


(b) Wealth One Bank first mortgage as at June 20, 2022:	\$2,765,129.25
(c) Gino Muoio Holdings Inc./Charles Funaro second mortgage as at June 20, 2022:	<u>\$ 718,098.48</u>
TOTAL:	\$3,525,209.62

5. Based on information in the Receiver's Second Report, the real estate commission payable from the sales proceeds on a sale of the Gilston Road Property at \$6,330,000.00 would be \$132,200.00.
6. The total of the amounts which will be paid out of the sale proceeds of the Gilston Road Property in priority to the Jeana Mortgage is \$3,710,560.62, leaving \$2,619,439.38 to be paid towards the outstanding indebtedness secured by the Jeana Mortgage assuming a sale price of \$6,330,000. Based on those calculations, Jeana will suffer a shortfall of \$821,760.02. This does not take into account the Receiver's fees and expenses and the fees of the Receiver's counsel which I believe take priority over all other charges. Consequently, I would estimate that Jeana's shortfall will exceed \$1,000,000 if the property is sold for \$6,330,000.
7. Prior to the Receiver listing the Gilston Road Property, the Company had listed the property for approximately 15 months commencing in June 2020, first with Amir Hamzehali and then with Paul Tan at list prices between \$10,998,000 and \$9,288,000. This information is found in Schedule B of the Second Receiver's Report. An occupancy permit for the property had not yet been issued during these listing periods. In fact, the occupancy permit was not issued until after the Receiver had been appointed.
8. Attached hereto and marked as **Exhibit "D"** is a true copy of an Appraisal I received on January 18, 2022 of the Gilston Road Property prepared by Anthony Rivard, CRA, of Anthony Rivard Real Estate Appraisals (the "**Rivard Appraisal**"), indicating a market value of \$7,750,000 including GST.
9. I forwarded a copy of the Rivard Appraisal to Alex Ng of the Receiver on or about February 26, 2022.
10. Attached hereto and marked as **Exhibit "E"** is a true copy of an email I sent to Alex Ng of the Receiver on February 16, 2022, with the recommendation that the Gilston Road Property be taken off the market for 3 to 4 weeks, all deficiencies be repaired at the expense of Jeana and the Gilston Road Property be re-listed as a new listing to obtain optimal value.
11. Attached hereto and marked as **Exhibit "F"** is a true copy of an email exchange between Heather Frydenlund, counsel for the Receiver, and myself on February 16, 2022 and February 17, 2022. On February 17, 2022, Ms. Frydenlund responded to my email advising that "*...the Receiver will be selling the property "as is where is", as it has already made the repairs necessary to address immediate issues.*"

12. Attached hereto and marked as **Exhibit "G"** is a true copy of an email I sent to Alex Ng on February 26, 2022, which provided my sale analysis of the Gilston Road Property and reiterating my request that the Gilston Road Property be temporarily removed from the market.
13. I received an email from Alex Ng on April 1, 2022, advising that the then current offer on the Gilston Road Property had collapsed. I was not provided with a copy of that offer. On April 4, 2022, I sent an email to Mr. Ng and William Choo of the Receiver in response. Attached hereto and marked as **Exhibit "H"** is a true copy of Mr. Ng's April 1, 2022, email and my April 4, 2022, email in reply.
14. Attached hereto and marked as **Exhibit "I"** is a true copy of an email I sent to Mr. Ng and Heather Frydenlund on April 21, 2022, in which I placed on record that I vehemently oppose the Receiver's apparent continued effort to shrink the value of the Gilston Road Property with price reductions thereby affecting the security of my mortgage.
15. On my instruction, counsel for Jeana, Ronald Josephson, addressed various communications to Ms. Frydenlund.
16. Attached hereto and marked as **Exhibit "J"** is a true copy of a letter Mr. Josephson sent to Alan Frydenlund and Ms. Frydenlund on September 27, 2021, regarding the sale of the Gilston Road Property and the realtor that was engaged to effect the sale.
17. Attached hereto and marked as **Exhibit "K"** is a true copy of a letter Ms. Frydenlund sent to Mr. Josephson on September 28, 2021, in response to Mr. Josephson's letter dated September 27, 2021.
18. Attached hereto and marked as **Exhibit "L"** is a true copy of an email exchange between Mr. Josephson to Ms. Frydenlund on April 4, 2022.
19. Attached hereto and marked as **Exhibit "M"** is a true copy of a further email Mr. Josephson sent to Ms. Frydenlund on April 7, 2022.
20. Attached hereto and marked as **Exhibit "N"** is a true copy of an email Ms. Frydenlund sent to Mr. Josephson on April 11, 2022, in response to Mr. Josephson's April 7, 2022, email.
21. Attached hereto and marked as **Exhibit "O"** is a true copy of an email Mr. Josephson sent to Ms. Frydenlund on April 25, 2022, in response to Ms. Frydenlund's April 11, 2022, email.
22. Attached hereto and marked as **Exhibit "P"** is a true copy of a document entitled "Comparable Listings/ Sale to 1103 Gilston Road British Properties" that I prepared.
23. Attached hereto and marked as **Exhibit "Q"** is a true copy of the Reasons for Judgment of the Honourable Madam Justice Horsman in which the appointment of a receiver manager of the Company was ordered.


24. I swear this Affidavit in opposition to the Receiver's application for an order approving the sale of the Gilston Road Property for \$6,330,000.

SWORN BEFORE ME at the City of
Vancouver, in the Province of British
Columbia this 9th day of June, 2022.



A Commissioner for taking oaths in the
Province of British Columbia

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LESLIE SALLAY

Peter Reardon
Barrister and Solicitor
Nathanson Schachter & Thompson L.L.P.
750 - 900 Howe Street
Vancouver, BC V6Z 2M4

TITLE SEARCH PRINT

2021-08-06, 11:54:25
Requestor: Phil Garrow

File Reference:
Declared Value \$3500000

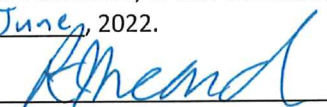
****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District
Land Title Office VANCOUVER
VANCOUVER

Title Number
From Title Number CA7343733
CA6178242

Application Received 2019-02-11

Application Entered 2019-02-14

This is Exhibit " A " referred to in the Affidavit # 1 of Leslie Sallan sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.

A Commissioner/Notary Public for the Province of British Columbia

Registered Owner in Fee Simple
Registered Owner/Mailing Address: 1103 GILSTON ROAD HOLDINGS INC., INC.NO. BC1118127
200-100 PARK ROYAL SOUTH
WEST VANCOUVER, BC
V7T 1A2

Taxation Authority West Vancouver, The Corporation of the District of

Description of Land
Parcel Identifier: 002-841-231
Legal Description:
LOT 20 BLOCK 34 CAPILANO ESTATES PLAN 9111

Legal Notations
THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL GOVERNMENT ACT, SEE CA8086527

LAND HEREIN WITHIN BUILDING SCHEME, SEE 326759L

Charges, Liens and Interests

Nature: RESTRICTIVE COVENANT
Registration Number: N105541
Remarks: SEE 438505L, EXCEPT CLAUSE 7

Nature: RIGHT OF WAY
Registration Number: 204263M
Registration Date and Time: 1955-03-28 12:11
Registered Owner: THE CORPORATION OF THE DISTRICT OF WEST VANCOUVER
Remarks: INTER ALIA

TITLE SEARCH PRINT

2021-08-06, 11:54:25

File Reference:

Requestor: Phil Garrow

Declared Value \$3500000

Nature: RIGHT OF WAY
 Registration Number: 204264M
 Registration Date and Time: 1955-03-28 12:13
 Registered Owner: BRITISH COLUMBIA TELEPHONE COMPANY
 Remarks: INTER ALIA

Nature: RIGHT OF WAY
 Registration Number: 321681M
 Registration Date and Time: 1961-01-03 14:25
 Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
 BRITISH COLUMBIA TELEPHONE COMPANY
 Remarks: INTER ALIA
 ASSIGNMENT OF RIGHT OF WAY 204265M RECEIVED
 28/03/1955 12:13
 MODIFIED BY BJ215628
 MODIFIED BY BR199875
 MODIFIED BY BB981018
 MODIFIED BY BB1708809

Nature: MORTGAGE
 Registration Number: D9422
 Registration Date and Time: 1976-02-25 09:38
 Registered Owner: MONTREAL TRUST COMPANY, IN TRUST, SEE 63236M AND
 D9422
 Remarks: INTER ALIA
 MORTGAGE OF RIGHT OF WAY 204264M SUPPLEMENTAL TO
 M63236M

Nature: MORTGAGE
 Registration Number: CA6178243
 Registration Date and Time: 2017-07-27 16:31
 Registered Owner: WEALTH ONE BANK OF CANADA

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA6178244
 Registration Date and Time: 2017-07-27 16:31
 Registered Owner: WEALTH ONE BANK OF CANADA

Nature: MORTGAGE
 Registration Number: CA7580979
 Registration Date and Time: 2019-06-26 08:26
 Registered Owner: JEANA VENTURES LTD.
 INCORPORATION NO. BC0865511

TITLE SEARCH PRINT

2021-08-06, 11:54:25

File Reference:

Requestor: Phil Garrow

Declared Value \$3500000

Nature: MORTGAGE
 Registration Number: CA8032538
 Registration Date and Time: 2020-02-12 12:06
 Registered Owner: GINO MUOIO HOLDINGS INC.
 INCORPORATION NO. BC1046725
 AS TO AN UNDIVIDED 325/650 INTEREST
 Registered Owner: CHARLES FUNARO
 AS TO AN UNDIVIDED 325/650 INTEREST

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA8032539
 Registration Date and Time: 2020-02-12 12:06
 Registered Owner: GINO MUOIO HOLDINGS INC.
 INCORPORATION NO. BC1046725
 AS TO AN UNDIVIDED 325/650 INTEREST
 Registered Owner: CHARLES FUNARO
 AS TO AN UNDIVIDED 325/650 INTEREST

Nature: PRIORITY AGREEMENT
 Registration Number: CA8033891
 Registration Date and Time: 2020-02-12 16:35
 Remarks: GRANTING CA8032538 PRIORITY OVER CA7580979

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8193007
 Registration Date and Time: 2020-05-15 11:50
 Registered Owner: GRIFF BUILDING SUPPLIES LTD.
 INCORPORATION NO. BC0061688

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA8339503
 Registration Date and Time: 2020-07-31 15:48
 Registered Owner: ALOHA POOLS LTD

Nature: MORTGAGE
 Registration Number: CA8548024
 Registration Date and Time: 2020-11-04 12:37
 Registered Owner: ADC HOLDINGS LTD
 INCORPORATION NO. BC0851097

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA8602667
 Registration Date and Time: 2020-11-27 11:29
 Registered Owner: JEANA VENTURES LTD.
 INCORPORATION NO. BC0865511
 Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference:

2021-08-06, 11:54:25

Declared Value \$3500000

Requestor: Phil Garrow

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: WX2158410
 Registration Date and Time: 2021-02-17 11:04
 Registered Owner: OPEN WINDOWS INC.

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA9001606
 Registration Date and Time: 2021-05-13 09:21
 Registered Owner: GRIFF BUILDING SUPPLIES LTD.
 INCORPORATION NO. BC0061688
 Remarks: INTER ALIA

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: WX2165868
 Registration Date and Time: 2021-07-06 09:13
 Registered Owner: WESTFLOORS LTD.

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA9241759
 Registration Date and Time: 2021-07-30 14:46
 Registered Owner: ALOHA POOLS LTD.
 INCORPORATION NO. BC0114835

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT
FORM B (Section 225)

Jun-26-2019 08:26:17.001

CA7580979

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 6 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Qainoor Khan
Nuraneey 64GQ7J
Digitally signed by Qainoor Khan Nuraneey 64GQ7J
Date: 2019.06.25 16:43:25 -0700

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Qainoor Nuraneey, Lawyer
Silver & Associates Law Corporation
203 145 West 15th Street
North Vancouver BC V7M 1R9
Telephone: (604) 986-2522
File Number: PVT 0391 ADC
Projects-Jeana Ventures
Document Fees: \$74.16

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [legal description]
002-841-231 LOT 20 BLOCK 34 CAPILANO ESTATES PLAN 9111

STC? YES

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

1103 GILSTON ROAD HOLDINGS INC.

200-100 PARK ROYAL SOUTH
WEST VANCOUVER V7T 1A2
BRITISH COLUMBIA CANADA
Incorporation No BC1118127

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

SEE SCHEDULE

5. PAYMENT PROVISIONS:

(a) Principal Amount: SEE SCHEDULE	(b) Interest Rate: 8.5%	(c) Interest Adjustment Date: 19 07 01	Y	M	D
(d) Interest Calculation Period: Monthly	(e) Payment Dates: 1st day of each and every month	(f) First Payment Date: 19 08 01	19	08	01
(g) Amount of each periodic payment: \$4,745.83	(h) Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum.	(i) Last Payment Date: 20 07 01	20	07	01
(j) Assignment of Rents which the applicant wants registered? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> If YES, page and paragraph number:	(k) Place of payment: Postal Address in Item 4	(l) Balance Due Date: ON DEMAND			

This is Exhibit "B" referred to in the Affidavit # 1 of Leslie Selby sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.

R. Mehand
A Commissioner/Notary Public for the Province of British Columbia

MORTGAGE – PART 1

6. MORTGAGE contains floating charge on land ?
YES NO

7. MORTGAGE secures a current or running account ?
YES NO

8. INTEREST MORTGAGED:
Freehold
Other (specify)

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

- (a) Prescribed Standard Mortgage Terms
- (b) Filed Standard Mortgage Terms
- (c) Express Mortgage Terms

D F Number:
(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

See Schedule

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

See Schedule

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

Qainoor K. Nuraney
Barrister & Solicitor
#203-145 West 15th Street
North Vancouver, BC V7M 1R9

Execution Date		
Y	M	D
19	06	24

Borrower(s) Signature(s)

1103 GILSTON ROAD HOLDINGS
INC. by its authorized signatory
(ies):

Philip Deane Garrow

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

Qainoor K. Nuraney
Barrister & Solicitor
#203-145 West 15th Street
North Vancouver, BC V7M 1R9

Y	M	D
19	06	24
19	06	24

ADC Projects Ltd., as Convenator by its
authorized signatory (ies):

Name: Philip Deane Garrow

Qainoor K. Nuraney
Barrister & Solicitor
#203-145 West 15th Street
North Vancouver, BC V7M 1R9

PHILIP DEANE GARROW, AS
COVENANTOR

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT
FORM E**

PAGE 4 OF 6 PAGES

SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

4. LENDER(S) (MORTGAGBB(S)): (including occupation(s), postal address(es) and postal code(s))

JEANA VENTURES LTD.
300 - 10366 136A STREET
SURREY

V3T 5R3

BRITISH COLUMBIA
CANADA

Incorporation No
BC0865511

LAND TITLE ACT
FORM E

SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

5. PAYMENT PROVISIONS:

(A) Principal Amount:

The principal amount of this mortgage is \$2,010,000.00 in US dollars paid in three installments:

- 1) June 26, 2019 - \$670,000.00 USD, October 1, 2019 - \$670,000.00 USD and January 1, 2020 - \$670,000.00 USD. All amounts referenced in this mortgage are in US dollars except those noted under Item 10: Repayment.

10. Additional or Modified Terms

Repayment

Interest only payable monthly at the aforesaid rate with the principal balance of the loan and any accrued interest outstanding due and payable on maturity. The Lender will require the Borrower pay monthly in the amount of \$4,745.83 payable to the Lender for all of the monthly interest payments during the term of the loan. Any payments returned NSF or not received by the first of each month will be charged \$250 per month. Any and all payments, including full repayment, must be received at the offices of the Lender by 12:00 noon in order to be credited on the date received.

Upon repayment of the mortgage, the balance owing will be \$2,010,000.00 USD plus \$690,000.00 CAD, equaling the equitable contributions made by the Lender upon purchase of this property. The outstanding balance in full (for greater certainty, \$2,010,000.00 USD plus \$690,000.00 CAD) takes priority over any subsequent charges, debts or payments owing by the Borrower or Conventors.

Prepayment Penalty

The loan is open and can be prepaid without penalty.

Due of Sale/Approval of Ownership

It is expressly understood and agreed that upon the change of control of the Borrower or Guarantor or the sale, conveyance, transfer or disposition of the legal or beneficial interest in the Lands of any portion thereof, or the interest of the Borrower or Guarantor in the Lands without the prior written consent of the Lender, which consent may be unreasonably withheld, the Loan, together with all accrued and unpaid interest and all other monies secured thereunder and then outstanding, shall become due and payable at the option of the Lender.

Default

Any default under any prior mortgage or subsequent mortgage shall be deemed to be a default under this Mortgage and it shall entitle the Lender to exercise any and all remedies available to the Lender in the event of default.

Property Taxes

The Borrower further agrees to pay all municipal property taxes due respecting the mortgaged land when due and that any failure to keep said property taxes current shall constitute default hereunder.

Non-Assignment/Transfer

The Borrower may not assign or transfer its interest in this Mortgage to any other party.

LAND TITLE ACT
FORM E

SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

Renewal

Upon the end of the term, namely July 1st, 2020, should the Borrower want to renew the mortgage, the Borrower may request to do so from the Lender at the expense of the Borrower. Expenses included but are not limited to, legal fees, lenders fees and disbursements.

Priority/Subsequent Charge

No subsequent encumbrances are permitted without the Lender's approval.

Costs

The Borrower will be responsible for all cost associated with this contemplated transaction, without limitation, any and all legal and other costs incidental to the loan, the drawing of the security documents and advancing the funds thereunder.

Discharge of Mortgage

The Lender shall have a reasonable time after receipt of repayment of the indebtedness to prepare and execute a discharge for each title. All legal and other expenses for the preparation and execution of such discharges(s) shall be borne by the Borrower including the discharge fee of two hundred fifty (\$250.00) dollars per title.

Assignment of Mortgage by the Lender

The Lender may assign all or any part of this Mortgage to a different lender at any time in the sole and absolute discretion of the Lender.

11. PRIOR ENCUMBRANCES PERMITTED BY THE LENDER:

First Mortgage in favour of Wealth One Bank of Canada under number CA6178243 and Assignment of Rents No. CA6178244 not to exceed an outstanding balance of \$2,400,000.00.

End of Document

JEANA LOANS TO GILSTON
SECURED BY 3RD MTG.

15-Mar-19	\$	690,000.00	CDN		
26-Jun-19	\$	857,600.00	CDN	\$	670,000.00 USD at 1.28 exchange
13-Sep-19	\$	857,600.00	CDN	\$	670,000.00 USD at 1.28 exchange
20-Jun-22	\$	311,832.70	CDN	\$	243,619.30 USD Acrued Interest at 1.28 exchange
07-Jan-20	\$	525,000.00	CDN		
20-Jun-22	\$	99,166.70	CDN		Acrued Interest
01-Jul-20	\$	<u>100,000.00</u>	CDN		
	\$	3,441,199.40	CDN		

JEANA LOANS TO RM

04-Aug-21	\$	25,000.00	CDN		
20-Jun-22	\$	2,192.00	CDN		Acrued Interest
01-Feb-22	\$	25,000.00	CDN		
20-Jun-22	\$	<u>959.00</u>	CDN		Acrued Interest
	\$	53,151.00	CDN		

This is Exhibit "C" referred to in the Affidavit # 1 of Leslie Salley, sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.



A Commissioner/Notary Public for the
Province of British Columbia

This is Exhibit "P" referred to in the Affidavit # 1 of Leslie Selby sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022



A Commissioner/Notary Public for the
Province of British Columbia

APPRAISAL OF



SUBJECT PROPERTY

LOCATED AT:

1103 Gilston Road
West Vancouver, B.C.

FOR:

Jeana Ventures Ltd. – C/O Les Sallay

BORROWER:

With reference to Mr. Les Sallay

AS OF:

January 18, 2022

BY:

Anthony Rivard CRA

Client Reference No.:

File No.: 012022

Anthony Rivard
Anthony Rivard Real Estate Appraisals
2148 Grand Boulevard, North Vancouver, B.C. V7L 3Y7

Jan. 18, 2022

Jeana Ventures Ltd. – C/O Les Sallay

Address of Property: 1103 Gilston Road
West Vancouver, B.C.

Market Value: \$ **7,750,000. INCLUDING G.S.T.**

In accordance with your request and authorization, a full appraisal on the above described property has been prepared for the purposes of estimating a Fair Market Value for the Subject. After careful consideration of all the factors that affect value, the market value was estimated to be as referenced above.

This estimate is subject to the limiting conditions attached to this appraisal and to which the reader's attention is specifically directed.

The following report presents the basis of all opinions expressed herein. The information contained herein should be sufficient for your purposes. Should you require further information or clarification as to any portion of this report, please contact me.

I certify that I have no interest, presently or contemplated, in the property appraised.

