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This is the 3rd Affidavit of Gerald Chiang
made in this proceeding on March 3, 2023.

No. S2111109
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PROPERA 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

AFFIDAVIT #3 OF GERALD CHIANG

I, GERALD CHIANG, Businessman, with an address for service of Suite 900 – 900 West Hastings Street, Vancouver, British Columbia, **SWEAR THAT:**

1. I am employed by William Wang (“Mr. Wang”) in connection with a number of development projects in the Lower Mainland and on Vancouver Island, conducted by a number of companies in which he is a shareholder, and as such have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based upon information and belief and where so stated I verily believe them to be true.

2. Now produced and shown to me and marked as **Exhibit “A”** to this my Affidavit is a copy of an Agreement of Purchase and Sale dated for reference October 18, 2022, between the Receiver and PKT Holdings Inc. and Chace Energy Holding Corp.

3. Now produced and shown to me and marked as **Exhibit "B"** to this my Affidavit is a copy of the Statement of Adjustments on that sale.

4. Now produced and shown to me and marked as **Exhibit "C"** to this my Affidavit is a copy of a Direction to Pay in connection with that sale.

5. When the Agreement of Purchase and Sale at Exhibit "A" came before the Court for approval, my counsel and I were presented with a spreadsheet by counsel for PKT. We were informed and do verily believe that the Receiver had approved of the numbers set forth in that spreadsheet.

6. We held negotiations with PKT's counsel over two issues, being:

(a) Whether the sum of approximately \$500,000, claimed by PKT as a loan to Buffalo-Megan was, in fact, a loan to Buffalo-Megan or to the Partnership; and

(b) Whether the amount of the Promissory Note would mean that Promissory Note to be executed by PKT as part of the purchase would result in less cash available for Buffalo-Megan than its rightful share.

7. Now produced and shown to me and marked as **Exhibit "D"** to this my Affidavit is a copy of that spreadsheet.

8. As a result of those negotiations, we reached an agreement with PKT's counsel that the loan of approximately \$500,000 would be paid by the Partnership by way of repayment of a loan to the Partnership, rather than to Buffalo-Megan, and that if there were any shortfall in the cash which would otherwise be paid to Buffalo-Megan, that would be made up by PKT. Now produced and shown to me and marked as **Exhibit "E"** to this my Affidavit is a copy of the Transcript in Chambers on approval of the sale reflecting that agreement.

9. Now produced and shown to me and marked as **Exhibit "F"** to this my Affidavit are three calculations, being numbers 1, 2 and 3.

10. Calculation 1 calculates the amounts due and owing to Buffalo-Megan, based simply upon the numbers presented by the Receiver.

11. Calculation 2 represents a calculation of the funds payable to Buffalo-Megan if the loans identified by the Receiver in its Third Report to PKT and Buffalo, bearing interest as per the Limited Partnership Agreement, as recognized.

12. Calculation 3 represents the same calculation as Calculation 2, without including therein, the loan identified by the Receiver in favour of Buffalo.

13. Now produced and shown to me and marked as **Exhibit "G"** to this my Affidavit is a draft Response to Civil Claim to the draft Notice of Civil Claim of PKT.

SWORN BEFORE ME at the City of Vancouver, in the Province of British Columbia, on the 3rd day of March, 2023.

A Commissioner for taking Affidavits within the Province of British Columbia

H.C. RITCHIE CLARK, K.C.
Barrister & Solicitor
Suite 900-900 West Hastings Street
Vancouver, British Columbia
V6C 1E5



GERALD CHIANG

This is Exhibit "A" referred to in the
affidavit of GERALD CHIANG
made before me on MAR 3 2023

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**PURCHASE AND SALE AGREEMENT
(ST JOHNS, PORT MOODY, BC)**

A Commissioner for taking Affidavits for British Columbia

THIS AGREEMENT is dated for reference October 18, 2022 and is made
AMONG:

THE BOWRA GROUP INC., solely in its capacity as Court-appointed Receiver of 1143924 B.C. LTD. (the "Nominee"), and BUFFALO-GENTAI (ST. JOHNS) INVESTMENT LIMITED PARTNERSHIP (the "Limited Partnership" and together with the Nominee, the "Owner") and not in its personal or any other capacity (the "Vendor")

AND:

PKT HOLDINGS INC., a British Columbia corporation formed under the *Business Corporations Act (British Columbia)*

and

CHACE ENERGY HOLDING CORP., a British Columbia corporation formed under the *Business Corporations Act (British Columbia)*

(collectively, the "Purchaser")

BACKGROUND:

- A. Hongyu Tina Mu ("Mu") and Yu Yang ("Yang") are the legal owners of the lands and premises legally described in Part 1 of Schedule A as Parcel Identifier: 009-553-860, Lot 6 District Lot 190 Group 1 New Westminster District Plan 11618 ("3108 St. George Street").
- B. The Owner is the legal owner of the remaining lands and premises legally described in Part 1 of Schedule A (together with 3108 St. George Street, the "Lands") and is the beneficial owner of the Lands.
- C. By Order pronounced on January 27, 2022, as amended and restated by further Orders of the Court pronounced on March 25, 2022 and on August 2, 2022 (as amended and restated, the "Receivership Order"), The Bowra Group Inc. was appointed as Receiver (the "Receiver"), without security, of (1) the assets, undertakings and properties of the Owner, and (2) 3108 St. George Street and all personal property located thereon.
- D. The Vendor agrees to sell and the Purchaser agrees to purchase all of the Vendor's right, title, and interest in and to the Purchased Assets (as defined in this Agreement) on the terms and conditions set out in this Agreement.

FOR CONSIDERATION, the receipt and sufficiency of which is acknowledged by each of the parties, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions. In this Agreement:

- (a) **"Approved Contracts"** means those Contracts entered into by the Owner or the Vendor and any third party consultants in connection with the Project along with any other material Contracts which the Purchaser has approved by way of notice in writing to the Vendor no less than two Business Days prior to the Closing Date.
- (b) **"Authorized Parties"** has the meaning given to it in Section 11.17.
- (c) **"Balance"** has the meaning given to it in Section 2.2(c).
- (d) **"Buildings"** means all buildings and improvements located on the Lands.
- (e) **"Business Day"** means any day that is not a Saturday, Sunday, Boxing Day, Easter Monday or statutory holiday in British Columbia.
- (f) **"Chattels"** means all of the personal property owned by the Owner and used in connection with Project including without limitation, all fixtures, leasehold improvements, glass, personal property, plant, and equipment, inventory including spare parts, furniture whether moveable or built-in, computer hardware, kitchen equipment, tools and supplies, whether the same is located on the Lands or otherwise.
- (g) **"Closing Date"** means that date which is 45 days after the date on which the Vesting Order is granted.
- (h) **"Closing Documents"** has the meaning given to it in Section 9.4.
- (i) **"Consultant Reports"** means all consultant reports and studies that were commissioned by the Vendor in connection with the Project.
- (j) **"Contracts"** means all contracts or agreements, other than Title Contracts, relating to the use or operation of the Property or any part thereof or the design, development and construction of the Project, including, without limitation, the consulting agreements in connection with the Property or any part thereof made by or on behalf of the Owner relating to the Property.
- (k) **"Court"** means the Supreme Court of British Columbia.
- (l) **"Delay Notice"** has the meaning given to it in Section 11.13.
- (m) **"Deposit"** has the meaning given to it in Section 2.2(a).
- (n) **"Encumbrance"** means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, pledge, debenture, trust deed, assignment by way of security, security interest, conditional sales contract or similar interest or instrument charging, or creating a security interest in, the Purchased Assets or any part thereof or interest therein, and any agreement, lease, licence, option or claim, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of any of the

foregoing) affecting title to or the ownership of the Purchased Assets or any part thereof or interest therein.

- (o) **"ETA"** has the meaning given to it in Section 10.1.
- (p) **"Execution Date"** means the date this Agreement is fully executed by all parties to the Agreement.
- (q) **"Excusable Delay"** means any delay in the performance or observance by the Vendor of any obligation or act of the Vendor hereunder which occurs as a consequence of or is attributable to any circumstance which is not caused by any default or act of commission or omission of the Vendor and which is beyond the reasonable control of the Vendor, including without limiting the generality of the foregoing, strikes or labour or industrial disturbances (including lock-outs), civil disturbances, acts, orders, legislation, regulations, good faith compliance with an order, directive, guideline or other recommendation of any governmental or other public authorities (including, without limitation, health authorities or occupational safety authorities), acts of public enemies, war, riots, sabotage, blockades, embargoes, shortages of materials and suppliers, shortages of labour, lightning, earthquakes, fire, storms, pandemics, epidemics, quarantines and health emergencies, hurricanes, floods, wash-outs, explosions and acts of God, but excluding, for clarity, the financial circumstances of the Purchaser.
- (r) **"GST"** has the meaning given to it in Section 10.1.
- (s) **"GST Certificate"** has the meaning given to it in Section 10.1.
- (t) **"Interim Period"** means the period commencing on the Execution Date until and including the Closing Date.
- (u) **"Land Title Office"** means the Land Title and Survey Authority of British Columbia, land title office applicable to the Lands.
- (v) **"Lands"** has the meaning given to it in Recital B
- (w) **"Liability"** means any debts, claim, liability, duty, responsibility, obligations, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed.
- (x) **"Order"** means an order of the Court.
- (y) **"Permitted Encumbrances"** means the Encumbrances set out in Part 2 of Schedule A.
- (z) **"Plans, Permits and Approvals"** means:
 - (i) all plans and specifications pertaining to the construction of the Project, including, without limitation, all structural, architectural, mechanical, electrical, landscape and interior design and specifications for the Project; and

- (ii) all planning approvals, permits, licences, development agreements, crane swing, underpinning and airspace agreements with respect to the Project.
- (aa) **"Project"** means the construction and development of the Buildings on the Lands.
- (bb) **"Property"** means the Lands and the Buildings.
- (cc) **"Purchase Price"** means \$20,500,000.00, exclusive of any applicable taxes.
- (dd) **"Purchased Assets"** means:
 - (i) the Shares;
 - (ii) all of the Limited Partnership's right, title and interest, in and to the following assets and properties:
 - A. the Property;
 - B. the Chattels;
 - C. the Approved Contracts;
 - D. the Title Contracts;
 - E. the Plans, Permits and Approvals; and
 - F. all insurance obtained in connection with the Project.
- (ee) **"Purchaser's Solicitors"** means Kornfeld LLP or such other firm or firms of solicitors or agents as are retained by the Purchaser from time to time and written notice of which is provided to the Vendor.
- (ff) **"Receiver"** has the meaning given to it in recital C.
- (gg) **"Receivership Order"** has the meaning given to it in recital C.
- (hh) **"Receivership Proceedings"** means the legal proceedings in the Court under the Receivership Order.
- (ii) **"Shares"** means all of the issued and outstanding shares in the capital of the Nominee.
- (jj) **"Specified Date"** has the meaning given to it in Section 11.13.
- (kk) **"Title Contracts"** means, collectively, those agreements and instruments affecting the Property or any part thereof, including without limitation, the Permitted Encumbrances and any municipal site plan and development agreements, crane swing, underpinning and airspace agreements, common use agreements and easement agreements, concession or other agreements with any governmental authority or other public authorities having jurisdiction, and any new agreements of similar nature respecting the Property or any part thereof (other than the Contracts or Approved Contracts). For greater certainty, a Title Contract is not a Contract.
- (ll) **"Vendor's Solicitors"** means Lawson Lundell LLP, as counsel for the Vendor, or such other firm or firms of solicitors or agents as are retained by the Vendor from time to time and written notice of which is provided to the Purchaser.

(mm) "Vesting Order" has the meaning given to it in Section 8.3(a).

ARTICLE 2 - PURCHASE AND SALE

2.1 Agreement of Purchase and Sale. Subject to the terms and conditions of this Agreement, the Vendor agrees to sell and the Purchaser agrees to purchase the Purchased Assets for the Purchase Price on the Closing Date free and clear of all Encumbrances, except for the Permitted Encumbrances.

2.2 Payment of Purchase Price. The Purchase Price for the Purchased Assets will be paid by the Purchaser as follows:

- (a) by a deposit in the amount of \$1,000,000.00 (the "Deposit") to be paid to the Vendor's Solicitors within three Business Days of the Execution Date;
- (b) by the delivery of a non interest-bearing demand promissory note (the "Promissory Note") by the Purchaser to the Vendor in the amount of \$4,600,000.00; and
- (c) by payment of the balance of the Purchase Price (the "Balance"), as adjusted in accordance with Article 5 , on the Closing Date as provided in Article 9 .

2.3 Deposits. The Vendor shall cause the Vendor's Solicitors to: (i) deposit the Deposits into an interest bearing trust account promptly following receipt of the Deposits; and (ii) pay the Deposits and any interest that may accrue thereon only as set out in this Agreement or as directed in writing by the Vendor and the Purchaser or as directed by a court of competent jurisdiction. The Vendor shall cause the Vendor's Solicitors to pay the Deposits to:

- (a) the Vendor, without interest (less the \$10.00 paid by the Vendor to the Purchaser pursuant to Section 8.6):
 - (i) on account of the Purchase Price on the Closing Date as set out in Article 9 or
 - (ii) as liquidated damages upon the default of the Purchaser if the Purchaser is in default of its obligation to complete the transactions contemplated by this Agreement, unless such default is waived in writing by the Vendor and which payment shall be in full satisfaction of all claims the Vendor may have by reason of such default;
- (b) the Purchaser, with interest (less the \$10.00 paid by the Purchaser to the Vendor pursuant to Section 8.2):
 - (i) if the Purchaser is not required to complete the transaction contemplated by this Agreement, promptly following the date on which the Purchaser becomes entitled not to complete the transactions contemplated by this Agreement;
 - (ii) upon the default of the Vendor without prejudice to any other right or remedy of the Purchaser, if the Vendor is in default of its obligation to complete the transactions contemplated by this Agreement, unless such default is waived in writing by the Purchaser; or
 - (iii) if any or all of the conditions set out in Sections 8.1 8.3 and 8.3 have not been satisfied or waived.

2.4 Allocation of Purchase Price. The parties agree that the Purchase Price shall be allocated among the Purchased Assets as follows: (i) \$1.00 to the Shares; (ii) \$1.00 to the Purchased Assets other than the Shares, the Lands and Buildings; and (iii) the balance to the Lands and Buildings.

ARTICLE 3 - GENERAL COVENANTS

3.1 Covenants of the Vendor. The Vendor:

- (a) throughout the Interim Period, will upkeep and maintain the Property in its present condition, reasonable wear and tear excepted, and will manage the Property in a professional and diligent manner and as a careful and prudent owner would do in accordance with current practices in the Receivership Proceedings and in compliance with all applicable laws, regulations and orders;
- (b) throughout the Interim Period, will maintain in full force and effect insurance coverage for fire, earthquake and all risks in respect of the Property as well as commercial liability coverage until closing on the Closing Date, in such amounts and on such terms as would a prudent owner;
- (c) throughout the Interim Period, will not enter into any commitment or agreement or contract, other than any commitment, agreement or contract that is necessary to fulfill its covenant in Section 3.1(a) of this Agreement, or modify any material terms or terminate any of the Approved Contracts, Permitted Encumbrances, Title Contracts, Plans, Permits and Approvals, or any mortgage or charge relating to the Purchased Assets or that would form an Encumbrance on the Purchased Assets without the prior written consent of the Purchaser, not to be unreasonably withheld; and
- (d) throughout the Interim Period, grant to the Purchaser and its authorized representatives the right to enter upon the Property during business hours upon reasonable notice for the purposes of carrying out such inspections, examinations, tests and surveys, including soil tests, as the Purchaser acting reasonably, deem necessary; provided that the Purchaser shall indemnify and save harmless the Vendor from any and all loss, cost or damage suffered as a direct result of the Purchaser exercising its rights pursuant to this clause.

ARTICLE 4 - RISK

4.1 Risk. The Purchased Assets will be at the risk of the Vendor until 12:01 a.m. on the Closing Date and thereafter at the risk of the Purchaser.

ARTICLE 5 - ADJUSTMENTS AND RELATED MATTERS

5.1 Adjustments. The Purchase Price payable by the Purchaser to the Vendor for the Purchased Assets will be subject to adjustment. All adjustments with respect to the Purchased Assets, including taxes, utilities, deposits and interest on deposits (if any), and other items normally adjusted between a vendor and purchaser in the sale of similar properties in British Columbia will be adjusted as of the Closing Date so that the Vendor will bear and pay all expenses and receive all income related to the Purchased Assets accruing prior to the Closing Date and the Purchaser will bear and pay all expenses and receive all income related to the Purchased Assets accruing on and after the Closing Date and the Purchase Price will be adjusted accordingly. The

Vendor shall cause any water, gas, or electrical meter readings required to make the adjustments herein.

