

This is the 1st Affidavit of
Adam Gant in this case and
was made on October 17, 2013.

NO.
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
LEAGUE ASSETS CORP. AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

A F F I D A V I T

I, **ADAM GANT**, Businessman, of Suite 200 - 710 Redbrick Street, in the City of Victoria, in the
Province of British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am a director and officer of the majority of the companies attached as **Schedule "A"**, which in
turn are affiliated with the other entities listed in **Schedule "A"** (collectively the "**League Group**") 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.

INTRODUCTION AND HISTORY OF THE LEAGUE GROUP

2. This Affidavit is made in support of an application by the League Group pursuant to the
Companies' Creditors Arrangements Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), granting
certain relief including, *inter alia*, the following:

(a) a declaration that the CCAA applies to the League Group;

- (b) a stay of all proceedings and remedies taken or that might be taken in respect of the League Group or any of their property, except where otherwise set forth in the Initial Order or otherwise permitted by law;
- (c) authorising the League Group to carry on business in a manner consistent with the preservation of their property and business and to make certain payments in connection with their business proceedings therein;
- (d) appointing PricewaterhouseCoopers Inc. ("**PwC**") as monitor in these proceedings; and
- (e) permitting the League Group to file with the Court a plan or plans of compromise and arrangement.

3. The League Group was started by Emanuel Arruda ("**Arruda**") and me in 2005 with two pre-existing projects known as Member Partners' Consolidated Properties Limited Partnership ("**MPCP**"). Under Arruda's and my direction, MPCP continued to acquire further properties that were funded by a combination of traditional bank financing and individual investors.

4. In or about April 2006, Arruda and I created IGW Properties Limited Partnership 1 ("**IGW 1**") which acquired six properties using the same financing and equity combination as MPCP.

5. In early 2007, MPCP and IGW 1 were rolled into and used to form the basis of the IGW Real Estate Investment Trust (formerly known as IGW Real Estate Investment Trust) ("**IGW REIT**").

6. Also in early 2007, the Colwood Development (as defined herein) was commenced to acquire and assemble the 14 acre site that later obtained zoning for 3.8 million square feet of buildable density.

7. The first 5 years of the League Group's existence was focused on creating individual project limited partnership investments that individuals were able to participate in either directly, or through the IGW REIT. The guiding principle of the League Group was and remains to make large-scale real estate investments that are traditionally only available to institutional investors available to individuals. The League Group's business model proved to be very popular, and the League Group was able to greatly expand its assets under management.

8. In 2010 the League Group became associated with a publicly traded real estate investment trust known as Charter REIT. Charter REIT was renamed Partners Real Estate Investment Trust ("**Partners REIT**"). While operated separately from the League Group:

- (a) IGW Public Limited Partnership ("**IGW PUB LP**") owns a large number of Partners REIT units; and

- (b) LAPP Global Asset Management Corp. ("**LAPP GAM**") (a subsidiary of IGW PUB LP) provides management services as set out further herein.

9. In 2012 and 2013 the League Group expanded its financial services business and network for sales of its own products, as well as the sale of third party investments, by acquiring a number of investment entities (as set out herein). Following these acquisitions, the League Group has surpassed \$2 billion in assets under management and administration. Including both real estate and financial assets, the League Group has built up a base of 15,000 active clients across Canada and in Asia, including approximately 3,200 investors in the League Group.

CORPORATE STRUCTURE

10. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a copy of an organisational chart of the League Group (the "**Organization Chart**").

11. The majority of the League Group owned entities are owned by IGW Assets Limited Partnership ("**LALP**"), a British Columbia limited partnership. Its general partner is League Assets GP Inc. ("**LAGP**"), a British Columbia company. LAGP is owned equally by 0742044 B.C. Ltd. ("**0742044**") and 0742054 B.C. Ltd. ("**0742054**"). I am the sole director of 0742044, and the Gant Family Trust holds all voting shares. I am one of the trustees and beneficiaries of the Gant Family Trust. I am informed by Arruda, and do verily believe, that he is the sole director of 0742054, that the Emanuel Arruda Family Trust holds all voting shares, and that he is both a trustee and beneficiary of the Emanuel Arruda Family Trust. Attached hereto and marked as **Exhibit "B"** to this my Affidavit is an Entity Summary and Financial Summary for LALP and its associated entities.

12. The League Group is divided into a number of entity groups which are set out in greater detail below.

13. Attached as Exhibits hereto are a number of entity summaries (each an "**Entity Summary**") prepared with the assistance of the League Group's counsel, Davis LLP ("**Davis**") and financial summaries (each a "**Financial Summary**") prepared with the assistance of PwC based on the information available in the League Group's records. I have reviewed these summaries and do verily believe them to be accurate, however, given the complexity of the League Group's structure, and the short time in which these materials were prepared, there may be errors. I do not believe these errors, if any, will be material.

IGW REIT

14. League IGW Real Estate Investment Trust ("**IGW REIT**") is a real estate investment trust created in 2007. IGW REIT is widely held, including League REIT Investco Inc., a wholly owned subsidiary of League Assets Corp. ("**LAC**"), which holds 10 of the IGW REIT units. Attached hereto and marked as

Exhibit "C" to this my Affidavit is an Entity Summary and a Financial Summary for LAC. Attached hereto and marked **Exhibit "D"** to this my Affidavit is an Entity Summary of the IGW REIT.

15. IGW REIT has a number of unsecured notes which, under present circumstances, it will not be able to pay in the ordinary course of its business. These total approximately \$10,000,000 and are either matured or are maturing in the next six months.

16. IGW REIT owns 75% of IGW REIT Limited Partnership ("**IGW LP**") and 100% of IGW LP's general partner IGW REIT GP Inc. 25% of IGW LP is owned by individual unit holders.

17. The active business of the IGW REIT is carried out through IGW LP and a number of project limited partnerships. As set out in the Organization Chart, the business of IGW LP is generally conducted in separate limited partnerships. The relevant subsidiaries of IGW LP are listed below:

- (a) *Londondale Shopping Centre Limited Partnership ("**Londondale LP**")* - Londondale LP and its general partner Londondale Shopping Centre GP Inc. ("**Londondale GP**") owned a retail shopping centre in Edmonton, which was sold in April, 2013. Londondale LP and Londondale GP may have residual attributes which may be beneficial to a restructuring plan of the League Group. Attached hereto and marked as **Exhibit "E"** to this my Affidavit is an Entity Summary for Londondale LP.
- (b) *473 Albert St* - The 473 Albert Street development operates the Trebla office building in Ottawa, Ontario on property legally described as Part of Lots 23 and 24 and all of Lot 25, Plan 3922, North Albert Street Numbering West, as in N418302, City of Ottawa, PIN 04112-0053. The entities related to this development are 2164613 Ontario Inc., 473 Albert St. Office Limited Partnership and its general partner 473 Albert St. Office GP Inc. (collectively "**473 Albert Street**"). 473 Albert St. Office Limited Partnership is the beneficial owner of the property described above, which property it acquired in 2008 and which is legally owned by 2164613 Ontario Inc. as bare trustee. Attached hereto and marked as **Exhibit "F"** to this my Affidavit is an Entity Summary for 473 Albert Street.
- (c) *Member Partners' Consolidated Properties Limited Partnership ("**MPCP LP**")* - MPCP LP, its general partner Member Partners' Consolidated Properties GP Inc. previously owned:
 - (i) a shopping centre located in Langley, British Columbia ("**Sundel Square Shopping Centre**") with legal ownership held by Sundel Square Ltd., then a wholly owned subsidiary of MPCP LP, as bare trustee for MPCP LP, which property was sold in September, 2009;
 - (ii) an industrial development in Parksville, British Columbia, with legal ownership held by Arbutus Industrial Park Ltd., a wholly owned subsidiary of MPCP LP, as bare trustee for MPCP LP, which property was sold in January 2013;

- (iii) a shopping centre located in Camrose, Alberta which was sold in April 2013; and
- (iv) a shopping centre located in Vegreville, Alberta which was sold in August 2013.

MPCP LP continues to hold debt in respect of a vendor take back loan provided by MPCP LP to IGW Residential Capital Limited Partnership and Sundel Square Ltd. in respect of MPCP LP's sale of Sundel Square Shopping Centre and Sundel Square Ltd. to IGW Residential Capital Limited Partnership. In addition, MPCP LP has guaranteed obligations of other members of the League Group. The entities will likely remain relevant to a restructuring plan of IGW LP. Attached hereto and marked as **Exhibit "G"** to this my Affidavit is an Entity Summary for MPCP LP and its affiliate companies.

