



Affidavit #1 of Nicole Pelcher
Made April 27 2026

No. KEL-S-S-127397
Kelowna Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALBERT WEISSTOCK

PETITIONER

AND:

WALTER WEISSTOCK, ANTONY WEISSTOCK, SILVIA RITA GERARD, WITMAR HOLDINGS LTD., DONALD JAMES RAMSAY (ADMINISTRATOR OF THE ESTATE OF MARIA CONCETTA WEISSTOCK), 1100748 B.C. LTD., ANTONY WEISSTOCK (TRUSTEE OF THE WILLY AND MARIA CONCETTA WEISSTOCK TRUST), and ISLANDVIEW COUNTRY ESTATES LTD.

RESPONDENTS

AFFIDAVIT

I, NICOLE PELCHER, of 300 – 350 Lansdowne Street, in Kamloops, British Columbia, MAKE OATH AND SAY THAT:

1. I am a Legal Administrative Assistant employed by Fulton & Company LLP, solicitor for the Applicant herein, and as such have personal knowledge of the matters and facts herein deposed to except where stated to be on information and belief and where so stated do verily believe the same to be true.
2. Attached hereto and marked as **Exhibit "A"** is a copy of the Title Search for the subject property.
3. The Applicant herein was granted exclusive conduct of sale of the subject property by Order of Associate Judge Schwartz made June 18, 2025.
4. Attached hereto and marked as **Exhibit "B"** is a copy of an appraisal prepared by Adrian Rizzo of Kent Macpherson dated April 30, 2025, wherein the said appraiser indicates that, in the appraiser's opinion, the current market value of the subject property is the sum of \$6,550,000.00.

5. Attached hereto and marked together as **Exhibit "C"** are true copies of the Offer to Purchase and Contract of Purchase and Sale Agreement dated March 20, 2026 in the amount of \$6,200,000.00 and Assignment of Contract of Purchase and Sale which is the subject matter of this application.

6. C. Cheveldave & Associates Ltd., in its sole capacity as liquidator for Witmar Holdings Ltd., has approved the purchase price offered.

SWORN BEFORE ME at the City of Kamloops, in the Province of British Columbia, this April 22 2026.



A Commissioner for taking Affidavits in the Province of British Columbia.



NICOLE PELCHER

Hal Hicks
Barrister & Solicitor
FULTON & COMPANY LLP
#300 - 350 LANSDOWNE STREET
KAMLOOPS, BC V2C 1Y1

TITLE SEARCH PRINT

2026-04-16,¹ 15:11:43

File Reference: 077284-0002

Requestor: Denise Still

Declared Value \$527000

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

Land Title District

KAMLOOPS

Land Title Office

KAMLOOPS

This is Exhibit "A" referred to in the affidavit of Nicole Pelcher sworn before me at Kamloops in the Province of British Columbia, the 22 day of April, 2026

Title Number

KN102208

From Title Number

KD55481

KL83543



A Commissioner for taking Affidavits for British Columbia

Application Received

1999-11-03

Application Entered

1999-11-05

Registered Owner in Fee Simple

Registered Owner/Mailing Address:

WITMAR HOLDINGS LTD., INC.NO. 244659
1891 PARKINSON WAY
KELOWNA, BC
V1Y 7V6

Taxation Authority

Kelowna, City of

Description of Land

Parcel Identifier:

003-770-974

Legal Description:

LOT C DISTRICT LOT 127 OSOYOOS DIVISION YALE DISTRICT PLAN 31209

Legal Notations

NONE

Charges, Liens and Interests

Nature:

STATUTORY RIGHT OF WAY

Registration Number:

T14909

Registration Date and Time:

1982-03-24 13:39

Registered Owner:

BRITISH COLUMBIA TELEPHONE COMPANY,(REG NO 1801A)

Remarks:

THAT PART SHOWN ON PLAN A16704 WITH ANCILLARY RIGHTS OVER THE REMAINDER

Nature:

STATUTORY RIGHT OF WAY

Registration Number:

T14910

Registration Date and Time:

1982-03-24 13:40

Registered Owner:

WEST KOOTENAY POWER AND LIGHT COMPANY LIMITED

Remarks:

THAT PART SHOWN ON PLAN A16705

TITLE SEARCH PRINT

File Reference: 077284-0002

Declared Value \$527000

2026-04-16² 15:11:43

Requestor: Denise Still

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE



Kent • Macpherson

Current Going
Concern Market Value
Appraisal Update

Dilworth Inn

1755 Dilworth Drive
Kelowna, British Columbia



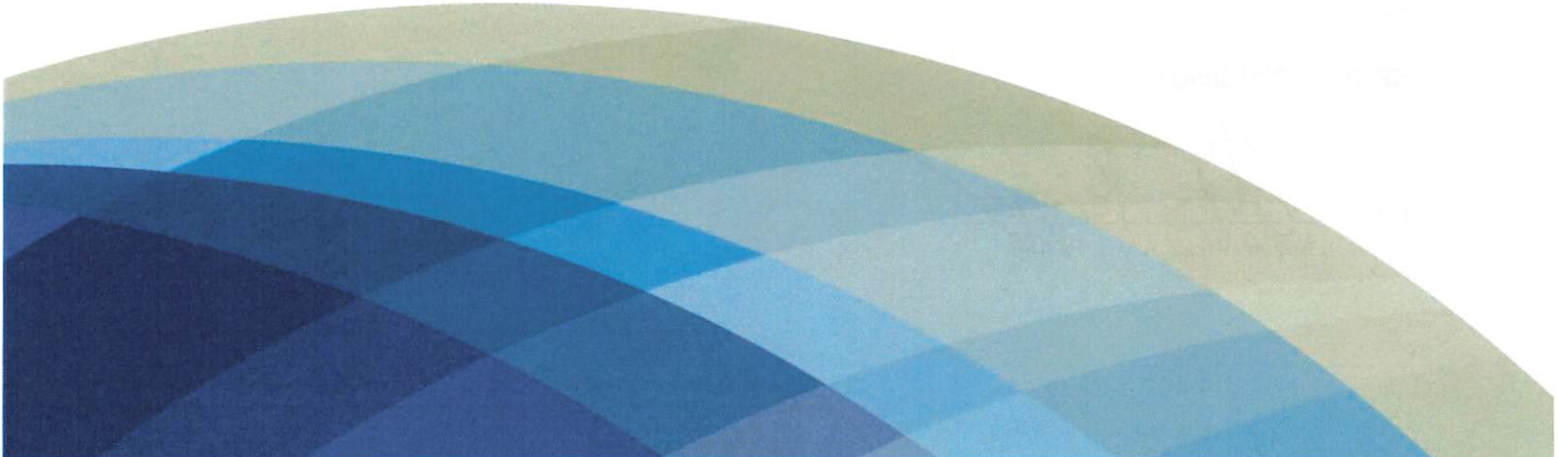
Prepared For:
C. Cheveldave & Associates Ltd.
Unit 2 - 1, 293 First Avenue
Kamloops, British Columbia

This is Exhibit "B" referred to in the
affidavit of Nicole Pelcher
sworn before me at Kamloops
in the Province of British Columbia,
the 22 day of April, 2026

A Commissioner for taking Affidavits
for British Columbia

Report Date: April 30, 2025
Valuation Date: April 1, 2025
KM Project #: 20254529

Prepared By:
Adrian Rizzo, AACI, P. App





Kent Macpherson

April 30, 2025

20254529

C. Cheveldave & Associates Ltd.
Unit 2 – 1, 293 First Avenue
Kamloops, BC V2C 3J3

Attention: Mr. Jim Gilchrist

Dear Sir:

**Re: Current "Going Concern" Market Value Appraisal Update of the Dilworth Inn
1755 Dilworth Drive, Kelowna, British Columbia**

As per your request, I am providing you with a brief/concise Current Going Concern Market Value Appraisal Update of the Dilworth Inn. This Update is as an extension of our appraisal reports dated September 29, 2022, and November 23, 2023. It should only be relied upon by a reader familiar with the preceding Current Going Concern Market Value Appraisals completed by Kent Macpherson as all observations, assumptions, and limiting conditions applicable to the original report, including the hypothetical conditions and extraordinary assumptions, are assumed to remain valid unless otherwise noted.

I have completed an analysis of relevant data to provide you with an opinion of the current going concern market value of the fee simple interest of the Dilworth Inn. Due to the limited scope of this Update report, all market data relied upon to form the value conclusion is provided in a summary format. Additional information is retained within our work files.

The current market value of the Dilworth Inn, operating as a going-concern, inclusive of land and improvements required for the operation of the 50-unit motel, including all chattels/equipment and goodwill, at April 1, 2025, conditional to the statement of limiting conditions and extraordinary assumptions contained within this report and in the initial September 2022 appraisal, is represented in the Income Approach estimate of **\$6,550,000**.

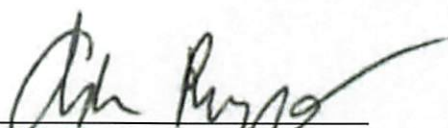
SIX MILLION FIVE HUNDRED FIFTY THOUSAND (\$6,550,000) DOLLARS

The current estimated market value is based on various sources including the motel's most recent financial statements and performance. The attached report, containing 40 pages of Text and 4 Exhibits in the Addenda, represents the basis for the opinions expressed herein.

Sincerely,

KENT-MACPHERSON

Per:



Adrian Rizzo, AACI, P App

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Summary of Salient Facts and Important Conclusions

TYPE OF PROPERTY:	-	Limited service motel.
CIVIC ADDRESS:	-	1755 Dilworth Drive, Kelowna, BC.
LEGAL DESCRIPTION:	-	Lot C, District Lot 127, Osoyoos Division of Yale District, Plan 31209. PID: 003-770-974.
DATE OF VALUE ESTIMATE:	-	April 1, 2025.
SITE AREA:	-	1.003 acres (43,691 square feet).
BUILDING DESCRIPTION:	-	Average quality, two and three-storey wood-frame motel constructed in 1981 containing 50 rooms, an indoor pool and hot tub.
ZONING:	-	CA1; Core Area Mixed Use.
OCP:	-	RCOM, Regional Commercial.
HIGHEST AND BEST USE:	-	The current use as the Dilworth Inn motel.
BY: DIRECT CAPITALIZATION:	-	\$6,550,000
BY: DISCOUNTED CASH FLOW:	-	\$6,610,000
BY: DIRECT COMPARISON:	-	\$7,000,000
FINAL ESTIMATE OF VALUE:	-	\$6,550,000



Section 1 Definition of the Appraisal

1.1 PURPOSE, FUNCTION AND INTENDED USERS

The purpose of this Update report is to estimate the current going concern market value of the fee simple interest of the Dilworth Inn located at 1755 Dilworth Drive, Kelowna, BC, as at April 1, 2025. The function of the report is to provide valuation advice to the client for internal asset management purposes only.

This report is prepared for the use of Cheveldave & Associates Ltd. This report and its contents are considered confidential between the client and the appraiser and will not be conveyed or disclosed to any other party without the client's permission. No other person or party, other than the identified intended users, should rely on this report for any other purpose or use and liability to all such persons or parties is denied.

This document is for the sole use of the addressee and Kent-Macpherson. The report contains proprietary and confidential information that shall not be reproduced in any manner or disclosed to or discussed with any other parties without the express written permission of Kent-Macpherson. Information in this document is to be considered the intellectual property of Kent-Macpherson in accordance with Canadian copyright law.

1.2 LEGAL DESCRIPTION

Lot 1, Section 20, Township 26, Osoyoos Division of Yale District, Plan 30909.
PID: 003-826-465.

1.3 CIVIC ADDRESS

1755 Dilworth Drive, Kelowna, British Columbia.

1.4 REGISTERED OWNER

Witmar Holdings Ltd.
1891 Parkinson Way
Kelowna, British Columbia
V1Y 7V6

1.5 PROPERTY RIGHTS APPRAISED

The property rights appraised, the fee simple interest, is defined as:

"An absolute fee; a fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation. An inheritable estate."

The subject property is appraised as though free and clear of all charges, liens and encumbrances, whether existing or otherwise, unless otherwise stated.

1.6 EFFECTIVE DATE OF THE APPRAISAL

The date of opinion is April 1, 2025. The property was externally inspected and photographed on April 29, 2025.

1.7 DEFINITION OF MARKET VALUE

One commonly cited definition of market value, adopted by the Appraisal Institute of Canada¹ is:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

Implicit in the definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- the buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

While the above definition is applicable to the real estate, the "going concern" is also valued in this report that includes the tangible real property (land and buildings) and tangible personal property (furnishing, fixtures and equipment used in the operation) as well as the intangible assets (the goodwill or business value). The "going concern" value, based on material in "The Appraisal of a Small Business" by Lloyd Manning, AACI (1997) may be defined as follows:

"A Going Concern is defined as the value existing in a proven property operation. A going concern operation is usually comprised of four components which can be identified as:

- *Land, Building, Furnishings, Fixtures, & Equipment & Goodwill."*

Furnishings, Fixtures, & Equipment are an integral part of an ongoing operation and are assumed to be part of the package that would be offered for sale if the property were placed on the market. Without these items, the market value estimated herein would be substantially less.

¹ Canadian Uniform Standards of Professional Appraisal Practice - August 1, 2018 Edition

Goodwill is an intangible and can most often be described as an asset. Goodwill generally comprises the advantages or disadvantages that the business has developed. It is also true, however, that the going concern value could be lower than the market value, or a liability. Such is often the case in failing business operations when the sum of the tangible assets is greater than the ongoing business operation. Goodwill assets are created from effective management.

The value of a motel for example, incorporates productivity, management experience, and sufficiency of capital, as well as the value of the real estate itself. It is often difficult to distinguish where the fixed asset values stop, and the goodwill values begin. It should be noted that if, for whatever reason, the business volume drops or is discontinued, one could not expect to realize the values calculated in this report.

The value estimate contained herein may include an amount of goodwill or enterprise value, the amount of which is often related to management expertise. For the purposes of the market value opinion, it is assumed that the subject property will continue to be operated under competent management.

1.8 MARKET EXPOSURE

In the estimation of market value, the reasonable exposure period on the open market is critically linked to the value conclusion. The exposure period, which typically precedes the date of appraisal, is defined as follows:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale, at market value, on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

The concept of reasonable market exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. The exposure period is a function of price, time and use, not an isolated estimate of time alone.

A review of recent motel/hotel sales in the Interior of BC, indicates that properties such as the subject generally require two to six months to sell when adequately marketed and competitively priced. Typically, marketing periods are dependent on a number of factors including price, location, and condition of the improvements, as well as the motivation of the purchaser/vendor.

The current demand for accommodation properties in the Central Okanagan region is strong and there are no motel/hotels listed for sale. With consideration to the current use of the subject as an average quality motel in a central and easily accessible Kelowna location, as well as the lack of listings of motels in Kelowna and the entire Okanagan, it is concluded that an exposure period of two to six months would be required in order for the subject to sell at the market value estimate contained herein as of the effective date of appraisal.