5.2 Statement of Adjustments. A statement of adjustments will be delivered to the Purchaser by the Vendor at least five (5) Business Days prior to the Closing Date and shall have annexed to it complete details of the calculations used by the Vendor to arrive at all debits and credits on the statement of adjustments. On request, the Vendor shall give the Purchaser access to the Vendor's working papers and backup materials in order to confirm the statement of adjustments.

5.3 Re-Adjustment Determination. The parties acknowledge and agree that there will be no re-adjustment after the Closing Date.

ARTICLE 6 - POSSESSION

6.1 Possession Date. The Purchaser will, upon completion of the purchase and sale have possession of all Purchased Assets as of the Closing Date free and clear of all Encumbrances subject only to the Permitted Encumbrances.

6.2 Non-assignable Assets. If any of the Purchased Assets are not transferable without consent of a third party by the terms of the applicable instruments, the Vendor shall use commercially reasonable efforts to obtain such consent prior to the Closing Date and, if such consent is not obtained by the Closing Date, the Vendor shall use commercially reasonable efforts to obtain an Order in the Receivership Proceedings transferring or assigning, as applicable, such Purchased Assets to the Purchaser. For certainty, any failure to obtain the consent of any such third party will not constitute a default of the Vendor nor will it entitle the Purchaser to terminate this Agreement.

ARTICLE 7 - REPRESENTATIONS AND WARRANTIES

7.1 Vendor's Representations and Warranties. The Vendor represents and warrants to the Purchaser, regardless of any independent investigations that the Purchaser may cause to be made, that as at the date of this Agreement:

- (a) subject to the Approval and Vesting Order being granted, the Vendor has the power, authority and capacity to enter into this Agreement, and to perform its obligations under this Agreement, subject to its terms;
- (b) the Vendor is a resident of Canada within the meaning of the *Income Tax Act (Canada)*.

7.2 Survival of Vendor's Representations and Warranties. The representations and warranties contained in Section 7.1 will survive the Closing Date and will continue in full force and effect for the benefit of the Purchaser after the Closing Date for a period of 12 months, unless otherwise expressly indicated herein, notwithstanding any independent inquiry or investigation by the Purchaser or the satisfaction or waiver by the Purchaser of any condition set out in Section 8.1, the subject matter of which is contained in a representation or warranty in this Agreement.

7.3 Purchaser's Representations and Warranties. The Purchaser represents and warrants to the Vendor, regardless of any independent investigation that the Vendor may cause to be made

- (a) the Purchaser is a corporation incorporated and existing under the laws of British Columbia;
- (b) the Purchaser has the corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement;

- (c) there is no action or proceeding pending or to the best of the Purchaser's knowledge, threatened against the Purchaser before any court, arbiter, arbitration panel, administrative tribunal or agency which, if decided adversely to the Purchaser, might materially affect the Purchaser's ability to perform the Purchaser's obligations hereunder;
- (d) neither the Purchaser's entering into this Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Purchaser is bound or subject;
- (e) the Purchaser is not a non-Canadian for the purposes of the *Investment Canada Act (Canada)*; and
- (f) the Purchaser is not a foreign entity for the purposes of the *Property Transfer Tax Act (British Columbia)*.

7.4 Survival of Purchaser's Representations and Warranties. The representations and warranties contained in Section 7.3 will survive the Closing Date and will continue in full force and effect for the benefit of the Vendor after the Closing Date for a period of 12 months, unless otherwise expressly indicated herein, notwithstanding any independent inquiry or investigation by the Vendor.

7.5 "As Is" Purchase. The Purchaser acknowledges and agrees that:

- (a) in entering into this Agreement and completing the transactions contemplated herein, except for the representations and warranties of the Vendor set out in Section 7.1, the Purchaser has relied and will continue to rely solely upon its own due diligence with respect to the Purchased Assets;
- (b) the Purchased Assets are being purchased by the Purchaser on an "as is, where is" basis as of the Closing Date and without any representation or warranty, whether expressed or implied by this Agreement or at law, by the Vendor of any nature or kind whatsoever respecting any of the Purchased Assets or any matter relating thereto, except for the representations and warranties of the Vendor set out in Section 7.1 or in the Closing Documents;
- (c) except for the representations and warranties of the Vendor set out in Section 7.1 or in the Closing Documents, the Vendor makes no representations or warranties concerning any statements made or information delivered or made available to the Purchaser (whether by the Vendor, the Vendor's Solicitors or any other agents, representatives or advisors of the Vendor or any of their respective affiliates, or any other person) with respect to the Purchased Assets, whether included as part of any due diligence matters or any other information disclosed to the Purchaser or otherwise; and
- (d) except as otherwise expressly provided for in this Agreement or in the Closing Documents, the Vendor shall have no obligations or responsibility to the Purchaser after the Closing Date with respect to any matter relating to the Purchased Assets or the condition thereof.

The provisions of this Section shall survive closing or the termination of this Agreement.

ARTICLE 8 - CONDITIONS PRECEDENT

8.1 Purchaser's Conditions. The Purchaser's obligation to complete the transactions contemplated by this Agreement is subject to the following conditions, all of which are for the sole benefit of the Purchaser:

- (a) on the Closing Date, the representations and warranties of the Vendor contained in Section 7.1 will be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the Closing Date; and
- (b) on the Closing Date, all of the covenants and agreements of the Vendor to be performed on or before the Closing Date pursuant to this Agreement will have been duly performed in all material respects.

If the conditions set out in this Section have not been satisfied by notice in writing from the Purchaser to the Vendor, by the times specified in this Section, the Purchaser may by notice in writing to the Vendor waive satisfaction of such conditions, in whole or in part, without prejudice to any of its other rights under this Agreement and complete the purchase of the Purchased Assets or elect not to complete.

8.2 Consideration for and Nature of Conditions. A portion of the First Deposit in the amount of \$10.00 represents non-refundable consideration paid by the Purchaser for its right to satisfy or waive the conditions set out in Section 8.1 and Section 8.3 and the Vendor acknowledges the sufficiency in all respects of such consideration. Although the Purchaser's obligation to complete the transaction contemplated by this Agreement is subject to satisfaction or waiver of conditions, those conditions are not conditions to there being a binding agreement of purchase and sale between the parties respecting the Purchased Assets and until the time limited for the satisfaction or waiver of such conditions has expired, this Agreement is not void, voidable, revocable or, except for default, otherwise capable of being terminated by either of the parties.

8.3 Mutual Condition. The obligation of each of the parties to complete the transactions contemplated by this Agreement is subject to the mutual condition, which is for the benefit of both the Vendor and the Purchaser, that on or before 5:00 p.m. (Vancouver time) on October 20, 2022, or such later date as is agreed upon among the parties, the Vendor has obtained (at the sole cost of the Vendor) an Order in substantially form attached hereto as Schedule "B" (the "Vesting Order"):

- (a) approving this Agreement and implementing the transactions contemplated herein in accordance with its terms; and
- (b) vesting title to the Purchased Assets (including, without limitation, the Shares) in and to the Purchaser, free and clear of all Encumbrances except the Permitted Encumbrances.

8.4 Satisfaction of Mutual Condition. The parties agree that if each of the Purchaser and the Vendor do not give notice to the other party by the time limited in Section 8.3 that the condition in that Section is satisfied, then this Agreement will automatically be null and void upon the expiry of such time and the Deposits shall be returned to the Purchaser with interest (if any). For certainty, a failure to satisfy the conditions set out in Section 8.3 shall not constitute a default of either party.

8.5 Vendor's Conditions. The Vendor's obligation to complete the transactions contemplated by this Agreement is subject to the following conditions, all of which are for the sole benefit of the Vendor:

- (a) on the Closing Date, the representations and warranties of the Purchaser contained in Section 7.3 will be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the Closing Date; and
- (b) on the Closing Date, all of the covenants and agreements of the Purchaser to be performed on or before the Closing Date pursuant to this Agreement will have been duly performed in all material respects.

If the conditions set out in this Section have not been satisfied by notice in writing from the Vendor to the Purchaser, by the times specified in this Section, the Vendor may, with the written consent of the Receiver, by notice in writing to the Purchaser waive satisfaction of such conditions, in whole or in part, without prejudice to any of its other rights under this Agreement and complete the sale of the Purchased Assets or elect not to complete.

8.6 Consideration for and Nature of Conditions. The Vendor hereby pays to the Purchaser the amount of \$10.00 representing non-refundable consideration paid by the Vendor for its right to satisfy or waive the conditions set out in Sections 8.3 and 8.5 and the Purchaser acknowledges the sufficiency in all respects of such consideration. Although the Vendor's obligation to complete the transaction contemplated by this Agreement is subject to satisfaction or waiver of conditions, those conditions are not conditions to there being a binding agreement of purchase and sale between the parties respecting the Purchased Assets and until the time limited for the satisfaction or waiver of such conditions has expired, this Agreement is not void, voidable, revocable or, except for default, otherwise capable of being terminated by either of the parties.

8.7 Receivership Proceedings. The Purchaser and the Vendor shall support the application for the Vesting Order. In the event any variation is sought or leave to appeal is sought, an appeal is taken or a stay pending appeal is requested with respect to the Vesting Order, the Vendor shall promptly notify the Purchaser of such application for leave to appeal, appeal or stay request and shall promptly provide to the Purchaser a copy of the related notice(s) or order(s).

ARTICLE 9 – CLOSING

9.1 Closing. The closing of the purchase and sale of the Purchased Assets will commence at 10:00 a.m. (Vancouver time) on the Closing Date. The closing will be a virtual closing with documents to be exchanged electronically, or at such other time on the Closing Date, or in such other format as may be agreed in writing by the Vendor and the Purchaser.

9.2 Vendor's Closing Documents. On or before the Closing Date, the Vendor will deliver, or cause the Vendor's Solicitors to deliver, to the Purchaser's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable and all in a form satisfactory to the Purchaser, acting reasonably:

- (a) Court certified copy of the Vesting Order and any other Orders as are necessary, all in a form registrable in all necessary offices required to effect the transfer of the Purchased Assets;

- (b) letters from legal counsel to the Vendor to the Land Title Survey Authority or other agency as may be required by the Vesting Order;
- (c) a beneficial transfer conveying the beneficial interest in the Property to the Purchaser;
- (d) a termination and direction to the Nominee, pursuant to which the Limited Partnership terminates the existing bare trust agreement with the Nominee and directs the Nominee to hold registered title to the Lands (other than 3108 St. George Street) in trust for the Purchaser from and after the Closing Date;
- (e) a termination and direction to the Nominee, pursuant to which each of Yang and Mu terminates the existing bare trust agreement with the Nominee with respect to 3108 St. George Street and directs the Nominee to hold registered title to 3108 St. George Street in trust for the Purchaser from and after the Closing Date;
- (f) an assignment and assumption of Approved Contracts, Plans, Permits and Approvals wherein the Purchaser assumes the rights and obligations under the Approved Contracts and Plans, Permits and Approvals as of the Closing Date and the Purchaser indemnifies the Vendor for all Liability under the Approved Contracts and Plans, Permits and Approvals arising after the completion of the transactions contemplated herein and the Vendor retains all Liability under the Approved Contracts and Plans, Permits and Approvals arising prior to the Closing Date and indemnifies the Purchaser for all Liability under the Approved Contracts and Plans, Permits and Approvals arising prior to the completion of the transactions contemplated herein;
- (g) an assignment and assumption of Permitted Encumbrances and Title Contracts;
- (h) an assignment and assumption of the Vendor's right, title and interest, in and to all insurance obtained in connection with the Project;
- (i) a bill of sale conveying the Chattels to the Purchaser;
- (j) a statement of adjustments pursuant to Article 5 ;
- (k) a transfer of the Shares together with all resolutions, certificates and acknowledgements of the Limited Partnership and the Nominee as may be reasonably required by the Purchaser to effectively transfer the Shares;
- (l) resignations of the directors and officers of the Nominee;
- (m) a notice from the Vendor to the other parties under the Approved Contracts giving notice of the sale of the Property;
- (n) keys to all units and facilities of the Property to the extent required by the Purchaser, and
- (o) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

9.3 Purchaser's Closing Documents. On or before the Closing Date, the Purchaser will deliver, or cause the Purchaser's Solicitors to deliver, to the Vendor's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable:

- (a) the Promissory Note;
- (b) an assignment and assumption of Approved Contracts, Plans, Permits and Approvals;
- (c) an assignment and assumption of Permitted Encumbrances and Title Contracts;
- (d) an assignment and assumption of the Vendor's right, title and interest, in and to all insurance obtained in connection with the Project;
- (e) the GST Certificate;
- (f) a certificate dated as of the Closing Date of a senior officer of the Purchaser having knowledge of the facts certifying, on behalf of the Purchaser and without personal liability, that the representations and warranties set out in Section 7.3 are true and correct in all material respects as at the Closing Date and that the Purchaser's covenants and agreements to be observed or performed on or before the Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects; and
- (g) such other documents and assurances as may be reasonably required by the Vendor to give full effect to the intent and meaning of this Agreement.

9.4 Preparation and Form of Documents. The closing documents contemplated in Sections 9.2 and 9.3 (collectively, the "Closing Documents"), other than the statement of adjustments in Article 5 and the materials required in connection with a Vesting Order set out in Section 9.2(k), will be prepared by the Purchaser's Solicitors and delivered to the Vendor's Solicitors at least five (5) Business Days before the Closing Date. The Closing Documents (including the statement of adjustments in Article 5 and the materials required in connection with a Vesting Order set out in Section 9.2(k)) will be in a form and substance reasonably satisfactory to the parties. The Vendor shall provide the Purchaser with drafts of all materials to be filed with the Court no later than two (2) days prior to the date of any hearing of the Court regarding the Vesting Order.

9.5 Payment into Trust. On or before the Closing Date, the Purchaser will pay to the Purchaser's Solicitors, in trust, by way of certified cheque, bank draft, or wire transfer, funds in an amount equal to the Balance, as adjusted, less any amount to be advanced to the Purchaser on the Closing Date under any mortgage financing arranged by the Purchaser, as further described in Section 9.9.

9.6 Registration. On the Closing Date, after receipt by the Purchaser's Solicitors of the Closing Documents set out in Section 9.2 and the funds as set out in Section 9.5, and after receipt by the Vendor's Solicitors of the Closing Documents set out in Section 9.3, if required, the Purchaser will cause the Purchaser's Solicitors to file the Vesting Order in the Land Title Office and any security documents applicable to any mortgage financing arranged by the Purchaser, as further described in Section 9.9.

9.7 Closing Escrow. All Closing Documents, funds, and other items delivered by the parties, except the Vesting Order (which will be dealt with pursuant to Section 9.6), will be held in trust by the Vendor's Solicitors and the Purchaser's Solicitors until completion of closing on the Closing Date in accordance with this Agreement. Promptly after the filings set out in Section 9.6 and a satisfactory post filing for registration search has been received by the Purchaser's Solicitors showing that title to the Property will be free and clear of all Encumbrances except for the

Permitted Encumbrances or any Encumbrances granted by or claimed through the Purchaser, the Closing Documents will be released to the appropriate parties and the Purchaser will cause the Purchaser's Solicitors to pay the Purchase Price, as adjusted, to the Vendor's Solicitors by way of wire transfer.

9.8 Concurrent Requirements. It is a condition of the closing that all matters of payment, execution and delivery of documents by each party to the other and the filing of documents in the Land Title Office as set out in Section 9.6, all pursuant to the terms of this Agreement, will be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the closing until everything required as a condition precedent at the closing has been paid, executed and delivered and all filings set out in Section 9.6 have been completed.

9.9 Purchaser's Financing. If the Purchaser is relying upon a new mortgage to finance the purchase of the Purchased Assets, the Purchaser, while still required to pay the Purchase Price on the Closing Date, may wait to pay the Purchase Price until after the Vesting Order (if required) and new mortgage documents have been filed in the Land Title Office and after receipt of the proceeds of such mortgage financing, but only if, before such filing, the Purchaser has:

- (a) made available for tender to the Vendor that portion of the Purchase Price not secured by the new mortgage;
- (b) fulfilled all the new mortgagee's conditions for funding except filing the mortgage for registration; and
- (c) made available to the Vendor, a lawyer's undertaking to pay the Purchase Price upon the filing of the Vesting Order (if required) and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

The Receiver will execute on behalf of the Nominee and deliver to the Purchaser prior to the Closing Date any documents or instruments required by the Purchaser's lender in connection with any new mortgage to finance the purchase of the Purchased Assets, including without limitation a Form B mortgage in respect of the Lands.

