

Vancouver

31-Oct-22

REGISTRY

No. S214960
Vancouver Registry

Between:

ADC PROJECTS LTD.

Petitioner

And:

JEANA VENTURES LTD. and 1103 GILSTON ROAD HOLDINGS INC.

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF
1103 GILSTON ROAD HOLDINGS INC.**

**FIFTH REPORT OF THE RECEIVER MANAGER
D. MANNING & ASSOCIATES INC.**

OCTOBER 18, 2022

D. MANNING & ASSOCIATES INC.
COURT-APPOINTED RECEIVER MANAGER OF THE
ASSETS, UNDERTAKINGS AND PROPERTY OF
1103 GILSTON ROAD HOLDINGS INC.
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TABLE OF CONTENTS

- I. Introduction
- II. Qualifications and Restrictions of this Report
- III. Background
- IV. Professional Fees and Summary of Receivership Activities
- V. Disposition of Property
- VI. Receipts and Disbursements
- VII. Conclusion and Receiver Manager's Application for Approvals

SCHEDULES

- A. Order Appointing Receiver Manager dated August 4, 2021
- B. Summary of Invoices of D. Manning & Associates Inc. for the period August 2, 2021 to September 30, 2022
- C. Court-Appointed Receiver Manager's Interim Statement of Cash Receipts and Disbursements for the period August 4, 2021 to October 17, 2022
- D. Order approving the sale of the Agreed Chattels dated September 2, 2022
- E. Order regarding the Disputed Fixtures dated September 9, 2022
- F. Order approving Receiver Manager's sale of Property to 1364286 B.C. Ltd. and Vesting Order dated June 20, 2022
- G. Summary of Invoices of the Receiver Manager's counsel, Owen Bird Law Corporation, for the period August 3, 2021 to September 12, 2022

I. INTRODUCTION

1. D. Manning & Associates Inc. ("**DMA**") was appointed as Receiver Manager (the "**Receiver**") of the Assets, Undertakings and Property of 1103 Gilston Road Holdings Inc. (the "**Company**") pursuant to an Order of the Supreme Court of British Columbia pronounced August 4, 2021 under Action No. S214960 (Vancouver Registry).
2. The Receiver submits this Fifth Report detailing its activities as Receiver and relevant financial information in connection with the Receivership for the period August 4, 2021 to October 17, 2022.

II. QUALIFICATIONS AND RESTRICTIONS OF THIS REPORT

3. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this Report. Any use which any party makes of this Report, or any reliance or decisions to be made on this Report, is the sole responsibility of such party.
4. All dollar amounts identified in this Report are expressed in Canadian dollars, unless otherwise specified.

III. BACKGROUND

5. On August 4, 2021, the Receiver was appointed as Receiver Manager of 1103 Gilston Road Holdings Inc. (the "**Company**") by Order of the Supreme Court of British Columbia. The application was contested but ultimately a Receivership Order was granted by Madam Justice Horsman (the "**Receivership Order**").
6. The appointment was made due to a deadlock between shareholders of the Company, ADC Projects Ltd. ("**ADC**") and Jeana Ventures Ltd. ("**Jeana**"). The Receivership Order states that:
 1. Pursuant to Section 324 of the Business Corporations Act, S.B.C. 2002, c. 57 (the "**BCA**"), due to the deadlock in corporate management and control of 1103 Gilston Road Holding Inc. and 1449 Sandhurst Place Holdings Limited respectively (the "**Companies**"), it is just and equitable that the Companies be wound up.
 2. However, instead, pursuant to Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), Section 39 of the Law and Equity Act, R.S.B.C. 1996 c. 253, as amended (the "**LEA**") and Section 227(3)(d) of the BCA, D. Manning & Associates Inc., Licensed Insolvency Trustee, be and is hereby appointed Receiver, without security, of all of the assets, undertakings and property of the Companies (the "**Receivership Property**").

Although the Receivership Order makes reference to a related company, 1449 Sandhurst Place Holdings Limited ("**Sandhurst**"), Sandhurst is being administered by D. Manning & Associates Inc. through a separate Receivership proceeding under Action No. S214959.

The Reasons for Judgment of Madam Justice Horsman include the following background on the reasons for the Receivership appointment:

[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.

7. The Company was the developer of a new single family house, located on lands legally described as:

Lot 20, Block 34, Plan VAP9111
District Lot CE, Group 1, New Westminster Land District
PID 002-841-231

Civic address: 1103 Gilston Road, West Vancouver, B.C. V7S 2E7

(the "Property").

8. The sale of the Property to 1364286 B.C. Ltd. ("1364286") completed on July 7, 2022.

IV. PROFESSIONAL FEES AND SUMMARY OF RECEIVERSHIP ACTIVITIES

Professional Fees

9. The Receiver's fees and disbursements from August 2, 2021 to September 30, 2022 amount to \$269,904.43 (including GST and disbursements). A summary of the invoices is attached as **Schedule "B"** to this Report.
10. The Receiver is of the view that the fees and disbursements of DMA as Receiver are reasonable and that the services provided and activities undertaken were appropriate.

Summary of Professional Activities

11. The Receiver took possession of the assets of the Company on August 6, 2021, following the Receivership appointment.
12. During the Receivership, the Receiver performed the normal Receivership duties, as detailed below:
 - (i) The Receiver reviewed Corporation, Land Title and Personal Property Registry searches.
 - (ii) The Receiver attended the Property in West Vancouver, British Columbia and met with the Company's principal, Mr. Phil Garrow, toured the Property, made notes of some deficiencies and repairs required, and determined the proposed courses of action, and arranged for certain repairs, where warranted.
 - (iii) The Receiver prepared and filed the statutory notices including the Form 7 and Notice and Statement of Receiver Manager.
 - (iv) The Receiver set up utilities and maintenance on the Property.
 - (v) The Receiver contacted the District of West Vancouver (the "**District**") to inform them of the Receiver's appointment and to request a Property Tax Certificate and statement of municipal water/sewer utilities.
 - (vi) The Receiver published the statutory notice in the *Vancouver Province* on August 16, 2021.
 - (vii) The Receiver set up a Canada Revenue Agency ("**CRA**") account for Goods and Services Tax ("**GST**") and prepared and filed GST returns on a quarterly basis.
 - (viii) The Receiver dealt with enquiries from pre-receivership creditors and from the shareholders of the Company, including their legal counsel, and including obtaining information and replying to secured creditors and their shareholders' enquiries as well as their legal counsels' enquiries.
 - (ix) The Receiver prepared a list of creditors of the Company based on a Land Title Search dated August 6, 2021, a Personal Property Registry Search dated

August 6, 2021, as well as information received from Mr. Phil Garrow and from certain creditors and their counsel.

(x) The Receiver prepared periodic Interim Statements of Cash Receipts and Disbursements.

(xi) The Receiver maintained a cashbook of transactions and monthly reconciliations.

(xii) Upon the completion of the sale of the Property, the Receiver cancelled utilities and ongoing maintenance of the Property, including a final Property Tax Certificate and cancelling municipal water/sewer utilities.

13. In addition to the duties listed in paragraph 12, the following additional actions were required by the Receiver:

(a) The Receiver reviewed the Order Appointing Receiver which was made over both the Company and a related company, 1449 Sandhurst Place Holdings Limited, of which Mr. Phil Garrow is also the principal. The Receiver, in discussions with counsel, determined the mechanics and procedures to be followed in administering two separate Receiverships made through a single Court Order, including segregation of borrowings, expenses and Receiver's and Receiver's legal fees for each company.

(b) The Receiver determined the status of the Company's insurance coverage through LeGear Pelling Insurance Services Ltd. with the Receiver being added as a loss payee, for insurance coverage, reviewing insurance coverage to August 15, 2022 and borrowing funds from Jeana to pay some insurance premiums and certain utilities.

(c) Mr. Phil Garrow advised that ADC paid the \$8,715.33 extension fee to the District on August 11, 2021, in order to obtain a final Occupancy Permit, which was issued on August 13, 2021.

(d) Mr. Phil Garrow provided the Receiver with a copy of the New Home Warranty ("NHW") policy on the Property. The Property was being sold as a new home under ADC's builder's licence, as the Company itself was not registered as a Developer with the Homeowner Protection Office.

(e) The Receiver determined that the Company's GST return for the period July 1, 2021 to August 4, 2021 had been filed as a "nil" return, but that CRA advised that the Company needed to file its outstanding T2 Corporation Tax Return for the year ended December 31, 2020 and that it intended to audit the Company's GST returns previously filed, in order to determine if they had any claim against the Company.

(f) The Receiver took steps and made arrangements for the preparation and filing of the outstanding T2 Corporation Income Tax Returns for the Company by the Company's accountant.

(g) The Receiver reviewed the 2021 and 2022 B.C. Assessment values of the Property.

- (h) The Receiver discussed certain adjustments and reductions to creditor claims due to recent payments made.
- (i) The Receiver determined that Vancouver City Savings Credit Union ("Vancity")'s Canada Emergency Business Account ("CEBA") loan was an unsecured loan.
- (j) On October 13, 2021, the Receiver filed the Company's GST return with CRA for the period August 5, 2021 to September 30, 2021, which was a "nil" return.
- (k) Mr. Phil Garrow advised the Receiver of the existence of a Company account at Vancity, but Vancity confirmed that the Company's account had no balance.
- (l) Mr. Phil Garrow advised that ADC was expecting a refund of approximately \$35,000 from the District under an Environmental Development Permit and a Building Development Permit. Much later, Mr. Garrow advised that ADC was claiming security over these deposits under its General Security Agreement. However, the District indicated that they only held \$5,016.49 on deposit, which sum was sent to the Receiver.
- (m) The Receiver reviewed an Appraisal on the Property from Westech Appraisal Services Ltd. that had been commissioned by Mr. Amir Hamzehali, Guarantor of the Wealth One Bank Mortgage, with an effective date of August 8, 2021.
- (n) The Receiver reviewed an Appraisal on the Property from Niemi LaPorte & Dowell Appraisals Ltd. that had been commissioned by Mr. Phil Garrow, with an effective date of December 20, 2021.
- (o) The Receiver reviewed an Appraisal on the Property from Anthony Rivard Real Estate Appraisals that had been commissioned by Mr. Les Sallay, with an effective date of January 18, 2022.
- (p) The Receiver met with Mr. Anthony Rivard during his appraisal visit on January 18, 2022 and received his comments on the condition of the Property including the finishing of the house, colour schemes, design and attention to details, along with his opinion on what it would cost to improve the finishing of the house, and the time it would likely take to sell the house in the current market.
- (q) The Receiver made the decision to sell the Property "as is, where is", with no remediation of non-emergency deficiencies. Cosmetic deficiencies existed, but it was determined in consultation with professionals that these were minor in nature and that there were no critical issues with the Property that would greatly depreciate its value.
- (r) It was also determined that due to the state of the construction industry during the present and ongoing pandemic, and lack of access to materials and labour, major remediation could result in extraordinary costs, not to mention the Receiver's and the Receiver's legal fees.
- (s) The Receiver committed to paying for the annual elevator maintenance, arranged for basic maintenance of the Property including pool cleaning, home and property cleaning, and minor repairs.

