



Form 109 (Rule 22-2(2) and (7))

This is the 3rd Affidavit
of Donald Bergman in this case
and was made on 19 Jan/2018

NO. S1710393
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
ALL CANADIAN INVESTMENT CORPORATION

AFFIDAVIT

I, Donald Bergman, of Suite 2-781 Marine Park Drive, Salmon Arm, British Columbia, Businessman,
SWEAR (OR AFFIRM) THAT:

1. I am the sole director and the president of the Petitioner, All Canadian Investment Corporation, and as such have personal knowledge of the facts hereinafter deposed, except where such facts are stated to be based upon information and belief and where so stated I do verily believe the same to be true.
2. Capitalized terms not defined in this Affidavit shall have the same meaning ascribed to them in the Petition filed herein and the Initial Order pronounced November 10, 2017.
3. I swear this Affidavit in support of the Petitioner's application for:
 - (a) An Order approving the sale of Lot 184 (as defined below);

- (b) An Order approving the release and settlement of the Otter Bay Loan and Mendes Loan (both as defined below); and
- (c) An Order approving the release and settlement of the Grand Manor Loan (as defined below).

4. As stated in the Petition and in my first Affidavit sworn on November 7, 2017, the Petitioner has sought protection pursuant to the CCAA in order to develop a plan of compromise or arrangement (a "**Plan**") to present to its stakeholders that would involve a fair, controlled and orderly wind-down of its business operations, with the assistance and oversight of the Monitor.

5. On or about December 5, 2017, the Petitioner obtained an Order of the Court extending the Stay Period to March 9, 2018.

6. Since the date of the Initial Order and the extension of the Stay Period, the Petitioner has continued to manage the daily operations of the business and explore restructuring options, including the sale of its Real Property and collection of the outstanding amounts owing to it from its Borrowers.

7. The Petitioner's efforts have resulted in the sale of Lot 184 and the settlement of the Otter Bay Loan, the Mendes Loan and the Grand Manor Loan, which are described in further detail below.

8. I verily believe that the transactions are reasonable and fair in the circumstances, and are in the best interest of the Petitioner's stakeholders.

Sale of Lot 184

9. As described in the Petition, the Petitioner currently owns five (5) properties registered in its name. The properties were transferred from a Borrower to the Petitioner in or about August 2015 as repayment for the Borrower's outstanding loan owed to the Petitioner at that time.

10. Two (2) of the five (5) lots owned by the Petitioner are located on or near Lee Road, Garden Bay, Pender Harbour, B.C. (the "**Garden Bay Properties**"). The Garden Bay Properties have the following civic addresses and PIDs:

- (a) 13562 Lee Road, Garden Bay
027-093-387
Lot 184 District Lot 3923 Group 1
New Westminster District Plan BCP30066
("Lot 184")
- (b) 026-169-436
Lot 137 District Lot 3923 Group 1
New Westminster District Plan 15556

11. Lot 184 consists of a 2.58 acre lot with a partially constructed, unfinished residence. The residence is approximately 50% complete. The exterior of the residence is completed to lock-up

and no interior work has commenced. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a true copy of the land title search for Lot 184.

12. The Petitioner listed Lot 184 for sale beginning on or about June 28, 2017 on a MLS basis and the property was advertised by a local real estate agent and firm. Attached hereto and marked as **Exhibit "B"** to this my Affidavit is a marketing report from the Petitioner's listing agent.

13. From June 28, 2017 to August 8, 2017, the list price for Lot 184 was \$629,000. The property received no showings at this list price.

14. Due to the lack of interest and showing activity, for the period from August 8, 2017 to December 11, 2017, the list price was reduced to \$599,000. Although there were three scheduled showings, none of the showings resulted in an offer.

15. I have been advised by the real estate agent for Lot 184, Dave Milligan of Royal LePage, that he had received feedback from realtors and potential buyers that the unfinished state of construction of the residence, steep easement of the road and lack of any connected services (i.e. hydro) made the purchase price of the property too cost prohibitive for buyers.

16. I believe that the costs to complete construction of the residence on Lot 184 to be approximately \$350,000 to \$400,000 as per my conversation with a local contractor.

17. Following discussions with the real estate agent, the Petitioner decided to reduce the price on or about December 11, 2017 to \$399,000. The reduction immediately resulted in four showings of the property, one of which led to an offer (the "**Lot 184 Offer**") to purchase Lot 184 for \$395,000. Attached hereto and marked as **Exhibit "C"** to this my Affidavit is a true copy of the Lot 184 Offer.

18. The Petitioner has accepted the Lot 184 Offer, subject to approval of this Honourable Court.

19. I have been advised by the real estate agent that there have been no successful sales of comparable properties in the Pender Harbour area in the time period that Lot 184 has been listed for, although there are currently properties listed for sale.

20. Lot 184 has a 2018 B.C. Assessment Value of \$587,000, which is comprised of \$343,000 for the land and \$244,000 for the improvement. I verily believe that the assessment for the value of the improvement, i.e. the building, is high. Although the building's exterior appears complete, the interior is unfinished. Accordingly, I believe that the assessed value for the improvement should be lower. Attached hereto and marked as **Exhibit "D"** to this my Affidavit is a true copy of the B.C. Assessment Roll Report for Lot 184.

21. The Lot 184 Offer is the best and only offer the Petitioner has received to purchase Lot 184. Although the purchase price is lower than the assessed value, it is clear that the property has not garnered interest that supports a value greater than the Lot 184 Offer.

22. The Lot 184 Offer has a closing date of January 25, 2018. The closing of the transaction will result in the paydown of Fisgard Capital Corporation's secured debt, which had approximately \$1,308,193.81 outstanding as of November 10, 2017. The payment is another step forward in the Petitioner's restructuring efforts.