9.10 Payment by Wire Transfer. Notwithstanding anything else contained herein, provided the Purchaser's Solicitors have initiated the wire transfer for the balance of the Purchase Price, as adjusted, to the Vendor's Solicitors on the Closing Date, and provided the Vendor's Solicitors with written confirmation thereof, the Purchaser will be deemed to have paid the balance of the Purchase Price, as adjusted, due to the Vendor if such amount is credited to the Vendor's Solicitors account by 11 a.m. (Vancouver time) on the first Business Day following the Closing Date without interest or penalty. If such amount is not received by 11 a.m. (Vancouver time) on the first Business Day following the Closing Date, the Purchaser will pay to the Vendor interest at the rate of the prime rate of interest designated from time to time by Royal Bank of Canada plus 3% per annum on such amount until such time as it is received by the Vendor.

ARTICLE 10 - TAXES

10.1 GST. The Purchaser represents and warrants to Vendor that it is and will be, as of the closing on the Closing Date, registered for the purposes of Part IX of the *Excise Tax Act (Canada)* (the "ETA") in accordance with the requirements of Subdivision D of Division V of the ETA and will assume responsibility to account for, report and remit any goods and services tax and harmonized sales tax (collectively, the "GST") payable under the ETA in connection with the transaction contemplated in this Agreement. On the Closing Date, the Purchaser will deliver to the

Vendor a certificate (the "GST Certificate") of a senior officer of the Purchaser certifying, on behalf of the Purchaser and without personal liability:

- (a) that the Purchaser is registered under Part IX of the ETA as of the Closing Date;
- (b) its registration number; and
- (c) that the Purchaser will account for, report and remit any GST payable in respect of the purchase of the Purchased Assets in accordance with the ETA.

If the Purchaser delivers such GST Certificate, then the Purchaser will not be required to pay to the Vendor, and the Vendor will not be required to collect from the Purchaser nor report or remit, any GST in connection with the transaction contemplated in this Agreement. The Purchaser shall indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability under the ETA arising as a result of any breach of this Section, the GST Certificate or any declaration made therein and such indemnity shall survive the completion of the transactions contemplated herein.

10.2 Provincial Sales Tax. The Purchaser acknowledges that it may be liable to pay provincial sales tax in respect of some or all of the Chattels and, if required, it will report and remit as required by applicable law any such sales tax that is due directly to the applicable taxing authority. The Purchaser shall indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability related to the Vendor's failure to account for, report and remit such provincial sales tax and such indemnity shall survive the completion of the transactions contemplated herein.

10.3 Tax Elections. Notwithstanding the above, the Vendor will cooperate with the Purchaser to execute any election available under applicable law that may reduce or defer the amount or due date of any GST or other tax payable by the Purchaser provided such election will not result in any increased cost or tax liability for the Vendor.

10.4 Other Taxes. The Purchaser shall be responsible for all transfer taxes, fees and expenses in connection with the registration of the Vesting Order (if required) or transfer of the Purchased Assets.

10.5 Preparation of Tax Returns After Closing. Forthwith following closing on the Closing Date the Vendor will, in consultation with the Purchaser and the Purchaser's professional advisors and accountants, cause income tax and other tax returns consequent to the closing to be prepared for the Nominee. The Purchaser will be responsible for all reasonable costs related to the preparation and filing of these returns along with the costs of the Purchaser's own accountant and other consultants in reviewing the same. The Vendor will also provide reasonable assistance in preparing and filing all financial statements, tax returns and other documents required by law in respect of any government charges or in respect of any federal, provincial, municipal or other taxing statute for fiscal periods of the Nominee ending for tax purposes on or before the Closing Date.

ARTICLE 11 – GENERAL

11.1 Further Assurances. Each of the parties will execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.

11.2 No Merger. The execution and delivery of the Closing Documents is not intended to and will not in any way merge or otherwise restrict the terms, covenants, conditions, representations, warranties or provisions made or to be performed or observed by the parties contained in this Agreement other than the obligation to deliver the Closing Documents.

11.3 Entire Agreement. This Agreement constitutes the entire agreement between the Vendor and the Purchaser pertaining to the purchase and sale of the Purchased Assets and supersedes all prior agreements and undertakings, negotiations and discussions, whether oral or written, of the Vendor and the Purchaser and there are no representations, warranties, covenants or agreements between the Vendor and Purchaser except as set out in this Agreement.

11.4 Amendment. Subject to Section 11.5 this Agreement may only be altered or amended by an agreement in writing executed by all of the parties.

11.5 Solicitors as Agents. Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors, on behalf of the Purchaser, and by the Vendor's Solicitors, on behalf of the Vendor, and any tender of Closing Documents and the Purchase Price may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

11.6 Notices. Any notice, document or communication required or permitted to be given under this Agreement will be in writing and delivered by hand or electronic transmission as follows:

(a) if to the Purchaser:

200 – 3600 Number 3 Road
Richmond, BC V6X 2C1

Attention: Tina Mu
E-mail: tina.mu@gentaicapital.com

with a further copy to the Purchaser's Solicitors:

Kornfeld LLP
One Bentall Centre, 505 Burrard Street, Suite 1100
Vancouver, BC V7X 1M3

Attention: Dan Parlow/Jordan Langlois
E-mail: dparlow@kornfeldllp.com/jlanglois@kornfeldllp.com

(b) if to the Vendor:

c/o The Bowra Group Inc.
One Bentall Centre, 505 Burrard Street, Suite 430
Vancouver, BC V7X 1M3

Attention: Doug Chivers
E-mail: dchivers@bowragroup.com

with a further copy to the Receiver's Solicitors:

Lawson Lundell LLP
1600 – 925 West Georgia Street
Vancouver, BC V6C 3L2

Attention: Edward L. Wilson
E-mail: ewilson@lawsonlundell.com

or to such other address in Canada as either party may in writing advise. Any notice, document or communication will be deemed to have been given on the Business Day when delivered by hand if delivered prior to 5 p.m. (Vancouver time), otherwise will be deemed to be delivered and received on the next Business Day; or, if made by email, shall be deemed to have been given on the Business Day when transmitted if it is so transmitted prior to 5 p.m. (Vancouver time) on the day of transmittal, otherwise will be deemed to be given and received on the next Business Day.

11.7 Fees. Each of the parties will pay its own legal fees and fees of its consultants. The Purchaser will pay all registration costs and property transfer tax payable in connection with its purchase of the Purchased Assets.

11.8 Real Estate Commissions. The Vendor will be responsible for the commission payable to the Vendor's agent, Colliers Macaulay Nicolls Inc. The Purchaser represents and warrants that it has not made any agreement with any real estate agent or broker regarding payment of any commission in respect of the purchase of the Purchased Assets.

11.9 Waiver of Site Disclosure Statement. The Purchaser waives any right it may have to be provided with, and any requirement for the Vendor to provide, a site disclosure statement for the Property under the *Environmental Management Act (British Columbia)* and the regulations under that act.

11.10 Time. Time is of the essence of this Agreement. If anything is required to be done under this Agreement on a day which is not a Business Day, the same shall be done on the next following Business Day.

11.11 Tender. Unless otherwise set out herein, any tender of documents or money may be made upon the party being tendered or upon its solicitors and money will be tendered by certified cheque, bank draft, or wire transfer.

11.12 Enurement. This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

11.13 Force Majeure. If by reason of Excusable Delay, the Vendor or Purchaser is delayed in performing or observing a covenant or obligation hereunder which is to be performed or observed (the "Specified Date"), or if either the Purchaser or the Vendor is delayed in satisfying or waiving any of the conditions precedent set out in Sections 8.1, 8.3 or 8.5, the applicable Specified Date will be extended by a period of time equal to the duration of the Excusable Delay, provided that the Vendor or Purchaser, as applicable, notifies the other party in writing prior to the applicable Specified Date, and such notice sets out in detail the date of the commencement and nature of such circumstances (the "Delay Notice"), and provided further that the party giving the Delay Notice uses its commercially reasonable efforts to render performance in a timely manner utilizing to such end commercially reasonable and available resources required in the circumstances. If the duration of the Excusable Delay exceeds 60 days from the date of giving a Delay Notice, the party receiving

such Delay Notice may terminate this Agreement forthwith, notwithstanding any other provision of this Agreement, by giving written notice of termination to the other party, in which event the parties shall have no further obligations to one another. In determining whether delay is excusable, the party giving the Delay Notice shall be held to a commercially reasonable standard and not to a best efforts standard.

11.14 Assignment. The Purchaser will be entitled to assign its rights and obligations under this Agreement on prior written notice to, but without the consent of the Vendor to any one or more affiliates (within the meaning of the *Business Corporations Act (British Columbia)*) of the Purchaser or to one or more limited partnerships in which one or more general partners are affiliates (within the meaning of the *Business Corporations Act (British Columbia)*) of the Purchaser if:

- (a) the Purchaser delivers written notice of such assignment(s) to the Vendor;
- (b) the assignee(s) enters into an agreement pursuant to which the assignee(s) agrees to be bound by all of the obligations and Liability of the Purchaser under this Agreement as if it was the original Purchaser;
- (c) the Purchaser is not released from its obligations and Liability under this Agreement until the completion of the transactions contemplated in this Agreement, at which time the assignor will be automatically released from all of its obligations and Liability under this Agreement without the need for any further deliveries or instruments of release; and
- (d) such assignment(s) is completed not less than five (5) Business Days prior to the Closing Date.

The Purchaser will not otherwise be entitled to assign its rights and obligations under this Agreement except with the prior written consent of the Vendor, such consent may be arbitrarily withheld or delayed by the Vendor.

11.15 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in it.

11.16 Waiver. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision nor will any waiver constitute a continuing waiver unless otherwise expressed or provided.

11.17 Confidentiality. Except as may be required in the Receivership Proceedings, the parties will not disclose the existence of nor the contents of this Agreement to any third party, except their respective directors, officers, employees, agents or advisors, including lawyers, accountants, consultants, bankers and financial advisors (collectively, the "Authorized Parties"), without the prior written consent of the other party, not to be unreasonably withheld, provided that such consent is not required in the case of disclosure required by law or disclosure by either party to enforce any of its rights under this Agreement or to obtain necessary consents under this Agreement. The parties will instruct their respective Authorized Parties to comply with the provisions of this Section 11.17 and the parties will be responsible for any breach of the provisions of this Section 11.17 by their respective Authorized Parties. This Section 11.17 does not apply to public information or information in the public domain at the time that such information is obtained, information in the possession of a party not provided by the other party, or information received in good faith from a third party lawfully in possession of the information and not in breach

of any confidentiality obligation. The obligations under this Section 11.17 shall terminate as of the second anniversary of the date of this Agreement. The provisions of this Section 11.17 shall supersede the confidentiality provisions of any non-disclosure or confidentiality agreements entered into by the parties with respect to the Purchased Assets and the transactions contemplated in this Agreement.

11.18 Public Announcement. The parties agree that no disclosure or announcement, public or otherwise shall be made concerning this Agreement or the transactions contemplated hereunder without the prior consent of both parties, except as otherwise required by applicable law, regulation or regulatory authority or stock exchange rules or requirements. The parties shall consult and cooperate with each other with respect to any proposed announcement of the transactions contemplated hereunder.

11.19 No Registration. The Purchaser will not register this Agreement or notice of this Agreement against title to the Property.

11.20 Currency. All dollar amounts referred to are Canadian dollars.

11.21 Construction. The division and headings of this Agreement are for reference only and are not to affect construction or interpretation.

11.22 Counterparts and Execution. This Agreement may be executed in counterparts and delivered by electronic transmission including by PDF format, and each such counterpart will constitute an original and all such counterparts together will constitute one and the same agreement.

11.23 Schedules. The following schedules are attached to and form a part of this Agreement:

Schedule A — Legal Description and Permitted Encumbrances

Schedule B — Form of Vesting Order

ARTICLE 12 – SPECIAL TERMS

12.1 Vendor. All references to Vendor in this Agreement and in this Schedule mean The Bowra Group Inc. (the “Receiver”) in its capacity as court-appointed receiver of, inter alia, certain assets of 1143924 B.C. Ltd., Buffalo-Gentai (St. Johns) Investment Limited Partnership and Buffalo-Gentai Development Ltd. (collectively, the “Debtors”), and all real and personal property located at 3108 St. George Street, and specifically the Receiver’s interest in and to the Lands, pursuant to the Court Order made in the Action on January 27, 2022, as amended and restated by the Court Orders made in the Proceeding on March 25, 2022 and August 2, 2022, and not as vendor or owner.

12.2 Court Appeal. The Receiver agrees, subject to the other terms of this Agreement, to present this Agreement to the Court for approval, once all subject conditions, save for such court-approval, have been waived or declared fulfilled, and in so doing is not contractually or otherwise liable to the Purchaser or any other party in any way.

12.3 As Is/Where Is. The Purchaser accepts the Lands “as is, where is” as of the Possession Date and saves the Receiver harmless from all claims resulting from or relating to the age, fitness, condition, zoning, lawful use, environmental condition or circumstances and location of the Lands, and agrees to accept the Lands subject to any outstanding work orders or notices or infractions as

to the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreement and easements.

12.4 No Representations. The Purchaser acknowledges and agrees that the Receiver is not the owner of the Lands, and the Purchaser acknowledges and agrees that the Receiver makes no representations or warranties whatsoever with respect to the Lands. The Purchaser acknowledges and agrees that they have relied entirely upon their own inspection and investigation with respect to quantity, quality and value of the Lands, and that it may change between the date of viewing of the Lands and the Possession Date.

12.5 Not the Owner. The Purchaser acknowledges and agrees that the Receiver is not the registered owner of the Lands and can make no representations as to the use of the Lands, its occupancy or vacancy, or the residency of the registered owner. To the extent any information or declaration is made by the Receiver in respect of such matters and to enable closing, they are made on information and belief and are not to be relied upon by the Purchaser.

12.6 Income Tax Act. The Receiver makes no representations as to residency of the registered owner of the Lands and will make no representations or declarations about that at closing. The Purchaser hereby warrants and represents to the Receiver that the Purchaser has made reasonable Inquiry within the meaning of s. 116(5)(a) of the Income Tax Act and is satisfied that the registered owner(s) of the Land are, or if more than one are, Canadian residents. The Purchaser agrees that upon completion the Purchaser will pay to the Receiver, subject only to those adjustments to which the Receiver has agreed in writing, the full purchase price owing on the purchase under this Agreement without holdback under s. 116(5) of the Income Tax Act or related sections.

12.7 No Personal Property. The Purchaser acknowledges and agrees that the assets to be purchased under this Agreement do not include any personal property or chattels except as expressly provided herein, and that any personal property or chattels remaining in the premises on the Lands which are taken by the Purchaser at their own risk and expense, without representation or warranty of any kind from the Receiver as to the ownership or state of repair of any such personal property or chattels.

12.8 Special Assessments. Notwithstanding s. 109 of the Strata Property Act S.B.C. 1998 c. 43, the Purchaser agrees that, the Purchaser will be responsible for payment of all special assessments levied against the Lands, both before and after the date of this Agreement, including all special assessments levied prior to the Completion Date, together with all assessments which may be levied and become payable at any time after the Completion Date, whether known or unknown, or anticipated at any time prior. The Receiver will only be responsible for payment of monthly maintenance arrears that are due and owing to the subject strata corporation on the Completion Date.

12.9 Damages. The Receiver is not and will not be liable to the Purchaser nor to anyone claiming by, through or under the Purchaser for any damages, costs or expenses for damage caused to the Lands by the registered owner of the Lands or its tenants, guests, assigns, agents or by persons unknown.

12.10 Competing Offers. The Purchaser acknowledges and agrees that other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this Agreement and such prospective purchasers may make competing offers which may be approved by the Court. The Receiver may be compelled to advocate in favour of other offers in order to

obtain the highest price for the Lands. The Receiver gives no undertaking to advocate the acceptance of this Agreement. To protect their interests in purchasing the Lands, the Purchaser acknowledges and agrees that they should attend at the Court hearing in person or by agent and be prepared there to make such amended or increased offer to purchase the Lands as the Court may permit or direct.

12.11 Termination of Contract. This Agreement may be terminated at the Receiver's sole option if at any time prior to Court approval.

- (a) the Court varies or vacates the receivership order to remove or impede the Receiver's ability to market the Lands for sale; or
- (b) the Receiver determines, in its sole discretion, that it is inadvisable to present this Agreement to the Court for any reason whatsoever,

and in any such event the Receiver shall have no further obligations or liability to the Purchaser under this Agreement or otherwise. This condition is for the sole benefit of the Receiver.

