



Court File No. S2111109
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE RECEIVERSHIP OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES OF**

1143924 B.C. LTD.,

**BUFFALO-GENTAI (ST. JOHNS) INVESTMENT LIMITED PARTNERSHIP AND
BUFFALO-GENTAI DEVELOPMENT LTD.**

**PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED**

AND

**SECTION 39 OF THE
LAW AND EQUITY ACT, R.S.B.C. 1996 c. 253 AS AMENDED**

RECEIVER'S THIRD REPORT TO COURT

February 27, 2023

**IN THE MATTER OF THE RECEIVERSHIP OF
1143924 B.C. LTD.,
BUFFALO-GENTAI (ST. JOHNS) INVESTMENT LIMITED PARTNERSHIP AND
BUFFALO-GENTAI DEVELOPMENT LTD.**

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I. BACKGROUND AND PURPOSE OF REPORT

Background

1. On January 27, 2022 on application by Prospera Credit Union, The Bowra Group Inc. was appointed as Receiver and Manager of the assets, undertakings and property of 1143924 B.C. Ltd., Buffalo-Gentai (St. Johns) Investment Limited Partnership and Buffalo-Gentai Development Ltd. (the “**Companies**”).
2. On December 1, 2022, The Bowra Group Inc. and MNP Ltd. (“**MNP**”) concluded a transaction for MNP to acquire the consumer and corporate insolvency and restructuring practice of The Bowra Group Inc. (the “**Transaction**”). As a result of the Transaction, by Order pronounced December 21, 2022 in action number S2210003, MNP was substituted in place of The Bowra Group Inc. the Court-appointed receiver in these receivership proceedings.
3. Between 2017 and 2019, the Companies obtained financing to purchase a contiguous set of lots in Port Moody, B.C. with the intention of developing those lots into a six-storey mixed-use building having a buildable area of 173,000 square feet that would include 197-residential units and commercial units.
4. Summarized in the table below are the nine parcels owned by the Companies:

#	Civic Address	PID Number
1)	3101 St. Johns Street, Port Moody, B.C.	009-610-812
2)	3103 St. Johns Street, Port Moody, B.C.	003-597-393
3)	3104 St. George Street, Port Moody, B.C.	009-553-843
4)	3108 St. George Street, Port Moody, B.C.	009-553-860
5)	3112 St. George Street, Port Moody, B.C.	002-389-886
6)	123 Buller Street, Port Moody, B.C.	028-989-627
7)	125 Buller Street, Port Moody, B.C.	028-989-635
8)	127 Buller Street, Port Moody, B.C.	028-989-643
9)	129 Buller Street, Port Moody, B.C.	028-989-651

(Collectively the “**Development Property**”).

5. 1143924 B.C. Ltd. is the registered owner of all of the Development Property except for 3108 St. George St. which is owned personally by Yu Yang and Hongyu Tina Mu, the directors of the petitioner, PKT Holdings Inc. (“**PKT**”).
6. Buffalo-Gentai (St. Johns) Investment Limited Partnership (the “**LP**”) is the beneficial owner of all the Development Property. Buffalo-Gentai Development Ltd. is the general partner (the “**General Partner**”) of that limited partnership.
7. The shareholders of the General Partner are:
 - i. Gentai Development Corp. (“**Gentai**”)
 - ii. Buffalo Holdings Inc. (“**Buffalo Holdings**”)
8. Prospera Credit Union (“**Prospera**”) provided mortgage financing to allow the Companies to purchase the 3104, 3108 and 3112 St. George Street, and 123-129 Buller Street in Port Moody, BC.
9. Canadian Western Bank (“**CWB**”, collectively with Prospera referred to as the “**Secured Creditors**”) provided mortgage financing for 3101 and 3103 St. Johns Street in Port Moody, BC.

Rezoning and Amendments to Official Community Plan

10. The Development Property is proposed to be a six-storey mixed-use building with 197-residential units, commercial units, and a daycare.
11. The Development Property was zoned for single-family, duplex and fourplex use. Accordingly, a rezoning and amendment to the Official Community Plan (the “**Rezoning Application**”) was required to be approved by the City of Port Moody (the “**City**”) for the proposed building.
12. On February 9, 2021, the Development Property received second reading and on April 20, 2021, the Development Property was referred to a public hearing and third reading.
13. A third reading approval of the Rezoning Application would mean a conditional approval from the City’s councillors of the project.

14. Pursuant to an Amended and Restated Receivership Order (the “**ARRO**”) granted on March 25, 2022, the Receiver’s powers were expanded to include, among other items, specific powers to take such steps the Receiver thinks necessary or desirable to obtain third reading approval by the City council for the Companies’ Rezoning Application. A copy of the ARRO was included in the First Report to Court dated July 15, 2022.
15. On June 28, 2022, the City granted third reading approval for the Development Property.