Settlement of the Otter Bay Loan and the Mendes Loan

23. As part of its restructuring proceedings, the Petitioner has reviewed and considered the status of the Loans in its Loan Portfolio. In particular, I have communicated with Borrowers in an effort to expedite payment of the outstanding loans. In some instances, I have had to assess and consider whether settlement of certain Loans for an amount less than the amount outstanding would be fair and reasonable given the circumstances.

24. Two of the Loans I have come to review are loans to Seamount Investments Ltd. ("**Seamount**") with respect to properties located in Otter Bay, Pender Island (the "**Otter Bay Loan**") and to Joe Mendes (the "**Mendes Loan**"). Mr. Mendes is the president and director of Seamount. Following discussions I have had with both Seamount and Mr. Mendes, we reached a settlement on the outstanding amount of both loans for an immediate payment of \$500,000 (the "**Otter Bay Settlement Agreement**").

25. I verily believe that the Otter Bay Settlement Agreement is fair and reasonable in the circumstances, and is in the best interest of the Petitioner's stakeholders. The Petitioner is seeking approval of the Otter Bay Settlement Agreement from this Honourable Court.

26. Pursuant to a loan agreement dated February 18, 2010 and promissory note dated March 24, 2010, the Petitioner provided the Otter Bay Loan to Seamount, which was in the amount of \$1,655,500 (the "**2010 Loan Agreement**"). Pursuant to the 2010 Loan Agreement, the Otter Bay Loan had an interest rate of 12% per annum and interest was to be paid quarterly. Attached hereto and marked as **Exhibit "E"** to this my Affidavit is a true copy of the 2010 Loan Agreement and promissory note.

27. The funds were used by Seamount to purchase cottages consisting of 27 quarter share units located as a part of a resort called "The Currents" located in Otter Bay, Pender Island (the "**Otter Bay Properties**") from a foreclosure proceeding. Development of The Currents originally began in 2005. The original developer's plan was to build 33 cottages and resort facilities including a marina, and to sell the cottages as quarter share ownership unit time shares. The original developers of The Currents eventually faced financial difficulties due to poor sale performance and the entire development project became subject to the foreclosure proceedings, from where Seamount purchased the 27 quarter units in May 2010.

28. At the time of Seamount's purchase of the Otter Bay Properties, the 2010 assessed value for the 27 units was a total of \$2,886,750. The total assessed value and the assessed value per unit were significantly higher than they are now. As a comparison, the B.C. 2018 Assessment Report value for the 27 units is \$1,261,400. Attached hereto and marked as **Exhibit "F"** to this my Affidavit is a summary of the 2010 assessed values of the Properties and copies of the 2010 Rural Property Tax Notices for the units setting out their assessed values.

29. Seamount's intentions were to purchase the Otter Bay Properties, continue with the development and ultimately sell the units for profit. Unfortunately, like the original developers, Seamount encountered great difficulty selling the units. Since 2010, Seamount has only been able to sell a total of 12 of the 27 units. Between 2010 to September 2014, Seamount was only able to repay a total of \$91,625.60 in principal to the Petitioner, leaving a total principal amount outstanding of \$1,563,874.40.

30. The terms of the Otter Bay Loan were amended pursuant to a loan agreement between Seamount and the Petitioner dated October 1, 2014 and promissory note from Seamount (the "**2014 Loan**")

Agreement”). Pursuant to the 2014 Loan Agreement, the term of the Otter Bay Loan was extended. Attached hereto and marked as **Exhibit “G”** to this my Affidavit is a true copy of the 2014 Loan Agreement.

31. Due to the difficulties faced by Seamont with repaying the Otter Bay Loan, the terms of the loan were subsequently amended by a loan agreement between Seamont and the Petitioner dated October 1, 2016 and promissory note from Seamont (the **“2016 Loan Agreement”**). The amended terms of the Otter Bay Loan provided for a loan amount of \$1,563,874.40 with a 2 year maturity date of October 1, 2018. Interest was lowered from 12% per annum pursuant to the 2014 Loan Agreement to 6% per annum, paid quarterly, so that Seamont could continue to meet its interest payment obligations. Attached hereto and marked as **Exhibit “H”** to this my Affidavit is a true copy of the 2016 Loan Agreement.

32. Pursuant to the 2014 Loan Agreement and 2016 Loan Agreement, the security provided by Seamont for the Otter Bay Loan were equitable mortgages over seven Otter Bay Properties owned by Seamont. As of the date of this Affidavit, the Otter Bay Properties, the remaining number of quarter share units to be sold and the assessed values of the units are as follows:

	Property	Number of 1/4 share units sold to date	2018 B.C. Assessed value of Property (total units owned)	Remaining number of 1/4 share units to be sold	2018 Assessed value of 1 unit*	Total Assessed Value of remaining units**
1	PID 026-659-450 #9 2315 Mackinnon Rd, Pender Island, B.C.	0 units	\$245,200	4 units	\$61,300	\$245,200
2	PID 026-659-468 #10 2315 MacKinnon Rd, Pender Island, B.C.	4 units	\$252,300	0 units	\$63,075	-
3	PID 026-659-476 #11 2315 Mackinnon Rd, Pender Island, B.C.	4 units	\$243,900	0 units	\$60,975	-
4	PID 026-659-484 #12 2315 Mackinnon Rd, Pender Island, B.C.	0 units	\$148,700	4 units	\$37,175	\$148,700
5	PID 026-659-506 #14 2315 Mackinnon Rd, Pender Island, B.C.	0 units	\$116,400	3 units	\$38,800	\$116,400
6	PID 026-659-654 #29 2315 Mackinnon Rd, Pender Island, B.C.	4 units	\$98,100	0 units	\$24,525	-
7	PID 026-659-689 #32 2315 MacKinnon Rd, Pender Island, B.C.	0 units	\$156,800	4 units	\$39,200	\$156,800
Total		12 units	\$1,261,400	15 units	-	\$667,100

*2018 assessed value / 4 units

**2018 assessed value / 4 x number of units remaining

33. Attached hereto and marked as **Exhibit “I”** to this my Affidavit are true copies of the 2018 B.C. Assessment Roll Reports for the above properties.