12.12 Permitted Encumbrances. The Purchaser acknowledges and agrees that they are purchasing title in the Lands free and clear of all encumbrances of the parties to the proceedings concerning the Lands brought by the Receiver in the Supreme Court of British Columbia, in accordance with the Vesting Order as may be made in the Action except: subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties contained in the original grant or contained in any other grant or disposition from the Crown registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies, if any, and the Permitted Encumbrances.

12.13 Property Disclosure Statement. No property condition disclosure statement concerning the Lands forms part of this Agreement, regardless of whether or not such a statement is attached to it.

12.14 Extension by Receiver. The Receiver may, in its sole discretion, extend the Completion Date by up to 10 days.

12.15 Funds. All funds payable by the Purchaser in connection with this Agreement will be by wire, certified cheque, or a Lawyer's/Notary's bank draft, or certified trust cheque, and shall be delivered by prepaid courier to the solicitor acting for the Receiver.

[Signature pages follow]

The parties are signing this Agreement as of the date set out above.


THE BOWRA GROUP INC. in its capacity as the Receiver and Manager of BUFFALO-GENTAI (ST. JOHNS) INVESTMENT LIMITED PARTNERSHIP, by its general partner, BUFFALO-GENTAI DEVELOPMENT LTD., and not in its personal capacity

By: _____
Name:
Title:

THE BOWRA GROUP INC. in its capacity as the Receiver and Manager of 1143924 B.C. LTD., and not in its personal capacity

By: _____
Name:
Title:

PKT HOLDINGS INC.

By:  _____
Name: [Redacted]
Title:

CHACE ENERGY HOLDING CORP.

By:  _____
Name: Kingchao Chai
Title:

**SCHEDULE A
LEGAL DESCRIPTION AND PERMITTED ENCUMBRANCES**

Part 1 – Legal Descriptions of 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**

Part 2 – Permitted Encumbrances

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

1. 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)

Charges, Liens and Interests

Nil.

27.

**SCHEDULE B
FORM OF VESTING ORDER**

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
)
) 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 _____ 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 -

2. The sale transaction (the "Transaction") contemplated by the Offer to Purchase and Agreement of Purchase and Sale dated October 20, 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, having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule "E".
5. 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.

6. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
7. 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".
8. 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.
9. 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.
10. 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.
11. 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.

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.**

Signature of

Signature of

BY THE COURT

REGISTRAR

Schedule A – List of Parties Appearing

Counsel/Party	Name
Prospera Credit Union	Scott Stephens
Buffalo Holdings Inc. and WJY 2015 Trust	H.C. Ritchie Clark, Q.C.
Canadian Western Bank	Daniel Nugent
The Bowra Group, Receiver	William L. Roberts
Gentai Development Corp. and Hongyu Tina Mu	Dan Parlow

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., was appointed Receiver (the “Receiver”) of the assets, undertakings and properties of the Respondents 1143924 B.C. Ltd., Buffalo-Gentai (St. Johns) Investment Limited Partnership and Buffalo-Gentai Development Ltd. (collectively, the “Debtors”).

B. Pursuant to an Order of the Court dated October 20, 2022 (the “Approval and Vesting Order”), the Court approved the Offer and Agreement of Purchase and Sale dated October 20, 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 Purchasers have paid and the Receiver has received the Purchase Price for the Purchased Assets 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

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**

(collectively, the "Lands")

Together with:

- (a) the Chattels (as defined in the Sale Agreement);**
- (b) the Buildings (as defined in the Sale Agreement);**
- (c) the Approved Contracts (as defined in the Sale Agreement);**
- (d) the Title Contracts (as defined in the Sale Agreement);**
- (e) the Plans, Permits and Approvals (as defined in the Sale Agreement); and**
- (f) 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; and
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)

Charges, Liens and Interests

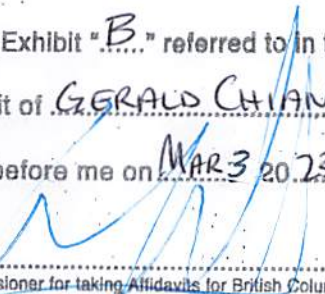
Nil.

Vivian Chung Law Corporation
7985 Granville Street
Vancouver, BC V6P 4Z3

Seller Statement of Adjustments

BUYER: Vansoho + Quad-City Limited Partnership
SELLER: The Bowra Group Inc., solely in its capacity as Court-appointed Receiver of 1143924 B.C. Ltd. (the "Nominee"), and Buffalo-Gentai (St. Johns) Investment Limited Partnership (the "Limited Partnership") and together with the Nominee, the "Owner") and not in its personal or any other capacity
RE: Sale of beneficial interest in the lands and premises civically and legally described in the attached Schedule "A" and all issued and outstanding shares of 1143924 B.C. Ltd.
FILE NUMBER: 1532-002 COMPLETION DATE: December 21, 2022
ADJUSTMENT DATE: December 21, 2022 POSSESSION DATE: December 21, 2022

	<u>DEBIT</u>	<u>CREDIT</u>
Price (allocated \$1.00 to the shares, \$1.00 to the purchased assets other than the shares, the lands, the building, and the balance to the lands and the buildings)		\$20,500,000.00
Deposit paid to Lawson Lundell LLP	\$1,000,000.00	
Buyer's portion of 2022 property taxes paid by Seller - 3108 St. George Street \$8,986.14 x 11 / 365 days		\$270.82
Buyer's portion of 2022 utility account paid by Seller - 3108 St. George Street \$1,435.00 x 11 / 365 days		\$43.25
Buyer's portion of 2022 property taxes paid by Seller - 3101 St. Johns Street \$9,386.73 x 11 / 365		\$282.89
Buyer's portion of 2022 utility account paid by Seller - 3101 St. Johns Street \$1,435.00 x 11 / 365		\$43.25
Buyer's portion of 2022 property taxes paid by Seller - 3103 St. Johns Street \$9,386.73 x 11 / 365		\$282.89
Buyer's portion of 2022 utility account paid by Seller - 3103 St. Johns Street \$2,957.00 x 11 / 365		\$89.12
Buyer's portion of 2022 property taxes paid by Seller - 3104 St. George Street \$8,986.14 x 11 / 365		\$270.82
Buyer's portion of 2022 utility account paid by Seller - 3104 St. George Street \$1,435.00 x 11 / 365		\$43.25
Buyer's portion of 2022 property taxes paid by Seller - 3112 St. George Street \$10,480.22 x 11 / 365		\$315.84
Buyer's portion of 2022 utility account paid by Seller - 3112 St. George Street \$1,435.00 x 11 / 365		\$43.25

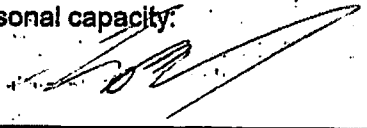
This is Exhibit "B" referred to in the affidavit of GERALD CHIANG, made before me on MAR 3 20 23

A Commissioner for taking Affidavits for British Columbia

Buyer's portion of 2022 property taxes paid by Seller - 123 Buller Street \$2,905.16 x 11 / 365		\$87.55
Buyer's portion of 2022 utility account paid by Seller - 123 Buller Street \$1,340.00 x 11 / 365		\$40.38
Buyer's portion of 2022 property taxes paid by Seller - 125 Buller Street \$2,869.07 x 11 / 365		\$86.47
Buyer's portion of 2022 utility account paid by Seller - 125 Buller Street \$1,253.00 x 11 / 365		\$37.76
Buyer's portion of 2022 property taxes paid by Seller - 127 Buller Street \$2,869.07 x 11 / 365		\$86.47
Buyer's portion of 2022 utility account paid by Seller - 127 Buller Street \$1,253.00 x 11 / 365		\$37.76
Buyer's portion of 2022 property taxes paid by Seller - 129 Buller Street \$2,905.16 x 11 / 365		\$87.55
Buyer's portion of 2022 utility account paid by Seller - 129 Buller Street \$1,253.00 x 11 / 365		\$37.76
Buyer's portion of December 2022 rent paid to Seller as per attached Schedule "A" \$12,227.00 x 11 / 31 days	\$4,338.61	
Security Deposit paid to Seller as per attached Schedule "A"	\$6,860.00	
Non interest bearing demand promissory note	\$4,600,000.00	
Sub Totals	\$5,611,198.61	\$20,502,187.08
Payable to Lawson Lundell LLP In Trust	\$14,890,988.47	
Totals	\$20,502,187.08	\$20,502,187.08

1. This statement is based on information provided by Provincial and Municipal Offices, Lenders and others. The information is believed to be correct, but its accuracy cannot be guaranteed. Errors and/or omissions discovered after closing shall be adjusted directly between the parties.
2. Capitalized terms used herein shall be the meanings ascribed to them in the Purchase and Sale Agreement dated for reference October 18, 2022, as amended to date.
3. Any items not specifically adjusted on this statement will be adjusted and settled directly between the parties.
4. Each party shall retain his/her own solicitor or notary public and this transaction shall be completed according to the usual customs and practice of conveyancing solicitors/notaries public (including the use of solicitor or notarial undertakings) in British Columbia for like transactions.
5. The undersigned agree to accept tender by way of wire transfer to be made payable to Lawson Lundell LLP, In Trust.

APPROVED and consented to this 21st day of December, 2022.

The Bowra Group Inc. in its capacity as the Receiver and Manager of Buffalo-Gentai (St. Johns) Investment Limited Partnership, by its general partner, Buffalo-Gentai Development Ltd., and not in its personal capacity.



Name: Kevin Koo

E. & O.E.

**Schedule "A" of Seller Statement of Adjustments
Summary of Tenancy Agreements for Port Moody Project**

Property Address	Phone	Landlord or Tenancy Agency	Tenant or Personal Representative	Security Deposit	Monthly Rent
123 Buller Street, Port Moody	028-989-627	Top Vision Realty Inc.	Jonathan Tannis & Nadine Elizabeth Tannis	\$ 850.00	\$ 1,700.00
125 Buller Street, Port Moody	028-989-635	Top Vision Realty Inc.	Flora Mateso Zakaria	\$ 800.00	\$ 1,600.00
129 Buller Street, Port Moody	028-989-651	Top Vision Realty Inc.	Esteban Andres Reinosco & Yuleima Carrillo	\$ 1,100.00	\$ 2,200.00
3103A St. John Street, Port Moody	003-697-393	Top Vision Realty Inc.	Mike MacDonald	\$ 350.00	\$ 800.00
3103 St. John Street, Port Moody	003-697-393	888404 B.C. Ltd.	Leah Hubert	\$ 480.00	\$ 920.00
3104 St. George Street, Port Moody	009-553-843	Haidar Arash	Kayle A. Rogers	\$ 700.00	\$ 1,507.00
3108 St. George Street, Port Moody	009-553-880	Top Vision Realty Inc.	Michelle Lyn Hiebert & Justin Cole	\$ 1,700.00	\$ 1,700.00
3112 St. George Street Port Moody	002-389-888	Top Vision Realty Inc.	Taylor Nicole Cooney & Jeff Windecker	\$ 900.00	\$ 1,800.00
Total Amount				\$ 6,860.00	\$ 12,227.00

IRREVOCABLE DIRECTION AND AUTHORIZATION TO PAY

LAWSON LUNDELL LLP
Barristers and Solicitors
1600 – 925 West Georgia Street
Vancouver, BC V6C 3L3

Property: Those lands in Port Moody further described in the attached Schedule "A"

Purchaser: Vansoho + Quad-City Limited Partnership

Vendor: The Bowra Group Inc., in its capacity as Court-appointed Receiver of 1143924 B.C. Ltd. and Buffalo-Gentai (St Johns) Investment Limited Partnership

Completion Date: December 21, 2022

The undersigned hereby irrevocably authorizes and directs that the funds held in trust by Lawson Lundell LLP for the sale of the Property to the Purchaser shall be disbursed as set out in the attached Trust Reconciliation Statement and the balance to be paid to **The Bowra Group Inc., in its capacity as Court-appointed Receiver of 1143924 B.C. Ltd. and Buffalo-Gentai (St Johns) Investment Limited Partnership**, by way of:

X trust cheque

- or -

_____ Direct deposit of funds into the following bank account

Bank: _____

Bank Address: _____

Transit No: _____

Institution No.: _____

Account No: _____

Account Name: _____

Account Address: _____

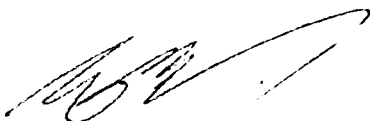
This is Exhibit "C" referred to in the affidavit of GERALD CHIANG made before me on MAR 3, 2023

A Commissioner for taking Affidavits for British Columbia

AND for so doing this shall be your sufficient warrant and authority. This Direction may be executed electronically and delivered by email or any other means of electronic transmission.

DATED effective December 21, 2022.

**THE BOWRA GROUP INC., in its capacity
as Court-appointed Receiver, of 1143924
B.C. LTD. and BUFFALO-GENTAI (ST
JOHNS) INVESTMENT LIMITED
PARTNERSHIP**
by its authorized signatory:

Per: 

Authorized Signatory

TRUST RECONCILIATION STATEMENT

Sale of beneficial interest in the lands and premises civically and legally described in Schedule "A" hereto and all issued and outstanding shares in the capital of 1143924 B.C. Ltd.

Completion Date: December 21, 2022

	IN	OUT
Deposit received from Purchaser	\$1,000,000.00	
Net sale proceeds [to be] received from Purchaser's lawyer, Vivian Chung Law Corporation	\$14,890,988.47	
<p>Amount to be paid to Prospera Credit Union to fully pay out and discharge its mortgage number CA7894135 and assignment of rents number CA7894136 with respect to PIDs 009-553-860, 028-989-635, 028-989-627, 002-389-886, 009-553-843, 028-989-643 and 028-989-651, inclusive of per diem interest accrued as follows:</p> <ul style="list-style-type: none"> - Principal \$6,562,558.58 - Accrued Interest \$400,557.52 - Discharge Fee (7 lots @ \$175/each) \$1,225.00 - Fees \$81,975.60 - Principal – Receiver's Borrowings \$207,000.00 - Accrued Interest \$7,099.95 - Legal Fees to date \$30,120.33 - Unbilled Legal Fees <u>\$9,500.00</u> <li style="padding-left: 20px;">Total <u>\$7,300,036.68</u> <p>Per diem: \$1,564.37 x 1 day [Dec.22, 2022] <u>\$7,301,601.05</u></p>		\$7,301,601.05

	IN	OUT
<p>Amount to be paid to Canadian Western Bank ("CWB") to fully pay out and discharge its mortgage number CA6517832 and assignment of rents number CA6517833 with respect to PID 003-597-393 and PID 009-610-812, inclusive of per diem interest accrued as follows:</p> <p><i>CWB Acct. No. 101012373814</i></p> <ul style="list-style-type: none"> - Principal Balance \$4,000,000.00 - Accrued Interest to 12.21.22 \$242,737.32 - Discharge/Administration Fee \$300.00 - Legal Fees to date \$90,503.18 - Est. additional legal fees \$500.00 - Wire Fees - TBA \$22.00 <li style="padding-left: 20px;">Total <u>\$4,334,062.50</u> <p>Per diem: \$922.90 x 1 day [Dec. 22, 2022] <u>\$922.90</u></p> <p style="padding-left: 40px;">TOTAL <u>\$4,334,985.40</u></p> <p><i>CWB Acct. No. 101014626469</i></p> <ul style="list-style-type: none"> - Principal Balance \$142,151.12 - Accrued Interest to 12.21.22 <u>\$636.56</u> <li style="padding-left: 20px;">TOTAL <u>\$142,787.68</u> <p>Per diem: TBA</p> <p style="padding-left: 40px;">GRAND TOTAL \$4,477,773.08</p>		\$4,477,773.08
<p>Real estate commission payable to Colliers Macaulay Nicolls Inc. Payment of invoice for commission payable upon completion of this transaction</p> <p>\$379,250.00 + \$18,962.50 (GST) = \$398,212.50</p>		\$398,212.50
<p>Balance of funds to be paid to The Bowra Group Inc., in its capacity as Court-appointed Receiver of 1143924 B.C. Ltd. and Buffalo-Gentai (St Johns) Investment Limited Partnership</p>		\$3,713,401.84
TOTAL:	<u>\$15,890,988.47</u>	<u>\$15,890,988.47</u>

SCHEDULE "A"
DESCRIPTION OF PROPERTY

	CIVIC ADDRESS	LEGAL DESCRIPTION
1.	123 Buller Street, Port Moody, B.C.	PID 028-989-627, STRATA LOT 1 DISTRICT LOT 190 GROUP 1 NEW WESTMISNTER DISCRICT STRATA PLAN EPS669
2.	125 Buller Street, Port Moody, B.C.	PID 028-989-635, STRATA LOT 2 DISTRICT LOT 190 GROUP 1 NEW WESTMISNTER DISCRICT STRATA PLAN EPS669
3.	127 Buller Street, Port Moody, B.C.	PID 028-989-643, STRATA LOT 3 DISTRICT LOT 190 GROUP 1 NEW WESTMISNTER DISCRICT STRATA PLAN EPS669
4.	129 Buller Street, Port Moody, B.C.	PID 028-989-651, STRATA LOT 4 DISTRICT LOT 190 GROUP 1 NEW WESTMISNTER DISCRICT STRATA PLAN EPS669
5.	3101 St. Johns Street, Port Moody, B.C.	PID 009-610-812, LOT 1 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618 EXCEPT PLAN 12019
6.	3103 St. Johns Street, Port Moody, B.C.	PID 003-597-393, LOT 2 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618 EXCEPT PLAN 12019
7.	3104 St. George Street, Port Moody, B.C.	PID 009-553-843, LOT 5 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618
8.	3108 St. George Street, Port Moody, B.C.	PID 009-553-860, LOT 6 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618
9.	3112 St. George Street, Port Moody, B.C.	PID 002-389-886, LOT 7 DISTRICT LOT 190 GROUP 1 NEW WESTMISNTER DISTRICT PLAN 11618

Vivian Chung Law Corporation
7985 Granville Street
Vancouver, BC V6P 4Z3

Seller Statement of Adjustments

BUYER: Vansoho + Quad-City Limited Partnership
SELLER: The Bowra Group Inc., solely in its capacity as Court-appointed Receiver of 1143924 B.C. Ltd. (the "Nominee"), and Buffalo-Gentai (St. Johns) Investment Limited Partnership (the "Limited Partnership") and together with the Nominee, the "Owner") and not in its personal or any other capacity
RE: Sale of beneficial interest in the lands and premises civically and legally described in the attached Schedule "A" and all issued and outstanding shares of 1143924 B.C. Ltd.