1.9 SCOPE

The scope of the narrative market value appraisal report encompasses the following:

- An external physical inspection of the subject property and where possible, inspections of comparable market data;
- where necessary, discussions with regulatory offices regarding data and factors pertinent to the assignment;
- discussions with the owner of the property;
- a review of the subject's recent financial performance;
- a review of the operating performance of competing motels/hotels, and
- the application of the Income and Direct Comparison Approaches to estimate market value. Data sources include:
 - BC Assessment,
 - Kamloops Land Title Office,
 - Various Real Estate Boards,
 - the City of Kelowna,
 - Destination BC, BC Stats,
 - the Kent-Macpherson data bank, and
 - appraisal/real estate sources familiar with the Okanagan and BC Interior accommodation market.

All relevant material is contained within this report including discussion and reasoning of appropriate data and analysis utilized in the appraisal process to develop an opinion of value. Additional documentation has been retained on file if required for future reference. The material contained within this report and extent of analysis and discussion is specific to the needs of the client and purpose as contained herein.

1.10 EXTRAORDINARY ASSUMPTIONS

For the purpose of this appraisal, I have relied upon the income statements and information regarding specific income and expenses provided by the client and accountant of the subject property. I assume that all information provided accurately reflect the condition and operating performance of the motel.

No interior inspection was completed on any parts of the motel. Ownership has advised that there have been no changes to the motel since it was last inspected in November 2023. It has therefore been assumed that the entire property is in the same physical condition as when inspected in November 2023.

One commonly cited definition of extraordinary assumption, adopted by the Appraisal Institute of Canada² is:

"An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions."

1.11 MARKET HISTORY

The Canadian Uniform Standards of Professional Appraisal Practice requires the market history of the subject property to be reported within the most recent three-year period. A review of public records and Multiple Listing Service (MLS) documentation indicate there have been no sale transactions and the subject property has not been publicly listed for sale within the past three years.

1.12 STATEMENT OF LIMITING CONDITIONS

1. This report is prepared at the request of the authorized client and for the specific authorized use referred to herein. It is not reasonable for any party other than the authorized client, and additional authorized users, to rely on this appraisal without first obtaining written authorization from the author subject to the qualifications in the paragraphs below. Liability is expressly denied to any person other than the authorized client and specifically (i.e. in writing) identified additional authorized users. No responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by authorized users of this report is assumed.
2. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed, and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.
4. The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it does not comply, its non-compliance may affect market value.
5. No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.

² Canadian Uniform Standards of Professional Appraisal Practice - January 1, 2014, Edition



6. This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser.
8. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues, then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.
9. The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, information provided by our authorized client was not verified where we believed the information to be correct.
10. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the Canadian Uniform Standards of Professional Appraisal Practice ("The Standards") and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the Canadian Uniform Standards of Professional Appraisal Practice (the "Standards") and in accordance with the appraiser's privacy policy. The authorized client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA). As British Columbia, Alberta and



Quebec have their own privacy laws, the provincial laws will prevail when the appraisals are within those jurisdictions.

11. Written consent from the author and supervisory appraiser, if applicable, must be obtained before any part of the appraisal report can be used for any purpose by anyone except the authorized client and other authorized users identified in the report. Where the authorized client is the mortgagee and the loan is insured, liability is extended to the mortgage insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee. Written consent and approval must also be obtained before the appraisal (or any part of it) can be altered or conveyed to other parties, including mortgagees (other than the client) and the public through prospectus, offering memoranda, advertising, public relations, news, sales or other media.
12. The authorized client, authorized users and any appraisal facilitator are strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial or other use.
13. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without risk.
14. Where the authorized use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.



Section 2 Subject Photography

2.1 EXTERIOR PHOTOGRAPHS



Front.



Rear.



Section 3 Property Description

3.1 SITE ANALYSIS

No change from the November 2023 report.

3.2 IMPROVEMENTS

No change from the November 2023 report.

3.3 ASSESSMENT AND TAXES

The property assessment is intended to reflect the market value of the subject property as determined by BC Assessment as of July 1 of each year based on the physical condition of the property as of the following October 31, while taxation comes under the jurisdiction of the City of Kelowna.

The 2025 and 2024 assessments and 2024 property taxes for the subject are as follows:

2025 Assessed Value		2024 Assessed Value	
Land Value:	- \$3,014,000	Land Value:	- \$3,014,000
Improvements:	- <u>\$2,836,000</u>	Improvements:	- <u>\$2,836,000</u>
Total Assessment:	- \$5,850,000	Total Assessment:	- \$5,850,000
Property Taxes:	- n/a	Property Taxes:	- \$ 57,907

The subject's overall net assessed value as of July 1, 2024, is considered to be slightly conservative relative to the property's current market value.

3.4 ENCUMBRANCES

It has been assumed that there is no change from the September 2022 and November 2023 report where it was noted that the subject has two non-financial encumbrances registered on title. Statutory Right of Way T14909, registered March 1982, in favour of the British Columbia Telephone Company and Statutory Right of Way T14910 registered March 1982 in favour of West Kootenay Power and Light Company. These encumbrances are considered to be typical in nature and commonly located on the property.

For the purpose of this analysis, the encumbrances are assumed to not have any significant effect on the property's marketability or use and subsequent market value. For greater certainty, a legal opinion should be solicited for a full explanation of the effects of the encumbrances. In addition, the property has been valued as if free and clear of any and all mortgages.

A copy of the Land Title document for the subject is included as Exhibit 1 in the Addenda.



3.5 LAND USE CONTROLS

The City of Kelowna completed a comprehensive review and rewrite of the current zoning bylaw in September 2022. The new zoning bylaw is intended to align with the City's new 2040 Official Community Plan. The most notable change proposed for commercial properties is the creation of Urban Centre zones and Commercial zones. Each zone will have only four commercial designations, a significant reduction from the current ten zones. Properties within the Urban Centre zones will have the potential for increased density.

The zoning for the subject property is CA1, Core Area Mixed Use zone.

The purpose of the CA1 zone is.

“to provide a mixed commercial and residential zone for developments within the Core Area and outside urban centres. Buildings up to four storeys will be generally permissible with Buildings up to 6 storeys in certain circumstances based on development policy guidance from the OCP. A further increase to 12 storeys will be acceptable on key Transit Supportive Corridors and within close proximity to transit and Urban Centres.”

Some of the more notable permitted uses under the new CA1 zoning include but not limited to.

- apartment housing,
- food primary establishment,
- hotel/motels, non-accessory parking,
- offices,
- participant recreation services indoor,
- personal service establishment,
- professional services,
- retail,
- stacked townhomes, townhomes,
- temporary shelter services.

The maximum floor area ratio (FAR) is 1.6; however, additional densities of 0.25 and 0.3 could be achieved under the Public Amenity & Streetscape Bonus and Rental or Affordable Housing Bonus. The maximum height is six storeys.

The City of Kelowna Official Community Plan Future Land Use identifies the property as RCOM, Regional Commercial Corridor.

Section 4 Hotel/Motel Market Overview

4.1 BC INTERIOR

4.1.1 Industry Performance

The following statistical data is provided to offer an insight into the recent performance of the BC accommodation industry and with emphasis on the major centers within the Thompson/Okanagan region. Beginning in 2023, Destination BC stopped publishing statistical information for some individual communities. The data formerly reported for Penticton is now only reported regionally as the South Okanagan and represents the combined performance of participating accommodation properties in Penticton, Oliver, Keremeos, Osoyoos and Summerland.

4.1.2 Occupancy Rates (Source: Destination BC)

From 2013 to 2019, the three major centers within the Thompson-Okanagan generally reported increasing occupancy rates increases which is somewhat surprising considering the challenges faced in 2017 and 2018 when the region was negatively impacted by forest fires during the crucial summer revenue months of both years. 2020 provincial data show the year started out similar to 2019, but from March on, as a result of the onset of the Covid pandemic, the average occupancy rate was substantially lower each month than recorded during the same period in 2019.

The demand for travel that built-up over 2020 and 2021 is reflected in the strong 2022 occupancy levels which were much higher than what was achieved in 2021 at all four centers. Not surprisingly, the 2023 levels declined slightly over 2022. The 2023 stats for Kamloops surpassed 2019 by a large percentage; however, Kelowna, which was significantly impacted by a major forest fire in West Kelowna, dropped well below the 2019 level.

The 2024 performance indicates occupancy levels are down by 5.7% in Kamloops, 3.7% higher in Kelowna, and 0.1% higher in the South Okanagan over 2023. Two months into 2025, the occupancy rate is slightly higher at all three destinations, with increases of 1.1% in Kamloops, 2.1% in Kelowna 2.5% in Penticton, over the same period of 2024.

Occupancy Rates Thompson-Okanagan Region

	2020	2021	2022	2023	2024	2025 Y-T-D*
Kamloops	40.7%	61.0%	72.6%	69.0%	63.3%	47.1%
Kelowna	40.1%	46.9%	60.2%	59.7%	63.4%	47.2%
South Okanagan	n/a	n/a	n/a	43.7%	43.8%	30.5%

*Y-T-D to Feb 28.

4.1.3 Average Daily Room Rates (Source: Destination BC)

The average daily room rate (ADR) for the region's major centres increased each year from 2014 to 2019. Kelowna historically has the highest daily rates in the region, followed by Penticton and Kamloops.

Similar to occupancy rates, the 2020 average daily rates across the region were also negatively affected by Covid restrictions and declined over 2019 figures. The summer of 2021 was very strong so much of



the decline suffered during the first few months of the year was recouped. As a result, year-ending figures were higher.

The 2022-year stats indicate dramatic increases of 53.2% in Kamloops, 50.4% in Kelowna. The large increase in occupancy rates allowed hotel and motel owners to dramatically increase rates over 2021 levels. 2023 statistics show an increase in Kamloops but a substantial decline in Kelowna over the same period of 2022. The forced closure of rooms for out-of-town travelers for two weeks in August, typically the highest rate month of the year, dramatically affected the 2023 year ending total for Kelowna and the South Okanagan.

2024 was a strong year in Kamloops and Kelowna with increases of 4.0% and 3.2%; however, there was a decrease of 1.7% in the South Okanagan, over 2023. After the first two months of 2025, Kamloops' rate is 0.7% higher than the same period last year, while Kelowna's rate is 4.9% higher and the South Okanagan is down by 9.3%.

Average Daily Room Rates – Thompson-Okanagan Region

	2020	2021	2022	2023	2024	2025 Y-T-D*
Kamloops	\$ 73	\$ 94	\$144	\$148	\$154	\$125
Kelowna	\$102	\$135	\$203	\$183	\$189	\$152
South Okanagan	n/a	n/a	n/a	\$186	\$182	\$102

*Y-T-D to Feb 28.

4.1.4 Summary

After several strong years, all reporting regions within the Thompson Okanagan had lower occupancy and average daily room rates in 2020 resulting from Covid-19 travel restrictions. Occupancy levels decreased the most, with a lesser decline in the important average daily room rate. 2021 was a better year and performance improved over 2020 as people began to travel again. 2022 was a very strong year as there was significant pent-up demand for travel as both the occupancy rate and average daily room rate were much higher across the region than achieved during 2021.

2023 occupancy rates and average daily rates fluctuated throughout the region with increases in Kamloops but declines in Kelowna and the South Okanagan as a result of local forest fires. 2024 figures show a much lower occupancy rate in Kamloops, a higher rate in Kelowna and a similar rate in the South Okanagan over 2023. The average daily room rates were however higher in Kamloops and Kelowna over 2023, while the South Okanagan reported a decrease of \$6. Early 2025 indicators suggest slightly better performance at all three centres in both categories.

Section 5 Highest and Best Use

5.1 CONCEPT

The Appraisal Institute of Canada's *The Appraisal of Real Estate - Third Edition, 2010*, defines the concept of highest and best use as:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible appropriately supported, and financially feasible that results in the highest value."

5.2 ANALYSIS – AS IF VACANT

Considering the central location, the physical characteristics of the subject property, and the strong demand for rental apartment and condominium housing, the highest and best use, as if vacant, is the development of an accommodation property, multi-family residential or a mixed-use building.

5.3 ANALYSIS – AS IMPROVED

The subject has operated for over 40 years as a budget motel and has performed reasonably well, especially over the last few years. Given the excellent central and highly visible location, the good building condition, and the recent financial performance, the existing use as the Dilworth Inn motel represents the highest and best use as improved.



Section 6 Valuation Overview

6.1 PRIMARY TECHNIQUES

In arriving at a value estimate for the subject as of April 1, 2025, only two of the three conventional appraisal techniques were considered, namely the Income and Direct Comparison Approaches. The Cost Approach is based upon the cost of reproduction and is best for new or proposed construction and when the existing or proposed use represents the highest and best use of the site. Generally, the depreciated replacement cost of the improvements, plus the market value of the site, will represent an estimate of market value. However, the cost does not always equal value, and the Cost Approach does not represent the primary motivating factor when purchasing income producing properties like hotels. As such, the Cost Approach was not considered a viable valuation method and will not be utilized within this report.

6.2 PREFERRED METHODS

The Income Approach is the preferred method of valuing income producing properties as it best reflects typical market behaviour of purchasers. Employment of the Income Approach to estimate market value requires the discounting of the subject property's projected net rental income by an appropriate overall capitalization rate extracted from current sales and listings of similar properties. The capitalization rate or price/earnings ratio relates the subject property's net operating income to its most probable selling price. This approach is considered the most relevant in valuation of the subject since purchasers would be largely motivated by this type of technique in determining an acquisition price.

The Direct Comparison Approach (DCA) requires the comparison of similar properties to the subject that have sold at times concurrent to the date of appraisal and under similar economic conditions. Due to the uniqueness of most hotel/motel properties, adjusting the comparable sales for differences in location, size, brand affiliation and variety of income streams, becomes very difficult and subjective, therefore this approach is often best utilized to provide a provide support for the Income Approach estimate. Given the reasonable similarity of the subject to several of the comparables selected for comparison, the DCA will be utilized.

To summarize, the Income and Direct Comparison approaches are considered to be the most applicable in the valuation of the subject.



Section 7 Income Approach

7.1 METHODOLOGY

The Income Approach is the preferred method of valuing income producing hotel properties as it best reflects typical market behaviour of purchasers. The employment of the Income Approach in estimating market value requires the discounting of the projected net operating income by an appropriate overall capitalization rate extracted from current sales of similar income producing investment properties. The capitalization rate or price/earnings ratio relates the subject property's net operating income to its most probable selling price. General factors influencing the overall capitalization rate selection include:

- the income security,
- the income growth/capital appreciation potential,
- the improvement scope and adaptability to alternate uses,
- the management requirement,
- the ratio of land value to total value,
- the current inflation rates,
- the general level of interest rates, and
- the general level of investor confidence.

In addition to the Overall Capitalization method, the Yield Capitalization (Discounted Cash Flow) method will be utilized as an additional valuation technique. This method is used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that explicitly reflects the investment's income pattern, value change and yield. The procedure utilized to convert periodic income and reversion into present value is called discounting, while the required yield rate of return is called the discount rate.

The discounting procedure presumes that the investor will receive a satisfactory return on the investment and complete recovery of the capital invested. Yield Capitalization is also called the Discounted Cash Flow method (DCF) because a discount rate is used to calculate the present value of anticipated future cash flows.

Two rates must be selected for application of the DCF process:

- the Internal Rate of Return or Discount Rate used to discount the projected receivables, and
- an Overall Capitalization Rate used in estimating the reversionary value of the asset.