- (d) *IGW I* - IGW I and its general partner IGW Properties GP I Inc. ("**IGW I GP**") own several multi-tenant developments located in Ontario, British Columbia and Alberta, being: (1) the Lindholm Broughton Professional Building located in Victoria, British Columbia (the "**Lindholm Building**"); (2) Westlock Plaza located in Westlock, Alberta ("**Westlock**"); and (3) 9 Slack road located in Ottawa, Ontario ("**Slack Road**").

The Lindholm Building is a multi-tenant office building with 25,194 square feet of rentable area and a stable group of tenants occupying the property. The Lindholm Building is located on the lands that are legally described as PID: 004-543-572, Lot 63, Victoria City, which are held by IGW I GP as bare trustee for IGW I.

Westlock is a multi-tenant shopping centre with 64,218 square feet of rentable area and a stable group of tenants occupying the property. Westlock is located on the lands that are legally described as:

- (i) PID: 072-039-381, Plan 5738HW Lot B excepting thereout all mines and minerals area: 1.89 hectares (4.67 acres) more or less; and
- (ii) PID: 072-039-831 +1, Plan 5738HW Lot A containing 0.571 hectares more or less excepting thereout: 0.133 hectares (0.33 acres) more or less, as shown on road plan 8323163 excepting thereout all mines and minerals,

which are held by IGW I GP as bare trustee for IGW I.

Slack Road is a multi-tenant retail strip mall. Slack Road is located on the lands that are legally described as:

- (i) PIN 04629-0664 Lot 6 on plan 402435, subject to easements; and
- (ii) PIN 04629-0955 Part of Block A on Plan 402435, being Part 2 on Plan 4R-26360, subject to easements (Note: PIN 04628-0665 was subdivided creating

04629-0955. The former was sold to 2356609 Ontario Inc. on June 25, 2013, but IGW Properties GP I Inc. retained 04629-0955),

which are held by IGW I GP as bare trustee for IGW I.

IGW I, through IGW I GP, also owns Market Square Properties GP Inc. ("**Market Square GP**"), 2148711 Ontario Inc. ("**2148711**") and 2164614 Ontario Inc. ("**2164614**"). Through these entities, IGW I has owned redevelopment projects in Ontario and Alberta.

Market Square Properties Limited Partnership ("**Market Square LP**") and its general partner Market Square GP own the Market Square Shopping Centre located in Fort Saskatchewan, Alberta. The shopping centre has a stable group of tenants occupying the property. The lands comprising the shopping centre are:

Plan O
Block X
Excepting thereout all mines and minerals,
Area: 2.42 Hectares (5.98 Acres) More or Less

which are held by Market GP as bare trustee for Market Square LP.

2164614, as nominee for IGW LP, owned a property called the Empire Building located in Hamilton Ontario, which was sold in July, 2012. 2148711, as nominee for IGW LP, owned a property called Seaway Village in Cornwall, Ontario, which was sold in 2013. 2164614 and 2148711 may have residual attributes which may be beneficial to a restructuring plan of the League Group. Attached hereto and marked as **Exhibit "H"** to this my Affidavit is an Entity Summary for IGW I and its associated companies.

- (e) *IGW Public Limited Partnership ("**IGW Pub**")* - IGW Pub owns a large number of Partners REIT units. Its general partner is IGW Public GP Inc. IGW Pub is the sole shareholder of LAPP GAM, which provides asset management and property management services to Partners REIT. Attached hereto and marked as **Exhibit "I"** to this my Affidavit is an Entity Summary of IGW Pub and its general partner.
- (f) *Durham Portfolio Limited Partnership* - Durham Portfolio Limited Partnership and its general partner, Durham Portfolio GP Inc., League Debt Corp. and 0812307 B.C. Ltd. ("**0812307**") were created for transactions that did not occur or were associated with projects that were sold and accordingly do not have any assets or liabilities. However, these entities may be required for a restructuring. Attached hereto and marked as **Exhibit "J"** to this my Affidavit is an Entity Summary for each of Durham Portfolio Limited Partnership and its general partner, Durham Portfolio GP Inc., League Debt Corp. and 0812307 B.C. Ltd.

- (g) *IGW Industrial Limited Partnership ("Industrial LP")* - Industrial LP is the beneficial owner of an industrial property in LaSalle, Québec, which is held in trust by 8252220 Canada Inc. as bare trustee. The property is legally described as lot number 1 450 091 of the Cadastre of Quebec, Registration division of Montreal with the building erected thereon bearing civic numbers 695, 795 and 999, 90th Avenue, City of Montreal (borough of LaSalle). Industrial LP, by its general partner, IGW industrial GP Inc. (collectively "**Industrial**"), has entered into an agreement of purchase and sale dated May 29, 2013, as amended, with NorRock Realty Finance Corporation for the sale of the property and the shares of 8252220 Canada Inc. The sale is conditional upon the purchaser obtaining shareholder approval, and will close ten business days after such approval is obtained. If the sale does not complete by December 31, 2013, the agreement of purchase and sale is null and void. Attached hereto and marked as **Exhibit "K"** to this my Affidavit is an Entity Summary for Industrial.
- (h) *Tyee Plaza* - The Tyee Plaza development is a retail shopping complex in Campbell River, BC. The entities involved in the Tyee Plaza development are Tyee Plaza Limited Partnership, its general partner Tyee Plaza GP Inc. (collectively the "**Tyee Group**") and IGW LP. The Tyee Plaza shopping complex is comprised of the following parcels of land:
- (i) PID: 001-028-103 Lot A, District Lot 1558, Sayward District, Plan 13752, Except those parts in Plans 18780 and 23790
 - (ii) PID: 001-028-154 Lot B, District Lot 1558, Sayward District, Plan 13752, Except Parcel A (DD 375919I) and Except those parts in Plans 15556, 15730, 23790 and VIP82569
 - (iii) PID: 001-028-201 Parcel A (DD 375919I) of Lot B, District Lot 1558, Sayward District, Plan 13752
 - (iv) PID: 001-028-251 Lot 1, District Lot 1558, Sayward District, Plan 15730, Except Part in Plan VIP63981
 - (v) PID: 001-028-286 Lot 1, District Lot 1558, Sayward District Plan 23790
 - (vi) PID: 004-502-922 Lot A, District Lot 1558, Sayward District, Plan 15556
 - (vii) PID: 023-637-145 Strata Lot 1, DL 1558, Sayward District, Strata Plan VIS4165
 - (viii) PID: 023-637-153 Strata Lot 2, DL 1558, Sayward District, Strata Plan VIS4165
 - (ix) PID: 023-637-161 Strata Lot 3, DL 1558, Sayward District, Strata Plan VIS4165
 - (x) PID: 023-637-170 Strata Lot 4, DL 1558, Sayward District, Strata Plan VIS4165
 - (xi) PID: 023-637-188 Strata Lot 5, DL 1558, Sayward District, Strata Plan VIS4165
 - (xii) PID: 023-637-196 Strata Lot 6, DL 1558, Sayward District, Strata Plan VIS4165

- (xiii) PID: 023-637-200 Strata Lot 7, DL 1558, Sayward District, Strata Plan VIS4165
- (xiv) PID: 023-637-218 Strata Lot 8, DL 1558, Sayward District, Strata Plan VIS4165
- (xv) PID: 023-637-226 Strata Lot 9, DL 1558, Sayward District, Strata Plan VIS4165
- (xvi) PID: 023-637-234 Strata Lot 10, DL 1558, Sayward District, Strata Plan VIS4165
- (xvii) PID: 023-637-269 Strata Lot 13, DL 1558, Sayward District, Strata Plan VIS4165
- ((i) to (xvii) collectively the "**Tyee Plaza Lands**")
- (xviii) PID: 023-637-242 Strata Lot 11, DL 1558, Sayward District, Strata Plan VIS4165
- (xix) PID: 023-637-251 Strata Lot 12, DL 1558, Sayward District, Strata Plan VIS4165
- ((xviii) to (xix) collectively the "**IGW REIT Lands**")

Tyee Plaza GP Inc. is the registered owner of the Tyee Plaza Lands, which it holds in trust as bare trustee for Tyee Plaza Limited Partnership. Tyee Plaza GP Inc. is also the registered owner of the IGW REIT Lands, which it holds in trust as bare trustee for IGW LP.

The structure of the Tyee Plaza development is slightly different than the other IGW LP subsidiaries listed above, because this project's general partner is wholly owned by LAC rather than IGW LP. Attached hereto and marked as **Exhibit "L"** to this my Affidavit is an Entity Summary for the Tyee Group.

