



Affidavit #1 of Tom Andrews
sworn: March 14, 2011

SCBC Action No. H100866
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

2090782 ONTARIO INC.,
CAMTREV INVESTMENTS LTD.,
LAWSON'S NEW WORLD INC., and
ANTHEM SQUAMISH POWER CENTRE LIMITED PARTNERSHIP

PETITIONERS

AND:

SQUAMISH JV LTD., and OTHERS

RESPONDENTS

AFFIDAVIT

I, Tom Andrews, of 19th Floor – 200 Granville Street, Vancouver, British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President with Colliers Macaulay Nicolls (BC) Inc. (“Colliers”). Colliers is, among other matters, a real estate marketing and advisory organization. I have been a commercial realtor active in British Columbia since approximately 1980 and I specialise in commercial and hotel type properties. I have personal knowledge of the matters hereinafter deposed to save where so stated I verily believe such matters to be true.

2. Colliers (and also CB Richard Ellis Ltd. (“CB Richard”), the other real estate agent involved in the marketing of the property subject of this proceeding) had previously been retained on an exclusive basis by the shareholders of Squamish JV Ltd. to market the property. The shareholders engaged Colliers and CB Richard in September 2009 (before construction of the hotel on the property was completed) and that engagement continued until approximately November 2010. The following was the marketing effort and its results that timeframe:

- (a) in September 2009 the property was listed at \$16,500,000. The feedback from all parties who contacted us was that that pricing was “way off” the mark;
- (b) in November the listing price was reduced to \$14,350,000, and the feedback remained similar, the pricing was still way off any level at which potential buyers would be interested;
- (c) the listing period expired in February 2010. We continued to work with the shareholders on an informal basis, this resulted only in a handful of investors that expressed mild interest in the property. None of them, in so far as I am aware, made an offer.

3. On or about December 15, 2010, Colliers and CB Richard were engaged by Meyers Norris Penny Limited, in its capacity as receiver and manager of the assets, undertakings and properties of Squamish JV Ltd. pursuant to an order granted in the Supreme Court of British Columbia action No. S105562 Vancouver Registry (the “Receiver”) to market the property. The marketing effort pursuant to that engagement included the following:

- (a) Colliers and CB Richard prepared marketing materials with respect to the property. Now produced and collectively marked as Exhibit “A” are true photocopies of the investment profile document and of the electronic brochure in that regard;
- (b) in early January 2011 Colliers and CB Richard distributed the brochure electronically to their respective lists of potential hotel buyers/investors across Canada. The distribution email included a link to download the profile and to also download a confidentiality agreement with respect to access to further information. The lists included potential hotel investors (corporate and individual) and operators, lenders and included regional hotel chains such as Coast Hotels & Resorts, Executive Inns and Sandman Hotels. The combined lists have approximately 960 potential investors and operators. A second electronic distribution was carried out at the end of January 2011 to parties who did not open the first distribution email;

- (c) the property was listed on Colliers and CB Richard websites in early January 2011;
 - (d) the property was advertised in the Vancouver Sun two times and in the Calgary Herald two times, both advertisements were run in January 2011. Now produced and marked as Exhibit "B" to this my affidavit is a true photocopy of the advertisements in question;
 - (e) the property was posted on "Loop Net", a comprehensive internet website for commercial properties for sale across North America, in mid-January 2011. Now produced and marked as Exhibit "C" to this my affidavit is a true photocopy of that posting;
 - (f) I and other members of Colliers, and also members of CB Richard, made personal phone calls to approximately 40 potential buyers; and
 - (g) Colliers and CB Richard established an electronic data room containing information with respect to the property, and provided access to that data room to potential interested purchasers who executed confidentiality agreements.
4. The above marketing activity resulted in the following:
- (a) Colliers and CB Richard received approximately 75 expressions of interest in the property, and of these 29 (including 7 agent brokers) executed confidentiality agreements. Of these 29, 4 had reviewed the offering in 2010 (when the shareholders of Squamish JV Ltd. had engaged Colliers and CB Richard to market the property), and 25 were new;
 - (b) twelve groups of potential buyers toured the property. These groups included operators of hotel properties as well as investors;
 - (c) two offers were presented. One offer was from Northland Properties Corporation (Sandman Hotel) and one from another party. The offer from Northland

Properties Corporation was unconditional, the other was subject to a further due diligence and as well was for a lower price.

