



This is the 1st affidavit of Michelle Child
in this case and was made on
February 23, 2024

No. S-238586
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

1038573 B.C. LTD.

Plaintiff

AND:

THE OWNERS, STRATA PLAN NW289, JENNY DONNA DICKISON, FERNANDO MARCELINO DUTRA DE SOUSA, 1276331 B.C. LTD., CARMELIA MARIA DA SILVA, HON-CHING RUDOLPH CHENG, 1161359 B.C. LTD., RICKY HEE MENG LAI, PIA FACCIIO, 1184416 B.C. LTD., MARK WILLIAM LOUTTIT and SARAH KINUKO LOUTTIT, BARRY DOUGLAS WATSON, AS ADMINISTRATOR OF THE ESTATE OF KENNETH JOHN WATSON, LI PING DUAN, NORMAN VICTOR LEECH, ROLANDO VINAS DIZON and NARCISA DIZON, NICHOLAS GEORGE KARAMOUZOS and MARIA KARAMOUZOS, CUI MING CHEN, YANKUI WANG and XIN TIAN, MARIA DA NATIVIDADE ALMEIDA, 1237765 B.C. LTD., JU-SHAN CHIANG and FLORA FU, 1184414 B.C. LTD., AMARSINGH BHATIA and NARANJAN KAUR BHATIA, PHUNG KIM VUONG and TUONG LAM, MONICA PAOLA ALIAGA, MARCELINO LOPES DE SOUSA and OLGA MARIA DUTRA DE SOUSA, 1184413 B.C. LTD., LUALHATI ONGKEKO CRISOSTOMO, RICHARD RAYMOND RAVENSBERGEN and DAWN MARIE RAVENSBERGEN, YUK FAR CHEUNG and YIN ON CHEUNG, GARY LUCIEN DREES, THOMAS PATRICK FLEMING, 1352962 B.C. LTD., WAN CHEN and HONG YANG, SU JUAN SITU, VAN DAO NGUYEN and THI BICH HANG NGUYEN, JULIAN BOZSIK, CHRISTIAN HERBERT JOSON-LIM and IRIS JUNE CALIBUGAN ADIONG, ANGELA JOY EYKELBOSH, NGUYEN THANH VUONG and TUYET NGOC DU, OM PARKASH LOOMBA and MERRAN LOOMBA, SUZANNE JUANITA KUDELSKI, YAN QIONG LU, PING HE, EDWARD LAWRENCE THUE, RICHARD CHARLES PATRICK SPENCER and DIANE MARIE SPENCER, ARTHUR SUMMERS WILLIAMSON, GARY DALE CHARTER and CRISTINA RIMANDO GAPAL, JU TAI ZHOU and YU QING LI, ZHI HAO YANG, DAISY CUETO EVANGELISTA and MARIA CHERRY EVANGELISTA, MEGAN MARY BURGHALL, NASIM BHALOO, HUI LIN DONG and LI WANG, MANSOUR MESHKI, HSIANG CHIAO HUANG, GORDON WILLIAM PATERSON, YVONNE JO-ANNE ENGLAND, GRACE JOANNA LEVSEN, PING CHOR CHAN, SO FAN LEE and TAK TAI LUI

Defendants

1038573 B.C. LTD.

Defendant by way of Counterclaim

AFFIDAVIT

GR

I, **MICHELLE CHILD**, Senior Commercial Mortgage Advisor, of 1055 West Georgia Street, Suite 2400, Vancouver, British Columbia, AFFIRM THAT:

1. I am a Senior Commercial Mortgage Advisor with Franc & Co, a commercial real estate brokerage and advisory firm. I was engaged to arrange financing for the acquisition of the property at 3925 Kingsway and 5715 Jersey Avenue in Burnaby, BC (the "**Property**"). As such, I have personal knowledge of the matters deposed to in this affidavit.

2. In mid-September 2023, I was engaged by Kush Bhatia to arrange acquisition financing to close the Property on or before December 15, 2023. My goal was to get the maximum amount that lenders would be willing to finance against the Property.

3. I took the loan to several lenders and was unable to get a lender to look at the loan on a land value basis due to:

- (a) the timeline required for rezoning the Property to the end use; and
- (b) the generally limited land capital available in the market.

Therefore, in considering a loan, lenders were mainly relying on the valuation of the Property on an as-is basis, with the income in place.

4. In my experience, in the current market, lenders are infrequently willing to lend on development properties based on their proposed use, unless there is a clear timeline for entitlement (which the Property did not have).

5. To underwrite the loan, based on the existing use, lenders required verification of the income in place to be supported by both copies of all leases for the Property's rented strata units and copies of the financial statements for the Property's strata corporation.