****As of the date of this report, Canada and the Global Community are experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impacts with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impacts at present, or the impacts of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession; however, without knowledge of further anticipated government countermeasures at the national and global levels, it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation is based on an assumption that current market conditions will continue, and that, in the longer term, market conditions will remain unchanged. Given the market uncertainties resulting from the Covid-19 pandemic, a "force majeure" event, we reserve the right to revise the value estimation set out in this report for a fee, with an update appraisal report under a separate appraisal engagement, incorporating market information available at that time. ****



Anthony Rivard CRA
CRA

RESIDENTIAL APPRAISAL REPORT

FILE NO.: **012022**

REFERENCE:

CLIENT	CLIENT: Jeana Ventures Ltd. – C/O Les Sallay	APPRAISER	AIC MEMBER: Anthony Rivard CRA	 Appraisal Institute of Canada
	ATTENTION: Mr. Les Sallay		COMPANY: Anthony Rivard Real Estate Appraisals	
	ADDRESS:		ADDRESS: 2148 Grand Boulevard, North Vancouver, B.C. V7L 3Y7	
	E-MAIL:		E-MAIL: rivarda@telus.net	
	PHONE: _____ OTHER: _____		PHONE: 604-836-4135 OTHER: _____	
SUBJECT	PROPERTY ADDRESS: 1103 Gilston Road CITY: West Vancouver PROVINCE: B.C. POSTAL CODE: _____		LEGAL DESCRIPTION: Lot 20, Block 34, District Lot Capilano Estates, Plan VAP9111. Parcel Identifier #002-841-231.	
			Source: M.L.S. / B.C Assessment	
	MUNICIPALITY AND DISTRICT: District of West Vancouver			
	ASSESSMENT: Land \$ 3,244,000 Imps \$ 1,328,000 Total \$ 4,572,000 Assessment Date: 2022 Taxes \$ 14,463 Year 2021		EXISTING USE: Detached dwelling OCCUPIED BY: Vacant	
ASSIGNMENT	NAME: With reference to Mr. Les Sallay (as Client) Name Type: _____			
	PURPOSE: <input checked="" type="checkbox"/> To estimate market value <input type="checkbox"/> To estimate market rent <input type="checkbox"/> _____			
	INTENDED USE: <input type="checkbox"/> First mortgage financing only <input type="checkbox"/> Second mortgage financing only <input type="checkbox"/> Conventional <input checked="" type="checkbox"/> Determine value to aid Client in making offer to purchase			
	INTENDED USERS (by name): Client above.			
	REQUESTED BY: <input checked="" type="checkbox"/> Client above <input type="checkbox"/> Other _____			
	VALUE: <input checked="" type="checkbox"/> Current <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective			
	<input type="checkbox"/> Update of original report completed on _____ with an effective date of _____ File No. _____			
	PROPERTY RIGHTS APPRAISED: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Condominium/Strata <input type="checkbox"/> _____			
	MAINTENANCE FEE (if applicable): \$ _____			
	CONDO/STRATA COMPLEX NAME (if applicable): _____			
	IS THE SUBJECT A FRACTIONAL INTEREST, PHYSICAL SEGMENT OR PARTIAL HOLDING? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (if yes, see comments) _____			
	APPROACHES USED: <input checked="" type="checkbox"/> DIRECT COMPARISON APPROACH <input checked="" type="checkbox"/> COST APPROACH <input type="checkbox"/> INCOME APPROACH			
EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES (see attached addendum)				
HYPOTHETICAL CONDITIONS <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES (see attached addendum. A hypothetical condition requires an extraordinary assumption)				
JURISDICTIONAL EXCEPTION <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES (see attached addendum)				
NEIGHBOURHOOD	NATURE OF DISTRICT: <input checked="" type="checkbox"/> Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Agricultural <input type="checkbox"/> _____		From _____ To _____	
	TYPE OF DISTRICT: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural <input type="checkbox"/> Recreational <input type="checkbox"/> _____		AGE RANGE OF PROPERTIES (years): 20 40 average	
	TREND OF DISTRICT: <input checked="" type="checkbox"/> Improving <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Transition <input type="checkbox"/> Deteriorating <input type="checkbox"/> _____		PRICE RANGE OF PROPERTIES: \$ 1,500,000 \$ 20,000,000	
	BUILT-UP: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25 - 75% <input type="checkbox"/> Under 25% <input type="checkbox"/> Rural		See Attached Addendum...	
	CONFORMITY Age: <input checked="" type="checkbox"/> Newer <input type="checkbox"/> Similar <input type="checkbox"/> Older <input type="checkbox"/> _____		MARKET OVERVIEW: Supply: <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input checked="" type="checkbox"/> Low	
	Condition: <input checked="" type="checkbox"/> Superior <input type="checkbox"/> Similar <input type="checkbox"/> Inferior <input type="checkbox"/> _____		Demand: <input checked="" type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Low	
	Size: <input checked="" type="checkbox"/> Larger <input type="checkbox"/> Similar <input type="checkbox"/> Smaller <input type="checkbox"/> _____		PRICE TRENDS: <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	
	COMMENTS: <input type="checkbox"/> Detrimental Conditions Observed			
	Please See Attached Addendum Comments...			
	SITE	SITE DIMENSIONS: Irregular (46.3-foot frontage)		UTILITIES: <input checked="" type="checkbox"/> Telephone <input checked="" type="checkbox"/> Natural Gas <input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Sanitary Sewer <input type="checkbox"/> Septic
LOT SIZE: 17114 sq.ft./0.39 acre Unit of Measurement _____		<input type="checkbox"/> Open Ditch <input type="checkbox"/> Holding Tank <input type="checkbox"/> _____		
Source: District web plan		WATER SUPPLY: <input checked="" type="checkbox"/> Municipal <input type="checkbox"/> Private Well <input type="checkbox"/> _____		
TOPOGRAPHY: Moderate to gradual rise to building envelope; gradual rise at rear of site.		FEATURES: <input type="checkbox"/> Gravel Road <input checked="" type="checkbox"/> Paved Road <input type="checkbox"/> Lane <input type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Curbs		
CONFIGURATION: Quite irregular		<input checked="" type="checkbox"/> Street Lights <input checked="" type="checkbox"/> Cablevision <input type="checkbox"/> _____		
ZONING: RS3; Single Family Residential		ELECTRICAL: <input checked="" type="checkbox"/> Overhead <input type="checkbox"/> Underground <input checked="" type="checkbox"/> Off-site		
OTHER LAND USE CONTROLS (see comments): Reviewed		DRIVEWAY: <input checked="" type="checkbox"/> Private <input type="checkbox"/> Mutual <input type="checkbox"/> None <input type="checkbox"/> Single <input checked="" type="checkbox"/> Double		
USE CONFORMS: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (see comments) _____		<input type="checkbox"/> Underground <input type="checkbox"/> Laneway <input type="checkbox"/> _____		
ASSEMBLAGE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (see comments) _____		Surface: Paving stones		
TITLE SEARCHED: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO (see comments and limiting conditions)		PARKING: <input checked="" type="checkbox"/> Garage <input type="checkbox"/> Carport <input type="checkbox"/> Driveway <input type="checkbox"/> Street three cars		
COMMENTS: <input type="checkbox"/> Detrimental Conditions Observed		LANDSCAPING: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor _____		
Please See Attached Addendum Comments...		CURB APPEAL: <input checked="" type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor _____		

RESIDENTIAL APPRAISAL REPORT

FILE NO.: **012022**

REFERENCE:

YEAR BUILT (estimated): 2020	PROPERTY TYPE: Detached single family dwelling	ROOFING: Sheet metal
YEAR OF ADDITIONS: N/A	DESIGN/STYLE: Two-storey	Condition: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor
EFFECTIVE AGE: New years	CONSTRUCTION: Wood frame	
REM. ECONOMIC LIFE: 68 years	WINDOWS: Vinyl thermal glaze	
COMMENTS:	BASEMENT: Full - full finish	EXTERIOR FINISH: Stucco; wood
	ESTIMATED BASEMENT AREA: 2,941 <input checked="" type="checkbox"/> Sq. Ft. <input type="checkbox"/> Sq. M.	Condition: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor
	ESTIMATED BASEMENT FINISH: 100 %	
	FOUNDATION WALLS: Poured concrete	

BEDROOMS(#)	BATHROOMS(#)	INTERIOR FINISH	Walls	Ceilings	CLOSET:	INSULATION:
3 Large	2 2-piece	6 Good	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor/None	<input checked="" type="checkbox"/> Ceiling <input checked="" type="checkbox"/> Walls <input checked="" type="checkbox"/> Basement <input type="checkbox"/> Crawl Space
2 Average	2 3-piece	2 Average	<input type="checkbox"/>	<input type="checkbox"/>	Info Source: Assumed as per Building Code	
1 Small	3 4-piece	Fair	<input type="checkbox"/>	<input type="checkbox"/>	PLUMBING LINES: Copper / plastic	Info Source: Visual
	1 5-piece	Poor	<input type="checkbox"/>	<input type="checkbox"/>	FLOOR PLAN: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor	
FLOORING: Engineered hardwood; stone and porcelain slab tile					BUILT-IN/EXTRA: <input checked="" type="checkbox"/> Stove <input checked="" type="checkbox"/> Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Garburator	
ELECTRICAL: <input type="checkbox"/> Fuses <input checked="" type="checkbox"/> Breakers					<input checked="" type="checkbox"/> Vacuum <input checked="" type="checkbox"/> Security System <input checked="" type="checkbox"/> Fireplace <input type="checkbox"/> Skylight <input type="checkbox"/> Solarium	
ESTIMATED RATED CAPACITY OF MAIN PANEL: 200 (+ sub-panels) amps					<input checked="" type="checkbox"/> HR Ventilator <input checked="" type="checkbox"/> Central Air <input type="checkbox"/> Air Cleaner <input checked="" type="checkbox"/> Sauna <input checked="" type="checkbox"/> Jetted Tub	
HEATING SYSTEM: Forced-air; hot water radiant Fuel type: Gas					<input checked="" type="checkbox"/> Garage Opener <input checked="" type="checkbox"/> Swimming Pool <input checked="" type="checkbox"/> Microwave, "fry" kitchen with additional	
WATER HEATER: Type: High-efficiency storage tank; gas-fired					appliances (see below); two fridges	
					OVERALL INT. COND: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor	

ROOM ALLOCATION															
LEVEL:	ENTRANCE	LIVING	DINING	KITCHEN	FAMILY	BEDROOMS	DEN	FULL BATH	PART BATH	LAUNDRY	Eat.area	Fry kitch.	Sitting	ROOM TOTAL	AREA
MAIN	X	1	1	1	1	1	1	1	2		1	1	1	9	2,941
SECOND						4		4		1	1-gallery			5	2,233
THIRD															
ABOVE GRADE TOTALS ROOMS: 14 BEDROOMS: 5 BATHROOMS: 5F 2H ROOM TOTAL: 14 AREA: 5,174															
BASEMENT					1	1	1	2			1-theatre	1-games	1-Gym	6	2,941

UNIT OF MEASUREMENT: Sq. Ft. Sq. M.
 SOURCE OF MEASUREMENT: **Measurement service**

BASEMENT FINISH: **Please See Attached Addendum Comments...**

GARAGES/CARPORT/PARKING FACILITIES: **Please See Attached Addendum Comments...**

SITE IMPROVEMENTS (INCLUDING DECKS, PATIOS, OUTBUILDINGS, LANDSCAPING, etc): **Please See Attached Addendum Comments...**

COMMENTS: Detrimental Conditions Observed Incomplete Construction (see comments)

Please See Attached Addendum Comments...

IMPROVEMENTS

RESIDENTIAL APPRAISAL REPORT

FILE NO.: **012022**

REFERENCE:

LAND VALUE AS IF VACANT: N/A \$ **3,750,000** SOURCE OF DATA: M.L.S. data review Comment: _____

HIGHEST AND BEST USE

EXISTING USE: Detached single family dwelling
 HIGHEST AND BEST USE OF THE LAND AS IF VACANT: Residential Other _____
 HIGHEST AND BEST USE OF THE PROPERTY AS IMPROVED: Existing Residential Use Other _____
 ANALYSES AND COMMENTS: Please see SITE COMMENTS in the Addendum pages for the Appraiser's opinion on the Highest and Best Use.

DIRECT COMPARISON APPROACH

SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3		
	Description	\$ Adjustment	Description	\$ Adjustment	Description	\$ Adjustment	
1103 Gilston Road West Vancouver	530 Eastcot Road West Vancouver		926 Groveland Road West Vancouver		1141 Millstream Road West Vancouver		
DATA SOURCE	M.L.S./Appraised		M.L.S.		M.L.S./Appraised		
DATE OF SALE	Not a sale	Sept. 28, 2021	55,000	Aug. 29, 2021	75,000	May 30, 2020	600,000
SALE PRICE	\$ (G.S.T.)	\$ 5,990,000		\$ 6,380,000 + G.S.T.	319,000	\$ 5,900,000 Inc. G.S.T.	
DAYS ON MARKET	See comments	140 days		891 days total		One day	
Site dimensions/exposure/features/etc.	Irregular; south-facing; quiet street; level rear	Irreg.; south-exposed; quiet street; gradual		Irreg.; south-exposed; steep/abuts Eyremount		Irregular; south-facing; quiet street; gradual	
LOCATION	British Properties	British Properties		British Properties		British Properties	
SITE DIMENSIONS/LOT SIZE	17114 sq.ft./0.39 acre	0.37 acre; 16103 sq.ft.		13935 sq.ft.		17362 sq.ft./0.39 acre	
BUILDING TYPE	Detached	Detached		Detached		Detached	
DESIGN/STYLE	Two-storey	Two-storey		Two-storey		Two-storey	
AGE/CONDITION	2 As new	Six Yrs. Good	225,000	Two Yrs. Good	-80,000	Three Yr. Good	
LIVABLE FLOOR AREA	5174 Sq.Ft.	5309 Sq.Ft.	-60,000	4988 Sq.Ft.	80,000	5785 Sq.Ft.	260,000
ROOM COUNT	Total Rooms: 14 Bdrms: 5	Total Rooms: 10 Bdrms: 4		Total Rooms: 14 Bdrms: 5		Total Rooms: 13 Bdrms: 5	
BATHROOMS	5F 2H	4F 1H		4F 1H		5F 2H	
BASEMENT	2941 Sq.Ft.	3529 Sq.Ft.	-100,000	2779 Sq.Ft.	25,000	1847 Sq.Ft.	180,000
PARKING FACILITIES	Garage/three cars	Garage/two cars	50,000	Garage/two cars	50,000	Garage/three cars	
House quality/features/extras/issues	Average; Contemporary plan; extras; hot tub/pool; finishing issues	Similar overall; attractive; West Coast Modern plan but stark interiors; pool	25,000	Superior quality/design; attractive Contemporary; similar extras	-200,000	Similar Contemporary; inferior quality, finishes & design; pool	250,000 25,000
Lot concerns/issues (net land value)	Limited south-easterly view; popular locale	No view; inferior 'Lower Properties' locale	1,250,000	Inferior southeast view; smaller; popular locale	750,000	Limited view; slightly inferior nearby location	500,000
COMPARABILITY>		INFERIOR		INFERIOR-SIMILAR		INFERIOR	
ADJUSTMENTS (Gross%, Net%, Dollar)		29.5% 24.1% \$1,445,000		24.7% 16.0% \$1,019,000		30.8% 30.8% \$1,815,000	
ADJUSTED VALUES		\$ 7,435,000		\$ 7,399,000		\$ 7,715,000	

ANALYSES AND COMMENTS:
 Note that "net land value" adjustments reflect all relevant factors.

Please see Page #4 for Sales #4 and #5, and see the Addendum pages for all comments about the comparables.

Please see the Addendum Comments pages for a current market report from the Real Estate Board.

AFTER ADJUSTMENTS, THE COMPARABLE SALES SUGGEST A RANGE OF VALUE FOR THE SUBJECT OF \$7,399,000. TO \$7,940,000.

ESTIMATED VALUE BY THE DIRECT COMPARISON APPROACH (rounded): \$ 7,750,000.* *INCLUDING G.S.T., ON AN "AS IS" BASIS.

RESIDENTIAL APPRAISAL REPORT

31

FILE NO.: **012022**

REFERENCE:

SUBJECT	COMPARABLE NO. 4				COMPARABLE NO. 5				COMPARABLE NO. 6			
	Description		\$ Adjustment		Description		\$ Adjustment		Description		\$ Adjustment	
1103 Gilston Road West Vancouver	4195 Rockridge Road West Vancouver				3003 Mathers Avenue West Vancouver							
DATA SOURCE	M.L.S./Appraised				M.L.S.							
DATE OF SALE	Not a sale		145,000		Sept. 24, 2021		60,000					
SALE PRICE	§ (G.S.T.)		§ 8,208,000 Inc. G.S.T.		§ 8,300,000							
DAYS ON MARKET	See comments		109 days		Seven days							
Site dimensions/exposure/features/etc.	Irregular; south-facing; quiet street; level rear		Irreg.; south-exposed; busier street; privacy		Irreg.; faces south; fairly busy corner; sloping							
LOCATION	British Properties		Rockridge		Altamont							
SITE DIMENSIONS/LOT SIZE	17114 sq.ft./0.39 acre		17499 sq.ft./0.40 acre		17546 sq.ft./0.40 acre							
BUILDING TYPE	Detached		Detached		Detached							
DESIGN/STYLE	Two-storey		Two-storey/reverse		Two storey							
AGE/CONDITION	2 As new		2 Yrs. Good -100,000		Nine Yr. Good 415,000							
LIVABLE FLOOR AREA	5174 Sq.Ft.		6980 Sq.Ft. -910,000		4921 Sq.Ft. 110,000							
ROOM COUNT	Total Rooms	Bdrms	Total Rooms	Bdrms	Total Rooms	Bdrms	Total Rooms	Bdrms				
	14	5	9	4	11	4						
BATHROOMS	5F 2H		6F 1H		4F 2H							
BASEMENT	2941 Sq.Ft.		None 475,000		2599 Sq.Ft. 55,000							
PARKING FACILITIES	Garage/three cars		Garage/two cars 50,000		Garage/three cars							
House quality/features/extras/issues	Average; Contemporary plan; extras; hot tub/pool; finishing issues		Superior; 'Kelly Deck' Interior; inferior reverse plan layout; sim. extras		Superior; Design Marque plan; street appeal; sim. extras (pool/hot tub+)		-250,000					
Lot concerns/issues (net land value)	Limited south-easterly view; popular locale		Terraced to enhance utility/less popular locale 500,000		Exclusive slightly superior sector; no view; private -750,000							
	COMPARABILITY>		SIMILAR-SUPERIOR		SUPERIOR							
ADJUSTMENTS (Gross%, Net%, Dollar)	32.7 % -4.1 %		\$ 340,000		19.8 % -4.3 %		\$ 360,000		% %		\$	
ADJUSTED VALUES	\$		7,868,000		\$		7,940,000		\$			
ANALYSES AND COMMENTS:	<p>Note that "net land value" adjustments reflect all relevant factors.</p> <p>Please see Page #3 for Sales #1 through #3, and see the Addendum pages for all comments about the comparables.</p> <p>Please see the Addendum Comments pages for a current market report from the Real Estate Board.</p> <p>AFTER ADJUSTMENTS, THE COMPARABLE SALES SUGGEST A RANGE OF VALUE FOR THE SUBJECT OF \$7,399,000. TO \$7,940,000.</p>											

DIRECT COMPARISON APPROACH

RESIDENTIAL APPRAISAL REPORT

FILE NO.: 012022

REFERENCE:

SALES HISTORY	SUBJECT SOLD WITHIN 3 YEARS OF EFFECTIVE DATE: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO ANALYSES OF SALE TRANSFER HISTORY: (minimum of three years) <u>The M.L.S. data system (in addition to its own database) provides a brief listing of the most recent transactions recorded for a specific property at the Land Title Office. A sale was registered on July 27, 2017 with a declared sale price of \$4,500,000. See further comments below.</u>
	SUBJECT LISTED WITHIN 1 YEAR OF EFFECTIVE DATE: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO SUBJECT CURRENTLY LISTED: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO ANALYSES OF AGREEMENTS FOR SALE, OPTIONS, LISTINGS OR MARKETING OF THE SUBJECT: (minimum of one year) <u>The Subject has been listed for sale on the M.L.S. for an extended time, since Oct. 20, 2021, with an asking price of \$8,000,000.; this is a "court-ordered sale." It was listed from May 25, 2021 to Oct. 14th at \$9,288,000. and \$8,588,000. but did not sell; and, it was listed from Oct. 14, 2020 until an accepted offer of \$7.460-million including G.S.T. was received on Dec. 9, 2020; this sale later collapsed.</u>
EXPOSURE TIME	ANALYSES OF REASONABLE EXPOSURE TIME: <u>The final estimate of market value concluded for the Subject is based on an assumption of open market exposure, prior to the effective date, of three to four months, considering market conditions current to the effective date of this valuation and REALISTIC pricing. The comparable sales analyzed herein are considered to be the most recent and most reasonably similar available for analysis, and are from M.L.S. data, which is believed to be correct.</u>
	RECONCILIATION AND FINAL ESTIMATE OF VALUE: <u>The value indicated by the Cost Approach has been attributed some weight in this analysis, as market participants will consider the alternate scenario of purchasing a lot (vacant, or improved with a house of limited value) and building new when attempting to value properties like the Subject. The value indicated by the Direct Comparison Approach has been attributed most weight in the analysis, as it is by this method that the values of properties like the Subject are determined by participants in this market. NOTE THAT THE FINAL ESTIMATE OF MARKET VALUE IS BASED ON AN ASSUMPTION THAT G.S.T. IS INCLUDED WITHIN IT.</u>
RECONCILIATION AND FINAL VALUE	<u>THE FINAL ESTIMATE OF MARKET VALUE OF THE SUBJECT PROPERTY, ON AN "AS IS" BASIS REFLECTING THE CURRENT CONDITION OF THE DWELLING, IS CONCLUDED TO BE \$7,750,000. INCLUDING G.S.T.</u>
	UPON REVIEWING AND RECONCILING THE DATA, ANALYSES AND CONCLUSIONS OF EACH VALUATION APPROACH, THE MARKET VALUE OF THE INTEREST IN THE SUBJECT PROPERTY AS AT <u>Jan. 18, 2022</u> (Effective Date of the Appraisal) IS ESTIMATED AT \$ <u>7,750,000. INCLUDING G.S.T.</u> COMPLETED ON <u>Jan. 21, 2022.</u> (Date of Report) AS SET OUT ELSEWHERE IN THIS REPORT, THIS REPORT IS SUBJECT TO ASSUMPTIONS AND LIMITING CONDITIONS, THE VERIFICATION OF WHICH IS OUTSIDE THE SCOPE OF THIS REPORT.
DEFINITIONS	DEFINITION OF MARKET VALUE: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. (Appraisal of Real Estate, Third Canadian Edition, 2010) Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: buyer and seller are typically motivated; both parties are well informed or well advised, and acting in what they consider their own best interests; a reasonable time is allowed for exposure in the open market; payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
	DEFINITION OF MARKET RENT (if applicable): The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (International Valuation Standards 2017)
	DEFINITION OF HIGHEST AND BEST USE: The reasonably probable use of real property, that is physically possible, legally permissible, financially feasible, maximally productive and that results in the highest value. (CUSPAP 2018)
SCOPE	The scope of the appraisal encompasses the due diligence undertaken by the appraiser (consistent with the terms of reference from the client, the purpose and intended use of the report) and the necessary research and analyses to prepare a report in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada. The following comments describe the extent of the process of collecting, confirming and reporting data and its analyses, describe relevant procedures and reasoning details supporting the analyses, and provide the reason for the exclusion of any usual valuation procedures. The appraisal issue that is the focus of this engagement has been discussed and defined with the client, the work required to solve the issue planned, and the necessary market data acquired, analyzed and reconciled into an estimate of market value in a manner typically expected in a "form" report. The specific tasks and items necessary to complete this assignment include a summary of the following:
	<ol style="list-style-type: none"> 1. assembly and analyses of relevant information pertaining to the property being appraised, including listing and acquisition particulars if acquired within three years prior to the effective date of the appraisal; 2. a site visit and observation of the subject property and the surrounding area; 3. assembly and analyses of pertinent economic and market data; 4. an analyses of land use controls pertaining to the subject property; 5. an analyses of Highest and Best Use, or most probable use; 6. a discussion of the appraisal methodologies and procedures employed in arriving at the indications of value; 7. inclusion of photographs, maps, graphics and addendum/exhibits when deemed appropriate; and 8. reconciliation of the collected data into an estimate of the market value or the market value range as at the effective date of the appraisal. All data considered appropriate for inclusion in the appraisal is, to the best of our knowledge, factual. Due to the type of property being appraised and the nature of the appraisal issue, the findings have been conveyed in this "form" format.
	Other: <u>A full appraisal was performed as per the request of the Client. An interior inspection of the house was performed, and photographs were taken of the Subject, on the effective date of the report. Municipal data was referred to for the approved land use and site and measurement service house sketch plans were reviewed to confirm site and house sizes, and the location. M.L.S. data was referred to and relied upon for sales data and the basis of date-of-sale adjustments, where required, among others. Unless otherwise stated, client, property owner, or other third party data, which I believe to be correct, has not been verified. The mandate for this appraisal did not require a report prepared to the standard appropriate for court purposes or arbitration; therefore, primary sources of information were not, unless noted herein, confirmed.</u>

RESIDENTIAL APPRAISAL REPORT

FILE NO: **012022**

REFERENCE:

- The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") and the following conditions:
- This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
 - Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
 - The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
 - Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
 - No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
 - This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
 - Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
 - The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
 - The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
 - The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
 - The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
 - The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
 - The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
 - This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
 - If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
 - This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.
 - Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS OF LIABILITY

- I certify that, to the best of my knowledge and belief that:
- The statements of fact contained in this report are true and correct;
 - The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my impartial and unbiased professional analyses, opinions and conclusions;
 - I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict of interest with respect to the parties involved with this assignment;
 - I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
 - My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event;
 - My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP);
 - I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP);
 - No one has provided professional assistance to the members(s) signing this report;
 The following individual provided the following professional assistance:
 - As of the date of this report the undersigned has fulfilled the requirements of the Appraisal Institute of Canada (AIC)'s Continuing Professional Development Program;
 - The undersigned is a member/are all members in good standing of the Appraisal Institute of Canada. Where applicable this report is co-signed in compliance with CUSPAP. Where a report bears two signatures, both the signing appraiser and co-signing appraiser assume full responsibility for this report.

