



Affidavit #1 of Derek Lai
sworn June 8th, 2021

No. S215858
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Re: THE OWNERS, STRATA PLAN VR456
IN THE MATTER OF DIVISION 2 OF PART 16 OF THE STRATA PROPERTY ACT, SBC
1998, c. 43

AFFIDAVIT

I, Derek Lai, of 1100 – 1177 West Hastings Street, Vancouver, British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am a partner of Crowe MacKay LLP and a senior vice president of Crowe MacKay & Company Ltd. ("Crowe MacKay") and am a chartered professional accountant, a licensed insolvency trustee, a chartered insolvency and restructuring professional and a certified fraud examiner.
2. I have had various discussions with Garth Cambrey, the court appointed administrator (the "Adminstrator") of the Petitioner, The Owners, Strata Plan VR456, ("Spruce Grove"), and his legal counsel, Paul Mendes at Lesperance Mendes Lawyers, regarding the winding up of Spruce Grove and as such I have personal knowledge of the facts deposed to in this Affidavit, save and except where stated to be based on information and belief and where so stated, I verily believe the same to be true.
3. Attached and marked as **Exhibit "A"** to my Affidavit is a true copy of the engagement letter between Crowe MacKay and the Adminstrator setting out the terms of Crowe Mackay's engagement as the liquidator in this matter.

4. I understand that a special general meeting of Spruce Grove was held in March 2021 and that the requisite resolutions were passed to wind-up Spruce Grove, including a resolution appointing Crowe MacKay as the liquidator for Spruce Grove. I will be the individual at Crowe MacKay with primary responsibility for and the conduct of acting as liquidator of Spruce Grove.
5. Crowe MacKay meets the qualifications of a liquidator imposed by the *Strata Property Act*, the *Business Corporations Act* and the *Personal Property Security Act*, by being a corporation licensed as a trustee under the *Bankruptcy and Insolvency Act*. Attached and marked as **Exhibit "B"** to my Affidavit is a true copy of a Trustee Licensee issued by Industry Canada to Crowe MacKay.
6. I have over 13 years' experience in public practice in the area of insolvency, restructuring, or forensic accounting, including, but not limited to, court-ordered sales, private or court appointed receiverships, formal or informal restructurings, bankruptcies and court appointed or informal liquidations, which I believe are skills transferable to these strata windup proceedings. I have also had primary conduct as liquidator of several other strata windup proceedings, including the wind-up and sales of The Owners, Strata Plan VR365, known as Garden Court, ("VR365") and The Owners, Strata Plan NWS837, known as Ascott Wynde, ("NWS837"). VR365 was a 53 strata lot residential property located at 1830 Alberni Street in Vancouver. The sale of VR365 completed on March 12, 2018. NWS837 was a 102 strata lot residential property located at 8751 Citation Drive and 8880 Cook Road in Richmond. The Sale of NWS837 completed on July 10, 2018.
7. I confirm that Crowe MacKay accepts the appointment as liquidator for Spruce Grove in this proceeding.

Jonathan C. McNair
A Commissioner for taking Affidavits for British Columbia
Expiry Date: June 30, 2021

Crowe MacKay & Company Ltd.
Licensed Insolvency Trustee
Main (604) 689 3928
Toll Free 1 (844) 887 DEBT (3328)
Fax (604) 687 5617

February 16, 2021

The Owners, Strata Plan VR456
c/o J. Garth Cambrey, Administrator
#2300-2850 Shaughnessy Street
Port Coquitlam, BC V3C 6K5

Dear Sir/Madam:

**RE: In the Matter of the Court Ordered Liquidation of The Owners, Strata Plan VR456
Engagement Agreement**

www.crowemackayco.ca
This is Exhibit "A" referred to in the
affidavit of DEREK LAI
sworn before me at VANCOUVER, BC
this 8th day of JUNE 2021

A Commissioner for taking Affidavits
For British Columbia

You have asked Crowe Mackay & Company Ltd. to act as Liquidator (the "Liquidator") of The Owners, Strata Plan VR456 (the "Strata") pursuant to the provisions of the *Strata Property Act* in relation to the wind-up of the Strata and sale of the Strata lands, known as Spruce Street, a property located at 1089 West 13th Avenue, Vancouver, BC, to Butterscotch Holdings Inc. ("Butterscotch"). This appointment will be approved by the Court; however, the Liquidator and its legal counsel, Lawson Lundell LLP, will be required to provide services up to and in connection with the actual Court appointment.

West



Provided the requisite resolutions are passed by the Strata members pursuant to the *Strata Property Act*, and a contract for the sale of the Strata lands is approved, either for a sale to Butterscotch, or another purchaser, our engagement includes an undertaking that the closing and conveyance for such a sale of the Strata lands will be done by counsel for the Liquidator.