5. When Northland Properties Corporation first expressed interest, I discussed the price with officers of the Receiver and with the officers of Northland Properties Corporation, before a written offer was actually presented. Accordingly the offer which the Receiver accepted reflected the final negotiated price. I confirm that Colliers is holding the deposit with respect to that transaction.

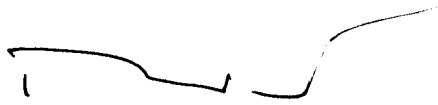
6. The property does have some difficulties, including the following:

- (a) Whistler occupancy levels are at record lows, and so budget minded visitors to the area do not stay in Squamish to get reasonable rates, they can obtain ski and room deals in Whistler at attractive discounts;
- (b) the Sea to Sky Highway is now quite safe and efficient, and accordingly Vancouver area skiers can make day trips with no need to overnight in Squamish;
- (c) construction crew business during the highway upgrade program supported the Squamish hospitality market, but much of that business has now stopped;
- (d) the site where the property is situate is in a state of abandonment. There is no leasing activity in the general area and there are two parcels in front of the hotel with preloading sand mounds (which significantly block views and ruin the curb appeal of the property); and
- (e) property currently has very low occupancy level and it will likely take several years before the property achieves positive cash flow.

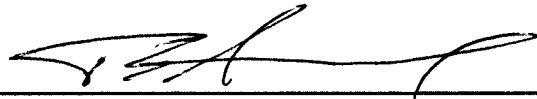
7. In my view, the main reason for the lack of interest in the property, or interest only at a major discount to the cost of construction, is that potential buyers are concerned about the room demand in the Squamish area and are of the view that such demand now and in the next several years will only support an investment which happens to be only a portion of the cost of construction.

8. In my view, the property has been properly marketed. I do not see a favourable change in the market conditions in the foreseeable future, and the proposed sale of the property to Northland Properties Corporation represents the best available realisation in the circumstances.

SWORN BEFORE ME at the City of)
Vancouver, in the Province of British)
Columbia, this 14th day of March,)
2011.)



A Commissioner for taking Affidavits for)
British Columbia)



TOM ANDREWS

DAVID C. S. LONGCROFT
BARRISTER & SOLICITOR
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
(604) 640-4211

This is Exhibit A referred to in the
affidavit of Tom Andrews
made before me on this 14th
day of March 20 11

.....
**A Commissioner for taking
Affidavits for British Columbia**

DAVID C. S. LONGCROFT
BARRISTER & SOLICITOR
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T1
(604) 640-4211

Appendix A

HOTEL ACQUISITION OPPORTUNITY

HOLIDAY INN EXPRESS

6940 DISCOVERY WAY, SQUAMISH, BC V8B 0R5



COURT ORDERED SALE



Colliers International Hotels ("Colliers") and CB Richard Ellis Limited ("CBRE"), have been retained as advisor and exclusive agent by Meyers Norris Penny Limited as Receiver - Manager (the "Receiver") of all the property, assets and undertakings of the Holiday Inn Express & Suites Squamish (the "Property" or "Offering"). Interested parties are encouraged to complete the attached Confidentiality Agreement ("CA") and return it to Colliers or CBRE to receive further information.

Call for Offers - Tuesday, February 22nd, 2011

Offers will be received up until 3pm PDT Tuesday, February 22nd, 2011 and will be evaluated based upon the conditions (if any) of the offer, the timing of the closing and the consideration offered for the Property, as well as the purchaser's ability to pay cash, obtain third party financing and to complete the sale transaction and such other matters as the Receiver and Colliers/CBRE may consider appropriate and relevant, from time to time.

