



This is the 1<sup>st</sup> affidavit of  
John McEown in this case  
and was made on July 27, 2023

~~No.~~ Court File No. **VLC-S-S-235348**  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

MCEOWN AND ASSOCIATES LTD. in its capacity as  
RECEIVER OF 8655 GRANVILLE LIMITED PARTNERSHIP

Petitioner

AND:

RED BUFFALO 8655 HOLDINGS LTD.

Respondents

**AFFIDAVIT**

I, John McEown, CPA, CA, CIRP (Chartered Insolvency and Restructuring Professional), of 1140 – 800 West Pender Street, Vancouver, British Columbia, MAKE OATH AND SAY THAT:

1. I am a Licensed Insolvency Trustee and the president of the petitioner, McEown and Associates Ltd. (“**McEown**”). I am authorized by McEown to swear this affidavit and have personal knowledge of the facts and matters herein after deposed to except where stated to be on information and belief, in which case I verily believe those matters and facts to be true.
2. By Extraordinary Resolution dated April 18, 2023 certain limited partners holding in aggregate more than 75% of outstanding units resolved to wind up and dissolve 8655 Granville Limited Partnership (the “**Limited Partnership**”). Under the terms of that Resolution, McEown was appointed receiver of the Limited Partnership.

### **Corporate Structure of the Limited Partnership**

3. The Limited Partnership is governed by a Limited Partnership Agreement dated February 21, 2018 (the “**LPA**”). A copy of the LPA is attached to my affidavit and marked as **Exhibit “A”**.
4. The Limited Partnership is the beneficial owner of vacant development property located at 8655 Granville Street, Vancouver, BC, and legally described as:

PID: 009-430-105

Lot D Block F District Lot 318 Plan 21521

(the “**Property**”).

5. A copy of a Title Search for the Property dated June 8, 2023 is attached to my affidavit and marked as **Exhibit “B”**.
6. The Limited Partnership’s interest in the Property is held through the following corporate structure:
  - a. Red Buffalo 8655 Management Corp. (“**8655 Management**”) is the general partner of the Limited Partnership pursuant to the LPA.
  - b. the respondent, Red Buffalo 8655 Holdings Ltd. (“**8655 Holdings**”) is the registered owner of the Property. 8655 Holdings holds legal title to the Property as bare trustee, for the benefit of 8655 Management in its capacity as general partner of the Limited Partnership, pursuant to the terms of a Bare Trust and Agency Agreement dated February 28, 2018 (the “**Bare Trust Agreement**”). A copy of the Bare Trust Agreement is attached to my affidavit and marked as **Exhibit “C”**.
  - c. 8655 Management is the owner of 100% of the shares of 8655 Holdings. Attached to my affidavit and marked as **Exhibit “D”** is a copy of the Central Securities Register for 8655 Holdings.
  - d. 8655 Management is a wholly owned subsidiary Canadian Red Bull Group Investment Ltd. (“**Red Bull Investment**”). Attached to my affidavit and marked as **Exhibit “E”** is a copy of the Central Securities Register for 8655 Management; and
  - e. Red Bull Investment is owned equally (50% each) by 114506 B.C. Ltd. and Sunshine Treasurehunt Development Ltd. Attached to my affidavit and

marked as **Exhibit “F”** is a copy of the Central Securities Register for Red Bull Investment.

7. Based on an organization chart provided to me I understand that 1146503 B.C. Ltd.:
  - a. holds 15.1% of the outstanding units in the Limited Partnership; and
  - b. it is a related party to 114506 B.C. Ltd.

#### **Appointment as Receiver / Voluntary Winding Up of the Limited Partnership**

8. By Extraordinary Resolution dated April 18, 2023 (the “**Winding Up Resolution**”), certain limited partners holding in aggregate more than 75% of the aggregate number of outstanding units in the Limited Partnership resolved to wind up and dissolve the Limited Partnership, pursuant to Sections 10.14(b) and 12.1 of the LPA. A copy of the Winding Up Resolution is attached to my affidavit and marked as **Exhibit “G”**.
9. The Winding Up Resolution provides, among other things, that:
  - a. McEown be appointed as Receiver of the Limited Partnership pursuant to sections 12.3 and 12.4 of the LPA;
  - b. McEown is authorized and directed to wind up the Limited Partnership in accordance with the procedure described at Sections 12.5 and 12.6 of the LPA; and
  - c. McEown is authorized and directed, on behalf of the Limited Partnership, to execute and deliver all documents, instruments and other writings and to do all acts and things as McEown considers necessary or desirable in connection with the winding up and dissolution of the Limited Partnership, and the liquidation of the property of the Limited Partnership and the distribution of the proceeds thereof, pursuant to the terms of the LPA.
10. Pursuant to section 12.5 of the LPA, McEown is charged with, among other things:
  - a. winding up the affairs of the Limited Partnership and liquidating its property in an orderly manner; and
  - b. managing and operating the property of the Limited Partnership (unless then sold) and exercising all powers and authority of the General Partner, 8655 Management, under the LPA.
11. McEown has retained Watson Goepel LLP as its counsel for the purposes of its appointment under the Winding Up Resolution.

12. By letter dated April 20, 2023 Watson Goepel LLP wrote to Mr. Richie Clark, KC (counsel for 1146503 B.C. Ltd.) to advise of the Winding Up Resolution and McEown's intentions in respect to the winding up of the affairs of the Limited Partnership.

### **Foreclosure Proceedings**

13. The Respondent, Canadian Western Bank ("**CWB**") holds security registered on title to the Property under registration numbers CA6653043 and CA6653044 (the "**CWB Mortgage**").
14. CWB commenced foreclosure proceedings with respect to the Property on May 17, 2023, in the Supreme Court of British Columbia, Vancouver Registry Action No. H230378.
15. On June 22, 2023, CWB obtained an Order Nisi of Foreclosure, with a redemption amount of \$10,271,511.26 as of April 26, 2023, together with daily interest of \$2,292.21, and a last day for redemption of December 22, 2023.
16. Attached to my affidavit and marked as **Exhibits "H" to "J"** are copies of the following pleadings and order filed in the foreclosure proceedings:
  - a. **Exhibit "H"**: Petition to the Court filed by CWB on May 17, 2023;
  - b. **Exhibit "I"**: Response to Petition filed by McEown on June 6, 2023;
  - c. **Exhibit "J"** Order Made After Application (Order Nisi of Foreclosure) made June 22, 2023.
17. The assessed value of the Property is \$20,336,000 as of 2023. Attached to my affidavit and marked as **Exhibit "K"** is a copy of the first page of a Property Information Report from the City of Vancouver, showing the 2023 assessed value of the Property.

### **Anticipated Sale of the Property**

18. In its capacity as receiver of the Limited Partnership under the Winding Up Resolution, McEown has entered into a listing agreement with Cushman & Wakefield ULC and CAH Realty Inc. (the **Realtors**) to market and sell the Property. The listing agreement specifically provides that any contract of purchase and sale for the Property is subject to court approval. Other than the foreclosure proceedings, as far as I am aware there are presently no other court proceedings in which an application for approval of the sale of the Property could be brought.

19. Although the Limited Partnership is the beneficial owner of the Property, as described earlier in this affidavit legal title is registered in the name of 8655 Holdings as a trustee. As such, McEown is unable to execute Land Title Office documents transferring ownership and in the event that a sale of the Property is approved, a vesting order will be required.
20. The Listing Agreement presently contemplates the sale of title to the Property. However, based on the information provided by the Realtors and my own personal experience, it is likely that if the sale of the Property can be structured as a sale of the shares of 8655 Holdings, there may be a greater recovery to stakeholders and in particular, the limited partners. A share sale may allow a transaction to occur which would not require the purchaser to pay property transfer taxes.

**Proposed form of order**

21. In the event that the court is prepared to appoint McEown as receiver of 8655 Holdings, it is proposed that the terms of that appointment be based on the Model Receivership Order with the following proposed amendments:
  - a. a broadening of the definition of the 8655 Holdings' "property" to specifically include its shares to allow the receiver to enter into a share sale transaction if it determines that is appropriate;
  - b. expressly granting the receiver the power to sell, transfer, issue, or cancel 8655 Holdings' shares;
  - c. confirming that the Receiver's Charge on the assets of 8655 Holdings is a second charge and that CWB's security interests have priority;
  - d. confirming that the stay of proceedings does not operate with respect to the foreclosure proceedings commenced by CWB;
  - e. authorizing the receiver to borrow funds not exceeding \$200,000 (or such greater amount as the court may further order) for the purposes of funding the receivership; and
  - f. expressly permitting CWB to apply for the appointment of a different receiver pursuant to its security agreements.

22. I swear this affidavit in support of an application appointing McEown and Associates Ltd. as receiver of 8655 Holdings and for no improper purpose.