34. The average assessed value for each quarter share unit is approximately \$46,435.
35. The total assessed value of the remaining 15 units to be sold is \$667,100.
36. There is no other security, such as guarantees or general security agreements, given by Seamont to the Petitioner for the Otter Bay Loan.

37. Unfortunately, there are no interested buyers in the units listed by Seamont. From my review of the Otter Bay Properties, The Currents development and my discussions with Seamont, I believe that the reasons for the lack of interest include:

- (a) Expensive strata and maintenance fees and property taxes, which are approximately \$325/month for each quarter share ownership unit.
- (b) The available option to rent units at The Current for as low as \$112/night and \$672/week, making it more desirable for vacationers to rent a unit than purchase one given the expensive monthly fees described above.
- (c) The impending need for major repairs for the cottages, which are over 12 years old, including roof and balcony repair. As the cottages are close to the ocean, the sea air has been particularly destructive over the years.
- (d) The restrictions on water use by the municipality of Pender Harbour, which greatly restricts an owner's ability to run his/her unit as a rental unit as amenities such as laundry services are required to be shipped off site, making it cost prohibitive to make a profit renting a unit out to vacationers.

38. In addition, Seamont is faced with competing listings from other sellers in The Currents development who have listed their quarter share units at prices between \$32,000 to \$36,000. Accordingly, it would be very unlikely that a purchaser would pay any more than those list prices for units. Attached hereto and marked as **Exhibit "J"** to this my Affidavit are true copies of two competing units listed at The Currents for \$32,000 and \$36,000 each.

39. As of the date of December 2017, the total principal and interest amount outstanding on the Otter Bay Loan is approximately \$1,474,533.79. Based on my assessment of the state of the sale process thus far and issues described above, it is highly unlikely that Seamont will be successful in selling the remaining units in the next year or even few years for an amount that would see a repayment of the outstanding amount owed to the Petitioner.

40. As the Petitioner is in the process of winding down its business, it will have to consider the means by which it can maximize value from this non-performing loan. From my review, the Petitioner has two options:

- (a) Enforce on its security and take ownership of the remaining 15 quarter share units in satisfaction of the Otter Bay Loan; or
- (b) Settle the outstanding amount of the Otter Bay Loan with Seamont for a lesser amount.

41. In my view, the first option is not ideal and is not in line with the Petitioner's goal of winding down its business operations. There is little doubt that the Petitioner will encounter the same difficulties faced by Seamont in selling the properties. As there are comparable units currently listed between \$32,000 to \$36,000, it is unlikely that the Petitioner would receive an offer for much higher. If all 15 units were sold for \$32,000 each, the total sale proceeds would be \$480,000, which would be insufficient to cover the outstanding amount of the Otter Bay Loan.

42. Further, if the Petitioner were to take ownership of the remaining units, it would be responsible for the strata and maintenance fees, as well as the property taxes, until the properties are sold. The fees are approximately \$325/month for each unit. For all the remaining 15 units, the fees would be approximately \$4,875/month, and \$58,500/year. The Petitioner would also be responsible for additional costs such as the anticipated upcoming roof and balcony repairs. These costs would have to be paid out of the Petitioner's cash flow, which would ultimately affect the amount available to the Petitioner's stakeholders.

43. Seamont has offered to settle the outstanding amount of the Otter Bay Loan for \$425,000, payable immediately. The offer has been accepted by the Petitioner, which I understand is subject to approval by this Honourable Court. Attached hereto and marked as **Exhibit "K"** to this my Affidavit is a true copy of the Otter Bay Settlement Agreement.

44. From March 2010 to December 2017, Seamont has repaid a total amount of \$220,840.10 in principal and a total of \$1,360,996.04 in interest on the Otter Bay Loan. As of the date of this Affidavit, Seamont has paid \$1,581,836.14 to the Petitioner on account of the Otter Bay Loan. Accordingly, the Petitioner has recouped the principal amount of the Otter Bay Loan from Seamont's payments of principal and interest to date. Attached hereto and marked as **Exhibit "L"** to this my Affidavit is a schedule detailing the payments made and amounts outstanding.

45. I believe that it is in the best interest of the Petitioner and its stakeholders that the Otter Bay Loan is collected on and settled. Although the settlement amount of \$425,000 is lower than the outstanding principal amount of \$1,474,533.79, the situation is such that the Petitioner is highly unlikely to obtain anything significantly higher from enforcing on its security in these circumstances.

46. Although there is still a large amount outstanding on the Otter Bay Loan, over the course of the term of the loan, the Petitioner has been paid the equivalent of the principal amount of the loan in interest payments and principal repayments. The Otter Bay Loan is not performing well and an impending payout is not realistic. Accordingly, I believe that it is in the best interest of the Petitioner and its stakeholders to accept the Otter Bay Settlement Agreement.

47. In addition to the settlement of the Otter Bay Loan, the Otter Bay Settlement Agreement provides for a settlement of the Mendes Loan. Pursuant to an agreement dated March 16, 2011 between Mr. Mendes and the Petitioner, the Petitioner loaned Mr. Mendes \$100,000 on an unsecured basis.

48. Since the date of the Mendes Loan, Mr. Mendes has only made one repayment of \$25,000 on the principal or about December 31, 2016. There have been minimal payments of interest made to date. As of December 2017, the outstanding amount of principal is \$75,000 and the outstanding amount of principal and interest is approximately \$91,304.74. Attached hereto and marked as **Exhibit "M"** to this my Affidavit is a schedule detailing the payments made and amounts outstanding.

49. Mr. Mendes is the president and director of Seamont and advised me that he could settle both debts quickly for \$500,000. Given the low value in the remaining units to be sold, Seamont will not be able to make payment in full. As there was no security given for the Mendes Loan, the Petitioner will encounter difficulties enforcing on the non-performing loan. Any collection efforts will also be costly and are not guaranteed to be fruitful. I believe that settling the outstanding amount of the Mendes Loan for \$75,000 is reasonable in the circumstances.