CERTIFICATION

PROPERTY IDENTIFICATION
 ADDRESS: 1103 Gilston Road CITY: West Vancouver PROVINCE: B.C. POSTAL CODE: _____
 LEGAL DESCRIPTION: Lot 20, Block 34, District Lot Capilano Estates, Plan VAP9111. Parcel Identifier #002-841-231.


BASED UPON THE DATA, ANALYSES AND CONCLUSIONS CONTAINED HEREIN, THE MARKET VALUE OF THE INTEREST IN THE PROPERTY DESCRIBED,
 AS AT Jan. 18, 2022 (Effective date of the appraisal) IS ESTIMATED AT \$ 7,750,000, INCLUDING G.S.T. As Is As If Complete
 AS SET OUT ELSEWHERE IN THIS REPORT, THIS REPORT IS SUBJECT TO CERTAIN ASSUMPTIONS AND LIMITING CONDITIONS, THE VERIFICATION OF WHICH IS OUTSIDE THE SCOPE OF THIS REPORT

<p>APPRAISER</p> <p>SIGNATURE: </p> <p>NAME: <u>Anthony Rivard CRA</u></p> <p>AIC DESIGNATION/STATUS: <input type="checkbox"/> Candidate Member <input checked="" type="checkbox"/> CRA,P.App <input type="checkbox"/> AACI,P.App Membership # _____</p> <p>DATE OF REPORT/DATE SIGNED: <u>Jan. 21, 2022</u></p> <p>PERSONALLY INSPECTED THE SUBJECT PROPERTY: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>DATE OF INSPECTION: <u>Jan. 18, 2022</u></p> <p>LICENSE INFO: (where applicable) _____</p> <p>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</p> <p>SOURCE OF DIGITAL SIGNATURE SECURITY: _____</p> <p>ATTACHMENTS AND ADDENDA: <input checked="" type="checkbox"/> ADDITIONAL SALES <input checked="" type="checkbox"/> EXTRAORDINARY ASSUMPTIONS/LIMITING CONDITIONS <input checked="" type="checkbox"/> NARRATIVE <input checked="" type="checkbox"/> PHOTOGRAPHS <input checked="" type="checkbox"/> BUILDING SKETCH <input type="checkbox"/> PROGRESS INSPECTION</p> <p><input checked="" type="checkbox"/> MAPS <input checked="" type="checkbox"/> COST APPROACH <input type="checkbox"/> INCOME APPROACH <input type="checkbox"/> MARKET RENT <input checked="" type="checkbox"/> SCOPE OF WORK <input type="checkbox"/> LIMITED USES/LIMITED DETRIMENTAL CONDITIONS <input type="checkbox"/></p>	<p>CO-SIGNING AIC APPRAISER (if applicable)</p> <p>SIGNATURE: _____</p> <p>NAME: _____</p> <p>AIC DESIGNATION/STATUS: <input type="checkbox"/> CRA,P.App <input type="checkbox"/> AACI,P.App Membership # _____</p> <p>DATE OF REPORT/DATE SIGNED: _____</p> <p>PERSONALLY INSPECTED THE SUBJECT PROPERTY: <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>DATE OF INSPECTION: _____</p> <p>LICENSE INFO: (where applicable) _____</p> <p>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</p>
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24
EXTRAORDINARY ITEMS ADDENDUM

REFERENCE:

FILE NO.: 012022

CLIENT	CLIENT: Jeana Ventures Ltd. – C/O Les Sallay	APPRAISER	AIC MEMBER: Anthony Rivard CRA		 Appraisal Institute of Canada
	ATTENTION: Mr. Les Sallay		COMPANY: Anthony Rivard Real Estate Appraisals		
ADDRESS:	ADDRESS: 2148 Grand Boulevard, North Vancouver, B.C. V7L 3Y7				
E-MAIL:	E-MAIL: rivarda@telus.net				
PHONE: _____ OTHER: _____	PHONE: 604-836-4135 OTHER: _____				

EXTRAORDINARY ITEMS ADDENDUM	EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS	
	It has been assumed for this appraisal that the title to the property is good and marketable, and that it is unencumbered by any unregistered leases or restrictions.	
	No party other than the intended user is to utilize this report for any purpose. If preparing an appraisal for lending purposes, appraisers do not investigate whether the prospective loan and applicant satisfy prudent loan underwriting criteria. As a result, the Appraiser can assume no responsibility for loans made where the borrower lacks the ability or motivation to repay the loan, or where the lender has not followed prudent lending practices.	
	A title search for the Subject property has not been reviewed for this report. The documents registered on the title have not been read and, as the Appraiser is not an expert on these matters, no opinion is offered as to their effect, if any, on the use, utility, and value of the Subject.	
	The Appraiser has assumed that all finishes were completed with applicable permits or, if not with permit, then to a workmanlike standard of construction; this valuation may be invalid or require review if improvements to the Subject were not completed to this assumed standard. The Appraiser has also assumed that the dwelling was constructed, in whole, in a manner consistent with the drawings submitted to the District by the builder.	
HYPOTHETICAL CONDITIONS		
None noted.		
JURISDICTIONAL EXCEPTION		
None noted.		

25 COST APPROACH ADDENDUM

REFERENCE:

FILE NO.: 012022

CLIENT	CLIENT: Jeana Ventures Ltd. – C/O Les Sallay	AIC MEMBER:	Anthony Rivard CRA	
	ATTENTION: Mr. Les Sallay	COMPANY:	Anthony Rivard Real Estate Appraisals	
	ADDRESS:	ADDRESS:	2148 Grand Boulevard, North Vancouver, B.C. V7L 3Y7	
	E-MAIL:	E-MAIL:	rivarda@telus.net	
	PHONE: _____ OTHER: _____	PHONE:	604-836-4135	OTHER: _____
COST APPROACH	PROPERTY ADDRESS: 1103 Gilston Road			
	LAND VALUE	SOURCE OF DATA M.L.S. data review		\$ 3,750,000
	SOURCE OF COST DATA: <input type="checkbox"/> MANUAL <input checked="" type="checkbox"/> CONTRACTOR <input checked="" type="checkbox"/> (Market-derived)			
	BUILDING COST: <input checked="" type="checkbox"/> Sq. Ft. <input type="checkbox"/> Sq. M.	ESTIMATED COST NEW		DEPRECIATED COST
	Livable floor Area (above grade) 5,174	@ \$ 600.00	\$ 3,104,400	\$ _____
	Basement 2,941	@ \$ 200.00	\$ 588,200	\$ _____
	Garages/Carports (Built-in three cars)	@ \$ _____	\$ 120,000	\$ _____
	_____	@ \$ _____	\$ _____	\$ _____
	_____	@ \$ _____	\$ _____	\$ _____
	_____	@ \$ _____	\$ _____	\$ _____
	OTHER EXTRAS INCLUDING SITE IMPROVEMENTS, LANDSCAPING, ETC -Included	\$ _____	\$ _____	\$ _____
	_____	\$ _____	\$ _____	\$ _____
	_____	\$ _____	\$ _____	\$ _____
	TOTAL REPLACEMENT COST			\$ 3,812,600
	ACCRUED DEPRECIATION: _____	4.0 %	\$ 152,504	\$ 3,660,096
DEPRECIATED VALUE OF THE IMPROVEMENTS			\$ 3,660,096	
_____			\$ 7,410,096	
ESTIMATED VALUE BY THE COST APPROACH (rounded) (INCLUDING G.S.T., IF APPLICABLE)			\$ 7,410,000	
NOTE: Unless otherwise noted the construction cost estimates contained herein were not prepared for insurance purposes and are invalid for that use. The Cost Approach is not applicable when appraising individual strata/condominium type dwelling units				
ANALYSES/COMMENTS: _____				

Appraisal Institute
of Canada

Borrower: With reference to Mr. Les Sallay

File No.: 012022

Property Address: 1103 Gilston Road

Case No.:

City: West Vancouver

Province: B.C.

Postal Code:

Lender: Jeana Ventures Ltd. – C/O Les Sallay

Market Conditions**Metro Vancouver home sales set a record in 2021**

Metro Vancouver* home sales reached an all-time high in 2021 as housing needs remained a top priority for residents in the second year of the COVID-19 pandemic.

The Real Estate Board of Greater Vancouver (REBGV) reports that residential home sales in the region totalled 43,999 in 2021, a 42.2 per cent increase from the 30,944 sales recorded in 2020, a 73.6 per cent increase from the 25,351 homes sold in 2019, and a four per cent increase over the previous all-time sales record of 42,326 set in 2015.

Last year's sales total was 33.4 per cent above the 10-year sales average.

"Home has been a focus for residents throughout the pandemic. With low interest rates, increased household savings, more flexible work arrangements, and higher home prices than ever before, Metro Vancouverites, in record numbers, are assessing their housing needs and options." Keith Stewart, REBGV economist

Home listings on the Multiple Listing Service® (MLS®) in Metro Vancouver reached 62,265 in 2021. This is a 14.7 per cent increase compared to the 54,305 homes listed in 2020 and a 19.9 per cent increase compared to the 51,918 homes listed in 2019.

Last year's listings total was 11 per cent above the 10-year average.

"While steady, home listing activity didn't keep pace with the record demand we saw throughout 2021. This imbalance caused residential home prices to rise over the past 12 months," Stewart said.

The total number of homes currently listed for sale on the MLS® system in Metro Vancouver is 5,236, a 38.7 per cent decrease compared to December 2020 (8,538) and a 26.7 per cent decrease compared to November 2021 (7,144).

"We begin 2022 with just over 5,000 homes for sale across the region. This is the lowest level we've seen in more than 30 years," Stewart said. "With demand at record levels, residents shouldn't expect home price growth to relent until there's a more adequate supply of housing available to purchase."

The MLS® HPI composite benchmark price for all residential properties in Metro Vancouver ends the year at \$1,230,200. This is a 17.3 per cent increase compared to December 2020.

Both detached home and townhome benchmark prices increased 22 per cent in the region last year, while apartments increased 12.8 per cent.

Looking across Metro Vancouver, Maple Ridge saw the largest increase in benchmark prices at 34.7 per cent, followed by Pitt Meadows (29.8 per cent), and Whistler (27.8 per cent).

Looking at area and property type, detached homes in Pitt Meadows saw the largest benchmark price increase at 42.2 per cent, followed by detached homes (38.5 per cent) and townhomes (35.2 per cent) in Maple Ridge.

December summary

ADDENDUM

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Province: B.C.	Postal Code:
Lender: Jeana Ventures Ltd. – C/O Les Sallay		

December 2021

Residential property sales in Metro Vancouver

REBGV reports that residential home sales in the region totalled 2,688 in December 2021, a 13.1 per cent decrease from the 3,093 sales recorded in December 2020, and a 21.6 per cent decrease from the 3,428 homes sold in November 2021.

Last month's sales were 33.4 per cent above the 10-year December sales average.

There were 1,945 detached, attached and apartment properties newly listed for sale on the MLS® in Metro Vancouver in December 2021. This represents a 19.3 per cent decrease compared to the 2,409 homes listed in December 2020 and a 50.9 per cent decrease compared to November 2021 when 3,964 homes were listed.

For all property types, the sales-to-active listings ratio for December 2021 is 51.3 per cent. By property type, the ratio is 35.1 per cent for detached homes, 75.6 per cent for townhomes, and 60.8 per cent for apartments.

Generally, analysts say downward pressure on home prices occurs when the ratio dips below 12 per cent for a sustained period, while home prices often experience upward pressure when it surpasses 20 per cent over several months.

Sales of detached homes in December 2021 reached 794, a 22.6 per cent decrease from the 1,026 sales recorded in December 2020. The benchmark price for a detached home is \$1,910,200. This represents a 22 per cent increase from December 2020 and a 2.1 per cent increase compared to November 2021.

Sales of apartment homes reached 1,464 in December 2021, a 1.4 per cent decrease compared to the 1,474 sales in December 2020. The benchmark price of an apartment home is \$761,800. This represents a 12.8 per cent increase from December 2020 and a 1.2 per cent increase compared to November 2021.

Attached home sales in December 2021 totalled 430, a 27.5 per cent decrease compared to the 593 sales in December 2020. The benchmark price of an attached home is \$1,004,900. This represents a 22 per cent increase from December 2020 and a 1.5 per cent increase compared to November 2021.

Neighbourhood Summary Comments

The Subject is located in the British Properties, an older, established, prestigious residential neighbourhood in the north-eastern sector of the District that was originally developed by the "Guinness" family of Great Britain, after the 1930's. The Properties was the first of a number of similarly superior residential sectors which were later developed, after the 1950's, in the upper elevations of West Vancouver by the Guinness family. These have included Chartwell, Westhill, Whitby Estates, and others.

This older area is now experiencing ongoing redevelopment of its older housing to new, mainly executive-quality, detached housing, with some of this housing built to a very high value. Market demand for this desirable area is similar to superior to that of most nearby neighbourhoods. Park Royal shops, Dundarave and Ambleside amenities, many local parks, and popular private and public schools, are near to or within this superior sector.

SITE COMMENT

The Subject property is made up of a residential building lot, located in a preferred sector, which was recently developed with a substantial new house. The British Properties sector is developed in the main with larger lots built out with mostly older homes which were built to an above-average standard for their time; however, there is an ongoing trend toward the development of newer, higher-value, "executive-quality" homes (like the Subject) in this popular sector. Please see the IMPROVEMENTS COMMENTS below for more information about the new dwelling. Note that the District of West Vancouver web site suggests that full, standard area services are available to the site; however, the Appraiser has not confirmed this

ADDENDUM

28

Borrower: With reference to Mr. Les Sallay		File No.: 012022
Property Address: 1103 Gilston Road		Case No.:
City: West Vancouver	Province: B.C.	Postal Code:
Lender: Jeana Ventures Ltd. – C/O Les Sallay		

with the District.

The site is an interior lot which fronts on a quiet street; while near to busier Eyremount Drive, road noise does not appear to affect the site. Moderately rising driveway access is off the street, as there is no adjacent lane; there is, however, a dedicated "services" corridor which runs along the rear (and part of the east side lot line) of this site, and of nearby properties. This corridor, which is typical of how and where certain services are placed in this older sector, can also provide an additional privacy buffer to those properties which abut others. Note also that overhead servicing wires are located within the services corridor; these often affect, to some degree, the enjoyment of area views from some nearby properties but, in this case, the Subject site is not affected by them.

The shape of the site is quite irregular but its overall size (at 17,114 sq.ft.) is average when compared to most residential lots in this area (please see the attached site plan). The lot provides a narrow 46.3-foot frontage on Gilston Road (on a gentle arc), has a 142.2-foot depth on the west side, a 190.3-foot depth on the east side (in two segments), and has 143.8-feet across the rear width. Site terrain is mixed; it is moderately rising toward the north, from the south, from street grade and to the building envelope, but rises much more gradually through the rear yard. Site terrain has been, where needed, modified to increase its utility, but only the upper-most portion of the rear yard has a more gradual terrain.

Near-new landscaping is reasonably attractive, reasonably well-designed (presumably to a plan), and finished to an average standard. It is made up of newer planted trees and shrubs; concrete walks, stairs, planters, and terracing (some finished with stone slabs); feature and structural retaining walls; a lawn and a water feature are in the rear yard; and, there is some perimeter and interior yard fencing. There is also an in-ground, concrete-frame pool and a hot tub in the front yard, just off the main level terrace. The house is situated near the southern-most part of the building envelope, but still provides a fairly high degree of privacy (which is very important to buyers in this market).

The lot faces south from the north side of the street, so the front yard is south-facing and receives an all day, sunny southern exposure. The site also provides an attractive and fairly broad area view to the south and southeast, over West Vancouver to Burrard Inlet and the downtown skyline of the City of Vancouver. Not only is the view good from the upper "bedrooms" level of the house (as is often the case in this sector), it is also attractive from some rooms on the main level.

Important to note as well is that the site is located in a part of the British Properties that is known to experience a slightly higher level of annual snowfall than others; this street is at a higher elevation than some in this sector, so can be described in the market as being "above the snow line;" this is of limited consequence in the market, but is a locational influence, nevertheless.

Note: The Highest and Best Use of the site, if it were vacant, would be development of a new house built to current District building guidelines. As it is now improved with an as-new house which makes up a substantial and marketable net residual value, the current use of the site is the Highest and Best Use, "as improved."

THE VALUE OF THE LAND, AS IF VACANT:

Regarding the valuation of the site, as if vacant, in the Cost Approach, the Appraiser would note the following sales for comparison purposes.

-659 Andover Place, West Vancouver is located just three blocks from the Subject (to the east) and sold Feb. 16, 2021 for \$3,028,000.; Real Estate Board statistics suggest that values have risen by approximately ten-percent. This +/- 16,324 sq.ft. site was improved with a 3094 sq.ft., minimally updated, 62 year-old house which retained a modest net residual value. The site has a more moderate terrain and provides an inferior, south-easterly area view to East Vancouver and Burnaby, but greater privacy. It fronts on a quiet street, but it is in a marginally inferior part of the "Properties." After adjustments, this sale suggest a value for the site of \$3,830,000.

-1138 Eyremount Drive, West Vancouver is located just two blocks from the Subject (to the west) and sold Sept. 27, 2021 for \$4,000,000.; Real Estate Board statistics suggest that values have risen by approximately 3.5%. This +/- 17,713 sq.ft. site is improved with a 3200 sq.ft., minimally updated, 48 year-old house which retains a modest net residual value. The site has a similar sloping terrain and while it is affected by a creek along its western boundary, it provides a far superior, southerly area view to downtown Vancouver, and greater privacy. It fronts on a fairly busy but prestigious street. After adjustments, this sale suggest a value for the site of \$3,725,000.

ADDENDUM

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Property Address: 1103 Gilston Road	Case No.:
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An analysis of these sales (and other sales and listings of similar properties) indicates that a net value for the Subject site would be within a range of \$3,700,000. to \$3,850,000. The Appraiser has concluded a value of \$3,750,000. for the site, as if it were vacant.

BASEMENT FINISHES; UTILITY

The full-height, full basement is built fully below rear yard site grade but is partly exposed to the front yard on this sloping site. It is fully finished to an overall average standard and to an average 8.75-foot height. Accommodation includes a very large rec. room with a wet bar; a mechanical closet; an ensuite "guest room;" a home theatre; a gym; and, a full bathroom with a sauna. The rec. room is well-suited to be demised to include a games room. This level provides a walk-out access to a covered patio and a secondary exterior stairway which leads up to the pool deck.

Systems features include air-conditioning, an H.R.V. (heat recovery-ventilation) unit, a video alarm system, systems pre-wiring for computing access and sound, a telephone system, a Control 4 "smart home" system, yard landscape irrigation, the mechanical equipment for the pool, and others.

ON-SITE PARKING (GARAGE / CARPORT)

A partly built-in, three-car garage is at the northeast corner of the house. It is of the same wood frame-on-slab construction, and has a finished interior, electric-doors access, and provides direct interior access onto the main level. There is additional room on the driveway for open parking, when needed.

DESCRIPTION OF OTHER IMPROVEMENTS

Other improvements include the overheight, covered front entry porch; a broad, partly covered terrace is built along the front of the main level of the house; a covered patio is built at the rear of the main level, and there are nearby steps leading to an open terrace; the concrete frame pool and hot tub are built off the main level terrace; the infinity edge pool is roughly 10-ft. by 28-ft. in size; two of the "secondary" bedrooms up share use of a large balcony, and the third secondary bedroom along the rear wall has a private deck; the primary bedroom has a private deck along the front wall, and has access to a very large deck on the rear wall (which also has a common access).

