

SETTLEMENT AGREEMENT

This Settlement Agreement is between:

- (a) Leonard Hay, the plaintiff in the class proceeding, British Columbia Supreme Court Action S2058198 (Prince George Registry); and
- (b) Allpoints Fire Protection Ltd.

RECITALS

The background to this Settlement Agreement is as follows:

- A. The Proceeding was commenced by the Plaintiff in Vancouver, British Columbia, on August 25, 2020;
- C. In the Proceeding, the Plaintiff alleges that certain companies, including the Settling Defendant, were negligent with respect to the Fire;
- D. The Proceeding was certified on a contested basis on behalf of the Class;
- E. The Settling Defendant does not admit, through the execution of this Settlement Agreement or otherwise, any allegation of negligence, breach of contract or unlawful conduct alleged in the Proceeding, or otherwise;
- F. This Settlement Agreement is not an admission of any fault or any wrongdoing by the Settling Defendant. The Settling Defendant maintains that it was not at fault for the events leading to the Proceeding.
- G. The Settling Defendant is entering into this Settlement Agreement in order to achieve a final resolution of all claims asserted or which could have been asserted against the Releasees by the Plaintiff and the Class in the Proceeding, and to avoid further expense of burdensome and protracted litigation;
- H. Counsel for the Settling Defendant and Class Counsel have engaged in arm's-length settlement discussions and negotiations, resulting in this Settlement Agreement;

I. As a result of these settlement discussions and negotiations, the Settling Defendant and the Plaintiff have entered into this Settlement Agreement, which embodies all of the terms and conditions of the settlement between the Settling Defendant and the Plaintiff, both individually and on behalf of the Class, subject to approval of the Court;

J. The Plaintiff and Class Counsel have reviewed and fully understand the terms of this Settlement Agreement and, based on their analyses of the facts and law applicable to the Plaintiff's claims, having regard to the burdens and expense in prosecuting the Proceeding, including the risks and uncertainties associated with trials and appeals, and having regard to the value of the Settlement Agreement, the Plaintiff and Class Counsel have concluded that this Settlement Agreement is fair, reasonable and in the best interests of the Plaintiff and the Class.

AGREEMENT

The Parties agree as follows:

SECTION 1- DEFINITIONS

For the purposes of this Settlement Agreement, including the Recitals and Schedules:

(1) **Administration Expenses** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable by the Plaintiff, Class Counsel or otherwise for the approval, implementation and operation of this Settlement Agreement, but excluding Class Counsel Fees.

(2) **Approval Hearing** means the hearing(s) to approve the applications brought by Class Counsel for the Court's approval of the settlement provided for in this Settlement Agreement.

(3) **Claims Administrator** means the firm, if any, to be proposed by Class Counsel and appointed by the Court to administer the Settlement Amount in accordance with the provisions of the Distribution Protocol, and any employees of such firm.

(4) **Class or Class Members** means:

All individuals who were registered guests of the Motel and all individuals on the Motel premises or the adjoining [Yolks All Day Family] Restaurant, at the time of the Fire on July 8, 2020; and

The personal representatives and dependants of the people who died as a result of the Fire; but

Excluding the defendants and their directors, officers, representatives, servants, employees or agents, or any person who intentionally started the Fire or conspired to start the Fire.

(5) **Class Counsel** means CFM Lawyers LLP and Dick Byl Law.

(6) **Class Counsel Fees** means the fees, disbursements, adverse costs awards, interest, GST or HST (as the case may be) and other applicable taxes or charges thereon, including any amounts payable by Class Counsel or the Class to any other body or Person.

(7) **Court** means the Supreme Court of British Columbia.

(8) **Date of Execution** means the date on the cover page as of which the Parties have executed this Settlement Agreement.

(9) **Defendants** means the Non-Settling Defendants and the Settling Defendant.

(10) **Distribution Protocol** means the plan to be developed by Class Counsel for distributing the Settlement Amount, plus accrued interest and less approved Administration Expenses and Class Counsel Fees, to Class Members, as approved by the Court.

(11) **Effective Date** means the date when the Final Order has been received from the Court approving this Settlement Agreement.