FILE NUMBER: 1532-002 **COMPLETION DATE:** December 21, 2022
ADJUSTMENT DATE: December 21, 2022 **POSSESSION DATE:** December 21, 2022

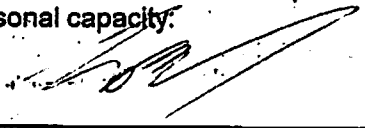
	<u>DEBIT</u>	<u>CREDIT</u>
Price (allocated \$1.00 to the shares, \$1.00 to the purchased assets other than the shares, the lands, the building, and the balance to the lands and the buildings)		\$20,500,000.00
Deposit paid to Lawson Lundell LLP	\$1,000,000.00	
Buyer's portion of 2022 property taxes paid by Seller - 3108 St. George Street \$8,986.14 x 11 / 365 days		\$270.82
Buyer's portion of 2022 utility account paid by Seller - 3108 St. George Street \$1,435.00 x 11 / 365 days		\$43.25
Buyer's portion of 2022 property taxes paid by Seller - 3101 St. Johns Street \$9,386.73 x 11 / 365		\$282.89
Buyer's portion of 2022 utility account paid by Seller - 3101 St. Johns Street \$1,435.00 x 11 / 365		\$43.25
Buyer's portion of 2022 property taxes paid by Seller - 3103 St. Johns Street \$9,386.73 x 11 / 365		\$282.89
Buyer's portion of 2022 utility account paid by Seller - 3103 St. Johns Street \$2,957.00 x 11 / 365		\$89.12
Buyer's portion of 2022 property taxes paid by Seller - 3104 St. George Street \$8,986.14 x 11 / 365		\$270.82
Buyer's portion of 2022 utility account paid by Seller - 3104 St. George Street \$1,435.00 x 11 / 365		\$43.25
Buyer's portion of 2022 property taxes paid by Seller - 3112 St. George Street \$10,480.22 x 11 / 365		\$315.84
Buyer's portion of 2022 utility account paid by Seller - 3112 St. George Street \$1,435.00 x 11 / 365		\$43.25

Buyer's portion of 2022 property taxes paid by Seller - 123 Buller Street \$2,905.16 x 11 / 365		\$87.55
Buyer's portion of 2022 utility account paid by Seller - 123 Buller Street \$1,340.00 x 11 / 365		\$40.38
Buyer's portion of 2022 property taxes paid by Seller - 125 Buller Street \$2,869.07 x 11 / 365		\$86.47
Buyer's portion of 2022 utility account paid by Seller - 125 Buller Street \$1,253.00 x 11 / 365		\$37.76
Buyer's portion of 2022 property taxes paid by Seller - 127 Buller Street \$2,869.07 x 11 / 365		\$86.47
Buyer's portion of 2022 utility account paid by Seller - 127 Buller Street \$1,253.00 x 11 / 365		\$37.76
Buyer's portion of 2022 property taxes paid by Seller - 129 Buller Street \$2,905.16 x 11 / 365		\$87.55
Buyer's portion of 2022 utility account paid by Seller - 129 Buller Street \$1,253.00 x 11 / 365		\$37.76
Buyer's portion of December 2022 rent paid to Seller as per attached Schedule "A" \$12,227.00 x 11 / 31 days	\$4,338.61	
Security Deposit paid to Seller as per attached Schedule "A"	\$6,860.00	
Non interest bearing demand promissory note	\$4,600,000.00	
Sub Totals	\$5,611,198.61	\$20,502,187.08
Payable to Lawson Lundell LLP In Trust	\$14,890,988.47	
Totals	\$20,502,187.08	\$20,502,187.08

1. This statement is based on information provided by Provincial and Municipal Offices, Lenders and others. The information is believed to be correct, but its accuracy cannot be guaranteed. Errors and/or omissions discovered after closing shall be adjusted directly between the parties.
2. Capitalized terms used herein shall be the meanings ascribed to them in the Purchase and Sale Agreement dated for reference October 18, 2022, as amended to date.
3. Any items not specifically adjusted on this statement will be adjusted and settled directly between the parties.
4. Each party shall retain his/her own solicitor or notary public and this transaction shall be completed according to the usual customs and practice of conveyancing solicitors/notaries public (including the use of solicitor or notarial undertakings) in British Columbia for like transactions.
5. The undersigned agree to accept tender by way of wire transfer to be made payable to Lawson Lundell LLP, In Trust.

APPROVED and consented to this 21st day of December, 2022.

The Bowra Group Inc. in its capacity as the Receiver and Manager of Buffalo-Gentai (St. Johns) Investment Limited Partnership, by its general partner, Buffalo-Gentai Development Ltd., and not in its personal capacity.



Name: Kevin Koo

E. & O.E.

**Schedule "A" of Seller Statement of Adjustments
Summary of Tenancy Agreements for Port Moody Project**

Address	Phone	Landlord as per Tenancy Agreement	Tenant as per Tenancy Agreement	Security Deposit	Monthly Rent
123 Buller Street, Port Moody	028-889-827	Top Vision Realty Inc.	Jonathan Tannis & Nadine Elizabeth Tannis	\$ 850.00	\$ 1,700.00
125 Buller Street, Port Moody	028-889-835	Top Vision Realty Inc.	Fiora Maleso Zakaria	\$ 800.00	\$ 1,600.00
129 Buller Street, Port Moody	028-889-851	Top Vision Realty Inc.	Esteban Andres Reinoco & Yuleima Carrillo	\$ 1,100.00	\$ 2,200.00
3103A St. John Street, Port Moody	003-597-393	Top Vision Realty Inc.	Mike MacDonald	\$ 350.00	\$ 800.00
3103 St. John Street, Port Moody	003-597-393	885404 B.C. Ltd.	Leah Hubert	\$ 480.00	\$ 920.00
3104 St. George Street, Port Moody	009-553-843	Haldari Arash	Kayle A. Rogers	\$ 700.00	\$ 1,507.00
3108 St. George Street, Port Moody	009-553-880	Top Vision Realty Inc.	Michelle Lyn Hiebert & Justin Cole	\$ 1,700.00	\$ 1,700.00
3112 St. George Street Port Moody	002-389-886	Top Vision Realty Inc.	Taylor Nicole Cooney & Jeff Windecker	\$ 900.00	\$ 1,800.00
Total Amount				\$ 6,860.00	\$ 12,227.00

PKT OFFER - PARTNERS' ACCOUNTS AND ANTICIPATED PURCHASE PRICE ALLOCATIONS (WITH 3 BUFFERS)

Partner	Contribution*	LP-%	JV Partner	Equities	Purchase Price
Buffalo	\$ 5,566,853.85	40%	PKT	\$ 3,136,897.15	\$ 20,500,000.00
PKT	\$ 5,437,224.00	39.08%	PKT	\$ 3,063,851.31	\$ 3,136,897.15
1142639	\$ 1,412,359.53	10.15%	1142639	\$ 795,858.25	\$ 3,063,851.31
Calu	\$ 1,495,043.45	10.75%	Calu	\$ 842,450.27	\$ 795,858.25
TOTAL	\$ 13,911,480.83	100%	Total	\$ 7,839,056.99	\$ 842,450.27

Total Estimated to be paid to PKT, 1142639 and Calu: \$ 4,702,159.84
 Total proposed promissory note: \$ 4,600,000.00
 * Amounts are calculated BEFORE repayment of PKT loans as acknowledged by Buffalo
 BUFFER #2: this is calculated BEFORE repayment of PKT loans. ADDITIONAL BUFFER OF APPROX \$300,000
 BUFFER #3: \$100,000

Lenders	Original Amount	Estimated as at Nov 30, 2022
CWB	\$ 4,000,000.00	\$ 4,302,721.63
Prospera	\$ 6,540,000.00	\$ 6,923,776.17
Receiver's Borrowings	\$ -	\$ 355,195.22
Contingency	\$ -	\$ 200,000.00
TOTAL INCLUDING CONTINGENCY	\$ 10,540,000.00	\$ 11,781,693.01

Total Estimated Receiver's borrowing and secured debts as at November 30, 2022: \$ 11,781,693.01

Purchase Price	Amount
Collier's commission:	\$ 379,250.00
Mortgage Payout and Costs As at November 30, 2022	\$ 11,781,693.01
Anticipated Costs from July 29 to Closing	\$ 500,000.00
Total	\$ 12,660,943.01

Total Equity to Existing Partners: \$ 7,839,056.99 (Total est'd available for limited partners after closing, net of \$200,000 contingency buffer)

Handwritten notes:
 5007
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 2967
 15.9 M Cash
 12.6
 3.3

Handwritten notes:
 778-389
 0050
 604-312-4429
 Willb 604-312-4429

This is Exhibit "D." referred to in the affidavit of GERALD CHIANG, made before me on MAR 3 2023

In the Matter of the Receivership of 1143924 B. C. Ltd.,
 Buffalo-Gental (St. Johns) Investment Limited Partnership and Buffalo-Gental Development Ltd.
 Estimated Amounts Owing for Receiver's Borrowings and Secured Debt
 Prepared October 18, 2022

	30-Aug-22	30-Sep-22	31-Oct-22	30-Nov-22
Receiver's Borrowings - Prospera				
Opening Balance ¹	154,468	209,545	210,759	211,979
Additional Borrowings	54,000	-	-	-
Interest	1,077	1,214	1,221	1,228
Ending Balance	209,545	210,759	211,979	213,207

Receiver's Borrowings - CWB				
Opening Balance ²				140,902
Per Diem	\$	25.26		
Number of days between Oct 19 and Nov 30, 2022		43		
Interest				1,086
Ending Balance				141,988

Secured Debt - Prospera				
Opening Balance ¹	6,769,878	6,804,856	6,844,267	6,883,907
Additional Borrowings				
Interest	34,978	39,411	39,640	39,869
Ending Balance	6,804,856	6,844,267	6,883,907	6,923,776

Secured Debt - CWB				
Opening Balance ²				4,268,454
Per Diem	\$	796.92		
Number of days between Oct 19 and Nov 30, 2022		43		
Interest				34,268
Ending Balance				4,302,722

Total Estimated Receiver's Borrowings and Secured Debt ³				11,581,693
Interest Rate ⁴				6.95%
Prime plus 1.5%	6.20%	6.95%	6.95%	6.95%

Note:
 1. Opening balance as at July 28, 2022.
 2. Opening balance as at October 18, 2022.
 3. The above amounts do not include all legal fees incurred by the secured creditors.
 4. Estimated interest rates.

Sec'd P. fees!

→ are there further fees on top.

No. S2111109
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
(BEFORE THE HONOURABLE JUSTICE KIRCHNER)

Vancouver, BC
October 20, 2022

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, AND CANADIAN WESTERN BANK

Respondents

EXCERPT FROM PROCEEDINGS IN CHAMBERS

(Submissions on bids from 2:45:55 p.m. to 3:02:41 p.m.)

This is Exhibit "E" referred to in the
affidavit of GERALD CHIANG

made before me on MAR 3 2023

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

COPY

No. S2111109
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
(BEFORE THE HONOURABLE JUSTICE KIRCHNER)**

Vancouver, BC
October 20, 2022

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, AND CANADIAN WESTERN BANK**

Respondents

EXCERPT FROM PROCEEDINGS IN CHAMBERS

(Submissions on bids from 2:45:55 p.m. to 3:02:41 p.m.)

- | | |
|--|--------------------|
| Counsel for the Applicant
the Bowra Group: | W. Roberts |
| Counsel for the Petitioner: | S. Stephens |
| Counsel for the Respondent
Canadian Western Bank | D. Nugent |
| Counsel for the Respondents
Buffalo Holdings and the WJY 2015 Trust | R. Clark |
| Counsel for the Respondents Gentai
Development Corp., Tina Mu and Yu
Yang | D. Parlow |
| Counsel for 1382113 B.C. Ltd | S. Pouisson |

**EXCERPT FROM PROCEEDINGS IN CHAMBERS
OCTOBER 20, 2022
(Submissions on bids from 2:45:55 p.m. to 3:02:41 p.m.)**

PROCEEDINGS

Witness	Proceedings	Page
	Submissions on bids	1
	Reporter certification	9

EXHIBITS

Exhibit	Description	Page
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No exhibits marked.

1
Submissions on bids

October 20, 2022
Vancouver, BC

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(EXCERPT FROM PROCEEDINGS)

(PROCEEDINGS COMMENCED AT 11:1:38 A.M.)
(EXCERPT BEGINS AT 2:45:55 P.M.)

THE CLERK: Recalling matter number 6, Prospera Credit Union versus 1143924 B.C. Ltd., et al., for 10 minutes, uncontested.

THE COURT: You have gone from 90 minutes to 10 minutes, I hear.

CNSL W. ROBERTS: We are very efficient. These are all --

UNKNOWN SPEAKER: Do you want these here, ma'am? Do you want to leave these?

THE CLERK: Oh, I'm sorry.

UNKNOWN SPEAKER: No, they can stay here if you want.

THE CLERK: I'll take it. I am sorry. I missed them. Thank you.

CNSL W. ROBERTS: Thank you, Justice.

You had introductions this morning. I am not sure if you need --

THE COURT: They'll stand. That will eat up your 10 minutes.

CNSL R. CLARK: I haven't changed my name.

CNSL W. ROBERTS: So you heard this morning that we, at that point, had three, which was then reduced to two offers. We have -- the stakeholders have effectively reached an agreement that the higher of those two offers should be approved. It still has to be -- I still have to go through the background for you, because you have to be satisfied that it is a provident sale and should be approved, but you're not going to have any opposition from anybody seated in front of you.

THE COURT: I can tell you I have read your notice of application.

CNSL W. ROBERTS: Perfect.

THE COURT: So I think if you just showed me the evidence with respect to paragraph 9. I have not ventured into your affidavits.

CNSL W. ROBERTS: No.

THE COURT: That would satisfy me.