The selection of the Discount Rate or the Internal Rate of Return is based on comparison of the subject to other real estate opportunities as well as other forms of investments. A common benchmark for selecting a

discount rate is the current overall capitalization rate plus the current inflation rate. Discount rates are also often reported by national real estate firms.

Investment characteristics, which influence the development of the Internal Rate of Return include:

- liquidity of the asset,
- security of the income stream,
- degree of administration, and
- the relative desirability of the real estate.

Additionally, one must be aware of the specific characteristics of the property in question, such as its physical and functional features, the location factors and the operational strengths of the property.

The reversionary capitalization rate is usually similar to the rate that would be applied in present market conditions. At other times, however, the analyst may capitalize income at a slightly higher rate in order to account for the effects of depreciation due to the passage of time or unforeseen changes in market conditions that might have an effect on the valuation of the asset.

7.2 GROSS REVENUE

The first step in the valuation of a revenue producing property is to estimate the actual or potential gross annual income. This includes revenue from all sources associated with the operation of the real estate but excludes, for appraisal purposes, revenue such as interest income, dividends on reinvested earnings or other revenues which are not produced directly by the operation of the property.

For going concern motel properties, the analysis of operating statements provides the strongest basis in developing the gross income potential for appraisal purposes. The subject property represents a well-established motel that has operated for many years; therefore, its recent operating history was available for analysis. The financial statements reflecting the operating period of November 1, 2022, to October 31, 2024, were provided and reviewed. Year-to-date income and expense reports for the period of November 1, 2023, and 2024, to March 31, 2024, and 2025, were also provided and relied upon.

Copies of all operating statements for the subject are included in the Addenda as Exhibit 4.

7.2.1 Room Revenue Summary

The subject's primary source of income is room rental revenue. Other income sources include cancellation and smoking fees, extra cleaning charges, vending machines, pet fees and laundry income. For analysis purposes, the revenue from rooms will be analyzed separately, with the rest of the revenue sources included within Other Income.

The following table summarizes the reported room revenue for the last three fiscal years ending October 31st. Revenue in 2020 and 2021 was seriously impacted by Covid -19 travel bans, but 2022 was a banner year as there was a significant pent-up demand for travel. The subject and most other accommodation properties in Kelowna and other BC communities experienced record high income levels 2022. 2023 was negatively impacted by forest fires in Kelowna and West Kelowna that resulted in the Province

implementing a tourist travel ban for two week in August, which is one of the two busiest months of the year. The total room revenue of \$1,156,200 over the twelve months would have been higher, as many rooms sat empty during this high revenue period. Revenue rebounded in 2024 to fall between the 2022 and 2023 total.

The 2025 year-to-date revenue for the period of November 1, 2024, to March 31, 2025, is \$36,043, or 11.6% higher than the same period of the preceding year. This suggests that 2025 is on track to outperform 2024 as long as the trend continues.

The stabilized room revenue estimate of **\$1,465,000** is similar to the actual revenue achieved over the last fiscal year, and 5.6% higher than the average over the last three fiscal years.

Stabilization of revenue and costs is necessary when reconstructing income and expense statements in order to estimate the typical, or forecasted, annual figures required for appraisal purposes.

Gross Room Revenue to October 31 of Each Year

CATEGORY	2022	2023	2024	AVERAGE	2025 YTD*	STABILIZED
Room Revenue	\$1,387,586	\$1,303,764	\$1,468,965	\$1,386,772	\$346,329	\$1,465,000

*Nov. 1, 2024, to Mar. 31, 2025.

To summarize, with consideration to average performance over the last three years, the strong start to the current fiscal year, and the property's very central and highly visible location, the gross room revenue has been stabilized at **\$1,465,000**, which equates to a RevPAR of **\$80.27**.

7.2.2 Other Income

Revenue from sources other than room revenue are included in the combined total in the following table. Similar to the room revenue projection, the stabilized estimate is between the 2022 and 2023 figures.

Other Income to October 31 of Each Year

CATEGORY	2022	2023	2024	AVERAGE	STABILIZED
Other Income	\$24,761	\$20,974	\$25,080	\$23,605	\$25,000

7.2.3 Revenue Summary

As presented below, the stabilized gross revenue estimate is:

Gross Room Revenue	=	\$1,465,000
Other Revenue	=	\$ 25,000
Gross Income	=	\$1,490,000

7.3 OPERATING EXPENSES

Net operating income is an indication of residual earnings remaining after consideration of only those expenses which are directly related to the operation of the property. For this reason, these disbursements are classified as operating expenses. As such, both depreciation and mortgage interest are excluded from consideration. The net operating income of an investment property is that quantity of



net earnings to which a capitalization rate is applied to arrive at an indication of value. While such charges as mortgage interest and depreciation are critical in calculating net taxable income, they must be excluded when estimating the net operating income produced by a property for valuation purposes. Operating expenses accordingly represent those expenditures which pertain solely to the production of income. An analysis of the financial statements pertaining to a motel is essential to recognize only the true expenses related to the operation of the motel for appraisal purposes.

The most common expense categories that require stabilization are employee and management wages and repairs and maintenance. A limited service motel will have a combination of fixed and variable expenses. The fixed expenses include management, administration, insurance, property taxes. Variable expenses include wages, supplies, royalties and repairs and maintenance. Variations in gross revenue, franchise agreements, management fees, salaries and amenities offered, can significantly impact the overall expenses of a property.

7.3.1 Expense Analysis & Projections

The following table summarizes the subject's operating expenses past three-year fiscal period ending October 31, 2022, to 2024. The stabilized operating expense projections reflect historical relationships between expenses and revenue, as well as industry norms and include adjustments for anticipated future increases or decreases in revenue and operating costs. Where previous year's expenses have indicated a trend, the stabilized estimate represents the ratio between the most recent year's expense and gross revenue for the year.

Expenses for Years Ending October 31st

ITEM	2022	2023	2024	AVERAGE	STABILIZED
Advertising and Promotion	\$681	\$4,238	\$6,534	\$3,818	\$5,200
Automotive	\$6,528	\$2,543	\$3,040	\$4,037	\$2,400
Bank Charges and Interest	\$396	\$475	\$937	\$603	\$600
Credit Card Fees and Booking Commissions	\$155,559	\$141,378	\$174,939	\$157,292	\$162,000
Fees Licences and Dues	\$6,396	\$6,757	\$7,987	\$7,047	\$8,000
Insurance	\$33,638	\$36,187	\$38,624	\$36,150	\$39,000
Office	\$8,063	\$10,133	\$6,284	\$8,160	\$8,200
Management	\$0	\$0	\$0	\$0	\$72,600
Professional Fees	\$17,796	\$17,080	\$21,542	\$18,806	\$18,000
Property Taxes	\$35,397	\$35,727	\$54,073	\$41,732	\$58,000
Repairs and Maintenance	\$55,227	\$79,951	\$55,373	\$63,517	\$64,000
Supplies	\$91,727	\$106,393	\$163,663	\$120,594	\$130,000
Telephone	\$28,162	\$27,650	\$25,679	\$27,164	\$25,700
Utilities	\$49,249	\$59,122	\$49,839	\$52,737	\$52,800
Wages and Benefits	\$553,141	\$581,314	\$663,149	\$599,201	\$447,000
TOTAL EXPENSES	\$1,041,960	\$1,108,948	\$1,271,663	\$1,140,857	\$1,093,500
EXPENSE RATIO	73.8%	83.7%	85.1%	80.9%	73.4%

The stabilized expense projection total of **\$1,093,500** produces an expense ratio of 73.4% which is above the typical industry range of 65% to 72% for an average quality motel in this region. Recent increases to the wages expense across the industry has resulted in higher expense ratios than just a few years ago.



The stabilized estimates of the following expense items require additional explanation:

Automotive: This expense reflects an allowance of \$200 per month for the manager to complete their day-to-day duties.

Commissions: This category represents the commission paid to on-line booking sites. The average rate of 11.3% of room sales over the last three years has been utilized.

Management: The stabilized management expense of \$72,600 is the shared expense of a manager and housekeeping manager that also manage the Recreation Inn.

Wages & Benefits: The reported annual amounts on the financial statements include \$70,000 to \$75,000 for management. As a separate management expense was added, the wages and benefits expense was reduced by the same amount but is still very high compared to other similar properties. The \$447,000 stabilized estimate reflects 30% of the projected stabilized gross income. This is less than the actual figures but higher than the typical industry range of 23% to 27% of gross income. A shortage of available workers has resulted in a wage increases for many positions; however, the total amount far exceeds what is achieved at other motels.

7.3.2 Expense Summary

Based on the foregoing discussion, a stabilized annual expense amount of **\$1,093,500** is considered sufficient for the Dilworth Inn to achieve the estimated **\$1,490,000** stabilized gross income.

7.3.3 Net Income Summary

The projected net income for the subject Dilworth Inn is calculated as follows:

Gross Revenue Projection	=	\$1,490,000
Less Expense Estimate	=	<u>\$1,093,500</u>
Net Income Estimate	=	\$ 396,500



7.4 RECONSTRUCTED OPERATING STATEMENT WITH 5 YEAR PROJECTION

To develop a Discounted Cash Flow valuation estimate for the subject, a five-year projection of income and expenses is required. The following table contains a stabilized operating financial statement for the current year, (Forecast Year One) excluding items such as depreciation and financing related costs. In addition, a projection for the following four years has been included for the valuation estimate to follow in Section 7.6.

DILWORTH INN					
FIVE YEAR INCOME & EXPENSE FORECAST					
PERIOD STARTING MAY 2025					
PERIOD (YEAR)	FORECAST YEAR ONE	FORECAST YEAR TWO	FORECAST YEAR THREE	FORECAST YEAR FOUR	FORECAST YEAR FIVE
GROSS REVENUE	\$1,490,000	\$1,527,250	\$1,573,068	\$1,612,394	\$1,652,704
EXPENSES					
Advertising and Promotion	\$5,200	\$5,330	\$5,463	\$5,600	\$5,740
Automotive	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Bank Charges and Interest	\$600	\$615	\$630	\$646	\$662
Credit Card Fees and Booking Commissions	\$162,000	\$166,050	\$171,032	\$176,162	\$181,447
Fees Licences and Dues	\$8,000	\$8,200	\$8,405	\$8,615	\$8,831
Insurance	\$39,000	\$39,975	\$41,174	\$42,409	\$43,682
Office	\$8,200	\$8,364	\$8,531	\$8,702	\$8,876
Management	\$72,600	\$74,415	\$76,275	\$78,182	\$80,137
Professional Fees	\$18,000	\$18,450	\$18,911	\$19,384	\$19,869
Property Taxes	\$58,000	\$59,450	\$60,936	\$62,460	\$64,021
Repairs and Maintenance	\$64,000	\$65,600	\$67,240	\$68,921	\$70,644
Supplies	\$130,000	\$133,250	\$136,581	\$139,996	\$143,496
Telephone	\$25,700	\$26,343	\$27,133	\$27,947	\$28,785
Utilities	\$52,800	\$54,120	\$55,473	\$56,860	\$58,281
Wages and Benefits	\$447,000	\$458,175	\$469,629	\$481,370	\$493,404
TOTAL EXPENSES	\$1,093,500	\$1,120,737	\$1,149,815	\$1,179,654	\$1,210,275
NET OPERATING INCOME	\$396,500	\$406,514	\$423,253	\$432,740	\$442,429

The preceding five-year forecast anticipates a gradual increase in gross and net income over the five-year projection period that starts with the previously established stabilized gross income estimate of \$1,490,000 for Year One. Revenue and expenses are projected to increase by 2.0 to 3.0% per year over the five years. It is important to note that forecasting future performance based on the performance over the last few years is very difficult.

7.5 COMPARATIVE SALES & LISTINGS

The Central Okanagan accommodation market has been reasonably active over the last two years with three large, full-service hotel properties selling. Realtors active in the hotel and motel market state that even though Covid issues did hurt the industry, there is still a very strong demand for accommodation properties in the entire Okanagan and Thompson regions.



There is presently only one accommodation property listed for sale in the Central and North Okanagan. The Prestige Hotel in Vernon is listed at \$19,900,000; however, the listing realtor stated the list price is very aggressive. As such, it has not been included as a comparable. Among the most recent transactions that have occurred within the BC Interior, six sales have been selected to establish the appropriate capitalization rate for the subject property.

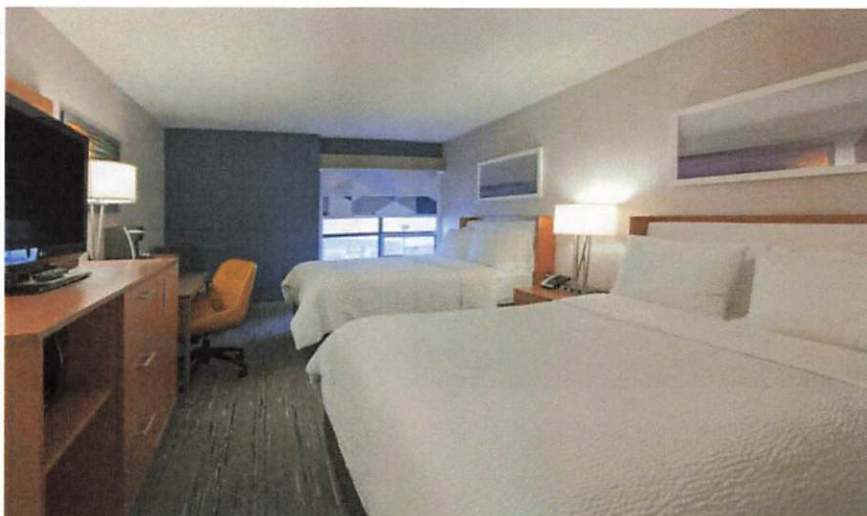
The comparables have been summarized for ease of reference and comprise all of the transactions that are reasonably comparable to the subject and are known to have been recently sold or are currently listed.



Index 1

Property:	-	Holiday Inn Express
Civic Address:	-	1550 Versatile Drive, Kamloops.
Sale Date:	-	September 2023
Sale Price:	-	\$16,800,000
Units:	-	81
Net Operating Income	-	\$1,283,000
Indicated Capitalization Rate:	-	7.6%.
Sale Price/Unit:	-	\$207,407
RevPAR:	-	\$124

The Holiday Inn Express located near the Trans Canada Highway in Kamloops. The 81-unit hotel was developed in 1995. The property offers a continental breakfast area, indoor pool, whirlpool, a fitness center and conference rooms. It is reported that the occupancy for the year prior to the sale was 74%. The vendor was required to complete a PIP (property improvement plan) prior to the sale closing. Based on the reported gross revenue, the indicated capitalization rate is 7.6%.



Index 2

Property:	-	Best Western Aberdeen
Civic Address:	-	1175 Rogers Way, Kamloops
Sale Date:	-	June 2024
Sale Price:	-	\$18,200,000
Units:	-	78
Net Operating Income	-	\$1,528,000
Indicated Capitalization Rate:	-	8.4%
Sale Price/Unit:	-	\$233,333
RevPAR:	-	\$119

The Best Western Premier is a 1998 constructed limited-service hotel located in the Aberdeen area of Kamloops and above the Trans Canada Highway. The area is heavily populated by similar accommodation properties. The 78-room hotel was originally developed as a Four Points by Sheraton before becoming a Best Western. The good quality hotel contains suites, standard rooms, a complimentary breakfast area, indoor swimming pool with waterslide, whirlpool, fitness area and a 1,250 sq. ft. meeting room. There is also an attached and leased 3,500 sq. ft. restaurant.