(12) **Final Order** means a final order, judgment or equivalent decree issued by the Court approving this Settlement Agreement in accordance with its terms.

(13) **Fire** means the fire at the Motel on July 8, 2020 at approximately 8:40 am.

(14) **Motel** means the Econo Lodge, located at 910 Victoria Street in the City of Prince George.

(15) **Non-Settling Defendant(s)** means Mundi 910 Victoria Enterprises Ltd., Choice Hotels Canada Inc., and City of Prince George.

(16) **Party and Parties** means the Settling Defendant and the Plaintiff.

(17) **Person(s)** means an individual, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, trustee, executor, beneficiary, unincorporated association, government or any political subdivision or agency thereof, and their heirs, predecessors, successors, representatives, or assignees.

(18) **Plaintiff** means Leonard Hay.

(19) **Proceeding** means Hay v. Mundi 910 Victoria Enterprises Ltd., BCSC Action No. S2058198 (Prince George Registry).

(20) **Proportionate Liability** means the percentage of fault attributed to the Settling Defendant by the Court.

(21) **Recitals** means the recitals to this Settlement Agreement.

(22) **Released Claims** means any and all claims, demands, actions, suits, causes of action, whether class, individual or otherwise, whether personal or subrogated, damages of any kind (including compensatory, punitive or other damages) whenever incurred, liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses (including Administration Expenses), penalties, and lawyers' fees (including Class Counsel Fees), known or unknown, that any of the Releasors ever had, now have, or hereafter can, shall or may have, relating in any way to the Fire.

(23) **Releasees** means, jointly and severally, individually and collectively, the Settling Defendant and all of its present and former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners, joint ventures, insurers, and all other Persons, partnerships

or corporations with whom any of the former have been, or are now, affiliated and all of their respective past, present and future officers, directors, employees, agents, shareholders, attorneys, trustees, servants and representatives, and the predecessors, successors, purchasers, heirs, executors, administrators and assigns of each of the foregoing, excluding the Non-Settling Defendants and their affiliates.

(24) **Releasors** means, jointly and severally, individually and collectively, the Plaintiff and Class Members, on behalf of themselves and any Person.

(25) **Settlement Agreement** means this agreement, including the Recitals.

(26) **Settlement Amount** means the sum of two hundred thousand Canadian dollars (\$200,000.00).

(27) **Settling Defendant** means Allpoints Fire Protection Ltd.

(28) **Trust Account** means a guaranteed investment vehicle, liquid money market account or equivalent security with a rating equivalent to or better than that of a Canadian Schedule I bank (a bank listed in Schedule I of the Bank Act, SC 1991, c 46) held at a Canadian financial institution under the control of Class Counsel or the Claims Administrator, once appointed, for the benefit of the Class.

SECTION 2 – NOTICE AND SETTLEMENT APPROVAL

2.1 Best Efforts

(1) The Parties shall use their best efforts to implement this Settlement Agreement and to secure the prompt and final dismissal with prejudice of the Proceeding as against the Settling Defendant in the Proceeding.

2.2 Application Seeking Approval of the Settlement

(1) As soon as practicable, the Plaintiff shall bring an application before the Court for an order approving this Settlement Agreement.

(2) The order approving this Settlement Agreement shall be substantially in the form attached as Schedule A.

(3) This Settlement Agreement shall only become final on the Effective Date.

2.3 Confidentiality

(1) The Parties shall keep all of the terms of the Settlement Agreement confidential and shall not disclose them without the prior consent of counsel for the Settling Defendant and Class Counsel, as the case may be, except as required for the purposes of financial reporting, reporting to insurers, the preparation of financial records (including tax returns and financial statements), as necessary to seek approval of the settlement under the *Class Proceedings Act*, to inform Class Members about the details of the Settlement Agreement, as necessary to give effect to the terms of this Settlement Agreement, or as otherwise required by law. For clarity the Parties are free to advise there has been a settlement but not the terms of that settlement. When informing Class Members about the details of the Settlement Agreement, the Plaintiff and Class Counsel shall use best efforts to advise Class Members that the Parties have agreed to keep the terms of the Settlement Agreement confidential and urge the Class Members to similarly keep the terms of the Settlement Agreement confidential.