6. Mr. Bhatia was able to provide me with Excel sheets that listed rental information for some (but not all) of the rented units, but I did not receive copies of the leases or the financial statements in order to independently verify the information provided in the Excel sheets.

7. I attempted to get approval for the loan based on the limited rental income provided with the data from the Excel sheets and by applying a market rental rate to the remaining units, but I was unsuccessful.

8. KingSett Capital (“**KingSett**”) provided a draft loan proposal in November 2023 for a loan of \$25 million to \$35 million secured by the Property. The loan amount was to be determined upon substantiation of the income with receipt of copies of all leases, and the strata corporation financial statements. Since we did not receive these documents, we were ultimately unable to move ahead with KingSett’s proposal.

9. When I was first engaged in mid-September 2023, I intended to work with Mr. Bhatia to re-finance two properties that he holds to access equity that could be used (in addition to the loan mentioned above) to close on the Property. As the engagement has evolved, and because of the issues mentioned above, I have not been able to complete those re-financings.

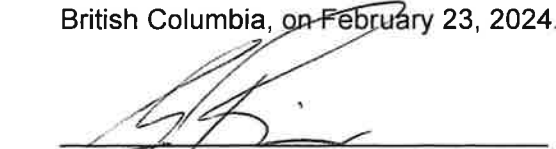
10. If I am able to get copies of all the leases and the financial statements for the Property’s strata corporation, I will be able to take the Property back to market. I believe that with those documents in place I can arrange financing on the Property for Mr. Bhatia (as well as financing against his other properties).

11. I am aware of the notice of civil claim filed by Community Fire Prevention Ltd. In my opinion and experience, a lender will require clean title on the Property to fund a loan. If a lien, certificate of pending litigation or other charge is present on title, it will very likely have to be bonded off prior to the advancement of any new funds. Also, if the potential liability in a lawsuit that concerns the Property is unknown or unclear, in my opinion and experience lenders will be concerned and may not be able to fund the loan.

12. I was not physically present before the Commissioner of this affidavit, but was linked with the Commissioner using video technology. I am advised by the Commissioner and verily believe that this affidavit was sworn in accordance with (and following the procedure outlined in) the

Supreme Court of British Columbia's Notice to the Profession, the Public and the Media "Affidavits for use in Court Proceedings" dated March 27, 2020.

AFFIRMED BEFORE ME at Vancouver,)
British Columbia, on February 23, 2024.)



A Commissioner for taking Affidavits for)
British Columbia)

MICHELLE CHILD

GABRIEL RINCON
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0118

This is the 1st affidavit of Michelle Child
in this case and was made on
February 23, 2024

No. S-238586
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

1038573 B.C. LTD.

Plaintiff

AND:

THE OWNERS, STRATA PLAN NW289, JENNY DONNA DICKISON, FERNANDO MARCELINO DUTRA DE SOUSA, 1276331 B.C. LTD., CARMELIA MARIA DA SILVA, HON-CHING RUDOLPH CHENG, 1161359 B.C. LTD., RICKY HEE MENG LAI, PIA FACCIO, 1184416 B.C. LTD., MARK WILLIAM LOUTTIT and SARAH KINUKO LOUTTIT, BARRY DOUGLAS WATSON, AS ADMINISTRATOR OF THE ESTATE OF KENNETH JOHN WATSON, LI PING DUAN, NORMAN VICTOR LEECH, ROLANDO VINAS DIZON and NARCISA DIZON, NICHOLAS GEORGE KARAMOUZOS and MARIA KARAMOUZOS, CUI MING CHEN, YANKUI WANG and XIN TIAN, MARIA DA NATIVIDADE ALMEIDA, 1237765 B.C. LTD., JU-SHAN CHIANG and FLORA FU, 1184414 B.C. LTD., AMARSINGH BHATIA and NARANJAN KAUR BHATIA, PHUNG KIM VUONG and TUONG LAM, MONICA PAOLA ALIAGA, MARCELINO LOPES DE SOUSA and OLGA MARIA DUTRA DE SOUSA, 1184413 B.C. LTD., LUALHATI ONGKEKO CRISOSTOMO, RICHARD RAYMOND RAVENSBERGEN and DAWN MARIE RAVENSBERGEN, YUK FAR CHEUNG and YIN ON CHEUNG, GARY LUCIEN DREES, THOMAS PATRICK FLEMING, 1352962 B.C. LTD., WAN CHEN and HONG YANG, SU JUAN SITU, VAN DAO NGUYEN and THI BICH HANG NGUYEN, JULIAN BOZSIK, CHRISTIAN HERBERT JOSON-LIM and IRIS JUNE CALIBUGAN ADIONG, ANGELA JOY EYKELBOSH, NGUYEN THANH VUONG and TUYET NGOC DU, OM PARKASH LOOMBA and MERRAN LOOMBA, SUZANNE JUANITA KUDELSKI, YAN QIONG LU, PING HE, EDWARD LAWRENCE THUE, RICHARD CHARLES PATRICK SPENCER and DIANE MARIE SPENCER, ARTHUR SUMMERS WILLIAMSON, GARY DALE CHARTER and CRISTINA RIMANDO GAPAL, JU TAI ZHOU and YU QING LI, ZHI HAO YANG, DAISY CUETO EVANGELISTA and MARIA CHERRY EVANGELISTA, MEGAN MARY BURGHALL, NASIM BHALOO, HUI LIN DONG and LI WANG, MANSOUR MESHKI, HSIANG CHIAO HUANG, GORDON WILLIAM PATERSON, YVONNE JO-ANNE ENGLAND, GRACE JOANNA LEVSEN, PING CHOR CHAN, SO FAN LEE and TAK TAI LUI