SWORN  
BEFORE ME at Vancouver,  
British Columbia,  
on July 27, 2023

  
\_\_\_\_\_  
A Commissioner for taking  
Affidavits for British Columbia

)  
)  
)  
)  
)   
) \_\_\_\_\_  
) JOHN MCEOWN  
)  
)

**THOMAS MARK HANSON**  
*Barrister & Solicitor*  
**WATSON GOEPFEL LLP**  
1200 - 1075 W. Georgia Street  
Vancouver, B.C. V5E 3C9  
Tel: 604-680-1301 Fax: 604-680-8193

LIMITED PARTNERSHIP AGREEMENT

8655 GRANVILLE LIMITED PARTNERSHIP

February 21, 2018

This is Exhibit "A" referred to in the  
affidavit of John McEwan  
sworn before me at Vancouver  
this 27 day of July 2023

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

**TABLE OF CONTENTS**

<b>Article 1 INTERPRETATION .....</b>	<b>2</b>
Definitions .....	2
Interpretation .....	7
Schedules .....	8
<b>Article 2 FORMATION OF PARTNERSHIP .....</b>	<b>8</b>
Formation of Partnership .....	8
Name of Partnership .....	8
Business of Partnership.....	9
Principal Place of Business.....	9
Fiscal Period.....	9
Filing of Certificate and Compliance with Laws .....	9
Lands as Partnership Property.....	9
<b>Article 3 RELATIONSHIP BETWEEN PARTNERS .....</b>	<b>9</b>
Status of General Partner.....	9
Status of Limited Partners .....	10
Limitations on Authority of Limited Partners.....	10
Unlimited Liability of General Partner.....	11
Indemnity of Limited Partner .....	11
Limitation of Liability of General Partner.....	11
Indemnity of Partnership.....	11
Indemnity of General Partner.....	11
Other Activities of Limited Partners .....	12
Other Activities of General Partner .....	12
<b>Article 4 UNITS .....</b>	<b>12</b>
Capital of Partnership .....	12
Limited Partner Contributions .....	12
Nature of Class A Units .....	12
Nature of Class B Units .....	13
Subscription Form .....	13
Unit Certificates.....	13
Receipt by Limited Partner.....	13
Registrar and Transfer Agent .....	13
Location of Register .....	13
Inspection of Register .....	14
Transfer of Units .....	14
Transfer of Units by Non-Resident .....	15
Issue of Additional Units .....	15
Priority Right to Additional Units.....	15
Admission of Limited Partner On Transfer .....	15
No Fractional Unit.....	15
Parties Not Bound to See to Trust or Equity .....	15
Liability on Transfer .....	16
Successors in Interest of Partners .....	16
Incapacity, Death, Insolvency or Bankruptcy .....	16



Lost Unit Certificate .....	16
<b>Article 5 CAPITAL CONTRIBUTIONS AND ACCOUNTS.....</b>	<b>17</b>
Capital Accounts .....	17
Contribution of Partners.....	17
Additional Capital Contributions of the Limited Partners.....	18
Current Accounts .....	18
No Right to Withdraw Amounts .....	18
No Interest Payable on Accounts.....	18
Negative Balance of Capital or Current Accounts .....	19
<b>Article 6 TERM OF PARTNERSHIP .....</b>	<b>19</b>
Term	19
<b>Article 7 ALLOCATIONS OF NET INCOME AND NET LOSS .....</b>	<b>19</b>
Allocation of Net Income and Tax Income.....	19
Allocation of Net Loss/Tax Loss.....	20
Effect of Assignment.....	22
Adjustments.....	22
Payment of Adjustments.....	22
Determination of Profits and Losses.....	22
Withholdings Under the ITA.....	22
Return of Capital.....	23
<b>Article 8 MANAGEMENT OF PARTNERSHIP .....</b>	<b>23</b>
General Powers and Duties of General Partner .....	23
Specific Powers and Duties of General Partner .....	23
Execution of Documents.....	25
Reliance by Third Parties .....	25
Interim Investments .....	25
Exercise of Powers and Discharge of Duties.....	25
Transactions with Affiliated Entities and Others .....	25
Expenses .....	26
Canadian Corporation.....	26
<b>Article 9 BOOKS AND RECORDS AND FINANCIAL INFORMATION.....</b>	<b>26</b>
Books of Account.....	26
Access to Information .....	26
Appointment of Accountant.....	26
Annual Report and Income Tax Information .....	26
Reporting.....	27
<b>Article 10 PARTNERSHIP MEETINGS .....</b>	<b>27</b>
Meetings of Partners .....	27
Corporations .....	27
Attendance of Others .....	27
Appointment of Proxy and Voting .....	27
Validity of Proxies .....	27
Revocation of Proxy .....	27
Form of Proxy.....	28

Chairman.....	28
Quorum .....	28
Voting at Meetings.....	28
Polling at Meetings .....	29
Resolutions Binding.....	29
Minutes.....	29
Consent Resolutions.....	30
<b>Article 11 CHANGE, RESIGNATION OR REMOVAL OF GENERAL PARTNER.....</b>	<b>30</b>
Assignment of Interest of General Partner .....	30
Bankruptcy or Dissolution.....	30
Resignation.....	30
Transfer of Management.....	30
Release .....	31
New General Partner .....	31
<b>Article 12 DISSOLUTION OF PARTNERSHIP .....</b>	<b>31</b>
Events of Dissolution.....	31
Receiver .....	31
Liquidation of Assets.....	31
Distribution of Proceeds of Liquidation.....	32
Return of Capital.....	32
Termination of Partnership.....	32
Tax Election.....	32
<b>Article 13 FOUNDER'S RIGHT OF FIRST REFUSAL .....</b>	<b>32</b>
Right of Refusal .....	32
Offer to Sell.....	32
Acceptance of Offer.....	33
Sale to Third Party.....	33
Agreement of Sale.....	33
Closing.....	33
Closing Transactions.....	33
Default by Vendor.....	34
Appointment as Attorney .....	34
<b>Article 14 CONFIDENTIALITY .....</b>	<b>34</b>
Confidentiality.....	34
<b>Article 15 DEFAULT .....</b>	<b>35</b>
Triggering Events.....	35
Default Call Option .....	35
Exercise of Default Call Option .....	35
Closing.....	35
<b>Article 16 NOTICE.....</b>	<b>35</b>
Notices.....	35
Registered Holder.....	36

<b>Article 17 MISCELLANEOUS .....</b>	<b>36</b>
Strict Performance of Covenants .....	36
Severability .....	36
Governing Law .....	36
Limited Partner Not a General Partner.....	36
Counterparts.....	36
Binding Effect .....	37

**LIMITED PARTNERSHIP AGREEMENT**

THIS LIMITED PARTNERSHIP AGREEMENT is dated for reference February 21, 2018 (the "Effective Date"),

AMONG:

**RED BUFFALO 8655 MANAGEMENT CORP.**, a company duly incorporated in the Province of British Columbia with incorporation number BC1149161 and its registered and records office at 2800-666 Burrard Street, Vancouver, BC V6C 2Z7

("General Partner")

AND:

**1146503 B.C. LTD.**, a company duly incorporated in the Province of British Columbia with incorporation number BC1146503 and its registered and records office at 2800-666 Burrard Street, Vancouver, BC V6C 2Z7

("Founder")

AND:

**1146812 B.C. LTD.**, a company duly incorporated in the Province of British Columbia with incorporation number BC1146812 and its registered and records office at 1500 - 1040 West Georgia Street, Vancouver BC V6E 4H1

("1146")

AND:

**1138555 B.C. LTD.**, a company duly incorporated in the Province of British Columbia with incorporation number BC1138555 and its registered and records office at 4828 Narvaez Drive, Vancouver BC V6L 2J2

("1138")

AND:

**CANADA REDWOOD EDUCATION GROUP LTD.** a company duly incorporated in the Province of British Columbia with incorporation number BC1140074 and its registered and records office at 204-5740 Cambie Street, Vancouver BC V5Z 3A6

("Redwood")

AND:

**1145804 B.C. LTD.** a company duly incorporated in the Province of British Columbia with incorporation number BC1145804 and its registered and records office at 103-3555 Westminster Hwy, Richmond BC V7C 5P6

("1145")

AND:

Each person who, from time to time, becomes a Limited Partner in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that in consideration of the premises and covenants contained herein and for other good and valuable consideration (the receipt and sufficiency of which each party acknowledges) the parties agree as follows:

## ARTICLE 1 INTERPRETATION

### Definitions

1.1 For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

- (a) **"Act"** means the *Partnership Act* (British Columbia);
- (b) **"Affiliate"** of a particular Person means:
  - (i) an affiliate or associate of the particular Person within the meaning of those terms under the *Business Corporations Act* (British Columbia) in effect on the date of this Agreement, otherwise than by being a limited partner in a partnership in which the particular Person is a partner; and
  - (ii) a director or a senior officer of the particular Person or of a Person which is an affiliate or associate of the particular Person pursuant to Section 1.1(b)(i);
- (c) **"Applicable Laws"** means all applicable laws, statutes, regulations, by-laws, official directives, judgments, decrees and orders of all Governmental Authorities, courts, arbitrators and commissions having jurisdiction (whether administrative, legislative, executive or otherwise);
- (d) **"ASPE"** means the Accounting Standards for Private Enterprises issued by the Accounting Standards Board of the Chartered Professional Accountants of Canada;
- (e) **"Bare Trustee"** means Red Buffalo 8655 Holdings Corp., a company duly incorporated in the Province of British Columbia with incorporation number BC1149162 and its registered and records office at 2800-666 Burrard Street, Vancouver, BC V6C 2Z7;
- (f) **"Capital"** of the Partnership means, at any particular time,
  - (i) in respect of the General Partner's interest, the aggregate of all Capital Contributions by the General Partner in respect of the General Partner's interest as recorded in the General Partner's Capital Account at that time;
  - (ii) in respect of a Limited Partner's Units, the aggregate of all Capital Contributions by the Limited Partner or a predecessor of the Limited Partner in respect of those Units as recorded in the Limited Partner's Capital Account at that time; and
  - (iii) in respect of the Partnership means the aggregate of all Capital Contributions by all Partners as recorded in their Capital Accounts at that time.
- (g) **"Capital Account"** means an account established pursuant to Section 5.1;

- (h) **"Capital Contribution"** of a Partner means,
  - (i) in the case of a Limited Partner, the total amount of money paid to the Partnership by the Limited Partner or a predecessor Limited Partner for Units, and
  - (ii) in the case of the General Partner, the total amount of money paid to the Partnership for the General Partner's interest as such in the Partnership;
- (i) **"Certificate"** means the certificate to be filed under the Act, by which the Partnership will be formed pursuant to the Act, and all amendments to the Certificate;
- (j) **"Class A Partner"** means a Partner to whom a Class A Unit has been issued;
- (k) **"Class A Unit"** means a Unit in the Partnership designated as Class A;
- (l) **"Class B Partner"** means a Partner to whom a Class B Unit has been issued;
- (m) **"Class B Unit"** means a Unit in the Partnership designated as Class B;
- (n) **"Confidential Information"** means any information related to the Partnership or the Project that is of a confidential or proprietary nature, whether or not designated, marked or otherwise identified as confidential or proprietary, including:
  - (i) Personal Information; and
  - (ii) All analyses, compilations, data, reports, correspondence, memoranda, specifications, applications, studies, derivative works, extracts, summaries or other documents containing or based upon, in whole or in part, any of the information defined herein as Confidential Information;

Notwithstanding the foregoing, Confidential Information shall not include any information that:

- (i) is now or hereafter becomes publicly available, other than by reason of a Partner's failure to comply with this Agreement;
  - (ii) was lawfully acquired by a Partner from a third party who is not, so far as such Partner is aware after reasonable inquiry, under any obligation of confidentiality with respect to such information; or
  - (iii) a Partner is required to report or disclose by law, by a court or by a regulatory authority having jurisdiction, provided that the Partner will, if practicable in the Partner's opinion, give reasonable notice to the Partnership before any such disclosure in order to permit the Partnership the opportunity to contest or to otherwise restrict such disclosure or reporting.
- (o) **"Control"** means, with respect to the relationship between two or more Persons, the direct or indirect possession of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise, including, without limitation:
    - (i) the right to exercise a majority of the votes which may be cast at a general meeting of a corporation; and
    - (ii) the right to elect or appoint, directly or indirectly, a majority of the directors of a corporation or other persons who have the right to manage or supervise the management of the affairs and business of the Corporation;

- (p) **"Current Account"** means an account established pursuant to Section 5.6;
- (q) **"Debt Service"** means all regular, periodic instalments of principal and/or interest on account of all mortgages and/or borrowings of the Partnership and all reasonable standby fees, commitment fees and other reasonable charges associated therewith;
- (r) **"Default Advance"** has the meaning given in Section 5.12;
- (s) **"Defaulting Partner"** means:
  - (a) any Limited Partner who:
    - (i) materially fails to comply with any of the provisions of this Agreement including, for greater certainty, the Cash Call provisions under Sections 5.11 and 5.12 and the transfer provisions under Section 4.11; or
    - (ii) fails to take reasonable actions to prevent or defend assiduously, any action or proceeding, seizure, execution or attachment, which claims possession, sale or foreclosure, the appointment of a receiver or receiver-manager of its assets, or forfeiture or termination of or against, any of the Units of such Limited Partner,
 

and who allows such failure to continue for more than seven days after its receipt of a notice from the General Partner or from any other Limited Partner demanding that the failure be cured; and
  - (b) any Limited Partner who becomes a bankrupt or commits an act of bankruptcy, or makes any assignment for the benefit of creditors or otherwise, or in respect of which a receiver or receiver-manager is appointed;
- (t) **"Default Purchase"** has the meaning given in Section 5.12;
- (u) **"Default Purchase Price"** has the meaning given in Section 5.12;
- (v) **"Distributable Cash"** has the meaning given in Section 7.4;
- (w) **"Effective Date"** means the date first referenced above;
- (x) **"Extraordinary Resolution"** means:
  - (a) a resolution passed by a majority of not less than 75% of the votes cast by those Limited Partners who being entitled to do so vote in person or by proxy at a duly convened meeting in accordance with this Agreement, or
  - (b) a written resolution in one or more counterparts signed by Limited Partners holding in the aggregate more than 75% of the aggregate number of outstanding Units;
- (y) **"Fiscal Period"** means the fiscal period of the Partnership as established pursuant to Section 2.7;
- (z) **"Governmental Authority"** means any government (including federal, provincial or municipal governments), legislature, regulatory authority, agency, commission, department, board or court or other law, regulation or rule-making entity;
- (aa) **"ITA"** means the *Income Tax Act* (Canada), RSC 1985, c.1 (5<sup>th</sup> supp.) as amended from time to time and any legislation which replaces the *Income Tax Act* (Canada);

- (bb) **"Lands"** means the property at civic address 8655 Granville Street, Vancouver, BC legally described as follows
- PID: 009-430-105  
Legal Description: Lot D Block F Plan VAP21521 District Lot 318 Land District 36;
- (cc) **"Limited Partner"** means a person, limited partnership, joint venture or corporation to whom a Unit or Units have been (a) issued, or (b) transferred in accordance with Section 4.11;
- (dd) **"Material Contracts"** means any contract material to the business and affairs of the Partnership;
- (ee) **"Net Cash Flow"** means with respect to a Fiscal Period, all receipts of the Partnership for the Fiscal Period, including without restriction from the disposition of its assets, less Debt Service, Operating Expenses and Reserves;
- (ff) **"Net Income"** and **"Net Loss"**, for a Fiscal Period, means, of the income or loss of the Partnership for the Fiscal Period determined by the General Partner in accordance with ASPE;
- (gg) **"Net Sale Proceeds"** means the sale price for any assets of the Partnership other than in the ordinary course of business of the Project less costs of sale including commissions;
- (hh) **"Operating Expenses"** means all expenses properly incurred by or on behalf of the Partnership in connection with the regular operation of its business. There will be excluded from Operating Expenses and Debt Service, depreciation or amortization and any expenditures of a nature usually charged to capital accounts according to ASPE. Without limiting the generality of the foregoing and for greater clarity, Operating Expenses shall include the direct on-site expenses, on a cash basis, of all material, labour and services necessary to provide a complete and working operation and to attain and maintain the quality, reputation and commercial value of the Lands and any business operations thereon, determined in accordance with generally accepted accounting principles, consistently applied, including, without limiting the generality of the foregoing, maintenance costs, security costs, rent free periods, leasing commissions, utilities charges, non-structural repairs, maintenance, insurance premiums, taxes imposed on ownership, possession or occupation (except income taxes), licence fees, management fees, financing charges directly applicable to the Lands and/or any business operations thereon and all other non-capital expenses incurred in such operation;
- (ii) **"Ordinary Resolution"** means:
- (a) a resolution passed by a majority of the votes cast by those Limited Partners who being entitled to do so vote in person or by proxy at a duly convened meeting in accordance with this Agreement, or
- (b) a written resolution in one or more counterparts signed by Limited Partners holding more than 51% of the issued Units;
- (jj) **"Partner"** means the General Partner or a Limited Partner, as the case may be;
- (kk) **"Partnership"** means 8655 Granville Limited Partnership, the limited partnership governed by this Agreement;
- (ll) **"Person"** means an individual, corporation, body corporate, partnership, joint venture, association, syndicate, trust or unincorporated organization, or a trustee, executor, administrator or other legal representative;



(mm) **"Personal Information"** means any information relating to identifiable individuals or regulated as 'personal information' pursuant to Applicable Laws;

(nn) **"Priority Return Percentage"** means, on any particular date, the percentage determined by the following formula:

$$\text{Priority Return Percentage} = 7.5\% \times (A / 365)$$

where "A" is the number of days from the Effective Date to the particular date, pro rata as appropriate when applied to any amount of Capital that is contributed after the Effective Date;