SECTION 3 - SETTLEMENT BENEFITS

3.1 Payment of Settlement Amount

(1) Within thirty (30) days of the Date of Execution, the Settling Defendant shall pay the Settlement Amount into the Trust Account. The Settling Defendant shall deposit the Settlement Amount into the Trust Account by wire transfer or other method agreed upon between counsel. Class Counsel shall provide the necessary wire transfer information to counsel for the Settling Defendant with reasonable advance notice so that the Settling Defendant has a reasonable period of time to comply.

(2) The Settlement Amount shall be all-inclusive of all amounts, including interest and costs, and shall be paid in full satisfaction of the Released Claims against the Releasees.

(3) The Releasees shall have no obligation to pay any amount in addition to the Settlement Amount, for any reason, pursuant to or in furtherance of this Settlement Agreement or the Proceeding.

(4) Class Counsel or its duly appointed agent shall maintain the Trust Account as provided for in this Settlement Agreement.

(5) Class Counsel or its duly appointed agent shall not pay out all or any part of the monies in the Trust Account, except in accordance with this Settlement Agreement, or in accordance with an order of the Court.

3.2 Taxes and Interest

(1) Except as hereinafter provided, all interest earned on the Settlement Amount shall accrue to the benefit of the Class and shall become and remain part of the Trust Account.

(2) Subject to Section 0, all taxes payable on any interest which accrues on the Settlement Amount in the Trust Account shall be the responsibility of the Class. Class Counsel or its duly appointed agent shall be solely responsible to fulfill all tax reporting and payment requirements arising from the monies in the Trust Account, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the income earned on the monies in the Trust Account shall be paid from the Trust Account.

(3) The Settling Defendant shall have no responsibility to make any filings relating to the Trust Account and will have no responsibility to pay tax on any income earned by the monies in the Trust Account or pay any taxes on the monies in the Trust Account, unless this Settlement Agreement is not approved, is terminated or otherwise fails to take effect, in which case the interest earned on the Settlement Amount in the Trust Account shall be paid to the Settling Defendant who, in such case, shall be responsible for the payment of all taxes on such interest not previously paid by Class Counsel or its duly appointed agent.

SECTION 4 – DISTRIBUTION OF THE SETTLEMENT AMOUNT AND ACCRUED INTEREST

4.1 Distribution Protocol

(1) After the Effective Date, at a time wholly within the discretion of Class Counsel, Class Counsel will make an application seeking orders from the Court approving the Claims Administrator and approving a Distribution Protocol.

SECTION 5 – RELEASES AND DISMISSALS

5.1 Release of Releasees

(1) Upon the Effective Date, in consideration of payment of the Settlement Amount and for other valuable consideration set forth in this Settlement Agreement, the Releasors forever release and discharge the Releasees from the Released Claims that any of them, whether directly or indirectly, ever had, now have, or may have.

(2) The Plaintiff and Settlement Class Members acknowledge that they may discover facts in addition to, or different from, those facts which they know or believe to be true regarding the subject matter of the Settlement Agreement. It is their intention to release fully, finally, and forever all Released Claims and, in furtherance of such intention, this release shall remain in effect despite the discovery or existence of additional or different facts.

(3) The releases granted pursuant to Section 5.1 shall be deemed partial and shall benefit only the Releasees. They shall not limit the rights of the Settlement Class Members against the Non-Settling Defendants or any other Person who is not a Releasee.

5.2 Covenant Not to Sue

(1) Notwithstanding Section 5.1, upon the Effective Date, if the release of one tortfeasor is a release of all other tortfeasors, the Releasors do not release the Releasees, but instead covenant and undertake not to make any claim in any way or to commence, participate in, or continue any proceeding in any jurisdiction against the Releasees in respect of the Released Claims.

5.3 No Further Claims

(1) Upon the Effective Date, the Releasors shall not institute, continue, maintain, or assert, either directly or indirectly, on their own behalf or on behalf of any class or any other Person, any action, suit, cause of action, claim or demand against any Releasee, or against any other Person who may claim contribution or indemnity or other claims over relief from any Releasee, in respect of any Released Claim, except for the continuation

of the Proceeding against the Non-Settling Defendants or any other Person who is not a Releasee.