- (i) Finally, IGW LP and its general partner IGW REIT GP Inc. ("**IGW GP**") own two shopping centre properties in Alberta: (1) Stettler Mall, located in Stettler, Alberta ("**Stettler Mall**"); and (2) Dodson Plaza, located in Drayton Valley, Alberta ("**Dodson Plaza**").

Stettler Mall is a multi-tenant shopping centre with a stable group of tenants. Stettler Mall is comprised of the following properties:

- (i) Plan 0320755
Block 3
Lot 8B
Excepting thereout all mines and minerals,
- (ii) Plan 3175TR
Block 3
Lot 2
Containing: .8370 hectares (2.07 acres) more or less excepting thereout:

		Hectares	(Acres) More or Less
A) Plan 0121521	Subdivision	0.374	0.92
B) Plan 0121524	Road	0.112	0.28
C) Plan 0433887	Subdivision	0.074	0.18

Excepting thereout all mines and minerals;

(iii) Block 3
Lot 15
Excepting thereout all mines and minerals; and

(iv) Block 3
Lot 1
Containing 0.8370 hectares (2.07 acres) more or less
Excepting thereout: A) Plan 0720453, Subdivision 0.337 hectares (0.83 acres)
more or less, Excepting thereout all mines and minerals,

which are held by IGW GP as bare trustee for IGW LP.

Dodson Plaza is a multi-tenant retail shopping centre with 69,164 square feet of leasable area. A stable group of tenants occupy the property. The lands comprising Dodson Plaza are:

Plan 7520585
Block 66
Lot 1
Excepting thereout all mines and minerals,
which are held by IGW GP as bare trustee for IGW LP.

In addition to the above interests, IGW LP is a beneficial owner of a portion of Tyee Plaza. Tyee Plaza GP Inc. holds that portion of Tyee Plaza located at 1001 - 1325 Shoppers Road, Campbell River, BC (PIDs: 023-637-242 and 023-637-251) as bare trustee for IGW LP,

(collectively, the "**IGW Projects**"). Many of the IGW Projects were originally stand-alone Project LPs (as defined herein) that have been rolled into the IGW LP. Accordingly, some of the IGW Projects continue to have a small number of units held by third-party investors. Attached hereto and marked as **Exhibit "M"** to this my Affidavit is an Entity Summary of IGW LP and IGW GP.

18. In addition to the IGW Projects, IGW LP has made a number of unsecured loans (the "**IGW Loans**") and collectively with the IGW Projects, the "**IGW Business**") to the other Project LPs (as defined herein). In addition, IGW LP has guaranteed a number of mortgages for Project LPs and others.

19. Attached hereto and marked as **Exhibit "N"** to this my Affidavit is a Financial Summary of the IGW REIT entities.

League Assets Limited Partnership

20. LALP also operates project developments, but in a very different manner than the IGW Projects. Instead of all the projects having common ownership, LALP has created a number of project-specific limited partnerships ("**Project LPs**"). Each Project LP has a general partner owned by LALP. Investors buy units into each Project LP. Whereas IGW Projects are designed to be held on a more long-term basis, Project LPs are designed to be short-term investments. The main Project LPs of LALP are:

- (a) *Residences at Quadra Village Limited Partnership ("**Quadra LP**")* - The Residences at Quadra Village is a two building residential apartment complex located in Victoria, BC. The apartments are located on land legally described as PID: 003-551-784, Lot 1, Section 5, Victoria District, Plan 20678. Quadra LP is the beneficial owner of the property, which is held by 0895251 B.C. Ltd. ("**0895251**") as bare trustee (collectively "**Quadra**"). Renovations to the apartment buildings are nearing completion, with the current plan to subdivide off an unimproved portion of the property and construct thereon condo buildings that will be stratified and sold individually. Attached hereto and marked as **Exhibit "O"** to this my Affidavit is an Entity Summary and Financial Summary for Quadra.
- (b) *IGW Diversified Redevelopment Fund Limited Partnership ("**IGW DRF LP**")* - IGW DRF LP focuses on industrial and hotel redevelopment projects. IGW DRF LP is the sole shareholder of 2291088 Ontario Inc. ("**2291088**"), which owns the property at 50-52 Arrow Road, Toronto, Ontario, legally described as PIN 10293-0037; Part of Lot 7, Plan 3521, North York as in TB965592 (the "**Arrow Road Property**"). The Arrow Road Property is a 51,000 square foot industrial building which is actively being redeveloped. IGW DRF LP has placed a deposit to purchase the Victoria Plaza Hotel property located at 603 Pandora Avenue, Victoria, BC ("**Property**") from Second Lake Timber Co. Ltd. ("**Vendor**"). The purchase scheduled to close on July 31, 2013 after IGW DRF LP was successful in getting City approval for the required rezoning of the Property. In advance of closing IGW DRF LP learned of the existence of an undisclosed Fortis gas line ("**Gas Line**") that ran down the back of the Property and serviced the Property and adjoining properties. Fortis did not have a registered right of way permitting the Gas Line to be located on the Property. The Gas Line affected IGW DRF LP 's plans for redevelopment of the Property as it would not be able to build over the portion of the Property that the Gas Line was located in unless the Gas Line was removed. IGW DRF LP provided notice to the Vendor that the Gas Line had to be removed from the Property prior to closing. The Vendor refused to remove the Gas Line by closing. IGW DRF LP treated the Vendor's refusal to remove the Gas Line by closing as a repudiation of the contract of purchase and sale entitling IGW DRF LP to a return of its deposit and a termination of the

agreement between the parties. The amount of the deposit is \$869,375.25 plus accrued interest of which \$130,000 had previously been released to the Vendor (personal guarantee in respect of these funds provided by a principal of the Vendor), \$59,402.47 had been paid to the City of Victoria on account of 2012 property taxes and \$679,972.78 continues to be held by the Vendor's solicitors in trust. IGW DRF LP has demanded the return deposit but to date the Vendor has refused to return these funds.

Attached hereto and marked as **Exhibit "P"** to this my Affidavit is an Entity Summary and Financial Summary for IGW DRF LP, its general partner IGW Diversified Redevelopment Fund GP Inc., 2291088, and 0908150 B.C. Ltd. ("**0908150**").

- (c) *Stoney Range Industrial Limited Partnership* ("**Stoney Range LP**") - Stoney Range Industrial GP Inc. is the beneficial owner of a roughly 35 acre industrial-zoned site in the Wagon Wheel Industrial Park in East Balzac, Alberta. The registered owner is Stoney Range LP's general partner, Stoney Range Industrial GP Inc. (collectively "**Stoney Range**"). The property is legally described as:

Plan 0713406
Block 2
Lot 1
Excepting thereout all mines and minerals.

Attached hereto and marked as **Exhibit "Q"** to this my Affidavit is an Entity Summary and Financial Summary for Stoney Range.

- (d) *Cowichan District Financial Centre Limited Partnership* ("**CDFC LP**") - CDFC LP owns an office redevelopment project located in the City of Duncan, British Columbia (the "**Cowichan Project**"). The entities comprising the Cowichan Project are CDFC LP, its general partner Cowichan District Financial Centre GP Inc. and 0891146 B.C. Ltd. ("**0891146**"). The gross building area of the Cowichan Project is 40,000 square feet and is currently under active renovation. CDFC LP is actively marketing the available lease space and a group of tenants occupy a portion the property including the Bank of Nova Scotia. 0891146 holds legal title to the lands comprising the Cowichan Project as bare trustee for CDFC LP, being PID: 002-638-444, Lot 1, Section 17, Range 6, Quamichan District, Plan 25672. Attached hereto and marked as **Exhibit "R"** to this my Affidavit is an Entity Summary for Cowichan Project.
- (e) *Jesken Development Limited Partnership* ("**Jesken Development**") - Jesken Development owns a retail centre development project in Saanichton, British Columbia on the East Saanich Indian Reserve No. 2 ("**Jesken Project**"). The entities comprising the Jesken Project are Jesken Development and its general partner, Jesken

Development GP Inc. and Jesken Investment Limited Partnership and its general partner Jesken Investment GP Inc. A leasehold interest in the lands comprising the Jesken Project, being PIN No. 902009899 Lot 6-2 Plan CLSR 66175 East Saanich I.R. No. 2 are held legally and beneficially by Jesken Development. Attached hereto and marked as **Exhibit "S"** to this my Affidavit is an Entity Summary for the Jesken Project.