(t) During the sale process over the Property, the Receiver dealt with the listing real estate agent's enquiries and provided the Receiver's comments.

(u) The Receiver issued Receiver Manager's Certificates to Jeana to support Receiver Manager's borrowings.

(v) Following completion of the sale of the Property, the Receiver prepared and sent letters to Owen Bird to pay out Gino Muoio Holdings Inc./Charles Funaro (\$720,726.22), partial payout to Wealth One Bank of Canada (\$2,702,784.26), and partial payout to Jeana (\$2,435,100.00), on certain terms and conditions, as well as a repayment to Jeana of the Receiver's borrowings, with interest (\$53,431.35).

(w) Mr. Phil Garrow advised the Receiver that he took the position that his other company, ADC Holdings Ltd. held a valid General Security Agreement over all furniture, accessories and fixtures purchased by ADC, a position that was opposed by the Receiver and Mr. Les Sallay of Jeana Ventures Ltd. Mr. Garrow's position affected the marketing and sales process as all Offers had to be analyzed to determine what furniture, accessories and fixtures were being purchased and included in the Offer.

(x) The ultimate sale of the Property to 1364286 did not include certain chattels over which the Receiver was appointed (known as the "**Agreed Chattels**") with a value at original cost of \$105,783.74. The sale of the Property did include items that the Receiver viewed as "fixtures", however, ADC Holdings Ltd. claimed that certain of these items were actually "chattels" to which their security interest attached (known as the "**Disputed Fixtures**").

(y) Based on the respective positions of the Receiver, ADC and Jeana as to the values of the Agreed Chattels and the Disputed Fixtures, the Receiver agreed to hold back \$400,000 on account of the Agreed Chattels and Disputed Fixtures pending directions from the Court as to each of value and enforceability of the General Security Agreement. The \$400,000 amount was insisted on by ADC Holdings Ltd. but viewed as unreasonably high by Jeana.

(z) The Receiver had the Agreed Chattels valued/appraised by Maynards Antique and Fine Art Ltd. at a liquidation value of \$16,025 (with moving costs of \$7,000 and storage costs of approximately \$500 per month).

(aa) The Receiver solicited further offers on the Agreed Chattels from various liquidators, as follows:

Maynards Industries Ltd.	Declined to offer
Designs for Life	\$12,000.00
Able Auctions	\$10,000.00
Direct Liquidation	\$14,000.00

(bb) The Receiver arranged on short notice for the Agreed Chattels to be moved into third party storage in Port Coquitlam, pending resolution of the matter, and also obtained insurance coverage over the Agreed Chattels through FCA Insurance and paid monthly insurance premiums and storage fees.

(cc) The Receiver issued a Fourth Report of the Receiver Manager recommending to the Court that the Receiver be directed to sell the Agreed Chattels without further Court Order, reduce the \$400,000 holdback by \$105,783.74, and pay those monies to Jeana on account of their third mortgage, and hold the sales proceeds of the Agreed Chattels as security in place of the Agreed Chattels pending further order of the Court or agreement between ADC, Jeana and the Receiver.

(dd) The Receiver examined each of the Disputed Fixtures and provided its comments on each item in its Fourth Report including photographs.

(ee) On August 22, 2022, Mr. Justice McIntosh rejected ADC Holdings Ltd.'s counsel's argument that the matter should be adjourned indefinitely pending a ruling on ADC Holdings Ltd.'s security. The Court hearing over the Agreed Chattels and Disputed Fixtures was scheduled to be heard that same afternoon but a judge could not be found and it was adjourned by consent to August 29, 2022.

(ff) The Receiver reviewed an Affidavit of Phil Garrow on August 26, 2022 and provided comments to our counsel in response.

(gg) The Court hearing took place on August 29, 2022, but it was not completed that day and was readjourned to September 2, 2022.

(hh) Prior to the September 2, 2022 reconvened Court hearing, the Receiver received, reviewed and provided comments on a proposal from Phil Garrow, through his company Quantum Vacation Holdings Ltd. ("**Quantum**"), to purchase the Agreed Chattels from the Receiver and to pay for insurance and storage costs, which amounts the Receiver calculated and confirmed.

(ii) At the September 2, 2022 Court hearing, the offer from Quantum to purchase the Agreed Chattels from the Receiver was approved by Court Order (the "**September 2, 2022 Order**", attached as **Schedule "D"**), but the main hearing over the Disputed Fixtures was adjourned to September 9, 2022.

(jj) At the September 9, 2022 Court hearing, the Court pronounced in favour of the Receiver's position on the Disputed Fixtures with the exception of one item (a mirror). The Court Order (the "**September 9, 2022 Order**") is attached as **Schedule "E"**. The Receiver removed that mirror from the list of Disputed Fixtures.

(kk) The Receiver negotiated a Bill of Sale with Quantum which was executed by all parties on September 19, 2022. The Receiver advised the storage facility of the sale and cancelled insurance coverage effective September 30, 2022.

(ll) Pursuant to the September 2, 2022 Order, the sale price of \$16,500.00 (exclusive of GST, insurance and storage costs) is being held in trust by the Receiver pending resolution of ADC Holdings Inc.'s claimed security interest.

(mm) Following the September 2, 2022 Order, the Receiver made a further interim distribution of \$400,000.00 to Jeana on account of its mortgage, representing the release of the holdback for the Agreed Chattels and Disputed Fixtures.

(nn) The Receiver and Owen Bird determined the unused amount of the utility holdback that needed to be sent to the Receiver by Owen Bird which has been received by the Receiver.

(oo) The Receiver reviewed and paid ongoing property-related costs and Receivership costs.

V. SALE OF PROPERTY

14. The Property had been listed with Marine Vista Realty (Paul Tan PREC) ("**Marine**") since May 25, 2021, originally expiring October 31, 2021, with a listing price of \$9,288,000. The commission was 7% of the first \$100,000 and 2.5% of the balance. If there was a cooperating brokerage, they would be paid 3.22% of the first \$100,000 and 1.15% of the balance.
15. Subsequent to the Receiver's appointment, and without the Receiver's approval, the Company and Marine extended the listing agreement to March 31, 2022 (the "**Extension**"). It was the Receiver's position that the Company had no authority to execute such an Extension, as the Company was in Court-appointed Receivership at that date. On October 14, 2021, Marine confirmed that the Extension was unenforceable and that he had asked for the listing to be removed from the Multiple Listing Service ("**MLS**"), which cancellation was confirmed that same day.
16. Marine provided the Receiver with a Marketing Report showing the history of the listing, the listing price, his marketing activities, and offers received on the Property as well as his comments on the condition and desirability of the Property. The Marketing Report included a (pre-Receivership) June 3, 2021 Contract of Purchase and Sale ("**CPS**") from Li Mei Zhou for \$7,108,000 including GST and furnishings that ultimately collapsed, and a second CPS by that same purchaser for \$7,750,000 including GST and furnishings, on June 17, 2021. The Subject Removal Date was extended several times by that prospective purchaser's request, with a final extension to September 19, 2021. On September 13, 2021, Li Mei Zhou reduced her price to \$6,500,000 including GST and furnishings, and that deal ultimately collapsed.
17. On October 7, 2021, Marine presented the Receiver with a new Contract of Purchase and Sale from Mr. Phil Garrow and Ms. Raven Garrow, in the amount of \$6,100,000, including appliances but excluding furniture and accessories, plus GST. The Receiver chose not to accept this CPS and allowed it to lapse.
18. On October 12, 2021, Marine presented the Receiver with a new CPS from Pei Hong Nie, in the amount of \$6,330,000, including appliances but excluding furniture and accessories, plus GST. The Receiver chose not to accept this CPS and allowed it to lapse.
19. The Receiver requested Listing Proposals on the Property from the following realtors, with a deadline of October 8, 2021 (extended to October 13, 2021 at the request of one realtor):
 - 1) Ms. Clara Hartree, Re/Max Clara Hartree
 - 2) Mr. Paul Tan PREC, Marine Vista Realty

- 3) Mr. Patrick O'Donnell, Royal LePage Sussex
- 4) Mr. Haneef Virani, Virani Real Estate Advisors

20. The Receiver also approached Mr. Johy Ly and Mr. Steve Triantafillou of Oakwyn Realty Ltd. but they did not report having recent experience at selling high-end homes in West Vancouver.
21. In the end, Re/Max Clara Hartree, Marine Vista Realty and Virani Real Estate Advisors ("**Virani**") submitted Listing Proposals to the Receiver.
22. After reviewing all Listing Proposals received, the Receiver entered into a six (6) month Multiple Listing Contract (Listing Agreement) (October 20, 2021 to April 30, 2022) with Virani with a list price of \$8,000,000 plus GST and including an Addendum to Listing Agreement providing that all Offers were subject to Court approval and that no commission was payable on anything other than a Court-approved Offer, and provided for several scenarios involving early termination of the Listing Agreement.
23. On January 4, 2022, Virani received a CPS from Quantum West Capital Corp., a company owned by Mr. Phil Garrow, for \$6,350,000 plus GST, including all furniture and appliances. The Receiver countered at \$6,500,000 plus GST, to which the purchaser countered further at \$6,400,000 plus GST. The Receiver countered again at \$6,450,000 plus GST which the purchaser allowed to lapse.
24. On January 25, 2022, the Receiver executed a new Multiple Listing Contract with Virani, changing the list price to \$7,400,000 plus GST.
25. On March 4, 2022, Virani received a CPS from Ehsan Tabassi for \$6,000,000 plus GST, not including furniture, with a long list of subjects. The Receiver countered at \$7,000,000 plus GST, not including furniture, with unacceptable subjects removed. The purchaser allowed the CPS to lapse.
26. On March 12, 2022, Virani received a CPS from Navid Hosseini-Largani and Sepideh Mollasalehi, for \$6,200,000 plus GST, including furniture, subject to an inspection and other subjects. The Receiver countered at \$6,850,000 plus GST, with unacceptable subjects and furniture removed. The purchasers countered at \$6,300,000 plus GST, with the Receiver countering further at \$6,750,000 plus GST. The purchasers countered again at \$6,470,000 plus GST, subject to certain terms and conditions, which the Receiver accepted on March 16, 2022. However, on March 28, 2022, the purchasers executed a Contract of Purchase and Sale Addendum / Amendment advising that "*The Buyers will not remove the subjects*" and the deal collapsed.
27. On April 20, 2022, the Receiver executed a further Amendment to Multiple Listing Contract extending the term to July 15, 2022 and changing the list price to \$6,888,000.
28. On April 12, 2022, Li Mei Zhou made a CPS on the Property (the "**Zhou CPS**") in the amount of \$6,300,000 including some (but not all) furniture and fixtures, plus GST.
29. On April 13, 2022, the Receiver countered the Zhou CPS at \$6,500,000 including fixtures only (no furniture), plus GST.

