

COURT FILE NUMBER 1903-04121
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON



IN THE MATTER OF THE TRUSTEE ACT, RSA 2000, C
T-8 SECTIONS 43 AND 46

APPLICANTS WESTPOINT INVESTMENT TRUST BY ITS TRUSTEE
MUNIR VIRANI AND MARNIE KIEL

RESPONDENTS WESTPOINT CAPITAL CORPORATION, WESTPOINT
CAPITAL MANAGEMENT CORPORATION,
WESTPOINT CPAITAL SERVICES CORPORATION,
WESTPOINT SYNDICATED MORTGAGE
CORPORATION, CANADIAN PROPERTY DIRECTI
CORPORATION, WESTPOINT MASTER LIMITED
PARTNERSHIP, RIVER'S CROSSING LTD., 1897869
ALBERTA LTD., 1780384 ALBERTA LTD., 1897837
ALBERTA LTD.

DOCUMENT FIRST REPORT TO THE COURT OF BDO CANADA
LIMITED IN ITS CAPACITY AS INTERIM RECEIVER
OF WESTPOINT CAPITAL CORPORATION ET AL

DATED APRIL 1, 2019

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List of Exhibits

1. Interim Receivership Order dated March 8, 2019
2. Final Order granting approval of Arrangement Agreement dated July 14, 2015
3. Interim Receiver's Statement of Receipts and Disbursements for the period March 8, 2019 to March 27, 2019
4. Interim Receiver's Statement of Receipts and Disbursements for the trust funds held for Drumheller et al period March 8, 2019 to March 27, 2019
5. Interim Receiver's Statement of Receipts and Disbursements for the trust funds held for RCL period March 8, 2019 to March 27, 2019
6. Interim Receiver's Statement of Receipts and Disbursements for the period March 8, 2019 to March 27, 2019 for River's Crossing Ltd.
7. Projected cash flow for April 1, 2019 to June 30, 2019
8. Transfer of share documents from First Source Development Corp. and The Village at Paldi Ent. Ltd. to Westpoint Capital Corporation

Introduction

1. On March 8, 2019, the Court of Queen's Bench of Alberta (the "**Court**") granted an Order (the "**Order**") appointing BDO Canada Limited as an Interim Receiver ("**BDO**" or the "**Interim Receiver**") in respect of Westpoint Capital Corporation ("**WCC**"), Westpoint Capital Management Corporation ("**WCMC**"), Westpoint Capital Services Corporation ("**WCSC**"), Westpoint Syndicated Mortgage Corporation ("**WSMC**"), Canadian Property Direct Corporation ("**CPDC**"), Westpoint Master Limited Partnership ("**WMLP**"), River's Crossing Ltd. ("**RCL**"), 1897869 Alberta, Ltd. ("**869**"), 1780384 Alberta Ltd. ("**178**"), 1897837 Alberta Ltd. ("**837**"), (collectively the "**Companies**"). A copy of the Order is attached as **Exhibit 1**.
2. The purpose of this report (the "**First Report**") is to provide this Honourable Court with:
 - a) The background information of the Trust;
 - b) A summary of the Interim Receiver activities to date;
 - c) A Statement of Receipts and Disbursements for the period March 8, 2019 to March 27, 2019;
 - d) A summary of the assets and liabilities of the Companies; and
 - e) To seek approval to appoint BDO as Receiver for the Companies.
3. This report should be read in conjunction with the First Report of the Judicial Trustee of WestPoint Investment Trust.

Limitation of Report

4. The information contained in the Interim Receiver's First Report has been obtained from the records of the Company, publicly available information, including an Affidavit sworn by Munir Virani on February 25, 2019 which was filed in these proceedings on February 26, 2019 (the

"Munir Affidavit"), and/or based upon discussions with and representations made by the Company's management and other professional advisors retained in this matter. The information was not audited nor otherwise verified by the Interim Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles, and the reader is cautioned that this report may not disclose all significant matters about the Company. Accordingly, we do not express an opinion or any other form of assurance on the information presented herein. The Interim Receiver may refine or alter its observations as further information is obtained or is brought to its attention after the date of this First Report.

5. The Interim Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of circulation, publication, reproduction, or use of the Receiver's First Report. Any use that any party makes of this First Report or reliance on or decisions to be made based on its responsibility of such party.
6. A copy of the Interim Receiver's First Report and other relevant documents in the interim receivership proceedings are available on the Interim Receiver's website at <http://www.extranets.bdo.ca/WCC ET. AL.>

Background

7. WIT was established by way of a Declaration of Trust dated June 1, 2015. The Declaration of Trust was amended and restated by an agreement on September 3, 2015 and made effective June 30, 2015. The Trust is a mutual fund trust with the purpose of investing in mortgage and real estate assets.
8. Prior to WIT being established, the assets of the Trust were part of two (2) Mortgage Investment Corporations ("MIC"). The MICs held assets in British Columbia and Alberta and these assets were primarily mortgages.

9. WCC provided mortgage administration, capital raising and mortgage brokerage services to the MICs. Another corporation, WCSC provided business support services, staffing and office space to the MICs.
10. The Trust, WCC and the MICs entered into the Arrangement Agreement whereby:
 - a) The MIC's affairs were rearranged; and
 - b) The MICs assets were consolidated into the Trust by way of MIC shareholders exchanging their shares in exchange for units of the Trust, (the "Arrangement").
11. The main reason for the Arrangement was there were income tax concerns arising from the MICs' interest in real estate assets as a result of foreclosure actions. Investors in the MICs received information circulars in support of the Arrangement.
12. On July 14, 2015, the Arrangement was approved by way of a Court Order granted by this Honourable Court. A copy of this Order is attached as **Exhibit 2**.
13. WIT holds a beneficial interest in assets comprising mostly mortgages and some real estate holdings, which are held by various Companies in trust for WIT.
14. The foregoing is intended as a very brief overview. More detail of the foregoing is contained in the Munir Affidavit filed in these proceedings, a copy of which can be found on the website established by BDO as set out above.

Interim Receiver's Initial Activities

15. Upon the Interim Receiver's appointment or shortly thereafter, the Interim Receiver took the following actions to protect the interests of the estate:

- a) Reviewed the Companies cash flow to see what funding is required in order to protect the assets of the Trust;
- b) Initiated the process of finding funding to fund necessary expenses;
- c) Reviewed the assets with the Former Directors to establish an understanding of the assets and the status of each mortgage or property owned by the Companies;
- d) Reviewed various legal actions with the Former Directors to determine what the next steps are, if any; and
- e) Made arrangements with the bookkeepers to update the books and records of the Companies to the date of the Interim Receivership.

Interim Receiver's Statement of Receipts and Disbursements

16. Attached as **Exhibit 3** is a copy of the Interim Receiver's Statement of Receipts and Disbursements for the unrestricted accounts of the Companies. As at March 27, 2019 the Interim Receiver has available to it a total of \$58,577.
17. The Interim Receiver was provided the following comments of the transactions from the management of the Companies.
 - a) The mortgage payments received are from the various mortgages held by WCC: and
 - b) The Transfer from the Trust includes a payroll claw back and deposit returned to subtenants.
18. The WCC holds funds in trust for various parties as shown in the table below.

RESTRICTED FUNDS - Trust Account	
Funds available as at March 8, 2019	
Drumheller - Rent to own deposit	\$ 36,700
Overpayment of Wandering River/Bruderham Property	881
Syndicated Investor Funds	12,125
Fawkes Properties - service payment	2,100
Total	<u>\$ 51,806</u>

19. Attached as **Exhibit 4** is a copy of the Interim Receiver's Statement of Receipts and Disbursements for the restricted Trust account. As at March 27, 2019 the Interim Receiver has available to it a total of \$52,129.
20. The Interim Receiver was provided the following comments of the transactions from the management on the restricted Trust account.
 - a) Payroll Claw back – one member of management has a personal assistant that was paid through WCSC for their convenience. The payroll amount and the corresponding deductions would then be reimbursed against the individuals' payroll and deposited into the Trust account then transferred into the unrestricted funds account; and
 - b) The mortgage payments received are from the various mortgages held by WCC.
21. The WCMC holds funds in trust for two joint venture homes related to RCL. The table below summarize the funds held in trust.

RESTRICTED FUNDS - WCMC Rental	
Funds available as at March 8, 2019	
240 Shadow Mountain	\$ 6,025
228 Shadow Mountain	18,735
Total	<u>\$ 24,760</u>

22. Attached as **Exhibit 5** is a copy of the Interim Receiver's Statement of Receipts and Disbursements for the Restricted WCMC account. As at March, 2019 the Interim Receiver has available a total of \$24,754.
23. Attached as **Exhibit 6** is a copy of the Interim Receiver's Statement of Receipts and Disbursements for the River's Crossing Ltd. "RCL" account. As of March 27, 2019 the Interim Receiver has available a total of \$24,826.
24. Funds were left in each of the Companies accounts subsequent to March 8, 2019 to ensure funding for payroll, as well as other necessary direct withdrawals, such as utilities, insurance, etc. The accounts are now in the process of being closed by the Interim Receiver. Letters to close the account will be sent shortly to the banks.

Projected Cash flow

25. Attached as **Exhibit 7** is a copy of a Projected Cash flow for the period, April 1, 2019, to June 30, 2019. Based on the Projected Cash Flow, the Companies do not have sufficient funds to operate from May 2019 onward, without a cash injection.