Sales and Marketing

16. Neither the original Receivership Order nor the ARRO provide the Receiver powers to market or sell the Development Property.
17. Having obtained third reading approval, the Receiver requested and obtained powers to market and sell the Development Property to realize on the assets pursuant to a Court Order granted August 2, 2022.
18. The Receiver conducted a sales process which resulted in a sale to PKT and Chace Energy Holding Corp. (the “**Purchaser**”) for \$20.5 million. The sale was approved by the Court on October 20, 2022 and completed on December 21, 2022. A copy of the Court Order is attached as **Appendix A**.
19. This is the Receiver’s Third Report to Court (the “**Third Report**”) and should be read in conjunction with its previous reports.

Purpose of the Report

20. The purpose of this report is to:
 - i. Provide the Court with an update of the Receiver’s activities since its Second Report to Court (the “**Second Report**”) dated October 12, 2022;
 - ii. Recommend that the Court approve the distribution of the remaining funds in the estate in the manner outlined in this Third Report after payment of all fees and disbursements due to the Receiver and its counsel, together with estimated fees and costs required to complete the administration of the estate in the amount of \$97,500 as described below;
 - iii. Provide the Court with a summary of Receiver’s activities to date;

- iv. Recommend the following relief:
 - a. The Court's approval of the Receiver's activities and fees incurred to date, plus estimated fees and costs required to complete the receivership of up to \$37,500;
 - b. The Court's approval of fees, disbursements and taxes of the Receiver's legal counsel incurred to date, together with estimated fees and disbursements required to complete the receivership of up to \$60,000;
 - c. Authorization and direction to pay the remaining funds in its estate account in the manner outlined in paragraph 45 of this Third Report;
 - d. The discharge and release of the Receiver and the termination of the receivership proceedings, subject to the completion of the administration of the Debtors' estate including distribution of the remaining proceeds of sale of the Development Property and the filing of the tax returns for the years ending January 1, 2023 and January 1, 2024 tax returns.

- v. In the alternative to the relief in section 20(iv) above, recommend the following relief:
 - a. The Court's approval of the Receiver's activities and fees incurred to date;
 - b. The Court's approval of fees, disbursements and taxes of the Receiver's legal counsel incurred to date;
 - c. Authorizing and directing the Receiver to pay the remaining funds in its estate account in the manner outlined in paragraph 46 of this Third Report which contemplate a hold back of \$1.3 million to defend the Threatened Litigation (as defined herein); and
 - d. The Court's advice and directions regarding management of the Threatened Litigation.

II. UPDATE ON RECEIVER'S ACTIVITIES SINCE THE SECOND REPORT

21. The Receiver has performed the following since the Second Report:
- i. Held numerous discussions with the Purchaser to complete the sale;
 - ii. Completed the sale of the Development Property to the Purchaser;
 - iii. Continued to liaise with the City for the Rezoning Application;
 - iv. Engaged KPMG LLP to prepare tax returns for the Companies;
 - v. Liaised with property manager to collect rent from tenants and maintain the properties.

III. SALES TRANSACTION

22. Pursuant to the purchase and sale agreement, the purchase price of \$20.5 million was paid as follows:
- i. Non-interest-bearing promissory note (the "**Promissory Note**") in the amount of \$4.6 million; and
 - ii. The balance paid in cash.
23. The Purchaser represents limited partners that have a 60% share in the limited partnership. Based on the purchase price, the Secured Creditors and unsecured creditors would be paid in full. Accordingly, the Purchaser paid a portion of the purchase price by a Promissory Note in anticipation of the proceeds it would receive from the sales proceeds after payment of all creditors. In effect, the Purchaser made a partial credit bid for the assets.

IV. DISTRIBUTION OF FUNDS

24. The amounts available for distribution from the sales proceeds is summarized in the table below:

	<u>\$'s</u>
Sales Price	20,500,000
Less:	
Realtor commissions including GST	(398,213)
Costs of administration paid from sales proceeds	(239,043)
Net closing adjustments	<u>(9,012)</u>
	19,853,732
 Repayment of Receiver's Borrowings and Secured Creditors	
Receiver's borrowings with interest	(356,888)
Secured debt - Prospera Credit Union	(7,087,501)
Secured debt - Canadian Western Bank	<u>(4,334,985)</u>
	(11,779,374)
 Estimated Costs to Discharge	
Estimated Professional Fees to Discharge	(97,500)
KPMG, estimated costs to prepare final tax returns	<u>(40,000)</u>
	(137,500)
 Net Proceeds	 <u>7,936,858</u>

25. The Receiver has distributed \$11.8 million to repay the Receiver's borrowings and the Secured Creditors, in full, from the sales proceeds.
26. After accounting for estimated professional fees to complete the administration of the receivership and prepare the necessary tax returns, the Receiver estimates that it will have net proceeds of \$7.94 million, including the Promissory Note of \$4.6 million.
27. The Receiver did not conduct a claims process, but based on the Companies' records, it is only aware of one unsecured creditor, Bell Alliance LLP, for \$4,208 ("**Bell Alliance**"). The Receiver intends to pay Bell Alliance in full.