- (f) *Tsawwassen Retail Power Centre Limited Partnership ("TRPC LP")* - TRPC LP and its general partner Tsawwassen Retail Power Centre GP Inc. (collectively, the "**Tsawwassen Investment**") currently hold a right to obtain a 50% interest through investment in a retail centre development project on lands that are leased from the Tsawwassen First Nation in Tsawwassen, British Columbia. This is a joint venture project currently under development with a third party development manager. Attached hereto and marked as **Exhibit "T"** to this my Affidavit is an Entity Summary and Financial Summary for the Tsawwassen Investment.

21. The normal life-cycle of a Project LP traditionally has been for the Project LP to acquire a depressed asset, be it real estate, commercial backed mortgage securities or other assets, hold the asset (in the case of mortgage backed securities) or improve the asset (in the case of real estate) to the point that the asset has increased in value and, in the case of real estate, has a stable cash flow from a group of profitable tenants. The Project LP is then sold, with the investors realising the gain in asset value. LAC receives commissions and management fees associated with the acquisition, financing, refinancing, management and disposition of the Project LPs.

22. LALP is also the owner of the following entities:

- (a) *0895249 B.C. Ltd.* - This entity was originally created for a transaction that did not proceed. However, in early 2013 it purchased a first mortgage over the lands described as: Strata Lot 1 Section 1 Esquimalt District Strata Plan VIS4320 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form 1, and Strata Lot 2 Section 1 Esquimalt District Strata Plan VIS4320 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form 1, legally owned by 0830123 B.C. Ltd., and which were to be part of the Nobhill Development (as defined below). In order to finance this purchase, 0895249 B.C. Ltd. granted a mortgage of mortgage to the vendor, 360305 British Columbia Ltd. 0895249 B.C. Ltd.'s sole source of revenue to pay its obligations is from mortgage payments by 0830123 B.C. Ltd., which have ceased, or from CCC LP (as defined herein) which has been making the required mortgage or mortgage payments since 0830123 B.C. Ltd.'s default. Attached hereto and marked as **Exhibit "U"** to this my Affidavit is an Entity Summary for 0895249 B.C. Ltd.

- (b) 7667906 Canada Inc., League Capital Partners Ltd., League Founding LP Ltd. and League Assets International Inc. were created for transactions that did not occur or were associated with projects that were sold and accordingly do not have any assets. However, these entities may be required for a plan of arrangement. Attached hereto and marked as **Exhibit "V"** to this my Affidavit are Entity Summaries for these entities.
- (c) *League Holdings Corp.* - League Holdings Corp. and its affiliated companies own the League Group's headquarters in Victoria, British Columbia, and a golf course in New Brunswick. Attached hereto and marked as **Exhibit "W"** to this my Affidavit is an Entity Summary and a Financial Summary for League Holdings Corp. and its affiliated companies.
- (d) *Partners Equity Finance Inc.* - Partners Equity Finance Inc. was formerly named League Family Equity Fund Inc. ("**LFE**"). Attached hereto and marked as **Exhibit "X"** to this my Affidavit is an Entity Summary for Partners Equity Finance Inc.

23. LALP is also affiliated with a number of Project LPs which are not seeking creditor protection. These entities are Project LPs which are self-sustaining and I do verily believe are solvent and are not guarantors for any League Group debts. These entities, identified on the Organization Chart, are:

- (a) Member-Partners Solar Energy Limited Partnership, and its associated general partner and other entities (collectively, "**MPSE**"). Attached hereto and marked as **Exhibit "Y"** to this my Affidavit is a copy of an Entity Summary for MPSE.
- (b) Wesbrooke Retirement Limited Partnership, and its associated general partner and other entities (collectively, "**Wesbrooke**"). Attached hereto and marked as **Exhibit "Z"** to this my Affidavit is a copy of an Entity Summary prepared with Davis for Wesbrooke.

League Assets Corp.

24. LAC is a British Columbia company with a head office at 200 - 710 Redbrick Street, Victoria, British Columbia.

25. LAC owns the general partners of a number of Project LPs. The main Project LPs of LAC are:

- (a) *Redux Duncan City Centre Limited Partnership* ("**Redux Duncan LP**") - Redux Duncan is a completed retail shopping redevelopment project located in Duncan, British Columbia. Redux Duncan LP acquired the shopping centre in 2008 and undertook significant renovations and expansion activities. As of December 31, 2011, such renovations and expansions were completed and a stable group of tenants now occupy the property. The entities comprising Redux Duncan are Redux Duncan LP and its general partner Duncan

City Centre GP Inc. ("**Duncan CC GP**"), Duncan City Centre Limited Partnership ("**Duncan CC LP**"), and its general partner 0811883 B.C. Ltd., 0827524 B.C. Ltd. ("**0827524**"), Village Green Holdings #2 Ltd. and Village Green Holdings Limited Partnership ("**VGHLP**") and its general partner Village Green Holdings #3 Ltd. (collectively "**Redux Duncan**"). The shopping centre is comprised of leasehold interests in the following properties located on the lands of the Cowichan Tribes First Nation):

- (i) Duncan Village, PIN: 902528251, Lot 639, CLSR 95603, the leasehold interest is legally owned by Village Green Holdings #2 Ltd. as bare trustee for VGHLP;
- (ii) Duncan Mall, PIN: 902-001-707, Lot 251 CLSR 59018, the leasehold interest is legally and beneficially owned by Duncan City Centre Limited Partnership;
- (iii) Duncan Plaza, PIN: 902-001-711, Lot 9-1 CLSR 52724; PIN: 902-001-924, Lot 9-2 CLSR 52724; and PIN: 902-001-729, Parcel B Lot 10 CLSR5124, the leasehold interest is legally and beneficially owned by Duncan City Centre Limited Partnership; and
- (iv) Duncan Superstore, PIN: 902-005-387, Lot 252 CLSR 59018, the leasehold interest is legally and beneficially owned by Duncan City Centre Limited Partnership.

Redux Duncan has recently experienced issues with the Cowichan Tribes First Nation. Redux Duncan LP has requested that the First Nation enter into a servicing agreement with the City of Duncan for the delivery of utility and waste services to Redux Duncan as the former agreement has long since expired. The Cowichan Tribes First Nation has refused to do so, which in turn has caused difficulties for Redux Duncan because mortgage lenders are reluctant to lend without a long-term service agreement in place. Attached hereto and marked as **Exhibit "AA"** to this my Affidavit is an Entity Summary and Financial Summary for Redux Duncan.

- (b) *Colwood City Centre Limited Partnership ("**Colwood LP**")* - The Colwood Development is an ongoing multi-phase mixed-use project located in the City of Colwood, British Columbia. The entities comprising the Colwood Development are Colwood LP and its general partner Colwood City Centre GP Inc. ("**Colwood GP**"), Colwood's Triumph Limited Partnership and its general partner Colwood's Triumph GP Ltd. (together with Colwood's Triumph Limited Partnership, "**Colwood's Triumph**"), Colwood Belmont Developments Ltd. ("**CBD**"), Colwood Sooke Developments Ltd. ("**CSD**"), Colwood Jerome Developments Ltd. ("**CJD**"), Colwood City Centre Corp. and 0781591 B.C. Ltd. ("**0781591**"). Colwood LP is the beneficial owner of the following properties (the "**Colwood Development**"):

- (i) PID 004-426-789; Lot 2, Section 1, Esquimalt District, Plan 13872;

- (ii) PID 004-137-281; Lot 3, Section 1, Esquimalt District, Plan 13872;
- (iii) PID 004-425-162; Lot 4, Section 1, Esquimalt District, Plan 13872;
- (iv) PID 004-425-531; Lot 5, Section 1, Esquimalt District, Plan 13872;
- (v) PID 004-425-545; Lot 7, Section 1, Esquimalt District, Plan 13872;
- (vi) PID 000-165-182; Lot 6; Section 1, Esquimalt District, Plan 13872;
- (vii) PID 001-597-388; Lot 8; Section 1, Esquimalt District, Plan 13872;
- (viii) PID 003-566-064; Lot 9; Section 1, Esquimalt District, Plan 13872;
- (ix) PID 004-432-916; Lot 10; Section 1, Esquimalt District, Plan 13872,

((i) - (ix) are legally owned by CJD as bare trustee);

- (x) PID 006-341-985; Lot 6, Section 1, Esquimalt District, Plan VIP2749;
- (xi) PID: 006-342-094, That part of Lot 7 Section 1 Esquimalt District Plan 2749 lying to the south of a straight boundary extending from a point on the north easterly boundary of Belmont Avenue, distant 185 feet from the most westerly corner of said lot to a point on the easterly boundary of said lot, distant 300 feet measured south along the curve of the said easterly boundary from the most northerly corner of said lot;

((x) - (xi) are legally owned by 0781591 as bare trustee;

- (xii) PID: 019-006-357 Lot 1 Section 1 Esquimalt District Plan VIP58562;
- (xiii) PID: 019-006-365 Lot 2 Section 1 Esquimalt District Plan VIP58562;
- (xiv) PID: 002-782-022 Lot A Section 1 Esquimalt District Plan VIP26479,

((xi) - (xiv) are legally owned by CBD as bare trustee);

- (xv) PID: 029-155-886, Lot A Section 1 Esquimalt District Plan EPP10634;
- (xvi) PID: 029-155-894, Lot B Section 1 Esquimalt District Plan EPP10634;
- (xvii) PID: 029-155-908, Lot C Section 1 Esquimalt District Pan EPP10634; and
- (xviii) PID: 029-155-916, Lot D Section 1 Esquimalt District Plan EPP10634,

((xv) - (xviii) are legally owned by CSD as bare trustee).

