



Province of British Columbia
Bankruptcy Division
Vancouver Registry
Court No. B-23057-230537
Estate No. 11-254573

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY


IN THE MATTER OF THE BANKRUPTCY OF
WASHINGTON PROPERTIES (QEP) INC.

AFFIDAVIT

I, **Devin P. Lucas**, Barrister and Solicitor, of 1100 One Bentall Centre, 505 Burrard, Vancouver, British Columbia, MAKE OATH AND SAY THAT:

1. I am a partner in the law firm of Kornfeld LLP, solicitors for Washington Properties (QEP) Inc. ("**Washington QEP**"), and as such have personal knowledge of the facts hereinafter deposed to save and except where such facts are stated to be on information and belief, and in such cases I verily believe them to be true.
2. Attached as **Exhibit "A"** is a copy of an email exchange between Jordan Schultz, counsel for the receiver, Alvarez & Marsal Canada Inc., and me, dated October 26 to 30, 2023 (without attachments).

AFFIRMED BEFORE ME at Vancouver,)
British Columbia, on December 14, 2023.)



A commissioner for taking affidavits for
British Columbia.)



Devin P. Lucas)

Nils Preshaw
Barrister & Solicitor
Kornfeld LLP
1100 - 505 Burrard Street
Vancouver, B.C. V7X 1M5
Telephone: (604) 331-8305

Kristin Apan

From: Schultz, Jordan <jordan.schultz@dentons.com>
Sent: October 30, 2023 10:12 AM
To: Devin P. Lucas
Cc: Kristin Apan; Newbery, Emma; Law, Pinky; Marianna Lee
(marianna.lee@alvarezandmarsal.com)
Subject: RE: LT Jordan Schultz 1381-4427-4440 v.5

EXTERNAL EMAIL
Hi Devin,

Further to my email below, please see the following table which addresses points b) and c) in your letter:

*This is Exhibit "A" referred to in the
affidavit of ...D. LUCAS...
sworn before me at VANCOUVER...
in the Province of British Columbia
this 14th day of DEC. A.D. 20 23*
.....
A Commissioner for taking Affidavits
within British Columbia

Washington Properties - In Receivership
Interim Statement of Receipts and Disbursements
For the period from April 7, 2023 to October 27, 2023
CAD\$000's

Receipts	
Sale of Properties ^{(1) (2)}	\$ 48,611
Rental Income	184
Tenant Security Deposits	1
Interest	42
	48,838
Disbursements	
Insurance	28
Appraisal Fees	0
Utilities	10
Operating Expenses	60
GST	85
PST	13
Realtor Commissions	1,159
Receiver's Fees & Expenses	328
Legal Fees & Disbursements	166
Property Taxes	2,413
Strata Arrears	306
Distribution to Pacifica Mortgage Investment	4,165
Distribution to PLW	34,015
	42,748
Cash Balance ^{(3) (4)}	\$ 6,089

Notes:

- 1) Net cash proceeds from the sale of properties held by Dentons have been transferred to the Receiver and related disbursements paid directly by Dentons are not presented in the Receiver's statements of receipts and disbursements.
- 2) Proceeds from the sale of properties were received on the following dates:
835 Eyremount - May 25, 2023
605-5033 Cambie Street - July 5, 2023
505-5033 Cambie Street - September 27, 2023
- 3) Approximately \$4.6 million has been invested in a one-year prime-linked
- 4) The following amounts are not presented in the Receiver's statement of receipts and disbursements: (i) a retainer in the amount of \$25,000 received from the Petitioner; and (ii) \$1.8 million held by Fasken Martineau DuMoulin LLP to satisfy potential claims by the City of Vancouver pending the results of the Empty Homes and Vacancy Tax audit in respect of the Belmont Properties for the year 2022.

Thanks,
Jordan

Jordan Schultz
Partner

My pronouns are: He/Him/His

+1 604 691 6452 | +1 778 238 8339

Dentons Canada LLP | Vancouver

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From: Schultz, Jordan <jordan.schultz@dentons.com>

Sent: Friday, October 27, 2023 11:51 AM

To: Devin P. Lucas <dylucas@kornfeldllp.com>

Cc: Kristin Apan <kapan@kornfeldllp.com>; Newbery, Emma <emma.newbery@dentons.com>; Law, Pinky <pinky.law@alvarezandmarsal.com>; Marianna Lee (marianna.lee@alvarezandmarsal.com) <marianna.lee@alvarezandmarsal.com>

Subject: RE: LT Jordan Schultz 1381-4427-4440 v.5

Hi Devin,

Further to your letter, paragraph (a), I attach the statement of adjustments in respect of the six properties sold to date. I also include our trust reconciliation showing payments made from the sale proceeds on our end (in accordance with relevant court orders) and ultimate distributions. I believe some (if not all) closing sets were provided to your clients directly by the receiver, so they should have this information as well.

Note the Belmont net sale proceeds (net of disbursements and a \$1.8MM holdback in respect of a 2022 Vacancy Audit) were remitted directly to Faskens, per the order approving sale. I believe I sent the amount to Neil a few weeks ago, but it is reflected in the attached and I can dig it up again if that would assist.

The Receiver is preparing a table to respond on paragraphs (b) and (c), will have that over to you shortly.

Regarding paragraph (d), I do not have that information. If you are wondering about the *in personam* claim of PLW against the debtor respondents I note that claim was reduced to judgment per the Receivership order made in October, so presumably you can calculate from that. Not sure about the redemption amount under the mortgages, but my understanding is this is tracking to a shortfall on the mortgages. As for other creditors, the Receiver has not run a formal claims process so we cannot provide a detailed creditor list at this time. And I note A&M is only receiver over the specified lands, not the entities generally, so it wouldn't make sense for us to canvass all creditors generally, only those with priority claims to the subject lands. That said, the only other relevant creditors we are aware of is CRA to the extent of their GST deemed trust claim, and Earlston to the extent of their mortgage claim. The details of the CRA claim are set out in our application, and Earlston obtained Order Nisi in their foreclosure proceeding, so again those amounts should all be readily accessible.

Hope that assists, please give me a call to discuss the above (if you have any questions) and the position you are planning to take Monday, when you get a moment.

Thanks,
Jordan

Jordan Schultz
Partner

My pronouns are: He/Him/His

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From: Devin P. Lucas <dylucas@kornfeldllp.com>

Sent: Thursday, October 26, 2023 6:15 PM

To: Schultz, Jordan <jordan.schultz@dentons.com>

Cc: Kristin Apan <kapan@kornfeldllp.com>

Subject: LT Jordan Schultz 1381-4427-4440 v.5

[WARNING: EXTERNAL SENDER]

Jordan,

Please see attached correspondence of today's date.

Regards,