28. As there will be no other creditors after payment of Bell Alliance, the remaining sales proceeds would be paid to the limited partners for their pro-rata based on their equity in the limited partnership. Based on the limited partnership units held by each of the Purchaser and Buffalo Megan Holdings Ltd. ("**Buffalo Megan**"), a related entity of Buffalo Holdings which hold a 40% interest in the limited partnership, the pro rata share of the remaining sales proceeds would be as follows:
- i. Payment to PKT of \$4,759,590 of which \$4.6 million would relate to the Promissory Note; and,
 - ii. Payment to Buffalo Megan of \$3,173,060.
29. As explained in the following sections of this Third Report, there is a third party claim to the proceeds and numerous purported intercompany claims that may affect the pro rata share of the remaining sales proceeds due to each of the Purchaser and Buffalo Megan.

Issues Relating to Distribution of Funds to Limited Partners

30. The Receiver is aware of several issues that may affect the distribution of the remaining funds:
- i. Threatened Litigation
 - ii. Claim Against Buffalo Megan
 - iii. Intercompany Debts

Threatened Litigation

31. The Receiver is aware of a potential claim by the Respondents, Buffalo Holdings and WJY 2015 Trust (the "**Trust**" and together with Buffalo Holdings, the "**Opposing Parties**"). Specifically, the Opposing Parties have threatened to take legal proceedings against the Receiver in relation to the Receiver's amendment to the development plan for the Development Property and the sale process (the "**Threatened Litigation**").
32. The Threatened Litigation may affect the proposed distribution of the remaining sales proceeds, as the Receiver is entitled to be indemnified for its fees and costs of defending the Threatened Litigation, should the Opposing Parties choose to proceed with a claim against the Receiver.

33. Gentai has advised the Receiver that it believes that the Receiver's fees and costs of defending the Threatened Litigation should be paid from the Opposing Parties' share of the remaining sales proceeds.

Claim Against Buffalo Megan

34. The Receiver was informed of a potential claim against the Development Property and Buffalo Megan which affects the distribution of the remaining sales proceeds. Buffalo Megan is a related entity of Buffalo Holdings which holds a 40% interest in the LP. The claim is summarized below.
35. On November 24, 2022, Xuemei Huang ("**Huang**") contacted the Receiver with respect to a claim that Huang believes it has against the Development Property through a security interest (the "**Security**") granted by Buffalo Megan.
36. A summary of the alleged Security is as follows:
- i. The Security was granted to satisfy 45% of a previous loan advanced by Huang to Buffalo Megan; and
 - ii. The Security is in the form of a share transfer contract where Buffalo Megan granted Huang 35% of Buffalo Megan's holdings in the Development Property.
37. Huang has filed a Notice of Civil Claim against Buffalo Megan on March 7, 2022 alleging that Buffalo Megan is in breach of the Security as a result of, among other things:
- i. failing to transfer any shares in the Development Property to Huang;
 - ii. failing to secure the Huang's interest in the Development Property;
 - iii. mortgaging the Development Property without the Huang's consent;
 - iv. failing to make timely capital contributions to the Development Property;
 - v. failing to regularly report the progress and expense of the Development Property to Huang; and
 - vi. failing to repay investments funds from Huang after receiving notice to do so.
38. Buffalo Megan has filed a response denying all of the above allegations.
39. Based on the Notice of Civil Claim filed, the Receiver anticipates that Huang will dispute any payments proposed to be made by the Receiver to Buffalo Megan.

40. The Receiver's legal counsel has performed a preliminary review of the Security and has advised that the Security contains non-standard language and is not registered against the Development Property. Accordingly, it could not provide a formal opinion on the validity and enforceability of the Security.
41. In addition, the Receiver's mandate does not extend to determining Huang's and Buffalo Megan's relative entitlement to the sales proceeds. The Receiver understands that Huang and Buffalo Megan intend to have the validity of the Security, and thus, their relative entitlement to Buffalo Megan's share of the sales proceeds determined in the context of the civil proceedings commenced by Huang.