Inquiries regarding all aspects of the proposed sale, including physical on-site inspections should be directed to the following individuals:

TOM ANDREWS

Colliers International Hotels
200 Granville Street, 19th Floor
Vancouver, BC V6C 2R6
DIR +1 604 661 0846
MOB +1 604 351 1740
FAX +1 604 661 0849
tom.andrews@colliers.com
www.colliershotels.com

Offering Highlights

- New 3-storey select service hotel.
- Opened February 2010.
- 95-rooms, including 35 suites.
- 95 surface parking stalls.
- 2 acre site size.
- Hotel amenities include a breakfast bar, high speed Internet, fitness centre, guest laundry, a 750 square foot meeting room and partially completed indoor swimming pool, whirlpool and waterslide.

GREG KWONG

CB Richard Ellis Limited
Suite 500 - 530 8th Avenue S.W.
Calgary, Alberta T2P 3S8
DIR +1 403 750 0514
MOB +1 403 585 3582
FAX +1 403 269 4202
greg.kwong@cbre.com
www.cbre.com



This document shall apply to CB Richard Ellis Limited, a real estate brokerage and its Canadian affiliates, CB Richard Ellis Advisors Inc., CBRE Global Markets Limited, CB Richard Ellis Advisory Services Inc. and CB Richard Ellis Quebec Limited (collectively "CBRE").

© 2011 CB Richard Ellis Limited. The information set out herein (the "Information") is intended for information purposes only. CBRE neither warrants nor represents, and does not warrant or guarantee the accuracy, completeness and timeliness of the Information. CBRE does not accept any responsibility or liability of any kind in connection with the Information and the recipient shall accept the Information upon the Information. The recipient of the Information should take such steps as the recipient may deem necessary to verify the Information and should place any reliance upon the Information. The Information may change and any property described in the Information may be withdrawn from the market at any time without notice or publication to the recipient from CBRE FID08050.



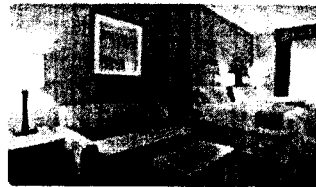
Appendix B

Holiday Inn Express & Suites Squamish

Page 1 of 1



HOTEL INVESTMENT OPPORTUNITY Holiday Inn Express & Suites Squamish Squamish, BC



COURT ORDERED SALE

Colliers International Hotels and CB Richard Ellis Limited have been retained as advisor and exclusive agent by Meyers Norris Penny Limited as Receiver - Manager of all the property, assets and undertakings of the Holiday Inn Express & Suites Squamish (the "Property" or "Offering"). The Property is being sold on an "as is, where is" basis.

This new Property is well constructed at a cost in excess of \$13 million (including land), making the Offering an exceptional opportunity to acquire a quality hotel with modern facilities at a price substantially less than replacement cost.

Click here for the Investment Flyer and return the Confidentiality Agreement ("CA") to receive access to the electronic data room.

Offers will be received up until 3pm PDT Tuesday, February 22, 2011. Further information will be delivered to parties who have executed and returned the CA.

For further information please contact:

Tom Andrews, Senior Vice President
Colliers International Hotels
Tel: +1 604 661 0846
Email: tom.andrews@colliers.com
www.colliershotels.com

Greg Kwong, Executive Vice President
CB Richard Ellis Limited
Tel: +1 403 750 0514
Email: greg.kwong@cbre.com
www.cbre.com

This document/email has been prepared by Colliers International for advertising and general information only. Colliers International makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers International excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising therefrom. This publication is the copyrighted property of Colliers International and/or its licensor(s). © 2011. All rights reserved. This communication is not intended to cause or induce breach of an existing listing agreement. Colliers Macaulay Nicolls Brokerage Inc. (Vancouver). *Personal Real Estate Corporation, PO#10809b

This is Exhibit B referred to in the
affidavit of Tom Andrews
made before me on this 14th
day of March 20 11



A Commissioner for taking
Affidavits for British Columbia

DAVID C. S. LONGCROFT
BARRISTER & SOLICITOR
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
(604) 640-4211

Appendix D

VANCOUVER SUN: Run dates January 8 and 11, 2011 (Business section)

HOTEL INVESTMENT OPPORTUNITY




COURT ORDERED SALE

HOLIDAY INN EXPRESS & SUITES - Squamish, British Columbia

- Newly constructed 3-storey hotel opened in February 2010
- 95 rooms, including 35 suites on a two acre site strategically located on the Sea to Sky Highway
- Offered well below replacement cost with upside growth potential