Westpoint Capital Corporation ("WCC")

Background

26. WCC was incorporated under the laws of the Province of Alberta on August 25, 2009 and is an investment fund manager that manages mortgages on various real properties.

Assets

Mortgage – Calgary, AB

27. The civic address for the Calgary property is 42 Auburn Sound Landing SE, Calgary, AB (legally described as Lot 58, Block 4, Plan 0612118).
28. WCC holds a second mortgage on the above property. Based on a review of the mortgage documents the Interim Receiver makes the following comments:
 - a) The mortgagor is in default under the terms of the mortgage, as the mortgage has matured and the term has expired;
 - b) The maturity date of the mortgage was 365 days from the date that all or any portion of the principal amount is advanced;
 - c) The mortgage was executed on the 12th day of June 2012; and
 - d) The mortgagor has continued to make interest only payments at a rate of 15.48% semi-annually and an additional 6% interest bonus annually.
29. The Interim Receiver is in the process of confirming the current balance owing on the first mortgage.
30. Based on a search of the 2019 city tax assessment, the property was valued for tax purposes at \$1,190,000.
31. The Interim Receiver is in the process of obtaining an appraisal on the property. As such, the Interim Receiver cannot at this time comment on a possible realizable value of the mortgage.

Mortgage – Beaumont, AB

32. The civic address for this property is 5222-58 Street, Beaumont, AB (which is legally described as Lot 17, Block 9, Plan 7822295).

33. WCC holds a second mortgage on the above property. Based on a review of the mortgage documents the Interim Receiver makes the following comments:
- a) The mortgagor is in default of the terms of the mortgage, as the mortgage has matured and the term has expired;
 - b) The maturity date of the mortgage was 365 days from the date that all or any portion of the principal amount is advanced; and
 - c) The mortgage was executed on the 28th day of November 2014.
34. The mortgagor has continued to make interest only payment at a rate of 12.75% per annum and compounded semi-annually before maturity and 13.06% interest per annum calculated and compounded semi-annually after maturity.
35. The Interim Receiver is in the process of confirming the current balance owing on the first mortgage.
36. Based on a search of the 2019 city tax assessment, the property was valued for tax purposes at \$357,800.
37. The Interim Receiver is in the process of obtaining an appraisal on the property. As such, the Interim Receiver cannot at this time comment on a possible realizable value of the mortgage.

Mortgage – Edmonton, AB

38. Luxury Greens by Soren Homes Ltd., is the registered owner of real properties located at 20245 – 93 Avenue, Edmonton, AB (legally described as Lots 232 and 233, Blocks 1 through 43, Condominium Plan 1721169).
39. WCC holds a blanket second mortgage on the above properties. Based on a review of the mortgage documents the Interim Receiver makes the following comments:

- a) The mortgage is at 0% interest for a 3 year term; and
 - b) The mortgage was executed on the 19th day of May 2017.
40. WCC holds a blanket third mortgage on the above properties. Based on a review of the mortgage documents the Interim Receiver makes the following comments:
- a) The mortgage is at 12% interest annually;
 - b) WCC had advised that this mortgage was rolled over from a previously owned property by the registered owner; and
 - c) The mortgage was executed on the 12th of June 2018.
41. Based on a search of the 2019 city assessment, the property was valued for tax purposes in the aggregate of \$12,361,500.
42. The Interim Receiver is in the process of obtaining an appraisal on the property. As such, the Interim Receiver cannot at this time comment on a possible realizable value of the mortgages.
43. The Interim Receiver is in the process of confirming the balance owing on the first mortgage.

Mortgage - Drumheller, AB

44. 178 is the registered owner of real properties legally described as: Lots 1 through 8, Block 11, Plan: 1110970.
45. WCC holds a blanket first mortgage on the above properties.
46. The Interim Receiver is in the process of obtaining an appraisal on the property. As such, the Interim Receiver cannot comment on a possible realizable value of the mortgage.
47. For further information, see below under section "178".

Mortgage – Bruderheim, AB

48. 837 is the registered owner of real property located at 555051 Range Road 203, Lamont County, AB. (legally described as Lot 1, Block 1, Plan 0827309 containing 13 Hectares (32.12 Acres) more or less excepting there out Plan 1420761 Subdivision containing 2.65 Hectares (6.55 Acres) more or less).
49. WCC holds three mortgages on the above properties.
50. Royalty Park Realty of Edmonton, AB originally listed a portion of the above noted property containing approximately 7 acres, a 45 MVA transformer and a power substation described as the Crypto-Currency Power Facility for \$7.9 million. The listing price was subsequently reduced to \$6.9 million.
51. Royalty Park Realty of Edmonton, AB originally listed a portion of the above noted property containing approximately 15 acres, a 44,000 square foot building with heavy power on site, CN and CP dual rail access and a rail spur into the building described as the Bruderheim Industrial Rail Facility for \$5.9 million. The listing price was subsequently reduced to \$4.9 million.
52. The last appraisal on the property was prepared by Northern Real Estate Appraisals of Edmonton, AB and is dated May 1, 2014.
53. The Interim Receiver is in the process of obtaining an appraisal on the property. As such, the Interim Receiver can not comment on a possible realizable value of the mortgage.
54. For further information, see below under section "837".

Mortgage – Wandering River, AB

55. 869 is the registered owner of real property builders lots in Athabasca County, AB which includes the following:
 - a) Lots 2 through 8, Block 1, Plan 1021304;

- b) Lots 6 through 14, Block 2, Plan 1021304;
 - c) Lot 16, Block 2, Plan 1021304; and
 - d) Lots 18 through 23, Block 2, Plan 1021304.
56. The Interim Receiver is in the process of obtaining an appraisal on the property. As such, the Interim Receiver cannot comment on a possible realizable value of the mortgage.
57. For further information, see below under section "869".

Mortgage – The Village at Paldi Ent. Ltd. ("PALDI")

58. On March 13, 2014, under the terms of a forbearance agreement, WCC acquired all of the issued share capital of First Source Development Corp. ("FSDC") from Anthony Kubica. WCC then acquired all of the issued share capital of PALDI from FSDC. Attached as **Exhibit 6**, is evidence of the share transfer to WCC.
59. PALDI is the registered owner of several parcels of real property including:
- a) East ½ of Section 10, Range 2, Sahtlam District, lying to the North of the right of way of the Esquimalt and Nanaimo Railway Corporation;
 - b) Part of Section 10, Range 3, Sahtlam District lying to the north of the right of way of the Esquimalt and Nanaimo Railway Company;
 - c) Part of Section 10, Range 4, Sahtlam District lying to the north of the right of way of the Esquimalt and Nanaimo Railway Company;
 - d) All that part of Lot A, Block 162, Seymour District, Plan 19885 described as follows: commencing at the north-easterly corner of Section 10, Range 4, Sahtlam District; thence northerly and

perpendicular to the north boundary of the said Section 10, Range 4, a distance of 48.118 metres more or less to the southeasterly boundary of Plan 635 r/w; thence southwesterly and northwesterly and following the southeasterly and southwesterly boundary of the said Plan 635 r/w a distance of 816.989 metres; thence southerly and perpendicular to the said northerly boundary of Section 10, Range 4, a distance of 132.249 meters more or less to the northwesterly corner of the said section 10, Range 4, thence easterly and following the said north boundary to the point of commencement, save an except there out and therefrom that part included in Plan 2831 r/w to which the registrar hereby assigns the distinguishing letter "A"; and

- e) Block 168, Seymour District, containing 40 acres more or less except part in Plan 2073 RW.
60. The Paldi property is currently listed by Brian Hebbert of Royal LePage Duncan Realty for \$1.5 million.
61. The Interim Receiver is in the process of obtaining an appraisal on the property. As such, the Interim Receiver cannot comment on a possible realizable value of the mortgage.

Mortgage – Beach Grove Properties

62. Beach Grove Properties Ltd. ("BGPL") is the registered owner of real property described as Lot 1, Section 9, Township 21, Range 10 West of the 6th Meridian, Kamloops Division, Yale District Plan KAP44752 except Strata Plan EPS1523 (Phase 1). Addition inform.
63. House & Castle Construction Ltd. ("HCCL") is the registered owner of real property described as Lot 57, Section 17, Township 22, Range 10 West of the 6th Meridian, Kamloops Division, Yale District Plan KAP44752.

64. The above properties were part of a three (3) phase vacation property development plan on the Shuswap Lake near Salmon Arm, BC which when complete would be comprised of forty-three (43) units.
- a) Phase 1 was to be fourteen (14) units farthest from the lake. The Former Directors have indicated that seven (7) units have been sold and the other seven (7) are close to completion and would require only a minimal cash investment to complete;
 - b) Phase 2 was units to be built closest to the lake. The Former Directors have indicated that thirteen (13) to fourteen (14) units have been completed to the lockup stage where the exteriors are complete but the interiors are not finished as the buyers are to select the interior finishes; and
 - c) Phase 3 was to be units built between the Phase 1 and Phase 2 properties. The Former Directors have indicated that these are presently empty lots.
65. The Interim Receiver is in the process of obtaining an appraisal on the properties. As such, the Interim Receiver cannot comment on a possible realizable value of the mortgage.
66. Foreclosure proceedings by WCC were underway on the properties, however were stayed as a result of a counter-claim filed by the Principle of BGPL and HCCL. The Interim Receiver is in the process of reviewing the documentation regarding both the foreclosure and the counter-claim. Given the preliminary stage of its review, the Interim Receiver is unable to comment on the merits of the counterclaim.