Intercompany Debts

42. The Companies' records show an amount owing to various related companies as intercompany debt. Summarized in the table below are the intercompany debts as per the most recent unaudited financial statements available for the year ended January 1, 2022:

Related Parties	Due to / (from) \$'s
PKT Holdings Inc.	496,295
Buffalo Investment	100,055
Cai Fu Real Estate Ltd.	(54)
1142639 B.C. Ltd.	(211)
Buffalo-Gentai Development Ltd.	(14,310)
Total	581,775

43. The Receiver has not reviewed the intercompany debt in detail nor have the related companies provided sufficient supporting documentation to the Receiver. Accordingly, the Receiver is unable to determine whether the intercompany debts are valid and owing. Further, the Receiver's mandate does not extend to adjudicating claims between the limited partners and their related parties.

Proposed Distributions

44. As a result of the issues discussed above, the Receiver is recommending the Court to approve one of two alternative orders for the distribution of the remaining sales proceeds.

45. In the event the Opposing Parties confirm to the Receiver's satisfaction that they will not be proceeding with the Threatened Litigation, the Receiver proposes the following distribution:
 - i. Payment of the unsecured amount owing to Bell Alliance of \$4,208; and,
 - ii. Payment of the balance into Court.

46. In the event that the Opposing Parties advise the Receiver that they intend to proceed with the Threatened Litigation, or do not satisfy the Receiver that they will not proceed with the Threatened Litigation, the Receiver proposes to the following distribution:
 - i. Payment of the unsecured amount owing to Bell Alliance of \$4,208;
 - ii. Hold back of \$1.3 million for estimated costs of defending the Threatened Litigation; and,
 - iii. Payment of the balance into Court.

V. SUMMARY OF RECEIVER'S ACTIVITIES TO DATE

47. The Receiver administered the receivership over a period of approximately 15 months. A summary of the main categories of the Receiver's work during this period is as follows:
 - i. Rezoning Application
 - ii. Sales and Marketing

The details of the Receiver's work are detailed below.

Rezoning Application

48. Once appointed, the Receiver assessed whether to sell the Development Property "As is Where is" before or after third reading approval.

49. The Receiver obtained two sales and marketing proposals, which included valuation estimates, from Cushman & Wakefield ("**Cushman**") and Colliers Macaulay Nicolls Inc. ("**Colliers**"), and their recommendations. The realtors had varying recommendations, but both agreed that there would be an increase in value once third reading approval was obtained.

50. The stakeholders, Buffalo Holdings, Gentai, Prospera and CWB (collectively, the “**Stakeholders**”) supported the Receiver seeking third reading approval, subject to it being completed by September 21, 2022.
51. The Receiver applied for and obtained the ARRO, which allowed the Receiver to apply for third reading approval.
52. The Receiver engaged the Companies’ consultants, Pooni Group Inc. (“**Pooni**”) and WA Architects Ltd. (“**WA**”) to assist the Receiver in obtaining the third reading approval.
53. Approval of third reading was obtained on June 28, 2022.

Sales and Marketing

54. The Receiver sold the Development Property for \$20.5 million.
55. The Receiver performed the following in preparation for the sales and marketing process:
 - i. Held discussions with multiple realtors regarding current market conditions, strategy and pricing;
 - ii. Obtained and assessed proposals from multiple realtors; and,
 - iii. Held discussions with various stakeholders including the secured creditor and limited partners regarding the proposals.
56. The Receiver engaged Colliers Macaulay Nicolls Inc. (“**Colliers**”) on August 10, 2022.
57. The Receiver performed the following work with Colliers:
 - i. Reviewed all marketing materials;
 - ii. Held numerous discussions and meetings with Colliers regarding the sales process;
 - iii. Provides updates to the stakeholders on the status of the sales process;
 - iv. Negotiated sales agreements;
 - v. Prepared materials for the Court application to approve sales.
58. The Receiver completed the sale of the Development Property for \$20.5 million on December 21, 2022.

VI. STATEMENT OF RECEIPTS AND DISBURSEMENTS

59. The Receiver's statement of receipts and disbursements for the period January 27, 2022 to February 23, 2023 is as follows:

	\$000's
Receipts	
Sales proceeds, net of the Promissory Note ¹	15,900
Receiver's Borrowings	345
Cash on hand	148
Rental and miscellaneous income	116
	<u>16,509</u>
Disbursements	
Realtor's commission	379
Receiver's fees	323
Legal fees and disbursements	208
Property taxes	121
Consultants	76
GST paid	52
Tax services	19
Repairs and maintenance	17
PST paid	14
Utilities	14
Administrative disbursements	12
Property manager	10
Other miscellaneous disbursements	7
Insurance	3
	<u>1,255</u>
Excess / (shortfall) of receipts over disbursements	<u>15,254</u>
Payments to Secured Creditor	
Payment to Prospera Credit Union	7,088
Payment to Canadian Western Bank	4,335
Repayment of Receiver's Borrowings with interest	357
	<u>11,780</u>
Funds available in Receiver's account ¹	<u>3,474</u>
Note:	
1. A portion of the sales price was paid by a Promissory Note in the amount of \$4.6 million.	

