

## **THE COASTAL VILLAGE PROJECT, SQUAMISH, BC**

### **Current Status of Project**

- The developers of the Coastal Village project, Bel-Tar Holdings Ltd. and Squamish Pointe Limited Partnership, are insolvent and have sought and obtained court protection pursuant to the *Companies Creditors' Arrangement Act* ("CCAA").
- The CCAA is a federal statute that gives companies breathing room from their creditors while they restructure in an effort to continue as a going concern.
- While under court protection, there is a stay of proceedings in place which prevents the developers creditors and others from taking legal action against the developers.
- The Bowra Group Inc. is the court-appointed Monitor. The Monitor's role is to advise the court about the status of the CCAA proceedings and to ensure that the developers are acting in good faith insofar as its creditors. More information about the project and the CCAA proceedings can be obtained from Bowra's website: <http://www.bowragroup.com>.

### **Status of Construction**

- As of August 6, 2009, the Soleil townhomes were 90-95% complete and the Soleil midrise was 45% complete.
- The Monitor estimates that it will cost \$20 million to complete construction of the Soleil section. The Court has approved a \$21 million loan that will be advanced by the Bank of Montreal, the project's only secured creditor, with a view to completing construction of the Soleil section.
- There are not currently any plans to complete construction of the Aqua section of the project; there is no financing in place and no building permit has been issued.

### **Presale Purchasers**

- There are approximately 105 presale purchasers: 10 have purchased Soleil townhomes, 63 have purchased units in the Soleil midrise, and 32 have purchased units in the Aqua midrise.
- Collectively, the presale purchasers have \$8 million at risk. This figure comes from the Monitor's First Report, which can be found on the Bowra website. Individually, each presale purchaser has approximately \$80,000 at risk.
- Presale purchasers are exposed to this risk in two ways: either (1) they are required to complete their purchases and acquire units that are worth, on average, \$80,000 less than what they might have been worth in 2006; or (2) they do not complete their purchases, the developers sell the units at current values, and pursue the presale purchaser for the deficiency (~\$80,000 - deposit).

### **Harper Grey LLP**

- Our firm is currently acting on behalf of over 20 presale purchasers.
- Our goal is to see that your rights are asserted in the CCAA proceedings.
- We believe that most presale purchasers are completely unaware of how their rights have been affected by the CCAA proceedings and have no idea that they have on average \$80,000 at risk.

### **Frequently Asked Questions by Soleil Presale Purchasers**

- If the development is not completed by December 15, 2009, can I get my deposit back?

*Although section 3 of the Agreement of Purchase and Sale provides for a “drop dead” Completion Date of December 15, 2009, section 4 provides that if the Vendor is delayed from completing the sale as a result of any event beyond the control of the Vendor, then the Completion Date will be extended for a period equivalent to such period of delay.*

*The developers will likely seek to rely on this clause to extend to the Completion Date.*

- What can I do to assert my rights?

*The only way to assert your rights in the context of the CCAA proceedings is to show up in court, whether on your own behalf or represented by counsel. If you do not assert your opposition to these proceedings or to the curtailing of your rights, the court will assume that you are consenting to the process.*

- When is construction expected to be completed?

*The Monitor in its Fifth Report to the Court says that the Soleil townhomes may be completed by the December 15, 2009 deadline.*

*The Monitor in its First Report to the Court says that the Soleil midrise section will not be completed until March 31, 2010 at the earliest, and it could be May or June 2010.*

- When will the CCAA proceedings conclude?

*While each case is different, we do not expect these proceedings to conclude until, at the earliest, when the Soleil section is completed, and the units sold. The proceedings may drag on for much longer if the Aqua section is completed while the developers are protected by the CCAA.*

**Frequently Asked Questions by Aqua Presale Purchasers**

- Can I get my deposit back right now?

*No. The stay of proceedings prevents you from exercising your contractual right to the return of your deposit.*

- Are there any plans to complete the Aqua section?

*The Monitor has recommended completing the Soleil section first. At that point, the developers will assess whether to seek further financing to complete the Aqua section, to seek a partner to assist in completing the Aqua section, or to sell the Aqua section on an as-is-where-is basis.*

- How long will this take?

*At this point it is difficult to say but we can safely say that construction, if it goes ahead, will not be completed before 2011.*

- At what point can I get my deposit back?

*If you do not take any affirmative action, you will not be able to get your deposit back until the CCAA proceedings are over and, even then, you may still be required to complete.*

**For More Information**

Please contact Bryan Baynham, Q.C. at [bbaynham@harpergrey.com](mailto:bbaynham@harpergrey.com) or Cameron Elder at [celder@harpergrey.com](mailto:celder@harpergrey.com).