Mortgage – 112 Purcell Road, Cranbrook, BC (Strata Lot 50)

67. RCL (a related company) is the registered owner of real property described as 112 Purcell Road, Cranbrook, BC (legally described as Strata Lot 50, District Lot 5267, Kootenay District Strata Plan EPS136 together with an interest in the common property in proportion to the unit

entitlement of the Strata Kit as shown on Form V and an Undivided 1/918 Share in Lot 1, Plan EPP4579 (See Plan EPP4579 as to limited access).

68. This house and lot are complete and were originally listed by Re/Max Blue Sky Realty in Cranbrook, BC for \$649,900. In March 2019, the price was reduced to \$589,000.
69. Capital Direct Lending Corporation holds a first mortgage on the property. As of the date of this report, the amount of the original mortgage and the outstanding balance owing on the mortgage is not yet known.
70. The Interim Receiver has engaged Rocky Mountain Appraisal of Cranbrook, B.C. to complete an appraisal of the property. As of the date of this report, the appraisal has not yet been completed.
71. Additional information is provided in the RCL Section of the Report below.

Due from affiliates

72. Based on the audited 2017 financial statements, WCC is owed approximately \$1.5 million from affiliated entities. This is summarized below.

Company Name	Amount as at December 31, 2017
Westpoint Syndicated Mortgage Corporation	\$567,606
Westpoint Capital Service Corporation	479,869
Westpoint Capital Management Corporation	300,088
Westpoint Master Limited Partnership	287,619
Canadian Property Direct Corporation	4,302
Westpoint Investment Trust	100
Fair value discount	<u>(153,047)</u>
Total	<u>\$1,486,537</u>

73. The 2017 Statements are the most recent financial information available to the Interim Receiver, as no financial statements were prepared for the 2018 fiscal year.

Liabilities

74. According to the WCC Financial Statements for the fiscal year ending December 31, 2017, there were approximately \$60,000 of unsecured creditors at that time and approximately \$118,000 of Trust liabilities.
75. As at December 31, 2017, WCC owes Virani Capital Corporation \$178,489.
76. The Interim Receiver has requested but has not yet received a current list of unsecured creditors from the Former Directors.
77. WCC is indebted to Brian C. Markus in the amount of \$13,500 for legal services related to the foreclosure proceedings initiated on the Beach Grove Properties mortgage. See the Mortgage – Beach Grove Properties section above for further details.
78. Alberta Treasury Branches has a registered General Security Agreement on all present and after-acquired property of WCC.

Litigation

79. WCC has approximately 10 ongoing litigation matters which are discussed below. The Interim Receiver and its counsel are still in the process of obtaining documentation, as well as speaking to the lawyers acting in each matter. As such the summary below is based on the Interim Receiver's initial discussions with the Former Trustees and following further review, the preliminary comments below may not be entirely accurate and may significantly change.

Star Prebuilt Homes Ltd.

80. WCC issued letters of credit ("LOCs") to Igloo Pre-built Homes ("Igloo"), for Tri State Signature Homes Ltd ("Signature"). Signature had two related companies, Tri State Community Homes Ltd. ("Community") and Trend Aurora Ltd. ("Aurora").
81. These LOCs were assigned by Igloo to Star Prebuilt Homes Ltd ("Star").

82. The total amount alleged to be owing on the LOCs is approximately \$1.86 million.
83. Star's position is that WCC issued the LOCs to secure the indebtedness of all three parties, namely, Aurora, Community, and Signature. WCC's position is that they were only issued for the benefit of Signature and the amount owing under the Signature LOC has been paid in full.
84. A trial date has apparently been set for September 2019.

City of Spruce Grove

85. On August 4, 2014, Westpoint Capital Performance Mortgage Investment Corporation ("PMIC") issued a Letter of Credit to the City of Spruce Grove.
86. The amount alleged to be owing on the LOC is approximately \$2 million.
87. WCC's position is that it is not the issuer of the Letter of Credit.

Robert Roberts

88. Robert Roberts has sued WCC, WIT and the former trustees for his redemption request amount. Based on the records of the WIT, he is owed \$750,000 and is fourth on the redemption queue listing.

Harold Jahn

89. Mr. Harold Jahn has filed counter claim against WCC. Based on our discussion this matter has not progressed for approximately three (3) years. The time lapse may allow the lawsuit to be struck for failure to proceed in a timely manner.
90. Mr. Harold Jahn owned a company called Enrich Energy Inc. ("Enrich"). As part of the legal proceedings, WCC seized the shares of Enrich to get access to a \$1.3 million vendor take-back mortgage, which was granted to Revel Resources Inc. This mortgage was assigned by Enrich to a third party as part of a settlement of debt of an unrelated transaction.

WCC is taking the position that this was either an unjust enrichment or a preference, and it should be transferred back to Enrich.

91. The Interim Receiver is advised that on March 27, 2019, Mr. Jahn was scheduled to attend questioning regarding this matter. He failed to attend.
92. We have requested current counsel for WCC to prepare a legal opinion letter regarding the merits of this matter based on the known facts.

Beach Grove

93. WCC has initiated foreclosure proceeding on the property, but the principle of BGPL and HCCL filed a counterclaim against WCC.
94. The foreclosure proceeding is stayed until the merits of the counterclaim against WCC has been determined.

Barry Homes Ltd. and Performance Paving Services Inc.

95. WCC provided financing to Solomon Spruce Ridge Inc. for a project in Spruce Grove, Alberta. This project eventually ran into financial difficulties, resulting in WCC starting a foreclosure proceeding. During the foreclosure process, WCC began to engage people to deal with apparent deficiencies in the construction. At the time of the application for foreclosure, WCC credit bid the project. However, a third party interested in purchasing the development outbid the credit bid and closed the offer to purchase.
96. On application by Barry Homes Ltd. ("**Barry**") and Performance Paving Services Inc. ("**PPS**") the Court holds a portion of the proceeds from the sale of the development. Currently, there is \$1.7 million sitting in court.
97. The funds are in Court as two opposing parties, Barry and PPS, filed actions and are claiming priority to the funds in Court.
98. The Interim Receiver is in the process of reviewing the documentation regarding both the foreclosure and the actions initiated by Barry and

PPS. Given the preliminary stage of its review, the Interim Receiver is unable to comment on the merits of the actions.

99. A trial for the matter is set for September 2019.

Paldi

100. WCC commenced proceedings against the appraiser for this property, which WCC relied upon in approving the mortgage.
101. The appraised value was significantly higher than the amount that was ultimately realized in the foreclosure proceedings, and accordingly, WCC alleges negligence on the part of the appraiser.
102. WCC's position is that the mortgage was issued in reliance of the appraisal, which WCC alleges was inflated. WCC has obtained expert evidence which supports this position.

Braun

103. WCC is pursuing its former legal counsel for \$600,000 for failure to register a mortgage on a property in BC.

Westpoint Capital Management Corporation ("WCMC")

Background

104. WCMC was incorporated in Alberta in 2018.
105. As of the date of this report, the Interim Receiver has not been provided with internal financial documents by Management.

Westpoint Capital Services Corporation ("WCSC")

Background

106. WCSC was incorporated under the laws of the province of Alberta on October 10, 2016 and is the company that rents space, pays employees and deals with the day to day operations of the various entities.

107. As of the date of this report, the Interim Receiver has not been provided with internal financial documents by Management.

Westpoint Syndicated Mortgage Corporation ("WSMC")

Background

108. WSMC was incorporated under the laws of the province of Alberta on May 24, 2013 and is a holding company for mortgages on real property.

Assets

Mortgage – River's Crossing (West Lots)

109. RCL (a related corporation) is the registered owner of real property known as River's Crossing (West Lots) ("RCWL") in Cranbrook, BC which includes the following:
- a) Builders Lot – 112 Purcell Road (legally described as Strata Lot 50, District Lot 5267, Kootenay District Strata Plan EPS136 together with an interest in the common property in proportion to the unit entitlement of the Strata Lot as shown on Form V and an Undivided 1/918 Share in Lot 1, Plan EPP4579 (see Plan EPP4579 as to limited access)). The house and lot are complete and were originally listed by ReMax Blue Sky Realty in Cranbrook, BC for \$649,900. In March 2019, the price was reduced to \$589,000. The Interim Receiver has engaged Rocky Mountain Appraisal of Cranbrook, BC to complete an appraisal of the property. As of the date of this report, the appraisal has not yet been completed;
 - b) Builders Lot – 228 Shadow Mountain Boulevard (legally described as Strata Lot 116, District Lot 9877, Kootenay District Strata Plan EPS136 together with an interest in the Common Property in proportion to the unit entitlement of the Strata Lot as shown on Form V and an Undivided 1/918 Share in Lot 1, Plan EPP4579 (see Plan EPP4579 as to limited access)). The house

and lot are complete and were originally listed by Realty Executives Kootenay in Cranbrook, BC for \$529,900. In January 2019, the price was reduced to \$519,900. The Interim Receiver has engaged Rocky Mountain Appraisal of Cranbrook, BC to complete an appraisal of the property. As of the date of this report, the appraisal has not yet been completed;

- c) Builders Lot – 240 Shadow Mountain Boulevard (legally described as Strata Lot 119, District 9877, Kootenay District Strata Plan EPS136 together with an interest in the Common Property in proportion to the unit entitlement of the Strata Lot as shown on Form V and an Undivided 1/918 Share in Lot 1 Plan EPP4579 (see Plan EPP4579 as to limited access)). The house and lot are complete. This property is currently subject to a Five Year Joint Venture Agreement which was signed on February 3, 2016. The Interim Receiver has engaged Rocky Mountain Appraisal of Cranbrook, BC to complete an appraisal of the property. As of the date of this report, the appraisal has not yet been completed; and
 - d) Remainder of the Strata Lots included in Phases 1 through 17 of the RCWL development plan that have not already been sold. A local realtor is prepared to list the entire project including residential multi-family lots owned by a third party for \$23.9 million.
110. The Interim Receiver is in the process of obtaining an appraisal on all of the properties. As such, the Interim Receiver cannot comment on a possible realizable value of the lots.
111. Additional information is provided in the RCL Section of the Report below.