(2) If the Court determines that there is a right of contribution, indemnity, or any other claims over, whether in equity or in law, by statute, contract, or otherwise, the Plaintiff and Settlement Class Members shall reduce or limit their claims against the Non-Settling Defendants or other Person so as not to be entitled to claim or recover from the Non-Settling Defendants or other Person who are not Releasees that portion of any damages, restitutionary award, disgorgement of profits, interest, and costs that corresponds to the Proportionate Liability of the Releasees proven at trial or otherwise.

5.4 Amendment of Pleadings

(1) Upon the Effective Date, the Proceeding shall be dismissed, with prejudice and without costs, as against the Settling Defendant.

(2) Class Counsel will seek an order from the Court, no later than 30 days before the currently scheduled trial date, approving amendments that:

- (a) remove the Settling Defendant as a party to the Proceeding;
- (b) remove allegations of fault against the Settling Defendant; and,
- (c) add the following paragraph:

The plaintiff and the Class expressly waive their right to recover any portion of their losses that may be attributable to the fault of Allpoints. If any fault is attributed to Allpoints by the court, the plaintiffs will not recover damages for that portion of fault from any of the Defendants.

SECTION 6 – EFFECT OF SETTLEMENT

6.1 No Admission of Liability

(1) The Plaintiff and the Releasees agree that this Settlement Agreement shall not be deemed or interpreted to be an admission of any wrongdoing or fault by any of the Releasees.

SECTION 7 – ADMINISTRATION AND IMPLEMENTATION

7.1 Mechanics of Administration

(1) Except to the extent provided for in this Settlement Agreement, the mechanics of the implementation and administration of this Settlement Agreement and the Distribution Protocol shall be determined by the Court on applications brought by Class Counsel at a time within the sole discretion of Class Counsel. Class Counsel shall have no obligation to consult with the Settling Defendant about the implementation and administration of this Settlement Agreement, the appointment of the Claims Administrator (if any) or the terms of the Distribution Protocol.

SECTION 8 - CLASS COUNSEL FEES, DISBURSEMENTS AND ADMINISTRATION EXPENSES

(1) The Releasees shall not be liable for any fees, disbursements or taxes of any of Class Counsel's, the Plaintiff's or Settlement Class Members' respective lawyers, experts, advisors, agents, or representatives.

(3) Class Counsel may seek the Court's approval to pay Class Counsel Fees contemporaneous with seeking approval of this Settlement Agreement, or at a later date. Class Counsel Fees shall be reimbursed and paid solely out of the Trust Account after the Effective Date. No Class Counsel Fees shall be paid from the Trust Account prior to the Effective Date.

(4) Except as provided herein, Administration Expenses may only be paid out of the Trust Account after the Effective Date.

(5) The Releasees have no responsibility for and no liability whatsoever with respect to the administration of the Settlement Agreement.

SECTION 9 - NON-APPROVAL OR TERMINATION OF SETTLEMENT AGREEMENT

9.1 Reservation of Rights

(1) The Plaintiff and Releasees expressly reserve all of their rights if this Settlement Agreement is not approved, is terminated or otherwise fails to take effect for any reason.

9.2 Right of Termination

(1) If the Court declines to approve this Settlement Agreement, any material term, or the amendments sought in paragraph 5.4(2), the Settling Defendant, Class Counsel and the Plaintiff shall each have the right to terminate this Settlement Agreement by delivering written notice within thirty (30) days. If the Settling Defendant, Class Counsel or the Plaintiff exercise their right to terminate, the Settlement Agreement shall be null and void and have no further force or effect, shall not be binding on the Parties, and shall not be used as evidence or otherwise in any litigation.

(3) Any order, ruling or determination made by the Court with respect to

- (a) Class Counsel Fees,
- (b) the Claims Administrator,
- (c) the Distribution Protocol, or
- (d) notice to Class Members

shall not be deemed to be a material modification of all, or a part, of this Settlement Agreement and shall not provide any basis for the termination of this Settlement Agreement.