Settlement of the Grant Manor Loan

50. The Petitioner has also been in discussions with Seamont regarding the payment its other remaining Loan in the Loan Portfolio, being a loan (the "**Grant Manor Loan**") with respect to a property located at 6921 Grant Road, Sooke, B.C. (PID 002-408-333)(**"Grant Manor"**).

51. Following discussions with Seamont regarding the Grant Manor Loan, Seamont made an offer to settle the outstanding amount of the loan for an immediate payment of \$600,000 (the "**Grant Manor Settlement Agreement**").

52. I verily believe that the Grant Manor Settlement Agreement is fair and reasonable in the circumstances, and is in the best interest of the Petitioner's stakeholders. The Petitioner is seeking approval of the Grant Manor Settlement Agreement from this Honourable Court.

53. Seamont and the Petitioner entered into a loan agreement dated November 16, 2011 whereby the Petitioner would lend Seamont up to \$1.9 million for the purchase of Grant Manor (the "**2011 Loan Agreement**"). The Petitioner advanced \$1.7 million to Seamont to purchase Grant Manor, which was subject to foreclosure proceedings at the time. The Petitioner was granted a mortgage charge on Grant Manor in first priority. Because the property could only support an interest rate at 8%, the Petitioner accrued the additional 4% for a total interest rate of 12%. Attached hereto and marked as **Exhibit "N"** to this my Affidavit is a true copy of the 2011 Loan Agreement.

54. In 2012, the Petitioner suggested to Seamont that Seamont could pay down some of the principal on the Grant Manor Loan by obtaining conventional first mortgage financing. Pursuant to an agreement dated February 1, 2013, Seamont agreed to a payment of \$1.1 million towards the Grant Manor Loan and the Petitioner agreed to a discharge of the Petitioner's \$1.7 million mortgage (the "**2013 Loan Agreement**"). The parties further agreed that the Petitioner would hold a non-registered mortgage in second place on Grant Manor. Attached hereto and marked as **Exhibit "O"** to this my Affidavit is a true copy of the 2013 Loan Agreement.

55. Pursuant to an agreement dated October 1, 2016 between the Petitioner and Seamont, the terms of the Grant Manor Loan was amended to a maturity date of October 1, 2018 ("**2016 Loan Agreement**"). The interest rate was amended to 6% so that Seamont could continue to meet its interest payment obligations. Attached hereto and marked as **Exhibit "P"** to this my Affidavit is a true copy of the 2016 Loan Agreement.

56. The Royal Bank of Canada currently has a mortgage registered in first place on the property. I verily believe that the principle amount of that mortgage is \$1.2 million. The Petitioner never registered a mortgage again on Grant Manor. Attached hereto and marked as **Exhibit "Q"** to this my Affidavit is a true copy of the land title search for Grant Manor.

57. The Royal Bank of Canada also has a security interest registered in the B.C. Personal Property Registry (the "PPR") over all of Seamont's present and after-acquired personal property and real property situated at Grant Manor. The Petitioner does not have a security interest registered in the PPR against Seamont. Attached hereto and marked as Exhibit "R" to this my Affidavit is a true copy of the PPR search for Seamont as debtor.

58. As of December 31, 2017, Seamont owes \$759,846.20 in principal and accrued interest on the Grant Manor Loan. Over the years, Seamont has repaid \$1.1 million in principal and \$389,965.74 in interest. If the settlement payment of \$600,000 is accepted, then Seamont would have repaid the total principal amount plus \$389,965.74 in interest payments. Although this leaves \$159,846.20 outstanding in interest owed, I believe that accepting the settlement now for an immediate payment is better in the circumstances for the Petitioner and its stakeholders than waiting on repayment at an unforeseen time in the future that may or may not come. Attached hereto and marked as Exhibit "S" to this my Affidavit is a schedule detailing the payments made and amounts outstanding.

59. In my view, settlement of the Grant Manor Loan at this time for an upfront, immediate payment will provide more benefit to the Petitioner and its stakeholders as the future of this loan is uncertain.

60. The Otter Bay Loan and the Grant Manor Loan are the only two Loans to Seamont.

61. As part of the Petitioner's restructuring proceedings, the Petitioner collecting on the Loans to wind up its business, particularly on those that are non-performing or where there is little prospect of repayment in the near future. The settlement of the Otter Bay Loan and the Grant Manor Loan is in line with the Petitioner's plan to wind up its business operations.

62. In my view, the terms of the Otter Bay Settlement Agreement and the Grant Manor Settlement Agreement are fair and reasonable in the circumstances.

SWORN (OR AFFIRMED) BEFORE ME
at ~~Vancouver~~, British Columbia,
on January/____/2018

Salmon Arm
John

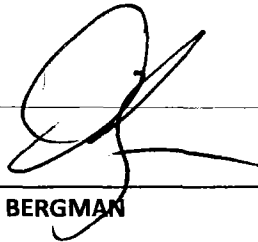


A Commissioner for taking Affidavits for British Columbia

[Name of Commissioner (please print)]

~~CLARK WILSON LLP~~
~~604.687.5700~~

ZOË STEVENS
A Notary Public in and for
The Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3



DONALD BERGMAN

TITLE SEARCH PRINT

File Reference: 24371-0033
Declared Value \$421000

2018-01-18, 11:06:11
Requestor: Deborah Hamann-Trou

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

Land Title District
Land Title Office VANCOUVER
VANCOUVER

Title Number
From Title Number CA4598538
CA3952322

Application Received
2015-08-11

Application Entered
2015-08-17

Registered Owner in Fee Simple
Registered Owner/Mailing Address:

ALL CANADIAN INVESTMENT CORPORATION, INC.NO.
BC0570425
825 LAKESHORE DRIVE SW
SALMON ARM, BC
V1E 1E4

Taxation Authority
North Shore - Squamish Valley Assessment Area
Pender Harbour Fire Protection District