Liabilities

112. The Interim Receiver has requested but has not yet received a current list of unsecured creditors from the Former Directors.

Canadian Property Direct Corporation ("CPDC")

Background

113. WCSC was incorporated under the laws of the province of Alberta on October 15, 2013. This is a holding company, holding the shares of 178.
114. As of the date of this report, the Interim Receiver has not been provided with internal financial documents by Management.

Westpoint Master Limited Partnership ("WMLP")

Background

115. WMLP is a partnership formed under the laws of the province of Alberta on October 10, 2016.
116. As of the date of this report, the Interim Receiver has not been provided with internal financial documents by Management.

RIVER'S CROSSING LTD. ("RCL")

Background

117. RCL was incorporated under the laws of the Province of British Columbia on September 24, 2013 under incorporation number BC0979558. RCL is the listed developer of a project known as River's Crossing (West Lots) ("RCWL") in Cranbrook, BC. The project is a bare land strata plan development located on the west side of Highway 95A in Cranbrook. The intention was that development would include 395 residential bare land strata lots together with the common property of the strata plan. The strata lots would be constructed in 17 Phases. Phases 1 and 2 of the development plan including 127 bare strata lots are currently being marketed for sale.

118. RCL is not the original developer of this project. The original developer was Shadow Mountain Properties Ltd. ("SMPL") which was subject to foreclosure proceedings brought by lenders seeking to enforce their loan security. In December 2013, RCL purchased the interests of SMPL for the project further to a vesting order of the Supreme Court of British Columbia.

Assets

Real Property

119. RCL owns real property in Cranbrook, BC which includes the following:
- a) Builders Lot – 112 Purcell Road (legally described as Strata Lot 50, District Lot 5267, Kootenay District Strata Plan EPS136 together with an interest in the Common Property in proportion to the unit entitlement of the Strata Lot as shown on Form V and an Undivided 1/918 Share in Lot 1, Plan EPP4579 (see Plan EPP4579 as to limited access)). The house and lot are complete and were originally listed by ReMax Blue Sky Realty in Cranbrook, BC for \$649,900. In March 2019, the price was reduced to \$589,000. The Interim Receiver has engaged Rocky Mountain Appraisal of Cranbrook, BC to complete an appraisal of the property. As of the date of this report, the appraisal has not yet been completed;
 - b) Builders Lot – 228 Shadow Mountain Boulevard (legally described as Strata Lot 116, District Lot 9877, Kootenay District Strata Plan EPS136 together with an interest in the Common Property in proportion to the unit entitlement of the Strata Lot as shown on Form V and an Undivided 1/918 Share in Lot 1, Plan EPP4579 (see Plan EPP4579 as to limited access)). The house and lot are complete. The property is subject to a Joint Venture Agreement with New Dawn Developments Ltd. ("NDDL") which was signed October 11, 2016. The house and lot were originally listed by Realty Executives Kootenay in Cranbrook, BC for

\$529,900. In January 2019, the price was reduced to \$519,900. The Interim Receiver has engaged Rocky Mountain Appraisal of Cranbrook, BC to complete an appraisal of the property. As of the date of this report, the appraisal has not yet been completed;

- c) Builders Lot – 240 Shadow Mountain Boulevard (legally described as Strata Lot 119, District 9877, Kootenay District Strata Plan EPS136 together with an interest in the Common Property in proportion to the unit entitlement of the Strata Lot as shown on Form V and an Undivided 1/918 Share in Lot 1, Plan EPP4579 (see Plan EPP4579 as to limited access)). The house and lot are complete. This property is currently subject to a Five Year Joint Venture Agreement which was signed on February 3, 2016. The Interim Receiver has engaged Rocky Mountain Appraisal of Cranbrook, BC to complete an appraisal of the property. As of the date of this report, the appraisal has not yet been completed; and
- d) Remainder of the Strata Lots included in Phases 1 through 17 of the RCWL development plan that have not already been sold. A local realtor is prepared to list these the entire project including residential multi-family lots owned by a third party for \$23.9 mil. The Interim Receiver is in the process of obtaining an appraisal on all of the properties. As such, the Interim Receiver can not comment on a possible realizable value of the lots.

Liabilities

- 120. RCL has approximately \$49,000 of unsecured creditors.
- 121. RCL is subject to a blanket first mortgage on the property known as RCWL in Cranbrook, BC by Concentra Financial Services Association in the face amount of \$10 million.
- 122. RCL is subject to a blanket second mortgage on the property known as RCWL in Cranbrook, BC by WSMC in the face amount of \$12 million.

123. RCL is subject to a third mortgage on Builders Lot – 228 Shadow Mountain Blvd in Cranbrook, BC by NDDL in the face amount of \$470,000.
124. RCL is subject to a third mortgage on Builders Lot – 112 Purcell Road in Cranbrook, BC by WCC in the face amount of \$420,000.
125. At this stage of the process, the Interim Receiver has not been able to determine actual mortgage balances in regard to the various mortgages referred to above.

Litigation

126. NDDL has initiated Foreclosure Proceedings against RCL with regard to Builders Lot – 228 Shadow Mountain Blvd in Cranbrook, BC.

1897869 Alberta Ltd. ("869")

Background

127. 869 was incorporated under the laws of the Province of Alberta on May 20, 2015 and is a holding company for real property.
128. The shareholders of the corporation are Canadian Property Direct Corporation for 90.1% and BTB Mortgage Investment Corporation at 9.99%.

Assets

Wandering River, AB

129. 869 is the registered owner of real property builders lots in Athabasca County, AB which includes the following:
 - a) Lots 2 through 8, Block 1, Plan 1021304;
 - b) Lots 6 through 14, Block 2, Plan 1021304;
 - c) Lot 16, Block 2, Plan 1021304; and

d) Lots 18 through 23, Block 2, Plan 1021304.

130. The builders lots consist of both commercial and residential properties on the west side of Highway 63.
131. 8 acres of the land near Highway 63 that can be used to develop a self-storage facility.
132. 33 acres of commercial land is near a Petro Canada service station and may be developed for highway hotel accommodations.
133. The Interim Receiver has not been provided with an appraisal so can not comment on a realizable value of the properties.
134. The Interim Receiver is in the process of engaging an appraiser in regard to this property.

Liabilities

135. The Interim Receiver has requested but has not yet received a current list of unsecured creditors from the Former Directors.
136. According to land titles, 869 is subject to a blanket first mortgage on the property in Athabasca County, AB by WCC.

1780384 Alberta Ltd. ("178")

Background

137. 178 was incorporated under the laws of the Province of Alberta on October 24, 2013 and is a holding company for real property and mortgages on real property.
138. The shareholder of 178 AB is 100% Canadian Property Direct Corporation.

Assets

Drumheller, AB

139. 178 is the registered owner of real property in Drumheller, AB legally described as Lots 1 through 8, Block 11, Plan 1110970.
140. The project originally was to complete an eight (8) single family homes development on the properties.
141. One of the lots was subsequently developed into a single family home located at 812 – 3rd Street SW in Drumheller, AB (legally described as Lot 8, Block 11, Plan 1110970).
142. An appraisal of the single family home located at 812 – 3rd Street SW in Drumheller, AB was prepared by Bedrock Appraisal Associates on January 10, 2018.
143. The property was the subject of foreclosure proceedings by WCC, and there is a rent to own agreement in place with the renter.
144. WCC holds approximately \$30,000 as a deposit in trust.
145. The Interim Receiver is in the process of reviewing the rent to own agreement.
146. The Interim Receiver has not been provided with an appraisal of the remaining seven (7) lots so cannot comment on the realizable value of those properties.

Mortgage – 1465 Naramata Road, Penticton

147. This property is legally described as Lot 2, District Lots 199 and 672, Similkameen Division, Yale District Plan 2318, Except Parcel A (Plan B5643).
148. CIBC Mortgages Inc. ("CIBC") holds a first mortgage in the approximate amount of \$1 million.

149. 178 was to hold a blanket second mortgage on the above real properties. The mortgage was signed, however it was never registered by counsel who acted on behalf of WCC. 178 registered a Lis Pendens on title to protect its interest when the failure to register was discovered.
150. The property was originally listed by Re/Max Penticton Realty for \$1.89 million. In February 2019, the price was reduced to \$1.69 million.
151. The Interim Receiver has not been provided with an appraisal of the lands held as security for the second mortgage so cannot comment on the realizable value of the mortgage. The Interim Receiver intends to request an appraisal of the lands.