SECTION 10 – MISCELLANEOUS

10.1 Motions for Directions

(1) Class Counsel or the Settling Defendant may apply to the Court for directions in respect of the interpretation, implementation and administration of this Settlement Agreement.

(2) All motions contemplated by this Settlement Agreement shall be on notice to the Parties.

10.2 Ongoing Jurisdiction

(1) The Court shall have jurisdiction with respect to implementation, administration, interpretation, and enforcement of the terms of this Settlement Agreement.

10.3 Governing Law

(1) This Settlement Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia.

10.4 Entire Agreement

(1) This Settlement Agreement constitutes the entire agreement among the Parties. It supersedes all prior understandings, undertakings, negotiations, representations, promises, agreements, and agreements in principle related to settlement of the Released Claims.

10.5 Amendments

(1) This Settlement Agreement may not be modified or amended except in writing and by consent of all Parties, and any such modification or amendment must be approved by the Court with jurisdiction over the matter.

10.6 Binding Effect

(1) This Settlement Agreement shall be binding upon, and be for the benefit of, the Plaintiff, Class Members, the Settling Defendant, the Releasers, and the Releasees. Without limiting the generality of the foregoing, each and every covenant and agreement made by the Plaintiff shall be binding upon all Releasers and each and every covenant and agreement made by the Settling Defendant shall be binding upon all of the Releasees.

10.7 Counterparts

(1) This Settlement Agreement may be executed in counterparts. Signatures may be made electronically or on hardcopy.

(2) Electronic copies of the executed Settlement Agreement will be accepted by the Parties.

10.8 Negotiated Agreement

(1) This Settlement Agreement has been the subject of negotiations and discussions by the Parties, each of which has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Settlement Agreement shall have no force and effect.

(2) The language contained in or not contained in previous drafts of this Settlement Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of this Settlement Agreement.

10.9 Acknowledgements

(1) Each of the Parties hereby affirms and acknowledges that:

- (a) he, she, or a representative of the Party with the authority to bind the Party has read and understood this Settlement Agreement;
- (b) the terms of this Settlement Agreement and its effects have been fully explained to him, her, or the Party's representative by his, her or its counsel;
- (c) he, she, or the Party's representative fully understands each term of this Settlement Agreement and its effect; and
- (d) no Party has relied upon any statement, representation, or inducement (whether material, false, negligently made or otherwise) of any other Party, beyond the terms of this Settlement Agreement, with respect to the first Party's decision to execute this Settlement Agreement.

10.10 Authorized Signatures

(1) Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement on behalf of the Parties identified above their respective signatures and their law firms.

10.11 Notice

(1) Where this Settlement Agreement requires a Party to provide notice or any other communication or document to another, such notice, communication or document shall be provided by email, facsimile or letter by overnight delivery to the representatives for the Party to whom notice is being provided, as identified below:

FOR THE PLAINTIFF AND CLASS COUNSEL:

Jamie Thornback
Rebecca Coad
CFM Lawyers LLP
400-856 Homer Street
Vancouver, BC V6B 2W5
Tel.: 604-689-7555
Fax: 604-689-7554
Email: service@cfmlawyers.ca

Dick Byl
Dick Byl Law Corporation
300 – 1777 3rd Ave
Prince George, BC V2L 3G7
Tel: 250-564-3400
Fax: 250-564-7873
Email: info@dbylaw.com

FOR THE SETTLING DEFENDANT:

Nigel L. Trevethan
Dionne H. Liu
Harper Grey LLP
3200-650 West Georgia Street
Vancouver, BC V6B 4P7
Tel.: 604-687-0411
Fax.: 604-669-9385
Email : ntrevethan@harpergrey.com and
dliu@harpergrey.com

10.12 Date of Execution

(1) The Parties have executed this Settlement Agreement as of July 11, 2025.