IMPROVEMENTS COMMENTS

The Subject property is made up of a recently developed new house situated on an above-average lot relative to others in this popular area. The house is of a larger size, built to the scale of a mansion, has a "Contemporary" exterior design theme with Asian influences, and the interior has a modern interior design theme and a "traditional" (bedrooms up) layout. Construction of the house was completed in or around mid-2020, and it has been marketed since that time.

The Appraiser would suggest that the overall quality of materials, finishes, and workmanship is to an "average" standard relative to other new and near-new housing in this area. This conclusion is based upon his recent inspection of the dwelling, and his experience in valuing many other similar properties in this market. Total accommodation is ample and consistent with the larger size of the house, and the design and layout of the house are reasonably well-suited to current market demands. Finishes and features include the following (please note that certain assumptions have been made).

Exterior finishes and features include "rainscreened" (engineered; or equivalent) exterior wall structures finished with stucco and cedar (assumed) boards; thermal windows are of vinyl frame construction, and include many large-frame windows on the south side of the house to take advantage of area views and the sunny exposure; the roof is finished with standing seam metal (assumed steel); decks are finished with stone slabs, and some with seamless glass rails; and, there are others.

Finishes and features on the main level include the following: There is a grand entry hall which provides direct access to a spacious, well-situated powder room, and a private den; a centrally situated elevator serves all three levels; there is an ensuite guest bedroom along the north wall; the custom-quality kitchen has ample cabinetry with a glossy "lacquer" finish, ample counter space, a large island with an eating bar, an adjoining dining area, a nearby "fry" kitchen, it has a full array of appliances with stainless-steel (or cabinet-front) finishes and superior labels (ie. Miele, Bosch, and a "La Cornue" French range), and has stone slab countertops; there is marble slab flooring throughout most of the main level; and, the main floor layout has a somewhat more conventional, open-plan design with informal areas for the living and dining rooms, and for the kitchen, family room and dining area.

On the upper floor, accommodation and the layout are consistent with those preferred by the market. There are four

ADDENDUM

30

Borrower: With reference to Mr. Les Sallay

File No.: 012022

Property Address: 1103 Gilston Road

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Province: B.C.

Postal Code:

Lender: Jeana Ventures Ltd. – C/O Les Sallay

bedroom "suites," or ensuite bedrooms, including the primary suite on the sunnier southwest corner of the house, plus a spacious upper floor hallway landing, or gallery. Each of the secondary bedrooms is of an above average or large size, and each has a full ensuite (with four pieces) and a walk-in closet. The primary suite is very spacious, has two walk-in closets (both with cabinet- quality organizers), an open roof-top deck, and a spacious five-piece ensuite with two sinks and a separate tub and shower. All bathroom finishes are to a custom standard.

Design and finish details are generally consistent with those newer house projects seen at the value level of the Subject. These elements include +/- ten-foot main level, and nine-foot upper level, ceilings; 2" x 6" stud exterior (and some interior) wall framing; open-span, engineered laminated joists, and some steel beams, to allow for the open-plan layout on the main; wood soffit finishes; and others. The Appraiser would note, however, that the overall standard of finishing was inferior to that which he normally sees in new and near-new housing in this market. This has resulted in many minor, and not so minor, deficiencies.

Design and finish deficiencies include the following: Rear yard landscaping appears to be to a minimal standard and not consistent with the level of value of the Subject property; the unusual use of flashing to cover gaps and transitions between exterior deck surface elevations; not even attempting to cover a gap between a deck and a stair riser; an exterior walkway bridge, over a basement walkway, is not built high enough for a six-foot-tall person to walk beneath; there is an exterior french door in the private den on the main level, but there is no deck built off of it and no safety rail; there are numerous transition gaps that are not properly detailed, and at least one instance of an unsafe floor slab elevation differential in an ensuite; and there are others. In the 1.5-years since the house was finished, there have been a number of minor instances where floor, wall and ceiling settlement has occurred; this is relatively normal in new houses, but some of these issues appear to have been in place since the build was complete and were not dealt with as build deficiencies. There are a number of cracks and chips in the stone flooring that must be dealt with. Also, the kitchen counter slab is not attractive; the island has a shallow, cheap-looking slab which is in two pieces that do not match. There are also other issues of concern.

The Appraiser valued a new house in this same market in 2019 which had a number of somewhat similar finishing deficiencies, as well as other similar concerns (design flaws; inconsistent decor and millwork; etc.). At the time, most of these deficiencies were dealt with by the owner before the property was sold, at a cost which was reported to be in the range of \$40,000. The Appraiser valued the property before the work was well underway so he adjusted, downward, his final estimate of market value by \$50,000. to reflect both the cost of these ongoing works and a modest discount (for "market motivation") as they were incomplete on the inspection date. This "market motivation" is, in other words, a discount or risk factor the market utilizes to build in a reasonable and appropriate profit which reflects an estimated investment horizon, uncertainty regarding market conditions, or quality and design (when taking control of unfinished construction), and to deal with other related issues. This discount factor can be substantial or, if the market is active and the level of uncertainty regarding a project is marginal, can be limited.

There are far more deficiencies apparent at the Subject dwelling, and the Appraiser believes that the market would attempt to discount the value of the Subject in order to reflect them in an offer to purchase. He has, therefore, chosen to increase the rates of depreciation applied in both the Cost and Direct Comparison Approaches to value in the analysis to reflect the market's desire to discount the value of this property.

DIRECT COMPARISON APPROACH CONCLUSIONS

-Sale #1 is a recent sale of a property which has been appraised previously by this same Appraiser. It is made up of a slightly inferior house situated on a far inferior lot. This slightly older mansion has an attractive and market-current exterior design theme, while its spacious and voluminous interior and finishes are attractive but have a more "stark," or plain, theme. This home provides many similar features, including the pool, but lacks an elevator and a hot tub. It has marginally greater main levels living area, but more basement area, and accommodation is consistent with its size. The house also provides only a base level of covered parking. The site is located in the "Lower Properties," a much less popular part of the same sector, and this low-traffic street has had less redevelopment over time. The site is slightly smaller and has a more squat rectangular shape; the terrain is gradual through the front yard and more moderate at the rear. This lot provides a fairly high degree of privacy, but is located near the highway and it provides no area view. This sale was attributed moderate weighting in the analysis.

-Sale #2 was also attributed moderate weighting in the analysis. This recent sale is made up of an inferior site improved with a slightly superior house. The site is smaller in size and has a conventional shape. It has a mixed but mostly moderately sloping terrain that provides less utility. The lot fronts on a popular low-traffic street in a popular part of the same sector, but

ADDENDUM

Borrower: With reference to Mr. Les Sallay

File No.: 012022

Property Address: 1103 Gilston Road

Case No.:

City: West Vancouver

Province: B.C.

Postal Code:

Lender: Jeana Ventures Ltd. - C/O Les Sallay

it provides an inferior view and abuts busy Eyremount Drive. The house is slightly smaller, overall, and provides a similar level of total accommodation. The exterior design has elements of the both the "West Coast Modern" and "Contemporary" design themes, and it has marginally greater "street appeal." The house provides a somewhat more compact and formal plan, and a traditional layout, but was built to an overall superior standard with many similar extras (including a hot tub).

-Sale #3 is a dated sale but was also attributed moderate weighting in the analysis. This Appraiser has valued this property twice before in recent times. The sale is made up of an inferior site improved with an inferior house. The site is similar in size and has a more conventional shape. It has a mixed but mostly gradually rising terrain that provides similar utility. The lot fronts on a less popular low-traffic street in a similar part of the same sector, but it provides an inferior view and abuts forested greenbelt. The exterior design has a market-typical "Contemporary" design theme which exhibits little "street appeal." The house provides an open floor plan, a similar level of total accommodation, and a traditional layout. It was, however, built to an overall inferior standard with inferior finishes, and the inferior floor plan has some issues. It has some extras (but lacks a hot tub), while the covered pool is at the rear of the house, away from the sun.

-Sale #4 is made up of a far-superior house that is situated on an overall inferior lot. This home has an attractive "Craftsman" exterior design theme which, because of its "reverse-plan" layout, appears to be somewhat understated at the street. It was built to a good standard, and has superior and attractive finishes to a design by "Kelly Deck." The house has a far greater total area on its two "living" levels, and has ample accommodation within a spacious two-level layout; however, the market has less acceptance of a plan with the bedrooms level below that of the living level, and this house lacks a basement. This home features an attractive outdoor pool and hot tub, heated covered terraces, attractive landscaping, and an indoor/outdoor lifestyle. The similar-size site is located on a fairly busy street, but it has been textured to provide a more gradual and usable terrain. It also provides a good Inlet and City view, and a high level of privacy. The site is located in the inferior Rockridge sector, just under five miles to the west of the Properties. Note also that this Appraiser has also valued the property in the recent past. This sale was also attributed moderate weighting in the analysis.

-Sale #5 is made up of a slightly inferior house that is situated on an overall superior lot. Designed by popular local architectural firm "Design Marque," this home has an attractive "Craftsman" design theme both inside and out. It was "custom built" for the original owners, to a good and superior standard, and has superior and attractive finishes. The house is slightly smaller but provides ample and comparable accommodation within a spacious two-level layout. This home features an attractive outdoor pool and hot tub, a heated, covered terrace, attractive landscaping, and an indoor/outdoor lifestyle. The similar-size site is located on a fairly busy corner, but it has been landscaped to provide a high degree of privacy and a usable terrain. The site is located in the exclusive and superior Altamont sector, just under three miles to the west of the Properties. This sale was also attributed moderate weighting in the analysis.

SUBJECT PROPERTY PHOTO ADDENDUM

32

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. – C/O Les Sallay		



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: January 18, 2022
Appraised Value: \$ 7,750,000. INCLUDING G.S.T.



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C. P.C.:
Lender: Jeana Ventures Ltd. – C/O Les Sallay	



COMPARABLE SALE #1

530 Eastcot Road
West Vancouver
Sale Date: Sept. 28, 2021
Sale Price: \$ 5,990,000



COMPARABLE SALE #2

926 Groveland Road
West Vancouver
Sale Date: Aug. 29, 2021
Sale Price: \$ 6,380,000 + t



COMPARABLE SALE #3

1141 Millstream Road
West Vancouver
Sale Date: May 30, 2020
Sale Price: \$ 5,900,000 inc

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. – C/O Les Sallay		



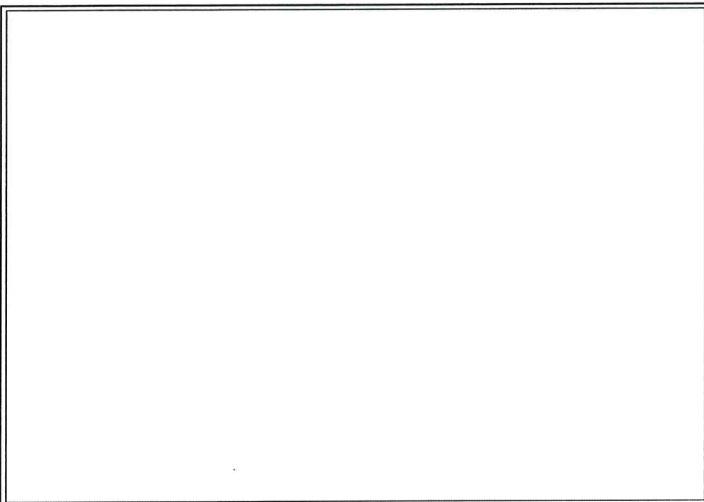
COMPARABLE SALE #4

4195 Rockridge Road
West Vancouver
Sale Date: Sept. 24, 2021
Sale Price: \$ 8,208,000 inc



COMPARABLE SALE #5

3003 Mathers Avenue
West Vancouver
Sale Date: Dec. 2, 2021
Sale Price: \$ 8,300,000



COMPARABLE SALE #6

Sale Date:
Sale Price: \$

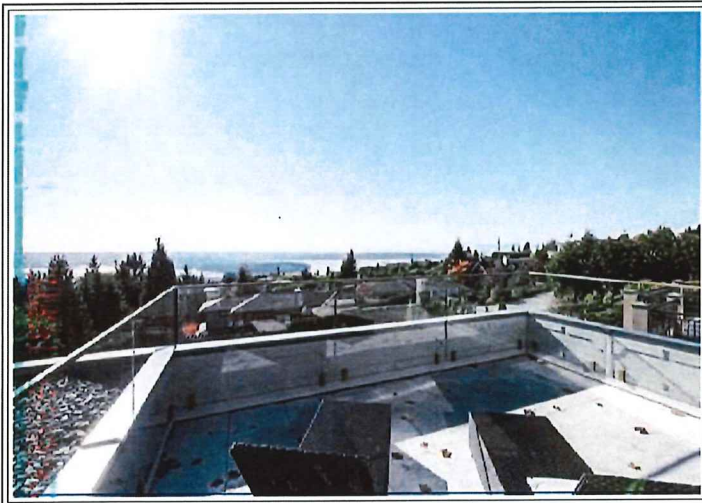
SUBJECT PHOTOS

35

Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C. P.C.:
Lender: Jeana Ventures Ltd. - C/O Les Sallay	



ANOTHER STREET SCENE - TO WEST



AREA VIEW FROM UPPER BEDROOMS LEVEL - FROM MLS LISTING



AREA VIEW FROM MAIN LIVING LEVEL

SUBJECT PHOTOS

36

Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C. P.C.:
Lender: Jeana Ventures Ltd. – C/O Les Sallay	



MAIN POWDER ROOM



PRIMARY POWDER ROOM ON MAIN



REAR YARD LANDSCAPING

SUBJECT PHOTOS

37

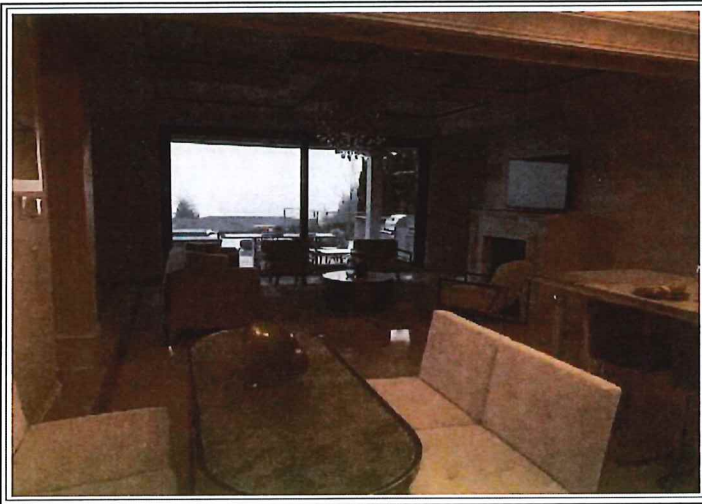
Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C. P.C.:
Lender: Jeana Ventures Ltd. – C/O Les Sallay	



MAIN SITTING ROOM



MAIN DINING ROOM



FAMILY ROOM

SUBJECT PHOTOS

38

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. – C/O Les Sallay		



FRY KITCHEN



KITCHEN AND EATING AREA



LIVINGROOM

SUBJECT PHOTOS

39

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. – C/O Les Sallay		



ENTRY HALL



OFFICE

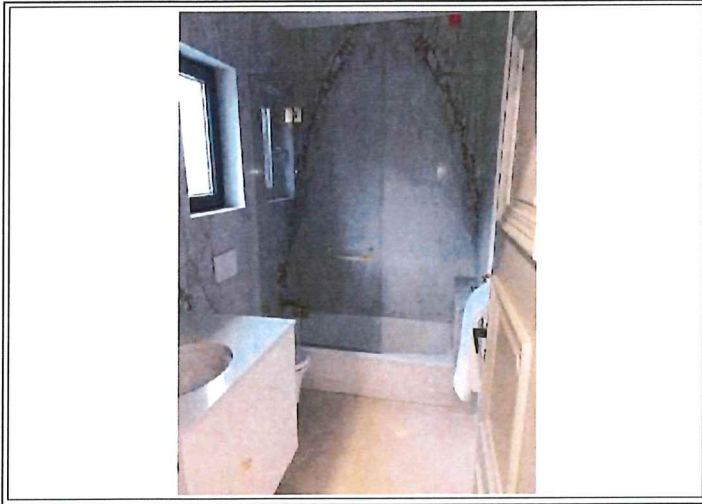


SECONDARY BEDROOM - FROM MLS

SUBJECT PHOTOS

40

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. – C/O Les Sallay		



ENSUITE



SECONDARY BEDROOM



SECONDARY BEDROOM

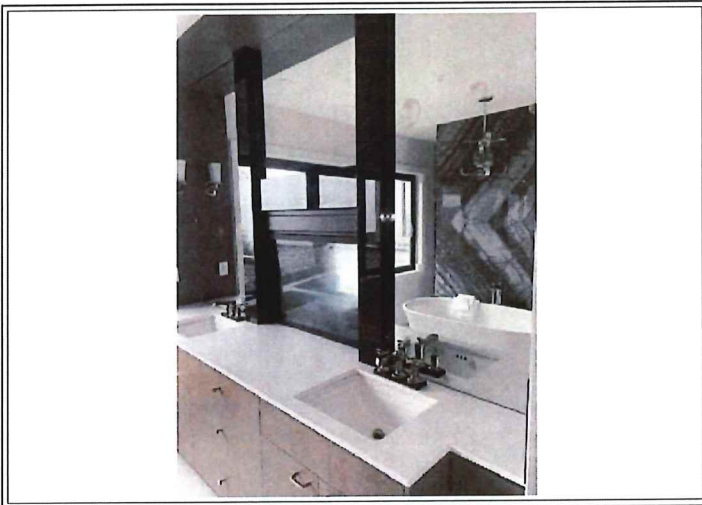
SUBJECT PHOTOS

41

Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C. P.C.:
Lender: Jeana Ventures Ltd. – C/O Les Sallay	



PRIMARY BEDROOM



ENSUITE OFF PRIMARY BEDROOM



PRIMARY DECK OFF PRIMARY BEDROOM

SUBJECT PHOTOS

42

Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C. P.C.:
Lender: Jeana Ventures Ltd. – C/O Les Sallay	



BASEMENT REC. ROOM



BASEMENT BEDROOM



HOME THEATRE

SUBJECT PHOTOS

43

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. - C/O Les Sallay		



REAR YARD - NOTE BASE LEVEL OF LANDSCAPING



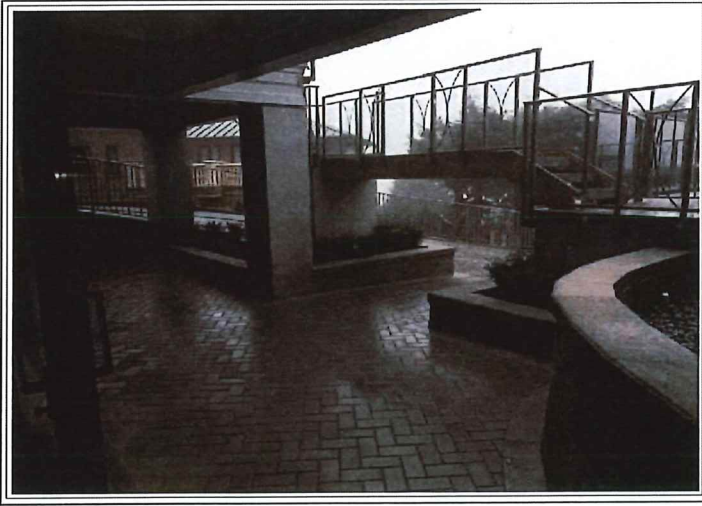
POOL AND HOT TUB



EAST WALL OF HOUSE

SUBJECT PHOTOS - DEFICIENCIES AND OTHER NOTES

Borrower: With reference to Mr. Les Sallay	44	File No.: 012022
Property Address: 1103 Gilston Road		Case No.:
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. - C/O Les Sallay		



PATIO OFF BASEMENT - NOTE LOW ELEVATION OF BRIDGE WALKWAY



FRENCH DOOR IN OFFICE: NOT SECURE AND NO DECK BUILT OFF OF IT



FLASHING USED AS TRANSITION STRIP AND GAP UNCOVERED

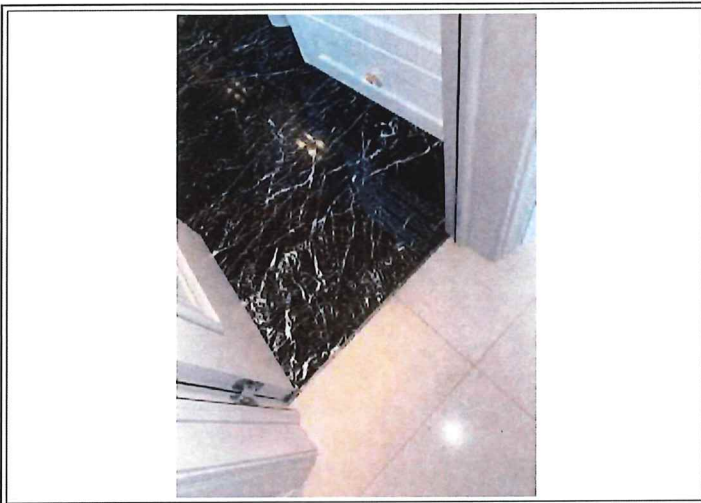
SUBJECT PHOTOS - DEFICIENCIES AND OTHER NOTES

45

Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C. P.C.:
Lender: Jeana Ventures Ltd. - C/O Les Sallay	

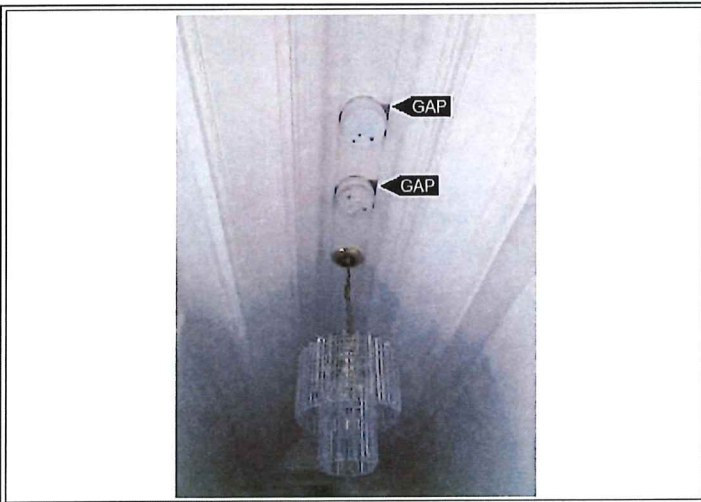


SHALLOW STONE SLABS ON ISLAND
POORLY MATCHED/POORLY FINISHED



BATHROOM FLOOR TRANSITION:

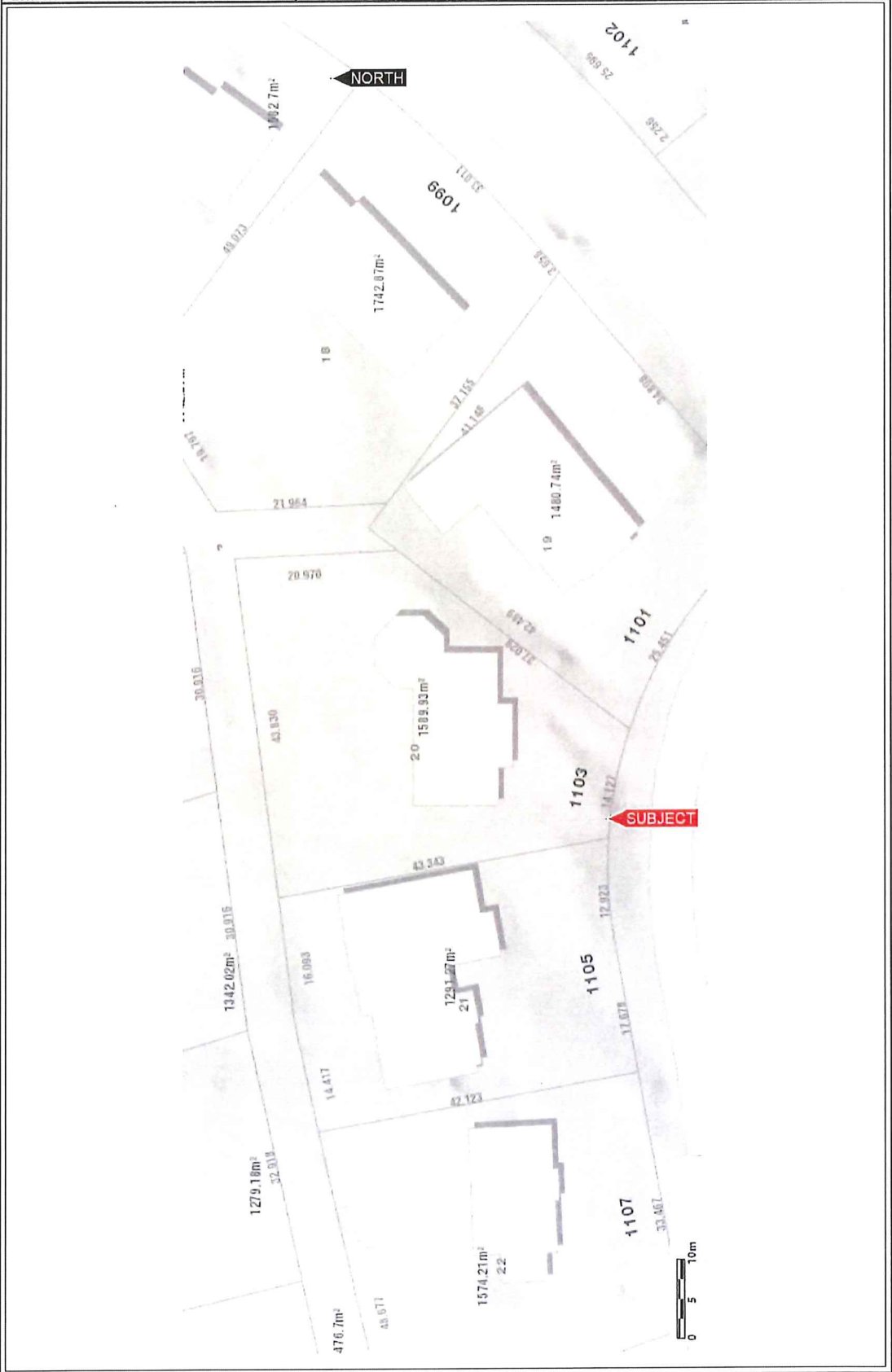
-FLOOR ELEVATIONS NOT MATCHED
-UNSAFE TRIPPING HAZARD



CEILING MILLWORK DETAIL; NOTE
DRYWALL GAPS

46
SITE PLAN

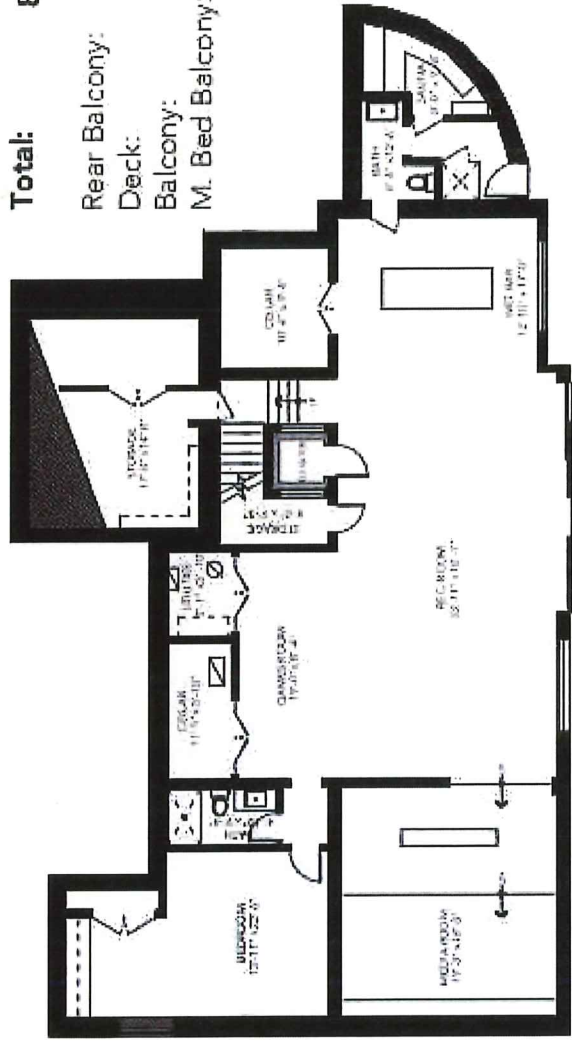
Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C. P.C.:
Lender: Jeana Ventures Ltd. - C/O Les Sallay	



Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C.
Lender: Jeana Ventures Ltd. - C/O Les Sallay	P.C.:

Total: 8115 SQ. FT.

Rear Balcony: 120 SQ. FT.
 Deck: 624 SQ. FT.
 Balcony: 230 SQ. FT.
 M. Bed Balcony: 268 SQ. FT.



LOWER FLOOR PLAN:
 2941 SQ. FT.
 Ceiling Height: 8'-10"

MARINE VISTA

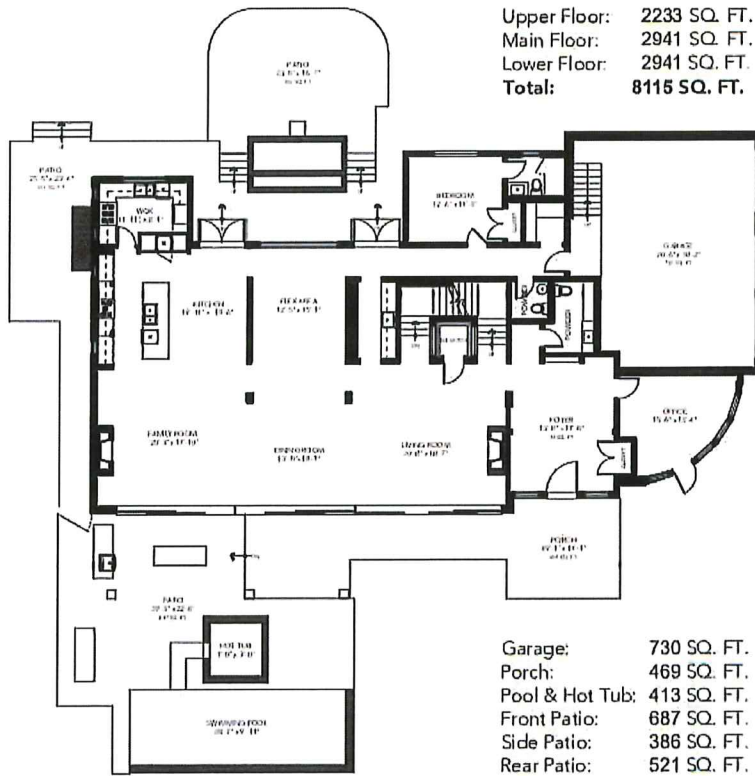
FLOOR PLAN CREATED BY
 SCANNED.CA
 MAY 22, 2021

*PERIODICAL REAL ESTATE CORPORATION - MEASURE HEIGHTS ARE APPROXIMATE AND MAY NOT BE TO SCALE
 THE FLOOR PLAN ILLUSTRATION IS NOT SUITABLE FOR CONSTRUCTION (ARCHITECTURAL PURPOSES - ESO INSURED)

Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C.
Lender: Jeana Ventures Ltd. - C/O Les Sallay	P.C.:

**1103 Gilston Road, West Vancouver, BC
MAIN FLOOR**

Upper Floor: 2233 SQ. FT.
 Main Floor: 2941 SQ. FT.
 Lower Floor: 2941 SQ. FT.
Total: 8115 SQ. FT.



Garage: 730 SQ. FT.
 Porch: 469 SQ. FT.
 Pool & Hot Tub: 413 SQ. FT.
 Front Patio: 687 SQ. FT.
 Side Patio: 386 SQ. FT.
 Rear Patio: 521 SQ. FT.

MAIN FLOOR PLAN:
 2941 SQ. FT.
 Ceiling Height: 8'-0"



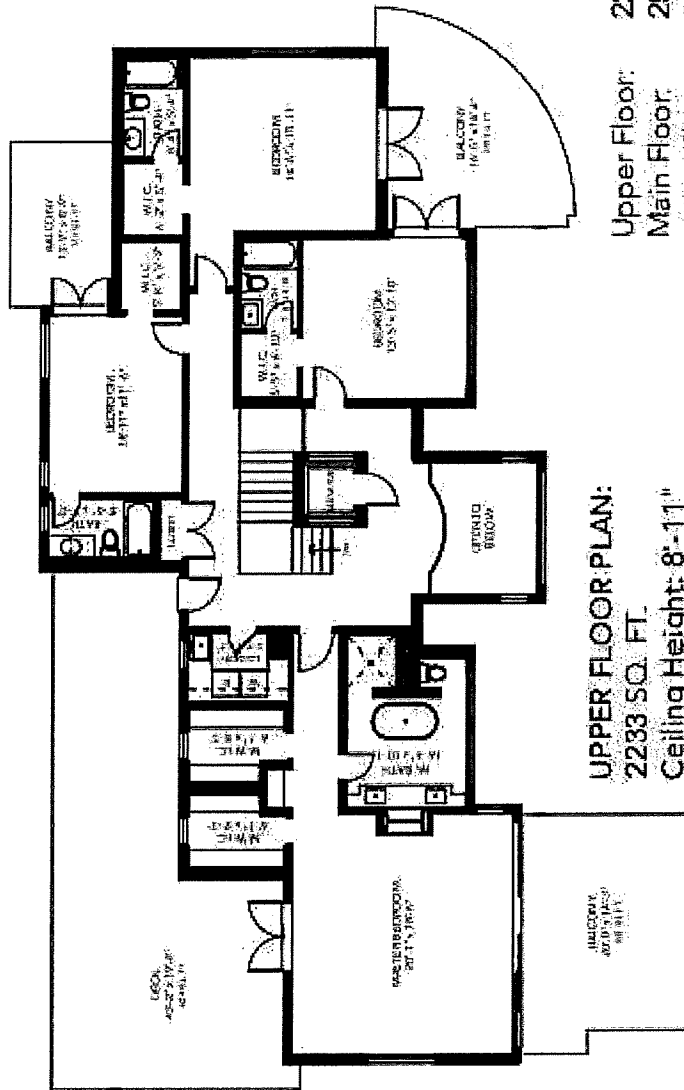
FLOOR PLAN CREATED BY
 SCANN3D.CA
 MAY 22, 2021



*PERSONAL REAL ESTATE CORPORATION MEASUREMENTS ARE APPROXIMATE AND MAY NOT BE TO SCALE
 THE FLOOR PLAN LIST RATIOS NOT SUITABLE FOR CONSTRUCTION/ARCHITECTURAL PURPOSES. ENJOY!

Borrower: With reference to Mr. Les Sallay	File No.: 012022
Property Address: 1103 Gilston Road	Case No.:
City: West Vancouver	Prov.: B.C.
Lender: Jeana Ventures Ltd. - C/O Les Sallay	P.C.:

**1103 Gilston Road, West Vancouver, BC
UPPER & LOWER FLOOR**



UPPER FLOOR PLAN:
2233 SQ. FT.
Ceiling Height: 8'-11"

Upper Floor: 2233 SQ. FT.
Main Floor: 2941 SQ. FT.
Lower Floor: 2941 SQ. FT.

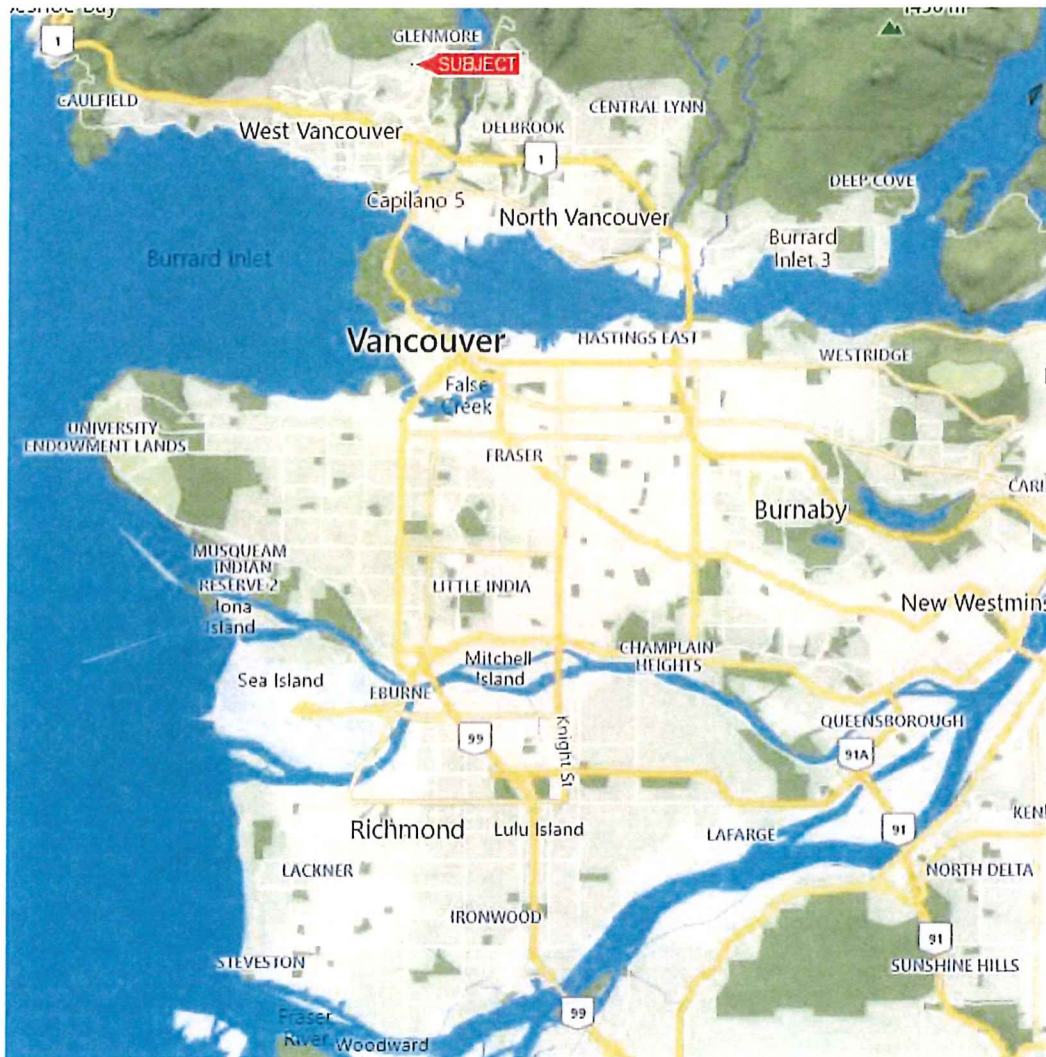
AERIAL PHOTO FROM DISTRICT

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. - C/O Les Sallay		



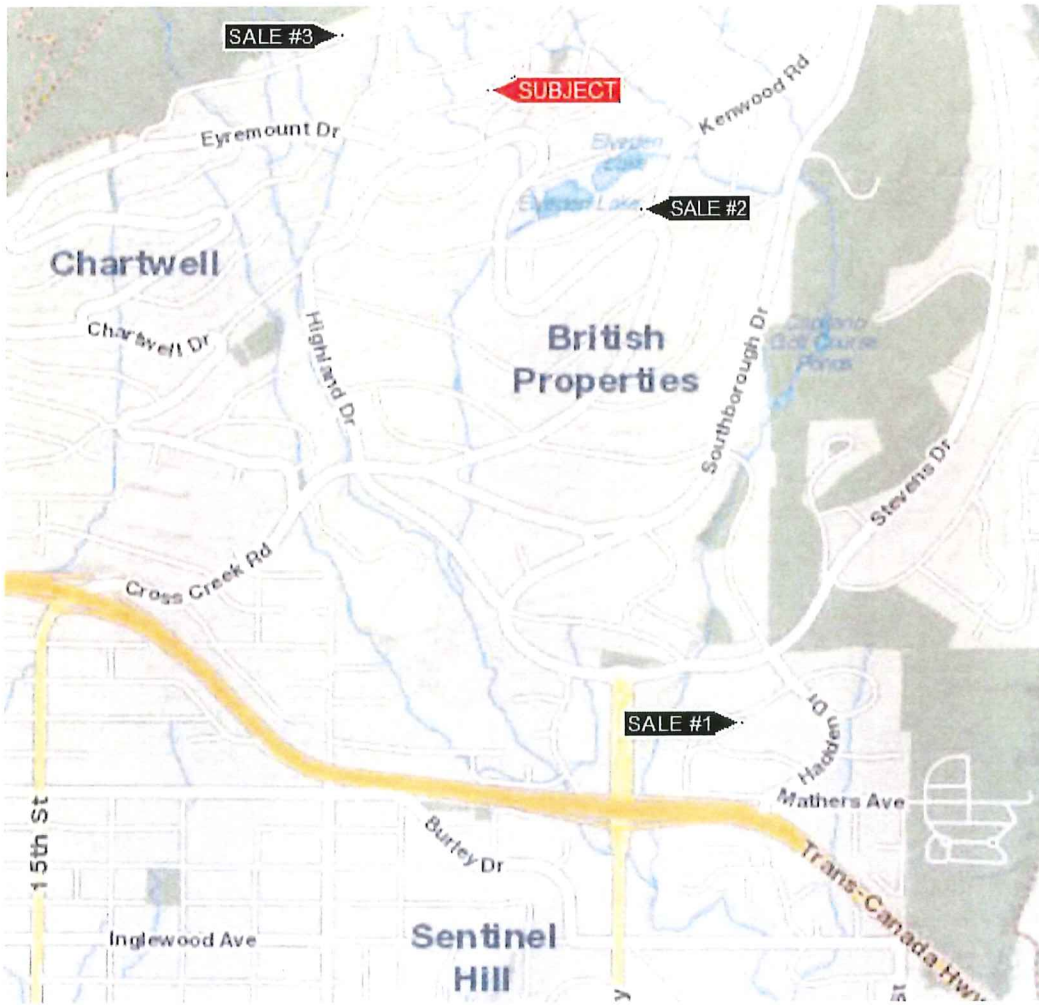
REGIONAL LOCATION MAP

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. - C/O Les Sallay		



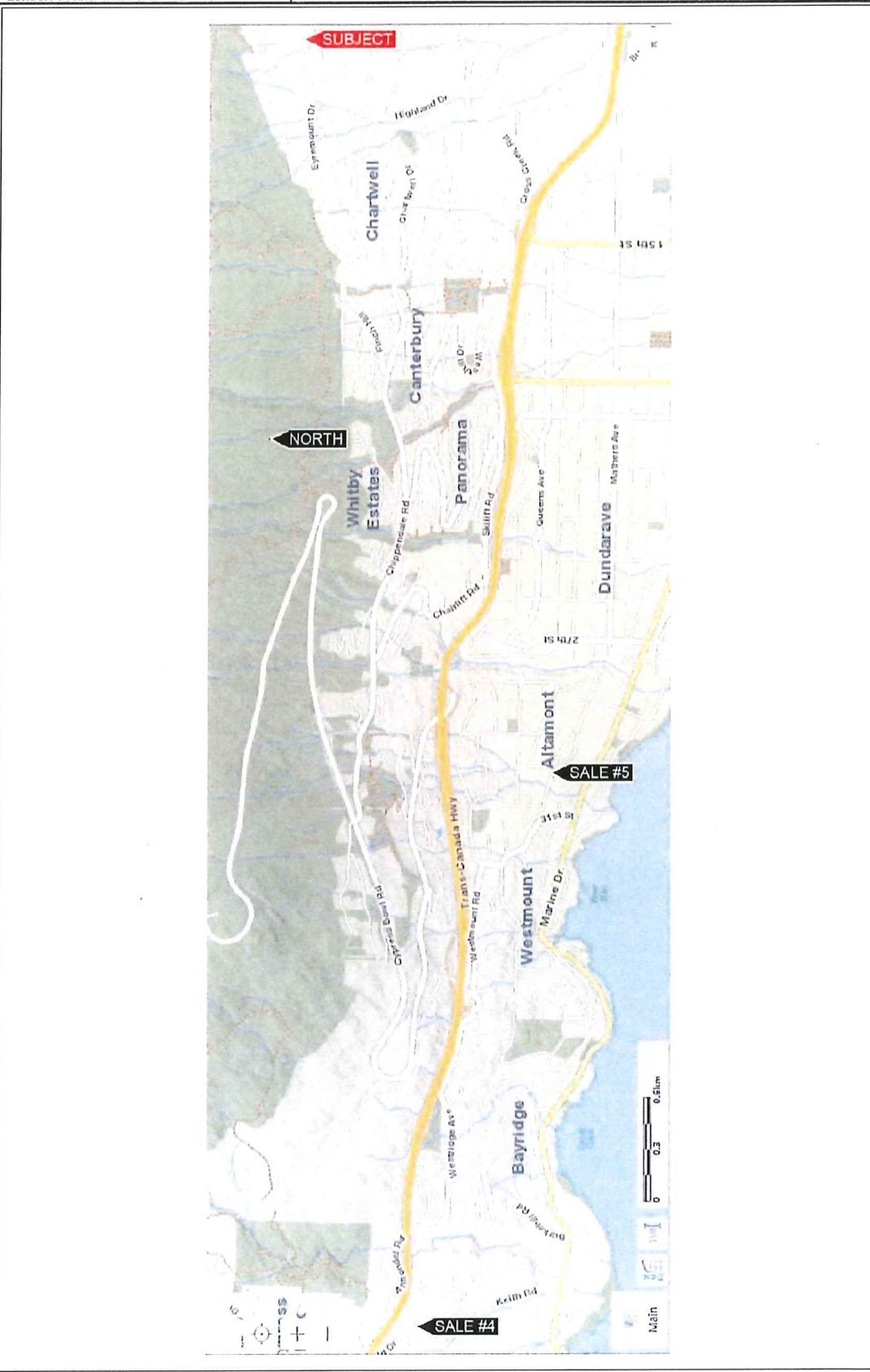
LOCATION MAP SHOWING COMPARABLES

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. - C/O Les Sallay		



LOCATION MAP SHOWING COMPARABLES

Borrower: With reference to Mr. Les Sallay	File No.: 012022	
Property Address: 1103 Gilston Road	Case No.:	
City: West Vancouver	Prov.: B.C.	P.C.:
Lender: Jeana Ventures Ltd. - C/O Les Sallay		



2148 Grand Boulevard, North Vancouver, B.C. V7L 3Y7

Samantha McLuskie

From: Heather Frydenlund <hfrydenlund@owenbird.com>
Sent: Thursday, February 17, 2022 11:46 AM
To: 'Les Sallay'
Cc: 'William Choo'; 'Alex Ng'
Subject: RE: Gilston listing
Attachments: 1103 Gilston Road - Munro-Home-and-Commercial-Inspection-Report (0215754....pdf)

Follow Up Flag: Copied to Worldox (Client Files\23024\0131\02379740.MSG)
Flag Status: Flagged

Hi Les,

Thank you for your email. As I mentioned to you in my email of January 25, 2022 the Receiver will be selling the property "as is where is", as it has already made the repairs necessary to address immediate issues. I reiterate that it is the Receiver's view that this is the most cost and time effective manner in which to proceed.