Liabilities

152. The Interim Receiver has requested but has not yet received a current list of unsecured creditors from the Former Directors.
153. The properties in Drumheller, AB is subject to a 178 is subject to a blanket first mortgage in favour of WCC granted by 178. 178 and WCC are related corporations.
154. One lot, located at 812 – 3rd Street SW, Drumheller, AB (legally known as Lot 8, Block 11, Plan 1110970) is subject to a mortgage in favour of KV Capital Inc. ("KV") in the face amount of \$275,000. The KV mortgage is in first position as a result of a postponement of WCC's blanket first mortgage on this lot in favor of KV.
155. 178 is indebted to Brian C. Markus of Vancouver, BC in the amount of \$9,286 for legal services rendered regarding the CIBC foreclosure proceedings mentioned below.

Litigation

156. CIBC commenced foreclosure proceedings on the Naramata properties in November 2017. On April 18, 2019, an application will be made by CIBC in The Supreme Court of British Columbia whereby CIBC will be able to sell the properties for \$1.4 million.

1897837 Alberta Ltd. ("837")

Background

157. 837 was incorporated under the laws of the Province of Alberta on May 20, 2015 and is a holding company for real property.
158. The shareholders of 837 AB are 90.1% Canadian Property Direct Corporation and 9.99% BTB Mortgage Investment Corporation.

Assets

Bruderheim, AB

159. 837 is the registered owner of real property located at 555051 Range Road 203, Lamont County, AB. (legally described as Lot 1, Block 1, Plan 0827309 containing 13 Hectares (32.12 Acres) more or less excepting there out Plan 1420761 Subdivision containing 2.65 Hectares (6.55 Acres) more or less).
160. The property is located over a salt cavern belonging to an unrelated third party. As the entrance into the salt cavern is located on 837's property, an Access Agreement is in place with the third party. The Interim Receiver has not been provided with a copy of the Access Agreement so cannot comment on its contents.
161. Royalty Park Realty of Edmonton, AB originally listed a portion of the above noted property containing approximately 7 acres, a 45 MVA transformer and a power substation described as the Crypto-Currency Power Facility for \$7.9 million. The price was subsequently reduced to \$6.9 million.
162. Royalty Park Realty of Edmonton, AB originally listed a portion of the above noted property containing approximately 15 acres, a 44,000 square foot building with heavy power on site, CN and CP dual rail access and a rail spur into the building described as the Bruderheim Industrial Rail Facility for \$5.9 mil. The price was subsequently reduced to \$4.9 million.

163. There is also the potential to either sell the property as a whole or subdivide.
164. The last appraisal on the property was prepared May 1, 2014 by Northern Real Estate Appraisals.
165. The Interim Receiver has not been provided with a more recent appraisal so cannot comment on a realizable value for the property. The Interim Receiver is in the process of engaging an appraiser to provide an opinion of value for these properties.

Liabilities

166. The Interim Receiver has requested but has not yet received a current list of unsecured creditors from the Former Directors.
167. 837 is subject to a first mortgage on the property in Lamont County, AB by WCC (a related corporation).
168. 837 is subject to a second mortgage on the property in Lamont County, AB by WCC (a related corporation).
169. 837 is subject to a third mortgage on the property in Lamont County, AB by WCC (a related corporation).

Other

170. There are potential environmental issues with sodium chlorate in the soil around the Bruderheim Industrial Rail Facility building. The Interim Receiver has been advised by the Former Directors that there would be approximately \$40,000 in remediation costs to clean up the site. The Interim Receiver has not been provided with any information regarding the calculation of the remediation costs, with the exception of the amount from the Former Directors.
171. The Interim Receiver is in the process of reviewing a 2015 Annual Groundwater Monitoring Report issued on March 21, 2016 in draft form

for the Former Sodium Chlorate Plant NW-34-055-20 W4M, Near
Bruderheim, Alberta.

Recommendations

172. The Interim Receiver is seeking the following from this Honourable Court:
- a) Approval of the Interim Receiver's activities and conduct as outlined in this First Report;
 - b) Appointment of BDO as full Receiver for the Companies; and
 - c) Any further direction the Court wishes to provide to the Interim Receiver.
173. The Interim Receiver believes that it is necessary for the Companies to be placed into Receivership for the following reasons:
- a) The assets held by the various companies are beneficially owned by the trust, and it is the Interim Receiver's belief that the most efficient and cost effective way of drawing these assets in the trust is to appoint BDO as receiver for the purpose of liquidating these assets and addressing the various claims in relation to these assets, including addressing the issue of priorities of claimants to the various assets;
 - b) The Interim Receiver needs additional time to review the records of the various Companies;
 - c) The Interim Receiver believes that due to the competing interest on the potential assets of the Companies of the various stakeholders, including investors it would be best to place the Companies into Receivership;
 - d) The Interim Receiver will track the funds invested by the investors of WIT to the various sources and report on what occurred to create the deficiency;

- e) The Interim Receiver needs to be able to access funds in order to deal with the various issues on the properties and litigation; and
- f) In order to obtain the necessary financing, the Receiver requires access to the assets including the ability to liquidate the assets and utilize the assets as security for funding the Receiver requires to move forward with its mandate from the Court;

Intended Course of Action

174. If the Interim Receiver's recommendations are approved, the Interim Receiver's intended course of action is to complete the administration of this Interim Receivership, leading to an application for discharge.

Dated at Edmonton, Alberta this 1st day of April 2019.

BDO CANADA LIMITED, solely in its
Capacity as Court Appointed Interim Receiver Of
Westpoint Capital Corporation et al. and
not in its personal Capacity

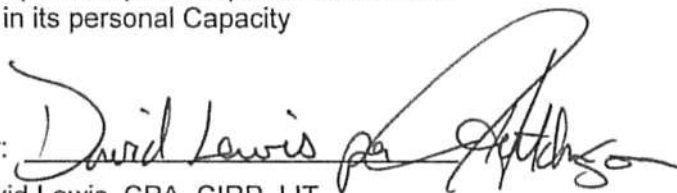
Per: 
David Lewis, CPA, CIRP, LIT
Vice-President

EXHIBIT "1"

To the Interim Receiver's First Report to Court
Dated April 1, 2019

I hereby certify this to be a true copy of the original.

for Clerk of the Court



Clerk's stamp:

COURT FILE NUMBER:

1903-04121

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

IN THE MATTER OF THE *TRUSTEE ACT*, RSA 2000, C T-8, SECTIONS 43 and 46

APPLICANTS

WESTPOINT INVESTMENT TRUST BY ITS TRUSTEES MUNIR VIRANI and MARNIE KIEL

RESPONDENTS

WESTPOINT CAPITAL CORPORATION, WESTPOINT CAPITAL MANAGEMENT CORPORATION, WESTPOINT CAPITAL SERVICES CORPORATION, WESTPOINT SYNDICATED MORTGAGE CORPORATION, CANADIAN PROPERTY DIRECT CORPORATION, WESTPOINT MASTER LIMITED PARTNERSHIP, RIVER'S CROSSING LTD., 1897869 ALBERTA LTD., 1780384 ALBERTA LTD., and 1897837 ALBERTA LTD.

DOCUMENT

INTERIM RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

G. Brian Davison, Q.C.
DLA Piper (Canada) LLP
Barristers and Solicitors
2700, 10220 - 103rd Avenue NW
Edmonton, AB T5J 0K4
Phone: 403-294-3590
Fax: 403-296-4474
File No. 101531-00001

DATE ON WHICH ORDER WAS PRONOUNCED:

March 8, 2019

NAME OF JUDGE WHO MADE THIS ORDER:

Justice K.G. Nielsen

LOCATION OF HEARING:

Edmonton Law Courts

UPON the application of Westpoint Investment Trust (the "Trust") by its trustees Munir Virani and Marnie Kiel (the "Trustees") for Advice and Direction pursuant to Section 43 of the *Trustee Act*, RSA 2000, c T-8, Section 13(2) of the *Judicature Act*, RSA 2000, c J-2 (the "**Judicature Act**"), and

Section 47 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "*BIA*"); **AND UPON** having read the Originating Application and Affidavit of Munir Virani sworn February 25, 2019 and both filed February 26, 2019; **AND UPON** noting the Books of Certified Copies of Titles for Alberta and British Columbia filed on February 26, 2019; **AND UPON** reading the consent of BDO Canada Limited to act as interim receiver ("**Interim Receiver**") of the Respondents, filed; **AND UPON** hearing counsel for the Trustees and other interested parties in attendance; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of this Application and all materials in support is hereby abridged to the time actually given and service thereof is deemed good and sufficient, and all further service thereof is hereby dispensed with.

APPOINTMENT

2. Pursuant to Sections 13(2) of the *Judicature Act* and 47 of the *BIA*, BDO Canada Limited ("**BDO**") is hereby appointed Interim Receiver, without security, of all of the Respondent's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").