Index 3

Property:	-	Motel 6 Revelstoke
Civic Address:	-	1500 First Street West
Sale Date:	-	June 2022
Sale Price:	-	\$4,450,000.
Units:	-	51 + manager's suite.
Net Operating Income	-	\$310,400
Indicated Capitalization Rate:	-	7.7%.
List Price/Unit:	-	\$87,255
RevPAR:	-	\$47

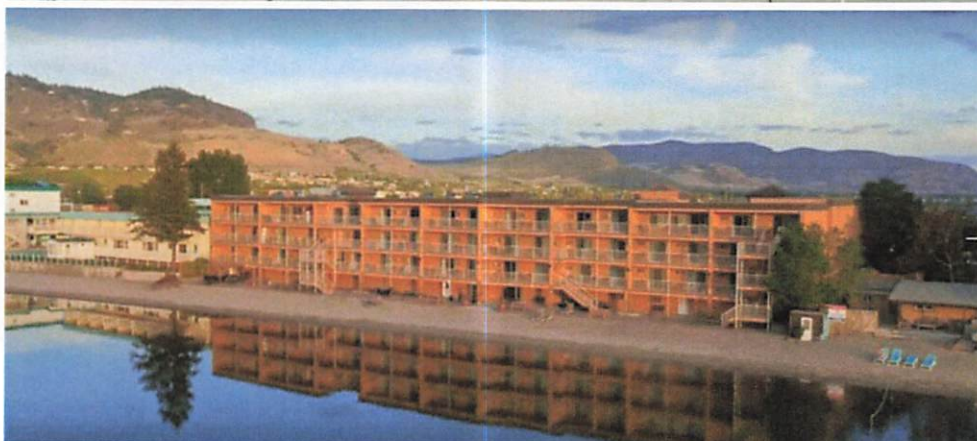
The Motel 6 is an average quality motel located at the entrance to downtown Revelstoke. The motel was enlarged and renovated in 2018-19, while the Motel 6 franchise was added in 2020. The 51 rooms include a mix of standard rooms and suites, including several with separate bedrooms. A second manager's suite has direct access to the front office via an internal stairway. Amenities include an indoor hot tub and breakfast area in the lobby. Although there were recent renovations, the buildings are only in fair to average condition. The large amount of street parking provides easy parking for trucks with snowmobile trailers. The purchaser subsequently removed the Motel 6 brand extensively renovated the entire property. The sale produces 7.7% cap rate.



Index 4

Property:	-	Coast Osoyoos Beach Hotel.
Civic Address:	-	7702 Main Street, Osoyoos, BC.
Sale Date:	-	May 2023.
Sale Price:	-	\$13,900,000
Units:	-	62
Net Operating Income:	-	±\$1,000,000
Indicated Capitalization Rate:	-	±7.2%.
Sale Price/Unit:	-	\$224,194
RevPAR:	-	\$104

The Coast Osoyoos Beach is located on a stretch of Main Street that separates the two sections of Osoyoos Lake. The hotel backs onto Osoyoos Lake and has a very nice sandy beach. The southern portion of the lake is located across Main Street. The hotel was originally constructed in 1968; however, it was extensively renovated several times with the most recent in 2013 when the Coast franchise affiliation changed from a Super 8 to a Coast Hotel. There is a mix of suite types including standard rooms with two queen beds, twelve queen rooms with kitchens, four two-bedroom suites and nine one-bedroom suites. 34 of the rooms have a kitchen. Amenities include a leased restaurant, continental breakfast, and an indoor pool with a waterslide. The hotel was listed for sale in October 2022 at \$16,495,000 and sold in May 2023, at \$13,900,000 and a ±7.2%% capitalization rate.



Index 5

Property:	-	Tiki Shores Inn & Suites
Civic Address:	-	914 Lakeshore Drive W., Penticton
Sale Date:	-	June 2024
Sale Price:	-	\$5,456,921
Units:	-	39
Net Operating Income:	-	\$298,800
Indicated Capitalization Rate:	-	5.5%
Sale Price/Unit:	-	\$139,922
RevPAR:	-	\$72

Tiki Shores is an average quality strata motel with an excellent location on Lakeshore Drive West and directly across from Okanagan Lake and beach. The motel sits on a rectangular 0.985-acre parcel that also has access from Churchill Avenue at the rear of the property. Tiki Shores is comprised of 41 strata units contained within two two-storey buildings that were initially constructed in 1965. 39 of the 41 units are utilized as motel rooms. One is the office, and the other is a restaurant located at the front of the property. The guest rooms range from 248 to 753 sq ft. in area and are comprised of studios, one, two and three-bedroom suites. Amenities include a seasonal heated pool and the restaurant. 39 of the 41 strata units were sold to the owner of the adjacent Spanish Villa Motel. One motel room and the restaurant were not included in the sale. The motel's gross room revenue increased each year from 2021 to 2023. The aggregate sale price of the 39 strata units that sold produces a low 5.5% capitalization rate. The low cap rate reflects the motivation of the purchaser that now owns two adjacent properties which improves the total redevelopment potential.



Index 6

Property:	-	Ramada Hotel & Conference Centre
Civic Address:	-	2170 Harvey Avenue, Kelowna.
Sale Date:	-	June 2023
Sale Price:	-	\$32,000,000
Units:	-	135
Net Operating Income	-	\$1,575,000
Indicated Capitalization Rate:	-	4.9%; 5.9% net of surplus land value.
Sale Price/Unit:	-	\$237,037
RevPAR:	-	\$81

The Ramada is an average quality hotel with a very good location in Kelowna. The hotel is situated across Highway 97 from Orchard Park Shopping Centre, the largest shopping centre in the Okanagan. The Ramada was initially developed in 1981 with 99 guest rooms. 36 rooms were added later in 1986 and 1990. Other features include a popular conference centre, a leased Smitty's restaurant, a pub and a liquor store. The conference centre can accommodate up to 350 guests. Prior to the Covid pandemic, the conference centre was very busy. There are approximately 0.70 acres of surplus land along the western property line that is available for expansion or other type of development. The estimated value of the surplus land at the sale date was \$5.1 million. The Ramada had been on the market since mid-2021 but was not formally listed for sale until late 2022. The 4.9% capitalization rate on the sale price reflects the very high under lying land value. The 5.9% cap rate reflects the net value attributed to just the hotel component after a deduction of the estimated value of the surplus land. The property was acquired by an experienced operator that was looking to acquire another accommodation property in Kelowna.



7.5.1 Comparable Sales Summary

INDEX NO	PROPERTY NAME	LOCATION	SALE DATE	SALE/LIST PRICE	# OF UNITS	INDICATED CAP RATE
1	Holiday Inn Express	Kamloops	Sep-23	\$16,800,000	81	7.6%
2	Best Western	Kamloops	Jun-24	\$18,200,000	78	8.4%
3	Motel 6	Revelstoke	Jun-22	\$ 4,450,000	51	7.7%
4	Coast Osoyoos Beach	Osoyoos	May-23	\$13,900,000	62	±7.2%
5	Tiki Shores	Penticton	Jun-24	\$ 5,456,921	39	5.5%
6	Ramada	Kelowna	Jun-23	\$32,000,000	135	5.9% ¹

¹Cap rate developed net of surplus land value.

7.5.2 Comparable Sales Analysis

The six sales represent a sampling of some of the most recent transactions of franchised and non-franchised accommodation properties within the Interior of BC. The indicated cap rate range is 5.5% to 8.4%. There has not been a sale of motel in Kelowna in over five years. Several large hotels including Index 6, the Ramada Hotel & Conference Centre, have sold in the last four years.

The six sales are briefly summarized as follows:

Index 1 is the well-located Holiday Inn Express in Kamloops. It is one of the first hotels accessed by travellers heading east on the Trans Canada Highway through Kamloops. The hotel required renovation when purchased and the renovation was to be completed by the vendor prior to the sale closing. This sale indicates an estimated 7.6% capitalization rate.

Index 2 is the June 2024 sale of the Best Western in the Aberdeen area of Kamloops. The 1998 constructed, 78-unit property has a good location and a strong performance record. It sold at an 8.4% cap rate.

Index 3 is the June 2022 sale of a Motel 6 located near the Trans-Canada Highway in Revelstoke. The 51-unit motel offered a wide variety of room types, and although recently renovated, was only in fair condition. The property sold at a 7.7% cap rate and was subsequently gutted and completely renovated by the purchaser.

Index 4 is the June 2022 sale of the strong performing Coast Osoyoos Beach Hotel located on a nice sandy section of Osoyoos Lake. The popular 62-unit hotel offers a wide variety of room types, and more than half of the units have a kitchen. The sale produces a capitalization rate of ±7.2%.

Index 5 is prominently located on Lakeshore Drive W. in Penticton. Tiki Shores is a strata motel and 39 of the 41 units sold in June 2024 to the owner of the adjacent motel at a very low 5.5% cap rate. The restaurant and one motel unit were not included in the sale. The very low cap rate relative to similar motels reflects the motivation of the purchaser and the mid to long-term redevelopment potential of the large, well-located, and semi-waterfront property.

Index 6 is the most recent sale to occur in Kelowna. The Ramada Kelowna sits on a large 4.3-acre site with frontage on three busy roadways, including Harvey Avenue. The property has approximately 0.70



acres of surplus land that can accommodate hotel expansion, or other forms of development. After adjusting for the estimated \$5.1 million value of the surplus land, the sale produces a 5.9% cap rate.

7.5.3 Capitalization Rate Conclusion

The subject Dilworth Inn represents an older and established budget motel with an excellent and highly visible location close to the largest shopping centre in the BC Interior. Kelowna is a very desirable accommodation market so there are always buyers looking for available properties. As such, properties like the subject would be very desirable and attract significant interest if offered for sale.

The lowest cap rates within the data set are from Index 5, the sale of 39 of 41 strata units that comprise the Tiki Shores motel in Penticton. The older property has future redevelopment potential and was acquired by the owner of the adjacent property. Index 6, the sale of the Ramada Hotel & Conference Centre that is located directly across Dilworth Drive from the subject. Net of the estimated value of the surplus land, the hotel sold at a 5.9% cap rate. The low rate reflects the high underlying land value and CA1 zoning that allows for higher density multi-family residential development. The subject has the same desirable zoning, so a similar cap rate is warranted. The remaining Indices have higher cap rates at ±7.2%.to 8.4%.

In conclusion, after carefully reviewing the comparable data, and further considering the lack of available accommodation properties in Kelowna, a capitalization rate of **6.0%** is considered reasonable to apply to the estimated stabilized net operating income.

7.5.4 Direct Capitalization Summary

Gross Revenue Projection	=	\$1,490,000
Less Expense Estimate	=	<u>\$1,093,500</u>
Net Income	=	\$ 396,500
Capitalized at 6.0%	=	÷ .06
Indicated Value	=	\$6,608,333
Rounded to	=	\$6,610,000

Based on my analysis, the going concern market value of the subject Dilworth Inn via the Direct Capitalization method, as of April 1, 2025, is estimated at **\$6,610,000**.

7.6 DISCOUNTED CASH FLOW METHOD

In addition to the Overall Capitalization method, the Discounted Cash Flow (DCF) method has been utilized as an additional valuation technique. The DCF method converts future benefits into a present value estimate by discounting each future benefit at an appropriate discount rate. The DCF is best suited when in those situations where the cash flow is expected to vary from year to year as a result of changes to the property or outside economic factors. The key component of a discounted cash flow valuation is the selection of the appropriate discount rate.

The subject property is an average quality budget motel with a desirable location that has recently performed well above pre-Covid levels. Considering the good location close to Highway 97, its physical



age and condition, high underlying land value, and expected future performance, a discount rate of 7.5% is considered reasonable. The discount rate is typically 1.5 to 2.0 percentage points higher than the capitalization rate utilized in the direct capitalization method. With the lack of available franchised accommodation properties in the Okanagan a rate 1.5% higher than the previously determined 6.0% capitalization rate is deemed reasonable.

The table below is a Five-Year Forecast beginning with the stabilized income and expenses for Year 1 utilized within the direct capitalization method. As discussed in Section 7.4, it is projected that the net income will gradually increase over the next five years.

Following the end of the fifth year of the five-year projection period required for the DCF method, the estimated sixth year net operating income is capitalized in order to estimate the future value (reversionary value). This value is then discounted to the valuation date using the appropriate discount rate. The reversionary capitalization rate in Year 6 is estimated to be 6.5%. The reversionary capitalization rate is typically 0.5% to 1.0% higher than the selected direct capitalization rate (6.0%) due to the risk associated with uncertainty over time.

DISCOUNTED CASH FLOW ANALYSIS DILWORTH INN							
5 YEAR SCENARIO		DISCOUNT RATE					
YEAR	CASH FLOW	7.0%	7.25%	7.5%	7.75%	8.0%	
1	\$396,500	\$370,561	\$369,697	\$368,837	\$367,981	\$367,130	
2	\$406,514	\$355,065	\$353,411	\$351,770	\$350,139	\$348,520	
3	\$423,253	\$345,501	\$343,090	\$340,702	\$338,336	\$335,992	
4	\$432,740	\$330,135	\$327,068	\$324,036	\$321,039	\$318,077	
5	\$442,429	\$315,446	\$311,786	\$308,178	\$304,619	\$301,110	
Reversion Year	\$453,490						
Reversionary Rate	6.5%						
Reversionary Value	\$6,976,765	\$4,974,336	\$4,916,631	\$4,859,728	\$4,803,607	\$4,748,268	
Add Cash Flow		\$1,716,707	\$1,705,053	\$1,693,524	\$1,682,115	\$1,670,828	
Total Present Value		\$6,691,043	\$6,621,684	\$6,553,252	\$6,485,722	\$6,419,096	

Based upon the preceding analysis, the estimated value of the subject Dilworth Inn, via the Five-Year Discounted Cash Flow process, utilizing an 7.5% discount rate and a 6.5% reversionary rate, is \$6,553,252 rounded to **\$6,550,000**.

7.7 INCOME APPROACH RECONCILIATION

7.7.1 Valuation Summary

Capitalized Net Operating Income Value:	=	\$6,610,000
Discounted Cash Flow:	=	\$6,550,000

7.7.2 Valuation Reconciliation and Conclusion

The direct capitalization method and the discounted cash flow method were utilized for an indication of value and the value difference between the two approaches is only 1%. The direct capitalization method



is the method generally relied upon by investors for income producing hotel and motel properties; however, the discounted cash flow considers the projected year to year changes in net income incurred by a property. This can be important, especially for new motels, or for when gross revenue and net income is expected to increase or decrease, but accurately projecting future performance can be challenging and difficult.

The direct capitalization method is the most common, while the discounted cash flow assumes a slight increase in revenue going forward. As projecting future revenue and expenses is very challenging, the direct capitalization method is considered to provide the more reliable estimate.

In conclusion, the market value of the Dilworth Inn, Kelowna, as of April 1, 2025, conditional to the statement of limiting conditions and extraordinary assumptions contained herein, is therefore estimated at: **\$6,610,000**.