Defendants

1038573 B.C. LTD.

Defendant by way of Counterclaim

AFFIDAVIT

MC

I, **MICHELLE CHILD**, Senior Commercial Mortgage Advisor, of 1055 West Georgia Street, Suite 2400, Vancouver, British Columbia, AFFIRM THAT:

1. I am a Senior Commercial Mortgage Advisor with Franc & Co, a commercial real estate brokerage and advisory firm. I was engaged to arrange financing for the acquisition of the property at 3925 Kingsway and 5715 Jersey Avenue in Burnaby, BC (the "**Property**"). As such, I have personal knowledge of the matters deposed to in this affidavit.

2. In mid-September 2023, I was engaged by Kush Bhatia to arrange acquisition financing to close the Property on or before December 15, 2023. My goal was to get the maximum amount that lenders would be willing to finance against the Property.

3. I took the loan to several lenders and was unable to get a lender to look at the loan on a land value basis due to:

(a) the timeline required for rezoning the Property to the end use; and

(b) the generally limited land capital available in the market.

Therefore, in considering a loan, lenders were mainly relying on the valuation of the Property on an as-is basis, with the income in place.

4. In my experience, in the current market, lenders are infrequently willing to lend on development properties based on their proposed use, unless there is a clear timeline for entitlement (which the Property did not have).

5. To underwrite the loan, based on the existing use, lenders required verification of the income in place to be supported by both copies of all leases for the Property's rented strata units and copies of the financial statements for the Property's strata corporation.

6. Mr. Bhatia was able to provide me with Excel sheets that listed rental information for some (but not all) of the rented units, but I did not receive copies of the leases or the financial statements in order to independently verify the information provided in the Excel sheets.

7. I attempted to get approval for the loan based on the limited rental income provided with the data from the Excel sheets and by applying a market rental rate to the remaining units, but I was unsuccessful.

MC

8. KingSett Capital ("**KingSett**") provided a draft loan proposal in November 2023 for a loan of \$25 million to \$35 million secured by the Property. The loan amount was to be determined upon substantiation of the income with receipt of copies of all leases, and the strata corporation financial statements. Since we did not receive these documents, we were ultimately unable to move ahead with KingSett's proposal.

9. When I was first engaged in mid-September 2023, I intended to work with Mr. Bhatia to re-finance two properties that he holds to access equity that could be used (in addition to the loan mentioned above) to close on the Property. As the engagement has evolved, and because of the issues mentioned above, I have not been able to complete those re-financings.

10. If I am able to get copies of all the leases and the financial statements for the Property's strata corporation, I will be able to take the Property back to market. I believe that with those documents in place I can arrange financing on the Property for Mr. Bhatia (as well as financing against his other properties).

11. I am aware of the notice of civil claim filed by Community Fire Prevention Ltd. In my opinion and experience, a lender will require clean title on the Property to fund a loan. If a lien, certificate of pending litigation or other charge is present on title, it will very likely have to be bonded off prior to the advancement of any new funds. Also, if the potential liability in a lawsuit that concerns the Property is unknown or unclear, in my opinion and experience lenders will be concerned and may not be able to fund the loan.

12. I was not physically present before the Commissioner of this affidavit, but was linked with the Commissioner using video technology. I am advised by the Commissioner and verily believe that this affidavit was sworn in accordance with (and following the procedure outlined in) the

Supreme Court of British Columbia's Notice to the Profession, the Public and the Media "Affidavits for use in Court Proceedings" dated March 27, 2020.