VII. DISCHARGE OF THE RECEIVER

- 60. The Receiver has realized on all known assets of the Companies.
- 61. In the event that the Opposing Party does not proceed with the Threatened Litigation, the Receiver recommends that the Court grant an order discharging the Receiver subject to:
 - i. Payment of the unsecured amount owing to Bell Alliance of \$4,208
 - ii. Payment of the remaining sales proceeds into Court; and
 - iii. Filing of the 2023 and 2024 tax returns.

VIII. PROFESSIONAL FEES

Summary of Receiver’s Fees

- 62. For the period December 13, 2021 to January 31, 2023, the Receiver’s fees were:

	\$'s
Fees	323,062
Disbursements	12,012
GST	16,754
Total	<u>351,828</u>

- 63. A summary of the Receiver’s fees and invoices are attached as **Appendix B**.
- 64. Copies of the Receiver’s invoices referenced above are provided in Affidavit #2 of Douglas Chivers sworn on February 27, 2023.

Receiver's Staffing and Hours

65. Douglas Chivers had primary responsibility for the work carried out by the Receiver. When appropriate, this work was delegated to other staff. A summary of the time spent on this assignment by members of The Bowra Group Inc. and MNP for the period December 13, 2021 to January 31, 2023 is summarized as follows:

Name	Title	Hours	Average Hourly Rate (\$)
Douglas Chivers	Senior Vice President	241.60	616
Mario Mainella	Senior Vice President	43.15	610
Alan Davies	Manager	39.70	350
Kevin Koo	Manager	405.35	312
Neil Jayamaha	Senior Consultant	2.00	275
Sofie Parker	Senior Analyst	12.70	194
Office Administration		33.75	135
		778.25	415 *
<i>*Average Hourly Rate</i>			

66. In the Receiver's opinion, the time and disbursements incurred in the course of its duties are:
- fair and reasonable in a receivership of the nature described herein; and,
 - comparable to receivership assignments of similar scale and complexity.
67. The hourly rates charged by the Receiver are:
- consistent with the hourly rates billed by the Receiver on other engagements; and,
 - consistent with other insolvency firms of comparable size engaged on similar receivership matters to the Receiver's knowledge.
68. The Receiver requests that the Court approve the Receiver's fees and costs incurred to date of \$351,828 and additional fees and costs to a maximum of \$37,500 to complete the administration of the receivership.

Legal Fees

69. The Receiver engaged Lawson Lundell LLP (“**Lawson**”) as its independent legal counsel. Lawson’s fees and disbursements are summarized as follows:

	\$'s
Legal Fees	204,852
Disbursements	3,281
GST	10,377
PST	14,340
Total	<u>232,850</u>

70. A summary of Lawson’s fees and invoices is attached as **Appendix C**.
71. Copies of Lawson’s invoices are provided in Affidavit #1 of William L. Roberts.
72. The Receiver has reviewed the invoices rendered by Lawson and believes them to be reasonable and proper. The legal services provided were:
- i. necessary for the Receiver to fulfill its obligations in the proceedings; and
 - ii. the tasks undertaken were done so at the request and with the consent of the Receiver.
73. The Receiver requests that the Court approve the legal fees and disbursements incurred to date of \$232,850 and, if the Receiver seeks its discharge at the hearing of its Application, additional fees and costs, including legal fees and disbursements, to a maximum of \$60,000 to complete the administration of the receivership.

IX. CONCLUSION

74. The Receiver facilitated the sale of the Development Property for gross proceeds of \$20.5 million and the administration of the receivership is complete.
75. The Receiver currently holds \$3.47 million in its trust accounts and a Promissory Note of \$4.6 million.

76. In the event that the Opposing Parties confirm to the satisfaction of the Receiver that they will not proceed with the Threatened Litigation, the Receiver proposes to distribute the remaining funds as follows:
- i. Payment to Bell Alliance of \$4,208; and,
 - ii. Payment of the balance into Court.
77. In the event that the Opposing Parties advise that they intend to proceed with the Threatened Litigation, or do not confirm to the Receiver's satisfaction that they will not proceed with the Threatened Litigation, the Receiver proposes to distribute the remaining funds as follows:
- i. Payment to Bell Alliance LLP of \$4,208;
 - ii. Hold back \$1.3 million as costs to defend the Threatened Litigation; and,
 - iii. Payment of the balance into Court.
78. The Receiver respectfully requests that the Court approve:
- i. Distribution of the remaining funds in the manner outlined in either of paragraphs 76 or 77 of this Third Report;
 - ii. The activities and the accounts of the Receiver and its legal counsel;
 - iii. Additional professional fees and costs of the Receiver to a maximum of \$37,500 plus \$60,000 to the Receiver's legal counsel to conclude the receivership; and,
 - iv. The discharge of the Receiver on the terms set out in the proposed form of Discharge Order appended to the Receiver's Notice of Application filed concurrently with this Third Report.