Colwood's Triumph has not yet taken on an active role in the ownership or development of the Colwood Development.

On or about November 30, 2010, the ownership of the sole issued and outstanding share of Colwood City Centre GP Inc. was transferred from LAC to LISI (as hereinafter defined) for nominal consideration. This was done to take advantage of certain security

regulations. LISI is not in the business of owning or managing Project LPs. Therefore, LISI transferred the ownership of the share back to LAC as of October 16, 2013 for consideration of \$1.00. Attached hereto and marked as **Exhibit "BB"** to this my Affidavit is an Entity Summary and Financial Summary for the Colwood Development

- (c) *Fort St. John Retail Limited Partnership ("FSJ LP")* - FSJ LP and its general partner Fort St. John GP. Inc. (collectively "**FST**") were originally created to acquire a shopping centre development project in Fort St. John, British Columbia. In connection with the proposed acquisition, FSJ LP provided a loan to the vendor, G-8 Properties Inc. ("**G-8**") to fund the subdivision of the property, secured by a mortgage over the property. As a result of delays and the failure by G-8 to complete the subdivision process, FSJ LP made a demand for repayment of the loan. Due to ongoing litigation, FSJ LP has been delayed in realizing on the mortgage security. The litigation is anticipated to be completed in the second half of 2013 or early 2014. Once complete, FSJ LP intends to pursue a foreclosure process to either realize on proceeds from the sale of all of the lands or seek ownership of the property. Attached hereto and marked as **Exhibit "CC"** to this my Affidavit is an Entity Summary and Financial Summary for FSJ.

26. LAC is also the owner of the following entities:

- (a) Zeus Energy Ltd. - Zeus Energy Ltd. was created for transactions that did not occur and accordingly does not have any assets or liabilities. However, this company may be required for a plan of arrangement. Attached hereto and marked as **Exhibit "DD"** to this my Affidavit is an Entity Summary for Zeus Energy Ltd.
- (b) IGW Cash Management Fund Ltd. ("**IGW CMF**") - IGW CMF was created for transactions that did not occur and accordingly does not have any assets or liabilities. However, this company may be required for a plan of arrangement. Attached hereto and marked as **Exhibit "EE"** to this my Affidavit is an Entity Summary for IGW CMF.
- (c) League Realty Advisory Ltd. ("**LAR**") and League Realty Services Ltd. ("**LRS**") - LRA and LRS were created to provide acquisition-related advisory services to third party project development companies. These transactions did not occur and accordingly neither LRA nor LRS have any assets or liabilities. However, these companies may be required for a plan of arrangement. Attached hereto and marked as **Exhibit "FF"** to this my Affidavit is an Entity Summary for each of LRA and LRS.
- (d) Cygnet Apartments GP Inc. ("**Cygnet GP**") - Cygnet GP and Cygnet Apartments Limited Partnership ("**Cygnet LP**"), an entity which was dissolved on December 13, 2012, owned a residential building which was sold in January, 2012. Cygnet GP continues to hold debt

in respect of loans provided to Cygnet GP and Cygnet LP by other members of the League Group. Therefore, Cygnet GP will likely remain relevant to a restructuring plan of the League Group. Attached hereto and marked as **Exhibit "GG"** to this my Affidavit is an Entity Summary for Cygnet GP.

- (e) IGW Mortgage Investment Corporation holds a number of single-family residential mortgages. Attached hereto and marked as **Exhibit "HH"** to this my Affidavit is an Entity Summary for IGW Mortgage Investment Corporation.
- (f) League Acquisition Corp. was created for a transaction that did not occur or was associated with projects that were sold and accordingly does not have any assets or liabilities. However, this entity may be required for a plan of arrangement. Attached hereto and marked as **Exhibit "II"** is an Entity Summary for League Acquisition Corp.

27. A number of LAC affiliated companies and Project LPs, as shown on the Organization Chart, are also not filing for protection pursuant to the CCAA. They include:

- (a) *0803123 B.C. Ltd. ("0803")* - This company is the trustee holding properties in Colwood, British Columbia known as Nobhill and Wilfert Road (collectively "**Nobhill Development**"). The Nobhill property is comprised of the following lands:

- (i) 2684 Nobhill Rd. - PID: 000-747-285, Lot A Section 1 Esquimalt District Plan VIP65224;
- (ii) 2688 Nobhill Rd. - PID: 000-448-923, Amended Lot B (DD 1153101) Section 1 Esquimalt District Plan 4646, Except Parts in Plans 13301 and 41107;
- (iii) 2690 Nobhill Rd. - PID: 000-495-689, Lot 1 Section 1 Esquimalt District Plan 41107; and
- (iv) 2695 Nobhill Rd. - PID 001-154-184, Lot B Section 1 Esquimalt District Plan 31551,

and is subject to foreclosure by Romspen Investment Corporation ("**Romspen**"), as successor to Lanyard Enterprises Inc. ("**Lanyard**"). The redemption period has expired. This property is further subject to a number of mortgages in favour of Romspen, which I do verily believe greatly exceed the value of the property. The Wilfert Road property is comprised of the following lands:

- (i) 101 - 2676 Wilfert Rd. - PID: 023-797-576, Strata Lot 1 Section 1 Esquimalt District Strata Plan VIS4320; and
- (ii) 104 - 2676 Wilfert Rd. - PID: 023-797-614, Strata Lot 2 Section 1 Esquimalt Distract Strata Plan VIS4320,

has a first mortgage in favour of 0895249 B.C. Ltd. (a LALP owned company) and a number of further mortgages in favour of Romspen. I do verily believe that these mortgages also greatly exceed the value of the land. The recourse of Romspen in relation to these lands, other than as a successor to Lanyard, is limited to the lands, 0803 and unrelated companies. The amount required to redeem the first mortgage on the Wilfert Road property is currently subject to litigation between Romspen and, *inter alia*, 0895249 B.C. Ltd. Attached hereto and marked **Exhibit "JJ"** to this my Affidavit is a true copy of the Notice of Civil Claim filed by Romspen and the Response to Civil Claim filed by 0895429 B.C. Ltd. Attached hereto and marked as **Exhibit "KK"** and **Exhibit "LL"** to this my Affidavit are true copies of the Order Nisi granted to Lanyard, and the Order permitting Romspen to acquire the action and mortgage from Lanyard. Attached hereto and marked as **Exhibit "MM"** to this my Affidavit is an Entity Summary for 0803.

- (b) *League Assets, Inc.* - This is an American corporation that was created by LAC but does not carry on active business.
- (c) *League Corp Group FZ LLC* - This is a Dubai corporation that was created by LAC but does not carry on active business.
- (d) LAC is affiliated with the following Project LPs which are not seeking creditor protection. These entities are Project LPs which are self-sustaining and I do verily believe are solvent and are not guarantors for any League Group debts. These entities, identified on the Organization Chart are:
 - (i) Place Trans Canadienne Commercial Limited Partnership, and its associated general partner (collectively, "**Place Trans Canadienne**"). Attached hereto and marked as **Exhibit "NN"** to this my Affidavit is a copy of an Entity Summary for Place Tran Canadienne; and
 - (ii) Eagle Landing Development Limited Partnership, and its associated general partner and Eagle Landing Retail Limited Partnership, and its associated general partner (collectively, "**Eagle Landing**"). Attached hereto and marked as **Exhibit "OO"** to this my Affidavit is a copy of an Entity Summary for Eagle Landing.
 - (iii) IGW Segregated Debt 1 Limited Partnership and its associated general partner IGW Segregated Debt 1 GP Inc. and other entities (collectively, "**IGW Debt 1**"). Attached hereto and marked as **Exhibit "PP"** to this my Affidavit is an Entity Summary for IGW Debt 1.