(oo) **"Priority Return"** at any particular time means the product of:

- (i) The Priority Return Percentage computed at the particular time, and
- (ii) The aggregate Capital of the Partnership in respect of Units at the particular time;

(pp) **"Prime Rate"** means the rate of interest declared from time to time by The Toronto–Dominion Bank to be the reference rate for determining interest charged by it at its main branch in Vancouver, British Columbia, to its commercial customers for Canadian dollar demand loans which reference rate is commonly known as such bank's "prime rate";

(qq) **"Project"** means the Partnership's business of:

- (i) directly or indirectly acquiring, developing, constructing, holding, managing, operating, marketing, selling and leasing the Lands, or any direct or indirect interest therein; and
- (ii) conducting other business which is ancillary or incidental thereto, and deriving income therefrom with a view to making a profit, and acquiring and disposing of shares, partnership interests, or interests in other entities which directly or indirectly engage in such businesses;

(rr) **"Receiver"** has the meaning given in Section 12.3;

(ss) **"Redeeming Partner"** has the meaning given in Section 5.12;

(tt) **"Register"** means the register to be maintained by the General Partner pursuant to Section 4.8;

(uu) **"Registrar and Transfer Agent"** means the Person appointed as such pursuant to Section 4.8;

(vv) **"Relevant Payment Date"** has the meaning given in Section 7.4;

(ww) **"Reserves"** means amounts of money which, in the opinion of the General Partner, are required to be paid or set aside and maintained to meet the working capital requirements of the Partnership, including reserves or amounts required to pay financing or meet anticipated development costs, operating costs and expenses, reserves for capital expenditures or repairs and maintenance, capital improvements or capital acquisitions;

(xx) **"Second Round Closing"** means the closing of the subscription transactions contemplated in Sections 5.4 and 5.5;

(yy) **"Second Round Closing Date"** means May 30, 2019 or such other date as the parties may agree in writing;

- (zz) **"Second Round Consideration"** means the consideration to be paid by each Limited Partner to the Partnership as set forth in Schedule "C";
- (aaa) **"Second Round Units"** means the Units subscribed for by the Limited Partners as set out in Schedule "C", and **"Second Round Unit"** means any one of them;
- (bbb) **"Sharing Ratio"** of a Limited Partner means with respect to the Units, the ratio of the number of Units held by the Limited Partner to the aggregate number of Units held by all Limited Partners and for purposes of calculating the Sharing Ratio of a Limited Partner, Units which are required by provisions of this Agreement to be issued but at the date in question have not been issued by the General Partner shall be deemed to have been duly issued;
- (ccc) **"Tax Income"** and **"Tax Loss"**, in respect of a Fiscal Period, means, respectively, the amount of income or loss of the Partnership for that Fiscal Period (including all amounts in respect of taxable capital gains and allowable capital losses from dispositions of capital property of the Partnership), as determined by the General Partner in accordance with the provisions of the ITA and the provisions of any other applicable legislation;
- (ddd) **"Taxes"** means all taxes paid by the Partnership and any income or withholding tax payable by the Partnership including, without limitation, property transfer tax on the value of the Lands, goods and services tax ("**GST**"), and provincial sales tax on the acquisition of tangible assets other than the Lands;
- (eee) **"Unanimous Resolution"** means a written resolution in one or more counterparts signed by every Limited Partner;
- (fff) **"Unit"** means an interest of a Partner in the Partnership consisting of the rights and obligations of a Partner as set out herein; and
- (ggg) **"Unit Certificate"** means a certificate substantially in the form of Schedule A hereto, representing one or more Units.

### Interpretation

1.2 For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) "this Agreement" or "Limited Partnership Agreement" means this Limited Partnership Agreement as it may from time to time be supplemented, amended or restated, and includes the Schedules hereto;
- (b) a reference to an Article is to an Article of this Agreement, and the word Section followed by a number or some combination of numbers and letters refers to the Section, subparagraph, clause or subclause of this Agreement so designated;
- (c) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article or other subdivision of or Schedule to this Agreement;
- (d) the table of contents and headings are for convenience of reference only and do not form a part of this Agreement, nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;
- (e) a general statement, term or matter when followed by the word "including", will not be construed as limited to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not language such as "without limitation", or "but not limited to" or words of similar import are used with reference thereto, but rather the

general statement, term or matter will be deemed to refer to all items and matters that could reasonably fall within the broadest possible scope of the general statement, term or matter;

- (f) an accounting term not otherwise defined herein has the meaning assigned to it, and every calculation to be made hereunder is to be made, in accordance with ASPE as applicable to the Partnership;
- (g) a reference to a statute includes and will, unless otherwise set out herein, be deemed to be a reference to the statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that has the effect of supplementing or superseding the statute or such regulations;
- (h) a reference to a Person includes and will be deemed to be a reference to any other Person that is a successor to the first Person;
- (i) a reference to "approval", "authorization" or "consent" of the General Partner means the written approval, written authorization or written consent of the General Partner;
- (j) words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural, and vice versa and, where applicable, a corporation; and
- (k) all references to currency are to Canadian dollars, unless otherwise expressly indicated.

#### **Schedules**

1.3 The following are the schedules to this Agreement:

Schedule A - Unit Certificate

Schedule B - Form of Subscription

Schedule C - Second Round Investment

## **ARTICLE 2 FORMATION OF PARTNERSHIP**

#### **Formation of Partnership**

2.1 The General Partner warrants and represents that:

- (a) upon filing of the Certificate pursuant to the Act, the Partnership will have been formed and will constitute a limited partnership under the laws of British Columbia; and
- (b) upon filing of the Certificate pursuant to the Act, the Partnership will be properly constituted and validly subsisting as a limited partnership in accordance with the Act and the laws of British Columbia.

2.2 The General Partner and the Limited Partners will operate the Partnership as a limited partnership under the Act and will prepare, complete and file all Certificates required by the Act, and will do all things and execute and deliver all such documents, instruments and assurances as are necessary to constitute, form and keep the Partnership in good standing as a limited partnership.

#### **Name of Partnership**

2.3 The name of the Partnership is "8655 GRANVILLE LIMITED PARTNERSHIP" or such other name or names as the General Partner determines from time to time.

**Business of Partnership**

2.4 The Partnership will carry on the Project. The Partnership may carry on any other business ancillary and incidental thereto or in furtherance thereof.

2.5 The Partnership will not carry on any business other than as provided in Section 2.4.

**Principal Place of Business**

2.6 The principal office of the Partnership is the office of the General Partner at Unit 205 - 8877 Odlin Crescent, Richmond, B.C., Canada V6X 3Z7 or such other place as may be determined by the General Partner.

**Fiscal Period**

2.7 The first Fiscal Period of the Partnership will end on December 31, 2018 and, subject to Section 2.8, each subsequent Fiscal Period will end on the anniversary of the end of the immediately preceding Fiscal Period.

2.8 The General Partner may from time to time change the Fiscal Period of the Partnership in accordance with Canadian income tax law.

**Filing of Certificate and Compliance with Laws**

2.9 The General Partner will execute and file each amendment, if any, to the Certificate from time to time when required under the Act, and each other certificate, document or instrument required under the laws of British Columbia.

2.10 The General Partner, and the Limited Partners at the request of the General Partner, will execute and deliver as promptly as possible each document that is necessary or desirable to comply with any law or regulation of British Columbia or any other jurisdiction for the continuation, good standing and business of the Partnership.

2.11 The General Partner will take all necessary action on the basis of information available to it to maintain the status of the Partnership as a limited partnership.

**Lands as Partnership Property**

2.12 Notwithstanding that the registered title to the Lands is registered in the name of the Bare Trustee, the Partners mutually acknowledge that the entire beneficial interest in the Lands shall be deemed for the purposes of this Agreement and the business of the Partnership to be owned by the Partnership as partnership property pursuant to a Bare Trust Agreement dated as of the Effective Date between the Bare Trustee and the General Partner on behalf of the Partnership.

**ARTICLE 3  
RELATIONSHIP BETWEEN PARTNERS****Status of General Partner**

3.1 The General Partner represents and warrants to and covenants with the Limited Partners that:

- (a) the General Partner is and will continue to be a valid and subsisting corporation under the laws of British Columbia or such other jurisdiction under which the General Partner is continued or under which a successor to the General Partner is incorporated, amalgamated or continued, and is and will continue to be qualified to carry on business in British Columbia and in every other jurisdiction in which that qualification is necessary;

- (b) the General Partner has and will continue to have the legal capacity and authority to act as the General Partner and to perform its obligations under this Agreement, and those obligations do not and will not conflict with or constitute a default under its constating documents or any agreement by which it is bound; and
- (c) the General Partner is, and while a general partner under this Agreement will continue to be, resident in Canada within the meaning of the ITA.