All of which is respectfully submitted to this Honourable Court this 27th day of February 2023.

MNP Ltd., in its capacity as Receiver of 1143924 B.C. Ltd.
Buffalo-Gentai (St. Johns) Investment Limited Partnership and
Buffalo-Gentai Development Ltd.

Per:


Doug Chivers, CPA, CA, CIRP

Appendix A

Court Order Approving the Sale Dated October 20, 2022



No. S2111109
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PROSPERA CREDIT UNION

PETITIONER

AND:

1143924 B.C. LTD.
BUFFALO-GENTAI (ST. JOHNS) INVESTMENTS LIMITED PARTNERSHIP
BUFFALO-GENTAI DEVELOPMENT LTD.
HONGYU TINA MU
YU YANG
GENTAI DEVELOPMENT CORP.
BUFFALO HOLDINGS INC.
WJY 2015 TRUST
CANADIAN WESTERN BANK

RESPONDENTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE) THURSDAY, THE 20TH DAY
)
MR. JUSTICE KIRCHNER) OF OCTOBER, 2022

THE APPLICATION of The Bowra Group Inc., in its capacity as Court-appointed Receiver (the "Receiver") of all of the assets, undertakings and property of 1143924 B.C. Ltd., Buffalo-Gentai (St. Johns) Investment Limited Partnership and Buffalo-Gentai Development Ltd. (collectively, the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, as well as the real and personal property located at 3108 St George Street, Port Moody, B.C., owned by Hongyu Tina Mu and Yu Yang, and legally described as Parcel Identifier: 009-553-860, Lot 6 District Lot 190 Group 1 New Westminster District Plan 11618, coming on for hearing at Vancouver, British Columbia, on the 20th day of October, 2022; AND ON HEARING William L. Roberts, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto, and no one appearing for the remaining Respondents, although duly served; AND UPON READING the material filed, including the Receiver's Second Report to the Court dated October 12, 2022 (the "**Second Report**") and the Second Affidavit of Linda Alexander, sworn October 11, 2022 (the "**Alexander Affidavit #2**");

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Application giving rise to this Order is hereby abridged to the time actually given.
2. The sale transaction (the "**Transaction**") contemplated by the Offer to Purchase and Agreement of Purchase and Sale dated for reference October 18, 2022 (the "**Sale Agreement**") between the Receiver and PKT Holdings Inc. and Chace Energy Holding Corp. (PKT Holdings Inc. and Chace Energy Holding Corp., or its permitted assignee, herein the "**Purchaser**"), is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the property described in the Sale Agreement (the "**Purchased Assets**").
3. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule "B"** hereto (the "**Receiver's Certificate**"), all of the right, title and interest of the Debtors, Hongyu Tina Mu and Yu Yang, as applicable, in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule "C"** hereto shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Further Amended and Restated Receivership Order of this Court dated August 2, 2022; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on **Schedule "D"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "E"** hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
4. Upon presentation for registration in the Land Title Office for the Land Title District of the City of Port Moody of a certified copy of this Order, together with a letter from Lawson Lundell LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in **Schedule "E"**.
5. The Receiver is authorized and directed to discharge or amend any registrations in the British Columbia Personal Property Registry that specifically relate to the Purchased

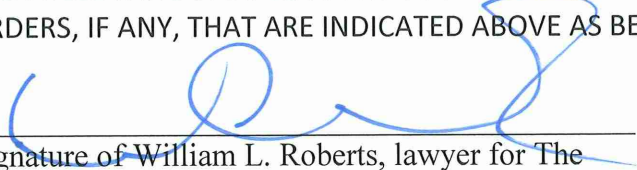
Assets and all other persons in control or otherwise supervising such offices of registration or recording shall forthwith remove and discharge all such registrations.

6. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
7. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
8. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any personal property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on **Schedule "E"**.
9. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
10. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.
11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such

orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

12. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
13. Endorsement of this Order by counsel appearing on this application other than counsel to the Receiver is dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of William L. Roberts, lawyer for The Bowra Group Inc., in its capacity as receiver and manager, without security, of all of the assets, undertakings and property of 1143924 B.C. Ltd., Buffalo-Gentai (St. Johns) Investment Limited Partnership and Buffalo-Gentai Development Ltd.