Description of Land
Parcel Identifier: 027-093-387
Legal Description:
LOT 184 DISTRICT LOT 3923 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP30066

Legal Notations
HERETO IS ANNEXED EASEMENT BA313429 OVER PART (PLAN BCP25592)
LOT 162 PLAN BCP25298

Charges, Liens and Interests

Nature: STATUTORY RIGHT OF WAY
Registration Number: P60244
Registration Date and Time: 1986-06-30 10:25
Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Remarks: INTER ALIA

This is Exhibit A referred to in the affidavit of
Donald Bergman sworn (or affirmed)
before me on 19 Jan 2018 [dd/mm/yyyy]


A Commissioner for taking Affidavits
within British Columbia

ZOË STEVENS
A Notary Public in and for
The Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3

TITLE SEARCH PRINT

File Reference: 24371-0033

Declared Value \$421000

2018-01-18, 11:06:11

Requestor: Deborah Hamann-Trou

Nature: COVENANT
 Registration Number: BK397133
 Registration Date and Time: 1996-12-09 14:57
 Registered Owner: THE CROWN IN RIGHT OF BRITISH COLUMBIA
 SUNSHINE COAST REGIONAL DISTRICT
 Remarks: INTER ALIA
 SECTION 215 L.T.A.
 MODIFIED BY CA716002

Nature: COVENANT
 Registration Number: BK397155
 Registration Date and Time: 1996-12-09 14:58
 Registered Owner: THE CROWN IN RIGHT OF BRITISH COLUMBIA
 Remarks: INTER ALIA
 SECTION 215 L.T.A.

Nature: STATUTORY RIGHT OF WAY
 Registration Number: BA86020
 Registration Date and Time: 2006-04-19 11:53
 Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
 Remarks: INTER ALIA

Nature: STATUTORY RIGHT OF WAY
 Registration Number: BA86021
 Registration Date and Time: 2006-04-19 11:53
 Registered Owner: TELUS COMMUNICATIONS INC.
 INCORPORATION NO. A55547
 Remarks: INTER ALIA

Nature: EASEMENT
 Registration Number: BA313428
 Registration Date and Time: 2006-08-24 14:08
 Remarks: PLAN BCP25592, APPURTENANT TO LOTS 156, 157, 158
 159 AND 162 PLAN BCP25298
 MODIFIED BY BB400164

Nature: STATUTORY BUILDING SCHEME
 Registration Number: BA313437
 Registration Date and Time: 2006-08-24 15:09
 Remarks: INTER ALIA

TITLE SEARCH PRINT

2018-01-18, 11:06:11

File Reference: 24371-0033

Requestor: Deborah Hamann-Trou

Declared Value \$421000

Nature: COVENANT
 Registration Number: BB400151
 Registration Date and Time: 2007-05-15 15:02
 Registered Owner: SUNSHINE COAST REGIONAL DISTRICT
 Remarks: INTER ALIA
 AS TO PART FORMERLY LOT 161 PLAN BCP25298

Nature: STATUTORY RIGHT OF WAY
 Registration Number: BB400161
 Registration Date and Time: 2007-05-15 15:03
 Registered Owner: SUNSHINE COAST REGIONAL DISTRICT
 Remarks: PLAN BCP30067

Nature: MODIFICATION
 Registration Number: BB400164
 Registration Date and Time: 2007-05-15 15:03
 Remarks: MODIFICATION OF BA313428

Nature: CRYSTALLIZED FLOATING CHARGE
 Registration Number: CA6308640
 Registration Date and Time: 2017-09-19 12:55
 Registered Owner: FISGARD CAPITAL CORPORATION
 INCORPORATION NO. C0603095
 Remarks: INTER ALIA

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE



January 8, 2018

To: Clark Wilson LLP
900-885 West Georgia Street
Vancouver, B.C.
V6C 3H1

Attn: Christopher Ramsay

Re: **13562 Lee Road (Lot 184), Garden Bay, B.C.**

Dear Mr. Ramsay,


As per your request, the following summarizes the market activity on the above-noted property:

MLS History:

- This property has been actively listed on the Multiple Listing Service from June 28, 2017 to present day/time of sale (ML#R2108710).
- Price Listing History:
 - \$629,000 (June 28, 2017 – August 8, 2017)
 - \$599,000 (August 8, 2017 – December 11, 2017)
 - \$399,000 (December 11, 2017 – To time of Sale)

Advertising:

- Advertised continually on www.sunshinecoasthomes.com
- Advertised continually on www.royallepagesussex.com/offices/sechelt/
- Advertised continually on www.realtylink.org
- Promotional posts on Facebook for SunshineCoastHomes.com
- Colour display advertising on rotation in the Sunshine Coast Real Estate Magazine.
- Advertised monthly in display advertising in the Sunshine Coast Real Estate Guide
- "For Sale" signage at 13562 Lee Road with Realtor contact information for drive by showings.
- Advertised continually in window display sheet format in Royal LePage Sussex Pender Harbour locations and Garden Bay area kiosk.

This is Exhibit B referred to in the affidavit of
Donald Beraman sworn (or affirmed)
before me on 19/Jan/2018 [dd/mmm/yyyy]

A Commissioner for taking Affidavits
within British Columbia

ZOE STEVENS
A Notary Public in and for
The Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3

-2-

Showings and Activity:

This property received no showings at the price point of \$629,000 despite email and phone inquiries. Due to this lack of activity, the price was reduced to \$599,000 where again, there were inquiries and a total of three scheduled showings, none producing an offer. Feedback from Realtors and potential buyers alike commented that the unfinished state of construction within the home, steep easement of the road and lack of any connected services (i.e. hydro, water) made the price too cost prohibitive. After much consideration, a price reduction was made December 11, 2017 to \$399,000. This new price point generated much interest and there were four immediate showings, one of which led to an offer. We continued to actively market this property and coordinate viewings despite it being under offer, and did so right up to the subject removal date of January 5, 2017 and a finalization of sale. This property received the maximum exposure and was accessible to view throughout the course of its active listing history.