Call for Offers Process. For further details, please contact:

Tom Andrews
Colliers International Hotels
1 604 661 0846
tom.andrews@colliers.com



CALGARY HERALD: Run dates January 11 and 15, 2011 (Business section)

HOTEL INVESTMENT OPPORTUNITY



COURT ORDERED SALE

HOLIDAY INN EXPRESS & SUITES - Squamish, British Columbia

- Newly constructed 3-storey hotel opened in February 2010
- 95 rooms, including 35 suites on a two acre site strategically located on the Sea to Sky Highway
- Offered well below replacement cost with upside growth potential

Call for Offers Process. For further details, please contact:



Tom Andrews
Colliers International Hotels
1 604 661 0846
tom.andrews@colliers.com

Greg Kwong
CB Richard Ellis
1 403 750 5014
greg.kwong@cbre.com



This is Exhibit C referred to in the
affidavit of Tom Andrews
made before me on this 14th
day of March 20 11

.....
**A Commissioner for taking
Affidavits for British Columbia**

DAVID C. S. LONGCROFT
BARRISTER & SOLICITOR
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
(604) 640-4211

Appendix E

Print all the details of this listing in a proper format by clicking the "Print Listing" link on the right-hand side of each listing.



Hotel & Motel For Sale
Squamish, BC
SEARCH
Advanced Search

[Back to My Listings](#)

Result 1 of 1

Upgrade Now!

Premium Members are 4 times more likely to source a deal through LoopNet than Basic Members. [Learn More.](#)

Quick Edit

[Edit Listing](#) [Edit Attachments/Links](#) [Edit Main Photo](#) [Edit Contacts](#)
[Edit Listing Status](#) [Map Property](#) [View Listing Activity Report](#)

Hotel / Motel For Sale

Holiday Inn Express & Suites Squamish

39400 Discovery Way, Squamish, BC V8B0R5

Presented by
Company Not Provided



Price:
Price Not Disclosed
No. Rooms:
95
Building Size:
35,000 SF
Property Type:
Hotel & Motel
Property Sub-type:
Economy/ Limited Service

Property Use Type:
Business For Sale
Distressed:
Yes

Lot Size:
2 AC

[Find Out More...](#)

Last Verified 1/12/2011
Listing ID 16976496

Request additional information
Amy Kwan
(416) 643-3497

[Send a message:](#)

Please send me additional information about this property. You can reach me at (416) 643-3497.

[Watch This Property](#)
Track changes to this property

[Send to Friend](#)
[Share this listing](#)
[Link to This Listing](#)

[Embed This on Your Web Site](#)

Site

Widgets, Badges and Tools
[Share on Facebook](#)
[Share on LinkedIn](#)
[Share on Twitter](#)

Highlights

Newly constructed 3-storey hotel opened in February 2010.

95 rooms, including 35 suites on a two acre site strategically located on the Sea to Sky Highway.

Upside growth potential offered well below replacement cost.

Description

Court Ordered Sale.

This newly built 3-storey hotel is located on a 2-acre site with 95 guest rooms, including 35 suites. Constructed at a cost in excess of \$13 million, this offering provides an exceptional opportunity to acquire the Property below replacement cost.

[Print Listing](#)
[Additional options](#)
[View Map](#)

[Demographics](#)
[Research Price](#)

No. H100866
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

BETWEEN:

**2090782 ONTARIO INC.,
CAMTREV INVESTMENTS LTD.,
LAWSON'S NEW WORLD INC., and
ANTHEM SQUAMISH POWER CENTRE LIMITED
PARTNERSHIP**

PETITIONERS

AND:

SQUAMISH JV LTD., and OTHERS

RESPONDENTS

AFFIDAVIT

FASKEN MARTINEAU DUMOULIN LLP

Barristers & Solicitors
2900 - 550 Burrard Street
Vancouver, B.C., V6C 0A3
604 631 3131

Counsel: Marcel J. Pearson
Matter No: 278733.00004