30. On April 14, 2022, Li Mei Zhou made a further, final Counter-Offer for \$6,330,000 plus GST. The Receiver accepted those terms on April 14, 2022, and the deposit was provided on April 18, 2022.
31. The Receiver then proceeded to bring the Zhou CPS to Court for approval, subject to a Competitive Bid Process. The Competitive Bid Process consisted of an e-mail blast to be sent out by Virani and by the Receiver to interested parties with the goal of soliciting competing offers.
32. Virani continued to actively market the Property during the Competitive Bid Process notwithstanding the accepted Zhou CPS.
33. Offers were made by sealed bid to the Receiver's counsel, Owen Bird Law Corporation ("**Owen Bird**") with a deadline of June 9, 2022.
34. Offers received under the Competitive Bid Process by the stated deadline were as follows:
 - 1) 1364286 B.C. Ltd.
\$6,702,000 plus GST
 - 2) Runguo Chai
\$6,770,000 plus GST
35. Li Mei Zhou then submitted a revised CPS on June 9, 2022 in the amount of \$6,600,800 plus GST.
36. After comparing each CPS received, the Receiver issued its Third Report to Court dated June 10, 2022, in which it recommended Court approval of the Runguo Chai CPS in the amount of \$6,770,000 plus GST and excluding furniture.
37. Following the issuance of the Third Report to Court, in the evening of June 10, 2022, the Receiver's counsel was contacted by the realtor for Runguo Chai, who forwarded a new signed Competitive Bid for the Property with all of the same terms as the original Chai CPS, except that the Possession and Adjustment Dates were changed to July 1, 2022, and the Completion Date changed to October 27, 2022.
38. The Receiver, through its counsel, responded that the amended Possession, Adjustment and Completion Dates were unacceptable and that if Runguo Chai did not revert to the original Possession, Adjustment and Completion Dates of 12 business days following Court approval, the Receiver would revoke its recommendation of the Chai CPS and recommend a different CPS for approval at the June 13, 2022 Court hearing.
39. Runguo Chai's realtor then offered to increase the price to an undetermined amount as long as the Possession and Adjustment Dates could be changed to July 1, 2022 and the Completion Date changed to October 27, 2022.
40. The Receiver determined that extending the Completion Date by nearly four months did not make sense due to additional interest charges, property taxes, water and sewer chargers, other utilities, insurance, costs to maintain and preserve the Property, Receiver's and legal costs, and other repairs and maintenance costs that may arise, as

well as unforeseen costs. It also risked the Property being put up for tax sale if the delinquent property taxes were not paid to the District by September 26, 2022.

41. The Receiver issued an Addendum to Receiver Manager's Third Report to Court dated June 12, 2022, advising that should the original Chai CPS be withdrawn, the Receiver recommend Court approval of the 1364286 CPS, which is compliant with the Competitive Bid Process.
42. Later on June 12, 2022, the Receiver's counsel was contacted by counsel for Li Mei Zhou who forwarded a revised CPS in the amount of \$7,101,000 plus GST. As this revised Zhou CPS was not strictly compliant with the Competitive Bid Process, having been received two days after the deadline for the original Offeror (Li Mei Zhou) to make a Revised Offer, the Receiver issued a Second Addendum to Receiver Manager's Third Report to Court recommending the revised Zhou CPS for Court approval.
43. In the interest of allowing all bidders the chance to present their best and highest Offer to the Receiver, the Receiver consented to adjourning the hearing for Court approval to June 14, 2022, and advised all bidders of such in a Third Addendum to Receiver Manager's Third Report to Court, dated June 13, 2022.
44. Later on June 13, 2022, the Receiver received a revised CPS from 1364286, increasing their CPS offer to \$7,109,900 plus GST, excluding furniture, art and accessories, and maintaining the Schedule "A" possession, adjustment and completion dates of 12 business days following Court approval. The Receiver issued a Fourth Addendum to Receiver Manager's Third Report to Court, dated June 13, 2022, and recommending the revised 1364286 CPS for Court approval.
45. The Court Hearing for approval took place on June 14, 2022, but Master Robertson of the Supreme Court of British Columbia found herself in a conflict of interest, and it was impossible to find another Master that day, so the hearing was adjourned to June 20, 2022.
46. Li Mei Zhou filed materials objecting to the Receiver disclosing her CPS to other parties prior to the Court hearing, arguing that they should have been kept confidential and not disclosed to anyone other than the Master, and arguing that the Receiver should have simply accepted the revised Zhou CPS.
47. On June 20, 2022, Master Hughes of the Supreme Court of British Columbia rejected Li Mei Zhou's objections to the Receiver's handling of the Competitive Bid Process and gave parties one more chance to bid up their CPS prices. Each of 1364286 and Li Mei Zhou made a further revised CPS, and that afternoon, Master Hughes approved the sale of the Property to 1364286 for the price of \$7,200,626 plus GST, including a Vesting Order. The Order Approving Sale and Vesting Order is attached as **Schedule "F"**.
48. The sale completed on schedule, 12 business days after Court approval, being July 7, 2022.

VI. RECEIPTS AND DISBURSEMENTS

49. Receipts and disbursements of the Receiver for the Court-appointed Receivership are summarized in the Court-Appointed Receiver Manager's Interim Statement of Cash Receipts and Disbursements for the period August 4, 2021 to October 17, 2022, which is attached hereto as **Schedule "C"**, showing a cash balance as of October 17, 2022 of **\$273,658.23**.
50. The Receiver's fees and disbursements from August 2, 2021 to September 30, 2022 amount to **\$269,904.43** (fees \$245,650.25, disbursements \$11,715.32, GST \$12,538.86). A summary of the Receiver's invoices is attached to this Report as **Schedule "B"**.
51. The fees of the Receiver's counsel, Owen Bird Law Corporation, for the period August 4, 2021 to September 12, 2022 amount to **\$88,086.59** (fees \$77,800.00, disbursements \$921.65, PST \$5,446.00, GST \$3,918.94). A summary of the legal invoices is attached to this Report as **Schedule "G"**.
52. The Receiver will still be responsible for the following prior to its final discharge:
- (a) Preparing and filing Receiver Manager's GST returns and apply to claim GST refunds, when appropriate, and following up with CRA on the status of releasing funds for GST refunds applied for;
 - (b) Following up with the Company on their accountant preparing the outstanding T2 corporate income tax return(s);
 - (c) Dealing with resolution of outstanding matters regarding paying out of certain funds held on disputed legal costs of Borden Ladner Gervais LLP, solicitor for Wealth One Bank of Canada,
 - (d) Preparing monthly and final bank reconciliations and maintaining Receiver Manager's cashbook of transactions;
 - (e) Paying ongoing and final closing costs on the Receivership;
 - (f) Distributing any further surplus funds to Jeana Ventures Ltd. without further Order of the Court;
 - (g) Preparing Interim and Final statutory notices;
 - (h) Preparing Interim and Final Report(s) to the Court; and
 - (i) Reviewing materials to pass our accounts and apply for discharge.

VII. CONCLUSION AND RECEIVER'S APPLICATION FOR APPROVALS

53. The Receiver provides the information in this Report in support of its proposed application to:

- (i) Approve the Court-Appointed Receiver's Interim Statement of Cash Receipts and Disbursements for the period August 4, 2021 to October 17, 2022;
- (ii) Approve the activities of the Receiver as set out in this Report;
- (iii) Approve the fees and disbursements of DMA for the period August 2, 2021 to September 30, 2022;
- (iv) Approve the legal fees and disbursements of the Receiver's legal counsel, Owen Bird Law Corporation, for the period August 3, 2021 to September 12, 2022;
- (v) Pay surplus funds, if any, to Jeana Ventures Ltd.;
- (vi) Declare that all steps taken by and activities of the Receiver and all amounts distributed by the Receiver are hereby approved, and that the Receiver shall have no further liability in respect thereof.

Should you have any questions as to the contents of this Report, kindly contact the undersigned at (604) 683-8030.

Yours very truly,

D. MANNING & ASSOCIATES INC.
LICENSED INSOLVENCY TRUSTEE
COURT-APPOINTED RECEIVER MANAGER OF THE
ASSETS, UNDERTAKINGS AND PROPERTY OF
1103 GILSTON ROAD HOLDINGS INC.
(not in its personal capacity)



Per: Alex E.H. Ng, LIT, CIRP

Enclosures

SCHEDULE "A"

ORDER APPOINTING RECEIVER MANAGER
DATED AUGUST 4, 2021



No. S214960
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between:

ADC PROJECTS LTD.

Petitioner

And:

JEANA VENTURES LTD. and 1103 GILSTON ROAD HOLDINGS INC.

Respondents

AND

Ch
Between:

ADC HOLDINGS LTD.

~~No. S214959~~
~~Vancouver Registry~~

Petitioner

And:

JEANA VENTURES LTD. and 1449 SANDHURST PLACE HOLDINGS
LIMITED

Respondents *Ch*

IN THE MATTER OF THE RECEIVERSHIP OF

1103 GILSTON ROAD HOLDINGS INC. and

1449 SANDHURST PLACE HOLDINGS LIMITED

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE) August 4, 2021
)
MADAM JUSTICE HORSMAN)
)

ON THE APPLICATION of the Petitioners coming on for hearing on July 5, 6, 7 and 8, 2021 and August 3 and 4, 2021;

AND ON READING the pleadings and proceedings filed herein and the consent of D. Manning & Associates Inc., Licensed Insolvency Trustee, to act as the Receiver Manager (the "Receiver"); AND ON HEARING Ronald Josephson, Counsel for the Respondent, Jeana Ventures Ltd., and Daniel Barker, Counsel for the Petitioners, and those Counsel listed in Schedule "C" hereto and no one appearing on behalf of 1103 Gilston Road Holdings Inc. or 1449 Sandhurst Place Holdings Limited, although duly served;

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 324 of the *Business Corporations Act*, S.B.C. 2002, c. 57 (the "BCA"), due to the deadlock in corporate management and control of 1103 Gilston Road Holdings Inc. and 1449 Sandhurst Place Holdings Limited respectively (the "Companies"), it is just and equitable that the Companies be wound up.
2. However, instead, pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA") and Section 227(3)(d) of the BCA, D. Manning & Associates Inc., Licensed Insolvency Trustee, be and is hereby appointed Receiver, without security, of all of the assets, undertakings and property of the Companies (the "Receivership Property").
3. The Receivership Property includes the following:
 - (a) the real estate situated at 1103 Gilston Road, in the District of West Vancouver, British Columbia, more particularly described as:

PID: 002-841-231
LOT 20 BLOCK 34 CAPILANO ESTATE PLANS 9111

including all proceeds
(the "Gilston Road Property"); and
 - (b) the real estate situated at 1449 Sandhurst Place, in the District of West Vancouver, British Columbia, more particularly described as:

PID: 008-870-110

LOT 36 BLOCK 50 CAPILANO ESTATES EXTENSION NO. 12 PLAN 12621

including all proceeds
(the "Sandhurst Place Property")

together referred to herein as the "Properties";

- (c) the bank accounts of the Companies in any banking or financial institution in British Columbia (the "Bank Accounts").

