



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 and CANADIAN WESTERN BANK

RESPONDENTS

APPLICATION RESPONSE

Application response of: Prospera Credit Union (the “application respondent”)

THIS IS A RESPONSE TO the notice of application of The Bowra Group Inc. filed October 12, 2022.

Part 1: ORDERS CONSENTED TO

The application respondent consents to the granting of the orders set out in the following paragraphs of Part 1 of the notice of application on the following terms: ALL

Part 2: ORDERS OPPOSED

The application respondent opposes the granting of the orders set out in the following paragraphs of Part 1 of the notice of application: NONE

Part 3: ORDERS ON WHICH NO POSITION IS TAKEN

The application respondent takes no position on the granting of the orders set out in the following paragraphs of Part 1 of the notice of application: NONE

Part 4: FACTUAL BASIS

1. Prospera Credit Union (“Prospera”) is a senior secured creditor of the Debtors (as defined in the receivership order). Prospera holds, among other things, first mortgage security over most of the legal parcels comprising the subject lands.
2. Prospera’s mortgage has been in default since December 2021. Since the loan went into default, no payments have been received. The respondents have had ample time to seek and obtain refinancing, if so inclined.
3. Prospera and the Debtors’ other senior secured creditor, Canadian Western Bank, agreed to fund the receivership and permit the Debtors to pursue Third Reading for the project, in part, based on an agreement that the lands could now be sold. Prospera is not inclined to advance further funds. It seeks repayment of the indebtedness.
4. The Receiver marketed the lands in a commercially reasonable and businesslike manner with the assistance of a leading real estate brokerage. The sales process was straightforward and resulted in no unfairness. The listing generated significant market interest. The subject offer is the highest and best offer received.

Part 5: LEGAL BASIS

1. The court will consider the following factors on a receiver’s application to approve a sale:
 - a) Whether the receiver made sufficient efforts to obtain the best price and did not act improvidently.
 - b) The interests of all parties and, in particular, the interests of any secured creditors.
 - c) The efficacy and integrity of the process by which offers were obtained.
 - d) Whether there has been unfairness in the process.

Royal Bank v. Soundair Corp. (1991), 7 C.B.R. (3d) 1 (O.N.C.A.) at para 16

2. In order to protect the integrity of the sale process, the court generally gives deference to the receiver.

Soundair at para 14
Re Regal Constellation Hotel Ltd. (2004), 50 C.B.R. (4th) 258 (O.N.C.A.) at para 23
Corpfinance International Ltd. v. Earth Energy Utility Corp., 2006 BCSC 1994 at para 28
B.C. v. A & A Estates Ltd., 2000 BCCA 317 at para 40

3. The lands have been extensively marketed over a reasonable exposure period. The listing generated significant market interest. The subject offer is the highest and best offer received. It is provident in all of the circumstances.
4. Prospera relies on the terms of the Receivership Order, as amended, the *Law and Equity Act*, R.S.B.C. 1996, c. 253, Rules 8-1 and 13-5 and the inherent jurisdiction of this court.

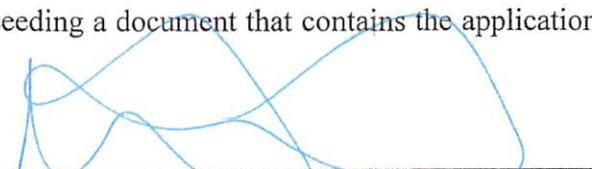
Part 6: MATERIAL TO BE RELIED ON

1. Receivership Order.
2. Receiver's First and Second Reports.
3. Affidavit of L. Alexander made October 11, 2022.

The application respondent estimates that the application will take 30 minutes.

The application respondent has filed in this proceeding a document that contains the application respondent's address for service.

Date: October 13, 2022



Signature of lawyer for Prospera Credit Union
Scott H. Stephens Direct Line: 604-691-7521