BY THE COURT

REGISTRAR

Schedule A – List of Parties Appearing

Party	Name
Prospera Credit Union	Scott Stephens
Canadian Western Bank	Daniel Nugent
Gentai Development Corp. and Hongyu Tina Mu	Dan Parlow
Buffalo Holdings Inc. and WJY 2015 Trust	H.C. Ritchie Clark, K.C.
Bene Capital (Group) Ltd. and 1382113 B.C. Ltd.	Shawn Poisson

Schedule B – Receiver’s Certificate

No. S2111109
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PROSPERA CREDIT UNION

PETITIONER

AND:

1143924 B.C. LTD.
BUFFALO-GENTAI (ST. JOHNS)
INVESTMENTS LIMITED PARTNERSHIP
BUFFALO-GENTAI DEVELOPMENT LTD.
HONGYU TINA MU
YU YANG
GENTAI DEVELOPMENT CORP.
BUFFALO HOLDINGS INC.
WJY 2015 TRUST
CANADIAN WESTERN BANK

RESPONDENTS

Receiver’s Certificate

RECITALS

- A. Pursuant to an Order of the Supreme Court of British Columbia (the “**Court**”) dated January 27, 2022, as amended by the Amended and Restated Receivership Order pronounced on March 25, 2022, and by the Further Amended and Restated Receivership Order pronounced on August 2, 2022, The Bowra Group Inc. (the “**Receiver**”) was appointed as receiver of all of the assets, undertakings and property of 1143924 B.C. Ltd., Buffalo-Gentai (St. Johns) Investment Limited Partnership and Buffalo-Gentai Development Ltd. (collectively, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, as well as the real and personal property located at 3108 St George Street, Port Moody, B.C., owned by Hongyu Tina Mu and Yu Yang, and legally described as Parcel Identifier: 009-553-860, Lot 6 District Lot 190 Group 1 New Westminster District Plan 11618
- B. Pursuant to an Order of the Court (the “**Approval and Vesting Order**”) dated October 20, 2022,, the Court approved the Offer and Agreement of Purchase and Sale dated for reference October 18, 2022, and addenda (collectively, the “**Sale Agreement**”) between the Receiver and PKT Holdings Inc. and Chace Energy Holding Corp. (PKT Holdings Inc. and Chace Energy Holding Corp., or its permitted assignee, herein the “**Purchaser**”), for the sum of \$20,500,000.00, and provided for the vesting in the Purchaser of all of the right, title and interest in and to

the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order or the Sale Agreement, as applicable.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the consideration and funds constituting the Purchase Price for the Purchased Property payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing set out in Article 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at Vancouver, B.C. this ____ day of _____, _____.

The Bowra Group Inc.
in its capacity as Receiver and Manager of certain
assets, undertakings and properties of the Debtors
and of the Respondents, Hongyu Tina Mu and Yu Yang,
and not in its personal capacity

Per: _____

Schedule C – Purchased Assets

1. all of the issued and outstanding shares (the “**Shares**”) in the capital of 1143924 B.C. Ltd. (the “**Nominee** “)
2. all of the beneficial right, title and interest of Buffalo-Gentai (St. Johns) Investment Limited Partnership (the “**Limited Partnership**”), in and to:
 - a. the following real properties (collectively, the “**Lands**”):

Parcel Identifier: 009-553-860
LOT 6 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT
PLAN 11618

Parcel Identifier: 009-610-812
LOT 1 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT
PLAN 11618 EXCEPT PLAN 12019

Parcel Identifier: 003-597-393
LOT 2 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER
DISTRICT PLAN 11618 EXCEPT PLAN 12019

Parcel Identifier: 009-553-843
LOT 5 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT
PLAN 11618

Parcel Identifier: 002-389-886
LOT 7 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT
PLAN 11618

Parcel Identifier: 028-989-627
STRATA LOT 1 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN EPS669

Parcel Identifier: 028-989-635
STRATA LOT 2 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN EPS669

Parcel Identifier: 028-989-643
STRATA LOT 3 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN EPS669; and

Parcel Identifier: 028-989-651
STRATA LOT 4 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN EPS669

- b. the Chattels (as defined in the Sale Agreement);
- c. the Buildings (as defined in the Sale Agreement);

- d. the Approved Contracts (as defined in the Sale Agreement);
- e. the Title Contracts (as defined in the Sale Agreement);
- f. the Plans, Permits and Approvals (as defined in the Sale Agreement); and
- g. all insurance obtained in connection with the Project (as defined in the Sale Agreement).

Schedule D – Claims to be deleted/expunged from title to Real Property

Nature of Charge	Registration No.
Mortgage and Assignment of Rents Westminster Savings Credit Union (now known as Prospera Credit Union)	CA7894135 CA7894136
Mortgage and Assignment of Rents Canadian Western Bank	CA6517832 CA6517833

Schedule E – Permitted Encumbrances, Easements and Restrictive Covenants
related to Real Property

1. The reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown.
2. The Encumbrances listed below in respect of the Lands.