RECEIVER'S POWERS

- 4. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Receivership Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (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;
 - (b) to take possession of and control over the Bank Accounts;
 - (c) to receive, preserve and protect the Properties, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
 - (e) to take those steps the Receiver considers necessary for the review of the feasibility of the construction or completion of any buildings or improvements on the lands included in the Properties to make the Properties available for sale or to make any existing buildings or improvements on the Properties continually habitable, but without liability to the Receiver for permissive or voluntary waste, and to report to this Court as to the economic viability of proceeding with construction or completion;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Companies and to exercise all remedies of the Companies in collecting these amounts, including, without limitation, enforcement of any security held by the Companies;
 - (g) to settle, extend or compromise any indebtedness owing to the Companies;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Properties, whether in the Receiver's name or in the name and on behalf of the Companies, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Properties and operations of the Companies;
- (j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Companies, the Properties or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- (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 sale as the Receiver considers appropriate;
- (l) to sell, convey and transfer the Properties as directed by, and with the approval of this Court;
- (m) to apply for any vesting order or other orders necessary to convey the Properties or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Properties and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (o) to register a copy of this Order and any other Orders in respect of the Properties against title to any of the Properties;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Companies;
- (q) to enter into agreements with any Licensed Insolvency Trustee appointed in respect of the Companies, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Companies;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Companies may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined

below), including the Petitioner, its principal Philip Garrow, and the Respondent, Jeana Ventures Ltd. and its principal Les Sallay, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. Each of

(a) the Petitioners;

(b) all of the Petitioners' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf;

(c) the Respondent, Jeana Ventures Ltd.;

(d) all of the Respondent Jenna Ventures Ltd.'s current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and

(e) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order;

(collectively, "**Persons**" and each a "**Person**")

shall forthwith advise the Receiver of the existence of any Receivership Property in such Person's possession or control, shall grant immediate and continued access to the Receivership Property to the Receiver, and shall deliver all such Receivership Property (excluding Properties subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

6. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Companies, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.

7. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.

8. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to

the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE COMPANIES OR THE RECEIVERSHIP PROPERTY

10. No Proceeding against or in respect of the Companies or the Receivership Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Companies or the Receivership Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Companies and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

11. All rights and remedies (including, without limitation, set-off rights) against the Companies, the Receiver, or affecting the Properties, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Companies to carry on any business which the Companies is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

12. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Companies, without written consent of the Receiver or leave of this Court.

Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

13. Any person who has provided policies of insurance or indemnities (including, without limitation, New Home Warranty) at the request of the Receiver shall be required to continue or renew such policy of insurance or indemnity following the date of this Order provided that the Receiver make payment of the premium (on the usual commercial terms) as if this proceeding had not been commenced.

CONTINUATION OF SERVICES

14. All Persons having oral or written agreements with the Companies or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Companies are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Companies' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

PERSONAL INFORMATION

16. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Properties and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Properties (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative

destroy all such information. The purchaser of any Properties shall be entitled to continue to use the personal information provided to it, and related to the Properties purchased, in a manner which is in all material respects identical to the prior use of such information by the Companies, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Properties that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.
18. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Properties within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.
19. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Receiver's appointment; or,
 - (b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
20. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Properties, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

21. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
 - (a) any gross negligence or wilful misconduct on its part; or

- (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by any applicable legislation.

RECEIVER'S ACCOUNTS

- 22. The Receiver and its legal counsel, if any, are granted a charge (the "Receiver's Charge") on the Property to be allocated separately between the Gilston Road Property and the Sandhurst Place Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property (as allocated) in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
- 23. The Receiver and its legal counsel shall pass their accounts, as allocated between the respective Properties from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
- 24. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands;
 - (a) against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel in respect of carrying on the foregoing activities (and such amounts will constitute advances against its remuneration and disbursements when approved by this Court),
 - (b) in payment of any charges for taxes, utilities, or insurance premiums with relate to any of the Properties,
 - (c) in repayment of the Receiver's borrowings, including interest and costs,

and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

- 25. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$75,000 (for 1103 Gilston Road Holdings Inc.) and \$75,000 (for 1449 Sandhurst Place Holdings Limited), for the Receiver's initial as anticipated by Paragraph 4 (c) herein and other costs as may be required (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods

of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the each of the Properties shall be and is charged by way of a fixed and specific charge (the **"Receiver's Borrowings Charge"**) as applicable to each of the Sandhurst Place Property and the Gilston Road Property for the respective as security for the payment of the monies borrowed as applicable to each of the Properties, together with interest and charges thereon, in priority to all security interest, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

26. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced before allocation to each of the Properties or without leave of this Court.
27. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the **"Receiver's Certificate"**) for any amount borrowed by it pursuant to this Order.
28. The monies from time to time borrowed by the Receiver pursuant to this Order or any further Order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holder of any prior issued Receiver's Certificates.

ALLOCATION

29. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowing Charge amongst the Properties if the Receiver's allocation is not accepted by any such person affected.

SERVICE AND NOTICE OF MATERIALS

30. The Receiver shall establish and maintain a website in respect of these proceedings at: www.manning-trustee.com (the **"Website"**) and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
31. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Applicant a demand for notice in the form attached as Schedule "B" (the **"Demand for Notice"**). The Receiver and the Applicant need only provide further

notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

32. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the "Service List"). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
33. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
34. Notwithstanding paragraph 31 of this Order, service of the Petition [or the Notice of Application] and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
35. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Companies' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL

36. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
37. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
38. Nothing in this Order shall prevent the Receiver from acting as a Licensed Insolvency Trustee of the Companies.
39. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such

orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

40. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
41. Endorsement of this Order by counsel appearing on this application other than the Petitioner and the Respondents is dispensed with.

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

APPROVED BY:

DJ BARKER

Signature of Daniel Barker
lawyer for Petitioner

APPROVED BY:

[Signature]

Signature of Ronald Josephson
lawyer for Respondents

K. Horsman J.

per [Signature] LBC

BY THE COURT

EDRM

DISTRICT REGISTRAR



SCHEDULE "A"

RECEIVER MANAGER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that D. Manning & Associates Inc., the Receiver Manager (the "Receiver") of all of the assets, undertakings and property of 1103 Gilston Road Holdings Inc. and 1449 Sandhurst Place Holdings Ltd. (collectively the "Companies") appointed by Order of the Supreme Court of British Columbia (the "Court") dated the 4th day of August 2021 (the "Order") made in SCBC Actions No. S214960 and S214959, has received as such Receiver from the holder of the certificate (the "Lender") the principal sum of \$ _____ being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the __{ day of each month after the date hereof at a notional rate per annum equal to the rate of __ per cent above the prime commercial lending rate of ____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further Order of the Court, a charge upon the whole of the Properties, in priority to the security interest of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Properties in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Properties as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is no under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the __ day of _____, 2021.

D. Manning & Associates Inc.,
solely in its capacity as Receiver Manager of
the assets, undertakings and property of
1103 Gilson Holdings Inc. and
1449 Sandhurst Place Holdings Limited,
and not in its personal capacity

Per:
Name:
Title:

Schedule "B"

Demand for Notice

TO: [Name of Applicant]
c/o [Name of Counsel to the Applicant]
Attention:
Email:

AND TO: D. Manning & Associates Inc.
c/o Owen Bird Law Corporation
Attention: Alan A. Frydenlund QC
Email: afrydenlund@owenbird.com

Re: In the matter of the Receivership of 1103 Gilston Road Holdings Inc. and 1449 Sandhurst Place Holdings Limited

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

OR

2. By facsimile, at the following facsimile number (or numbers):

OR

3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____

Schedule "C"

Counsel Appearing

Lisa Hiebert for Wealth One Bank of Canada

Andrew Schleichkorn for Amir Hamzehali

Alan Frydenlund QC for D. Manning & Associates Inc.

SCHEDULE "B"

SUMMARY OF INVOICES OF
D. MANNING & ASSOCIATES INC. FOR THE PERIOD
AUGUST 2, 2021 TO SEPTEMBER 30, 2022

**RECEIVER MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTY OF
1103 GILSTON ROAD HOLDINGS INC.**

**SUMMARY OF RECEIVER MANAGER'S BILLING
FOR THE PERIOD AUGUST 2, 2021 TO SEPTEMBER 30, 2022**

INVOICE NO.	BILLING PERIOD	DATE OF INVOICE	TOTAL BILLING (\$)	FEES (\$)	DISBURSEMENTS (\$)	GST (\$)
10982	August 2, 2021 to June 22, 2022	23-Jun-22	216,668.08	196,069.00	10,595.29	10,003.79
11131	June 23, 2022 to July 10, 2022	11-Jul-22	20,015.26	18,528.00	534.15	953.11
11142	July 11, 2022 to August 14, 2022	15-Aug-22	18,940.36	17,616.25	422.19	901.92
11148	August 15, 2022 to September 11, 2022	12-Sep-22	8,613.08	8,155.75	47.18	410.15
11160	September 12, 2022 to September 30, 2022	30-Sep-22	5,667.65	5,281.25	116.51	269.89
TOTAL			269,904.43	245,650.25	11,715.32	12,538.86

**RECEIVER MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTY OF
1103 GILSTON ROAD HOLDINGS INC.**

**SUMMARY OF RECEIVER AND MANAGER'S DISBURSEMENTS
FOR THE PERIOD AUGUST 2, 2021 TO SEPTEMBER 30, 2022**

INVOICE NO.	BILLING PERIOD	DATE OF INVOICE	Advertising (\$)	Filing Fees (\$)	Insurance (\$)	Lock & Security (\$)	Photocopies (\$)	Postage (\$)	Telephone and Facsimile (\$)	Travel (\$)	TOTAL (\$)
10982	August 2, 2021 to June 22, 2022	23-Jun-22	605.21	91.54	6,497.00	7.17	1,820.00	25.20	1,302.59	246.58	10,595.29
11131	June 23, 2022 to July 10, 2022	11-Jul-22					107.50	0.92	176.85	248.88	534.15
11142	July 11, 2022 to August 14, 2022	15-Aug-22					351.50	5.52	65.17		422.19
11148	August 15, 2022 to September 11, 2022	12-Sep-22					18.50	3.68	25.00		47.18
11160	September 12, 2022 to September 30, 2022	30-Sep-22					114.00	2.51			116.51
TOTAL			605.21	91.54	6,497.00	7.17	2,411.50	37.83	1,569.61	495.46	11,715.32