INTERIM RECEIVER'S POWERS

3. The Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Respondents, including the powers to enter into any agreements, incur any obligations in the ordinary course of

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business, cease to carry on all or any part of the business, or cease to perform any contracts of the Respondents;

- (d) 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 Interim Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Respondents or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Respondents and to exercise all remedies of the Respondents in collecting such monies, including, without limitation, to enforce any security held by the Respondents;
- (g) to settle, extend or compromise any indebtedness owing to or by the Respondents;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Interim Receiver's name or in the name and on behalf of the Respondents, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Respondents;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Respondents, the Property or the Interim Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Interim Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.
- (k) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

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- (m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Interim Receiver, in the name of the Respondents;
- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondents;
- (o) to exercise any shareholder, partnership, joint venture or other rights which the Respondents may have; and
- (p) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;
- (q) to make application to this Court on notice to all interested parties, to appoint a Receiver of one or more of the Respondents;

and in each case where the Interim Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Respondents, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO INTERIM RECEIVER

4. (i) The Respondents, (ii) all of its current and former directors, officers employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Interim Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Interim Receiver upon the Interim Receiver's request.
5. All Persons shall forthwith advise the Interim Receiver 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 Respondents, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Interim Receiver or permit the

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Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 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 Interim Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

8. No Proceeding against or in respect of the Respondents or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondents or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute

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or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of the Respondents or an action, suit or proceeding that is taken in respect of the Respondent by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Respondents, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Interim Receiver or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Respondents 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.

NO INTERFERENCE WITH THE INTERIM RECEIVER

10. 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 Respondents, without written consent of the Interim Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Respondents 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 Respondents are hereby 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 Interim Receiver, and this Court directs that the Interim Receiver shall be entitled to the continued use of the Respondents' 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 Interim Receiver in accordance with normal payment practices of the Respondents or

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such other practices as may be agreed upon by the supplier or service provider and the Interim Receiver, or as may be ordered by this Court.

INTERIM RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Interim Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Interim Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Interim Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to employees' rights to terminate their employment, all employees of the Respondents shall remain the employees of the Respondents until such time as the Interim Receiver on the Respondents' behalf, may terminate the employment of such employees. The Interim Receiver shall not be liable for any employee-related liabilities, other than such amounts as the Interim Receiver may specifically agree in writing to pay.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. (a) Notwithstanding anything in any federal or provincial law, the Interim Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Interim Receiver's appointment; or
 - (ii) after the Interim Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Interim Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts an Interim Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Interim Receiver to remedy any environmental condition or environmental damage

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affecting the Property, the Interim Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Interim Receiver, if the order is in effect when the Interim Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Interim Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Interim Receiver, if the order is in effect when the Interim Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Interim Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Interim Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

15. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Interim Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Interim Receiver under any applicable law.

INTERIM RECEIVER'S ACCOUNTS

16. The Interim Receiver, counsel to the Interim Receiver and DLA Piper (Canada) LLP, counsel to the Trust ("DLA Piper") shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Interim Receiver, counsel to the Interim Receiver and DLA Piper shall be entitled to and are hereby granted a charge (the "**Interim Receiver's Charge**") on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Interim Receiver's 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.
17. The Interim Receiver and its legal counsel shall pass their accounts from time to time.
18. Prior to the passing of its accounts, the Interim Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Interim Receiver or its counsel, and DLA Piper and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE INTERIM RECEIVERSHIP

19. The Interim Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Interim Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Interim Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.
20. Neither the Interim Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

- 10 -

21. The Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Interim Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
22. The monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Interim Receiver's Certificates.

ALLOCATION

23. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Interim Receiver's Charge and Interim Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

24. The Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
25. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Interim Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.
26. Nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Respondents or the Trust.
27. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Interim Receiver and its 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 Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.
28. The Interim Receiver be at liberty and is 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 Interim Receiver

- 11 -

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.

29. The Interim Receiver, counsel to the Interim Receiver and DLA Piper, shall have their costs of this motion, up to and including entry and service of this Order, on a substantial indemnity basis to be paid by the Interim Receiver under the Interim Receiver's charge.
30. Any person who holds (or previously held) trust units of the Trust issued to such person in accordance with the Amended and Restated Declaration of Trust appended as Exhibit "B" to the Virani Affidavit ("Investor") who wishes to make submissions in this matter shall file with BDO, a Notice of Intention to Appear appended as Schedule "B" to this Order.
31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
32. This Order is effective until April 10, 2019 or further Order of this Honourable Court.

FILING

33. This Order is issued and shall be filed in Court of Queen's Bench Action No. 1903-04121.
34. The Interim Receiver shall establish and maintain a website in respect of these proceedings at www.extranets.bdo.ca and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Interim Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

RETURN HEARING DATE

35. The next hearing date in this matter is April 10, 2019 at 2:00 p.m. or such other date as BDO may determine and post on its website before the Honourable Justice K.G. Nielsen.

SERVICE

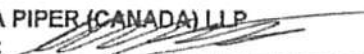
36. The Applicant shall serve Canada Revenue Agency with a copy of this Order.

37. The Applicant is at liberty to serve this Order by forwarding a copy by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Investors of the Trust and any creditors of the Respondents, at their respective addresses as last shown on the records of the Respondents and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the sending thereof, or if sent by ordinary mail, on the third business day after mailing.

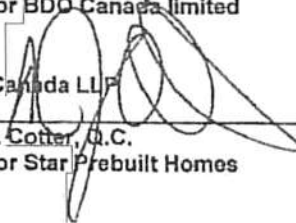

Justice of the Court of Queen's Bench of Alberta

MAR 13, 2018

APPROVED AS TO THE FORM
OF ORDER GRANTED:

DLA PIPER (CANADA) LLP
Per: 
Susy M. Trace
Counsel for Westpoint Investment Trust
by its Trustee Munir Virani and Marnie Kiel

Miller Thompson LLP
Per: 
Terrence M. Warner
Counsel for BDO Canada Limited

Dentons Canada LLP
Per: 
Richard J. Cotter, Q.C.
Counsel for Star Prebuilt Homes

SCHEDULE "A"
INTERIM RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO CANADA LIMITED, the Interim Receiver and Manager (the "Interim Receiver") of all of the assets, undertakings and properties of the Respondents appointed by Order of the Court of Queen's Bench of Alberta (, the "Court") dated the ____ day of _____, _____ (the "Order") made in action numbers _____, has received as such Interim Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Interim Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Interim Trustee pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Interim Trustee to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at: ●.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Interim Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Interim Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Interim Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

BDO CANADA LIMITED, solely in its capacity as Interim Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name:
Title:

SCHEDULE "B"

NOTICE OF INTENTION TO APPEAR

COURT FILE NUMBER: 1903-04121

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE *TRUSTEE ACT*, RSA
2000, C T-8, SECTIONS 43 and 46

APPLICANTS WESTPOINT INVESTMENT TRUST BY ITS
TRUSTEES MUNIR VIRANI and MARNIE KIEL

RESPONDENTS WESTPOINT CAPITAL CORPORATION,
WESTPOINT CAPITAL MANAGEMENT
CORPORATION, WESTPOINT CAPITAL
SERVICES CORPORATION, WESTPOINT
SYNDICATED MORTGAGE CORPORATION,
CANADIAN PROPERTY DIRECT
CORPORATION, WESTPOINT MASTER
LIMITED PARTNERSHIP, RIVER'S CROSSING
LTD., 1897869 ALBERTA LTD., 1780384
ALBERTA LTD., AND 1897837 ALBERTA LTD.

DOCUMENT NOTICE OF INTENTION TO APPEAR OF

[Name of Party / Law Firm]:

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

[Address of Party / Law Firm]:

Phone Number: _____

Fax Number: _____

Email Address: _____

File No. _____

_____, an interested party in the proceedings, hereby provides notice of its intention to appear and make submissions at the application scheduled to be heard on April 10, 2019 at 2:00 p.m. (the "Comeback Hearing")

[_____ intends to rely on [materials] [filed / to be filed on] April 10, 2019, in the within proceedings at the Comeback Hearing.]

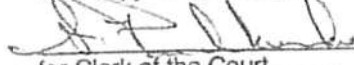
[NAME OF PARTY/ Law Firm]

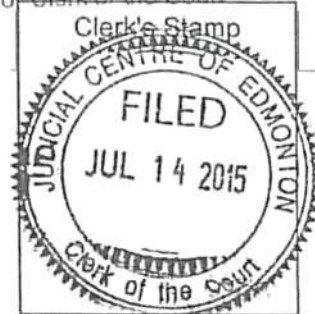
Per:
[Solicitors for _____]

EXHIBIT "2"

**To the Interim Receiver's First Report to Court
Dated April 1, 2019**

I hereby certify this ^{Exhibit "2"} to be a true copy of the original.


for Clerk of the Court



COURT FILE NUMBER	1503-08010
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
APPLICANTS	WESTPOINT CAPITAL PERFORMANCE MORTGAGE INVESTMENT CORPORATION, WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION, WESTPOINT CAPITAL PERFORMANCE GP LTD., WESTPOINT CAPITAL PERFORMANCE LIMITED PARTNERSHIP, WESTPOINT CAPITAL HIGH YIELD GP LTD., WESTPOINT CAPITAL HIGH YIELD LIMITED PARTNERSHIP, WESTPOINT INVESTMENT TRUST AND WESTPOINT CAPITAL CORPORATION
RESPONDENTS	NOT APPLICABLE
IN THE MATTER OF	SECTION 193 OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, AS AMENDED
AND IN THE MATTER OF	A PROPOSED ARRANGEMENT INVOLVING WESTPOINT CAPITAL PERFORMANCE MORTGAGE INVESTMENT CORPORATION, ITS SHAREHOLDERS, WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION, ITS SHAREHOLDERS, WESTPOINT CAPITAL PERFORMANCE GP LTD., WESTPOINT CAPITAL PERFORMANCE LIMITED PARTNERSHIP, WESTPOINT CAPITAL HIGH YIELD GP LTD., WESTPOINT CAPITAL HIGH YIELD LIMITED PARTNERSHIP, WESTPOINT INVESTMENT TRUST AND WESTPOINT CAPITAL CORPORATION
DOCUMENT	FINAL ORDER
PARTIES FILING THIS DOCUMENT	WESTPOINT CAPITAL PERFORMANCE MORTGAGE INVESTMENT CORPORATION, WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION, WESTPOINT CAPITAL PERFORMANCE GP LTD., WESTPOINT CAPITAL PERFORMANCE LIMITED PARTNERSHIP, WESTPOINT CAPITAL HIGH YIELD GP LTD., WESTPOINT CAPITAL HIGH YIELD LIMITED PARTNERSHIP, WESTPOINT INVESTMENT TRUST AND WESTPOINT CAPITAL CORPORATION
ADDRESS FOR SERVICE OF LAWYER OF RECORD	BRYAN & COMPANY LLP 2600 Manulife Place 10180 - 101 Street Edmonton, AB T5J 3Y2