### **Status of Limited Partners**

3.2 Each Limited Partner represents and warrants to and covenants with the General Partner and the other Limited Partners that:

- (a) the Limited Partner is not a "Non-Canadian" within the meaning of the *Investment Canada Act (Canada)* or, if a "Non-Canadian", falls within an exemption set out in Section 10 of said act;
- (b) the Limited Partner is not subject to additional property transfer tax payable pursuant to sections 2.02-2.04 of the *Property Transfer Tax Act (British Columbia)*;
- (c) at all times while the Limited Partner holds Units, the Limited Partner will not be, and no interest in the Limited Partner will be, a "tax shelter investment" as defined in subsection 143.2(1) of the ITA;
- (d) the Limited Partner is, and while a Limited Partner holds Units will continue to be, resident in Canada within the meaning of the ITA;
- (e) the Limited Partner has and will continue to have the capacity and competence to enter into and be bound by this Agreement; and
- (f) it will, promptly upon request by the General Partner, complete, execute and deliver to the General Partner, for and on behalf of the Partnership, or as otherwise directed by the General Partner, any instrument, document, paper or agreement required in connection with any election or filing that may be made pursuant to the taxation or fiscal legislation of Canada applicable to the Partnership or the Partners, failing which the Partnership may, notwithstanding any other provision herein to the contrary and without prejudice to any other right or remedy of the Partnership, withhold payment to the Limited Partner of any amounts otherwise payable pursuant to this Agreement.

3.3 The Limited Partners shall, forthwith upon request, provide evidence to the General Partner that the representations and warranties set out in Section 3.2 remain true and shall indemnify and save harmless the General Partner, the Partnership and all other Limited Partners from any costs or claims, including in respect of Taxes, incurred or imposed as a result of aforesaid representations and warranties not being true.

3.4 Each Limited Partner will, forthwith upon the request of the General Partner, execute any documents considered by the General Partner to be necessary to comply with any Applicable Laws for the continuation, operation or good standing of the Partnership.

### **Limitations on Authority of Limited Partners**

3.5 A Limited Partner shall not, in the capacity of a Limited Partner:

- (a) take part in the control or management of the business of the Partnership;
- (b) execute any document which binds or purports to bind the Partnership or any other Partner as such;

- (c) purport to have the power or authority to bind the Partnership or any other Partner as such;
- (d) have any authority to undertake any obligation or responsibility on behalf of the Partnership;
- (e) bring any action against any property of the Partnership, whether real or personal, or file or register, or permit any lien or charge to be filed or registered or remain undischarged, against any property of the Partnership in respect of the interest of the Limited Partner in the Partnership;
- (f) take any action which would cause the Partnership to become a "SIFT partnership" within the meaning of the ITA; or
- (g) compel a partition, judicial or otherwise, of any property of the Partnership or require any property of the Partnership to be distributed to the Partners in kind.

#### **Unlimited Liability of General Partner**

3.6 The General Partner will have unlimited liability for the debts, liabilities and obligations of the Partnership.

#### **Limited Liability of Limited Partners**

3.7 Subject to the provisions of the Act and any specific assumption of liability by a Limited Partner, the liability of each Limited Partner for the debts, liabilities, losses and obligations of the Partnership is limited to the Capital Contribution of the Limited Partner, plus any amounts agreed by the Limited Partner to be contributed to the Partnership as a Capital Contribution, and plus the Limited Partner's share of any undistributed income of the Partnership.

#### **Indemnity of Limited Partner**

3.8 The General Partner will indemnify and hold harmless the Limited Partners from all costs, damages, liabilities, expenses and losses suffered or incurred by the Limited Partners by reason that the liability of the Limited Partners is not limited in the manner provided in Section 3.7 otherwise than as a result of or arising out of any act or omission of a Limited Partner.

#### **Limitation of Liability of General Partner**

3.9 Subject to Section 3.8 and Section 3.10, the General Partner will not be liable to the Partnership or to the Limited Partners for any act, omission or error in judgment that does not result from or arise out of a failure of the General Partner to act as required by Section 8.8.

#### **Indemnity of Partnership**

3.10 The General Partner will indemnify and hold harmless the Partnership from all costs, damages, liabilities, expenses and losses (including legal expenses on a solicitor and own client basis) suffered or incurred by the Partnership resulting from or arising out of a failure of the General Partner to act as required by Section 8.8.

#### **Indemnity of General Partner**

3.11 The Partnership will indemnify and hold harmless the General Partner from all costs, damages, liabilities, expenses and losses suffered or incurred by the General Partner resulting from or arising out of any act or omission of the General Partner on behalf of the Partnership or in furtherance of the business of the Partnership, except to the extent any cost, damage, liability, expense or loss arises in circumstances where the General Partner did not act in accordance with Section 8.8. It is acknowledged that, notwithstanding this indemnity, the liability of the Limited Partners remains limited pursuant to the terms of Section 3.7.

### **Other Activities of Limited Partners**

3.12 A Limited Partner may engage in or hold an interest in any other business, venture, investment or activity whether or not similar to or competitive with the business of the Partnership, and will not be liable to account therefor to the Partnership or to any Partner, provided that no Limited Partner will engage in any activity that may in any way encumber the assets of the Project.

3.13 Notwithstanding anything herein to the contrary, a Limited Partner shall not do any act or purport to cause the Partnership to do any act which attempts to avoid or frustrate the payment of any fee or other amount to the General Partner pursuant to any agreement or contract with the Partnership.

### **Other Activities of General Partner**

3.14 The General Partner, in acting as General Partner hereunder, will not be required to devote its efforts or those of any of its officers or employees exclusively to or for the benefit of the Partnership.

3.15 The General Partner and its Affiliates may engage in or hold an interest in any other business, venture, investment or activity as they consider appropriate whether or not similar to the business of the Partnership and whether or not competitive with the business of the Partnership, and neither the Partnership nor any Partner will have any right, by virtue of this Agreement or the partnership relationship with the General Partner created hereby, in or to any such other business, venture, investment or activity or to the income, proceeds or profits derived therefrom, and the pursuit of such other businesses, ventures, investments and activities, will not be wrongful or improper.

3.16 Neither the General Partner nor any of its Affiliates will be required to offer or make available to the Partnership any property or other business or investment opportunity which the General Partner or any of its Affiliates determines to acquire or engage in for its separate account.

## **ARTICLE 4 UNITS**

### **Capital of Partnership**

- 4.1 The capital of the Partnership shall consist of:
- (a) An unlimited number of Class A Units;
  - (b) An unlimited number of Class B Units; and
  - (c) The General Partner's initial Capital Contribution of \$1.00.

### **Limited Partner Contributions**

4.2 The Capital Contribution of each Limited Partner is the subscription price paid by that Limited Partner for the Limited Partner's Units.

### **Nature of Class A Units**

4.3 A Partner holding a Class A Unit shall have the same rights and obligations as each other Partner holding a Class A Unit including:

- (a) the right to one vote for each Class A Unit held by such Partner;
- (b) the right to allocations of Distributable Cash, Net Loss, Tax Income, Tax Losses, gains and losses pursuant to the terms and conditions of this Agreement; and
- (c) the right to share in distributions.

No Partner in respect of any Class A Unit held by such Partner shall have any preference, priority or right in any circumstance over any other Partner in respect of any Class A Unit held by such partner.

#### **Nature of Class B Units**

4.4 A Partner holding a Class B Unit shall have the same rights and obligations as each other Partner holding a Class B Unit including:

- (d) the right to one vote for each Class B Unit held by such Partner;
- (e) the right to allocations of Distributable Cash, Net Loss, Tax Income, Tax Losses, gains and losses pursuant to the terms and conditions of this Agreement; and
- (f) the right to share in distributions.

No Partner in respect of any Class B Unit held by such Partner shall have any preference, priority or right in any circumstance over any other Partner in respect of any Class B Unit held by such partner.

#### **Subscription Form**

4.5 A Person who wishes to become a Limited Partner shall subscribe for Units by delivering to the General Partner a subscription in the form attached as Schedule B, or in such other form as the General Partner shall approve from time to time, executed in form satisfactory to the General Partner, and shall forthwith on request execute and deliver, under seal or otherwise, such other documents and instruments, including powers of attorney, as the General Partner may reasonably request.

#### **Unit Certificates**

4.6 A Unit Certificate shall be substantially in the form attached as Schedule A, or such form as is from time to time approved by the General Partner, and shall be signed by the General Partner.

#### **Receipt by Limited Partner**

4.7 The receipt of any money, securities and other property from the Partnership by a person in whose name any Units are recorded, or if such Units are recorded in the names of more than one person, the receipt thereof by any one of such persons, or by the duly authorized agent of any such person in that regard, shall be a sufficient and proper discharge for that amount of money, securities and other property payable, issuable or deliverable in respect of such Units and from all liability to see to the application thereof.

#### **Registrar and Transfer Agent**

4.8 The General Partner, or such other person as may be appointed from time to time by the General Partner, shall act as Registrar and Transfer Agent of the Partnership and shall maintain such books as are necessary to record the names and addresses of the Limited Partners, the number of Units held by each Limited Partner and particulars of transfers of Units. The Registrar and Transfer Agent shall perform or shall cause to be performed all other duties usually performed by a registrar and transfer agent for shares in a corporation, except as the same may be modified by reason of the nature of the Units.