Legal Notations

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL GOVERNMENT ACT, SEE CA2946912 (with respect to PIDs 028-989-627, 028-989-635, 028-989-643 and 028-989-651)

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA6552626 FILED 2018-01-08 (with respect to PID 003-597-393)

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA6552623 FILED 2018-01-08 (with respect to PID 009-610-812)

Charges, Liens and Interests

Nil

No. S2111109
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

BETWEEN: PROSPERA CREDIT PETITIONER
 UNION

AND: 1143924 B.C. LTD. RESPONDENTS
 AND OTHERS

APPROVAL AND VESTING ORDER



Suite 1600 Cathedral Place
925 West Georgia Street,
Vancouver BC V6C 3L2
Phone: 604-685-3456

Attention: William Roberts
wroberts@lawsonlundell.com

Appendix B

Summary of Receiver's Fees and Invoices
For the Period December 13, 2021 to January 31, 2023

**In the Matter of the Receivership of
1143924 B.C. Ltd., Buffalo-Gentai (St. Johns) Investment Limited Partnership, and
Buffalo-Gentai Development Ltd
Summary of Court-Appointed Receiver's Fees
For the Period December 13, 2021 January 31, 2023**

Period	Invoice	Fees	Disbursements	GST	Total
December 13, 2021 to February 28, 2022	9396	59,540.50	2,427.36	3,098.40	65,066.26
March 1 to March 31, 2022	9405	39,496.50	1,486.50	2,049.16	43,032.16
April 1 to April 30, 2022	9430	41,667.75	1,587.75	2,162.78	45,418.28
May 1 to May 31, 2022	9449	25,478.00	997.50	1,323.78	27,799.28
June 1 to June 30, 2022	9470	18,099.25	749.25	942.42	19,790.92
July 1 to July 31, 2022	9476	20,995.50	883.50	1,093.96	22,972.96
August 1 to September 30, 2022	9525	44,684.25	1,494.75	2,308.95	48,487.95
October 1 to October 31, 2022	9549	34,619.00	1,053.75	1,783.64	37,456.39
November 1 to November 30, 2022	9559	10,898.75	369.00	563.39	11,831.14
December 1, 2022 to January 31, 2023	9596	27,582.70	962.51	1,427.27	29,972.48
Total		323,062.20	12,011.87	16,753.75	351,827.82

**In the Matter of the Receivership of
1143924 B.C. Ltd., Buffalo-Gentai (St. Johns) Investment Limited Partnership, and
Buffalo-Gentai Development Ltd
Summary of Court-Appointed Receiver's Staff Hours and Hourly Rates
For the Period December 13, 2021 January 31, 2023**

Name	Title	Hours	Average Hourly Rate (\$)
Douglas Chivers	Senior Vice President	241.60	616
Mario Mainella	Senior Vice President	43.15	610
Alan Davies	Manager	39.70	350
Kevin Koo	Manager	405.35	312
Neil Jayamaha	Senior Consultant	2.00	275
Sofie Parker	Senior Analyst	12.70	194
Office Administration		33.75	135
		778.25	415 *

**Average Hourly Rate*

Appendix C

Summary of Lawson Lundell LLP's Fees and Invoices
For the Period January 26, 2022 to January 31, 2023

**In the Matter of the Receivership of
1143924 B.C. Ltd., Buffalo-Gentai (St. Johns) Investment Limited Partnership, and
Buffalo-Gentai Development Ltd
Summary of Lawson Lundell LLP's Invoices
For the Period January 26, 2022 January 31, 2023**

Period	Invoice	Fees	Disbursements	GST	PST	Total
January 26 to March 3, 2022	739064	15,475.00	228.60	785.18	1,083.25	17,572.03
March 1 to April 4, 2022	741700	22,280.50	600.50	1,140.06	1,559.64	25,580.70
April 1 to May 9, 2022	745242	7,233.00	144.80	368.89	506.31	8,253.00
May 4 to June 2, 2022	747207	2,170.00	-	108.50	151.90	2,430.40
May 2 to July 5, 2022	749673	2,843.00	-	142.15	199.01	3,184.16
July 5 to August 4, 2022	752547	13,808.00	335.00	703.15	966.56	15,812.71
August 3 to September 7, 2022	755832	18,928.00	128.90	952.85	1,324.96	21,334.71
September 1 to September 30, 2022	1202479	28,553.50	333.39	1,441.76	1,998.75	32,327.40
September 30 to October 31, 2022	1205611	44,530.50	712.20	2,256.52	3,117.13	50,616.35
November 1 to November 30, 2022	1209775	17,065.50	223.61	862.16	1,194.58	19,345.85
December 1 to December 31, 2022	1213845	22,662.50	249.42	1,143.17	1,586.37	25,641.46
January 1 to January 31, 2023	1216769	9,302.00	324.89	472.18	651.14	10,750.21
	Total	204,851.50	3,281.31	10,376.57	14,339.60	232,848.98