LAWYER IN CHARGE Liza J. Wold
Phone: 780.423.5730
Fax: 780.428.6324
Email: ljwold@bryanco.com
File No.: 30160-1

DATE ON WHICH ORDER WAS PRONOUNCED:	July 14, 2015
NAME OF JUSTICE WHO MADE THIS ORDER:	Madam Justice J. Veit
LOCATION OF HEARING:	Edmonton, Alberta

FINAL ORDER

UPON the Originating Application of Westpoint Capital Corporation ("WCC"), Westpoint Capital Performance Mortgage Investment Corporation ("PMIC"), Westpoint Capital High Yield Mortgage Investment Corporation ("HMIC"), Westpoint Capital Performance GP Ltd. ("PMIC GP"), Westpoint Capital Performance Limited Partnership ("PMIC LP"), Westpoint Capital High Yield GP Ltd. ("HMIC GP"), Westpoint Capital High Yield Limited Partnership ("HMIC LP") and Westpoint Investment Trust (the "Trust") pursuant to Section 193 of the *Business Corporations Act*, R.S.A, 2000, c. B-9, as amended ("ABCA");

AND UPON reading the said Originating Application, and the Affidavits of Munir Virani sworn June 8, 2015 and July 10, 2015, and the Affidavit of Jordan Mertz sworn June 11, 2015, filed herein;

AND UPON it appearing that the notice and time and place of hearing of this Application was given to the Shareholders and that no Notices of Intention to Appear have been received by counsel for the Applicants or filed with this Honourable Court with respect to this Application;

AND UPON NOTING that a special meeting (the "Meeting") of the Shareholders was called and conducted on July 9, 2015, in accordance with the Interim Order of this Honourable Court dated June 12, 2015 (the "Interim Order"), that the required quorum was present at the Meeting, and that the Shareholders approved the Arrangement in the manner and by the requisite majorities provided for in the Interim Order;

AND UPON hearing representations by counsel for the Applicant;

AND UPON NOTING THAT for the purposes of this Order the capitalized terms not defined in this Order shall have the meaning ascribed to them in the Management

Information Circular of HMIC (the "HMIC Circular") and the Management Information Circular of PMIC (the "PMIC Circular") (the HMIC Circular and the PMIC Circular, collectively, the "Information Circulars"), which are attached in their final forms as Exhibits "1A" and "1B" to the Affidavit of Munir Virani sworn July 10, 2015.

IT IS HEREBY ORDERED, DECLARED AND DIRECTED THAT:

GENERAL

1. The plan of arrangement (the "Arrangement") proposed by the Applicants is approved pursuant to Section 193 of the ABCA, and will, upon the filing of the Articles of Arrangement under the ABCA, become effective in accordance with its terms and will be binding on and after the respective Effective Times contemplated by, and defined in, the Arrangement.
2. The applicable statutory procedures respecting arrangements, as set out in the ABCA, have been met, the application has been put forward in good faith and the arrangement is fair and reasonable.
3. The Articles of Arrangement in respect of the Arrangement shall be filed pursuant to Section 193 of the ABCA on such date as the Applicants determine, provided that such date is not later than July 31, 2015.
4. Service of notice of this Application, of the notices in respect of the Meeting, and of the Interim Order is hereby deemed good and sufficient.
5. Service of this Order shall be made on all such persons who appeared on this Application, either by counsel or in person.
6. The Applicants or any of them, shall be entitled at any time to seek leave to vary this Order or to seek the advice and direction of this Court as to the implementation of this Order upon such terms and the giving of such notice as this Court may direct.

" J. Veit "

Justice of the Court of Queen's Bench of Alberta

EXHIBIT "3"

**To the Interim Receiver's First Report to Court
Dated April 1, 2019**

BDO Canada Limited
Statement of Receipts and Disbursements For
WestPoint Capital Corporation et al.
For the period of March 8, 2019 to March 27, 2019.
UNRESTRICTED FUNDS

Receipts		
Opening Balance	76,578.01	
Inter Bank Transfer	49,914.25	
Transfer from Trust Account	6,422.01	
Mortgage payment	15,562.07	
Total Receipts	<u>148,476.34</u>	148,476.34
Disbursements		
Inter Bank Transfer	49,914.25	
Payroll	36,399.12	
Utilities	566.23	
Insurance - Employee Benefits	1,460.82	
Return to subtenant	1,558.75	
Total Disbursements	<u>89,899.17</u>	89,899.17
Funds on hand at March 27, 2019		<u><u>\$ 58,577.17</u></u>

EXHIBIT "4"

**To the Interim Receiver's First Report to Court
Dated April 1, 2019**

BDO Canada Limited
Statement of Receipts and Disbursements for
WestPoint Capital Corporation et al.
For the period of March 8, 2019 to March 27, 2019.
RESTRICTED FUNDS - Trust Account

Receipts

Opening Balance	63,120.69
Mortgage Payment	5,938.89
RCL Rental Income Transfer	1,700.00
Payroll Claw Back	3,353.84

Total Receipts		74,113.42
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Disbursements

Inter Bank Transfer to Unrestricted Funds	15,562.07
Subtenant Refund	1,391.25
Payroll	5,030.76

Total Disbursements		21,984.08
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Funds on hand at March 27, 2019

52,129.34

EXHIBIT "5"

**To the Interim Receiver's First Report to Court
Dated April 1, 2019**

BDO Canada Limited
Statement of Receipts and Disbursements
WestPoint Capital Corporation et al.
For the period of March 8, 2019 to March 27, 2019.
RESTRICTED FUNDS - WCMC Rental

Receipts		
Opening Balance	22,864.65	
RCL Rental Income	3,589.53	
Total Receipts		26,454.18
Disbursements		
Transfer to Trust	1,700.00	
Total Disbursements		1,700.00
Funds on hand at March 27, 2019		<u><u>24,754.18</u></u>

EXHIBIT "6"

To the Interim Receiver's First Report to Court
Dated April 1, 2019

BDO Canada Limited
Statement of Receipts and Disbursements For
WestPoint Corporation et al.
For the period of March 8, 2019 to March 27, 2019
RCL UNRESTRICTED FUNDS

Receipts		
Opening Balance	25,766.15	
GST Refund	15,950.96	
Total Receipts		41,717.11
Disbursements		
Credit Card Payment	3,012.49	
Retainer Fee	3,000.00	
Holdback for Roadwork	1,528.20	
Supplies	276.14	
Sewer Hauling Services	400.00	
Bill Board Ad	771.68	
Signs for houses	1,299.20	
Rock Lights for houses	1,536.27	
Tread stones for houses	1,890.00	
Mortgage payment	1,649.00	
Advertisement for Cottages	1,443.75	
Printer Imprints	84.04	
Total Disbursements		16,890.77
Funds on hand at March 27, 2019		<u>24,826.34</u>

EXHIBIT "7"

**To the Interim Receiver's First Report to Court
Dated April 1, 2019**

Westpoint Capital Corporation et al
 Projection Cash Flow
 For the period April 1, 2019 to June 30, 2019

Receipt	April 1 - 30, 2019	May 1 - 30, 2019	June 1 - 30, 2019	Total
Mortgage payment	\$ 15,500	\$ 15,500	\$ 15,500	\$ 46,500
Disbursements				
Payroll	50,000	50,000	10,000	110,000
Accounting services	2,500	2,500	2,500	7,500
Office expenses	1,500	1,500	-	3,000
Internet and telephone expenses	1,500	500	-	2,000
Lease payment	3,500	3,500	500	7,500
Electricity	500	500	-	1,000
Insurance	5,000	5,000	5,000	15,000
Total	64,500	63,500	18,000	146,000
Opening balance	58,500	9,500	(38,500)	58,500
Adjustment during the period	(49,000)	(48,000)	(2,500)	(99,500)
Closing balance	\$ 9,500	\$ (38,500)	\$ (41,000)	\$ (41,000)

EXHIBIT "8"

**To the Interim Receiver's First Report to Court
Dated April 1, 2019**

A BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT* COMPANY

CERT. #	CLASS	PAR VALUE	DATE OF ISSUE	NUMBER OF SHARES
3	Class "A" Common Voting	Without	March 3, 2014	100

TRANSFER OF THESE SHARES IS RESTRICTED

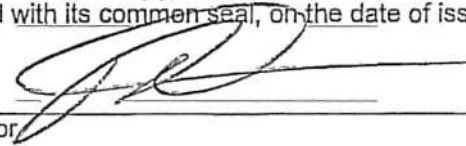
FIRST SOURCE DEVELOPMENT CORP.