We attached for your review, MLS information sheets for comparable "Land" listings, either Active or Expired, within the Garden Bay area from July 1, 2017 to the present. There were no recorded sales for comparable properties within that same time period.

We trust this information will meet your requirements. Please advise if we can be of any further assistance or provide more information in this regard.

Best regards,



Dave Milligan, REALTOR

www.SunshineCoastHomes.com

Royal LePage – Sussex Sechelt, Gibsons & Pender Harbour

12874 Madeira Park, Box 38, Madeira Park, BC, V0N 2H0

1.800.792.7719 | 604.885.5414 | Pender Harbour 604.883.9212 | Fax: 604.883.9524

Expired **R2151610** **Lot 118 GODKIN WAY** **\$279,000 (LP)**
 Board: V, Land Only **Sunshine Coast** **(SP)**
 Other **Pender Harbour Egmont** **Schedule A Showing** **H T D W**
VON 151



Days on Market: 214 **List Date: 4/1/2017** **Expiry Date: 10/31/2017**
Previous Price: \$0 **Original Price: \$279,000** **Sold Date:**
Frontage: **Subdiv/Complex:**
Meas. Type: Feet **P.I.D.: 026-169-240**
Frontage Metric: **Taxes: \$1,394.53**
Depth: **For Tax Year: 2016**
Price/SqFt: **Zoning: RU1**
Sub-Type: **Rezoneable?:**
Exposure: South **Flood Plain:**
Permitted Use: House/Single Family
Title to Land: Freehold NonStrata
Tour: Virtual Tour URL

Lot Area	
Acres:	2.68
Hect:	1.09
SqFt:	116,871.48
SqM:	10,857.72

Sanitary Sewer: At Lot Line	Property Access: Road Access
Storm Sewer: None	Parking Access: Side
Water Supply: City/Municipal	Fencing: None
Electricity: Available	Property In ALR: Registered Owner
Natural Gas: Not Available	Seller's Interest: Registered Owner
Telephone Service: Available Nearby	Information Pkg: Yes
Cable Service: Available Nearby	Sign on Property: Y
Prospectus: Not Required	Sketch Attached: Yes
Develop Permit: No	Property Disclosure: No : Bare land.
Bldg Permit Apprv: No	Trees Logged: No
Building Plans: Not Available	Perc Test Avail: No
	Perc Test Date:

Legal: PL BCP15556 LT 118 DL 3923 LD 36

Site Influences: Marina Nearby, Paved Road, Private Setting, Recreation Nearby, Rural Setting, Treed



Restrictions: Building

Commission: 3.255% ON THE FIRST \$100,000 AND 1.395% ON THE BALANCE

List Broker 1: Royal LePage Sussex - Office: 604-885-3295	alanstewart@royallepage.ca	Appointment/Keybox; Appt. Not Required
List Sales Rep 1: Alan Stewart - Phone: 604-740-2353		Call:
List Sales Rep 2:		Phone:
List Broker 2:		
List Sales Rep 3:		
Sell Broker 1:		
Sell Sales Rep 1:		
Sell Broker 2:		
Sell Sales Rep 2:		
Owner: Gordon LahnMeryle Lahn		

Realtor All measurements approximate. Buyer to verify if important.
Remarks:

Situated in Daniel Point at the entrance to Pender Harbour, this tranquil treed 2.68 acre building lot offers breathtaking ocean views, mossy rock outcroppings and multiple building sites. It's perfect for retirement or recreation. The property is zoned for two homes and offers underground services at the lot line including sewer, electricity, cable and high speed internet. Private and peaceful with nature at your doorstep and ocean & freshwater access within walking distance. Call today to arrange a personal tour of this unique vista view acreage.

Active **LOT 4 FLAGSHIP ROAD** \$295,000 (LP)
 R2076450 Sunshine Coast (SP)
 Board: V, Land Only Pender Harbour Egmont  
 Other VON 1S1



Days on Market: **582** List Date: **6/3/2016** Expiry Date: **6/30/2018**
 Previous Price: **\$0** Original Price: **\$295,000** Sold Date:
 Frontage: **110.24** Subdiv/Complex: **Pender Harbour Landing**
 Meas. Type: **Feet** P.I.D.: **027-305-180**
 Frontage Metric: **33.60** Taxes: **\$1,579.52**
 Depth: **406.5** For Tax Year: **2015**
 Price/SqFt: Zoning: **RU1**
 Sub-Type: Rezoneable?:
 Exposure: **South** Flood Plain:
 Permitted Use:
 Title to Land: **Freehold NonStrata**
 Tour:

Lot Area	
Acres:	1.12
Hect:	0.45
SqFt:	48,632.13
SqM:	4,518.07

Sanitary Sewer: **At Lot Line**
 Storm Sewer: **None**
 Water Supply: **City/Municipal**
 Electricity: **At Lot Line**
 Natural Gas: **Not Available**
 Telephone Service: **At Lot Line**
 Cable Service: **At Lot Line**
 Prospectus: **Available Through L.B.**
 Develop Permit: **Yes**
 Bldg Permit Apprv: **No**
 Building Plans: **Mandatory**

Property Access: **Road Access**
 Parking Access:
 Fencing: **None**
 Property In ALR: **No**
 Seller's Interest: **Registered Owner**
 Information Pkg: **Yes**
 Sign on Property: **Y**
 Sketch Attached: **Yes**
 Property Disclosure: **Yes**
 Trees Logged: **No**
 Perc Test Avail:
 Perc Test Date:

Legal: **PL BCP33394 LT 4 DL 1397A LD 36**


Site Influences: **Golf Course Nearby, Marina Nearby, Paved Road, Private Setting, Treed**
 Restrictions: **Building, Development, Engineered Foundation Req, Mandatory Building Scheme**
 Commission: **4%**