- (iv) IGW Segregated Debt 2 Limited Partnership and its associated general partner IGW Segregated Debt 2 GP Inc. and other entities (collectively, "**IGW Debt 2**"). Attached hereto and marked as **Exhibit "QQ"** to this my Affidavit is an Entity Summary for IGW Debt 2.
- (v) IGW Segregated Debt 3 Limited Partnership, and its associated general partner and other entities (collectively, "**IGW Debt 3**"). Attached hereto and marked as **Exhibit "RR"** to this my Affidavit is an Entity Summary for IGW Debt 3.

Other Project LPs

28. There are several Project LPs that follow the same structure as the LAC and LALP Project LPs, but which were created with Arruda and me as the owners of the general partners instead of LAC or LALP. I do verily believe this was an oversight, and these Project LPs function and are managed as Project LPs in the League Group. LAC provides all management services for these projects, including financing, development, property management and investor relations. The projects include:

- (a) *North Vernon Properties Limited Partnership* ("**North Vernon LP**") - The North Vernon LP, by its general partner North Vernon Properties Inc. (collectively "**North Vernon**"), acquired and developed the Anderson Crossing retail shopping centre located in Vernon, British Columbia. It is comprised of five structures on 3.3 acres, with a combined leasable area of 42,192 square feet. A stable group of tenants now occupy the property. The shopping centre is located on the lands legally described as PID:026-124-394 Lot 2 District Lot 10 Township 8 Osoyoos Division Yale District Plan KAP76912. Attached hereto and marked as **Exhibit "SS"** to this my Affidavit is an Entity Summary and Financial Summary for North Vernon.
- (b) *Gatineau Centre Development Limited Partnership* ("**Gatineau LP**") - Gatineau LP owns the Tecumseh Golf Course lands in Gatineau, Quebec (the "**Gatineau Project**"). The entities comprising the Gatineau Project are Gatineau LP, its general partner Gatineau Centre Development GP Inc. and Gatineau Centre Real Estate Development Corporation. The plan for the Gatineau Project is to rezone and develop the lands into a mixed use urban development. The project is in the early stages of the planning and zoning process and the architects and land planning consultants are currently working on the overall plan for the buildings and the allocation to the different types of zoning that will be required. Gatineau Centre Real Estate Development Corporation holds the following properties which comprise the Gatineau Project as bare trustee for Gatineau LP:
 - (i) A certain emplacement known and designated as lot number 1 770 248 of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull;

- (ii) A certain emplacement known and designated as lot number 1 770 249 of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull; and
- (iii) A certain emplacement known and designated as lot number 2 453 490 of the Cadastre of Quebec, in the City of Gatineau, Registration Division of Hull.

In 2013, the Gatineau Project put forward an offering memorandum to raise capital. The offering raised approximately \$320,000 from investors. However, following the offering, the League Group discovered that the offering had inadvertently used stale financial information. As a result, the British Columbia Securities Commission deemed the offering invalid and required the Gatineau Project to offer to the investors the opportunity to rescind their investment. As of the date of this my Affidavit, we have received requests for rescission for approximately \$250,000. Attached hereto and marked as **Exhibit "TT"** to this my Affidavit is an Entity Summary and Financial Summary for the Gatineau Project.

- (c) *IGW Residential Capital Limited Partnership ("IGW Res Cap LP")* - IGW Res Cap LP, and its general partner IGW Residential Capital GP Inc., focuses on residential redevelopment projects, of which it currently has two:
 - (i) Rosewood Apartments: Rosewood Apartments is a residential apartment building in Hamilton, Ontario on property legally described as all units in all levels in Wentworth Condominium Plan No. 489 described in PIN Nos. 18489-0001 (LT) to 18489-0302 (LT) inclusive and municipally known as 468-472 Ottawa Street North, Hamilton, Ontario. 2128273 Ontario Inc. holds the land in trust for IGW Res Cap LP as bare trustee. This property is currently under contract to be sold and the subject removal date is October 17, 2013.
 - (ii) Sundel Square: Sundel Square is a neighbourhood retail and office centre on the Fraser Highway in Langley, BC. The City of Langley has targeted the area for residential intensification, and IGW Res Cap LP is redesigning the project for a larger, low rise residential/retail mixed use development, which is anticipated to commence in 2014. The project is located on the lands legally described as:
 - A. Lot 89 District Lot 309 Group 2 New Westminster District Plan 41453 PID: 000-928-640
 - B. Lot 90 District Lot 309 Group 2 New Westminster District Plan 41453 PID: 000-928-666
 - C. Lot 34 Except; Parcel "C" (Plan 41350), District Lot 309 Group 2 New Westminster District Plan 26215 PID: 000-928-674IGW Res Cap LP is the beneficial owner of the above lands, which are all held in trust by Sundel Square Ltd. as bare trustee.
 - (iii) IGW Residential has a third wholly owned subsidiary, 2146431 Ontario Inc., which was created to hold title to the Wellington apartment complex in Hamilton, Ontario. That property was sold in January, 2013.

Attached hereto and marked as **Exhibit "UU"** to this my Affidavit is a copy of an Entity Summary and Financial Summary for IGW Res Cap LP and its associated companies.

- (d) *IGW Energy Capital Limited Partnership* - The general partner for IGW Energy Capital Limited Partnership is IGW Energy Capital GP Inc. Neither entity has any assets or obligations, however these entities may be required for a plan of arrangement. Attached hereto and marked as **Exhibit "VV"** to this my Affidavit is an Entity Summary for IGW Energy Capital Limited Partnership and its general partner.

League Opportunity Fund

29. League Opportunity Fund Ltd. ("**LOF**") is an Ontario company which is wholly owned by LALP.

30. LOF was created to provide a further vehicle for investors to invest in the League Group. In order to do so, LOF issued a series of convertible promissory notes worth approximately \$13.5 million pursuant to an offering to subscribers. IGW LP and LAC guaranteed all of the obligations of LOF pursuant to such notes and LOF issued a general security agreement in favour of the subscribers. LOF used the funds to provide loans to other members of the League Group. As a result, LOF has a large loan outstanding to investors, and corresponding loans receivable from other entities. Attached hereto and marked as **Exhibit "WW"** to this my Affidavit is an Entity Summary and Financial Summary for LOF.

Investments Divisions

31. The League Group also consists of a number of investment and wealth management entities.

League Investment Services Inc.

32. League Investment Services Inc. ("**LISI**") sells debt and equity instruments to individuals looking to invest in the League Group. At present, LISI only sells League Group products, however it is licenced to sell third-party products as well and anticipates doing so as part of a restructured entity. Attached hereto and marked as **Exhibit "XX"** to this my Affidavit is an Entity Summary and Financial Summary for LISI.

League Financial Partners Inc.

33. League Financial Partners Inc. ("**LFP**") is a wholly owned subsidiary of LALP. This entity was incorporated in February 2013 to become the public parent corporation for the League Group through a planned reorganization. LFP is also the sole owner of League Investment Fund Ltd. Attached hereto and marked as **Exhibit "YY"** to this my Affidavit is an Entity Summary and Financial Summary for LFP.

League Capital Markets Ltd.

34. League Capital Markets Ltd. ("**LCM**") is the sole owner of Catalyst Investment Corp. ("**Catalyst**") and Monarch Corporation ("**Monarch**"), which wholly owns Monarch Wealth Assurance Agencies Inc. and Monarch Wealth Deposit Group Inc. Attached hereto and marked as **Exhibit "ZZ"** to this my Affidavit is an Entity Summary and Financial Summary for LCM.

Monarch Group

35. On or about November 1, 2012 LCM purchased all of the issued and outstanding shares of Catalyst and 1,000 common shares of Monarch from Forbes & Manhattan Asset Management Corp. ("**Monarch Seller**") pursuant to the terms of a Share Purchase Agreement ("**SPA**") made as of May 15, 2012.

36. The Purchase Price (as defined in the SPA) of \$1,950,000 is to be paid as follows:

- (a) \$650,000 on closing to the Monarch Seller (Closing occurred on or about November 1, 2012)
- (b) \$100,000 on closing to the Monarch Seller's solicitors ("**Escrow Agent**")
- (c) \$350,000 6 months (May 1, 2013) after the closing to the Escrow Agent;
- (d) \$400,000 12 months (November 1, 2013) after the closing to the Escrow Agent;
- (e) \$450,000 18 months (May 1, 2014) after the closing to the Escrow Agent.

37. There are certain shareholders equity and RAC adjustments to the purchase price contemplated in the SPA. Pursuant to the SPA, the Monarch Seller is to provide such reasonable assistance as may be requested by LCM in connection with all communications, interactions and other dealings with customers and suppliers of the business and governmental authorities. The Monarch Seller has further provided LCM with a non-compete covenant as per Article 6 of the SPA.