SIX MILLION SIX HUNDRED TEN THOUSAND (\$6,610,000) DOLLARS



Section 8 Direct Comparison Approach

8.1 OVERVIEW

The Direct Comparison Approach (DCA) requires an analysis and comparison of hotel and motel properties which have sold reasonably concurrent to the date of appraisal under similar economic conditions. The Direct Comparison Approach is premised on the principle of substitution which states:

"When several similar or commensurate commodities, goods or services are available, the one with the lowest price attracts the greatest demand and widest distribution. This affirms the notion that when a property is replaceable, its upper limit of value tends to be set by the cost of acquiring a similar and equally desirable property, provided there is no delay in making the acquisition."

Due to the difficulty in accurately adjusting for the characteristics that differentiate hotel and motel properties, such as location, franchise affiliation, expense ratio, amenities, quality, and additional income streams, the Direct Comparison Approach at times is best suited for establishing a *market value range* only and to provide support for the Income Approach estimate.

8.2 VALUATION

8.2.1 Sales Schedule

The following hotel and motel sales are the same as those previously discussed in the Income Approach. The sales are utilized to estimate the value of the subject property based upon a sales value per-room unit of comparison. The sale price per room of each sale has been adjusted by the ratio of the difference between the stabilized RevPAR of **\$80.27** for the subject and the indicated RevPAR of the comparable.

INDEX NO	PROPERTY NAME	SALE/LIST DATE	SALE/LIST PRICE	# OF GUEST ROOMS	SALE/LIST PRICE /ROOM	IND. REVPAR	REVPAR ADJ.	ADJ. SALE/LIST PRICE/ ROOM
1	Holiday Inn Express	Sep-23	\$16,800,000	81	\$207,407	\$124	0.65	\$134,263
2	Best Western	Jun-24	\$18,200,000	78	\$233,333	\$119	0.67	\$157,392
3	Motel 6	Jun-22	\$4,450,000	51	\$87,255	\$47	1.71	\$149,020
4	Coast Osoyoos Beach	May-23	\$13,900,000	62	\$224,194	\$104	0.77	\$173,059
5	Tiki Shores Inn & Suites	Jun-24	\$5,456,921	39	\$139,921	\$72	1.11	\$155,993
6	Ramada	23-Jun	\$26,900,000	135	\$199,259	\$81	0.88	\$197,463
Subject	Dilworth Inn			50		\$80	—	—

The six comparables indicate a very wide unadjusted per-room value range of \$87,255 to \$233,333. The wide disparity is not surprising seeing that some of the comparables contain a restaurant and other revenue generating components that the subject and two of the comparables do not have. After adjusting for the difference between the revenue per available room of the subject versus each comparable, the adjusted rate per room is still very wide at \$134,263 to \$197,463. This suggests that none of the comparables are truly similar to the subject in any of the key aspects.



It is important to note the adjustment only considers the difference revenue, not other differences that also impact value such as location, underlying land value, building age and condition, revenue streams from sources other than rooms, expense ratio, and risk associated to the income. These factors contribute to the wide adjusted value range.

In terms of physical comparability, Indices 3 and 5 are the most similar in age and number of rooms. Index 5 also has a similar RevPAR as the subject. The remaining Indices are too physically different to provide a meaningful comparison.

In conclusion, with emphasis on Index 5, which is similar in number of rooms and RevPAR, but was acquired by the very motivated owner of the adjacent property, a rate of \$140,000, per room, reflecting a 10% discount, is considered reasonable to determine the value by the Direct Comparison Approach.

It is therefore concluded that a rate of \$140,000 per room is reasonable for the subject, indicating a current estimated market value of: 50 rooms x \$140,000 = \$7,000,000.

SEVEN MILLION (\$7,000,000) DOLLARS



Section 9 Final Estimate of Value

The subject Dilworth Inn has a current estimated market value as indicated by the Income Approach and Direct Comparison Approach of:

Income Approach:	=	\$6,550,000
Direct Comparison Approach:	=	\$7,000,000

9.1 CONCLUSION

The Income Approach is the most relevant procedure in the valuation of income producing accommodation properties and was developed using stabilized income and expense estimates and capitalization and discount rates extracted from recent market transactions. This is the preferred method for motels and the method relied upon by market participants.

As no two accommodation properties are the same, the Direct Comparison Approach (DCA) is a less reliable valuation method for income producing hotel/motel properties but does help provide some support for the Income Approach estimate. The subject's stabilized net income estimate was derived with stabilized operating expenses which primarily due to labour costs, are higher than all of the sales. This is not recognized in the RevPAR, which solely looks at gross income, not net income, so the resulting indicated adjusted rate per room developed from the difference in the RevPAR of the subject and the comparables is not accurately recognized. As such, no weight is given the DCA estimate of value.

Considering the foregoing, the current "going concern" market value of the Dilworth Inn in Kelowna, as of April 1, 2025, conditional to the statement of limiting conditions and extraordinary assumptions contained herein, is reflected in the Income Approach estimate of **\$6,550,000**.

SIX MILLION FIVE HUNDRED FIFTY THOUSAND (\$6,550,000) DOLLARS



Section 10 Certification

I hereby certify that:

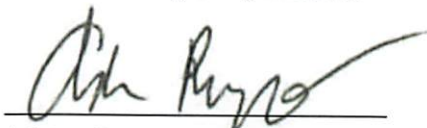
- To the best of my knowledge and belief, all facts and information presented in the report are accurate and have been verified where possible.
- The report was completed in its entirety by the writer and complies with the Uniform Standards Professional Appraisal Practice required of the members of the APPRAISAL INSTITUTE OF CANADA.
- The reported analyses, opinions, and conclusions are limited only by the reported critical assumptions, contingent and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the affected property which is the subject of this report and have no personal interest or bias with respect to the parties involved.
- I have the knowledge and experience to complete this assignment competently.
- The client for whom this appraisal report has been prepared, and any third parties, are advised that the Appraisal Institute of Canada retains the right to review this report.
- My engagement in and compensation for this assignment were not contingent upon the reporting of a predetermined value.
- Analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada.
- I made an external inspection of the subject property located at 1755 Dilworth Drive, Kelowna, that is the subject of this report, on April 29, 2025.
- No one provided significant professional assistance to the person(s) signing this report.
- I have at the date of the report, fulfilled the mandatory requirements of the Appraisal Institute of Canada Recertification Program.

It is my opinion that the current market value of the fee simple interest of the subject property, as of April 1, 2025, subject to the Statement of Limiting Conditions and extraordinary assumptions contained herein, is estimated at: **\$6,550,000**.

SIX MILLION FIVE HUNDRED FIFTY THOUSAND (\$6,550,000) DOLLARS

Certified this 30th day of April 2025.

Per:



Adrian Rizzo, AACI, P. App



ADDENDA



EXHIBIT 1

LAND TITLE DOCUMENT



TITLE SEARCH PRINT

File Reference: ar
 Declared Value \$527000

2025-04-30, 10:48:50
 Requestor: Adrian Rizzo

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

Land Title District	KAMLOOPS
Land Title Office	KAMLOOPS
Title Number	KN102208
From Title Number	KD55481 KL83543
Application Received	1999-11-03
Application Entered	1999-11-05
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	WITMAR HOLDINGS LTD., INC.NO. 244659 1891 PARKINSON WAY KELOWNA, BC V1Y 7V6
Taxation Authority	Kelowna, City of
Description of Land	
Parcel Identifier:	003-770-974
Legal Description:	LOT C DISTRICT LOT 127 OSOYOOS DIVISION YALE DISTRICT PLAN 31209
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	STATUTORY RIGHT OF WAY
Registration Number:	T14909
Registration Date and Time:	1982-03-24 13:39
Registered Owner:	BRITISH COLUMBIA TELEPHONE COMPANY,(REG NO 1801A)
Remarks:	THAT PART SHOWN ON PLAN A16704 WITH ANCILLARY RIGHTS OVER THE REMAINDER
Nature:	STATUTORY RIGHT OF WAY
Registration Number:	T14910
Registration Date and Time:	1982-03-24 13:40
Registered Owner:	WEST KOOTENAY POWER AND LIGHT COMPANY LIMITED
Remarks:	THAT PART SHOWN ON PLAN A16705

TITLE SEARCH PRINT

File Reference: ar

Declared Value \$527000

2025-04-30, 10:48:50

Requestor: Adrian Rizzo

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

EXHIBIT 2

PROPERTY ASSESSMENT





The information in this report is provided for your information and convenience. If the information has been altered for any reason from the format in which it was originally received verification may be required by BC Assessment. In any case of doubt, the official BC Assessment records shall prevail.

1755 DILWORTH DR KELOWNA V1Y 8R1

Area-Jurisdiction-Roll: 19-214-072090



Total value \$5,850,000

2025 assessment as of July 1, 2024

Land \$3,014,000

Buildings \$2,836,000

Previous year value \$5,850,000

Land \$3,014,000

Buildings \$2,836,000

Property information

Year built 1981

Description Hotel

Bedrooms

Baths

Carports

Garages

Land size 1 Acres

First floor area

Second floor area

Basement finish area

Strata area

Building storeys 3

Gross leasable area

Net leasable area

No. of apartment units

Legal description and parcel ID

LOT C, PLAN KAP31209, DISTRICT LOT 127, OSOYOOS DIV OF YALE LAND DISTRICT

PID: 003-770-974

Sales history (last 3 full calendar years)

No sales history for the last 3 full calendar years

Manufactured home

Width

Length

Total area

EXHIBIT 3

FINANACIAL STATEMENTS



DILWORTH MOTOR LODGE JOINT VENTURE

STATEMENT OF INCOME For the year ended October 31, 2023 (Unaudited)

	2023 \$	2022 \$
REVENUE	1,303,764	1,387,586
EXPENSES		
Advertising and promotion	4,238	681
Automotive	2,543	6,528
Bank charges and interest	475	396
Credit card discounts and online booking commissions	141,378	155,559
Fees, licences and dues	6,757	6,396
Insurance	36,187	33,638
Office	10,133	8,063
Professional fees	17,080	17,796
Property taxes	35,727	35,397
Repairs and maintenance	79,951	55,227
Supplies	106,393	91,727
Telephone and utilities	27,650	28,162
Utilities	59,122	49,249
Wages and benefits	581,314	553,141
	1,108,948	1,041,960
INCOME FROM OPERATIONS	194,816	345,626
OTHER INCOME		
Interest	23,334	-
PST compensation	2,376	2,516
NET INCOME	220,526	348,142

The accompanying notes are an integral part of these financial statements

DILWORTH MOTOR LODGE JOINT VENTURE

STATEMENT OF INCOME

For the year ended October 31, 2024

(Unaudited)

	2024	2023
	\$	\$
REVENUE	1,468,965	1,303,764
EXPENSES		
Advertising and promotion	6,534	4,238
Automotive	3,040	2,543
Bank charges and interest	937	475
Credit card discounts and online booking commissions	174,939	141,378
Fees, licences and dues	7,987	6,757
Insurance	38,624	36,187
Office	6,284	10,133
Professional fees	21,542	17,080
Property taxes	54,073	35,727
Repairs and maintenance	55,373	79,951
Supplies	163,663	106,393
Telephone and utilities	25,679	27,650
Utilities	49,839	59,122
Wages and benefits	663,149	581,314
	1,271,663	1,108,948
INCOME FROM OPERATIONS	197,302	194,816
OTHER INCOME		
Interest	6,073	23,334
PST compensation	2,376	2,376
NET INCOME	205,751	220,526

The accompanying notes are an integral part of these financial statements

Dilworth Joint Venture
Profit & Loss Prev Year Comparison
November 2024 through March 2025

	<u>Nov '24 - Mar 25</u>	<u>Nov '23 - Mar 24</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4000 - Room Revenue	297,427.08	245,350.74	52,076.34	21.23%
4001 - Room Revenue - Expedia Collect	48,902.25	64,935.69	(16,033.44)	-24.69%
4010 - PST Commission	990.00	990.00	0.00	0.0%
4050 - Misc Revenue	12,999.71	38,199.72	(25,200.01)	-65.97%
Total Income	<u>360,319.04</u>	<u>349,476.15</u>	<u>10,842.89</u>	<u>3.1%</u>
Gross Profit	360,319.04	349,476.15	10,842.89	3.1%
Expense				
5000 - Advertising and Promotion	3,722.26	1,530.97	2,191.29	143.13%
5010 - Automotive	298.05	1,974.30	(1,676.25)	-84.9%
5015 - Bank Charges	243.25	245.40	(2.15)	-0.88%
5025 - Commission	27,851.82	19,423.45	8,228.37	42.36%
5035 - Equipment Rent	1,832.79	1,899.29	(66.50)	-3.5%
5040 - Garbage Pickup	4,250.79	3,512.00	738.79	21.04%
5046 - Moneris Merchant Fees	13,461.05	8,135.14	5,325.91	65.47%
5050 - Insurance	18,852.47	16,173.22	2,679.25	16.57%
5060 - Landscaping	803.00	1,189.50	(386.50)	-32.49%
5065 - Licenses, Permits, Fees & Dues	725.00	725.00	0.00	0.0%
5070 - Linens	0.00	6,609.01	(6,609.01)	-100.0%
5075 - Office Supplies	1,825.52	1,038.15	787.37	75.84%
5080 - Professional Fees - Misc	0.00	2,369.50	(2,369.50)	-100.0%
5082 - Professional Fees - IT	6,038.83	5,213.25	825.58	15.84%
5085 - Property Tax	9,742.53	13,661.29	(3,918.76)	-28.69%
5090 - Repairs & Maintenance	7,798.39	15,897.88	(8,101.49)	-50.96%
5095 - Room Amenities	1,853.72	2,595.39	(741.67)	-28.58%
5100 - Service Fees	1,328.36	956.25	372.11	38.91%
5110 - Supplies	16,676.44	15,782.56	893.88	5.66%
5111 - Supplies - Breakfast Room	20,829.23	19,931.34	897.89	4.51%
5115 - Telephone - Cell	491.14	827.57	(336.43)	-40.65%
5116 - Telephone - Landline & Internet	11,093.81	10,744.51	349.30	3.25%
5120 - Utilities	27,043.84	22,157.55	4,886.29	22.05%
6010 - Wages - Front Desk	92,062.44	77,274.19	14,788.25	19.14%
6020 - Wages - Housekeeping	86,882.06	88,228.94	(1,366.88)	-1.55%
6025 - Wages - Manager	29,635.84	29,239.60	396.24	1.36%
6030 - Wages - R&M	14,420.43	13,566.40	854.03	6.3%
6100 - Wages - Benefits	24,481.72	5,207.00	19,274.72	370.17%
6105 - Wages - CPP - Employer Portion	13,130.79	12,946.79	184.00	1.42%
6110 - Wages - EI - Employer Portion	5,561.26	5,510.28	(49.02)	-0.87%
6115 - Wages - WCB	2,858.79	3,074.74	(215.95)	-7.02%
Total Expense	<u>445,573.62</u>	<u>407,740.46</u>	<u>37,833.16</u>	<u>9.28%</u>
Net Ordinary Income	<u>(85,254.58)</u>	<u>(58,264.31)</u>	<u>(26,990.27)</u>	<u>-46.32%</u>
Net Income	<u>(85,254.58)</u>	<u>(58,264.31)</u>	<u>(26,990.27)</u>	<u>-46.32%</u>

EXHIBIT 4

STATEMENT OF QUALIFICATIONS



Statement of Qualifications

Adrian Rizzo, AACI, P. App

EDUCATION

- **Accredited Appraiser** – Canadian Institute (AACI), Appraisal Institute of Canada.
- **Diploma in Realty Appraisal** – Vancouver Community College - Langara.