CNSL W. ROBERTS: So you have at tab --

2
Submissions on bids

1 THE COURT: It would almost satisfy me. I do have one
2 more question.
3 CNSL W. ROBERTS: At tab 11 you have the receiver's
4 second report.
5 THE COURT: Thank you.
6 CNSL W. ROBERTS: In that report you have -- both in
7 the body of the report itself, and then as tab
8 Appendix A, the report from Colliers that
9 contains all of the information that you were
10 looking at in paragraph 9 of the notice of
11 assessment.
12 THE COURT: Which pages are the report on?
13 CNSL W. ROBERTS: Sorry?
14 THE COURT: Which page numbers are the report on?
15 CNSL W. ROBERTS: The report ...
16 THE COURT: Is it Schedule A?
17 CNSL W. ROBERTS: Schedule A of the report, Appendix A
18 of the report, Colliers marketing report. And
19 then in the body of the affidavit itself --
20 THE COURT: Oh, I have got it, yes.
21 CNSL W. ROBERTS: -- of the report itself, starting at
22 paragraph 17 it repeats the same information
23 which is --
24 THE COURT: Schedule A I have got not that. Do you
25 have a page number for me?
26 CNSL W. ROBERTS: My page number -- unfortunately --
27 THE COURT: You don't have page numbers.
28 CNSL W. ROBERTS: Yeah, I don't have page numbers at
29 the top of the schedules, but it should follow
30 page 6 of the report. Tab 11.
31 CNSL W. ROBERTS: I am at tab 11. Oh, I see what I am
32 doing wrong. I am not at tab 11A.
33 CNSL W. ROBERTS: Yeah.
34 THE COURT: Got it. Thank you. Okay. Thank you.
35 CNSL W. ROBERTS: And I would add to that, we had not
36 infrequent -- you have heard who all the
37 stakeholders are -- not infrequent meetings,
38 including with the realtor, with all
39 stakeholders, so they have been kept up to date
40 on those activities as they progressed. You've
41 seen materials at the end of the big deadline.
42 Two offers were submitted, both at
43 17 million. The one from Bene, B-en-e, was
44 negotiated up to 17.3 there in the courtroom
45 today with a revised bit. And the bid we're
46 going to ask you to approve today is a bid that
47 I'll pass up to you now, which is a bid from one

3
Submissions on bids

1 of the -- effectively, from one of the
2 stakeholders from the Gentai Group. And the
3 total consideration in that is 20.5 million. So
4 if I can put it just in context for you, the
5 initial offers that came in at the bid deadline
6 was 17, that got pushed up to 17.3. The Bene
7 Group is in here today with an increased bid at
8 18. There was a third bid you heard from today.
9 I won't disclose the number because I was the
10 only one to see it, but I am going to tell you it
11 was in that mix. And then you have clearly the
12 highest bid at 20.5.

13 There's two material differences with the
14 Gentai offer. One is it is, in part, a credit
15 bid, meaning that the Gentai Group has equity in
16 this project. And then if this was an all-cash
17 bid of 20.5 million, the money would go in, it
18 would pay out the lenders and pay out the
19 receiver, but then monies would flow to the
20 limited partners of which Gentai is one, meaning
21 Gentai would pay money that would eventually --
22 some of it -- would just go straight back into
23 their pocket. Instead of doing that, they are
24 proposing to pay a portion of the money just by
25 way of a promissory note that will eventually
26 just get cancelled.

27 There was a lot of discussion between the
28 limited partner groups, Mr. Ritchie's client and
29 Mr. Parlow's client about whether the credit bid
30 structure was satisfactory. They have reached an
31 agreement, and Mr. Ritchie will give you a caveat
32 he wants to add to it. But for the purposes of
33 the approval application, there is no opposition
34 to it being a credit bid.

35 The second portion that is slightly
36 different is this was marketed as a land
37 development and what was marketed for sale were
38 the lands. The bid that has come in from the
39 Gentai Group is broader and includes some shares.
40 If I can go back, the current structure of the
41 debtors is a limited partnership. Limited
42 partners own shares in a nominee company. The
43 nominee company is the registered owner of the
44 land. All of that is in the receivership.

45 So instead of just seeking to buy the lands
46 -- so going back to the first year, property lot,
47 if you were going to buy these lands, you would

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Submissions on bids

1 have to buy the legal interest from the nominee
2 and the beneficial interest from the limited
3 partnership. Here, this purchaser is saying I
4 would like to buy the legal interest, the
5 beneficial interest, and the shares of the
6 nominee.
7 Those shares are part of this receivership.
8 The receiver has the power to sell those shares.
9 The receivership order defines capital P,
10 Property, as including all of the assets and
11 undertakings of these debtors, so property
12 includes shares, so the receiver has the right to
13 sell them. And I suggest that you have the
14 jurisdiction to approve a sale of those shares as
15 part of this transaction.
16 THE COURT: Is there a value on those shares?
17 CNSL W. ROBERTS: They are allocated in the purchase
18 price. So the only asset of the nominee are
19 these lands. So there is no separate value other
20 than what's in the lands. In the offer it
21 allocates one dollar to the shares and then the
22 other 20.499 million to the lands.
23 That's right?
24 CNSL R. CLARK: Yeah.
25 THE COURT: The land is the sole asset of the company.
26 CNSL W. ROBERTS: Correct.
27 THE COURT: Thank you.
28 CNSL W. ROBERTS: Correct.
29 THE COURT: One question I do have for you was with
30 respect to -- and I'm just going from your notice
31 of application, paragraph 7, the development
32 property was initially listed for sale by
33 Colliers on behalf of the receiver without a list
34 price, with a pricing guideline of 25 million.
35 CNSL W. ROBERTS: Correct.
36 THE COURT: Based on Colliers recommendation.
37 Can you just take me through that and --
38 CNSL W. ROBERTS: Sure.
39 THE COURT: -- explain why we didn't get there.
40 CNSL W. ROBERTS: Everybody was unhappily surprised at
41 the number that came in. Colliers had thought,
42 back in about I'm going to say July when that
43 number was given, that those were the numbers we
44 were talking about. This went to market. It was
45 fully exposed. The market is what it is today,
46 and we have two independent third-party bids that
47 came in, in a range much below 25. And then what

5
Submissions on bids

1 is called an insider bid came in at 20. We have
2 no explanation for it other than that's the
3 market price. The market is --
4 THE COURT: Well, there is some explanation for --
5 CNSL W. ROBERTS: There is some explanation.
6 THE COURT: -- for why --
7 CNSL W. ROBERTS: There is some negative comments back
8 to the realtor about problems with the proposed
9 development and how costs will be higher. And
10 that's how the market has valued this project.
11 THE COURT: Okay.
12 CNSL W. ROBERTS: The development is reasonably well
13 advanced in the sense that we have third reading
14 approval of a rezoning application to build the
15 197 units and here's how it will be structured,
16 meaning the sophisticated developers who are
17 bidding on this, they know what they are bidding
18 on and they can cost it. And based on that, this
19 is the price that has come in.
20 THE COURT: Okay. Thank you.
21 CNSL W. ROBERTS: I look around to anything -- I think
22 Mr. Ritchie wanted to add in a caveat or no?
23 CNSL R. CLARK: Yes, I do.
24 Two caveats, actually.
25 CNSL W. ROBERTS: Mr. Clark. Sorry.
26 CNSL R. CLARK: That's all right. My friend is in
27 good company.
28 There's two caveats, in fact. And one
29 arises out of the court's question about the
30 difference between 25 million and the offers that
31 I received. The receiver was empowered to obtain
32 third reading of the development from Port Moody
33 council, but the receiver changed the development
34 plan that went forward and added some units as a
35 community incentive that generated no revenue or
36 equity. And it was my client's position at the
37 time, and remains my client's position, that they
38 were not authorized to do that by the
39 receivership order.
40 And you will see one of the reasons that
41 people say is why the offer is so low is because
42 there are so many amenities that go to Port
43 Moody. And so we have said, and the receiver has
44 agreed, that the approval will be without
45 prejudice to our position, which we may advance
46 later, that the receiver misconducted itself or
47 breached the order or whatever and that,

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Submissions on bids

1 therefore, caused the low price. And we take
2 that same objection with respect to the sales
3 process, which we also objected to.
4 THE COURT: I saw that in your response.
5 CNSL R. CLARK: Yeah. And in fact, Colliers says that
6 the fact that there are going to be court bids is
7 one of the reasons that the price is as low as it
8 is, so we want that issue.
9 So our complaints about the receivership
10 conduct are -- this order is without prejudice to
11 those.
12 THE COURT: And do I need to concern myself with that?
13 Is that going to be in the form of order?
14 CNSL R. CLARK: I don't know. That is up to my
15 friend.
16 CNSL W. ROBERTS: I'll be -- we specify we very much
17 disagree with the position. The receiver doesn't
18 want this fight to get in the way of a sale where
19 we are worried that the price is going to
20 continue to drop, given market conditions. And
21 so I am -- we have all said it; he said it on the
22 record, it's without prejudice to his ability to
23 argue later that the receiver was awful. I don't
24 think it needs to go anywhere else.
25 THE COURT: Okay. But with that caveat on the record,
26 you are consenting to the order?
27 CNSL R. CLARK: And there is one more caveat too.
28 THE COURT: Okay.
29 CNSL R. CLARK: If you look at --
30 THE COURT: And I'm sorry. Do you agree with
31 Mr. Roberts that it is sufficient that it's
32 stated on the record?
33 CNSL R. CLARK: Yes.
34 THE COURT: Okay.
35 CNSL R. CLARK: Yes. And there won't be any quarrel
36 between us, I am sure. And if there is, we have
37 the transcript.
38 If you look at page 5 of the offer, you'll
39 see that there is a deposit of a million dollars
40 and then there is a promissory note of 4.6. And
41 that, in essence, is the credit bid portion that
42 they offered.
43 THE COURT: Right.
44 CNSL R. CLARK: But working some of the numbers
45 through, there is a -- that number was derived at
46 following a certain calculation, and that omitted
47 from the calculation the sum of \$500,000 which

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Submissions on bids

1 was advanced by my friend Mr. Parlow's claim to
2 the partnership. And that is a loan to the
3 company, and that should come off the top. And
4 if that comes off the top of the sale proceeds,
5 which I think Mr. Parlow agrees that it should,
6 and we'll have to hear from him, then the
7 promissory note is too big, and there may not be
8 enough cash for everybody.

9 So what Mr. Parlow and I had agreed is that
10 when the proceeds are all being divvied up and
11 allocated out, they will be done on the basis
12 that the \$500,000 comes off the top, and my
13 client's share, which is 40 percent, will then be
14 determined and paid to it. And if there is a
15 cash shortfall because of the note, then that
16 will be the problem of his client.

17 THE COURT: Okay.

18 CNSL R. CLARK: If that's clear.

19 THE COURT: I understand it. And it stands in the
20 same position as the other caveats, that it's
21 stated on the record and need not be part of the
22 order.

23 CNSL R. CLARK: That's right.

24 THE COURT: Okay. Does anybody else wish to speak to
25 that?

26 CNSL D. PARLOW: I can confirm what Mr. Clark has
27 said. That is our agreement and I just want to
28 clarify two things, if I could, in terms --

29 THE COURT: Could you just stand at the podium so the
30 microphone catches you.

31 CNSL D. PARLOW: Yes.

32 THE COURT: Just in case you folks need this recording
33 transcribed at some point.

34 CNSL D. PARLOW: Yes. Mr. Justice, I wanted to
35 clarify two small points with respect to the
36 offer, which did not come through clearly, I
37 think, in the earlier submissions. One of them
38 is that the assets that are being purchased, they
39 don't include the legal interest in the property,
40 per se. They include the shares of the nominee
41 that owns the property, and that is the legal
42 interest, and then, as Mr. Roberts said, the
43 beneficial interest in the property through the
44 limited partnership.

45 THE COURT: It's not three things you're buying.
46 You're buying the shares which comes with a legal
47 interest.

8
Submissions on bids

1 CNSL D. PARLOW: Exactly. And the second point I
2 wanted to clarify is that the other two limited
3 partners, as part of this arrangement, there are
4 two limited partners. There is the Buffalo Group
5 at 40 percent, there's the PKT Group at around
6 39.something percent, and then the other two have
7 the balance which is about 20 percent between
8 them. And they are participating in this offer
9 as well.

10 I just wanted you to be aware that they were
11 participating in this so they are part of that
12 credit calculation as well.

13 Subject to that, I just wanted to confirm
14 that I agree with what Mr. Clark has said on the
15 record.

16 THE COURT: Okay. Thank you.

17 CNSL W. ROBERTS: Justice, assuming that you're
18 content with the offer, there is a draft order at
19 tab 2, and then at tab 3 is a black line against
20 the model order to approve receivership sales. I
21 will need to revise the draft order because it
22 contemplated the Bene offer and not the PKT offer
23 and also didn't contemplate the share sale, et
24 cetera. But other than the change in name,
25 dollar amount and what's being sold, it will be
26 substantially in the form attached there and
27 substantially in the form of the model order.

28 With a multiparty hearing like this, I would
29 propose what I would do is circulate it to all my
30 friends, give them a reasonable opportunity to
31 complain about my drafting, but assuming no
32 complaints are made, that you would dispense with
33 their approval as to form so I can then submit
34 it. I would bet that they are all okay with
35 that.
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9
Reporter certification

1 THE COURT: Okay. That's fine. Thank you. All
2 right. Thank you for your submissions and
3 material.
4


5 (EXCERPT ENDS AT 3:02:41 P.M.)
6 (PROCEEDINGS ADJOURNED AT 3:06:36 P.M.)
7

8 REPORTER CERTIFICATION
9

10 I, Patricia Bentley, Official Reporter in
11 the Province of British Columbia, Canada, BCSRA
12 No.537, do hereby certify:
13

14 That the proceedings were transcribed by me
15 from audio provided of recorded proceedings, and
16 the same is a true and correct and complete
17 transcript of said proceedings to the best of my
18 skill and ability.
19

20 IN WITNESS WHEREOF, I have hereunto
21 subscribed my name on this day, the 4th of
22 November, 2022.
23

24 

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27 Patricia Bentley
28 Authorized Reporter
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STATEMENTS OF RECEIPT AND DISBURSEMENTS

RECEIPTS			GST	
Sales Proceeds		\$ 15,900,000.00		Stmt
Promissory Note		\$ 4,600,000.00		
Receiver's Borrowings		\$ 345,000.00		p.12 (F)
Cash on hand		\$ 148,000.00		p.12 (F)
Rental and miscellaneous income		\$ 116,000.00		p.12 (F)
	Total	\$ 21,109,000.00		
DISBURSEMENTS				
Realtor's commission		\$ 379,250.00		Stmt
Receiver's fees		\$ 323,062.00		p.13 (F)
Legal fees and disbursements		\$ 208,133.00		p.15 (F)
Property taxes		\$ 121,000.00		p.12 (F)
Consultants	affidavit of GERALD CHANG	\$ 76,000.00		p.12 (F)
GST paid		\$ 52,000.00	\$ 52,000.00	p.12 (F)
Tax services	made before me on MAR 15 2023	\$ 19,000.00		p.12 (F)
Repairs and maintenance		\$ 17,000.00		p.12 (F)
PST paid		\$ 14,000.00		p.12 (F)
Utilities	A Commissioner for taking Affidavits for British Columbia	\$ 14,000.00		p.12 (F)
Administrative disbursements		\$ 12,000.00		p.12 (F)
Property manager		\$ 10,000.00		p.12 (F)
Other miscellaneous disbursements		\$ 7,000.00		p.12 (F)
Insurance		\$ 3,000.00		p.12 (F)
Holdback for discharge - Receiver		\$ 37,500.00		
Holdback for discharge - Lawyer		\$ 60,000.00		
Holdback for tax prep - KPMG		\$ 40,000.00		
	Total	\$ 1,392,945.00		
RECEIPT less DISBMT		\$ 19,716,055.00		
Payments to Secured Creditors				
Payment to Prospera Credit Union		\$ 7,301,601.05		A to Pay
Payment to Canadian Western Bank		\$ 4,477,773.08		A to Pay
Repayment to Receiver's Borrowings		\$ -		p.6 (F)
	Total	\$ 11,779,374.13		
Payments to Insecured Creditors				
Payment to PKT Holdings Inc.	524d@7.5%	\$ 549,731.69	\$ 496,295.00	p.9 (F)
Payment to Buffalo Investment	524d@7.5%	\$ 110,828.05	\$ 100,055.00	p.9 (F)
Cai Fu Real Estate Ltd.	-\$ 54.00			p.9 (F)
1142639 BC LTD	-\$ 211.00			p.9 (F)
Buffalo-Gentai Development Ltd	-\$ 14,310.00			p.9 (F)
	Total	\$ 660,559.74		
Payments to Insecured Creditor (Bell)				
Payment to Bell Alliance		\$ 4,208.00		p.9 (F)

STATEMENTS OF RECEIPT AND DISBURSEMENTS

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	Total	\$ 4,208.00		
Net balance for Distribution		\$ 7,271,913.13		
Buffalo Megan	40%	\$ 2,908,765.25		
Return of the insecured credit		\$ 110,828.05		
Receipt of the shortage for promissory note		\$ 236,852.12		
Total entitlement		\$ 3,256,445.42		
PKT	60%	\$ 4,363,147.88	-\$4,600.000	
Return of the insecured credit		\$ 549,731.69		
Repayment of the shortage for promissory note		-\$ 236,852.12		
Total entitlement		\$ 4,676,027.45	\$ 312,879.57	

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PKT HOLDINGS INC. and GENTAI DEVELOPMENT CORP.

