidders that are participating in the Auction. The Administrator shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid and the Back-Up Bid.

- (d) Terms of Overbids. An “**Overbid**” is any Bid made at the Auction subsequent to the Administrator’s announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Phase II Bidder must comply with the following conditions:
- (i) *Minimum Overbid Increment:* Any Overbid shall be made in CAD \$250,000 increments (the “**Minimum Overbid Increment**”). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbids Increment(s) at that time plus any additional Minimum Overbid Increments.
 - (ii) *The Bid Requirements same as for Qualified Phase II Bids:* Except as modified herein, an Overbid must comply with the bid requirements contained herein, provided, however, that the Phase II Bid Deadline shall not apply. Any Overbid made by a Qualified Phase II Bidder must provide that it remains irrevocable and binding on the Qualified Phase II Bidder and open for acceptance until the closing of the Successful Bid(s).
 - (iii) *Announcing Overbids:* At the end of each round of bidding, the Administrator shall announce the identity of the Qualified Phase II Bidder and the material terms of the then highest and/or best Overbid, including the nature of the proposed transaction contemplated by the best Overbid, the assets proposed to be acquired and the obligations proposed to be assumed, the basis for calculating the total consideration offered in such Overbid, and the resulting benefit to the Companies based on, among other things, the Bid Assessment Criteria. For greater certainty, an Aggregate Bid may be determined to be the highest and/or best Overbid.
 - (iv) *Consideration of Overbids:* The Administrator reserves the right, in consultation with the Companies, to make one or more adjournments in the Auction to, among other things: (A) facilitate discussions between the

Companies and individual Qualified Phase II Bidders; (B) allow individual Qualified Phase II Bidders to consider how they wish to proceed; (C) consider and determine the current highest and/or best Overbid at any given time during the Auction; (D) facilitate discussions among Portion Bidders with respect to an Aggregate Bid, or (E) give Qualified Phase II Bidders the opportunity to provide the Administrator with such additional evidence as it, or the Companies, may require, that the Qualified Phase II Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Administrator and Companies may have clarifying discussions with a Qualified Phase II Bidder, and the Administrator may allow a Qualified Phase II Bidder to make technical clarifying changes to its Overbid following such discussions.

- (v) *Portion Bids:* Notwithstanding the foregoing, each Portion Bidder entitled to participate in the Auction shall be entitled to submit an Overbid with respect to the Assets on which it is bidding without being required to submit an Overbid with respect to all Assets or the applicable Opening Bid; provided that any Aggregate Bid that is an Overbid shall be subject to these Auction Procedures as any other Overbid, including that such Aggregate Bid that is an Overbid shall be subject to the Minimum Overbid Increment. Portion Bids can be aggregated with any other Qualified Phase II Bid, as determined by the Companies and the Administrator.
- (vi) *Failure to Bid:* If at the end of any round of bidding, a Qualified Phase II Bidder (other than a Portion Bidder, or the Qualified Phase II Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Phase II Bidder shall not be entitled to continue to participate in the next round of the Auction.
- (e) Discussion with other Bidders. A Qualified Phase II Bidder shall not strategize or have discussions with other Qualified Phase II Bidders for the purpose of submitting an Overbid without the consent of the Administrator. Notwithstanding the foregoing, the Administrator may facilitate discussions among Portion Bidders to permit two or more Qualified Phase II Bidders to form an Aggregate Bid that is an Overbid.
- (f) Additional Procedures. The Administrator may, in consultation with the Companies, adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction and the order of bidding, provided they are not inconsistent with any of the provisions of the SISP Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Phase II Bidders.

- (g) Closing the Auction. The Auction shall be closed after the Administrator, in consultation with legal counsel to the Companies, has (i) reviewed the final Overbid of each Qualified Phase II Bidder on the basis of financial and contractual terms and the factors relevant to the sales process, including those factors affecting the speed and certainty of consummating the proposed sale, and (ii) identified the Successful Bid and the Back-Up Bid and advised the Qualified Phase II Bidders participating in the Auction of such determination. One or more Portion Bids can, in the discretion of the Administrator, form part of a Successful Bid and Back-Up Bid so long as such Portion Bids do not overlap in respect of the Assets sought to be purchased and in such case, such Portion Bid(s) shall be included in the definition of Successful Bidder or Back-Up Bid, as applicable.
- (h) Finalizing Documentation. Promptly following a Bid of a Qualified Phase II Bidder being declared the Successful Bid or the Back-Up Bid, the applicable Qualified Phase II Bidder shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Bid or Back-Up Bid.
- (i) Qualified Investment Bids. Notwithstanding any other provisions of this SISP, if a Qualified Phase II Bidder submits a Qualified Investment Bid that the Administrator, in consultation with the Companies, consider would result in a greater value being received for the benefit of the Companies' creditors than the Qualified Sale Bids, then the Administrator may allow such Qualified Phase II Bidder to participate in the Auction, notwithstanding that such Qualified Investment Bid may not otherwise comply with the terms of these Auction Procedures. In such case, the Administrator may adopt appropriate rules to facilitate such Qualified Phase II Bidder's participation in the Auction.