I also confirm to you that we provided you with the inspection report containing a listing of the property's deficiencies in September, 2021. I attach another copy of that report to this email for your ease of reference.

Thank you,

Heather A. Frydenlund
 Barrister & Solicitor
 Direct Line (604) 691-7532 | Direct Fax (604) 632-4459 Email hfrydenlund@owenbird.com

Bentall 3, Suite 2900, 595 Burrard Street PO Box 49130, Vancouver, BC V7X 1J5 Canada Telephone (604) 688-0401 | Fax (604) 688-2827 <https://protect-eu.mimecast.com/s/OAoECgJgrlAYggrFNjRHL?domain=owenbird.com>

-----Original Message-----

From: Leslie Sallay <lsallay@telus.net>
Sent: February 16, 2022 12:08 PM
To: Alex Ng <alexng@manning-trustee.com>
Subject: Gilston listing

Alex,


Ian Edmonds of Royal LePage Sussex recommended that the Gilston house should be taken off the market for 3 to 4 weeks, repair all deficiencies and re list as a new listing to obtain optimum value. I agree, the collapsed sale had a long deficiency list, that list should be addressed. Please send me that list.

Thanks,

Les

Sent from my iPhone

This is Exhibit " E " referred to in the Affidavit # 1 of Leslie Sallay, sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.


 A Commissioner/Notary Public for the
 Province of British Columbia

Samantha McLuskie

From: Heather Frydenlund <hfrydenlund@owenbird.com>
Sent: Thursday, February 17, 2022 11:46 AM
To: 'Les Sallay'
Cc: 'William Choo'; 'Alex Ng'
Subject: RE: Gilston listing
Attachments: 1103 Gilston Road - Munro-Home-and-Commercial-Inspection-Report (0215754....pdf)

Follow Up Flag: Copied to Worldox (Client Files\23024\0131\02379740.MSG)
Flag Status: Flagged

Hi Les,

Thank you for your email. As I mentioned to you in my email of January 25, 2022 the Receiver will be selling the property "as is where is", as it has already made the repairs necessary to address immediate issues. I reiterate that it is the Receiver's view that this is the most cost and time effective manner in which to proceed.

I also confirm to you that we provided you with the inspection report containing a listing of the property's deficiencies in September, 2021. I attach another copy of that report to this email for your ease of reference.

Thank you,

Heather A. Frydenlund
 Barrister & Solicitor
 Direct Line (604) 691-7532 | Direct Fax (604) 632-4459 Email hfrydenlund@owenbird.com

Bentall 3, Suite 2900, 595 Burrard Street PO Box 49130, Vancouver, BC V7X 1J5 Canada Telephone (604) 688-0401 | Fax (604) 688-2827 <https://protect-eu.mimecast.com/s/OAoECgJgrlAYggrFNjRHL?domain=owenbird.com>

-----Original Message-----

From: Leslie Sallay <lsallay@telus.net>
Sent: February 16, 2022 12:08 PM
To: Alex Ng <alexng@manning-trustee.com>
Subject: Gilston listing

Alex,


Ian Edmonds of Royal LePage Sussex recommended that the Gilston house should be taken off the market for 3 to 4 weeks, repair all deficiencies and re list as a new listing to obtain optimum value. I agree, the collapsed sale had a long deficiency list, that list should be addressed. Please send me that list.

Thanks,

Les

Sent from my iPhone

This is Exhibit " F " referred to in the Affidavit # 1 of Leslie Sallay sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.



 A Commissioner/Notary Public for the
 Province of British Columbia

This is Exhibit "G" referred to in the Affidavit # 1 of Leslie Sallay sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.



A Commissioner/Notary Public for the
Province of British Columbia

...

From: Les Sallay <lsallay@telus.net>
Sent: February 26, 2022 7:21 AM
To: 'Alex Ng' <alexng@manning-trustee.com>
Subject: Gilston Sale

Alex,

My sale analysis at \$7,400,000.00 is attached. A full price contract would create a substantial loss to my company's position. I provided you with a current appraisal of \$7,750,000.00 which suggest that the \$8M list was at a minimum appropriate. It is a fact that the price range of \$7M plus is sluggish at this time compounded by the fact that the property was badly mismanaged by an incompetent contractor who deliberately didn't obtain an Occupancy Permit for about 18 months while the property was listed for sale, making it extremely difficult to sell. The contractors plan from day one was to manipulate the disposition of the property to his advantage, put it under contract to an associate at as low a price as he can and then remove subjects with as high of a discount as he felt he could get away with. Which is exactly what happened, he accepted \$7.75M inc. GST then the Buyer asked for a \$1.2M reduction on the subject removal date to \$6.55M inc. GST, had he still had conduct of sale he would have accepted the price reduction and retain

57

the property with a substantial upside. When that didn't materialize, he put in an offer to the RM on his own behalf for \$6.3M plus GST which equals the same as his associates reduced offer.

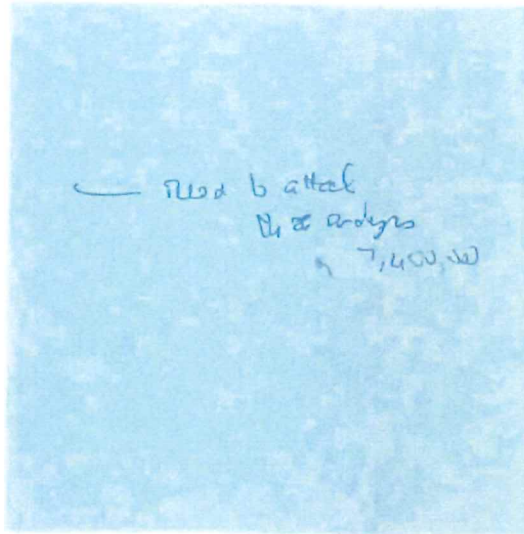
The property needs to be unlisted for a couple of months and relisted in May for \$8.5M when the weather is good, the view is more visible and the market for higher end homes improved.

Les Sallay,

Jeana Ventures Ltd.

The information contained in this transmission is privileged and/or confidential information intended for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified to delete the message and that any dissemination, distribution or copying of this communication is strictly prohibited.

-SRDisclaimer-



From: Leslie Sallay [mailto:lsallay@telus.net]

58

Sent: April 4, 2022 3:16 PM

To: Alex Ng <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>

Cc: Heather Frydenlund <hfrydenlund@owenbird.com>; Ronald Josephson <RJosephson@singleton.com>

Subject: Re: 1103 Gilston

CAUTION: This email originated from outside of the organization. Do not click on links or open attachments unless you recognize the sender and know the content is safe.

Thanks.

I've sent you and William emails and 2 messages for Heather Frydenlund asking for a copy of the accepted contract on Gilston that has now collapsed. Why is this such a big issue? I have a 3rd mtg. In excess of \$3.4M behind a 1st and 2nd totalling approx. \$3.5M. I'm VERY disappointed that you have reduced the list price from \$8M to \$7.4M after I provided an appraisal of \$7.75M.

I know Garrow provided an appraisal of \$7M when he submitted an offer of \$6.3M, 18 months prior, when he had to show a judge that he had \$1.5M equity to pay Jeana the Buy Out he invoked in the Gilston/ Sandhurst Share Holder Agreements, he provided the Judge with an appraisal of \$9.5M. All appraisers will tell you that the real estate market over the last 2 years has moved up not down.

I once more highly recommend that the house be taken off the market for 2 months, give it a thorough cleaning inside and out, do whatever deficiencies that are required then re list at \$8.5M in June/July. I would pay for the cleaning & deficiencies.


Les

Sent from my iPhone

On Apr 1, 2022, at 2:33 PM, Alex Ng <alexng@manning-trustee.com> wrote:

6

This is Exhibit "H" referred to in the Affidavit # 1 of Leslie Sallay sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.


A Commissioner/Notary Public for the
Province of British Columbia

Just spoke to Haneef Virani. The purchasers were finally stretched and didn't want to commit to a purchase of this size. They did not provide their inspection report, but from what he could tell their reluctance was primarily financial.

Alex

=====

Alex E.H. Ng, B.A. (Hon's), LL.B, LIT, CIRP
 President and Licensed Insolvency Trustee
 D. Manning & Associates Inc.
 (604)683-8030, Fax (604)683-8327
alex.ng@manning-trustee.com
www.manning-trustee.com

=====

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-SRUsc aimer-

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From: Les Sallay <lsallay@telus.net>

Sent: Thursday, April 21, 2022 5:17 PM

To: 'Alex Ng' <alexng@manning-trustee.com>; 'Heather Frydenlund' <hfrydenlund@owenbird.com>

Cc: Ronald Josephson <RJosephson@singleton.com>

Subject: Gilston price reduction

60

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Alex,

I want to go on record that I vehemently oppose your continued effort to shrink the value of the Gilston house with price reductions thereby affecting the security of my mortgage. It's a well known fact that the sales of higher priced homes in the British Properties is slow at this time. Compound that with the disastrous marketing strategy of listing the house at \$10,998,000 on June 16, 2020 with no Occupancy Permit until August 2021. Becoming a Court Ordered sale and 4 price reductions further decreases the ability to attain a fair market price for the property. It is not price reductions that are needed but a rest from marketing. The backyard looks awful and the house needs freshening up, all of which I'm willing to undertake and pay for.

I'll reiterate, lets take it off the market for a few months, re landscape the backyard, eliminate as many of the negatives/deficiencies as possible (all at my cost) and I'm advised by Kevin Spooner, Senior Manager of Permits in WV that the house number could be changed for \$1,200.


Re list the property in August with a new address, looking at its best at \$8,888,000, what's 3 more months if the property could attain an additional \$2M, isn't it your mandate as a Court appointed RM to attain the best possible price?

Les Sallay,

Majority Shareholder and Mortgagee

1

This is Exhibit "I" referred to in the Affidavit # 1 of Leslie Sallay, sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.


A Commissioner/Notary Public for the
Province of British Columbia



**SINGLETON
REYNOLDS**

This is Exhibit " J " referred to in the Affidavit # 1 of Leslie Sallay sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.

A Commissioner/Notary Public for the
Province of British Columbia

By Email

Ronald Josephson
D 604 673 7519
rjosephson@singleton.com
Our File: 27038.005
Your File: 23024-0131

September 27, 2021

Owen Bird Law Corporation
Three Bentall Centre
2900-595 Burrard Street
Vancouver, B.C. V7X 1J5

**Attention: Alan Frydenlund
Heather Frydenlund**

Dear Sirs/Mesdames:

**Re: ADC Projects Ltd. v. Jeana Ventures Ltd. and
1103 Gilston Road Holdings Inc.
S.C.B.C., Vancouver Registry, Action Number S214960**

I am writing to you regarding the role of the Receiver Manager with respect to the property owned by 1103 Gilston Road Holdings Inc. (the "Gilston Road Property").

I have been advised by my client's Les Sallay that the anticipated sale of the Gilston Road Property, that was scheduled to complete on **September 29, 2021** will not take place. I understand that you have provided Mr. Sallay with the relevant information regarding the non completion of that sale.

I understand further that the Gilston Road Property is now being re-listed for sale under the supervision of the Receiver Manager, as opposed to Mr. Garrow. However, I understand the listing agent for the Gilston Road Property is Paul Tan PRCE*. If that is indeed the case, this is (as I understand) directly inconsistent with the direction or request of Mr. Sallay.

The reason that Mr. Sallay has a legitimate concern about Mr. Tan being the listing agent for the sale of the Gilston Road Property is historic and is based on the close relationship that Mr. Sallay believes exists between Mr. Garrow, Mr. Garrow's close associate, Amir Hamzehali and Mr. Tan. Mr. Sallay is of the view that Mr. Tan is really the alter ego for Mr. Hamzehali with respect to the sale of the Gilston Road Property.


Mr. Sallay has already provided you with a comprehensive summary of his concerns about the involvement of Mr. Hamzehali in the sale of the Gilston Road Property. As you know, Mr. Hamzehali was the former owner of the shares of 1103 Gilston Road Holdings Inc. and remains a guarantor of the mortgage in favour of Wealth One. This places Mr. Hamzehali in a position of clear conflict regarding the sale of the Gilston Road Property.

Mr. Hamzehali was responsible for bringing in Mr. Tan as his "replacement" as the realtor on the property. For that reason, Mr. Tan's involvement in the sale of the Gilston Road Property is as unacceptable to Mr. Sallay as it would be as if Mr. Hamzehali himself were the listing agent for the sale of the Gilston Road Property.

Please contact me at your earliest opportunity to discuss the legitimate concern of Mr. Sallay in this regard and any steps that need to be taken in order to ensure that neither Mr. Hamzehali nor Mr. Tan be or continues to be the listing agent for the sale of the Gilston Road Property.

Yours truly,

Singleton Urquhart Reynolds Vogel LLP



Ronald Josephson
Counsel

RJ/sm

cc client

September 28, 2021

Via Email: rjosephson@singleton.com

Singleton Urquhart Reynolds Vogel LLP
Suite 1200, 925 W. Georgia Street
Vancouver, BC V6L 3L2

Direct Line: 604 691-7532
Direct Fax: 604 632-4459
E-mail: hfrydenlund@owenbird.com
Our File: 23024/0131

Attention: Ronald Josephson

Dear Sir:

**Re: ADC Projects Ltd. v. Jeana Ventures Ltd. and 1103 Gilston Road Holdings Inc.
SCBC Vancouver Registry, Action No.: VLC-S-H-210439**

Thank you for your letter dated September 27, 2021.

I confirm that the sale of 1103 Gilston Road (the "Property") which was set to complete on September 29, 2021 will not occur, as subjects were not removed by September 19, 2021. We have been in contact with Mr. Sallay in that regard.

Thank you for bringing to our attention Mr. Sallay's concerns with using Mr. Paul Tan as the listing agent for the Property. I confirm that a relisting agreement with respect to the Property was signed on September 20, 2021 between Mr. Paul Tan and Mr. Phil Garrow, reducing the listing price to \$8,588,000 and extending the listing to March 31, 2022. However, since that relisting agreement was executed by Mr. Garrow, not the Receiver Manager, and without the Receiver Manager's consent, it is unenforceable. The Receiver Manager has advised Mr. Tan of this.

The Receiver Manager is currently in the process of requisitioning listing proposals with respect to the Property from a number of realtors, including Mr. Tan. We will advise you once the Receiver Manager has entered into a relisting agreement and the name of the successful listing agent.

We would also like to note that if, prior to the Receiver Manager entering into a relisting agreement with respect to the Property, Mr. Tan brings a reasonable offer for the Property to the Receiver Manager, the Receiver Manager will bring it to Court for approval. We will of course notify you and Mr. Sallay of any such application.


Yours truly,

OWEN BIRD LAW CORPORATION


Per:

Heather A. Frydenlund
HAF/hf

cc: Alan Frydenlund, Q.C. (afrydenlund@owenbird.com)
William Choo (wc@manning-trustee.com)

This is Exhibit "K" referred to in the Affidavit # 1 of Leslie Sallay, sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.

A Commissioner/Notary Public for the Province of British Columbia

This is Exhibit " L " referred to in the Affidavit # 1 of Leslie Sallay sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.


A Commissioner/Notary Public for the
Province of British Columbia

Samantha McLuskie

From: Heather Frydenlund <hfrydenlund@owenbird.com>
Sent: Monday, April 4, 2022 5:05 PM
To: Ronald Josephson; Alex Ng; William Choo
Cc: 'Leslie Sallay'; Samantha McLuskie
Subject: RE: 1103 Gilston [SR-GENERAL.FID673773]
Attachments: RE: Gilston listing

Hi Ron and Les,

The Receiver, in conjunction with the listing realtor, has determined that the best course of action for the time being in order to get the best result is to proceed with maintaining the listing in the manner they have.

I also attach previous emails that I have sent to Les regarding the issue of the deficiencies.

Thanks,

Heather A. Frydenlund
Barrister & Solicitor

Direct Line (604) 691-7532 | Direct Fax (604) 632-4459
Email hfrydenlund@owenbird.com



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PO Box 49130, Vancouver, BC V7X 1J5 Canada
Telephone (604) 688-0401 | Fax (604) 688-2827
www.owenbird.com



From: Ronald Josephson [mailto:RJosephson@singleton.com]
Sent: April 4, 2022 4:49 PM
To: Heather Frydenlund <hfrydenlund@owenbird.com>; Alex Ng <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>
Cc: 'Leslie Sallay' <lsallay@telus.net>; Samantha McLuskie <SMcLuskie@singleton.com>
Subject: RE: 1103 Gilston [SR-GENERAL.FID673773]

Heather,



In your response to Les Sallay's email, and indeed the email from Alex Ng to Les, there is no acknowledgement of Jeana's request that the Gilston Property be removed from the MLS listing for the very valid reasons set out in Les' various emails on the topic.

Please respond to Les on that issue. Thank you.

Ron

Ronald Josephson | Counsel

925 W. Georgia St., Suite 1200, Vancouver, BC V6C 3L2
D 604 673 7519 F 604 682 1283

Singleton Urquhart Reynolds Vogel LLP | singleton.com  

Vancouver | Toronto

From: Heather Frydenlund <hfydenlund@owenbird.com>

Sent: Monday, April 4, 2022 4:42 PM

To: 'Leslie Sallay' <lsallay@telus.net>; Alex Ng <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>

Cc: Ronald Josephson <RJosephson@singleton.com>

Subject: RE: 1103 Gilston

Hi Les,

Thank you for your email. The Receiver will not be disclosing the contract that fell through to any party. The contract is a matter of negotiation between the Receiver and prospective purchasers. When there is an accepted contract on the property without conditions to be taken to Court for approval, we will be providing that to the parties, and you will be given sufficient opportunity to address your concerns at that time.

Thanks,

Heather A. Frydenlund
Barrister & Solicitor

Direct Line (604) 691-7532 | Direct Fax (604) 632-4459
Email hfydenlund@owenbird.com



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PO Box 49130, Vancouver, BC V7X 1J5 Canada
Telephone (604) 688-0401 | Fax (604) 688-2827
www.owenbird.com



From: Leslie Sallay [<mailto:lsallay@telus.net>]

Sent: April 4, 2022 3:16 PM

To: Alex Ng <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>

Cc: Heather Frydenlund <hfydenlund@owenbird.com>; Ronald Josephson <RJosephson@singleton.com>

Subject: Re: 1103 Gilston

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Thanks.

I've sent you and Willian emails and 2 messages for Heather Frydenlund asking for a copy of the accepted contract on Gilston that has now collapsed. Why is this such a big issue? I have a 3rd mtg. In excess of \$3.4M behind a 1st and 2nd totalling approx. \$3.5M. I'm VERY disappointed that you have reduced the list price from \$8M to \$7.4M after I provided an appraisal of \$7.75M.

I know Garrow provided an appraisal of \$7M when he submitted an offer of \$6.3M, 18 months prior, when he had to show a judge that he had \$1.5M equity to pay Jeana the Buy Out he invoked in the Gilston/ Sandhurst Share Holder

Agreements, he provided the Judge with an appraisal of \$9.5M. All appraisers will tell you that the real estate market over the last 2 years has moved up not down.

I once more highly recommend that the house be taken off the market for 2 months, give it a thorough cleaning inside and out, do whatever deficiencies that are required then re list at \$8.5M in June/July. I would pay for the cleaning & deficiencies.

Les

Sent from my iPhone

On Apr 1, 2022, at 2:33 PM, Alex Ng <alexng@manning-trustee.com> wrote:

Just spoke to Haneef Virani. The purchasers were finally stretched and didn't want to commit to a purchase of this size. They did not provide their inspection report, but from what he could tell their reluctance was primarily financial.