AFFIRMED BEFORE ME at Vancouver,
British Columbia, on February 23, 2024.

A Commissioner for taking Affidavits for
British Columbia

)
)
)
)
)
)
)
)
)
)
)

Michelle Child

MICHELLE CHILD

MC

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

1038573 B.C. LTD.

Plaintiff

AND:

THE OWNERS, STRATA PLAN NW289, JENNY DONNA DICKISON, FERNANDO MARCELINO DUTRA DE SOUSA, 1276331 B.C. LTD., CARMELIA MARIA DA SILVA, HON-CHING RUDOLPH CHENG, 1161359 B.C. LTD., RICKY HEE MENG LAI, PIA FACCIO, 1184416 B.C. LTD., MARK WILLIAM LOUTTIT and SARAH KINUKO LOUTTIT, BARRY DOUGLAS WATSON, AS ADMINISTRATOR OF THE ESTATE OF KENNETH JOHN WATSON, LI PING DUAN, NORMAN VICTOR LEECH, ROLANDO VINAS DIZON and NARCISA DIZON, NICHOLAS GEORGE KARAMOUZOS and MARIA KARAMOUZOS, CUI MING CHEN, YANKUI WANG and XIN TIAN, MARIA DA NATIVIDADE ALMEIDA, 1237765 B.C. LTD., JU-SHAN CHIANG and FLORA FU, 1184414 B.C. LTD., AMARSINGH BHATIA and NARANJAN KAUR BHATIA, PHUNG KIM VUONG and TUONG LAM, MONICA PAOLA ALIAGA, MARCELINO LOPES DE SOUSA and OLGA MARIA DUTRA DE SOUSA, 1184413 B.C. LTD., LUALHATI ONGKEKO CRISOSTOMO, RICHARD RAYMOND RAVENSBERGEN and DAWN MARIE RAVENSBERGEN, YUK FAR CHEUNG and YIN ON CHEUNG, GARY LUCIEN DREES, THOMAS PATRICK FLEMING, 1352962 B.C. LTD., WAN CHEN and HONG YANG, SU JUAN SITU, VAN DAO NGUYEN and THI BICH HANG NGUYEN, JULIAN BOZSIK, CHRISTIAN HERBERT JOSON-LIM and IRIS JUNE CALIBUGAN ADIONG, ANGELA JOY EYKELBOSH, NGUYEN THANH VUONG and TUYET NGOC DU, OM PARKASH LOOMBA and MERRAN LOOMBA, SUZANNE JUANITA KUDELSKI, YAN QIONG LU, PING HE, EDWARD LAWRENCE THUE, RICHARD CHARLES PATRICK SPENCER and DIANE MARIE SPENCER, ARTHUR SUMMERS WILLIAMSON, GARY DALE CHARTER and CRISTINA RIMANDO GAPAL, JU TAI ZHOU and YU QING LI, ZHI HAO YANG, DAISY CUETO EVANGELISTA and MARIA CHERRY EVANGELISTA, MEGAN MARY BURGHALL, NASIM BHALOO, HUI LIN DONG and LI WANG, MANSOUR MESHKI, HSIANG CHIAO HUANG, GORDON WILLIAM PATERSON, YVONNE JO-ANNE ENGLAND, GRACE JOANNA LEVSEN, PING CHOR CHAN, SO FAN LEE and TAK TAI LUI

Defendants

1038573 B.C. LTD.

Defendant by way of Counterclaim

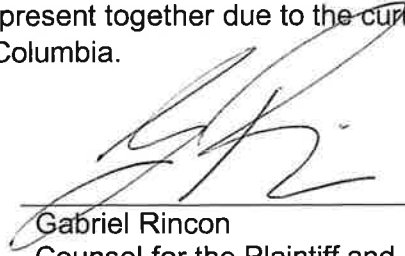
CERTIFICATE

I, Gabriel Rincon, am the lawyer acting for the Plaintiff and Defendant by way of Counterclaim, 1038573 B.C. LTD.

I advise as follows:

1. that the attached Affidavit #1 of Michelle Child is being submitted for filing electronically as per the Notice to the Profession, the Public and the Media regarding Affidavits for use in Civil and Family Proceedings dated March 27, 2020; and
2. that I am satisfied that the process described was necessary as it was unsafe for the deponent, Michelle Child and myself to be present together due to the current COVID-19 precautions in place in Vancouver, British Columbia.

DATED: February 23, 2024



Gabriel Rincon
Counsel for the Plaintiff and Defendant by
way of Counterclaim, 1038573 B.C. LTD.

GABRIEL RINCON
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 – 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0118