

April 1, 2008

VIA REGISTERED MAIL & VIA E-MAIL

Pre Sale Purchasers or Assignees  
Of units in The Sophia Project  
Operating as 0722051 BC Ltd.

Dear Sirs:

**Re: 0722051 BC Ltd. (The Sophia) In Receivership**

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On March 25, 2008 Bancorp Growth Mortgage Funds Ltd. and Bancorp Financial Services Inc. ("Bancorp") applied to Court and obtained an Order expanding the powers of the Receiver to allow it to complete the construction of the project known as The Sophia.

As detailed in section 3 (page 4) of the Court Order (previously sent to you by e mail), the Court has ordered the following:

- (1) The Receiver is now at liberty to disclaim all the pre sale contracts as set out in schedule B attached to the Order.
- (2) The Receiver may offer each of the pre sale purchasers who were a party to a pre sale contract or an assignee to that contract, the option to purchase the unit for a price to be established by the Receiver.
- (3) The Receiver may authorise or sign documents with respect to the release of any pre sale purchaser or assignee of the immediate return of their deposit with any interest accrued thereon.

**A. The Purpose of This Letter**

- (1) To advise you that the Receiver has cancelled all pre sale purchase contracts, but is giving each pre sale purchaser (or its assignee) the option to purchase their unit offering at a specific price.
- (2) If you were an original pre sale purchaser, the Receiver is offering to sell you your unit at 90% of current market value as determined by the MPC report dated February 26, 2008.

- (3) If you purchased your unit on an assignment, the Receiver is offering to sell you your unit at the lesser of the original sale price plus 15% (pre sale purchase price) or 90% of the current market value.
- (4) Provide you with a copy of the Disclosure Statement and a copy of the Release that you will be required to sign in the event you decide to purchase your unit at the new price.
- (5) Provide you with a form that you need to complete and return to us no later than 5pm PST Wednesday, April 9, 2008 either by fax, mail, or e mail, if you wish to make an offer to purchase your unit at the new price.

## **B. Sale of Units By The Receiver**

The Receiver is offering the units to all pre sale purchasers at a price of 90% of current market value.

The Receiver is also offering to those pre sale purchasers that bought on assignment, the option to buy their respective unit at the lesser of the original sale price plus 15% (pre sale purchase price) or 90% of the current market value.

A summary of the pre sale price and current market value together with pre sale price plus 15% and 90% of the current market value, is attached as schedule A to this letter.

Please find attached a schedule to be filled out if you intend to submit an offer based on the new purchase price. We request that you fill out this form and return by facsimile (604.689.8584) or email ([dchivers@bowragroup.com](mailto:dchivers@bowragroup.com)) to the attention of Doug Chivers. We require this to be returned to us no later than Wednesday April 9, 2008 by 5pm PST. If we do not have an answer from you by that date we will assume you have no further interest in your unit

If you indicate your intention to make an offer we will send you a purchase and sale agreement in the form that is included in your disclosure statement, that will be completed with your particulars, which you will be required to sign and return to the Receiver.

## **C. Disclosure Statement**

Please find enclosed a new disclosure statement issued by the Receiver with respect to the purchase and sale of your unit. Your electronic copy of this letter does not include the appendices to the disclosure statement. The full disclosure statement with appendices has been sent to you via registered mail and can be obtained from our website. Please review this disclosure statement and call us if you have any questions.

#### **D. Release**

The Court had indicated to the Receiver that in the event the Receiver decides to offer the units for sale to the pre sale purchasers at a discount from current market value, it should consider seeking a release from that party of any claims it may have against the Company or any party that may have a claim against the Petitioners. Accordingly our legal counsel has prepared a release which we will require you to sign if you intend to complete the purchase of your unit.

You will need independent legal advice before signing this release.

#### **E. Purchase Deposit**

Currently pre sales purchaser's deposits are being held by realtors or lawyers. As all agreements have been cancelled you should immediately make arrangements to have your deposit returned to you. In the event that you decide to offer to purchase your unit from the Receiver you will be required to send a deposit to the Receiver payable to our lawyers "Lawson Lundell In Trust" along with your signed purchase and sale agreement.

#### **F. Summary**

In the event that you decide to proceed to offer to purchase your unit at the new price that the Receiver is offering you, we would appreciate if you could arrange to contact us as soon as possible.

If you have any questions please do not hesitate to contact Doug Chivers at 604.608.6243.

Yours very truly,

**The Bowra Group Inc.**  
Receiver of the undertakings and  
properties of 0722051 BC Ltd.

per: 

Doug Chivers

Enclosure