EMPLOYMENT HISTORY

- **Associate/Consultant** – Kent-Macpherson, Kelowna, BC (2007 to present).
- **Senior Appraiser** – BC Assessment, Kelowna, BC (2001 - 2007).
- **Senior Appraiser** – BC Assessment, Terrace, BC (1998 - 2001).
- **Appraiser** – BC Assessment, Williams Lake and North Vancouver, BC (1990 - 1998).

DESIGNATIONS

- **AACI**, (Accredited Appraiser Canadian Institute) Appraisal Institute of Canada.).
- **P. App.**, Professional Appraiser.

MEMBERSHIPS AND AFFILIATIONS

- **Member** in Good Standing Appraisal Institute of Canada
- **Chapter Chair** Okanagan Chapter of the Appraisal Institute of Canada (2004 to 2016)
- **Corporate Member** – National Golf Course Owners Association of Canada

PRACTICAL EXPERIENCE

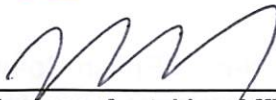
- **Appraisal and Assessment Consulting** on a wide variety of commercial properties throughout the Thompson-Okanagan and Kootenay regions specializing in, hotel/motels, seniors and care homes, golf courses, neighbourhood pubs and liquor stores (2007 to present).
- **Appraisal of a wide variety of commercial properties** throughout the Okanagan for assessment purposes, specializing in golf courses, hotel/motels, care homes, multi-family apartments, development land and shopping centres (2001 to 2007).
- **Appraisal of a wide variety of residential and commercial properties** throughout South, Central and North-Western BC for assessment purposes (1990 to 2001).
- **Qualified as an Expert Witness** before the BC Property Assessment Appeal Board and the Supreme Court of British Columbia.

RECENT PRESENTATION HISTORY

- **Commercial Property Valuation & Assessments** – Kelowna Chamber of Commerce, 2017
- **Golf Course Valuation** – National Golf Course Owners Association of BC, 2016
- **Commercial Property Valuation** – Calgary Assessment Review Board, 2013
- **Hotel & Shopping Centre Valuation** - Alberta Municipal Government Board, 2012
- **Valuing Tenant Improvements** – Appraisal Institute of Canada BC Provincial Conference, 2011
- **Golf Course Valuation** - Alberta Assessors Association Conference, 2011
- **Property Assessment Overview** - Chartered Accountants of BC - Kelowna Chapter, 2010



This is Exhibit "C" referred to in the affidavit of Nicole Pelcher sworn before me at Kamloops in the Province of British Columbia, the 22 day of April, 2026



A Commissioner for taking Affidavits
for British Columbia

OFFER TO PURCHASE AND CONTRACT OF PURCHASE AND SALE AGREEMENT

1755 DILWORTH DRIVE, KELOWNA, BRITISH COLUMBIA

THIS AGREEMENT dated for reference the 20th day of March, 2026 is made

BETWEEN:

Huber Developments Limited a British Columbia corporation with an address of 102-1635 Abbott Street, Kelowna, BC, V1Y 1A9

and

Kesar Enterprises Inc. a British Columbia corporation with an address of 1830 Red Tail Crescent, Kamloops, BC, V2B 8S9

and

1288384 BC Limited, a British Columbia corporation with an address of 940 Glasgow Place, Kamloops, BC, V1S 1L2

(hereinafter called the "**Purchaser**")

OF THE FIRST PART

AND:

WITMAR HOLDINGS LTD.,
by **C. CHEVELDAVE & ASSOCIATES LTD.,**
in its sole capacity as liquidator WITMAR HOLDINGS LTD., and not in its personal or corporate capacity.
Unit 2 – I, 293 First Avenue, Kamloops B.C. V2J 3J3

(hereinafter called the "**Vendor**")

OF THE SECOND PART

WHEREAS:

- A. The Vendor is the registered and beneficial owner of the lands and certain buildings, improvements, and chattels located at 1755 Dilworth Drive, Kelowna, British Columbia, as such lands are legally described at Part 1 of Schedule "A" attached hereto; and

B. The Vendor has agreed to sell and the Purchaser has agreed to purchase the Purchased Assets (as defined below) on the terms and conditions set forth in this Offer to Purchase.

WITNESS as follows:

1. **INTERPRETATION**

1.1. **Definitions**

In this Offer to Purchase:

- 1.1.1. **“Approved Service Contracts”** has the meaning set out at Section 3.1;
- 1.1.2. **“Buildings”** means the buildings and other improvements on the Lands owned by the Vendor including, without limitation, mechanical and electrical systems, and for additional clarity, such Buildings will not include any manufactured homes owned by Tenants;
- 1.1.3. **“Business Day”** means any day that is not a Saturday, Sunday or statutory holiday in British Columbia;
- 1.1.4. **“Chattels”** means any and all of the personal property used in the operation of the Buildings, owned by the Vendor and situate at and used in the operation of the Property, including without limitation the Chattels listed at Schedule “B”;
- 1.1.5. **“Claims”** means all past, present and future claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgements, costs, expenses, fines, disbursements, legal fees (on a substantial indemnity basis) and other professional fees and disbursements, interest, demands and actions of any kind or any nature whatsoever;
- 1.1.6. **“Closing”** has the meaning set out at Section 9.1;
- 1.1.7. **“Closing Date”** means the day that is 21 days following approval of this Offer to Purchase by the Supreme Court of British Columbia;
- 1.1.8. **“Contaminants”** means, without limitation, asbestos, poly-chlorinated biphenyls and any substance or material which falls within the definition of “waste”, “special waste”, “hazardous chemicals”, “hazardous waste”, “dangerous goods”, “toxic substances”, any variation of such terms or any terms of similar import in the *Canadian Environmental Protection Act* SC 1999, c 33 , the *Environmental Management Act* SBC 2003, c 53, each as at the date hereof, or in any other applicable Environmental Laws;
- 1.1.9. **“Deposit”** collectively means the First Deposit;

- 1.1.10. **“Environmental Laws”** means any and all federal, provincial, municipal or other governmental or regulatory laws and rules in effect from time to time relating to the environment, occupational safety, health or transportation;
- 1.1.11. **“Execution Date”** means the date on which Vendor and the Purchaser have each executed and delivered this Offer to Purchase;
- 1.1.12. **“First Deposit”** has the meaning set out in Section 2.4.1;
- 1.1.13. **“GST Certificate”** has the meaning set out in Section 10.5.2;
- 1.1.14. **“Lands”** means the lands and premises legally described in Part 1 of Schedule “A” attached hereto;
- 1.1.15. **“Land Title Office”** means the Kamloops Land Title Office;
- 1.1.16. **“Leases”** means those certain residential of the Property, the particulars of which shall be provided to the Purchaser as Project Documents, and shall include all amendments, renewals, assignments and notices in connection therewith in accordance with Section 4.1.2, and **“Lease”** means any one of the Leases;
- 1.1.17. **“Liquidator”** means **C. CHEVELDAVE & ASSOCIATES LTD.**, in its sole capacity as liquidator of WITMAR HOLDINGS LTD. and not in its personal or corporate capacity;
- 1.1.18. **“Liquidation Proceedings”** means the proceedings in the Supreme Court of British Columbia under Action No. KEL-S-S-127397;
- 1.1.19. **“Permitted Encumbrances”** means:
 - 1.1.19.1. the notations and encumbrances set forth in Part 2 of Schedule “A” attached hereto;
 - 1.1.19.2. the Leases;
 - 1.1.19.3. any leases or agreements to lease, or modifications or extensions to the Leases entered into by the Vendor in accordance with Section 4.1.2; and
 - 1.1.19.4. any other leases, agreements, liens, charges or encumbrances expressly permitted in writing by the Purchaser;
- 1.1.20. **“Project Documents”** means:
 - 1.1.20.1. the Vendor’s most current rent roll and copies of each of the Leases;

- 1.1.20.2. financial statements pertaining to the Vendor's operation of the Property in respect of the two (2) complete operating years immediately past and its most recent statement for the current operating year;
- 1.1.20.3. copies of plans, specifications, and surveys for and relating to the Property, including mechanical, architectural, electrical final design drawings and building specifications all if in the Vendor's possession;
- 1.1.20.4. copies of any permits or warranties relating to the Purchased Assets;
- 1.1.20.5. copies of all Service Contracts;
- 1.1.20.6. copies of the most currently available property assessment and realty tax notices/statements, and utilities invoices for the Lands; and
- 1.1.20.7. a list of the Chattels (to the extent not listed in Schedule "B");
- 1.1.21. **"Property"** means the Lands and the Buildings;
- 1.1.22. **"Purchase Price"** means SIX MILLION, TWO HUNDRED THOUSAND DOLLARS (\$6,200,000.00);
- 1.1.23. **"Purchased Assets"** means:
 - 1.1.23.1. the Property;
 - 1.1.23.2. the Chattels; and
 - 1.1.23.3. the benefits of the Leases and Service Contracts arising from and after the Closing Date;
- 1.1.24. **"Purchaser's Condition"** has the meaning set out in Section 8.1 (if applicable);
- 1.1.25. **"Purchaser's Condition Waiver Date"** means N/A;
- 1.1.26. **"Purchaser's Solicitors"** means Morelli Chertkow LLP, Address: 300-180 Seymour Street, Kamloops, BC, V2C 2E3. Attention: Ben van der Gracht. Email: bvandergracht@morellichertkow.com
- 1.1.27. **"Service Contracts"** means all currently existing service contracts made by or on behalf of the Vendor relating to the Property;
- 1.1.28. **"Tenants"** means the residential tenants under the Leases;

1.1.29. “**Transfer**” means a transfer of the Lands in the form prescribed by the *Land Title Act* RSBC 1996, c 250 conveying the Lands to the Purchaser; and

1.1.30. “**Vendor’s Solicitors**” means Fulton & Company LLP.

1.2. **Currency**

All dollar amounts referred to are Canadian dollars.

1.3. **Construction**

The division and headings of this Offer to Purchase are for reference only and are not to affect construction or interpretation.

1.4. **Governing Law**

This Offer to Purchase shall be governed by the laws of British Columbia.

2. **PURCHASE AND SALE**

2.1. **Offer to Purchase of Purchase and Sale**

Upon acceptance of this Offer to Purchase, the Purchaser agrees to purchase and the Vendor agrees to sell the Purchased Assets on the Closing Date free and clear of all encumbrances other than Permitted Encumbrances for the Purchase Price and on the terms and conditions of this Offer to Purchase subject to the court approval process set out in section 2.3.

2.2. **Assignment**

The Purchaser shall have the right, upon written notice to the Vendor, to assign, nominate or designate this agreement, to an affiliated subsidiary, parent company, nominee or other related corporation controlled directly or indirectly by the Purchaser, provided the details of the assignment, including proof of existence of the assignee, are provided to the Vendor prior to the date the Vendor files a Notice of Application for Approval of Sale as set out in section 2.3 below. Notwithstanding any assignment or nomination, the original Purchaser shall remain fully liable for the performance of all obligations under this Agreement unless expressly released by the Vendor.

2.3. **Court Approval**

The acceptance of this offer by the Vendor must be approved by the Supreme Court of British Columbia before it may become effective. The Purchaser acknowledges and agrees that the date of the application for the Order for Approval of Sale will be at the sole discretion of the Vendor and the Vendor’s Solicitors. The Vendor agrees that it will not file application materials for an Order for Approval of Sale until the earlier of 14 days after acceptance of this Offer, or the date of confirmation of assignment of this Offer from the Purchaser, along with the relevant assignment details. The Vendor hereby advises the Purchaser that the Vendor’s obligations in connection with this Offer, until it is approved

by the Court, are limited to putting this Offer before the Court. Thereafter, the Vendor is subject to the jurisdiction and discretion of the Court to entertain other offers and to any further orders the Court may make regarding the Property. Given the Vendor's position, and the Vendor's relationship to other parties in the Liquidation Proceedings, the Vendor may be compelled to advocate for that the Court consider other offers in order to obtain the best offer for the Property. The Vendor gives no undertaking to advocate the approval of this Offer in Court. If the Court declines to approve this Offer, or subsequently vacates, sets aside or varies an Order approving this Offer for any reason whatsoever, then the Vendor shall not be liable to the Purchaser or any other person in any way whatsoever, in connection with this Offer.

2.4. Payment of Purchase Price

The Purchase Price for the Purchased Assets shall be paid by the Purchaser as follows:

- 2.4.1. by way of a deposit of THREE HUNDRED THOUSAND Dollars (\$300,000.00) (the "**First Deposit**") paid to the Vendor's Solicitors not later than three (3) Business Days after the Execution Date;
- 2.4.2. the balance of the Purchase Price shall be paid to the Vendor's Solicitors on the Closing Date by solicitor's certified trust cheque, certified cheque, bank draft or wire and/or the Large Value Transfer System as required, drawn on one of the five largest Canadian chartered banks as provided in Article 9 of this Offer to Purchase.

2.5. Deposit

The Vendor's Solicitor will hold the Deposit (or portion thereof) without liability for interest, provided it may, in its sole discretion, invest the Deposit (or portion thereof). The Vendor and the Purchaser agree that the Deposit and interest as may accrue thereon will be paid as follows:

- 2.5.1. to the Vendor on account of the Purchase Price contemporaneously with the completion of the sale and purchase contemplated by this Offer to Purchase;
- 2.5.2. to the Purchaser, if the Purchaser is not required to complete the purchase contemplated by this Offer to Purchase, on the date this Offer to Purchase becomes null and void (including under Section 1) or on the Purchaser's election not to complete;
- 2.5.3. to the Vendor if the purchase and sale contemplated by this Offer to Purchase is not completed by reason of the Purchaser's default as liquidated damages to the Vendor, without prejudice to any other remedy the Vendor may have at law or equity; and
- 2.5.4. if there is any dispute as to the disposition of the Deposit or interest thereon or any portion of either:

- 2.5.4.1. the monies in dispute shall be disbursed only in accordance with a joint written direction of the Vendor and the Purchaser, failing which such monies in dispute shall be held pending final judgment or order of a court of competent jurisdiction, which judgment is not appealed in the time limited for appeal, and shall be paid in accordance with such judgment; or
- 2.5.4.2. the monies shall be deposited with a court of competent jurisdiction by way of interpleader,

and the parties irrevocably direct and authorize the Vendor in the above regard.

The Purchaser and the Vendor agree that the provisions of this Section 2.5 shall survive the lapse or termination of the obligations of the parties hereunder regarding the sale and purchase of the Purchased Assets.