PLAINTIFFS

AND:

BUFFALO MEGAN HOLDING LTD. and BUFFALO HOLDINGS LTD.

DEFENDANTS

RESPONSE TO CIVIL CLAIM

Filed by: Buffalo Megan Holding Ltd. and Buffalo Holdings Ltd. (the "Defendants")

PART 1: RESPONSE TO NOTICE OF CIVIL CLAIM FACTS

Division 1 – Defendants' Response to Facts

1. The facts alleged in paragraphs 1-5, 9, 12-18, 20-25, 47 but for the word "accordingly", 49-52, 54, 56-57 but for the words "the Project" and 60 of Part 1 of the Notice of Civil Claim are admitted.
2. The facts alleged in paragraphs 6-8, 10-11, 19, 21, 26-35, 42-46, 53, 55 and 62 of Part 1 of the Notice of Civil Claim, and many portions of Legal Basis consist of factual assertions which are inappropriate and are denied.
3. The facts alleged in paragraphs 48, 61, 63-66 of Part 1 of the Notice of Civil Claim are outside the knowledge of the Defendants and many are not statements of fact.

This is Exhibit "G" referred to in the
 affidavit of GERALD CHIANG
 made before me on MAR 3 2023

.....
 A Commissioner for Taking Affidavits for British Columbia

Division 2 – Defendants’ Version of Facts

Position of the Defendants

1. It is the position of the Defendants that the factual underpinning of the Plaintiff’s claim is that Wong had an ongoing obligation, as a limited partner, to make contributions of additional capital, which obligations he breached.
2. That essential fact leads to allegations of breach of duty as a partner and to claims of unjust enrichment, all the way to the indemnity obligations claimed, express or implied.
3. That factual underpinning is simply not true.
4. Many Limited Partnership agreements require such ongoing contributions. This one, deliberately, by agreement between the principals of the Plaintiffs and of the Defendants does not. In the circumstances of this case, no such obligation either existed or was breached.
5. Rather, the Defendants say that the Plaintiffs, and their principal, one Tina Mu (“Mu”) decided to terminate the Partnership in 2021, but they were unable to do so in accordance with the provisions of the Partnership Agreement. In breach of their fiduciary obligations to the Partnership and their partners, they deliberately created a false financial crisis and, in reliance on it, took steps to bring about the Partnership’s demise and cause the loss of its property. It became the Plaintiff’s intention to acquire the partnership assets for themselves, although they withheld that information from their partners. The Defendants have suffered damage and loss as a result of that conduct, all of which was in breach of their fiduciary obligations to the Partnership and their other partners, and the Defendants claim both setoff and a counterclaim.

Facts

6. The Defendants adopt the definitions used in the Notice of Civil Claim herein, unless they say otherwise.

7. Wang is an experienced and successful developer in Vancouver. He is well known as such in the Vancouver Chinese community. He and his wife, Changxia Lv, are the principals or directing minds of the Defendants.

8. Mu is a businesswoman and investor. She is the directing mind of the Plaintiff.

9. She is wealthy and invests from time to time in various projects, including development projects. She is highly regarded and trusted in the institutional and private lending business in Vancouver, particularly in the Chinese investment community.

10. In addition to investing herself, she is experienced at locating and obtaining financing for various projects from institutions, private lenders and investors, many of whom will invest in projects based solely on her recommendation.

The Project and the Partnership

11. In early 2017, Wang identified the property at issue in these proceedings as having good development potential. He developed a concept of a multi use development on the property and, on July 3, 2017, Changxia Lv made an offer to purchase the property. That offer was accepted on July 7, 2017.

12. In the Fall of 2017, Wang approached Mu to ascertain if she would be interested in the project. He had borrowed from her or her companies in the past, but they were not generally known to each other.

13. Mu and Wang agreed to pursue the project together through the vehicle of a Limited Partnership.

14. They agreed on the responsibilities and duties each would undertake on behalf of the Partnership and each other.

15. They agreed that Wang would be responsible for the development itself, including retaining consultants, developing plans, negotiating the terms of and obtaining various permits, and generally conduct the development.

16. The parties agreed that the estimated total cost of the development was \$100,000,000, and they discussed and agreed that, under usual institutional lending practices, \$26,000,000 would have to be provided by way of investor equity investment.

17. They further agreed that Mu would be responsible for the financing of the development. She would maintain the financial books and records of the partnership, control all payments made, and raise all financing or investment necessary for the development.

18. The parties were not very familiar with each other and were not friends so they wished to each have an equal voice in the affairs of the Partnership, such that neither could determine issues for the other partners. Unanimity would be required with respect to all decisions.

19. Mu and Wang discussed that the finding of investors would be easier if those investors did not face the prospect of ongoing cash calls of indeterminate amount and number and that it would be easier to interest investors to provide amongst themselves, a total of \$26,000,000 if the issue of whether or not making additional contributions was voluntary on the part of each investor.

20. On December 7th, the partnership was created by the issuance of a Partnership Certificate, and, on December 12th, by execution of the Partnership Agreement, with Buffalo-Gentai Development Ltd. as the General Partner ("the GP"), and _____ Development Corp. as the initial limited partner. Buffalo-Megan became a limited partner on _____ and has invested approximately _____. PKT became a limited partner on _____ and has invested approximately _____.

21. The units of the Partnership ("LP Units") were initially subscribed for by the Limited Partners as follows:

- (a) Buffao-Megan subscribed for 40%;
- (b) The Plaintiff PKT subscribed for 25%; and

- (c) A series of other investors (the "Minority Investors") introduced by PKT collectively subscribed for the remaining 35%.

22. The Limited Partners received LP Units proportionate to their respective subscription amounts. Over time, PKT acquired some of the Minority Investors' interests, such that PKT became owner of 39.12% of the LP Units, with the Minority Investors' ownership declining to 20.88% and Buffalo-Megan's ownership remaining at 40%.

23. The Partnership Certificate contained, *inter alia*, these clauses:

Insert S. 6(c), (d) and (e) of the Partnership Certificate

24. The Limited Partnership Agreement contained these provisions:

5.1 Capital in the Partnership

The capital of the Partnership consists of the aggregate of all sums of money or other property contributed to the Partnership by the Partners and not returned to them and all sums of money or other property that the Partners have agreed to contribute to the Partnership. The General Partner has contributed the sum of \$10 to the Partnership

5.3 Additional Capital Contributions

Except as provided herein, no Limited Partner shall be required to make additional capital contributions to the Partnership.

If the Partnership requires additional funding, the General Partner may require that the Limited Partners make additional Capital Contributions ("Additional Capital"), provided that provided that the aggregate Additional Capital from All Limited Partners does not exceed \$1,500,000, by way of a notice (a "Capital Call Notice") setting out the amount of the Additional Capital required by the Partnership and specifying a time for payment thereof. Each Limited Partner shall be required to advance to the Partnership its Proportionate Share of the Additional Capital specified in the Capital Call Notice.

If any Limited Partner (the "Borrowing Limited Partner") is unable to advance its Proportionate Share of the Additional Capital by the time specified in the Capital Call Notice, such Borrowing Limited Partner agrees to borrow from any of the other Limited Partner (a "Lending Limited Partner") that agrees to lend to the Borrowing Limited Partner the Borrowing Limited Partner's Proportionate Share of the Additional Capital and, if there is more than one Lending Limited Partner, each shall be entitled to lend its respective Proportionate Share of the unadvanced Additional Capital. Any amounts loaned pursuant to this section will

be payable upon completion of the Project, and will bear interest, calculated on a non-compounded basis, at a rate of 7.5% per annum.

5.4 Partner Loans

If the Partnership requires additional funding which is not contributed to the Partnership by the Limited Partners as Additional Capital pursuant to Section 5.3, the General Partner may request that one or more Partners loan funds to the Partnership. In the event that a Limited Partner, in its sole discretion, elects to make a loan to the Partnership then the Partnership shall repay the loans, together with interest thereon at the rate established by the General Partner, in priority to any distributions of Distributable Cash.

5.6 Withdrawal of Capital

No Partner will be entitled to withdraw or make a demand for withdrawal of his Capital Contribution in whole or in part except upon the dissolution and termination of the Partnership pursuant to Article 13.

5.7 Return of Capital

No Partner shall be entitled to demand the return of that Partner's capital contributions to the Partnership. The General Partner shall not have personal liability for the repayment of the capital contributions made by any Partner, it being agreed that any return of capital contributions or Profits shall be made solely from the assets of the Partnership.

25. By _____, Mu had raised approximately \$14,000,000, including \$11,000,000 from the Buffalo Megan and PKT.

26. The structure of the GP was deliberately one that required unanimity. The Shareholders' Agreement contained the following provisions:

2. Conduct of the Affairs of the company

2.2 The Shareholders will vote their Shares so that the Board will be comprised of four Directors, two of whom will be nominees of Gentai and the other two of whom will be nominees of Buffalo. The Company's Board will consist of the following Directors as of the date of this Agreement:

- | | | |
|------|----------------------------|---------------------------------------|
| (i) | as the nominees of Gentai | 1. Hongyu Tina Mu
2. Yu Peter Yang |
| (ii) | as the nominees of Buffalo | 1. Changxia Lv
2. Hongyuan Ren |

3 Decision-Making and Payments

3.1.2 Other than with respect to a matter which is provided for in a development budget approved by the Board, any matter which, considered at the time that a decision is to be made or an action is to be taken in relation thereto, will result in an aggregate cost to the Partnership of [confirm] \$50,000 or more or which may reasonably be expected to have a material effect on the Partnership will be deemed to be a "Material Matter" for the purposes of this Agreement. The Company will not take any action, expend any money or incur any obligation in respect of any Material Matter unless such action, expenditure or obligation has been approved by a Unanimous Resolution of the Board.

27. "Material matters" are defined in Clause 1.3 of that Agreement and they include, in essence, all the business of the Partnership, including the power to call for additional capital contributions.

28. The Defendants say, therefore, that there was no express or implied obligation imposed on them to contribute additional capital as alleged. They further say that there was no obligation on the Defendants to provide any share of funds required by the partnership simply because the Plaintiff PKT demanded that they do so. In fact, that right rested exclusively with the GP.

29. The Defendants say that the effect of the various agreements with respect to any obligation to fund additional capital is as follows:

- (a) The partners' capital account is defined as being the capital that a partner has agreed to contribute;
- (b) Except in certain limited circumstances, no limited partner is required to make any further capital contributions to the project;
- (c) Those limited circumstances are only if the directors of the GP are unanimous on the need for additional capital and as to the method of raising it. If the directors are unanimous, the GP may issue a Capital Call Notice of up to \$1,500,000;
- (d) If a partner is unable to pay any such request, that partner may borrow from other partners on certain prescribed terms;

- (e) If that does not occur then the GP can determine to seek a loan to the partnership from any other partner;
- (f) Failing all that, the funds will have to be located through borrowed money or new investors; and
- (g) There is no consequence, such as dilution, to any limited partner, who fails to comply with a Cost Call Notice.

30. The directors of the GP had a legitimate and business driven disagreement as to the amount of capital required for the project and as to how and when that capital should be obtained.

31. They did not agree to issue a Cash Call Notice, and they did not do so, and in fact, the Plaintiffs never even suggested doing so..

32. The foundation for the Notice of Civil Claim is the following:

Pursuant to Article 5.3 of the Partnership Agreement equity injections were to be made as and when required, by the Limited Partners in proportion to their respective unit entitlement.

Notice of Civil Claim, Factual Basis, para. 26

Under the Partnership Agreement, Buffalo Megan was required to contribute its 40% proportionate share of ongoing required expenses and capital costs.

Notice of Civil Claim, Legal Basis, para. 5

Neither is a correct statement of fact.

33. The business of the partnership progressed. Wang, in accordance with the agreement reached between the parties, conducted the development.

34. Wang engaged the necessary consultants, caused plans to be created, and achieved a number of steps towards obtaining rezoning and, thereafter, a development permit.

35. The Partnership's application to amend the Official Community Plan ("OCP") and rezone the property went to Public Hearing on May 27, 2021. That was followed by a Special Council Meeting on June 22, 2021.

36. At the Public Hearing, an issue arose as to affordable house/community amenities to be required as part of the final application for approval of the development permit.

37. At the Special Council Meeting, it was decided that issue would be addressed by the designation of certain units to be made available on a Rent-To-Own Program.

38. By August 2021, the Partnership had submitted the Housing Agreements and Childcare Agreements required by the City, and they had been approved. Indeed, all of the Agreements, but for the Rent-To-Own Agreement were approved and the Partnership was required to wait only for the City's solicitor to approve the Rent-To-Own wording before proceeding to the next step, a Second Public Hearing, following which 3rd reading and rezoning would be achieved.

39. Buffalo Megan's consultant, one Gerald Chiang ("Chiang"), and the Poonie Group, developed a good relationship with Wesley Woo, the City Planner.

40. Woo advised the Plaintiff PKT that the Second Public Meeting could happen as soon as the City's solicitor approved the Rent-To-Own Agreement.

41. That timeline would mean that the Partnership would have achieved the necessary OCP amendment and the necessary rezoning by March 2022 at the latest, enabling it to develop a marketing program and to apply for construction financing.

42. The Plaintiff also partially discharged her obligations as set out in paragraph 17. She developed systems and methods for the payment of invoices.

43. When invoices arrived, they were sent to Chiang, who forwarded them to Gentai Capital, a company controlled and operated by Mu. She acted both as controller and as CFO of the Partnership.

44. She had her staff members input invoices into the financial books and records of the Partnership. She approved payment of invoices and prepared the cheques, which were then signed by both her and one Andy Ren ("Ren"). She maintained the books and records of the Partnership.

45. All ledgers, bank records, journals, cheques, invoices, and financial documents were in the control of and maintained by Mu or PKT. The Defendants did not have their own access to them. They were able, of course, to ask Mu to provide them, but throughout the course of the development, all financial matters were exclusively within the Plaintiffs' responsibility and knowledge.

46. At some point, at a time unknown to the Defendants, PKT decided to terminate the Partnership, and to keep the project for itself and its own personal benefit. The Limited Partnership Agreement, however, provided as follows:

5.6 Withdrawal of Capital

No Partner will be entitled to withdraw or make a demand for withdrawal of his Capital Contribution in whole or in part except upon the dissolution and termination of the Partnership pursuant to Article 13.

5.7 Return of Capital

No Partner shall be entitled to demand the return of that Partner's capital contributions to the Partnership. The General Partner shall not have personal liability for the repayment of the capital contributions made by any Partner, it being agreed that any return of capital contributions or Profits shall be made solely from the assets of the Partnership.

13.1 Events of Dissolution

The Partnership will be dissolved on the earlier of:

- (a) the date specified in a written notice of dissolution delivered by the General Partner to each of the Limited Partners; and
- (b) /December 31, 2097.

47. The Plaintiffs were unable, therefore, to terminate the Partnership, or to withdraw from it, or to demand the return of their contributions leading them to undertake actions to accomplish that, which were breaches of fiduciary duty.

48. In mid-2020, Wang returned to China, leaving his responsibilities in the hands of Ren and Chiang, with Wang making all final decisions from China.

49. Following the departure of Mr. Wang, the Plaintiffs became more and more involved in the development aspect of the project, insisting on approving submissions, agreements, and steps to be taken. They had, therefore, both control over and agreement upon the steps taken to progress the development, and total and exclusive knowledge of the financial circumstances of the Partnership.

50. Mu's intense involvement made her aware of the totality of the plans submitted, the agreements that had been developed, and the stage of the approval process. All that information was confidential to the Partnership, and was not to be revealed to anyone other than the partners and their accountants and financial institutions, as required. PKT had a fiduciary obligation not to reveal to anyone else, and in particular, not to reveal to competitor developers, the confidential information of the Partnership.

51. In late 2020, 1142639 B.C. Ltd. ("114"), Cai Fu Real Estate Ltd. ("Cai Fu") began to complain and to demand the return of their funds. They claimed that a Letter of Intent which they had signed prior to becoming a Limited Partner, and agreeing to be bound by the Partnership Agreement, had indicated that the project would be completed in three years and they wished their money returned.

52. Their demands were in breach of the Partnership Agreement, as clauses 5.6 and 5.7 prohibited any Limited Partner from demanding return of their capital.