List Broker 1: **Royal LePage Sussex - Office: 604-883-9525**
 List Sales Rep 1: **Teresa M Sladey - Phone: 604-740-7535**
 List Sales Rep 2: **Bill Hunsche - Phone: 604-740-1411**
 List Broker 2: **Royal LePage Sussex - Office: 604-883-9525**
 List Sales Rep 3:
 Sell Broker 1:
 Sell Sales Rep 1:
 Sell Broker 2:
 Sell Sales Rep 2:
 Owner: **PENDER HARBOUR LANDING LTD.**

Appointments: **Phone L.R. First**
 Call: **Mary Mackay or Teresa Sladey**
 Phone: **604-883-9988**

Realtor **4% commission payable to Selling agent on 1st physical introduction. Developer's Disclosure Statement attached, GST Payable on purchase**
 Remarks: **price. All measurements approximate and to be verified by Buyer if deemed important.**


1.12 acre OCEAN VIEW property is well treed & has easy driveway access. Exclusive Pender Harbour Landing Development. Freehold, non-strata ownership. Estate Size Parcel is Fully Serviced (underground) and is approximately 200 meters to Ocean plus Hotel Lake.

Active R2076495 Board: V, Land Only Other:	LOT 5 FLAGSHIP ROAD Sunshine Coast Pender Harbour Egmont VON 1S1	\$295,000 (LP) (SP)	
<input type="checkbox"/> Schedule a Showing			
	Days on Market: 582	List Date: 6/3/2016	Expiry Date: 6/30/2018
	Previous Price: \$0	Original Price: \$295,000	Sold Date:
	Frontage: 135.00	Subdiv/Complex: Pender Harbour Landing	
	Meas. Type: Feet	P.I.D.: 027-305-198	
	Frontage Metric: 41.05	Taxes: \$1,629.61	
	Depth: 417.00	For Tax Year: 2015	
	Price/SqFt:	Zoning: RU1	
	Sub-Type:	Rezoneable?:	
	Exposure: South	Flood Plain:	
	Permitted Use:		
Title to Land: Freehold NonStrata			
Tour: Virtual Tour URL			
			Lot Area
			Acre: 1.27
			Hect: 0.51
			SqFt: 55,410.50
			SqM: 5,147.80
Sanitary Sewer: At Lot Line Storm Sewer: None Water Supply: City/Municipal Electricity: At Lot Line Natural Gas: Not Available Telephone Service: At Lot Line Cable Service: At Lot Line Prospectus: Available Through L.B. Develop Permit: Yes Bldg Permit Apprv: No Building Plans: Mandatory	Property Access: Road Access Parking Access: Fencing: None Property in ALR: Seller's Interest: Registered Owner Information Pkg: Yes Sign on Property: Y Sketch Attached: Yes Property Disclosure: Yes Trees Logged: No Perc Test Avail: Perc Test Date:		
Legal: PL BCP33394 LT 5 DL 1397A LD 36			
Site Influences: Cul-de-Sac, Golf Course Nearby, Marina Nearby, Paved Road, Private Setting, Treed Restrictions: Building, Development, Engineered Foundation Req, Mandatory Building Scheme Commission: 4%			
List Broker 1: Royal LePage Sussex - Office: 604-883-9525 List Sales Rep 1: Teresa M Sladey - Phone: 604-740-7535 List Sales Rep 2: Bill Hunsche - Phone: 604-740-1411 List Broker 2: Royal LePage Sussex - Office: 604-883-9525 List Sales Rep 3: Sell Broker 1: Sell Sales Rep 1: Sell Broker 2: Sell Sales Rep 2: Owner: PENDER HARBOUR LANDING LTD.	Appointments: Call: Mary Mackay or Teresa Sladey Phone: 604-883-9988		
Realtor 4% commission payable to Selling agent on 1st physical introduction. Developer's Disclosure Statement attached, GST Payable on purchase price. All measurements approximate and to be verified by Buyer if deemed important.			
1.27 acres ~ South Exposure Harbour/Ocean Views. Exclusive Pender Harbour Landing Development. Freehold, non-strata estate sized parcel. Fully serviced (underground) with easy driveway access. Approximately 200 meters to Hotel Lake and Ocean.			

LND Full Realtor

The enclosed information, while deemed to be correct, is not guaranteed.
 PREC* indicates 'Personal Real Estate Corporation'.

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Active R2076819 Board: V, Land Only Other	LOT 23 FLAGSHIP ROAD Sunshine Coast Pender Harbour Egmont VON 1S1	\$399,000 (LP) (SP)										
	Days on Market: 586 List Date: 5/30/2016 Expiry Date: 6/30/2018 Previous Price: \$475,000 Original Price: \$475,000 Sold Date: Frontage: 36.00 Subdiv/Complex: Meas. Type: Feet P.I.D.: 027-305-406 Frontage Metric: Taxes: \$1,615.94 Depth: For Tax Year: 2015 Price/SqFt: Zoning: RU1 Sub-Type: Rezoneable?: Exposure: South Flood Plain: Permitted Use: Title to Land: Freehold NonStrata Tour:	<table border="1"> <thead> <tr> <th colspan="2">Lot Area</th> </tr> </thead> <tbody> <tr> <td>Acres:</td> <td style="text-align: right;">1.41</td> </tr> <tr> <td>Hect:</td> <td style="text-align: right;">0.57</td> </tr> <tr> <td>SqFt:</td> <td style="text-align: right;">61,420.00</td> </tr> <tr> <td>SqM:</td> <td style="text-align: right;">5,706.10</td> </tr> </tbody> </table>	Lot Area		Acres:	1.41	Hect:	0.57	SqFt:	61,420.00	SqM:	5,706.10
Lot Area												
Acres:	1.41											
Hect:	0.57											
SqFt:	61,420.00											
SqM:	5,706.10											
Sanitary Sewer: At Lot Line Storm Sewer: None Water Supply: City/Municipal Electricity: At Lot Line Natural Gas: Not Available Telephone Service: Available Nearby Cable Service: Available Nearby Prospectus: Available Through Develop Permit: Yes Bldg Permit Apprv: No Building Plans: Mandatory	Property Access: Road Access Parking Access: Fencing: Property In ALR: Seller's Interest: Registered Owner Information Pkg: Yes Sign on Property: Sketch Attached: Yes Property Disclosure: Yes Trees Logged: No Perc Test Avail: Perc Test Date:											
Legal: NWD PL BCP33394 LT 23 DL 1397A LD 36												
Site Influences: Golf Course Nearby, Marina Nearby, Paved Road, Private Setting, Recreation Nearby, Waterfront Property Restrictions: Building, Development, Engineered Foundation Req, Mandatory Building Scheme Commission: 4%												
List Broker 1: Royal LePage Sussex - Office: 604-883-9525 List Sales Rep 1: Teresa M Sladey - Phone: 604-740-7535 List Sales Rep 2: Bill Hunsche - Phone: 604-740-1411 List Broker 2: Royal LePage Sussex - Office: 604-883-9525 List Sales Rep 3: Sell Broker 1: Sell Sales Rep 1: Sell Broker 2: Sell Sales Rep 2: Owner: PENDER HARBOUR LANDING LTD.	teresa@livingitsc.com bill@livingitsc.com	Appointments: Phone L.R. First Call: MARY MACKAY Phone: 604-883-9988										
Realtor Developer's Disclosure Statement attached, GST Payable on purchase price. All measurements approximate and to be verified by Buyer if deemed important. 4% commission payable to Selling agent.												
Exclusive Pender Harbour Landing Development Freehold, Non-Strata Ownership. Practical Building Guidelines w/no mandatory start date for construction. Awesome Outlook from bluff setting on 1.41 acres oceanfront.												