**RECEIVER MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTY OF
1103 GILSTON ROAD HOLDINGS INC.**

**SUMMARY OF RECEIVER AND MANAGER'S FEES
FOR THE PERIOD AUGUST 2, 2021 TO SEPTEMBER 30, 2022**

INVOICE NO.	BILLING PERIOD	DATE OF INVOICE	William Choo Principal Hours	Alex Ng Vice-President and Trustee Hours	Douglas Chysik Senior Associate Hours	Morris Choo Senior Associate Hours	Mia Law Senior Associate Hours	Ruth Chang Senior Associate Hours	April Szeto Associate Hours	TOTAL
10982	August 2, 2021 to June 22, 2022	23-Jun-22	187.00	184.00	40.00	32.40	10.30	6.80	48.25	508.75
11131	June 23, 2022 to July 10, 2022	11-Jul-22	8.25	27.25		9.25	1.30	0.15	5.50	51.70
11142	July 11, 2022 to August 14, 2022	15-Aug-22	10.50	16.25	2.00	14.00	4.50	0.50	3.50	51.25
11148	August 15, 2022 to September 11, 2022	12-Sep-22	1.75	15.75		1.25	1.00	0.80	2.25	22.80
11160	September 12, 2022 to September 30, 2022	30-Sep-22	3.25	7.00			2.10	0.90	1.75	15.00
TOTAL HOURS			210.75	250.25	42.00	56.90	19.20	9.15	61.25	649.50
HOURLY RATE			495.00	395.00	275.00	275.00	215.00	215.00	150.00	
TOTAL FEES			104,321.25	98,848.75	11,550.00	15,647.50	4,128.00	1,967.25	9,187.50	245,650.25

SCHEDULE "C"

COURT-APPOINTED RECEIVER MANAGER'S
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD AUGUST 4, 2021 TO OCTOBER 17, 2022

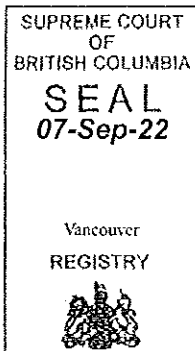
1103 GILSTON ROAD HOLDINGS INC.

RECEIVER MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTY
INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD AUGUST 4, 2021 TO OCTOBER 17, 2022

	\$	\$	\$
RECEIPTS			
Advance from Whitelaw Twining Law Corp. (Recovery of Expenses)		833.00	
Deposit Refunded by District of West Vancouver		5,016.49	
GST Collected		825.00	
Interest Earned		2,649.61	
Receiver Manager's Borrowings		50,000.00	
Sale of Assets		16,500.00	
Sale of Property		<u>7,200,626.00</u>	
TOTAL RECEIPTS			<u>7,276,450.10</u>
DISBURSEMENTS			
Advertising (Legal)		605.21	
Appraisal on furniture		450.00	
Bank Charges		58.41	
Commissions (Real Estate)		184,515.65	
Contracted Services - Cleaning		676.00	
Courier & Postage		76.08	
Filing Fees		91.54	
GST Paid		28,450.86	
Insurance		26,295.00	
Interest Expense on Receiver Manager's Borrowings		3,431.35	
Legal fees and disbursements, including PST		84,167.65	
Lock & Security		7.17	
Moving & Storage		5,850.00	
Photocopies		2,411.50	
Property taxes, net of recovery		49,313.06	
Receiver and Manager's Fees		245,650.25	
Repairs & Maintenance		51,745.27	
Repayment of Mortgage to Gino Muoio Holdings Inc. and Charles Funaro		720,726.22	
Repayment of Mortgage to Jeana Ventures Ltd.		2,835,100.00	
Repayment of Mortgage to Wealth One Bank of Canada		2,702,784.26	
Repayment of Receiver Manager's Borrowings		50,000.00	
Telephone & Facsimile		1,569.61	
Travel		495.46	
Utilities:			
Electric	1,687.46		
Gas	3,713.36		
Water & Sewer	<u>2,920.50</u>	<u>8,321.32</u>	
TOTAL DISBURSEMENTS			<u>7,002,791.87</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS			<u><u>273,658.23</u></u>

SCHEDULE "D"

ORDER APPROVING THE SALE OF THE AGREED CHATTELS
DATED SEPTEMBER 2, 2022



- 1 -

Form 35 (Rules 8-4(1), 13-1(3), 17-1(2), and 25-9(2))

No. S214960
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ADC PROJECTS LTD.

Petitioner

AND:

JEANA VENTURES LTD. and 1103 GILSTON ROAD
HOLDINGS INC.

Respondents

**ORDER MADE AFTER APPLICATION
(ORDER APPROVING SALE)**

BEFORE)	THE HONOURABLE MADAM)	FRIDAY, THE 2 ND DAY OF
)	JUSTICE MURRAY)	SEPTEMBER, 2022
))	

ON THE APPLICATION of D. MANNING & ASSOCIATES INC. (the "Receiver") coming on for hearing on August 29th, 2022 and September 2nd, 2022 at Vancouver, British Columbia, and on hearing HEATHER A. FRYDENLUND, counsel for the Receiver, and on hearing HELEN SEVENOAKS, counsel for ADC HOLDINGS LTD., and on hearing PETER REARDON, counsel for JEANA VENTURES LTD., and no-one else appearing, and on reading the materials filed herein:

THIS COURT ORDERS THAT:

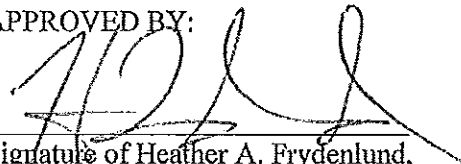
1. The Receiver is authorized to sell the Agreed Chattels, being the items listed in Schedule "B" of the Receiver's Fourth Report to Quantum Vacation Holdings Ltd. in the amount of \$16,500 plus GST, and storage and insurance costs for the month of September, 2022 in

the amount of \$833, for a total purchase price of \$18,158, without further Order of this Court (the "Agreed Chattels").

2. The purchase price of the Agreed Chattels in the amount of \$16,500 shall stand in place of the Agreed Chattels and shall not be released by the Receiver until further Court Order, or agreement between Jeana Ventures Ltd., ADC Holdings Ltd. and the Receiver.
3. The parties may apply for such further direction as may be necessary to carry out this Order.
4. This Order may be signed in one or more counterparts, electronic or otherwise, each of which when so executed and delivered shall be deemed to be an original and all for which will constitute one document.

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

APPROVED BY:


Signature of Heather A. Frydenlund,
lawyer for Receiver Manager,
D. MANNING & ASSOCIATES INC.

BY THE COURT

Digitally signed by
Wong, Jonathan


REGISTRAR

Digitally signed by
Murray, J

APPROVED BY:

Signature of Helen Sevenoaks,
lawyer for ADC HOLDINGS LTD.

APPROVED BY:


Signature of Peter Reardon,
lawyer for JEANA VENTURES LTD.

ENDORSEMENTS ATTACHED

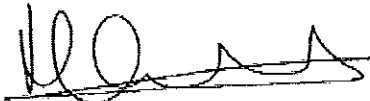
2. The purchase price of the Agreed Chattels in the amount of \$16,500 shall stand in place of the Agreed Chattels and shall not be released by the Receiver until further Court Order, or agreement between Jeana Ventures Ltd., ADC Holdings Ltd. and the Receiver.
3. The parties may apply for such further direction as may be necessary to carry out this Order.
4. This Order may be signed in one or more counterparts, electronic or otherwise, each of which when so executed and delivered shall be deemed to be an original and all for which will constitute one document.

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

APPROVED BY:

Signature of Heather A. Frydenlund,
lawyer for Receiver Manager,
D. MANNING & ASSOCIATES INC.

APPROVED BY:



Signature of Helen Sevenoaks,
lawyer for ADC HOLDINGS LTD.

APPROVED BY:

Signature of Peter Reardon,
lawyer for JEANA VENTURES LTD.

No. S214960
Vancouver Registry

IN THE SUPREME COURT OF BRITISH
COLUMBIA

BETWEEN:

ADC PROJECTS LTD.

Petitioner

AND:

JEANA VENTURES LTD. and 1103 GILSTON ROAD
HOLDINGS INC.

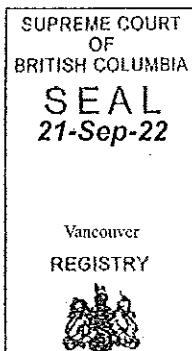
Respondents

ORDER MADE AFTER APPLICATION

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5
Attention: Heather A. Frydenlund
File No. 23024-0131

SCHEDULE "E"

ORDER REGARDING THE DISPUTED FIXTURES
DATED SEPTEMBER 9, 2022



Form 35 (Rules 8-4(1), 13-1(3), 17-1(2), and 25-9(2))

No. S214960
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ADC PROJECTS LTD.

Petitioner

AND:

JEANA VENTURES LTD. and 1103 GILSTON ROAD
HOLDINGS INC.

Respondents

ORDER MADE AFTER APPLICATION

BEFORE)	THE HONOURABLE MADAM)	FRIDAY, THE 9 TH DAY OF
)	JUSTICE MURRAY)	SEPTEMBER, 2022
))	

ON THE APPLICATION of D. MANNING & ASSOCIATES INC. (the "Receiver") coming on for hearing on August 29th, 2022 and September 2nd, 2022 at Vancouver, British Columbia, and on hearing HEATHER A. FRYDENLUND, counsel for the Receiver, and on hearing HELEN SEVENOAKS, counsel for ADC HOLDINGS LTD., and on hearing PETER REARDON, counsel for JEANA VENTURES LTD., and no-one else appearing, and on reading the materials filed herein, and reasons being reserved to September 9th, 2022:

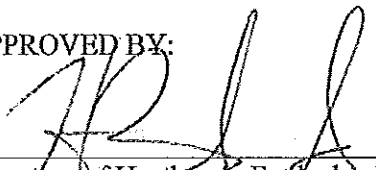
THIS COURT ORDERS THAT:

1. The Disputed Fixtures, as defined in the accompanying Notice of Application and as listed in Schedule C of the Receiver's Fourth Report to the Court (with the exception of the "beveled lighted vanity mirror"), are declared to be fixtures (the "Disputed Fixtures").
2. Jeana Ventures Ltd.'s mortgage security attaches to the Disputed Fixtures.

3. The Receiver is authorized to release the holdback in the amount of \$400,000 currently being held by the Receiver from the proceeds of the sale of the lands and premises described as PID: 002-841-231 LOT 20 BLOCK 34 CAPILANO ESTATES PLAN 9111, without further Order of the Court, representing the value of the Disputed Fixtures to Jeana Ventures Ltd. as partial payment towards its interest in Mortgage No. CA7580979.
4. Jeana Ventures is awarded its costs of this application against ADC Holdings Ltd.
5. The parties may apply for such further direction as may be necessary to carry out this Order.
6. This Order may be signed in one or more counterparts, electronic or otherwise, each of which when so executed and delivered shall be deemed to be an original and all for which will constitute one document.

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

APPROVED BY:


Signature of Heather A. Frydenlund,
lawyer for Receiver Manager,
D. MANNING & ASSOCIATES INC.