Harris Fraser Group

38. On or about July 1, 2013, LALP purchased of all of the issued and outstanding shares (2,000 common shares) of Harris Fraser Group Limited ("**HFGL**") from Ms. Yuen Yee Ng ("**HFGL Seller**") pursuant to the terms of an Agreement of Purchase and Sale dated February 1, 2013 ("**APS**") and associated escrow and other documents (collectively the "**HFGL Transaction Documents**").

39. Pursuant to the HFGL Transaction Documents, post-closing payments (the "**Post-Closing Payments**") are required to be made by LALP to HFGL Seller. To date a \$100,000 deposit and

approximately \$1,805,000 closing payments have been made by LALP to HFGL Seller. The following Post-Closing Payments remain:

- (a) November 10, 2013 - \$208,383.56 CAD
- (b) December 10, 2013 - \$263,561.64 CAD
- (c) January 10, 2014 - \$266,746.58 CAD
- (d) January 31, 2014 - \$376,465.75 CAD
- (e) February 10, 2014 - \$431,890.41 CAD

all of the above amounts include an interest component of 15%.

40. Until such time as the Post Closing Payments are made in full, the shares of HFGL remain in escrow with the HGL Seller's solicitors pursuant to the terms of the HFGL Transaction Documents.

41. The HFGL Transaction Documents also require that certain capital compensation payments ("**Capital Compensation Payments**") which are based on the performance of HFGL's Taiwan subsidiary (as defined in the HFGL) be made by LALP to HFGL Seller as follows:

- (a) March 1, 2014 - 2,175,178.75 HK (\$290,351.56 CDN as of October 14, 2013)
- (b) June 1, 2014 - 2,175,178.75 HK
- (c) September 1, 2014 - 2,175,178.75 HK
- (d) December 1, 2014 - 2,175,178.75 HK

42. There are further Installment Payments required to be made by LALP to HFGL Seller post-closing (as defined in the HFGL Transaction Documents):

- (a) "First Installment Amount" and "First Taiwan Installment Amount" 12 months after the Closing Date;
- (b) "Second Installment Amount" and "Second Taiwan Installment Amount" 24 months after the Closing Date;
- (c) "Final Installment Amount" and "Final Taiwan Installment Amount" 36 months after the Closing Date;

(collectively "**Installment Payments**").

The amount of the Instalment Payments are determined according to a formula set out in the APS.

43. LALP has indemnified the HFGL Seller in respect of any breach of a representation, warranty or covenant by LALP under the APS and in respect of the personal guarantees provided by the HFGL Seller to "Service Providers" to the extent that releases of the personal guarantees can't be obtained.

44. LALP was required to enter into a consulting agreement with an associated company of the HFGL Seller that will serve as the responsible officer of HFGL and chief executive of HF Partners Limited ("HFP") for a period mutually agreeable as agreed by LALP and the HFGL Seller at a monthly fee of \$78,000 (HK).

45. The obligations of LALP in respect of all of its obligations under the APS (as amended), including amongst other obligations the Post Closing Payments, Capital Compensation Payments and Installment Payments referenced above, are guaranteed by HFP and Harris Fraser Corporate Services Limited ("HFCSL"), both of which are subsidiaries of HFGL.

46. HFGL Seller has entered into a non-compete agreement with LALP.

47. HFGL and its subsidiaries are an integral part of the League Group's planned restructuring and diversification. Given the HFGL Seller and the assets are primarily located in Hong Kong, and the short time in which materials were required for this application, I and my counsel have been unable to determine what recognition of a CCAA filing can be obtained, and what effect the same would have on the purchase of HFGL and its various securities and other licences. Accordingly I do verily believe it is in the best interests of the League Group to permit continued payments to the HFGL Seller as required by the HFGL Transaction Documents to allow counsel to the League Group time to investigate what options are available.

Other Entities Not Involved in the League Group Filing

48. There are a number of other entities which are not involved in the League Group's application for protection pursuant to the CCAA. These entities include:

- (a) a number of shell companies which were created for transactions which did not complete, or were associated with projects that were sold, have no assets or liabilities, and which are not anticipated to be necessary for a restructuring of the League Group; and
- (b) companies which are vehicles to make investments in the League Group eligible for registered retirement savings plans. These entities are solely liable to their investors, and their sole assets are interests in League Group entities. I do verily believe that the liability of these entities is tied directly to their recovery from their investments in League, and accordingly they are not insolvent.

MANAGEMENT AGREEMENTS

49. LAC has been retained by IGW REIT, IGW LP, and the applicable Project LPs to provide complete asset management, for which LAC is paid an administrative fee based on asset value, along with other fees regarding financings, sales and other additional duties. Asset management includes management of the acquisition, development, financing, and divestiture of assets.
50. Property management of the various projects, which include leasing, common area maintenance and related services are provided by LAC for projects located on Vancouver Island, and by independent contractors sourced by LAC for projects located elsewhere.
51. LAPP GAM provides asset management and property management services to the Partners REIT. Asset management is handled by the League Group internally, as property management for properties located on Vancouver Island. Property management elsewhere is sub-contracted by the League Group. Attached hereto and marked as **Exhibit "AAA"** to this my Affidavit is an Entity Summary of LAPP GAM.

FINANCIAL STATEMENTS

52. Attached hereto and marked as Exhibits set out below to this my Affidavit are true copies of financial statements prepared on a review engagement basis for:

Entity	Exhibit
CDFC LP	"BBB"
Colwood GP	"CCC"
FSJ LP	"DDD"
IGW DRF LP	"EEE"
LISI	"FFF"
LOF	"GGG"
Londondale LP	"HHH"
North Vernon LP	"III"
Quadra LP	"JJJ"
Redux Duncan LP	"KKK"

53. Attached hereto and marked as **Exhibit "LLL"** to this my Affidavit is a true copy of unaudited financial statements of LFE as at December 31, 2011.

54. Attached hereto and marked as Exhibits as set out below to this my Affidavit are true copies of financial statements prepared by Management for:

Entity	Exhibit
0781591	"MMM"
0812307	"NNN"
08927524	"OOO"
0891146	"PPP"
0895251	"QQQ"
0908150	"RRR"

55. Attached hereto and marked as Exhibits as set out below to this my Affidavit are true copies of interim financial statements prepared by League Group Management with the assistance of KPMG LLP as part of the prior planned corporate reorganization.

Entity	Exhibit
LAC	"SSS"
LCM	"TTT"
LFP	"UUU"
LISI	"VVV"

CAUSE OF DIFFICULTIES AND NEED TO RESTRUCTURE

56. A number of factors have led to the League Group's current financial difficulties.

57. The first factor, which I believe was common to many businesses, was the credit crisis which began in 2008. The result was that the development of many League Group projects had to be delayed because of a general tightening in the credit markets as well as a substantial drop in demand for commercial properties. While both of these factors have substantially corrected themselves, the League Group is left with a large amount of legacy debt from that time period. Further, the credit crisis changed how a number of lenders conducted their underwriting requirements for making loans, and this resulted on the League Group having a smaller number of lenders to look to, generally at a higher cost. The spiral of higher credit costs has put a substantial pressure on the League Group's cash flow.

58. The second factor, resulting from the recovery of the credit markets, has been an increase in the demand for redemptions by investors. During and following the financial crisis, it has been my experience

that investors were interested in the stable returns associated with real estate. Once the financial crisis passed, investors have indicated to me that they are more interested in higher risk investments with higher returns than those offered by the League Group. This has resulted in a larger than anticipated number of redemption requests by investors, further straining the League Group's cash flow.

59. The third factor has been a couple of projects that have suffered set-backs and required substantial injections of cash. In particular:

- (a) the development of Redux Duncan has been delayed by disputes with the Cowichan Tribes First Nation who own the land on which the development is located. The band has failed to enter into a servicing agreement with the City of Duncan for the provision of municipal services. While the services are being provided, lenders have been reluctant to lend without a long-term agreement in place. The League Group continues to dispute with the band and has withheld property taxes in the dispute; and
- (b) the Colwood Development is a complex development that requires a large, stable funding source in order for the development to be completed. While the League Group has been able to secure relatively expensive 'band-aid' solutions, a construction financier is required. Due to the scale and the factors set out above, progress on the financing of the Colwood Development has been delayed. IGW LP is a major lender to the Colwood Development.

60. Finally, the growth of the League Group has been exponential and greatly in excess of my expectations. The result has been that the League Group has outgrown its current corporate structure (which has become too complex) and its project-by-project funding model.