53. Buffalo Megan refused to honour their request, relying on the provisions of the Partnership Agreement to do so. Mu advised Buffalo Megan that her reputation was at stake, and she decided that her and PKT's personal interests were more important to her than those of the Partnership. As a result, PKT conducted itself in breach of its fiduciary duties, both to the Partnership and to Buffalo Megan, and conducted itself in its own best interests and in the interests of its principal Mu, rather than in the interests of the Partnership.

54. On _____, PKT acquired a certain number of shares from 114, and a certain number of shares from Cai Fu for the sum of \$1,400,000, resulting in the percentage of ownership as set out in paragraph 22 hereof.

55. By the summer of 2021, it appeared that the Partnership required further capital. It was the responsibility of PKT to obtain that financing, be it by way of loan or by equity funding. In satisfaction of PKT's obligations, both fiduciary and contractual, PKT did, indeed, arrange financing, being a loan from _____ in the amount of \$5,378,000. Messrs. Jang and Wu were friends and acquaintances of Mu and were willing to advance funds as a result of her recommendation.

56. The terms of the loan were unduly onerous. It provided that it was for a term of six months, to expire on January 29, 2022, bearing interest at 9.5% until January 29, 2022, and, on default thereafter, to increase to 25%.

57. Such a loan was not in the best interests of the Partnership. The term was not long enough, the interest rates were too high, and the default interest provisions were contrary to the provisions of the *Interest Act*. A fee of 1.5% as a Finder's Fee was also to be paid.

58. In addition, Mu and PKT insisted that the proceeds of the loan be used for the purchase of a lane, property essential to the development, but which would have to occur after third reading and rezoning, and to repurchase the units of Cai Fu and 114. Wang objected, on the basis the lane could be purchased with financing funds expected to be available following obtaining third reading. Moreover, the loan would convert equity financing to third party financing, requiring additional injections of equity into the project, and restricting the ability of the Partnership to borrow for its construction loan.

59. The conduct of PKT and Mu, in arranging a loan for the Partnership, not for the purposes of the Partnership, but to satisfy the demands of partners to be repaid their capital, which itself was a breach of the Partnership Agreement, was driven entirely and exclusively by the self-interest of PKT and Mu.

60. While PKT was prepared, therefore, to find and arrange financing which would resolve personal concerns of Mu, and despite Mu's knowledge that the Partnership required financing, she did not obtain or even attempt to find financing to address that requirement, although such loans were clearly available. Once PKT and Mu were unable to persuade Wang to incur a loan to cash out 114 and Cai Fu, they abandoned any efforts at all to obtain financing.

61. Such conduct was in breach of PKT's fiduciary duty and a breach of contract, and of the agreement set forth in paragraph 17. Upon the failure of Mu's plan to pay out 114 and Cai Fu, and preserve her reputation, Mu and PKT decided, rather than to seek financing, be it third party or investment financing, to force the Partnership to sell its project, so that they could repay PKT and 114 and Cai Fu, once again further preferring their own interests to those of the Partnership or other partners, in further breach of their fiduciary duty and of contract.

62. PKT, in further breach of its fiduciary duty, revealed to a potential purchaser, YangTao Chai, the confidential information of the Partnership referred to in paragraph 50. Yang Tao Chai is a competitor of Wang. He has taken over or sought to take over three of Wang's developments, his interest in acquiring those projects, being due to Wang's reputation and the quality of the projects. Wang would not agree to sell the project, and Mu and PKT there upon decided, instead, to bring about the termination of the Partnership, and to keep the project for PKT and for its and Mu's personal benefit.

63. PKT then embarked upon a campaign to falsely create the impression of deadlock, in particular between the directors of the GP. It began demanding that Wang contribute a proportionate share of ongoing expenses, even though the Partnership Agreement, to its knowledge, did not require him to contribute such financing.

64. PKT was easily able to arrange financing or an equity injection, in an amount sufficient to fund the activities of the Partnership until the obtaining of third reading, which was approximately \$1,500,000. That was about a third of the loan arranged by PKT to buy out 114 and Cai Fu, in breach of the Partnership Agreement.

65. It was both PKT's contractual and fiduciary obligation to arrange such financing. The project would increase substantially in value once third reading was obtained and construction financing could then be sought. However, the development itself would not complete for some time, and the Plaintiff's were not content to wait out its conclusion. As a result, in breach of the Partnership Agreement, Mu on behalf of PKT undertook actions to bring about the termination of the Partnership, again in breach of PKT's fiduciary obligation and the Limited Partnership Agreement.

66. At some time, unknown to the Defendants, but known to the Plaintiffs, PKT also decided, with Mr. Chai, to acquire the Partnership's assets for itself and complete the development, thereby earning the profit the Partnership would otherwise have earned, all in breach of its fiduciary duty.

67. On _____, in an effort to cause the commencement of receivership proceedings, Mu visited both Canadian Western Bank and Prospera Credit.

68. She advised them that:

- (a) The Partnership was in serious financial trouble;
- (b) The Partnership was unable to meet its expenses; and
- (c) Wang owed contributions to ongoing expenses, and he was refusing to make such payments.

In truth, those issues had been deliberately created by PKT, in that, while PKT was apparently readily able to obtain financing sufficient to obtain third reading, the Defendants were not obligated under the Partnership Agreement to contribute any further funds. Such conduct, designed to bring about the demise of the Partnership and the loss of its assets, was in breach of PKT's fiduciary duty.

69. Neither bank commenced proceedings.

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70. As a result, hoping to force them to take action, and to bring about the termination of the Partnership, PKT filed a Petition on November 2, 2021, seeking the appointment of a Receiver. That Petition was founded upon the same untrue assertion of fact as founds this action, that Wang had an obligation to provide ongoing funds, by way of capital contributions, which had been breached.

71. The issue was never determined, because the commencement of that proceeding had the desired effect and on November 9, 2021, Prospera Credit Union commenced proceedings to enforce its security, seeking the appointment of a receiver. Following discussions amongst the parties, including the proposed receiver, The Bowra Group, the parties agreed:

- (a) The Bowra Group would be appointed Receiver of the Partnership and the General Partner;
- (b) The Receiver would be empowered to advance the project to obtain third reading;
- (c) The banks would provide the financing necessary to permit the Receiver to do so; and
- (d) An understanding, later incorporated into the terms of the Receivership Order, that the Buffalo team would be utilized to progress the development to third reading, taking advantage of their familiarity with the facts and the development of its good relationships with the necessary counsel members.

72. The receiver did not do so and breached that provision of the order, but did undertake steps towards obtaining third reading.

73. An amended and restated Receivership Order was obtained on _____.

74. The receiver decided, due to changes in civic policy since second reading had been obtained, on the basis of advice from real estate agents and a development consultant it had retained, to reconfigure the development.

75. Buffalo Megan protested and took the position that reconfiguring the development was not authorized by the Amended and Restated Order.

76. PKT supported the reconfiguration. The receiver advised that if both parties had opposed the reconfiguration, it would reconsider, but as PKT supported reconfiguring the development, and as only the Buffalo Group objected, it would proceed to reconfigure it. PKT's support was a further breach of its fiduciary duty. By this time, it had formed the intention to develop the property itself in conjunction with Chai, although it kept that private. The receiver effected the following changes to the development plan:

(a) The original plan had been as follows: _____

(b) The reconfigured plan was as follows:

77. The effect of the reconfiguration was to reduce the equity in the project by eliminating the sale proceeds of 4 units while the square foot cost of the construction of those units would remain the same, resulting in a loss of equity and income.

78. PKT, of course, was in favour of the plan, as that reduced the price at which it and Chai could acquire the project. On _____, the receiver obtained a Further Amended and Restated Order, permitting the sale of the property, by listing for sale with Colliers.

79. The receiver designed a sale process with a bid deadline of _____. It marketed the property as lands available for development. It anticipated sealed bids to appear on an approval application and so advised prospective purchasers.

80. Two offers were received. Both offers were materially below the anticipated price, and the sum offered earlier referred to in paragraph _____ and were also well below Colliers' recommendation as to value and the potential sale price. While those low offers were undoubtedly due to a number of factors, one of the principle factors leading to the low prices was the reconfiguration implemented by the receiver with PKT's support in breach of its fiduciary duty.

81. The receiver brought an application, on _____, for approval of the offers received.

82. On return of the application, PKT presented an offer to purchase on the following terms:

- (a) The offerors were PKT and Cai;
- (b) The offer was to purchase the shares of the GP and the Partnership units, not the property, thereby avoiding property purchase tax that the other offers had had to include in their calculations;
- (c) It was in the amount of _____;
- (d) \$4,600,000 of the purchase price was to be paid by credit to PKT of its partnership investment;
- (e) It provided for repayment of funds advanced by PKT ostensibly on behalf of Wang, as a loan payable by him.

83. It was necessary or in the view of PKT it was necessary, to either obtain Buffalo Megan's consent or at least its non-opposition to the sale for it to be approved.

84. Discussions and negotiations took place between counsel, which resulted in an agreement that the funds advanced by PKT ostensibly on behalf of Wang's fictitious obligation would be treated as a loan repayable by the Partnership, which was in fact in accordance with Section 5.4 of the Limited Partnership Agreement. That agreement was placed on the record at the time of the approval of the sale as follows:

5.4 Partner Loans

If the Partnership requires additional funding which is not contributed to the Partnership by the Limited Partners as Additional Capital pursuant to Section 5.3, the General Partner may request that one or more Partners loan funds to the Partnership. In the event that a Limited Partner, in its sole discretion, elects to make a loan to the Partnership then the Partnership shall repay the loans, together with interest thereon at the rate established by the General Partner, in priority to any distributions of Distributable Cash.

85. PKT did advise Wang that, it intended, on the application brought by the receiver, to distribute the sale proceeds, to seek an order requiring sufficient of Buffalo Group's share of funds to be held to cover the cost of the receivership in support of an argument that Buffalo was entirely responsible for the receivership cost.

86. In the course of those negotiations, and in putting its position on the record before the Court, PKT did not advise of its intention to commence this action and to seek to have paid into Court the entire proceeds owing to Buffalo Megan which it had advised the Court and the Defendants would be paid to it. Buffalo Megan relied on the agreement, that its share would be paid to it, in taking no position on the sale application. It would not have taken that position if PKT had made full and honest disclosure of its intentions, particularly the commencement of this action.

87. It was reasonable for Buffalo Megan to so rely on the words of counsel.

88. PKT's conduct was in breach of PKT's fiduciary duty to Buffalo Megan and, particularly, its duty of honesty and good faith when dealing with the Property and business of the Partnership.

89. The Defendants say that, had PKT not breached its fiduciary duty, and obtained the necessary bridge loan and financing, third reading would have been obtained, by March of 2022, and the development would have then proceeded, obtained construction financing, or would have been sold at a higher price and on terms more favourable to the Partnership than those offered and approved from PKT and Chai.

90. The Defendants say, as a result of the breaches of fiduciary duty particularized herein, and the events which resulted from those breaches, the Defendants have suffered loss and incurred damage. The Defendants say that the Plaintiff PKT has breached its fiduciary duty in:

- (a) Preferring its personal interests over those of the Partnership in conducting the Partnership affairs;
- (b) Providing Partnership confidential information to others;

- (c) Breach of its duty of honesty and good faith;
- (d) In conducting itself in deliberate breach of the Partnership Agreement for its own benefit and interests;
- (e) Breach of its duty of candor and integrity when dealing with its fellow partners;
- (f) In failing to perform duties that it was agreed PKT would perform on behalf of the Partnership, and deliberately doing so to benefit its own interests;
- (g) In failing to discharge, at all, its duty to seek financing in compliance with its duties and obligations; and
- (h) By profiting, personally, from the assets of the Partnership.

91. Any profits earned by PKT should be disgorged.

92. The Defendants are also entitled, if they are liable, which is not admitted but specifically denied, to set off against any sums due the Plaintiff by the Defendants damages for breach of fiduciary duty, as there is a sufficient connection between the two claims to do so.

Division 3 – Additional Facts

Nil

PART 2: RESPONSE TO RELIEF SOUGHT

1. The Defendants consent to the granting of the relief sought in the following paragraphs of Part 2 of the Notice of Civil Claim:

None

2. The Defendants oppose the granting of the relief sought in the following paragraphs of Part 2 of the Notice of Civil Claim:

All

3. The Defendants take no position on the granting of the relief sought in the following paragraphs of Part 2 of the Notice of Civil Claim:

None

PART 3: LEGAL BASIS

The Buffalo Group

1. All relief, including judgment, is sought against "The Buffalo Group". The "Buffalo Group" is not a person. The Notice of Civil Claim defines the Buffalo Group as follows:

The Defendants, together with Ms. Ly and her husband, JiYao Wong ("Mr. Wang"), are collectively referred to herein as the "Buffalo Group".

2. Wang and Ms. Lv signed none of the agreements at issue in this proceeding in their personal capacity. They are not named personally as Defendants. They are not partners in the Partnership. There is no basis for their liability as pleaded.

3. They cannot, even if it were pleaded, be liable for inducing breach of contract. The claims against them should be dismissed as an abuse of process.

Partnership and Fiduciary Duty

4. The Defendants agree with the position of the Plaintiffs that partners owe their Partnership and each other a fiduciary duty, both pursuant to common law and the *Partnership Act*, which codifies that obligation.

5. The appointment of a receiver does not terminate the Partnership which can only be terminated in accordance with Clause 13.2 of it. The Partnership is continued until December 31, 2097, or on the issue of a Dissolution Notice by the General Partner. The General Partner has not done so. The Partnership has not been terminated.

6. Neither does the appointment of a receiver supplant the powers of the Directors of the General Partner, nor the Partners' duties to the Partnership. The appointment of

a receiver only bestows on the receiver those powers explicitly given to it in the order appointing it. All other powers reside with the Directors and/or the Partners.

7. In dealing with the receiver and determining the treatment to be accorded the Partnership and its realization, the Partners continued to owe Partnership fiduciary duties to each other of honesty and good faith, candor and openness, and to make decisions to maximize profit for the Partnership and each other, despite any other disagreements. Those duties continue until the Partnership is dissolved.

8. The Defendants say the Plaintiffs breached their duty in their conduct undertaken since mid 2021, when the financing to pay out 114 and Cai Fu was not proceeded with and PKT then decided to prefer its personal interests over those of the Partnership. All acts subsequently taken in furtherance of that purpose, constituted breaches of fiduciary duty.

9. The allegations against the Defendants of breach of the *Partnership Act*, the Partnership Agreement, breach of contract or breach of duty of good faith are entirely and totally without merit. The factual foundation for all of those allegations is the allegation of an ongoing general obligation, apparently applying only to Wang, not 114 or Cai Fu, to make ongoing contributions of additional capital as required.

10. The obligations and duties of the partners with respect to each other and financing are as prescribed by the Partnership Agreement. There is no such obligation except in certain circumstances which are not present in this case.

11. In the circumstances of this case, there was no obligation on Wang's part to make any ongoing contribution and his failure to do so is not a breach of anything.

Implied Term

12. The parties turned their mind to the issue of ongoing capital contributions and drafted a clause to provide for it. The Court cannot rewrite the contract between the parties. It has no jurisdiction to do so.

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13. Further, a term that is entirely inconsistent with an explicit term cannot be implied into a contract. The term proposed to be implied is:

Pursuant to Article 5.3 of the Partnership Agreement, equity injections were to be made, as and when required, by the Limited Partners in proportion to their respective unit entitlement.

Notice of Civil Claim, Part 1, para. 26

14. That term would reflect what the Plaintiff wishes Clause 5.3 said, but that is not what it actually says and that implied term creates an entirely new and different obligation than the Partnership Agreement itself.

Indemnity Implied under Law, Contract, Statute or Equity

15. The factual underpinnings of these claims are simply absent. There is no obligation to indemnify as alleged.

16. The principles set out by the Plaintiffs, however, do apply to the conduct of the Plaintiffs and their breaches of duty of trust, good faith, candor and fair dealing.

Setoff

17. A crossclaim can be set off against another claim if there is a substantial connection between the two claims. That mutualality applies to the claims of the Defendants set out in their Response, and the Defendants are entitled to set off them off against the claims of the Plaintiffs.

Defendants' address for service:	H.C. Ritchie Clark, K.C. Bridgehouse Law LLP 900 – 900 West Hastings Street Vancouver, BC V6C 1E5
Fax number for service (if any):	604-684-0916
Email address for service (if any):	<u>rclark@bridgehouselaw.ca</u> AND <u>dpurdy@bridgehouselaw.ca</u>

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Dated: January 23, 2023

H.C. Ritchie Clark, K.C.
Lawyer for the Defendants

Rule 7-1(1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to any action must, within 35 days after the end of the pleadings period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.