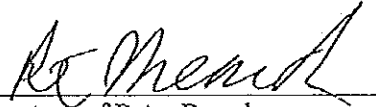
BY THE COURT Digitally signed by
Murray, J

REGISTRAR Digitally signed by
Manson, Brittany

APPROVED BY:

Signature of Helen Sevenoaks,
lawyer for ADC HOLDINGS LTD.

APPROVED BY:


Signature of Peter Reardon,
lawyer for JEANA VENTURES LTD.

ENDORSEMENTS ATTACHED

- 2 -

3. The Receiver is authorized to release the holdback in the amount of \$400,000 currently being held by the Receiver from the proceeds of the sale of the lands and premises described as PID: 002-841-231 LOT 20 BLOCK 34 CAPILANO ESTATES PLAN 9111, without further Order of the Court, representing the value of the Disputed Fixtures to Jeana Ventures Ltd. as partial payment towards its interest in Mortgage No. CA7580979.
4. Jeana Ventures is awarded its costs of this application against ADC Holdings Ltd.
5. The parties may apply for such further direction as may be necessary to carry out this Order.
6. This Order may be signed in one or more counterparts, electronic or otherwise, each of which when so executed and delivered shall be deemed to be an original and all for which will constitute one document.

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

APPROVED BY:

Signature of Heather A. Frydenlund,
lawyer for Receiver Manager,
D. MANNING & ASSOCIATES INC.

APPROVED BY:



Signature of Helen Sevenoaks,
lawyer for ADC HOLDINGS LTD.

APPROVED BY:

Signature of Peter Reardon,
lawyer for JEANA VENTURES LTD.

No. S214960
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

BETWEEN:

ADC PROJECTS LTD.

Petitioner

AND:

JEANA VENTURES LTD. and 1103 GILSTON ROAD
HOLDINGS INC.

Respondents

ORDER MADE AFTER APPLICATION

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5
Attention: Heather A. Frydenlund
File No. 23024-0131

SCHEDULE "F"

ORDER APPROVING SALE OF PROPERTY
DATED JUNE 20, 2022



No. S214960
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ADC PROJECTS LTD.

PETITIONER

AND:

JEANA VENTURES LTD. and 1103 GILSTON ROAD HOLDINGS INC.

RESPONDENTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE)
) 20 - JUN - 2022
MASTER HUGHES)

THE APPLICATION of D. MANNING & ASSOCIATES INC., in its capacity as Court-appointed Receiver Manager (the "Receiver") of the assets, undertakings and properties of 1103 GILSTON ROAD HOLDINGS INC. (the "Debtor") coming on for hearing at Vancouver, British Columbia, on the 17th and 20th days of June, 2022; AND ON HEARING Heather A. Frydenlund, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed, including the First Report of the Receiver dated October 15, 2021 (the "First Report"), the Second Report of the Receiver dated May 10, 2022 (the "Second Report") and the Third Report of the Receiver dated June 10, 2022 including four (4) addendums thereto (the "Third Report");

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "Transaction") contemplated by the Contract of Purchase and Sale dated June 17, 2022 (the "Sale Agreement") between the Receiver and 1364286 B.C. Ltd. (the "Purchaser") in the amount of \$7,200,626 and attached as Schedule F hereto is hereby approved, and the Sale Agreement is commercially reasonable. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the

Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "Purchased Assets").

2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "B" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement [and listed on Schedule "C" hereto] shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (ii) those Claims listed on Schedule "D" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "E" hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. Upon presentation for registration in the Land Title Office for the Land Title District of Vancouver of a certified copy of this Order, together with a letter from Owen Bird Law Corporation, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
 - (a) enter the Purchaser as the owner of the Lands together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and
 - (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule "E".
4. The net purchase price after adjustments shall be paid to OWEN BIRD LAW CORPORATION, in trust, and shall be paid out in accordance with the following priorities without further order:
 - a) in payment of any outstanding property taxes, water and sewer rates;
 - b) in payment of real estate commission;

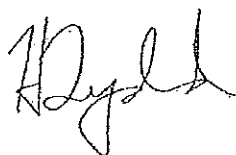
- c) GST;
 - d) in payment of any monies owing to Canada Revenue Agency for a deemed trust claim, if payable;
 - e) to the Receiver to the credit of this proceeding.
5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
6. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
7. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule "E".
8. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court
9. Notwithstanding:
- (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,
- the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.
10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts,

tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

11. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
12. Endorsement of this Order by Counsel appearing on this application other than the Receiver is dispensed with.

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

Signature of lawyer for D. Manning & Associates
Inc., in its capacity as Court-Appointed Receiver
Manager of the assets, undertakings and property
of 1103 Gilston Road Holdings Inc., and not in its
personal capacity



Heather A. Frydenlund

BY THE COURT



REGISTRAR

Schedule A – List of Counsel

COUNSEL	NAME OF PARTY(IES) REPRESENTED
Peter Reardon	Jeana Ventures Ltd.
Helen Sevenoaks	ADC Projects Ltd.
Ryan Laity	Wealth One Bank of Canada
Jeremy West	Li Mei Zhou
Bryan Gibbons	1364286 B.C. Ltd.

Schedule B – Receiver's Certificate

No. S214960
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ADC PROJECTS LTD.

Petitioner

AND:

JEANA VENTURES LTD. and 1103 GILSTON ROAD
HOLDINGS INC.

Respondents

RECEIVER'S CERTIFICATE

PURSUANT TO THE APPROVAL AND VESTING ORDER pronounced June 20, 2022, D. Manning & Associates Inc., in its capacity as the Receiver Manager of 1103 Gilston Road Holdings Inc. (the "Receiver") hereby certifies as follows:

1. The Receiver confirms that 1364286 B.C. Ltd. has paid the purchase price to the Receiver and the Transaction has completed.

DATED at the City of Vancouver, in the Province of British Columbia, this ____ day of _____, 2022.

D. MANNING & ASSOCIATES INC., in
its capacity as Court-Appointed Receiver
Manager of the assets, undertakings and
property of 1103 GILSTON ROAD
HOLDINGS INC., and not in its personal
capacity

By: _____
Name:
Position:

Schedule C – List of Purchased Assets

Real property located in West Vancouver, B.C. legally described as follows:

PID: 002-841-231
Lot 20 Block 34
Capilano Estates Plan 9111

Including any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the buyer at the date of inspection, including:

Air conditioning, ClthWshs/Dryrs/Frdgs/Stves, Hot Tub Spa/Swirlpool, Microwave, Security System, Smoke Alarm, Sprinkler – Fire, Sprinkler – Inground, Vacuum – Built In, Wet Bar, chandeliers, Projector and Screen in Media room.

Schedule D – Claims to be Deleted/Expunged from Title to Lands

CLAIMS TO BE DELETED/EXPUNGED FROM TITLE TO REAL PROPERTY:

the Charges, Liens and Interests to be deleted are as follows:

1. Nature: Mortgage and Assignment of Rents
Registration Numbers: CA6178243 and CA6178244
Registration Date: July 27, 2017
Registered Owner: Wealth One Bank of Canada
2. Nature: Mortgage
Registration Number: CA7580979
Registration Date: June 26, 2019
Registered Owner: Jeana Ventures Ltd.
3. Nature: Mortgage and Assignment of Rents
Registration Numbers: CA8032538 and CA8032539
Registration Date: February 12, 2020
Registered Owner: Gino Muoio Holdings Inc. and Charles Funaro
4. Nature: Priority Agreement
Registration Number: CA8033891
Registration Date: February 12, 2020
Registered Owner: N/A
5. Nature: Claim of Builders Lien

Registration Number: CA8193007

Registration Date: May 15, 2020

Registered Owner: Griff Building Supplies Ltd.

6. Nature: Claim of Builders Lien

Registration Number: CA8339503

Registration Date: July 31, 2020

Registered Owner: Aloha Pools Ltd.

7. Nature: Mortgage

Registration Number: CA8548024

Registration Date: November 4, 2020

Registered Owner: ADC Holdings Ltd.

8. Nature: Certificate of Pending Litigation

Registration Number: CA8602667

Registration Date: November 27, 2020

Registered Owner: Jeana Ventures Ltd.

9. Nature: Claim of Builders Lien

Registration Number: WX2158410

Registration Date: February 17, 2021

Registered Owner: Open Windows Inc.

10. Nature: Certificate of Pending Litigation

Registration Number: CA9001606

Registration Date: May 13, 2021

Registered Owner: Griff Building Supplies Ltd.

11. Nature: Claim of Builders Lien

Registration Number: WX2165868

Registration Date: July 6, 2021

Registered Owner: Westfloors Ltd.

12. Nature: Certificate of Pending Litigation

Registration Number: CA9241759

Registration Date: July 30, 2021

Registered Owner: Aloha Pools Ltd.

Schedule E -- Permitted Encumbrances

ENCUMBRANCES PERMITTED TO REMAIN ON TITLE TO REAL PROPERTY:

the encumbrances to remain on title are as follows:

1. Nature: Restrictive Covenant
Registration Number: N105541
Registration Date: N/A
Registered Owner: N/A
2. Nature: Right of Way
Registration Number: 204263M
Registration Date: March 28, 1955
Registered Owner: The Corporation of the District of West Vancouver
3. Nature: Right of Way
Registration Number: 204264M
Registration Date: March 28, 1955
Registered Owner: British Columbia Telephone Company
4. Nature: Right of Way
Registration Number: 321681M
Registration Date: January 3, 1961
Registered Owner: British Columbia Hydro and Power Authority, British Columbia Telephone Company, Inter Alia
5. Nature: Mortgage
Registration Number: D9422
Registration Date: February 25, 1976
Registered Owner: Montreal Trust Company, In Trust

Schedule F – Sale Agreement

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE RESIDENTIAL



THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. READ IT CAREFULLY. The parties should ensure that everything that is agreed to is in writing.
2. **DEPOSIT(S):** In the *Real Estate Services Act*, under Section 28 it requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove one or more conditions, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the authorization to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.
3. **COMPLETION:** (Section 4) Unless the parties are prepared to meet at the Land Title Office and exchange title documents for the purchase price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:
 - (a) The buyer pays the purchase price or down payment in trust to the buyer's lawyer or notary (who should advise the buyer of the exact amount required) several days before the completion date and the buyer signs the documents.
 - (b) The buyer's lawyer or notary prepares the documents and forwards them for signature to the seller's lawyer or notary who returns the documents to the buyer's lawyer or notary.
 - (c) The buyer's lawyer or notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.
 - (d) The buyer's lawyer or notary releases the sale proceeds at the buyer's lawyer's or notary's office.

Since the seller is entitled to the seller's proceeds on the completion date, and since the sequence described above takes a day or more, it is strongly recommended that the buyer deposits the money and the signed documents at least two days before the completion date, or at the request of the conveyancer, and that the seller delivers the signed transfer documents no later than the morning of the day before the completion date.