61. The result of the above is that the League Group no longer has sufficient cash, and has ceased meeting its obligations as they become due in the ordinary course of the League Group's business.

EXTANT FORECLOSURES

62. There is presently one active and one imminent foreclosure involving the League Group entities seeking protection:

- (a) On May 31, 2013, TCC Mortgage Holdings Ltd. ("TCC") commenced proceeding in the Supreme Court of British Columbia, Duncan Registry, seeking to foreclose on leasehold interests held in lands beneficially legally held by Duncan CC LP, a security agreement from the above parties as well as Redux Duncan LP and Duncan CC GP, and to enforce guarantees from IGW LP, myself and Arruda. Order Nisi of Foreclosure was granted by Master Bouck on August 6, 2013 and the redemption period is set to expire on January 6,

2014. Attached hereto and marked as **Exhibit "WWW"** to this my Affidavit is a true copy of the Order Nisi of Foreclosure. On or about October 8, 2013, TCC brought an application seeking the appointment of a receiver over Duncan CC LP, 0811883 B.C. Ltd., Redux Duncan LP and Duncan CC GP, returnable October 21, 2013. Attached hereto and marked as **Exhibit "XXX"** and **"YYY"** to this my Affidavit is a true copy of the Notice of Application and Affidavit #2 of Ken Lai served by TCC.

- (b) Quest Mortgage Corp. ("**Quest**") has first and second mortgages over the lands comprising the Colwood Development in support of an \$8,000,000 refinancing loan provided to Colwood LP and LAC. This loan expired on August 31, 2012 and the borrowers and guarantors thereunder are unable to repay it. I do verily believe there is equity in these properties, as set out in the summary attached as Exhibit "BB". While a foreclosure proceeding has not been started, I understand from Narinder Nagra of Quest and do verily believe that enforcement by Quest is imminent. Demands were served by Quest on Friday, October 4, 2013 along with notices of intention to enforce security.

STAKEHOLDERS

Employees

63. The League Group has approximately 105 employees in its various roles and divisions. These employees are located in Victoria (65), Vancouver (20), Toronto (15) and Calgary (5). The Harris Group has a further approximately 20 employees located in Hong Kong. The League Group's employees are being paid in the normal course of business and are not otherwise in arrears. The League Group utilises a payroll service.

Unsecured Creditors

64. The unsecured creditors of the League Group consist primarily of:

- (a) unsecured noteholders of the various Project LPs and IGW REIT;
- (b) inter-corporate debt, primarily between IGW LP and the other members of the League Group;
- (c) unsecured trade creditors, in particular relating to the Colwood Development; and
- (d) professional service firms, including law firms and accounting firms, for services provided to the League Group.

These debts are subordinate to the secured creditors of the League Group, and I do verily believe that a restructuring is far more likely to allow these parties to see a return on their debt, as opposed to a uncontrolled liquidation or independent foreclosures.

Investors

65. The investors in IGW REIT and the various Project LPs stand to gain the most from a restructuring, and are at the greatest risk of a loss should the League Group not be permitted to restructure and the assets are liquidated or foreclosed upon. As set out above, the investors are primarily individuals and not institutional. I have been advised by many of these investors, and do verily believe, that their investment in the League Group represents a significant portion of their net worth.

66. As of September 2013 IGW REIT ceased making distributions.

Secured Creditors

67. As set out in the Exhibits attached hereto, I do verily believe that the secured creditors have more than adequate security in regards to their debts, and that they are unlikely to suffer a shortfall should the League Group be permitted an opportunity to restructure.

68. In addition to its owned property, the League Group has leased property located in Toronto, Calgary and Vancouver. It is anticipated that some of these leases may be disclaimed in the CCAA proceedings as part of a restructuring in order to rationalise the ongoing expenses of the League Group.

SUMMARY OF LIABILITIES

69. Attached hereto and marked as **Exhibit "ZZZ"** to this my Affidavit is a list of the cumulative assets and liabilities of the League Group prepared with the assistance of the PwC and from the books and records of the League Group. These numbers include a number of assumptions, for example Colwood LP is valued at its book value of \$151,258,188, which may not be its realisable value based on a number of factors. In addition, much of IGW REIT's value is based on the recovery of intergroup receivables. The attached summary does not categorize any investments not recorded in the League Group's books and records as debt. Some investments may be more properly categorized as debt and I will be seeking the advice of the proposed monitor and my counsel in this regard.

70. The League Group is not delinquent with any required remittances to the Canada Revenue Agency ("**CRA**") or the British Columbia Ministry of Finance for employee remittances, Harmonized Sales Tax and income tax. The League Group's 2012 corporate income taxes were paid in full. All amounts outstanding in relation to these items to the CRA and the British Columbia Ministry of Finance are accrued in the normal course of business.

71. As noted in the financial summaries, the League Group is in arrears with certain property taxes. I do verily believe that the League Group will be bringing an application to approve interim financing pursuant to the provisions of the CCAA, and that one of the uses of such interim financing will be to bring property taxes current.

PLAN OF ARRANGEMENT

72. Prior to seeking to restructure through the CCAA, management of the League Group was attempting to restructure through a reorganisation of its business and public offering. Unfortunately, financial constraints have made this impossible without court assistance. It is anticipated that a plan of arrangement under the CCAA will incorporate a number of the steps proposed in the prior reorganisation planned by the League Group.

73. While the terms and structure will need to be finalised with the assistance of PwC as Monitor should this Honourable Court grant the orders sought herein, a proposed restructuring will likely involve:

- (a) simplifying the corporate structure into core-businesses. The current corporate structure is the result of rapid growth and no longer serves the requirements of the League Group. The broad areas of the new organization are likely to be:
 - (i) asset management, where the League Group manages retail, commercial and industrial properties;
 - (ii) wealth management, where the League Group raises funds for investment in real estate and other projects; and
 - (iii) development and redevelopment of real estate projects.
- (b) divesting from projects that are underperforming, or are not consistent with the more streamlined business. This would include such things as moving the IGW Business into more industrial, higher income-producing properties;
- (c) seeking a stable, comprehensive funding scheme that reduces financing and interest costs, and provides a stable source of credit for the League Group's projects, including Redux Duncan and the Colwood Development (if both projects are retained). It is anticipated that, with the assistance of PwC's extensive financial services divisions, the League Group should be able to find a sustainable, affordably priced credit facility or facilities consistent with the streamlined business;
- (d) changing the way the IGW Loans are made and repaid to ensure continued stability; and

- (e) a potential public offering of the restructured entity to increase equity investments and decrease the League Group's credit requirements. This may include the conversion of current debt and equity investments in the League Group into a combination of shares and/or debt in the new restructured entity.

RECENT SECURITY

74. Shortly after engaging Davis to commence the within proceedings, I attended the offices of Goodmans LLP ("**Goodmans**") where I was asked to sign a general security agreement over the assets of a number of League Group entities to secure Goodmans's accounts. I did so because I was under the belief that Goodmans was required to assist in the restructure of the League Group, and I was under substantial pressure from Goodmans to provide the security Goodmans has not provided any material legal services since being provided the general security agreement.

75. The League Group has granted to Davis security over certain assets in order to secure its fees and disbursements. This security was granted in consideration of Davis preparing the materials for and making the within application.

CASH-FLOW STATEMENTS

76. The management of the League Group, with the assistance of PwC, has prepared cash flow projections for the 14 week period ending January 19, 2014 during the anticipated restructuring (the "**Cash-Flow Statement**"). Attached hereto and marked as **Exhibit "AAAA"** to this my Affidavit is a true copies of the Cash-Flow Statement.

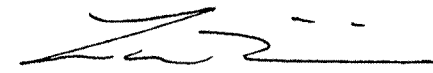
77. In respect of the Cash-Flows:

- (a) The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in the notes to the Cash-Flows, and the probable assumptions are suitably supported and consistent with the plans of the League Group and provide a reasonable basis for the projections. All such assumptions are disclosed in the notes to the Cash-Flows;
- (b) since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material; and
- (c) the projections have been prepared solely for the purpose described in notes to the Cash-Flows, using the probable and hypothetical assumptions set out in the notes. Consequently, readers are cautioned that it may not be appropriate for other purposes.

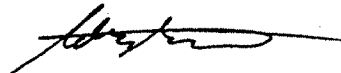
CONSENT OF THE PROPOSED MONITOR

78. PwC has consented to be appointed monitor in these proceedings. Attached hereto and marked as **Exhibit "BBBB"** to this my Affidavit is a true copy of PwC's consent to act.

SWORN BEFORE ME at Vancouver, British
Columbia, on October 17, 2013.



A Commissioner for taking Affidavits
for British Columbia.



ADAM GANT

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