#### **Location of Register**

4.9 For so long as the General Partner shall be Registrar and Transfer Agent, the register of Limited Partners will be kept by the General Partner at the registered office of the Partnership in British Columbia, currently located at 2800-666 Burrard Street, Vancouver, BC, V6C 2Z7 and in such other jurisdictions as may be required from time to time.



### Inspection of Register

4.10 The General Partner shall cause the Registrar and Transfer Agent to make the register of Limited Partners and the register of transfers of Units available for inspection by the Limited Partners, or its agent duly authorized in writing, at the expense of the Limited Partner. A copy of the register of Limited Partners shall be provided to the Limited Partners on forty-eight hours' notice in writing to the Registrar and Transfer Agent, at the expense of the Limited Partner requesting same.

### Transfer of Units

4.11 No Partner may assign, sell, pledge, charge, hypothecate, encumber or otherwise transfer its interest in the Partnership without the prior written consent of the General Partner (which consent may be arbitrarily or unreasonably withheld by the General Partner or which may include the imposition of conditions), except in the event the transferee is an Affiliate or subsidiary of the Limited Partner. In addition to the foregoing, Units may not be assigned by a Limited Partner unless the following conditions are satisfied:

- (a) Article 13 has been satisfied;
- (b) the Limited Partner sells all of the Units held by the Limited Partner;
- (c) the transferor has delivered to the General Partner, or the Registrar and Transfer Agent if not the General Partner, an executed transfer of the Units in the form prescribed by the General Partner, executed in a manner acceptable to the General Partner;
- (d) the transferee has agreed in writing to be bound by the terms of this Agreement and to assume the obligations of the Limited Partner under this Agreement in respect of the Units being transferred to the transferee;
- (e) the transferor delivers or causes to be delivered to the General Partner, or the Registrar and Transfer Agent if not the General Partner, the Unit Certificate issued pursuant to this Agreement, for the Units being transferred, duly endorsed for transfer by the transferor, in a form acceptable to the General Partner;
- (f) the transferee pays such costs, expenses and disbursements, including legal fees, as are reasonably incurred by the Partnership by reason of the transfer;
- (g) the transferee is able to make the representations and warranties in Section 3.2; and
- (h) such other requirements as may be required by law or as may reasonably be required by the General Partner, or the Registrar and Transfer Agent if not the General Partner;

provided further that a transferee of a Unit will not become a Limited Partner in respect of that Unit until all filings and recordings required by law to validly effect a transfer have been duly made as required by the Act or this Agreement and provided further that at the time the Limited Partner seeks to obtain the consent of the General Partner, which must be obtained prior to any transfer, the General Partner may, subject to the Founder not having first exercised the right of first refusal set out in Article 13, rather than granting consent elect to purchase the Limited Partner's Units on the same terms and conditions as they are being transferred. Upon the completion of a transfer of Units pursuant to this Section 4.11, the transferor will remain bound to the terms of this Agreement. For greater certainty, a change of Control of a Partner will be deemed to be a transfer of such Partner's Units, and such transfer will be subject to this Section 4.11 and the terms of this Agreement. If the provisions of this Section 4.11 are not complied with, the General Partner shall have no obligation to recognize a transfer of Units nor record such transfer on the register of Limited Partners and the transferor will be in breach of the terms of this Agreement and, as such, will be subject to further penalties as a Defaulting Partner.

**Transfer of Units by Non-Resident**

4.12 If a Limited Partner becomes a non-resident of Canada for the purposes of the ITA, the General Partner shall be deemed to have redeemed the Limited Partner's Unit. The redemption price for the Unit shall be the Capital Contribution of such Limited Partner multiplied by the Priority Return Percentage, payable without interest within one year from the date of the redemption.

**Issue of Additional Units**

4.13 Subject to Section 4.14, the General Partner may, in its discretion, cause the Partnership to issue additional Units to be sold in any number and on any terms and conditions that the General Partner, in its sole discretion but subject to the provisions of this Agreement, may determine. The General Partner may do all things that are necessary or desirable in connection with any such issuance, including filing and preparing offering memoranda and other documents, paying the expenses of issuance and entering into agency agreements or other agreements providing for a commission or fee with any Person.

**Priority Right to Additional Units**

4.14 If the General Partner issues any Units pursuant to Section 4.13 and notwithstanding such Section, the Limited Partners will be entitled to first subscribe for such Units pro rata according to the number of Units held by them and to subscribe on the same basis for any Units not subscribed for by other Limited Partners. The General Partner and its Affiliates may subscribe for any Units not subscribed for by the Limited Partners. If such additional Units are not fully subscribed for by Limited Partners, the General Partner or its Affiliates, the General Partner may offer such Units to other Persons in accordance with Section 4.13.

**Admission of Limited Partner On Transfer**

4.15 When a transferee is entitled to become a Limited Partner pursuant to the provisions hereof upon the transfer of a Unit, the General Partner shall be authorized to admit such person to the Partnership as a Limited Partner and the Limited Partners hereby consent to the admission of, and will admit, the transferee to the Partnership as a Limited Partner, without further acts of the Limited Partners. The General Partner, or the Registrar and Transfer Agent if not the General Partner, will:

- (a) record at the registered office of the Partnership in British Columbia any such assignment and transfer;
- (b) make such filings and cause to be made such recordings as are required by law;
- (c) forward notice of the transfer to the transferee; and
- (d) issue and forward a Unit Certificate to the transferee in respect of the Units transferred.

**No Fractional Unit**

4.16 No subscription or transfer of a fraction of a Unit will be permitted or accepted.

**Parties Not Bound to See to Trust or Equity**

4.17 Except where specific provision has been made therefor in this Agreement, the Registrar and Transfer Agent shall not, nor shall the General Partner or any Limited Partner, be bound to see to the execution of any trust, expressed, implied or constructive, or any charge, pledge or equity to which any Unit or any interest therein are subject, or to ascertain or inquire whether any sale or transfer of any such Unit or interest therein by the Limited Partner or its representatives is authorized by such trust, charge, pledge or equity, or to recognize any person having any interest therein except for the person or persons recorded as the holder of the Unit in the register of Limited Partners.

### Liability on Transfer

4.18 When an assignment and transfer of any Unit is completed and the transferee is registered as a Limited Partner, the transferor of that Unit will be relieved of all obligations and liabilities relating to the Unit, including the obligations and liabilities under this Agreement to the extent permitted by law and the transferee will assume all such obligations and liabilities. Notwithstanding the previous sentence, the transferor shall remain jointly and severally liable with the transferee for all amounts owing to the Partnership at the time of such assignment and transfer.

### Successors in Interest of Partners

4.19 The Partnership shall continue notwithstanding the admission of any new General Partner or Limited Partner or the withdrawal, death, insolvency, bankruptcy or other disability or incapacity of the General Partner or any Limited Partner. The Partnership shall be dissolved only in the manner provided for in Section 12.1 hereof.

### Incapacity, Death, Insolvency or Bankruptcy

4.20 Where a Person becomes entitled to the benefits of a Unit on the incapacity, death, insolvency or bankruptcy of a Partner, or otherwise by operation of law subject always to the provisions of Article 15, and, in addition to the requirements of Section 4.11, that Person will not be recorded as or become a Partner until:

- (a) such Person produces evidence satisfactory to the Registrar and Transfer Agent of such entitlement; and
- (b) such Person delivers such other evidence, approvals, and consents that may be required by law or by this Agreement.

### Lost Unit Certificate

4.21 Where a Limited Partner claims that the Unit Certificate evidencing ownership of its Unit has been defaced, lost, apparently destroyed or wrongly taken, the Registrar and Transfer Agent shall cause a Unit Certificate to be issued, provided that the Limited Partner files with the Registrar and Transfer Agent such documentation, which may include an indemnity bond, as may be required by the General Partner to protect the Registrar and Transfer Agent and the Partnership from any loss, cost or damage that they may incur or suffer by complying with the request to issue a new Unit Certificate and provided further that the Limited Partner satisfies all other reasonable requirements imposed by the Registrar and Transfer Agent, including delivery of a form of proof of loss.

### General Partner's Call Option

4.22 At any time prior to substantial completion of the Project, the General Partner shall have the option (the "**Call Option**") to purchase from any Limited Partner (the "**Optionor**") all of the Units (the "**Option Units**") then owned by the Optionor at a purchase price ("**GP Call Option Exercise Price**") calculated in accordance with the following formula:

$$\text{GP Call Option Exercise Price} = C + (C \times P \times 3)$$

where:

"C" is the Capital Contribution of the Optionor; and

"P" is the Priority Return Percentage on the date that the GP Call Option Exercise Price becomes due and payable.