Alex


=====
Alex E.H. Ng, B.A. (Hon's), LL.B, LIT, CIRP
President and Licensed Insolvency Trustee
D. Manning & Associates Inc.
(604)683-8030, Fax (604)683-8327
alex.ng@manning-trustee.com
www.manning-trustee.com
=====

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This is Exhibit " M " referred to in the Affidavit # 1 of Leslie Sallay sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.


A Commissioner/Notary Public for the
Province of British Columbia

Samantha McLuskie

From: Ronald Josephson
Sent: Thursday, April 7, 2022 1:52 PM
To: Heather Frydenlund; Alex Ng; William Choo
Cc: 'Leslie Sallay'; Samantha McLuskie
Subject: RE: 1103 Gilston [SR-GENERAL.FID673773]
Attachments: Book1.xlsx

Heather,

I am writing to you further to my email to you of April 5th (below) in which I re-iterated the formal request of Jeana Ventures Ltd that the Gilston Road Property be de-listed to allow for the significant number of deficiencies to be corrected and then re-listed in the summer at a price more consistent with market realities in the West Vancouver area.

In support of that position, I enclose as analysis prepared by Les Sallay that makes the point very clearly that the proper listing price for the Gilston Road property is in the \$8.0 million to \$8.5 million range and not the current \$7.4 million list price. The key points of this analysis are:

- a) a house with a spectacular city and ocean view (which is the case with Gilston Road) is worth a premium of 20% over houses without that view; and
- b) the market for high end homes on the British Properties is slow at the moment, as it is on the West Side of Vancouver, and this is a situation that the real estate profession expects to change with activity (and prices) increasing in the summer.

With these two (and the other) factors in mind, and with the empirical evidence set out in the attached analysis, Jeana Ventures Ltd again requests that the Gilston Road Property be de-listed. This will enable the deficiencies to be corrected, which is very important, and after that has been done, the Property can be listed again in a few months at the \$8.0 million to \$8.5 million range.



If this request is not given effect to by the Receiver, and the Gilston Road Property is sold at a price below what is its achievable level, I anticipate receiving instructions from Jeana Ventures Ltd to oppose the Court approval of that sale. The various requests and communications from Les Sallay to the Receiver, as well as my communications with you (including these emails) will be placed before the Court in support of the position of Jeana Ventures Ltd.

I trust that the Receiver will govern himself accordingly.

Ron

Ronald Josephson | Counsel

925 W. Georgia St., Suite 1200, Vancouver, BC V6C 3L2
D 604 673 7519 F 604 682 1283

Singleton Urquhart Reynolds Vogel LLP | singleton.com  

Vancouver | Toronto

From: Ronald Josephson

Sent: Tuesday, April 5, 2022 2:13 PM

To: Heather Frydenlund <hfrydenlund@owenbird.com>; Alex Ng <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>

Cc: 'Leslie Sallay' <lsallay@telus.net>; Samantha McLuskie <SMcLuskie@singleton.com>

Subject: RE: 1103 Gilston [SR-GENERAL.FID673773]

Heather,

I am sure that Les will be disappointed at this position being taken by the Reiver and the realtor. It is, after all, Jeana who will suffer a significant financial loss if the sale price of the Gilston Property is not fully maximized.



Based on advice Les has received from professionals in the real estate market, including the market in West Van, Les is of the firm view that the Gilston Property should be removed from the MLS listing at this time, while the significant number of deficiencies are corrected. It can then be placed on the market again at a price closer to (or above) the \$7,750,000 valuation of Antony Rivard that is set out on his Appraisal that h prepared for Les on January 18, 2022.

In the event that the Receiver does not accept this suggestion from Les (on behalf of Jeana, which the entity with most at stake) and the price obtained by the Receiver is below the amount required to make Jeana whole on its security, I anticipate that Les (on behalf of Jeana) will instruct me to oppose the Court's approval of the sale, on the basis that the Receiver went ahead and continued with the current listing and thereby obtained a price that was not the maximum that could have been achieved.

Ron

Ronald Josephson | Counsel

925 W. Georgia St., Suite 1200, Vancouver, BC V6C 3L2
D 604 673 7519 F 604 682 1283

Singleton Urquhart Reynolds Vogel LLP | singleton.com  

Vancouver | Toronto

From: Heather Frydenlund <hfydenlund@owenbird.com>
Sent: Monday, April 4, 2022 5:05 PM
To: Ronald Josephson <RJosephson@singleton.com>; Alex Ng <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>
Cc: 'Leslie Sallay' <lsallay@telus.net>; Samantha McLuskie <SMcLuskie@singleton.com>
Subject: RE: 1103 Gilston [SR-GENERAL.FID673773]

Hi Ron and Les,

The Receiver, in conjunction with the listing realtor, has determined that the best course of action for the time being in order to get the best result is to proceed with maintaining the listing in the manner they have.

I also attach previous emails that I have sent to Les regarding the issue of the deficiencies.

Thanks,

Heather A. Frydenlund
 Barrister & Solicitor

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 Email hfydenlund@owenbird.com



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From: Ronald Josephson [<mailto:RJosephson@singleton.com>]
Sent: April 4, 2022 4:49 PM
To: Heather Frydenlund <hfydenlund@owenbird.com>; Alex Ng <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>
Cc: 'Leslie Sallay' <lsallay@telus.net>; Samantha McLuskie <SMcLuskie@singleton.com>
Subject: RE: 1103 Gilston [SR-GENERAL.FID673773]

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Please respond to Les on that issue. Thank you.

Ron

Ronald Josephson | Counsel

925 W. Georgia St., Suite 1200, Vancouver, BC V6C 3L2
 D 604 673 7519 F 604 682 1283

Singleton Urquhart Reynolds Vogel LLP | singleton.com  

Vancouver | Toronto

From: Heather Frydenlund <hfydenlund@owenbird.com>
Sent: Monday, April 4, 2022 4:42 PM
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Heather A. Frydenlund
Barrister & Solicitor

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From: Leslie Sallay [<mailto:lsallay@telus.net>]
Sent: April 4, 2022 3:16 PM
To: Alex Ng <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>
Cc: Heather Frydenlund <hfydenlund@owenbird.com>; Ronald Josephson <RJosephson@singleton.com>
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Les

Sent from my iPhone

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Just spoke to Haneef Virani. The purchasers were finally stretched and didn't want to commit to a purchase of this size. They did not provide their inspection report, but from what he could tell their reluctance was primarily financial.

Alex

=====
 Alex E.H. Ng, B.A. (Hon's), LL.B, LIT, CIRP
 President and Licensed Insolvency Trustee
 D. Manning & Associates Inc.
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alex.ng@manning-trustee.com
www.manning-trustee.com
 =====

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This is Exhibit "N" referred to in the Affidavit # 1 of Leslie Sallay sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.



A Commissioner/Notary Public for the Province of British Columbia

Samantha McLuskie

From: Heather Frydenlund <hfrydenlund@owenbird.com>
Sent: Monday, April 11, 2022 11:10 AM
To: Ronald Josephson
Cc: 'Alex Ng'; William Choo; 'Leslie Sallay'; Samantha McLuskie
Subject: RE: 1103 Gilston [SR-GENERAL.FID673773]
Attachments: Entered Order re 1103 Gilston Road Holdings Inc. - Dated Aug 4 2021 (02157566x9DEBD).pdf

Hi Ron,

Thank you for your emails, they have been received and considered.

Despite your client's suggestions I reiterate that the Receiver remains of the opinion that given the circumstances, the best course of action is to leave the Gilston property on the market at this time and sell it "as is where is". I point out that the Receivership Order (attached) grants the Receiver the power to, amongst other things, exercise control over the property, take the steps that it considered necessary with respect to the construction of the property and to have conduct of the marketing and sale of the property. It also prohibits interference with the Receiver:

- Para 4(a) to take possession of and exercise control over the Properties and any and all receipts and disbursements arising out of or from the Properties;
- Para 4(e) take those steps that the Receiver considered necessary for the review of the feasibility of the construction or completion of any buildings or improvements on the land included in the Properties...;
- Para 4(k) to market any or all of the Properties, including advertising and soliciting offers in respect of the Properties or any part or parts thereof and negotiating such terms and conditions of the sale as the Receiver considered appropriate;
- Para 12 no Person shallinterfere with...any right, renewal right, contract, agreement, license or permit held in favour of or held by the Companies, without written consent of the Receiver or leave of this Court.

If Mr. Sallay is of the opinion that he could sell the property for an increased price, after attending to various deficiencies, we welcome him to make an offer on the Gilston property and do so. We point out that while the Receiver has conduct of the Gilston property, professional fees attach to all of the steps it takes or would be required to take if it were to address all of the deficiencies in the property, this has been considered by the Receiver. With that being said, the Receiver has had the property listed on the open market for months, without receiving an offer close to its listing price. Unfortunately the appraisals are only opinions and the market ultimately speaks for itself.

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I also note that the appraisal in the amount of \$7,750,000 is inclusive of GST, without GST the appraised amount comes to about \$7,380,000 which is less than the current list price of \$7,400,000.

Thanks,

Heather A. Frydenlund
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Email hfrydenlund@owenbird.com



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From: Ronald Josephson [mailto:RJosephson@singleton.com]

Sent: April 7, 2022 1:52 PM

To: Heather Frydenlund <hfrydenlund@owenbird.com>; Alex Ng <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>

Cc: 'Leslie Sallay' <lsallay@telus.net>; Samantha McLuskie <SMcLuskie@singleton.com>

Subject: RE: 1103 Gilston [SR-GENERAL.FID673773]

Heather,

I am writing to you further to my email to you of April 5th (below) in which I re-iterated the formal request of Jeana Ventures Ltd that the Gilston Road Property be de-listed to allow for the significant number of deficiencies to be corrected and then re-listed in the summer at a price more consistent with market realities in the West Vancouver area.

In support of that position, I enclose as analysis prepared by Les Sallay that makes the point very clearly that the proper listing price for the Gilston Road property is in the \$8.0 million to \$8.5 million range and not the current \$7.4 million list price. The key points of this analysis are:

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Les Sallay to the Receiver , as well as my communications with you (including these emails) will be placed before the Court in support of the position of Jeana Ventures Ltd.

I trust that the Receiver will govern himself accordingly.

Ron

Ronald Josephson | Counsel

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Vancouver | Toronto

From: Ronald Josephson

Sent: Tuesday, April 5, 2022 2:13 PM

To: Heather Frydenlund <hfraydenlund@owenbird.com>; Alex Ng <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>

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Vancouver | Toronto

From: Heather Frydenlund <hfydenlund@owenbird.com>

Sent: Monday, April 4, 2022 5:05 PM

To: Ronald Josephson <RJosephson@singleton.com>; Alex Ng <salexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>

Cc: 'Leslie Sallay' <lsallay@telus.net>; Samantha McLuskie <SMcLuskie@singleton.com>

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Please respond to Les on that issue. Thank you.

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Subject: Re: 1103 Gilston

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I know Garrow provided an appraisal of \$7M when he submitted an offer of \$6.3M, 18 months prior, when he had to show a judge that he had \$1.5M equity to pay Jeana the Buy Out he invoked in the Gilston/ Sandhurst Share Holder

Agreements, he provided the Judge with an appraisal of \$9.5M. All appraisers will tell you that the real estate market over the last 2 years has moved up not down.

I once more highly recommend that the house be taken off the market for 2 months, give it a thorough cleaning inside and out, do whatever deficiencies that are required then re list at \$8.5M in June/July. I would pay for the cleaning & deficiencies.

Les

Sent from my iPhone

On Apr 1, 2022, at 2:33 PM, Alex Ng <alexng@manning-trustee.com> wrote:

Just spoke to Haneef Virani. The purchasers were finally stretched and didn't want to commit to a purchase of this size. They did not provide their inspection report, but from what he could tell their reluctance was primarily financial.

Alex

=====
Alex E.H. Ng, B.A. (Hon's), LL.B, LIT, CIRP
President and Licensed Insolvency Trustee
D. Manning & Associates Inc.
(604)683-8030, Fax (604)683-8327
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=====

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2
1

This is Exhibit "0" referred to in the Affidavit # 1 of Leslie Sallay, sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.


A Commissioner/Notary Public for the
Province of British Columbia

Samantha McLuskie

From: Ronald Josephson
Sent: Monday, April 25, 2022 11:46 AM
To: Heather Frydenlund; Alex Ng; William Choo
Cc: Les Sallay; Samantha McLuskie
Subject: FW: 1103 Gilston [SR-GENERAL.FID673773]
Attachments: Entered Order re 1103 Gilston Road Holdings Inc. - Dated Aug 4 2021 (02157566x9DEBD).pdf

Heather,

In response to your email below, as you know, Les Sallay, as the representative of Jeana Ventures Ltd, the beneficial holder of 51% of the shares of Gilston Road Holdings Inc, has a strongly-held different view. That view and all relevant correspondence in respect thereof, will be placed before the Court at the hearing to approve any sale of the Gilston Road Property that Les believes to be below what could have been achieved.

Over the weekend, Les Sallay attended the open house for the Gilston Property and was told by the realtor there was an accepted offer of \$6.33 million on the Property, presumably subject to some conditions. This email serves to put the Receiver Manager on notice that Jeana Ventures Ltd strongly objects to this sale at what it considers to be an inappropriate and unwarranted low price.

Mr Sallay is also concerned about the possibility that the current offeror may be Mr Garrow or a related person or entity. I assume that that inquiry has been made by the Receiver Manager. If indeed Mr Garrow is involved, directly or indirectly, in this new accepted offer, I believe that it is incumbent on the Receiver Manager to make that fact known to Jeana Ventures Ltd.

Ron

Ronald Josephson | Counsel

925 W. Georgia St., Suite 1200, Vancouver, BC V6C 3L2
 D 604 673 7519 F 604 682 1283

Singleton Urquhart Reynolds Vogel LLP | singleton.com  

Vancouver | Toronto

From: Heather Frydenlund <hfrydenlund@owenbird.com>

Sent: Monday, April 11, 2022 11:10 AM

To: Ronald Josephson <RJosephson@singleton.com>

Cc: 'Alex Ng' <alexng@manning-trustee.com>; William Choo <wc@manning-trustee.com>; 'Leslie Sallay'

<lsallay@telus.net>; Samantha McLuskie <SMcLuskie@singleton.com>

Subject: RE: 1103 Gilston [SR-GENERAL.FID673773]

Hi Ron,

Thank you for your emails, they have been received and considered.

Despite your client's suggestions I reiterate that the Receiver remains of the opinion that given the circumstances, the best course of action is to leave the Gilston property on the market at this time and sell it "as is where is". I point out that the Receivership Order (attached) grants the Receiver the power to, amongst other things, exercise control over the property, take the steps that it considered necessary with respect to the construction of the property and to have conduct of the marketing and sale of the property. It also prohibits interference with the Receiver:

- Para 4(a) to take possession of and exercise control over the Properties and any and all receipts and disbursements arising out of or from the Properties;

-Para 4(e) take those steps that the Receiver considered necessary for the review of the feasibility of the construction or completion of any buildings or improvements on the land included in the Properties...;

-Para 4(k) to market any or all of the Properties, including advertising and soliciting offers in respect of the Properties or any part or parts thereof and negotiating such terms and conditions of the sale as the Receiver considered appropriate;

-Para 12 no Person shall ...interfere with...any right, renewal right, contract, agreement, license or permit held in favour of or held by the Companies, without written consent of the Receiver or leave of this Court.

If Mr. Sallay is of the opinion that he could sell the property for an increased price, after attending to various deficiencies, we welcome him to make an offer on the Gilston property and do so. We point out that while the Receiver has conduct of the Gilston property, professional fees attach to all of the steps it takes or would be required to take if it were to address all of the deficiencies in the property, this has been considered by the Receiver. With that being said, the Receiver has had the property listed on the open market for months, without receiving an offer close to its listing price. Unfortunately the appraisals are only opinions and the market ultimately speaks for itself.

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COMPARABLE LISTINGS / SALE TO
86
 1103 GILSTON ROAD
 BRITISH PROPERTIES

ADDRESS	LOT SIZE	SF	BDS	BA	VIEW	AGE	LIST PRICE	PRICE/SF	SALE DATE
<u>NON VIEW HOMES</u>									
618 Barnham Road, BP	13,652	6,531	5	5	No	2021	\$ 4,880,000.00	\$ 960.80	4-Feb-22
1154 Palmerston Avenue, BP	5,743	3,761	4	5	No	2021	\$ 5,980,000.00	\$ 1,297.53	
550 Knockmaroon Road, BP	13,503	7,789	5	7	No	2017	\$ 6,880,000.00	\$ 767.75	
780 Westcot Place, BP	20,910	6,055	6	8	No	2017	\$ 7,480,000.00	\$ 1,136.25	
181 Stevens Drive, BP	28,473	7,536	5	8	No	2019	\$ 7,998,000.00	\$ 992.57	
625 St. Andrews Road, BP	25,208	9,242	5	10	No	2018	\$ 9,998,000.00	\$ 865.40	
735 Southborough Drive, BP	25,308	8,431	6	8	No	2017	\$ 7,202,666.67	\$ 1,185.86	
AVERAGE	18,971	7,049	5	7				\$ 1,029.45	
<u>VIEW HOMES</u>									
1103 Gilston Road, BP	16,500	8,115	6	9	Yes	2021	\$ 7,400,000.00	\$ 911.89	
							\$ 8,000,000.00	\$ 985.83	
							\$ 8,750,000.00	\$ 1,078.25	
							\$ 9,500,000.00	\$ 1,170.67	
618 Hawstead Place, BP	15,020	7,289	6	7	Yes	2019	\$ 10,800,000.00	\$ 1,481.68	
545 Robin Hood Road, BP	27,623	7,355	5	7	Yes	2017	\$ 11,800,000.00	\$ 1,604.35	
1139 Millstream Road, BP	17,163	9,041	7	10	Yes	2021	\$ 13,998,000.00	\$ 1,548.28	
815 King Georges Way, BP	19,166	9,110	5	8	Yes	2018	\$ 14,800,000.00	\$ 1,624.59	
1049 Millstream Road, BP	20,451	10,005	6	11	Yes	2020	\$ 14,880,000.00	\$ 1,487.26	
1022 Eyremount Drive, BP	22,000	9,902	5	9	Yes	2021	\$ 15,998,000.00	\$ 1,615.63	
925 Fairmile Road, BP	27,007	13,679	5	8	Yes	2020	\$ 16,880,000.00	\$ 1,234.01	
AVERAGE	21,204	9,483	6	9			\$ 14,165,142.86	\$ 1,513.69	

A spectacular city, ocean view is worth at least a 20% premium over the same house without the view.

The above are all the listings and 1 sale in the British Properties in the last 6 months. This clearly supports my position that the market in the priced VIEW properties are currently slow and it is anticipated that there will be a catch up to the brisk lower priced market over the next few

This is Exhibit "P" referred to in the Affidavit #1 of Leslie Sulik, sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.

[Signature]
 A Commissioner/Notary Public for the Province of British Columbia

COMPARABLE LISTINGS / SALE TO
1103 GILSTON ROAD
BRITISH PROPERTIES

SALE PRICE

\$ 6,275,000.00

e higher
w months.

4/7/2022

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *ADC Projects Ltd. v. Jeana Ventures Ltd.*,
2021 BCSC 1371

Date: 20210712
Docket: S214960
Registry: Vancouver

Between:

ADC Projects Ltd.

Petitioner

And

Jeana Ventures Ltd. and 1103 Gilston Road Holdings Inc.

Respondents

Docket: S214959
Registry: Vancouver

Between:

ADC Holdings Ltd.

Petitioner

And

Jeana Ventures Ltd. and 1449 Sandhurst Place Holdings Inc.

Respondents

Before: The Honourable Madam Justice Horsman

Reasons for Judgment

Counsel for the Petitioners:

D. Barker

Counsel for the Respondent, Jeana
Ventures Ltd.:

R. Josephson


Place and Date of Hearing:

Vancouver, B.C.
July 5-8, 2021

Place and Date of Judgment:

Vancouver, B.C.
July 12, 2021

This is Exhibit "Q" referred to in the Affidavit # 1 of Leslie Silby sworn or affirmed before me at Vancouver, British Columbia, this 9th day of June, 2022.



A Commissioner/Notary Public for the
Province of British Columbia

THE ISSUES

[1] In these petitions, the petitioners ADC Projects Ltd. and ADC Holdings Ltd. seek a determination under s. 324 of the *Business Corporations Act*, S.B.C. 2002, c. 57 [BCA] that it is just and equitable to wind-up the respondent companies 1103 Gilston Road Holdings Inc. ("Gilston") and 1149 Sandhurst Place Holdings Inc. ("Sandhurst") due to an irremediable deadlock between the shareholders. The petitioners do not seek to dissolve the companies, but rather say that the just and equitable remedy would be an order to compel one party to purchase the shares of the other.

[2] ADC Holdings and the respondent Jeana Ventures Ltd. ("Jeana") are parties to a shareholder agreement in relation to Sandhurst. ADC Projects and Jeana are parties to a shareholder agreement in relation to Gilston. For the purposes of these petitions, nothing arises from the fact that Jeana's shareholder agreements are with two different companies. Phil Garrow is the sole director of both ADC companies. The parties did not distinguish between the ADC companies in the course of their submissions. I will collectively refer to the petitioners as "ADC".

[3] Pursuant to a Declaration of Trust for Shares, ADC holds 51% of the shares in Gilston and Sandhurst in trust for the sole beneficial use of Jeana. Les Sallay is a director of Jeana.

[4] Gilston and Sandhurst are the registered owners of two residential properties in West Vancouver at, respectively, 1103 Gilston Road (the "Gilston Property") and 1449 Sandhurst Place (the "Sandhurst Property"). The parties planned to develop luxury homes on these properties with a view to their eventual sale. ADC and Jeana entered into shareholders agreements in 2019 in respect to both Gilston and Sandhurst. The terms of the agreements are substantially similar.

[5] In 2019, Jeana loaned sums of money to Gilston and Sandhurst. Jeana holds mortgages over both the Gilston Property and Sandhurst Property. ADC also made financial contributions. Jeana alleges that ADC has fraudulently misrepresented the

extent of its financial contributions. This is one of many issues in contention between the parties.