While it is possible to have a Saturday completion date using the Land Title Office's electronic filing system, parties are strongly encouraged not to schedule a Saturday completion date as it will restrict their access to fewer lawyers or notaries who operate on Saturdays; lenders will generally not fund new mortgages on Saturdays; lenders with existing mortgages may not accept payouts on Saturdays; and other offices necessary as part of the closing process may not be open.

4. **POSSESSION:** (Section 5) The buyer should make arrangements through the REALTORS® for obtaining possession. The seller will not generally let the buyer move in before the seller has received the sale proceeds. Where residential tenants are involved, buyers and sellers should consult the *Residential Tenancy Act*.
5. **TITLE:** (Section 9) It is up to the buyer to satisfy the buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the property and any encumbrances which are staying on title before becoming legally bound. It is up to the seller to specify in the contract if there are any encumbrances, other than those listed in section 9, which are staying on title before becoming legally bound. If you as the buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the seller are allowing the buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE RESIDENTIAL (continued)

6. **CUSTOMARY COSTS:** (Section 15) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller

Lawyer or notary Fees and Expenses:
- attending to execution documents

Costs of clearing title, including:

- Investigating title,
- discharge fees charged by encumbrance holders,
- prepayment penalties.

Real Estate Commission (plus GST).

Goods and Services Tax (if applicable).

Costs to be Borne by the Buyer

Lawyer or notary Fees and Expenses:

- searching title,
- drafting documents.

Land Title Registration fees.

Survey Certificate (if required).

Costs of Mortgage, Including:

- mortgage company's lawyer/notary,
- appraisal (if applicable),
- Land Title Registration fees.

Fire Insurance Premium.

Sales Tax (if applicable).

Property Transfer Tax.

Goods and Services Tax (if applicable).

DB
HE

In addition to the above costs there may be financial adjustments between the seller and the buyer pursuant to Section 6 and additional taxes payable by one or more of the parties in respect of the property or the transaction contemplated hereby (eg. Empty Home Tax and Speculation Tax).

7. **CLOSING MATTERS:** The closing documents referred to in sections 11, 11A and 11B of this contract will, in most cases, be prepared by the buyer's lawyer or notary and provided to the seller's lawyer or notary for review and approval. Once settled, the lawyers/notaries will arrange for execution by the parties and delivery on or prior to the completion date. The matters addressed in the closing documents referred to in Sections 11A and 11B will assist the lawyers/notaries as they finalize and attend to various closing matters arising in connection with the purchase and sale contemplated by this contract.
8. **RISK:** (Section 16) The buyer should arrange for insurance to be effective as of 12:01 am on the completion date.
9. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold residences. If your transaction involves: a house or other building under construction, a lease, a business, an assignment, other special circumstances (including the acquisition of land situated on a First Nations reserve), additional provisions, not contained in this form, may be needed, and professional advice should be obtained. In some instances, a Contract of Purchase and Sale specifically related to these circumstances may be available. Please check with your REALTOR® or legal professional for more information. A Property Disclosure Statement completed by the seller may be available.
10. **REALTOR® Code, Article 11:** A REALTOR® shall not buy or sell, or attempt to buy or sell an interest in property either directly or indirectly for himself or herself, any member of his or her immediate family, or any entity in which the REALTOR® has a financial interest, without making the REALTOR®'s position known to the buyer or seller in writing. Among the obligations included in Section 53 of the Real Estate Services Rules: If a licensee acquires, directly or indirectly, or disposes of real estate, or if the licensee assists an associate in acquiring, directly or indirectly, or disposing of real estate, the licensee must make a disclosure in writing to the opposite party before entering into any agreement for the acquisition or disposition of the real estate.
11. **RESIDENCY:** When completing their residency and citizenship status, the buyer and the seller should confirm their residency and citizenship status and the tax implications thereof with their lawyer/accountant.
12. **AGENCY DISCLOSURE:** (Section 21) All designated agents with whom the seller or the buyer has an agency relationship should be listed. If additional space is required, list the additional designated agents on an addendum to the Contract of Purchase and Sale.

BCREA
British Columbia
Real Estate AssociationTHE CANADIAN
BAR ASSOCIATION
British Columbia Branch**CONTRACT OF PURCHASE AND SALE**

BROKERAGE: Royal Pacific Lions Gate Realty Ltd.

DATE: June 17 2022

ADDRESS: 202 - 1555 Marine Drive West Vancouver BC V7V 1H9 PHONE: (604) 416 8888

PREPARED BY: Cary Zhou PREC*

MLS® NO: R2646149

BUYER: 1364286 B.C. LTD.

D. MANNING & ASSOCIATES INC. COURT-APPOINTED RECEIVER/MANAGER OF THE ASSETS,
UNDERTAKINGS AND PROPERTY OF 1103 GILSTON ROAD HOLDINGS INC. (not in its personal
capacity)

SELLER:

BUYER:

SELLER:

BUYER:

SELLER:

ADDRESS: 1600 925 WEST GEORGIA STREET

ADDRESS: 1103 Gilston Road

Vancouver

West Vancouver

BC

PC: V6C 3L2

PC: V7S 2E7

PROPERTY:

1103 Gilston Road

UNIT NO. ADDRESS OF PROPERTY

West Vancouver

V7S 2E7

CITY/TOWN/MUNICIPALITY

POSTAL CODE

002-841-231

PID

OTHER PID(S)

LOT 20 BLOCK 34 CAPILANO ESTATES PLAN 9111

LEGAL DESCRIPTION

The Buyer agrees to purchase the Property from the Seller on the following terms and subject to the following conditions:

1. **PURCHASE PRICE:** The Purchase Price of the Property will be \$ 7,200,626

Seven million two hundred thousand six hundred and twenty-six

DOLLARS (Purchase Price)

2. **DEPOSIT:** A deposit of \$335,100.00 which will form part of the Purchase Price, will be paid within 24 hours of acceptance unless agreed as follows:

All monies paid pursuant to this Section (Deposit) will be paid in accordance with Section 10 or by uncertified cheque except as otherwise set out in this Section 2 and will be delivered in trust to _____
Owen Bird Law Corporation in trust and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

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SELLER'S INITIALS

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PROPERTY ADDRESS

3. TERMS AND CONDITIONS: The purchase and sale of the Property includes the following terms and is subject to the following conditions:

The property will be sold as is where is.

The Purchase Price does not include G.S.T.

The Buyer will be responsible for any G.S.T. applicable.

The attached Schedule A forms part of this contract.

The Buyer is aware that driveway heating, heater for the swimming pool, audio/video finishing and finishing for the Control 4 system are all not included.

Subject to Court approval.

Each condition, if so indicated is for the sole benefit of the party indicated. Unless each condition is waived or declared fulfilled by written notice given by the benefiting party to the other party on or before the date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

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4. **COMPLETION:** The sale will be completed on See Schedule A, yr. _____ (Completion Date) at the appropriate Land Title Office.
5. **POSSESSION:** The Buyer will have vacant possession of the Property at _____ o'clock _____ m. on See Schedule A, yr. _____ (Possession Date) or, subject to the following existing tenancies, if any:
6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of See Schedule A, yr. _____ (Adjustment Date).
7. **INCLUDED ITEMS:** The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, INCLUDING:
Air Conditioning, ClthWshs/Dryrs/Fxdgs/Stves/DWs, Hot Tub Spa/Swirlpool, Microwave, Security System, Smoke Alarm, Sprinkler - Fire, Sprinkler - Inground, Vacuum - Built In, Wet Bar, chandeliers, Projector and screen in Media room.

BUT EXCLUDING:

All Furniture, all art and accessories.

8. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on April 26, yr. 2022
9. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies set out in Section 5, if any, and except as otherwise set out herein.
10. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, wire transfer or Lawyer's/Notary's or real estate brokerage's trust cheque.
11. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.
- 11A. **SELLER'S PARTICULARS AND RESIDENCY:** The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (1) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); (2) a declaration regarding the Vancouver Vacancy By-Law for residential properties located in the City of Vancouver; and (3) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under Section 116 of the *Income Tax Act*.

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- 11B. GST CERTIFICATE:** If the transaction contemplated by this Contract is exempt from the payment of Goods and Services Tax ("GST"), the Seller shall execute and deliver to the Buyer on or before the Completion Date, an appropriate GST exemption certificate to relieve the parties of their obligations to pay, collect and remit GST in respect of the transaction. If the transaction contemplated by this Contract is not exempt from the payment of GST, the Seller and the Buyer shall execute and deliver to the other party on or before the Completion Date an appropriate GST certificate in respect of the transaction.
- 12. TIME:** Time will be of the essence hereof, and unless the balance of the payment is paid and such formal agreements to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions under the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.
- 13. BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").
- 14. CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.
- 15. COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.
- 16. RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.
- 17. PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
- 18. REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and the representations contained in the Property Disclosure Statement if incorporated into and forming part of this Contract, all of which will survive the completion of the sale.
- 19. PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the Managing Broker(s), Associate Broker(s) and representative(s) of those Brokerages (collectively the "Designated Agent(s)") described in Section 21, the real estate boards of which those Brokerages and Licensees are members and, if the Property is listed on a Multiple Listing Service®, the real estate board that operates the Multiple Listing Service®, of personal information about the Buyer and the Seller:
- A. for all purposes consistent with the transaction contemplated herein:

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- B. If the Property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;
- C. for enforcing codes of professional conduct and ethics for members of real estate boards; and
- D. for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.

The personal information provided by the Buyer and Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

20. **ASSIGNMENT OF REMUNERATION:** The Buyer and the Seller agree that the Seller's authorization and instruction set out in Section 25(c) below is a confirmation of the equitable assignment by the Seller in the listing contract and is notice of the equitable assignment to anyone acting on behalf of the Buyer or Seller.

20A. **RESTRICTION ON ASSIGNMENT OF CONTRACT:** The Buyer and the Seller agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.

21. **AGENCY DISCLOSURE:** The Seller and the Buyer acknowledge and confirm as follows (Initial appropriate box(es) and complete details as applicable):

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INITIALS

A. The Seller acknowledges having received, read and understood the BC Financial Services Authority (BCFSA) form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Seller has an agency relationship with Hanhef Virani PREC*
DESIGNATED AGENT(S)

who is/are licensed in relation to Virani Real Estate Advisors
BROKERAGE

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INITIALS

B. The Buyer acknowledges having received, read and understood the BCFSA form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Buyer has an agency relationship with Cary Zhou PREC*
DESIGNATED AGENT(S)

Royal Pacific Lions Gate Realty Ltd.

who is/are licensed in relation to _____
BROKERAGE

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INITIALS

C. The Seller and the Buyer each acknowledge having received, read and understood the BCFSA form entitled "Disclosure of Risks Associated with Dual Agency" and hereby confirm that they each consent to a dual agency relationship with _____
DESIGNATED AGENT(S)

who is/are licensed in relation to _____
BROKERAGE

having signed a dual agency agreement with such Designated Agent(s) dated _____

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INITIALS

D. If only (A) has been completed, the Buyer acknowledges having received, read and understood the BCFSA form "Disclosure of Risks to Unrepresented Parties" from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.

