

**D. MANNING & ASSOCIATES INC.**

Licensed Insolvency Trustee

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**RECEIVERSHIP OF 1103 GILSTON ROAD HOLDINGS INC.  
ADDENDUM TO RECEIVER MANAGER'S THIRD REPORT TO COURT  
JUNE 12, 2022**

Subsequent to the issuance and filing of the Receiver Manager's Third Report to Court dated June 10, 2022, in the evening of June 10, 2022, the Receiver's counsel was contacted by Mr. Andrew Zhang of Pacific Evergreen Realty Ltd., the realtor for Runguo Chai. Mr. Zhang forwarded a new signed Competitive Bid for the Property with all of the same terms as the original Chai Offer, except that the Possession and Adjustment Dates were changed to July 1, 2022, and the Completion Date changed to October 17, 2022.

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 Offer and recommend a different Offer for Court approval at the June 13, 2022 Court hearing.

Mr. Andrew Zhang 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.

Extending the Completion Date by nearly four months does not make sense. The delay in completion would result in additional interest charges, property taxes, water and sewer charges, 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 other unforeseen costs that may arise. Furthermore, if the delinquent property taxes owing to the District of West Vancouver are not paid by September 26, 2022, the Property will be put up for tax sale.

The first and second mortgage holders, as well as Mr. Phil Garrow, are in support of a sale of the Property now, subject to Court approval, with a completion date of 12 business days following Court approval.

Accordingly, the Receiver is only prepared to recommend the Chai Offer in its original form, as presented to the Receiver on June 9, 2022, with a Possession, Adjustment and Completion Date of 12 days following Court approval.

Should the original Chai offer be withdrawn, the Receiver recommends that the Court instead approve the Competitive Bid received from the second highest bidder, **1364286 B.C. Ltd.**, in the amount of \$6,702,000 plus GST and excluding furniture, with a completion date of 12 business days following Court approval (June 29, 2022 assuming Court approval on June 13, 2022). The

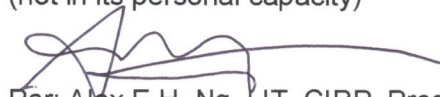
1364286 Offer is a Compliant Bid, received prior to the June 9, 2022 deadline, and the deposit of \$335,100 has been paid by bank draft to Owen Bird Law Corporation, in trust.

Should you have any questions, please contact the writer 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)

A handwritten signature in black ink, appearing to be 'Alex E.H. Ng', written over a horizontal line.

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