2.6. Allocation of Purchase Price

2.6.1. The Vendor and the Purchaser hereby agree that for the purpose of this Offer to Purchase, the Purchase Price set out above shall be allocated among the Purchased Assets as agreed upon between the parties prior to the Closing Date (the "**Allocated Purchase Price**"). The parties will use commercially reasonable efforts to agree upon an allocation of the Purchase Price among the Purchased Assets prior to the Closing Date, provided that a failure to reach an agreement prior to the Closing Date will not be a condition to the Vendor's or the Purchaser's obligation to complete the purchase and sale contemplated by this Offer to Purchase or affect or impair any of the rights or obligations of the parties under this Offer to Purchase. If, despite the commercially reasonable efforts of the Vendor and the Purchaser, the parties fail to agree upon the allocation of the Purchase Price among the Purchased Assets, then the Vendor and the Purchaser will be entitled to allocate the amount of the Purchase Price among the Purchased Assets as each such party may so choose.

2.6.2. Provided that the parties agree upon an Allocated Purchase Price prior to the Closing Date, the Vendor and the Purchaser will each complete all tax returns, designations and elections in a manner consistent with the Allocated Purchase Price and otherwise follow such allocation for all tax purposes on and subsequent to the Closing and not take any position inconsistent with such allocation. If such allocation is disputed by any governmental authorities, the party receiving notice of such dispute will promptly notify the other party and the parties will use commercially reasonable efforts to sustain such allocation. The parties will share information and cooperate to the extent reasonably necessary to permit the transactions contemplated by this Offer to Purchase to be properly, timely and consistently reported.

3. **DOCUMENTS AND INSPECTION**

3.1. **Project Documents**

If this Offer to Purchase becomes null and void (including under Section 1), the Purchaser shall thereupon return or destroy all Project Documents and all other material in its possession without retaining any copies thereof.

The Purchaser must indicate which Service Contracts it wishes to assume, if any (collectively, the “**Approved Service Contracts**”) by written notice to the Vendor delivered concurrently with the waiver or satisfaction of the Purchaser’s Condition.

3.2. **Inspection**

The Purchaser shall be entitled upon reasonable notice to the Vendor to enter the Property (subject to the rights of the Tenants) and carry out tests and inspections of the Property provided that a representative of the Vendor shall be provided the opportunity and shall be entitled to accompany the Purchaser during tests and inspection of the Property, and the Vendor shall have the right to approve invasive or intrusive inspections, tests and audits, if any are proposed by the Purchaser, prior to such inspections, tests and audits being undertaken. The Purchaser agrees to indemnify and hold the Vendor harmless from any physical damage to the Property or to the Vendor, its agents or employees, arising out of such entry. In carrying out such tests and inspections and entry the Purchaser shall not disrupt or unduly interfere with the Tenants.

3.3. **Authorization**

The Vendor will give the Purchaser such authorizations to meet with or correspond with appropriate governmental authorities for the purpose of conducting its tests and inspections of the Property as the Purchaser may reasonably require in that regard, provided that no such authorizations shall authorize or request any such authority to conduct any inspections or investigations with respect to the Property.

4. **GENERAL COVENANTS**

4.1. **Covenants of the Vendor**

The Vendor:

- 4.1.1. will from the date of execution and delivery of this Offer to Purchase by all parties hereto and until the Closing Date operate the Property as a prudent owner would do;
- 4.1.2. will not, before the waiver or satisfaction of the Purchaser’s Condition, enter into any lease agreement or contract which will affect any of the Purchased Assets other than in the ordinary course of business. After the waiver or satisfaction of the Purchaser’s Condition, the Vendor shall not enter into any of the foregoing without the prior written approval of the Purchaser, which approval may be withheld in the Purchaser’s sole discretion; and

4.1.3. shall at its own cost and expense, as of the Closing Date, cancel or terminate all Service Contracts other than Approved Service Contracts.

5. **ADJUSTMENTS AND RELATED MATTERS**

5.1. **Adjustments**

All adjustments, both incoming and outgoing, with respect to the Property, including taxes, utilities, rents, operating expenses, fuel, licences and other items normally adjusted between a vendor and purchaser in the sale of similar properties shall be adjusted as of the Closing Date so that the Vendor will bear and pay all expenses and receive all income related to the Property for the period prior to the Closing Date and, from and including the Closing Date, the Purchaser will bear and pay all expenses and receive all income related to the Property.

5.2. **Adjustment Determination**

Before the Closing Date, the Vendor and Purchaser will use their best efforts to determine all adjustments at Closing. Following the Closing Date, the Vendor and the Purchaser agree that there shall be no further readjustments unless otherwise agreed to in writing by the parties. For additional clarity, the Vendor will not be credited with arrears of rent and other charges and amounts owed to the Vendor by the Tenants prior to Closing (collectively the "Arrears"), but the parties agree to co-operate with each other in respect of the collection of the Arrears. The Vendor's sole remedies, in any event, will be to sue the Tenants for default in a debt action for recovery of Arrears. Payments received by the Purchaser after the Closing Date from the Tenants will be applied firstly to current rents and charges and the excess to the most recent Arrears.

6. **POSSESSION**

6.1. **Possession Date**

The Purchaser shall, upon completion of the sale and purchase, and subject to the Permitted Encumbrances, have possession of the Property as of the Closing Date.

7. **REPRESENTATIONS AND WARRANTIES**

7.1. **Vendor's Representations and Warranties**

The Vendor hereby represents and warrants to the Purchaser, that:

7.1.1. the Vendor has all necessary authority to execute and deliver this Agreement and all other documents and instruments contemplated herein or therein to which it is or will be party and to perform its obligations hereunder and thereunder;

7.1.2. the Vendor is the owner of the Purchased Assets and is selling them free and clear of all encumbrances other than the Permitted Encumbrances listed in Appendix A;

7.2. As Is Where Is

The Purchaser acknowledges, covenants and agrees that:

- 7.2.1. except as expressly set forth herein, it is purchasing the Purchased Assets on a strictly “as is, where is” basis and the Vendor is making no representations or warranties with respect to the Purchased Assets;
- 7.2.2. it enters into this Offer to Purchase relying solely on its own inspections, it has not relied on any documents or information provided by the Vendor or any representation or warranty given by or on behalf of the Vendor concerning the Purchased Assets except as otherwise expressly set out herein and it is the obligation of the Purchaser to satisfy itself (at the Purchaser’s sole cost and expense) on all matters relating to or affecting the Purchased Assets, including the following:
 - 7.2.2.1. the latent or patent defects, state of repair or condition of the Purchased Assets, environmental, soils, surface and ground water, physical or otherwise, including the presence or absence of Contaminants on, in, under or about the Property or any surrounding or neighbouring property;
 - 7.2.2.2. the development potential or the fitness of the Purchased Assets for the intended use of it by the Purchaser;
 - 7.2.2.3. the general condition and state of any improvements, equipment, utilities or other facilities or systems in, on, under or servicing the Purchased Assets;
 - 7.2.2.4. the boundaries and dimensions of the Property; and
 - 7.2.2.5. the access to and egress from, or past, present or future permitted uses or zoning of the Property and the bylaws of the municipality or any other governing authority which relate to any of the Property;
- 7.2.3. the Purchaser understands and agrees that the Vendor has no obligation to conduct any investigations, tests or studies or any due diligence review of any kind whatsoever with respect to the any matter relating to the Purchased Assets;
- 7.2.4. the Purchaser agrees and acknowledges that the Vendor is providing the Project Documents for purposes of notice only and delivery of such materials does not constitute a warranty or representation of any kind as to the quality or condition (whether environmental or otherwise) of the Property or the suitability or fitness of the Purchased Assets for any of the Purchaser’s purposes or intended uses whatsoever. The Vendor makes no representation or warranty as to the accuracy or completeness of any reports or information provided to the Purchaser hereunder;

- 7.2.5. the Purchaser forever releases the Vendor and the Liquidator and their directors, officers, shareholders, agents and employees from any and all Claims relating to any of the matters set out above in this Section 7.2 and the Purchaser further covenants and agrees that the Vendor and the Liquidator and their directors, officers, shareholders, agents and employees shall have no liability or obligation with respect to any of the matters described in this Section 7.2 any and all of which shall, on the Closing Date, be accepted and assumed by the Purchaser;
- 7.2.6. upon completion of the Purchaser's acquisition of the Purchased Assets, the Purchaser shall be deemed to have unconditionally and irrevocably waived and released the Vendor and the Liquidator and their officers, directors, shareholders, agents, consultants and representatives from any Claims relating to the environmental condition of the Property or neighbouring properties including any Claims related to the presence of any contaminants on, under or within the Property or neighbouring Property or the non-compliance of the Property or neighbouring properties with any Environmental Laws;
- 7.2.7. if on the Closing Date the Vendor is in default in any material respect under any of the covenants and agreements to be observed or performed by the Vendor under this Offer to Purchase, the Purchaser may elect not to complete the purchase of the Purchased Assets under this Offer to Purchase. Upon completion of the purchase and sale of the Purchased Assets on the Closing Date as herein provided, each party shall be deemed to have waived, to the extent it has actual knowledge of, any non-compliance with any term, covenant or condition by, or any inaccurate representation and warranty of, any other party; and
- 7.2.8. the provisions of this Section 7.2 shall survive the Closing.

7.3. **Purchaser's Representations and Warranties**

The Purchaser hereby represents and warrants to the Vendor, regardless of any independent investigations that the Vendor may cause to be made, that as at the date of this Offer to Purchase:

- 7.3.1. the Purchaser has the power, authority and capacity to purchase the Purchased Assets;
- 7.3.2. the execution and delivery of this Offer to Purchase does not conflict with any other agreement binding on the Purchaser and has been and the completion of this Offer to Purchase will have been by the Closing Date duly authorized by all necessary corporate action on the part of the Purchaser;
- 7.3.3. it is not, and will not be on the Closing Date, a "non-Canadian" within the meaning of the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* SC 2022, c 10, s. 235 and will provide a statutory declaration to that effect prior to the Closing Date.

8. CONDITIONS PRECEDENT

8.1. Purchaser's Condition

The Purchaser's obligation to complete the transaction contemplated by this Offer to Purchase is subject to no conditions.

9. CLOSING

9.1. Closing

The closing of the purchase and sale of the Purchased Assets (the "Closing") shall commence at 9:00 a.m. on the Closing Date in the offices of the Vendor's Solicitors and the parties shall co-operate to arrange submission of registrable documents to the Land Title Office early on the Closing Date.

9.2. Vendor's Closing Documents

At the Closing, the Vendor will deliver to the Purchaser's Solicitors in trust to be held in escrow as hereinafter provided the following, duly executed as appropriate and applicable:

- 9.2.1. the Transfer in registrable form;
- 9.2.2. a statement of adjustments approved by the Vendor;
- 9.2.3. an assignment and assumption agreement in respect of the Leases;
- 9.2.4. an assignment and assumption agreement in respect of any Approved Service Contracts;
- 9.2.5. letters addressed by the Vendor to the Tenants giving notice of the sale of the Property and directing that rent be paid to the Purchaser or as the Purchaser may direct;
- 9.2.6. if applicable, either:
 - 9.2.6.1. registrable releases of any liens, charges and encumbrances against all or any part of the Purchased Assets other than Permitted Encumbrances; or
 - 9.2.6.2. solicitor's undertakings in favour of the Purchaser's Solicitors and satisfactory to the Vendor's Solicitors and the Purchaser's Solicitors, each acting reasonably, providing for delivery and registration of such releases after completion upon receipt of the adjusted Purchase Price due to the Vendor on the Closing Date;
- 9.2.7. all keys and master keys to all units and facilities of the Property in the Vendor's possession;

- 9.2.8. copies of Leases as executed and leases entered into after the date of the Offer to Purchase to the extent not previously delivered to the Purchaser;
- 9.2.9. copies of the Service Contracts as executed to the extent not previously delivered to the Purchaser; and
- 9.2.10. such other documents as the Vendor's Solicitors may reasonably require to document the sale and purchase contemplated herein.

9.3. **Purchaser's Closing Documents**

At the Closing, following delivery into escrow by the Vendor of those documents described in Section 9.2, the Purchaser will execute and deliver to the Purchaser's Solicitors in escrow as hereinafter provided the following:

- 9.3.1. a wire transfer, payable through the Large Value Transfer System, payable to the Vendor or as the Vendor may direct, in an amount equal to the adjusted Purchase Price due to the Vendor on the Closing Date;
- 9.3.2. a statement of adjustments approved by the Purchaser;
- 9.3.3. an assignment and assumption agreement in respect of the Leases;
- 9.3.4. an assignment and assumption agreement in respect of any Approved Service Contracts;
- 9.3.5. the statutory declaration referred to in Section 7.3.3;
- 9.3.6. the GST Certificate; and
- 9.3.7. such other documents as the Purchaser's Solicitors may reasonably require to document the sale and purchase herein.

9.4. **Form of Documents**

All documents referred to in Sections 9.2 and 9.3 and not scheduled to this Offer to Purchase shall be prepared by the Purchaser's Solicitors (and delivered to the Vendor's Solicitors for review no later than five (5) Business Days prior to the Closing Date) and shall be in form and substance approved by the Purchaser's Solicitors and the Vendor's Solicitors, each acting reasonably. Certificates of officers of parties shall be on behalf of the party and not personally.

9.5. **Closing Escrow**

All documents, funds and cheques or bank drafts delivered by the Purchaser and the Vendor, except the Transfer, and any releases delivered pursuant to paragraph 9.2.6.1 shall be held in trust by the Purchaser's Solicitors in the Purchaser's Solicitor's offices until the Transfer, and any releases delivered pursuant to paragraph 9.2.6.1 have been accepted for registration in the Land Title Office and a satisfactory post index check

search has been received showing that title to the Lands will be registered in the name of the Purchaser subject only to the Permitted Encumbrances and any encumbrances granted by or claimed through the Purchaser at which time all documents and monies will be released to the appropriate parties.

It will be a condition of the Closing that all matters of payment, execution and delivery of documents by each party to the other and the acceptance for registration of documents in the Land Title Office, all pursuant to the terms hereof, shall be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the Closing until everything required as a condition precedent at the Closing has been paid, executed and delivered and until title in and to the Lands will be registered in the name of the Purchaser as aforesaid.

9.6. Purchaser's Financing

If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the Purchase Price on the Closing Date, may wait to pay the Purchase Price to the Vendor until after the new mortgage documents have been submitted for registration in the Land Title Office, but only if, before such submission, the Purchaser has:

- 9.6.1. deposited with the Purchaser's Solicitors that portion of the Purchase Price not secured by the new mortgage;
- 9.6.2. fulfilled all the new mortgagee's conditions for funding except submitting the mortgage for registration; and
- 9.6.3. made available to the Vendor, a lawyer's undertaking to pay the Purchase Price upon the submission for registration of the new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

9.7. Vendor's Financing

If the Vendor has existing financial charges to be cleared from title the Vendor, 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 Purchaser shall pay the Purchase Price to the Vendor's Solicitors, in trust, on undertakings to pay and discharge the financial charges and remit the balance, if any to the Vendor.

10. GENERAL

10.1. Further Assurances

Each of the parties shall execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Offer to Purchase.

10.2. **No Merger**

The parties agree that the execution and delivery of the closing documents according to Article 9 is not intended to and shall not in any way merge or otherwise restrict the terms, covenants, conditions, representations, warranties or provisions made or to be performed or observed by the parties contained in this Offer to Purchase other than their respective obligations to deliver the said closing documents.