THIS CERTIFIES THAT: Westpoint Capital Corporation

is the registered holder of the number and class of shares described hereon, such shares being fully paid up and non-assessable in the authorized share structure of the Company and, subject to the Articles of the Company, transferable on the books of the Company by the registered holder in person, or by Attorney duly authorized in writing, upon surrender of this Certificate properly endorsed.

IN WITNESS WHEREOF, the Company has caused this Certificate to be signed by its duly authorized officer(s), and, where required, to be sealed with its common seal, on the date of issue.

Director



INSTRUMENT OF TRANSFER

To: FIRST SOURCE DEVELOPMENT CORP.
(the "Company")

And To: The Directors thereof

ANTHONY KUBICA assigns and transfers 100 100 Class "A." Common Voting shares without par value of the Company, represented by Share Certificate No. 2 to WESTPOINT CAPITAL CORPORATION.

Dated effective: March 3, 2014

SIGNED in the presence of:)
)
)
Skobica)
 Name)
)
6611 Fernwood Rd. Victoria)
 Address)
)
Skobica)
)
Legal Assistant.)
 Occupation)


 ANTHONY KUBICA

Application for Transfer of Shares

To: First Source Development Corp. (the "Company")


And to: The Director of the Company

Pursuant to an Option to Purchase dated March 3, 2014, the undersigned hereby applies for the transfer of the following number and class of shares in the capital of the Company:

<i>Transferor</i>	<i>Transferee</i>	<i>Number and Class of Shares</i>
Anthony Kubica	Westpoint Capital Corporation	100 Class "A" Common Voting

and that Share Certificate #2 representing those shares registered in the name of the Transferor be cancelled and a new Share Certificate #3 representing those shares be issued to Westpoint Capital Corporation.

Dated this 3rd day of March, 2014



Anthony Kubica

{00228550;1}

RESOLUTIONS OF THE SOLE DIRECTOR
OF
FIRST SOURCE DEVELOPMENT CORP.
(the "Company")

The undersigned, being the Sole Director of the Company, pursuant to the provisions of the British Columbia *Business Corporations Act*, hereby consents to and adopts in writing the following Resolutions:

1. **RESOLVED THAT** in accordance with the provisions of an Option to Purchase Agreement made March 3, 2014 between WESTPOINT CAPITAL CORPORATION as Grantor and ANTHONY MICHAEL KUBICA as Grantee, a copy of which is attached hereto as Schedule "A", the following transfer of shares in the capital of the Company be and the same are hereby approved:

<i>Transferor</i>	<i>Transferee</i>	<i>Number and Class of Shares</i>
ANTHONY KUBICA	WESTPOINT CAPITAL CORPORATION	100 Class "A" Common Voting

2. **RESOLVED THAT** in accordance with the said transfer of shares:

- (i) The following Share Certificate be and the same are hereby cancelled:


<i>Certificate No.</i>	<i>Registered Holder</i>	<i>Number and Class of Shares</i>
2	ANTHONY KUBICA	100 Class "A" Common Voting

- (ii) The following Share Certificate be issued:

<i>Certificate No.</i>	<i>Registered Holder</i>	<i>Number and Class of Shares</i>
3	WESTPOINT CAPITAL CORPORATION	100 Class "A" Common Voting

and that the sole Director, or Timothy Jacob Lack, Barrister & Solicitor be and is hereby authorized to execute and deliver the said Share Certificate and that the form of Share Certificate will be in the form or similar to the form attached hereto.

DATED: March 3, 2014



ANTHONY KUBICA

A BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT* COMPANY

CERT. #	CLASS	PAR VALUE	DATE OF ISSUE	NUMBER OF SHARES
6	Common	Without	March 3, 2014	200

TRANSFER OF THESE SHARES IS RESTRICTED

THE VILLAGE AT PALDI ENT. LTD.

THIS CERTIFIES THAT: Westpoint Capital Corporation

is the registered holder of the number and class of shares described hereon, such shares being fully paid up and non-assessable in the authorized share structure of the Company and, subject to the Articles of the Company, transferable on the books of the Company by the registered holder in person, or by Attorney duly authorized in writing, upon surrender of this Certificate properly endorsed.

IN WITNESS WHEREOF, the Company has caused this Certificate to be signed by its duly authorized officer(s), and, where required, to be sealed with its common seal, on the date of issue.



Director

INSTRUMENT OF TRANSFER

To: THE VILLAGE AT PALDI ENT. LTD.
(the "Company")

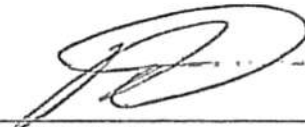
And To: The Directors thereof

FIRST SOURCE DEVELOPMENT CORP. assigns and transfers 100 Common shares without par value of the Company, represented by Share Certificate No. 5 to WESTPOINT CAPITAL CORPORATION.

Dated effective: March 3, 2014

FIRST SOURCE DEVELOPMENT CORP.

Per:



Authorized Signatory

INSTRUMENT OF TRANSFER


To: THE VILLAGE AT PALDI ENT. LTD.
(the "Company")

And To: The Directors thereof

FIRST SOURCE DEVELOPMENT CORP. assigns and transfers 100 Common shares without par value of the Company, represented by Share Certificate No. 4 to WESTPOINT CAPITAL CORPORATION.

Dated effective: March 3, 2014

FIRST SOURCE DEVELOPMENT CORP.
Per:



Authorized Signatory

Application for Transfer of Shares

To: The Village At Paldi Ent. Ltd. (the "Company")

And to: The Director of the Company

Pursuant to an Option to Purchase dated March 3, 2014, the undersigned hereby applies for the transfer of the following number and class of shares in the capital of the Company:

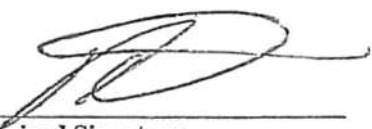
<i>Transferor</i>	<i>Transferee</i>	<i>Number and Class of Shares</i>
First Source Development Corp.	Westpoint Capital Corporation	200 Common Shares

and that Share Certificates #4 and #5 representing those shares registered in the name of the Transferor be cancelled and a new Share Certificate #6 representing those shares be issued to Westpoint Capital Corporation.

Dated this 3rd day of March, 2014

First Source Development Corp.

Per:



Authorized Signatory

Application for Transfer of Shares

To: The Village At Paldi Ent. Ltd. (the "Company")

And to: The Director of the Company

Pursuant to an Option to Purchase dated March 3, 2014, the undersigned hereby applies for the transfer of the following number and class of shares in the capital of the Company:

<i>Transferor</i>	<i>Transferee</i>	<i>Number and Class of Shares</i>
First Source Development Corp.	Westpoint Capital Corporation	200 Common Shares

and that Share Certificates #4 and #5 representing those shares registered in the name of the Transferor be cancelled and a new Share Certificate #6 representing those shares be issued to Westpoint Capital Corporation.

Dated this 3rd day of March, 2014

First Source Development Corp.

Per:



Authorized Signatory

RESOLUTIONS OF THE SOLE DIRECTOR

OF

THE VILLAGE AT PALDI ENT. LTD.
(the "Company")

The undersigned, being the Sole Director of the Company, pursuant to the provisions of the British Columbia *Business Corporations Act*, hereby consents to and adopts in writing the following Resolutions:

1. **RESOLVED THAT** in accordance with the provisions of an Option to Purchase Agreement made March 3, 2014 between WESTPOINT CAPITAL CORPORATION as Grantor and ANTHONY MICHAEL KUBICA as Grantee, a copy of which is attached hereto as Schedule "A", the following transfer of shares in the capital of the Company be and the same are hereby approved:

<i>Transferor</i>	<i>Transferee</i>	<i>Number and Class of Shares</i>
FIRST SOURCE DEVELOPMENT CORP.	WESTPOINT CAPITAL CORPORATION	200 Common

2. **RESOLVED THAT** in accordance with the said transfer of shares:

- (i) The following Share Certificates be and the same are hereby cancelled:

<i>Certificate No.</i>	<i>Registered Holder</i>	<i>Number and Class of Shares</i>
4	FIRST SOURCE DEVELOPMENT CORP.	100 Common
5	FIRST SOURCE DEVELOPMENT CORP.	100 Common

- (ii) The following Share Certificate be issued:

<i>Certificate No.</i>	<i>Registered Holder</i>	<i>Number and Class of Shares</i>
6	WESTPOINT CAPITAL CORPORATION	200 Common

and that the sole Director, or Timothy Jacob Lack, Barrister & Solicitor be and is hereby authorized to execute and deliver the said Share Certificate and that the form of Share Certificate will be in the form or similar to the form attached hereto.

DATED: March 3, 2014


ANTHONY KUBICA

INSTRUMENT OF TRANSFER

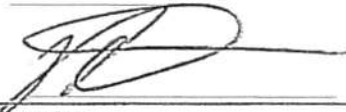
To: THE VILLAGE AT PALDI ENT. LTD.
(the "Company")

And To: The Directors thereof

FIRST SOURCE DEVELOPMENT CORP. assigns and transfers 100 Common shares without par value of the Company, represented by Share Certificate No. 4 to WESTPOINT CAPITAL CORPORATION.

Dated effective: March 3, 2014

FIRST SOURCE DEVELOPMENT CORP.
Per:



Authorized Signatory