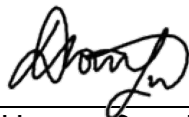
Leonard Hay, by his counsel

Name of Authorized Signatory: Rebecca Coad

Signature of Authorized Signatory: 
CFM Lawyers LLP

Allpoints Fire Protection Ltd., by their counsel

Name of Authorized Signatory Dionne Liu

Signature of Authorized Signatory: 
Harper Grey LLP

SCHEDULE “A”

No. PRG-S-S2058198
Prince George Registry

In the Supreme Court of British Columbia

Between

Leonard Hay

Plaintiff

and

**Mundi 910 Victoria Enterprises Ltd., Choice Hotels Canada Inc.,
City of Prince George, All Points Fire Protection Ltd., and
Aztech Fire Safety Planning & Consulting (2015) Ltd.**

Defendants

BROUGHT UNDER THE *CLASS PROCEEDINGS ACT*, R.S.B.C. 1996, c. 50

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
) dd/mmm/yyyy
)

ON THE APPLICATION of the plaintiff coming on for hearing at the Courthouse, 800 Smithe Street, Vancouver, BC, on dd/mmm/yyyy and on hearing name of party/lawyer and name of party/lawyer;

AND ON READING the materials filed by the Plaintiff in support of the application, including the Settlement Agreement dated July 11, 2025, (the “**Settlement Agreement**”) attached to this Order as **Schedule “A”**, and on hearing the submissions of counsel for the Plaintiff, counsel for the Settling Defendant, and counsel for the Non-Settling Defendants in this Action;

AND ON BEING ADVISED that the Plaintiff and the Settling Defendant consent to this Order, and that the Non-Settling Defendants take no position on this application;

THIS COURT ORDERS that:

2. Allpoints Fire Protection Ltd. is substituted for All Points Fire Protection Ltd. as a defendant in this action;
3. For the purposes of this order, except to the extent that they are modified in this order, the definitions set out in the Settlement Agreement apply to and are incorporated into this order;
4. In the event of a conflict between this order and the Settlement Agreement, this order shall prevail;
5. Notice of the Settlement Agreement is dispensed with pursuant to s. 35(5) of the *Class Proceedings Act*, R.S.B.C. 1996, c. 50;
6. This order, including the Settlement Agreement, is binding upon each member of the Class including those persons who are minors or mentally incapable;
7. The Settlement Agreement is approved pursuant to s. 35 of the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 and shall be implemented and enforced in accordance with its terms;
8. Upon the Effective Date, subject to paragraph 7, each Releasor has released and shall be conclusively deemed to have forever and absolutely released the Releasees from the Released Claims;
9. If the release of one tortfeasor is a release of all tortfeasors, then:
 - (a) The use of the terms "Releasors" and "Released Claims" in this order does not constitute a release;
 - (b) Upon the Effective Date, each member of the Class covenants and undertakes not to make any claim nor to commence, participate in, or continue any proceeding in any jurisdiction against the Releasees in respect of the Released Claims.
10. If the Court ultimately determines that the Class is entitled to compensation, the Plaintiff and members of the Class shall not be entitled to claim or recover from the Non-Settling Defendants or any other Person that is not a Releasee that portion of any damages, interest, or costs that corresponds to the Proportionate Liability of the Releasees.
11. For purposes of administration and enforcement of the Settlement Agreement and this order, this Court will retain an ongoing supervisory role;

- 12. This order does not affect any claims or causes of action that any members of the Class has or may have against the Non-Settling Defendants or any Person who is not a Releasee;
- 13. No Releasee shall have any responsibility or liability whatsoever relating to the administration of the Settlement Agreement;
- 14. The Settlement Amount shall be held in the Trust Account by BC Counsel or its duly appointed agent for the benefit of the members of the Settlement Classes;
- 15. On the Effective Date, the Proceeding is hereby dismissed as against the Settling Defendant without costs and with prejudice;
- 16. The Plaintiff has leave to file a Third Amended Notice of Civil Claim substantially in the form attached as Schedule A to this order, and
- 17. Endorsement of this order by counsel for the Non-Settling Defendants is dispensed with.

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

Signature of lawyer for the Plaintiff,
Leonard Hay

Signature of lawyer for the Settling
Defendant, Allpoints Fire Protection Ltd.

By the Court

Registrar