The purpose of this letter is to confirm the Liquidator's understanding of the terms of the engagement. Without in any way limiting the scope of the engagement, the engagement will include:

1. Providing general assistance to the Strata prior to the sale of the property and formal appointment as Liquidator. This includes involving the Liquidator's counsel to assist with legal matters prior to the Liquidator's formal appointment.
2. Acting as Court Appointed Liquidator in accordance with the provisions of the *Strata Property Act* and Court Order.

Fees

The Strata will require the assistance of the Liquidator and its legal counsel prior to its formal appointment by the Court. The primary purpose of this engagement agreement is to protect the Liquidator for its fees and costs including legal fees and costs prior to its formal appointment. Upon its formal appointment by the Court, the Liquidator will have a charge on the proceeds of sale and other assets of the Strata (if any).

The Strata hereby agrees to pay the Liquidator's fees and costs incurred, including legal fees that may be incurred prior to the Liquidator's court confirmation, if, for whatever reason, the

Liquidator's appointment is not passed at the Strata's special general meeting or subsequently confirmed by the Court.

Once the Liquidator has been formally appointed, it will become an Officer of the Court and its fees and costs, including legal fees, will be protected by Court Order and will form a charge against the assets of the Strata including the proceeds of sale. The Liquidator's fees and costs, including its legal counsel, will be subject to a final assessment by the Courts.

The Liquidator's fees will be based on the time spent at the hourly rates normally charged for such services with respect to the staff members involved. My hourly rate is \$450 per hour. The Liquidator's professional staff who may assist have hourly rates from \$200 to \$350 per hour. There are also administrative and accounting staff who may be involved depending on the nature of the work whose rates are from \$100 to \$200 per hour. It is our intention to administer this engagement as efficiently and cost-effectively as possible.

Out-of-pocket disbursements, including the fees of the Liquidator's legal counsel, will be billed to you at the Liquidator's cost.

The Liquidator presently does not require a retainer. However, the Liquidator does reserve the right to seek an initial retainer or an additional retainer should we consider it appropriate in the circumstances. Any retainer amount will be held in trust until such time as it is applied to an interim or final account and you hereby authorize us to apply the amount in trust in such manner.

Confirmation of Terms

If you concur with the above-noted terms and conditions of our engagement, please sign in the space provided below.

We look forward to working with you. If you have any questions before responding, you may reach the undersigned at (604) 697-5257 or derek.lai@crowemackay.ca.

Yours very truly,
CROWE MACKAY & COMPANY LTD.

per:



Mr. Derek Lai, CPA, CMA, CFE, CIRP, LIT
(Chartered Insolvency & Restructuring Professional)

AGREED TO THIS 17th DAY OF FEBRUARY, 2021.

The Owners, Strata Plan VR456

per:





Innovation, Science and
Economic Development Canada
Office of the Superintendent
of Bankruptcy Canada

Innovation, Sciences et
Développement économique Canada
Bureau du surintendant
des faillites Canada

Jonathan C. McNair

A Commissioner for taking Affidavits for British Columbia
Expiry Date: June 30, 2021

Licensed Insolvency Trustee

Bankruptcy and Insolvency Act (section 13.1)

Syndic autorisé en insolvabilité

Loi sur la faillite et l'insolvabilité (article 13.1) "B" referred to in the

This is Exhibit "B" referred to in the
affidavit of DEEK LAI
sworn before me at VANCOUVER BC
this 8th day of JUNE 2021

This is to certify that

Ce document atteste que

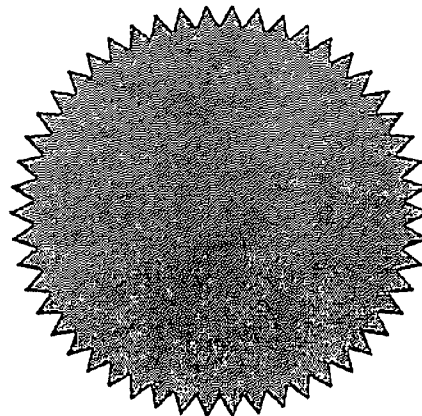
A Commissioner for taking Affidavits
For British Columbia

Crowe MacKay & Company Ltd.

is a Licensed Insolvency Trustee

est un syndic autorisé en insolvabilité

Superintendent of Bankruptcy
Surintendant des faillites



2016-07-08

Date

Canada



Protecting the
integrity of the
Insolvency System

Protéger l'intégrité
du système
d'insolvabilité



Innovation, Science and
Economic Development Canada
Office of the Superintendent
of Bankruptcy Canada

Innovation, Sciences et
Développement économique Canada
Bureau du surintendant
des faillites Canada

for the bankruptcy district(s) of

Alberta
British Columbia
Northwest Territories
Nunavut
Yukon

pour le(s) district(s) de faillite de

Alberta
Colombie-Britannique
Nunavut
Territoires du Nord-Ouest
Yukon

Canada



Protecting the
Integrity of the
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