10.3. **Entire Offer to Purchase**

This Offer to Purchase constitutes the entire agreement between the Vendor and the Purchaser pertaining to the purchase and sale of the Purchased Assets and supersedes all prior agreements and undertakings, negotiations and discussions, whether oral or written, of the Vendor and the Purchaser and there are no warranties, representations, covenants or agreements between the Vendor and Purchaser except as set forth herein.

10.4. **Notices**

Any notice, document or communication required or permitted to be given hereunder shall be in writing and delivered by hand or electronic transmission to the party to which it is to be given as follows:

To the Vendor:

WITMAR HOLDINGS LTD.
c/o C. CHEVELDAVE & ASSOCIATES LTD.
Unit 2 – I, 293 First Avenue,
Kamloops, B.C. V2J 3J3
Attention: Cecil Cheveldave
Email: ctcheveldave@telus.net

with a copy to:

Fulton & Company LLP
300 – 350 Lansdowne Street
Kamloops, BC V2C 1Y1
Attention: Mr. Hal Hicks
Email: hhicks@fultonco.com

To the Purchaser:

1288384 BC Limited
Attention: Kulwant Sangha
Email: kamloopsalpine@hotmail.com

and

Kesar Enterprises Inc.
Attention: Kav Sangha
Email: kav@thompsonhotel.ca

and

Huber Developments Ltd
Attention: Joe Huber
Email: jkhuber@prestigehotels.ca

With a copy to:

Morelli Chertkow LLP
Address: 300 – 180 Seymour Street,
Kamloops, B.C. V2C 2E3
Attention: Ben van der Gracht.
Email: bvandergracht@morellichertkow.com

or to such other address in the province of British Columbia as either party may in writing advise. Any notice, document or communication will be deemed to have been given when delivered or when transmitted by electronic means and received.

10.5. **Fees and Taxes**

- 10.5.1. Each of the parties will pay its own legal fees and fees of its consultants. The Purchaser shall pay all registration and property transfer taxes payable in connection with its purchase of the Purchased Assets.
- 10.5.2. The Purchaser shall be responsible for and pay all federal and provincial sales and other taxes payable by a purchaser upon or in connection with the conveyance or transfer of the Purchased Assets, including GST, PST or provincial retail sales tax, provided, however, that the Purchaser shall not be required to pay GST to the Vendor on Closing if it delivers a certificate containing an undertaking and indemnity (the “**GST Certificate**”) certifying, *inter alia*, that it is purchasing the Purchased Assets on its own behalf and not as trustee or agent for any third parties, confirming the Purchaser’s GST registration number (which registration number shall be provided to the Vendor’s Solicitors no later than two (2) Business Days before the Closing Date) and confirming that its registration is in full force and effect on Closing and has not been revoked or waived and that the Purchaser will indemnify and save harmless the Vendor and their shareholders, directors, officers, employees, advisors and agents from all Claims incurred, suffered or sustained as a result of a failure by the Purchaser:
- 10.5.2.1. to pay any federal, provincial or other taxes payable by the Purchaser in connection with the conveyance or transfer of the Purchased Assets whether arising from a reassessment

or otherwise, including GST, PST and provincial retail sales tax, if applicable; and/or

10.5.2.2. to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the conveyance or transfer of the Purchased Assets.

10.5.3. This Section 10.5 shall survive and not merge on Closing.

10.6. Real Estate Commissions

The Vendor acknowledges and agrees that it is the Vendor's obligation to pay any real estate commissions, agent's fees or other payments to CBRE Limited and William Wright Commercial Inc. in connection with the sale of the Purchased Assets.

The Vendor further agrees that the cooperating real estate commission payable to the brokerage (Century 21 Assurance Realty Ltd) representing the Buyer shall be fifty percent (50%) of the total gross real estate commission payable by the Vendor on the sale of the property, plus applicable taxes, and such amount shall be paid in full on completion. The Vendor shall not reduce, offset, cancel or otherwise interfere with the payment of such commission without the prior written consent of the Buyer's brokerage.

10.7. Time

Time shall be of the essence of this Offer to Purchase, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors who are hereby expressly appointed in this regard.

If the time limited for the performance or completion of any matter under this Offer to Purchase expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day.

10.8. Tender

Any tender of documents or money may be made upon the party being tendered or upon its solicitors and money may be tendered by wire transfer (including by way of the Large Value Transfer System as required), solicitor's certified trust cheque, certified cheque or bank draft drawn on one of the five largest Canadian chartered banks.

10.9. Enurement

This Offer to Purchase shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns and reference to any party includes reference to its successors and permitted assigns.

10.10. Assignment

The parties hereto expressly acknowledge and agree that the rights of the Purchaser under this Offer to Purchase may not be assigned without the prior written consent of the Vendor.

10.11. **Counterparts**

This Offer to Purchase may be executed in counterparts and when each party has executed a counterpart each of such counterparts shall be deemed to be an original and all of such counterparts when taken together shall constitute one and the same agreement.

10.12. **Execution Electronically**

This Offer to Purchase or a counterpart hereof may be executed by a party hereto and transmitted electronically and if so executed and transmitted this Offer to Purchase will be for all purposes as effective and binding upon such party as if such party had delivered an originally executed document.

10.13. **Confidentiality**

The parties shall keep confidential all information provided to them respectively by any other party hereto pursuant to this Offer to Purchase and shall keep confidential the terms of this Offer to Purchase, except:

- 10.13.1. for the purposes of any litigation which ensues relating to this Offer to Purchase;
- 10.13.2. for the purposes of any reports required to be made by them respectively under any statute or by law;
- 10.13.3. for the purpose of dealings with their accountants, lawyers and other professionals in the administration of their respective business; and
- 10.13.4. for the purpose of anything required under this Offer to Purchase.

11. **SCHEDULES**

The following Schedules are incorporated into and form an integral part of this Offer to Purchase:

Schedule "A" – Legal Description and Permitted Encumbrances

Schedule "B" – Chattels

[signature page follows]

DS Initial DS Initial Initial

20

27th

This Offer to Purchase is irrevocable and is open for acceptance by the Vendor up to 2:00 p.m. PST on the ~~25th~~ day of March, 2026 and, upon acceptance by the Vendor, will constitute a binding agreement for the purchase and sale of the Purchased Assets on the terms and conditions contained herein. In the event that this Offer to Purchase is not accepted by the Vendor on or before the aforesaid time and date, then this Offer to Purchase shall be null and void.

IN WITNESS WHEREOF this Offer to Purchase has been executed as of the day and year first above written.

PURCHASER

1288384 BC Limited and / or nominee

Per: *Kulwant Sangha*
Kulwant Sangha

And

Kesar Enterprises Inc.

Per: *Kav Sangha*
Kav Sangha
DocuSigned by: A202A0A115A34AB...

And

Huber Developments Limited

Per: *Joe Huber*
Joe Huber
Signed by: AADAGG7384B44E7...

This Offer to Purchase is accepted by the Vendor this 26th day of
March, 2026

VENDOR

WITMAR HOLDINGS LTD.,
by **C. CHEVELDAVE & ASSOCIATES**
LTD., in its sole capacity as liquidator of
WITMAR HOLDINGS LTD., and not in its
personal or corporate capacity.

Per: 

Authorized Signatory
3/26/2026

SCHEDULE "A"

PART 1 - LEGAL DESCRIPTION OF THE LANDS

PID: 003-770-974

LOT C, DISTRICT LOT 127 OSOYOOS DIVISION YALE DISTRICT PLAN 31209

PART 2 - PERMITTED ENCUMBRANCES

Those exceptions and limitations set out in Section 23(2) of the *Land Title Act* (British Columbia), including those exceptions and reservations contained in the original Crown grant or contained in any other grant or disposition from the Crown.

The Leases.

Legal Notations

NONE

Charges, Liens and Interests:

SRW T14909, SRW T14910

SCHEDULE "B"
DESCRIPTION OF CHATTELS

TBD

ASSIGNMENT OF CONTRACT OF PURCHASE AND SALE

THIS ASSIGNMENT made as of the 8th day of April, 2026

BETWEEN:

HUBER DEVELOPMENTS LIMITED, of 102 – 1635 Abbott Street, Kelowna, B.C., V1Y 1A9

(“Huber”)

AND:

KESAR ENTERPRISES INC., of 1830 Red Tail Crescent, Kamloops, B.C., V2B 8S9

(“Kesar”)

AND:

1288384 BC LIMITED, of 940 Glasgow Place, Kamloops, B.C., V1S 1L2

(“128” and collectively with Huber and Kesar, the “Assignor”)

AND:

DILWORTH HOLDINGS LTD., of 712 Seymour Street, Kamloops, B.C., V2C 2H3

(the “Assignee”)

AND:

WITMAR HOLDINGS LTD., by **C. CHEVELDAVE & ASSOCIATES LTD.**, in its sole capacity as liquidator **WITMAR HOLDINGS LTD.**, and not in its personal or corporate capacity, of Unit 2 – I, 293 First Avenue, Kamloops B.C. V2J 3J3

(the “Vendor”)

WHEREAS:

- A. Under a contract of purchase and sale dated March 20, 2026 , made between the Vendor and the Assignor as purchaser, as amended (the “Contract of Purchase and Sale”), a copy of which is attached hereto as Schedule “A”, the Vendor agreed to sell and the Assignor agreed to purchase certain lands and premises commonly known as 1755 Dilworth Drive, Kelowna, BC and legally described as PID: 003-770-974, Lot C, Plan KAP31209 District Lot 127 Osoyoos Divisions of Yale Land District (the “Property”);

- 2 -

- B. The Assignor has agreed to assign all of its right, title, and interest in and to the Contract of Purchase and Sale and the Property to the Assignee, and the Assignee has agreed to accept such assignment on the terms and conditions set out in this Assignment; and
- C. Clause 10.10 of the Contract of Purchase and Sale requires the consent of the Vendor to any such assignment of the Contract of Purchase and Sale and the Assignor and the Assignee have requested that the Vendor grant its consent.

NOW THEREFORE in consideration of the premises and \$10.00 now paid by the Assignee to the Assignor (the receipt and sufficiency of which are acknowledged), the parties covenant and agree as follows:

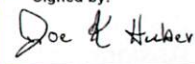
- 1. **Assignment**—The Assignor absolutely assigns, transfers, and sets over to the Assignee all of the right, title, benefit, and interest of the Assignor in, to, and under the Contract of Purchase and Sale, including the deposit of \$300,000.00 paid by the Assignor (the “Deposit”), and the Property.
- 2. **Assignment Fee and Deposit Credit**—Concurrently, with the execution of this Assignment, the Assignee shall pay to the Assignor \$10.00 in consideration of this Assignment together with \$300,000.00 as a reimbursement of the Deposit.
- 3. **Assumption by Assignee**—The Assignee covenants and agrees to:
 - (a) perform and observe all covenants, conditions, and obligations of the Assignor under the Contract of Purchase and Sale from and after the date hereof (the “Assumed Obligations”); and
 - (b) remove in a timely fashion all subject conditions for the benefit of the Assignor and pay all increased deposits resulting from the removal of the subject conditions.
- 4. **Representations and Warranties**—The Assignor makes the following representations and warranties (which will survive the closing of the transaction contemplated by the Contract of Purchase and Sale):
 - (a) the copy of the Contract of Purchase and Sale attached as Schedule A constitutes the entire agreement between the Vendor and the Assignor with respect to the Property and has not been modified or amended in any way;
 - (b) the Deposit has been duly paid as provided in the Contract of Purchase and Sale;
 - (c) the Contract of Purchase and Sale is valid and subsisting;
 - (d) the Assignor has not previously assigned or otherwise transferred any of its rights under the Contract of Purchase and Sale;
 - (e) the Assignor has full power and authority to assign the Contract of Purchase and Sale to the Assignee in accordance with the terms of this Assignment; and
 - (f) the Assignor is not in breach of any of its obligations under the Contract of Purchase and Sale.

5. **Consent to Assignment**—The Vendor consents to the assignment by the Assignor to the Assignee of all of the Assignor's right, title and interest in and to the Contract of Purchase and Sale and the Property.
6. **Further Assurances**—Each of the parties shall execute and deliver, at the request of the other, all such further documents and instruments, and shall do all things that are necessary to give full effect to the intent and meaning of this Assignment.
7. **Enurement**—This Assignment shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.
8. **Time of the Essence**—Time shall be of the essence of this Assignment and of all the transactions contemplated in it.
9. **Counterparts** - This Agreement and all documents ancillary to this Agreement that require signature by more than one party may, unless indicated otherwise, be executed physically or digitally in as many counterparts as may be necessary including counterpart electronic documents, each of which shall together, for all purposes, constitute one and the same instrument, binding on the parties, and each of which shall together be deemed to be an original, notwithstanding that all of the parties are not signatory to the same counterpart or electronic document.

IN WITNESS WHEREOF the parties have set their hands and seals all as of the day and year first above written.

[Remainder of page left intentionally blank; signature page(s) to follow]

HUBER DEVELOPMENTS LIMITED, by its authorized signatory(ies):

Signed by:

AABACC7394D44E7...
(signature above)
Print Name: Joe K Huber

(signature above)
Print Name: _____

KESAR ENTERPRISES INC., by its authorized signatory(ies):

DocuSigned by:

A2C2A8A115A34AB...
(signature above)
Print Name: Kav Sangha

(signature above)
Print Name: _____

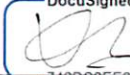
1288384 BC LIMITED, by its authorized signatory(ies):

DocuSigned by:

742BC3EE2E4A44D...
(signature above)
Print Name: Kulwant Sangha

(signature above)
Print Name: _____


DILWORTH HOLDINGS LTD., by its authorized signatory(ies):

DocuSigned by:

742BC3EE2E4A44D...
(signature above)
Print Name: Kulwant Sangha

DocuSigned by:

A2C2A8A115A34AB...
(signature above)
Print Name: Kav Sangha

WITMAR HOLDINGS LTD., by C. CHEVELDAVE & ASSOCIATES LTD., in its sole capacity as liquidator **WITMAR HOLDINGS LTD.**, and not in its personal or corporate capacity, by its authorized signatory(ies):

DocuSigned by:

B3F3D10EA2F04A3...
(signature above)
Print Name: Cecil Cheveldave

(signature above)
Print Name: _____

Signed by:

AABACC7394D44E7...
Joe K Huber

No. KEL-S-S-127397
Kelowna Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALBERT WEISSTOCK

PETITIONER

AND:

**WALTER WEISSTOCK, ANTONY WEISSTOCK, SILVIA
RITA GERARD, WITMAR HOLDINGS LTD., DONALD
JAMES RAMSAY (ADMINISTRATOR OF THE ESTATE OF
MARIA CONCETTA WEISSTOCK), 1100748 B.C. LTD.,
ANTONY WEISSTOCK (TRUSTEE OF THE WILLY AND
MARIA CONCETTA WEISSTOCK TRUST), and
ISLANDVIEW COUNTRY ESTATES LTD.**

RESPONDENTS

AFFIDAVIT

FILE NO. 077284-0002
Revised: Apr 21/26 12:46

HRH/dns

FULTON & COMPANY LLP
Lawyers & Trade-mark Agents
300 – 350 Lansdowne Street
Kamloops, B.C.
V2C 1Y1
Phone: (250) 372-5542