[6] At the risk of understatement, the relationship between the shareholders has rapidly deteriorated since the spring of 2020. Jeana believes that Mr. Garrow has committed serious breaches of fiduciary duty, including the misappropriation of funds. Pursuant to the provisions of the shareholder agreements, Mr. Sallay has on three occasions demanded to be appointed as a director of Gilston and Sandhurst, but ADC refuses to comply with these demands. Mr. Sallay says that in the meantime, he is kept in the dark about the companies' financial details, and the development and sale of the properties. Mr. Garrow has listed the properties and entered into contracts of purchase and sale without Mr. Sallay's approval. Jeana says this constitutes a breach of the shareholder agreements.

[7] ADC and Mr. Garrow deny Jeana's allegations of wrongdoing. ADC says that Mr. Sallay's unfounded suspicions and intrusive communications have disrupted ADC's attempts to complete the development and sale of the properties. As Mr. Sallay has, since the spring of 2020, refused to make further financial contributions, ADC says it has been required to cover all construction costs since that date, which total over \$1 million.

[8] In September 2020, ADC offered to sell all of its shares in Gilston and Sandhurst to Jeana pursuant to a buy/sell clause in the shareholders agreement. Jeana takes the position that the buy/sell clause is invalid in light of ADC's breaches of its duties under the shareholder agreements. ADC takes the position that Jeana lost its rights under the shareholder agreements by failing to respond to the offer under the buy/sell provision.

[9] On November 23, 2020, Jeana filed a notice of civil claim seeking remedies for alleged breaches of fiduciary duty and fraud by Mr. Garrow and his companies, including in relation to the Gilston and Sandhurst projects. ADC has filed a counterclaim seeking orders enforcing the buy/sell provisions in the shareholder agreements. The action is scheduled for a three-week trial in the fall of 2022. The

litigation has further inflamed tensions between the parties. Jeana applied for and obtained an *ex parte* Mareva injunction in the action. ADC was successful in having the Mareva injunction set aside. There is an outstanding application by Jeana to find ADC in contempt of court for breaching the terms of the Mareva injunction while it was in force. ADC denies that it breached the terms of the injunction.

[10] In the circumstances, there is no dispute that it is just and equitable to wind-up Gilston and Sandhurst in light of the deadlock, and deep level of distrust, between the shareholders. There is no prospect that ADC and Jeana can cooperate on a process leading to the sale of the properties. The issue of contention on this petition is what remedy is appropriate to address the deadlock.

[11] ADC requests an order compelling the parties to participate in a “shotgun sale” process consistent with the buy/sell provision in the shareholder agreements. ADC says that this is the most efficient way to effect a clean break between the parties, and notes that it is a remedy commonly granted under s. 324 of the *BCA* in case of a deadlock.

[12] Jeana says a shotgun sale process is not appropriate in this case given the issues between the parties. Jeana alleges that ADC has provided insufficient, inaccurate, and in some instances fraudulent, financial disclosure to Jeana about Gilston and Sandhurst. As a result, Jeana is unable to determine the value of the shares, or even the value of the contribution from ADC to date. Jeana proposes that the shares in both companies be transferred to Jeana, with a court-ordered valuation process to follow. Jeana says that ADC has engaged in oppressive conduct, and therefore equity favours the protection of Jeana in any share transfer.

[13] The issue of remedy is complicated by the fact that ADC has entered into contracts of purchase and sale in respect of both properties, with a closing date of August 5, 2021. ADC wishes the sales to proceed. Jeana says it is unable to form a view as to whether the sales are provident given the alleged non-disclosure by ADC, and ADC’s refusal to allow Jeana, as the majority shareholder, to have any participatory role in the sale process.

[14] The pending closing date for the sale of the Gilston and Sandhurst Properties creates urgency in the resolution of these petitions.

THE PENDING SALES

[15] A luxury home has been constructed on the Gilston Property. No construction has begun on the Sandhurst Property. ADC's previous attempts to sell the properties provides context to the present urgency.

[16] In December 2020, Mr. Garrow accepted an offer to purchase the Gilston Property for the sum of \$7,280,000, subject to building inspection. The sale did not complete following the intervention of Jeana's counsel. In March 2021, Mr. Garrow entered into a listing agreement in relation to the Sandhurst Property with a listing price of \$4,128,000. In June 2021, Mr. Garrow attempted to negotiate a sale of the Sandhurst Property, but the sale did not complete.

[17] Jeana says that its consent to the listing and sale of the properties was required by the terms of the shareholder agreements, and further that the actions of ADC and Mr. Garrow in listing and attempting to sell the properties amounted to a breach of the Mareva injunction. The position of ADC and Mr. Garrow is that the terms of the Mareva injunction did not prevent them from selling the properties, and that Mr. Garrow had the authority to deal with the sale process as the sole director of Gilston and Sandhurst. ADC had, as noted, failed to act on Mr. Sallay's repeated requests to appoint him as a director pursuant to the shareholder agreements.

[18] On June 12, 2021, Mr. Garrow advised Mr. Sallay via email that he anticipated receiving an unconditional offer to purchase the Gilston Property for \$8 million the next day, and he intended to accept it. Mr. Sallay raised a number of objections to the acceptance of the offer, including that: he had not seen the listing agreement, the commission agreement, or the sales contract; there was no occupancy permit; builders' liens remained on title; and ADC had not paid down a mortgage on the Property as part of its equity contribution.

[19] On June 22, 2021, Mr. Garrow notified Mr. Sallay that he had accepted an offer for the purchase of the Gilston Property for the price of \$7,750,000. The completion date for the sale is August 5, 2021.

[20] I am advised by counsel for the parties that there is also an accepted offer on the Sandhurst Property, with a closing date of August 5, 2021. The contract of purchase and sale does not appear to be in evidence on the petitions, at least not that I can locate in the petition record. In a recently filed affidavit, Mr. Sallay estimated that the net sale price for the Sandhurst Property, after deduction of transactions costs, is \$3,101,500.

[21] On March 11, 2021, one of the mortgage holders on the Sandhurst Property obtained an Order Nisi, with a redemption date of September 11, 2021. The pending deadline for redemption adds to the urgency.

LEGAL FRAMEWORK

[22] Section 324(1)(b) of the *BCA* provides that on application by a shareholder of the company, the court may order that the company be liquidated and dissolved if the court considers it just and equitable to do so. If a court determines that it is just and equitable to order that a company be liquidated and dissolved, s. 324(3) provides that, instead of ordering dissolution, the court may make any order it considers appropriate under s. 227(3) of the *BCA*: *Whistler Service Park Ltd. v. Glacier Creek Development Corp.*, 2005 BCCA 472 at para. 8.

[23] The broad range of remedies available under s. 227(3) include, in subsection (h), directing a shareholder to purchase some or all of the shares of any other shareholder, and, in subsection (c), appointing a receiver or receiver manager.

[24] The remedies under 227(3) are also available where a court finds, on application, that the affairs of a company are being conducted in a manner that is oppressive or unfairly prejudicial to a shareholder. Although the same remedies are available on an application under either ss. 324 or 227, the statutory basis for the application affects the court's exercise of its remedial jurisdiction. Unlike s. 324,

s. 227 of the *BCA* requires a finding of wrongful conduct or bad faith by the company or its directors that harms the shareholder's interests. A finding of oppression affects the equities. If oppression is established, the court should generally not make an order which is sought by the wrongdoer and opposed by the oppressed shareholder: *Mostyn v. Schmiing*, 2011 BCSC 275 at para. 11; *S.G. & S. Investments (1972) Ltd. v. Golden Boy Foods, Inc.* (1991), 56 B.C.L.R. (2d) 273 (C.A.) at 280.

[25] The words "just and equitable" in s. 324 have a wide meaning. They confer a broad discretion on the court to order the winding-up of a company, or make any order under s. 227(3) that the court considers appropriate having regard to the circumstances of the case: *Kidner Investments Ltd. v. Totem Mercury Holdings Ltd.*, 2017 BCSC 205 at para. 69.

JEANA'S ALLEGATIONS OF OPPRESSIVE CONDUCT

[26] There is a preliminary procedural issue as to whether Jeana's allegations of oppressive conduct by Mr. Garrow and ADC are properly before the court.

[27] ADC's petitions are brought pursuant to s. 324 of the *BCA*. While ADC seeks a remedy under s. 227(3) of the *BCA* rather than a winding-up of the companies, ADC does not allege oppression. Its petitions are advanced on the basis that it is just and equitable, within the meaning of s. 324, for the court to order a shotgun sale of the shares in Gilston and Sandhurst in light of the parties' deadlock.

[28] Jeana has not filed any petition. In its response to ADC's petitions, Jeana alleges oppressive conduct by ADC and Mr. Garrow. In its proposed form of order on ADC's petitions, Jeana seeks declarations that the affairs of the companies have been conducted in a manner that was oppressive and prejudicial to Jeana's interests, and that Mr. Garrow's conduct was burdensome, harsh, and wrongful, and denied Jeana its legitimate rights and expectations as a 51% beneficial shareholder.

[29] By way of illustrative example of the alleged oppressive and wrongful conduct by Mr. Garrow and ADC Jeana maintains that:

- a) From the outset of the projects, Mr. Garrow has engaged in the creation of fraudulent documents, and fraudulently failed to disclose important information to Jeana;
- b) In January 2019, Mr. Garrow fraudulently misrepresented to Mr. Sallay that ADC had paid \$400,000 to reduce the mortgage held on the Gilston Property by Wealth One Bank of Canada, when in fact he had not;
- c) Mr. Garrow failed to disclose to Jeana that an action had been filed by Instafund Management Corp in March 2020, in which Gilston and Sandhurst were named defendants;
- d) Mr. Garrow failed to disclose to Jeana that in May 2020, the District of West Vancouver cancelled ADC's business licence in light of what were characterized by the District as "repeated and serious infractions" of the local government's building requirements;
- e) ADC refused to appoint Mr. Sallay as a director of the companies on his request, as required by the shareholder agreements;
- f) Mr. Garrow signed listing agreements for the properties and entered into contracts of purchase and sale without Mr. Sallay's consent, which is required under the shareholder agreements.

[30] ADC objects to Jeana's attempt to seek oppression remedies in a response to a wind-up petition, having not filed its own petition under s.227 of the *BCA*. It does appear, to my mind, to be procedurally irregular for a party to seek oppression remedies in a petition response rather than bringing a separate petition pursuant to s. 227. Among other difficulties, ADC has no opportunity to provide a responsive pleading to Jeana's lengthy list of alleged misconduct by ADC and Mr. Garrow, as

the rules of court do not provide for a response to a petition response. Jeana has not provided any case authority to support the process adopted here.

[31] While I doubt that the procedure Jeana has followed is one permitted by the *BCA* and rules of court, I need not make any final decision on this issue. This is because Jeana's complaints of oppressive and prejudicial conduct cannot be resolved in a summary process in any event.

[32] The oppression claims in Jeana's petition response substantially mirror the allegations in the notice of civil claim that Jeana has filed in the action. The allegations are factually contentious, and not amenable to summary resolution. Jeana advanced the same allegations of wrongdoing on the application by ADC and Mr. Garrow to set aside the Mareva injunction in the civil action. Madam Justice McDonald noted the difficulty of resolving such contested allegations on an interlocutory application in the absence of a full evidentiary record that includes *viva voce* testimony: *Jeana Ventures Ltd. v. Garrow*, 2021 BCSC 769 at paras. 72-73. It is no less difficult to do so on a summary petition hearing process.

[33] For these reasons, I will not attempt to resolve any of the contested allegations of oppressive conduct and wrongdoing by ADC and Mr. Garrow that are set out in Jeana's petition responses. They will be addressed at trial.

THE WIND-UP PETITIONS

[34] This leads, then, to the central issue to be resolved on these petitions, which is the just and equitable remedy to resolve the deadlock. As noted, neither party disputes the existence of a deadlock, nor could such a suggestion be seriously maintained. The relationship between the shareholders has wholly broken down, with no prospect of resolution. There is ongoing prejudice to both shareholders as a result of the deadlock as they are unable to agree on a process for the sale of the Gilston and Sandhurst Properties. There is no dispute that, as a result of the deadlock, it is appropriate for the court to make an order under s. 324 of the *BCA*. The contentious question is what remedy is just and equitable.

[35] Before turning to a consideration of the parties' proposed form of order, I will outline the objectives that, in my view, a remedy under s. 324 must achieve in the circumstances of this case. Any remedy should be fair to both parties in preserving their positions in the ongoing civil action, and not assume the outcome of the merits of the contested factual allegations. The remedy should protect the interests of both shareholders, each of whom have a significant financial investment at stake. The pending completion of the sales of the Gilston Property and Sandhurst Property should be preserved if the sales are provident, in the best interests of the companies, and will not prejudice the interests of either ADC or Jeana. The remedy should ensure that there is a process in place to allow the companies to operate efficiently until such time as the properties have been sold, whether now or in the future, and that there is an accounting of the proceeds of the sales. The remedy must avoid the potential for future deadlock.

ADC's proposed remedy

[36] ADC argues that a just and equitable remedy is for the court to order that the deadlock be resolved by ADC's shotgun offers, which are substantially the same as the shotgun offers that ADC made in the fall of 2020 under the buy/sell provision of the shareholders agreements. ADC offers to buy Jeana's shares in Gilston for \$900,000 and Jeana's shares in Sandhurst for \$800,000, or alternatively Jeana can buy ADC's shares for these amounts. On ADC's proposed order, Jeana has five business days to elect whether it will buy or sell the shares at this price.

[37] ADC says that shareholder deadlocks are commonly resolved by the mechanism of a shotgun offer, particularly where the shareholding is relatively equal. ADC relies on the dicta of Southin J.A. in *Safarik v. Ocean Fisheries Ltd.* (1996), 17 B.C.L.R. (3d) 354 (C.A.) at para. 23, that there is "no better way to have a man put a fair value on what he owns, he knowing all the facts about its worth, than to say what he will sell it for".

[38] *Safarik* did not involve the circumstances that exist in the present case in which the individual proposing to make the shotgun offer is alleged to have engaged

in fraudulent conduct, including making material misrepresentations about the companies' finances, and in so doing having breached the provisions of the shareholder agreements. Jeana takes the position that as a result of ADC's alleged misconduct, it was, and is, unable to make informed and prudent decisions about the shotgun offer. I make no comment on the merits of Jeana's claims. The dispute over the enforceability of the buy/sell provision in the shareholder agreements is an issue in the civil action, and will be addressed at trial. ADC's proposed order, which simply enforces the shotgun offer it made in the fall of 2020, effectively seeks a pre-determination of these issues in ADC's favour on a wind-up petition.

[39] Jeana highlights a practical example of the difficulty in requiring it to respond to a shotgun offer in the present circumstances. Jeana's pleas of wrongdoing by ADC and Mr. Garrow in the civil action include an allegation that ADC represented to Jeana in January of 2019 that it had paid down the Wealth First mortgage on the Gilston Property by \$400,000 when in fact the mortgage was not paid down. Jeana also alleges that ADC represented that it had transferred \$765,000 to the account of Sandhurst, when no such funds were in fact transferred. Once again, I make no comment on the strength of Jeana's claims. However, on Jeana's theory, ADC is offering to purchase the shares of Gilston and Sandhurst with funds that are largely comprised of ADC's unpaid equity contribution to the projects.

[40] In my view, ADC's proposed form of order does not achieve the objectives I have identified. It does not preserve Jeana's position in the civil action, and does not protect the interests of Jeana.

Jeana's proposed order

[41] Jeana proposes an order that directs Jeana to purchase the shares of ADC in Gilston and Sandhurst, with the purchase price to be determined through a court-ordered valuation process. Pending the determination of the purchase price, Jeana will post security in an amount to be determined by the court. Jeana says that the amount of security ordered, if any, should be minimal in light of Mr. Sallay's deposed

belief that ADC's shares in Sandhurst have no value, and ADC's shares in Gilston have an approximate value of \$200,000.

[42] Jeana's proposed remedy is premised on its requested declarations that ADC has conducted the affairs of Gilston and Sandhurst in a manner that is oppressive and prejudicial to Jeana. Jeana also seeks an order that the purported sales of the Gilston and Sandhurst Properties are unfairly prejudicial to Jeana.

[43] In my view, Jeana's proposed orders also do not meet the objectives I have identified. I have already explained my reasons for declining to resolve Jeana's claims of oppression on these petitions. Jeana's allegations of wrongdoing by ADC are a matter for trial. Furthermore, Jeana's proposed form of order would almost certainly prevent the current sales from completing. ADC says, and I do not take there to be a dispute on this point, that neither Jeana nor Mr. Sallay has the experience or qualifications to market or develop a residential property, and neither are a licensed residential builder. Under the terms of the shareholder agreements, ADC is the construction manager for both projects. Jeana and Mr. Sallay have had limited direct involvement in the development of the properties to date.

[44] Accordingly, Jeana's proposed remedy would pre-judge the outcome of the matters in issue in the civil action, prejudice the interests of the companies and ADC, and threaten the completion of the sales, whether or not the sales are ultimately determined to be provident and in the companies' best interests.

What remedy is just and equitable?

[45] In the course of the petition hearing, I invited submissions from the parties as to whether an order appointing a receiver manager for Gilston and Sandhurst, as permitted by s. 227(3)(c) of the *BCA*, might be a just and equitable remedy if I did not accept their respective proposed forms of order.

[46] Jeana maintains as its first position that I ought to grant the orders it seeks as a remedy for the oppressive and prejudicial conduct of ADC. In the alternative, if the

court does not accept Jeana's proposed form of order, then Jeana consents to the appointment of a receiver manager.

[47] ADC also maintains its position that I ought to order the shotgun sale process that it proposes as a means of resolving the deadlock. In the alternative, ADC says I should implement a process by which the court may approve the pending sales of the Gilston and Sandhurst Properties. The obvious difficulty is that there is insufficient material in the petition record to permit an assessment of whether the sales are provident because neither party sought such a ruling on these petitions. Further, Jeana complains that it has not been provided with the information it has repeatedly sought to satisfy itself that the sales are provident. In answer to these difficulties, ADC says it will produce whatever information is required, and ensure full transparency going forward. ADC proposes that Jeana should have appraisals prepared if it is concerned about the sale prices. ADC suggests that a further hearing can then be scheduled once the necessary material is available.

[48] ADC expresses concern that the appointment of a receiver manager will be costly and disruptive to the sale process. While ADC does not consent to the appointment of a receiver manager, it also says that it is prepared to accept whatever remedy the court determines is appropriate, provided that control over the companies, and the sale process, does not go to Mr. Sallay.

[49] In my view, the just and equitable interim remedy to address the parties' deadlock is the appointment of a receiver manager to assume responsibility for the management and operation of Gilston and Sandhurst, and the process for the sale of the properties. I acknowledge that the appointment of a receiver manager is an extraordinary remedy. However, I see no other way to protect the interests of the companies and the shareholders in light of the deadlock and the measure of hostility and distrust between the parties. The parties' entrenched positions, their utter inability to engage in any effective communication or cooperation, and the serious nature of the allegations of financial wrongdoing that are at the core of the

breakdown in the relationship necessitates the appointment of an objective third party to manage the companies' affairs.

[50] I acknowledge that the appointment of a receiver manager will add cost to the completion of the sale process. However, it is not apparent to me that the appointment of a receiver manager will be any more costly or disruptive than ADC's alternate proposal to have the parties continue their battle in further contested court hearings over whether the sales should be approved. If the parties cooperate in the selection of a receiver manager, presumably someone knowledgeable and experienced in real estate development, the appointment process should be relatively expeditious. The completion date for the sales is still several weeks away. Both parties have provided assurances that they will cooperate with a receiver manager in the sale processes.

[51] The appointment of a receiver manager will achieve the objectives I have identified. The parties' positions in the litigation will be preserved, and their interests in the companies will be protected. The pending sales may complete if the receiver manager, in the exercise of its business judgment, considers the sales to be in the best interests of the companies. The receiver manager will be in a position to provide an accounting of the sale proceeds to the parties. The parties' deadlock will be remedied, and there will be a path forward for the efficient functioning of the companies pending the trial of the action or further order of the court.

[52] Finally, I note that the circumstances and urgency that necessitates the remedy of the appointment of a receiver manager is largely of the parties' own making. Most unfortunately, and for reasons that are not apparent to me on the record, neither party has taken practical steps before now to address the obvious deadlock. ADC could have brought a wind-up petition when it became apparent on ADC's first attempt to list and sell the properties that the parties' deadlock would prevent a sale. Instead, ADC continued to assert a unilateral authority to manage the properties, including the sale process, on the contentious premise that Jeana had forfeited its rights as a shareholder by failing to respond to the buy/sell offer. For its

part, Jeana complains that ADC engaged in oppressive conduct by failing to appoint Mr. Sallay as a director on his demand and excluding him from involvement in the sale process. However, Jeana did not bring an oppression petition to remedy the alleged oppressive conduct at the time it was occurring, or since.

[53] In the circumstances that confront me on this application, I can see no alternative remedy under s. 324 of the *BCA* that meets the objectives I have identified.

CONCLUSION/ORDERS

[54] For the foregoing reasons, I conclude that as a result of a deadlock in the corporate management and control of Gilston and Sandhurst, the condition for the liquidation and dissolution of the companies is established. However, the dissolution of the companies is not the appropriate remedy in the circumstances.

[55] I find that the just and equitable interim remedy to address the deadlock is the appointment of a receiver manager to manage the affairs of the companies, including the process for the sales of the Gilston and Sandhurst Properties, pending the trial of the action or further order of the court. To that end, I make the following orders:

- a) ADC and Jeana shall forthwith attempt to reach agreement on a suitable receiver manager;
- b) ADC and Jeana shall each prepare a draft order to define the duties and powers of the receiver manager, having regard to the circumstances of this case;
- c) In preparing the draft orders, ADC and Jeana shall have regard to the Model Receivership Order referenced in Practice Directive 47, with appropriate modifications to account for the circumstances of this case;

- d) The parties shall arrange, through Supreme Court Scheduling, for a one-hour hearing before me during the week of July 12, 2021, via teleconference or MS Teams, to settle the terms of the order;
- e) If the parties cannot agree on the identity of the receiver manager, each party shall be prepared, at the hearing before me during the week of July 12, 2021, to provide the name of their proposed receiver manager and confirm the proposed receiver's willingness to act;
- f) The allocation of the costs of the receiver manager shall be determined after the receiver manager's final report is provided to the court.

[56] As neither party achieved substantial success on these petitions, they shall each bear their own costs.

"Horsman J."