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BUYER'S INITIALS

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SELLER'S INITIALS

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PROPERTY ADDRESS

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 INITIALS

E. If only (B) has been completed, the Seller acknowledges having received, read and understood the BCFA form "Disclosure of Risks to Unrepresented Parties" from the Buyer's agent listed in (B) and hereby confirms that the Seller has no agency relationship.

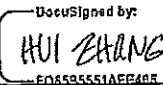


22. **ACCEPTANCE IRREVOCABLE** (Buyer and Seller): The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood that the Seller's acceptance is Irrevocable, including without limitation, during the period prior to the date specified for the Buyer to either:

- A. fulfill or waive the terms and conditions herein contained; and/or
- B. exercise any option(s) herein contained.

23. **THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.**

24. **OFFER:** This offer, or counter-offer, will be open for acceptance until 6:00 o'clock P.m. on One business day after Court approval, yr. _____ (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.




If the Buyer is an individual, the Buyer declares that they are a Canadian citizen or a permanent resident as defined in the *Immigration and Refugee Protection Act*:

DocuSigned by:	YES	<table border="1"><tr><td></td><td></td><td></td></tr></table>				NO	<table border="1"><tr><td></td><td></td><td></td></tr></table>			
		INITIALS		INITIALS						
										
BUYER		BUYER		BUYER						
<u>1364286 B.C. LTD.</u>										
PRINT NAME		PRINT NAME		PRINT NAME						
WITNESS		WITNESS		WITNESS						

25. **ACCEPTANCE:** The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested forthwith after Completion.

Seller's acceptance is dated _____, yr. _____

The Seller declares their residency:

RESIDENT OF CANADA	<table border="1"><tr><td></td><td></td><td></td></tr></table>				NON-RESIDENT OF CANADA	<table border="1"><tr><td></td><td></td><td></td></tr></table>				as defined under the <i>Income Tax Act</i> .
	INITIALS		INITIALS							
										
SELLER		SELLER		SELLER						
<u>J. MANNING & ASSOCIATES INC. COURT-APPOINTED RECEIVER</u>										
<u>MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTY OF</u>										
<u>1103 GILSTON ROAD HOLDINGS INC. (not in its personal capacity)</u>										
PRINT NAME		PRINT NAME		PRINT NAME						
WITNESS		WITNESS		WITNESS						

*PREC represents Personal Real Estate Corporation

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SCHEDULE "A"
(Court Approved Sale Agreement)

DATE: June 17, 2022

CONTRACT OF PURCHASE AND SALE RE:

Lot 20, Block 34, Plan VAP9111
District Lot CE, Group 1, New Westminster Land District
PID 002-841-231

Civic Address:

1103 Gilston Road, West Vancouver, B.C. V7S 2E7

including all improvements thereon, personal property therein and all other property and assets related thereto (collectively the "Property"), between "D. Manning & Associates Inc." (defined below), and 1364286 B. C. LTD. (the "Buyer") of today's date (the "Agreement of Purchase and Sale").

Notwithstanding any term or condition contained in the Agreement of Purchase and Sale, whether contained herein or otherwise, on entering into the Agreement of Purchase and Sale the parties hereto agree as follows:

1. D. Manning & Associates Inc., Court-Appointed Receiver Manager of the Assets, Undertakings and Property of 1103 Gilston Road Holdings Inc. ("D. Manning & Associates Inc.") pursuant to an Order of Madam Justice Horsman of the Supreme Court of British Columbia ("the Court") on August 4, 2021, under Action No. S214960 and not in its personal capacity, agrees, subject to the other terms of the Agreement of Purchase and Sale, to present the Agreement of Purchase and Sale to the Court for approval and in so doing is not contractually or otherwise liable to any party in any way.

2. The Buyer accepts the Property "as is, where is" as of the Possession Date and covenants and agrees to save D. Manning & Associates Inc. harmless from any and all claims resulting from or relating to the age, fitness, condition, zoning, lawful use, or circumstances and location of the Property, and agrees to accept the Property subject to any outstanding work orders or notices or infractions as of the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreements, covenants, caveats, rights of way and easements. Notwithstanding the foregoing, the parties agree and acknowledge that the Property retains the benefit of any warranty under the British Columbia Homeowner Protection Office (HPO) of 2-5-10 New Home Warranty, as applicable.

3. The Buyer acknowledges and agrees that D. Manning & Associates Inc. makes no representations and/or warranties of any nature or kind whatsoever, including, without limitation, with respect to the Property, the fitness, condition (including environmental condition), zoning or lawful use of the Property and agrees to accept the Property in a "as is, where is" condition and subject to any outstanding work orders or notices of infractions as of the date of closing and subject

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to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including sub-division agreements, covenants, caveats, rights of way and easements.

4. The Buyer acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Property and its suitability for any purpose, including occupancy, development, or derivation of value.

5. The Buyer acknowledges that the fixtures and chattels presently on the premises are to be taken by the Buyer at the Buyer's own risk completely, without representation or warranty of any kind from D. Manning & Associates Inc. as to the ownership or state of repair of any such fixtures and chattels. Without limitation, to the extent that D. Manning & Associates Inc. is unable to convey title to any chattels, separate arrangements will have to be made by the Buyer with any owner of any chattels in order for the Buyer to take title to any chattels.

6. The Buyer acknowledges that any information supplied to the Buyer by D. Manning & Associates Inc. or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be wholly the responsibility of the Buyer.

7. The Buyer hereby waives any requirement for D. Manning & Associates Inc. to provide to the Buyer a site profile for the Property under the Environmental Management Act of the Province of British Columbia and any regulations in respect thereto.

8. D. Manning & Associates Inc. shall provide the Buyer with only those keys to the premises comprising the Property that are in its possession.

9. The Agreement of Purchase and Sale is subject to approval by the Court within 30 business days after the removal of the Buyer's Conditions Precedent (if applicable) or the acceptance by D. Manning & Associates Inc., whichever is later. This condition is for the sole benefit of D. Manning & Associates Inc.

10. D. Manning & Associates Inc. intends to maximize the proceeds of sale within the Court approval process. This offer will become public information prior to the Court approval date, and the Buyer acknowledges and agrees that other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this Agreement of Purchase and Sale and such prospective purchasers may make competing offers which may be approved by the Court. D. Manning & Associates Inc. may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Property. D. Manning & Associates Inc. gives no undertaking to advocate the acceptance of this offer. To protect its interest in purchasing the Property, the Buyer acknowledges and agrees that a representative should attend at the Court hearing on behalf of the Buyer and be prepared there to make such amended or increased offer to purchase the Property as the Court may permit or direct, and it is recommended that the Buyer seek independent legal advice to advance its own offer to the Court.

11. The Agreement of Purchase and Sale may be terminated at D. Manning & Associates Inc.'s sole option if:

a) At any time prior to Court approval, D. Manning & Associates Inc. determines it is inadvisable to present the Agreement of Purchase and Sale to the Court;

b) At any time prior to Court approval, the security which is the subject of the Court proceedings is redeemed; or

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c) The Court makes an order cancelling or changing the power of sale;

and in any such event D. Manning & Associates Inc. shall have no further obligations or liability to the Buyer under the Agreement of Purchase and Sale or otherwise. This condition is for the sole benefit of D. Manning & Associates Inc.

12. In the event that:

a) The mortgagor or any other person shall become entitled to redeem, assign or place the mortgage in good standing and does so prior to the completion of the sale; or

b) D. Manning & Associates Inc. is unable to complete the sale pursuant to the Court Order;

then D. Manning & Associates Inc. shall have the right to terminate the Agreement of Purchase and Sale and upon giving written notice to the Buyer that it is so doing, the Agreement of Purchase and Sale shall be cancelled, without interest or deduction. Written notice shall be deemed to be validly given if received by the agent or solicitor or notary for the Buyer.

13. D. Manning & Associates Inc. shall not be required to furnish any title documents and shall only be required to provide such deeds, copies thereof, or evidence of title as are in its possession or control.

14. The Buyer acknowledges and agrees that time will be of the essence hereof, and unless the balance of the cash payment is paid or such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, D. Manning & Associates Inc. may at its option either terminate or reaffirm the Agreement of Purchase and Sale, and in either event the amount paid by the Buyer, including without limitation the deposit will be absolutely forfeited to D. Manning & Associates Inc. on account of damages without prejudice to any of D. Manning & Associates Inc.'s other remedies.

15. The Completion, Possession and Adjustment dates shall take place on that date that is twelve (12) business days following the date of Court approval of this Agreement.

16. The Buyer acknowledges and agrees to provide the net sale proceeds to Owen Bird Law Corporation, In Trust, by way of wired transfer of funds.

17. This Agreement may be signed in counterparts and each such counterpart will constitute an original document and, taken together, will constitute one and the same instrument.

18. In addition to the purchase price, the Buyer is liable for all applicable Goods and Services Tax, Property Transfer Tax, Provincial Sales Tax and any other applicable taxes.

19. No property disclosure statement concerning the Property forms part of the Agreement of Purchase and Sale.

20. In the event of any conflict or inconsistency between the terms of the Agreement of Purchase and Sale and this Schedule "A", the terms of this Schedule "A" shall prevail.

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DocuSigned by:
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Witness

Buyer

**D. MANNING & ASSOCIATES INC.
COURT-APPOINTED RECEIVER MANAGER OF
THE ASSETS, UNDERTAKINGS AND PROPERTY
OF 1103 GILSTON ROAD HOLDINGS INC.
(not in its personal capacity)**

Witness

Per: _____
Authorized Signatory

SCHEDULE "G"

SUMMARY OF INVOICES OF THE RECEIVER'S COUNSEL,
OWEN BIRD LAW CORPORATION,
FOR THE PERIOD AUGUST 3, 2021 TO SEPTEMBER 12, 2022

RECEIVER MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTY OF
1103 GILSTON ROAD HOLDINGS INC.

SUMMARY OF OWEN BIRD LAW CORPORATION LEGAL INVOICES
FOR THE PERIOD AUGUST 3, 2021 TO SEPTEMBER 12, 2022

INVOICE NO.	BILLING PERIOD	DATE OF INVOICE	TOTAL BILLING (\$)	FEES (\$)	DISBURSEMENTS (\$)	GST (\$)	PST (\$)
238454	for the period ending October 29, 2021	29-Oct-21	18,153.08	15,946.00	288.39	802.47	1,116.22
245507	for the period ending June 27, 2022	27-Jun-22	37,628.97	33,488.00	116.58	1,680.23	2,344.16
247356	for the period ending September 12, 2022	12-Sep-22	32,304.54	28,366.00	516.68	1,436.24	1,985.62
TOTAL			88,086.59	77,800.00	921.65	3,918.94	5,446.00