LND Full Realtor

The enclosed information, while deemed to be correct, is not guaranteed.

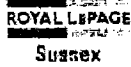
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PREC* Indicates 'Personal Real Estate Corporation'.

This is Exhibit C..... referred to in the affidavit of Donald Bergman..... sworn (or affirmed) before me on 19 Jan 2018..... [dd/mmm/yyyy]

[Signature] A Commissioner for taking Affidavits within British Columbia

Authenticsign ID: EAC4217C-C19D-4E4F-8E58-7C7EA9AEC911



THE CANADIAN BAR ASSOCIATION

PAGE 1 of 5 PAGES

ZOE STEVENS A Notary Public in and for The Province of British Columbia #3 - 120 Harbourfront Drive NE Salmon Arm, BC V1E 2T3

CONTRACT OF PURCHASE AND SALE

BROKERAGE: Royal LePage Sussex (MadPk) DATE: December 22, 2017 ADDRESS: 12874 Madeira Park Road Madeira Park PC: V0N 2H0 PHONE: (604) 883-9525 PREPARED BY: Dave Milligan MLS# NO: R2184044

Table with 2 columns: SELLER and BUYER. SELLER: ALL CANADIAN INVESTMENT CORP, 13562 LEE ROAD, Garden Bay, BC V0N 1S1. BUYER: Clayton J Satchwell, Sandra M Satchwell, 7987 Gilley Ave, Burnaby, BC V5J 4Y4.

PROPERTY:

13562 LEE ROAD UNIT NO: Garden Bay CITY/TOWN/MUNICIPALITY: 027-053-387 PID: BCP30066 LT 184 DL 3923 LD 36 GROUP 1

LEGAL DESCRIPTION

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

- 1. PURCHASE PRICE: The purchase price of the Property will be Three Hundred Ninety-Five Thousand DOLLARS \$395,000.00 (Purchase Price)
2. DEPOSIT: A deposit of \$20,000.00 which will form part of the Purchase Price, will be paid within 24 hours of acceptance unless agreed as follows: Upon final subject removal

All monies paid pursuant to this section (Deposit) will be paid in accordance with section 10 or by uncertified cheque except as otherwise set out in this section 2 and will be delivered in trust to Royal LePage Sussex and held in trust in accordance with the provisions of the Real Estate Services Act.

[Signatures and Initials]

13562 LEE ROAD
PROPERTY ADDRESS

Garden Bay

VON 1S1

PAGE 2 of 5 PAGES

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

DB

Subject to the Buyer viewing and approving the subject property on or before December 24, 2017. This condition is for the sole benefit of the Buyer.

Subject to the Buyer clarifying the details of the HPO 2/5/10 Warranty terms by January 5, 2018. This subject is for the sole benefit of the Buyer.

Subject to the Buyer contracting for and receiving a satisfactory building and property inspection on or before January 5, 2018. This subject is for the sole benefit of the Buyer.

This offer is subject to the Buyer obtaining approval for fire/property insurance, satisfactory to the Buyer, by January 5, 2018. This condition is for the sole benefit of the Buyer.

Subject to the Buyer, on or before January 5, 2018 searching and approving title to the property against the presence of any charge or other feature, whether registered or not, that reasonably may affect the property's use or value. This condition is for the sole benefit of the Buyer.

Subject to the Buyer on or before January 5, 2018 approving the Property Disclosure Statement with respect to information that reasonably may adversely affect the use or value of the property. If approved such statement will be incorporated into and form part of this contract. This condition is for the sole benefit of the Buyer.

The Buyer warrants to act reasonably and to use their best efforts to satisfy and remove the above subjects from this contract.

The Parties agree that reproduction of signatures and initials by telecommunications will be treated as originals.

Prior to the execution of this Contract, the Buyer has been advised of the following:

1. The Buyer is aware there is a 5% GST charge to be made payable by the Buyer at closing.
2. Buyer must independently verify data pertaining to square footage, room sizes, lot size and lot boundaries. While said data is presumed to be correct, the selling agent makes no representations as to its accuracy.
3. Property Transfer Tax totalling 1% of the first \$200,000, 2% of the balance of the purchase price is payable at the time of Completion unless the Buyer qualifies for an exemption.
4. All non-financial charges contained on the title will remain on title after closing.

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

DB

INITIALS