4.23 The Call Option shall be exercisable by the General Partner delivering to the Optionor a notice exercising the Call Option. Upon the delivery of such notice, a binding contract of purchase and sale

between the Optionor and the General Partner shall be deemed to come into existence. The completion of the purchase and sale shall take place no later than the 60<sup>th</sup> day after the date that such notice is given.

#### **Limited Partners' Put Option**

4.24 Until the date that is eighteen months following the Effective Date, a Limited Partner (the "**Put Optionee**") shall have the option (the "**Put Option**") to require the General Partner to purchase all but not less than all of the Units then owned by the Put Optionee at a purchase price ("**LP Put Option Exercise Price**") calculated in accordance with the following formula:

$$\text{LP Put Option Exercise Price} = C + (C \times P)$$

where:

"C" is the Capital Contribution of the Optionee; and

"P" is the Priority Return Percentage on the date that the LP Put Option Exercise Price becomes due and payable.

4.25 The Put Option shall be exercisable by the applicable Put Optionee by delivering to the General Partner a notice exercising the Put Option. Upon the delivery of such notice, binding contracts of purchase and sale between the Put Optionee and the General Partner shall be deemed to come into existence. The completion of the purchase and sale shall take place no later than the 60<sup>th</sup> day after the date that such notice is given unless otherwise agreed.

#### **Closing of Option Sale**

4.26 The agreement of purchase and sale of a Partner's interest in the Partnership arising on the exercise of the option described in Sections 4.22 to 4.25 shall be closed at 10:00 a.m. (Vancouver time) on the date which is the 30th day after the exercise of such option, provided that if such date is a Saturday, Sunday or legal holiday in Vancouver, then the closing date shall be the next following business day at the then registered office of the Partnership and the provisions of Sections 13.8 to 13.11 shall apply mutatis mutandis to such closing.

### **ARTICLE 5 CAPITAL CONTRIBUTIONS AND ACCOUNTS**

#### **Capital Accounts**

5.1 The General Partner will establish a Capital Account on the books of the Partnership for each Partner and will, on receipt of an amount in respect of a Capital Contribution by a Limited Partner, credit the account of the Partner with that Capital Contribution and will debit the account with the amount of any Capital returned by the Partnership to the Partner. The capital of the Partnership shall be the aggregate Capital Accounts of the Partners.

#### **Contribution of Partners**

5.2 The General Partner has paid \$1.00 to the Partnership as the General Partner's Capital Contribution.

5.3 As of the Effective Date, the Limited Partners have subscribed for and been issued Units by the Partnership as follows:

- (a) Founder: 6,100,000 Class A Units at \$1.00 per Class A Unit;
- (b) 1146: 3,812,500 Class B Units at \$1.00 per Class B Unit;

- (c) 1138: 2,287,500 Class B Units at \$1.00 per Class B Unit;
- (d) Redwood: 1,525,000 Class B Units at \$1.00 per Class B Unit; and
- (e) 1145: 1,525,000 Class B Units at \$1.00 per Class B Unit.

#### **Additional Capital Contributions of the Limited Partners**

##### **5.4 Second Round Capitalization**

- (a) Upon the terms and subject to the conditions set forth in this Agreement, each Limited Partner agrees to subscribe for and purchase from the Partnership, and the Partnership agrees to allot and issue to each Limited Partner, the Second Round Units for the Second Round Consideration.
- (b) The Limited Partners covenant to and hereby waive any right of first refusal they may have with the Partnership in respect of any issuance of Units pursuant to this Section 5.4.

##### **5.5 Second Round Closing**

- (a) Subject to the terms and conditions herein, the Second Round Closing shall take place at 10:00 a.m. (Vancouver time), or at such other time as agreed upon by the Partnership, on the Second Round Closing Date at the registered office of the General Partner, or at such other place as agreed upon by the General Partner and the Limited Partners.
- (b) On or before the Second Round Closing, each Limited Partner will deliver to the General Partner a bank draft, certified cheque, or wire transfer for such Limited Partner's Second Round Units.
- (c) At the Second Round Closing, the Partnership will deliver to each Limited Partner a Unit Certificate representing each Limited Partner's respective Second Round Units.
- (d) Provided that the Second Round Closing completes in the manner set out herein, the Partnership confirms that immediately following the Second Round Closing, the Units of the Limited Partners shall be as set out in Schedule "C" under the 'Post-Closing' headings.

#### **Current Accounts**

5.6 The General Partner will establish a current account ("**Current Account**") on the books of the Partnership for each Partner, to which the Partner's share of Net Income will be credited and to which Net Loss and all distributions to the Partner, other than a distribution that is a return of Capital, debited.

#### **No Right to Withdraw Amounts**

5.7 No Partner will have any right to withdraw any amount or receive any distribution from the Partnership except as expressly provided herein and no distribution to a Partner will be deemed a return or withdrawal of Capital Contribution except as expressly provided herein. If a court of competent jurisdiction at any time determines that notwithstanding the provisions of this Agreement a Limited Partner is obligated to pay an amount distributed to the Limited Partner to or for the account of the Partnership or to a creditor of the Partnership, then that obligation will be the obligation of the Limited Partner.

#### **No Interest Payable on Accounts**

5.8 No Partner will have the right to receive interest on any credit balance in that Partner's Capital Account or any credit balance in that Partner's Current Account, except as expressly provided herein.

5.9 No Partner will be liable to pay interest to the Partnership on any Capital returned to that Partner or on any authorized negative balance in that Partner's Capital Account or Current Account, except as required by law.

#### **Negative Balance of Capital or Current Accounts**

5.10 The interest of a Partner in the Partnership will not terminate by reason that there is a negative balance in the Partner's Capital Account or Current Account.

#### **Discretion of the General Partner in Raising Capital**

5.11 If the General Partner determines that the Partnership requires additional capital, then the General Partner may, at its option, on not less than fifteen business days' notice, call on the Limited Partners to contribute additional capital to the Partnership in an aggregate amount and at such time or times determined by the General Partner (the "**Cash Call**"). The Limited Partners shall pay each Cash Call in accordance with their Sharing Ratio.

5.12 If a Limited Partner fails or neglects to contribute its share of a Cash Call by the time stipulated in the Cash Call, thus becoming a Defaulting Partner, then one or more Limited Partners (each a "**Redeeming Partner**") may pay all or a portion thereof (each a "**Default Advance**") and each Default Advance shall be deemed to be a loan made by the relevant Redeeming Partner to the Defaulting Partner. Any distributions due the Defaulting Partner under this Agreement, and the Units of the Defaulting Partner, shall be charged with the obligation to repay each Default Advance, plus interest at the Prime Rate plus 5% per annum from the date of the Default Advance to the date of re-payment. All distributions otherwise due to the Defaulting Partner under this Agreement shall be paid to the Redeeming Partner or Redeeming Partners on account of repayment of each Default Advance until all amounts plus interest as aforesaid have been paid to the Redeeming Partner or Partners. No Defaulting Partner shall be suspended until the Defaulting Partner has paid its portion of the Cash Call or repaid all outstanding Default Advances plus interest as aforesaid. A transferee of a Defaulting Partner's Units shall succeed to any Default Advance relating to such Units. If the Defaulting Partner fails to repay the Default Advance within four months of such amount becoming due, then the General Partner may purchase all but not less than all of the Units held by the Defaulting Partner for a purchase price (the "**Default Purchase Price**") equal to such Defaulting Partner's Capital Contribution and Second Round Consideration, as applicable (the "**Default Purchase**"). If a Default Purchase is completed, the Defaulting Partner will not be entitled to its Priority Return or any other amounts to the Defaulting Partner owing under this Agreement other than the Default Purchase Price.

### **ARTICLE 6 TERM OF PARTNERSHIP**

#### **Term**

6.1 The Partnership will be formed and shall commence as of the date of the filing of the Certificate pursuant to the Act.

6.2 The Partnership will continue until dissolved by operation of law unless sooner dissolved pursuant to Section 12.1.

### **ARTICLE 7 ALLOCATIONS OF NET INCOME AND NET LOSS**

#### **Allocation of Net Income and Tax Income**

7.1 Net Income/Tax Income of the Partnership for a particular Fiscal Period shall be allocated to the Partners of record at the end of the Fiscal Period as follows:

- (a) first, to the Class A Limited Partner(s), at the end of the particular Fiscal Period, an amount equal to the lesser of

- (i) the amount, if any, by which
    - (A) the amount of \$1,000,000,
      - exceeds
    - (B) the aggregate of all amounts of Net Income/Tax Income allocated to the Class A Limited Partner(s) pursuant to this paragraph 7.1(a) in all Fiscal Periods that end before the particular Fiscal Period, and
  - (ii) the Net Income/Tax Income for the Fiscal Period,
- (b) second, to the Limited Partners pro rata by their Sharing Ratio at the end of the particular Fiscal Period, an amount equal to the lesser of
- (i) the amount, if any, by which
    - (A) the Priority Return computed at the end of the particular Fiscal Period,
      - exceeds
    - (B) the aggregate of all amounts of Net Income/Tax Income allocated to the Limited Partners pursuant to this paragraph 7.1(b) in all Fiscal Periods that end before the particular Fiscal Period, and
  - (ii) the Net Income/Tax Income for the Fiscal Period minus the aggregate of all amounts of Net Income/Tax Income for the Fiscal Period allocated to the Class A Limited Partner(s) pursuant to paragraph 7.1(a),
- (c) third, to the General Partner an amount equal to the lesser of
- (i) the amount, if any, by which
    - (A) an amount equal to 20% of the aggregate of all amounts of Net Income/Tax Income of the Partnership in all Fiscal Periods ending on, and inclusive of, the current Fiscal Period
      - exceeds
    - (B) the aggregate of all amounts of Net Income/Tax Income allocated to the General Partner pursuant to this paragraph 7.1(c) in all Fiscal Periods that end before the particular Fiscal Period, and
  - (ii) the Net Income/Tax Income for the Fiscal Period minus the aggregate of all amounts of Net Income/Tax Income for the Fiscal Period allocated to the Class A Limited Partner(s) pursuant to paragraph 7.1(a) and less the aggregate of all amounts of Net Income/Tax Income for the Fiscal Period allocated to the Limited Partners pursuant to paragraph 7.1(b),
- (d) fourth, the remaining unallocated balance of Net Income/Tax Income for the particular Fiscal Period, to the Limited Partners pro rata by their Sharing Ratio at the end of the particular Fiscal Period.

#### **Allocation of Net Loss/Tax Loss**

7.2 Net Loss/Tax Loss of the Partnership for a Fiscal Period shall be allocated to the Partners of record at the end of the Fiscal Period pro rata by their Sharing Ratio at the end of the Fiscal Period.

## Distributions

7.3 Net Cash Flow of the Partnership shall be paid and distributed as determined by the General Partner only after the completion and sale of the Project. Thereafter Net Cash Flow will be paid at such times and in such amounts (each such amount, “**Distributable Cash**”) as the General Partner determines, acting reasonably, to the Partners of record on the relevant payment date (each a “**Relevant Payment Date**”) as follows:

- (a) first, to the Class A Limited Partner(s), at the end of the particular Fiscal Period, an amount equal to the lesser of
  - (i) the amount, if any, by which
    - (A) the amount of \$1,000,000,
      - exceeds
    - (B) the aggregate of all amounts of Distributable Cash paid to the Limited Partners pursuant to this paragraph 7.3(a) before the Relevant Payment Date, and
  - (ii) the Distributable Cash to be paid on the Relevant Payment Date,
- (b) second, to the Limited Partners pro rata by their Sharing Ratio on the Relevant Payment Date, an amount equal to the lesser of
  - (i) the amount, if any, by which
    - (A) the Priority Return computed at the end of the Relevant Payment Date,
      - exceeds
    - (B) the aggregate of all amounts of Distributable Cash paid to the Limited Partners pursuant to this paragraph 7.3(b) before the Relevant Payment Date, and
  - (ii) the Distributable Cash to be paid on the Relevant Payment Date minus the aggregate of all amounts of Distributable Cash paid to to the Class A Limited Partner(s) pursuant to paragraph 7.3(a) on the Relevant Payment Date,
- (c) third, to the General Partner an amount equal to the lesser of
  - (i) the amount, if any, by which
    - (A) an amount equal to 20% of the aggregate of all amounts of Distributable Cash of the Partnership paid or to be paid up to and including the Relevant Payment Date
      - exceeds
    - (B) the aggregate of all amounts of Distributable Cash paid to the General Partner pursuant to this paragraph 7.3(c) before the Relevant Payment Date, and
  - (ii) the Distributable Cash to be paid on the Relevant Payment Date minus the aggregate of all amounts of Distributable Cash paid to the Class A Limited Partner(s) pursuant to paragraph 7.3(a) on the Relevant Payment Date and minus



the aggregate of all amounts of Distributable Cash paid to the Limited Partners pursuant to paragraph 7.3(b) on the Relevant Payment Date,

- (d) fourth, the remaining unpaid balance of Distributable Cash on the Relevant Payment Date, to the Limited Partners pro rata by their Sharing Ratio on the Relevant Payment Date.

#### **Effect of Assignment**

7.4 No Person who is not a Limited Partner of record

- (a) at the end of a Fiscal Period will be entitled to any allocation of Net Income, Tax Income, Net Loss, or Tax Loss for the Fiscal Period, or
- (b) on a Relevant Payment Date will be entitled to receive any payment of Distributable Cash on the Relevant Payment Date.

#### **Adjustments**

7.5 If the accountants of the Partnership determine that the a Partner's share of Net Income, Tax Income, Net Loss, Tax Loss, or Net Cash Flow calculated in accordance with this Limited Partnership Agreement differs from the Limited Partner's share as estimated by the General Partner, then the determination of the accountants shall be deemed to be correct and binding on the Partnership and the Partners. The General Partner will cause the necessary adjustments to be made by payment or reallocation to or from the Partner as the case may be. The amount of any Distributable Cash paid to a Partner that is thereby determined to have exceeded the amount to which the Partner is entitled shall be deemed to be a debt owed by the Partner to the Partnership.

#### **Payment of Adjustments**

7.6 A Partner shall pay any amount deemed by Section 7.5 to be a debt owed by the Partner to the Partnership, within 30 days after the date of notice of an adjustment given under this Section 7.6. If such amount is not paid within the 30-day period, the amount shall thereafter bear interest at the Prime Rate. The General Partner will, within 30 days after receiving a report of the accountants under Section 7.5, notify in writing the Limited Partner of the amount of the adjustment, together with a cheque for the amount payable to the Limited Partner or a request for payment in respect of the amount payable by the Limited Partner, as the case may be.

#### **Determination of Profits and Losses**

7.7 The accountants of the Partnership will determine

- (a) the Net Income and Net Loss of the Partnership for each Fiscal Period in accordance with ASPE consistently applied,
- (b) the Tax Income and Tax Loss of the Partnership for each Fiscal Period in accordance with the ITA,

and such determination shall be binding on the Partners.

#### **Withholdings Under the ITA**

7.8 The General Partner shall cause to be withheld from any payment of Distributable Cash to a Partner such amounts, if any, required to be withheld therefrom by the ITA or any similar legislation of a province or territory of Canada, and shall remit all such withheld amounts to the Receiver General for Canada for the account of the relevant Partner or Partners.

**Return of Capital**

7.9 A Limited Partner is only entitled to demand a return of its capital contribution upon the dissolution, winding-up or liquidation of the Partnership as provided in Section 12.6 hereof.

**ARTICLE 8  
MANAGEMENT OF PARTNERSHIP**

**General Powers and Duties of General Partner**

8.1 The General Partner is authorized to carry on the business set out in Section 2.4 with full power and authority to administer, manage and control the Project, and will have all power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying on the business set out in Section 2.4 for and on behalf of an in the name of the Partnership.

Without limiting the generality of the foregoing, the General Partner shall:

- (a) provide over-all management, financial business planning and marketing services;
- (b) establish and maintain all books of account, and such other records as may be required;
- (c) prepare an annual budget to be presented to the Limited Partners at each annual meeting;
- (d) take in and account for income from the business of the Partnership;
- (e) make all distributions and return Capital Contributions in accordance with this Agreement;
- (f) pay costs and expenditures reasonably incurred by the Partnership;
- (g) make such reports to the Limited Partners as provided for in this Agreement;
- (j) maintain the status described in Section 3.1.

**Specific Powers and Duties of General Partner**

8.2 Without limiting the generality of the powers of the General Partner, the Limited Partners acknowledge and agree that the General Partner may without further authority from the Limited Partners and the General Partner shall have full power and authority for and on behalf of the Partnership to:

- (a) to acquire and dispose of property, both real and personal, whether freehold or leasehold, and to assume, inter into or renew any lease of any property, including the acquisition of a direct or indirect interest in the Lands and the lease of units located thereon;
- (b) to enter into and to perform any agreement in connection with the business set out in Section 2.4;
- (c) develop, construct, improve, expand, tear down and re-build or alter any property or any improvement on any property;
- (d) invest in any structure, entity, partnership, corporation or joint venture in connection with the business set out in Section 2.4;
- (e) enter into agreements for the management of the Partnership or any business of the Partnership including with affiliates of the General Partner or other non-arms-length entities;
- (f) to receive monies and pay expenses of the partnership;

- (g) borrow money in the name of the Partnership in such manner and amount, on such security, from such sources and on such terms and conditions as the General Partner thinks fit for the purpose of the financing of the business and operations of the Partnership but not for any other purpose;
- (h) grant such security over the Partnership assets as may be required by any lender to secure sums borrowed by the Partnership;
- (i) lease or licence, or transfer, sell and convey all of, or substantially all of, or any part of the Partnership assets at such price and on such terms and conditions as the General Partner may determine to be reasonable and in the best interests of the Partnership in all circumstances;
- (j) retain legal counsel and any other consultants, including any Limited Partner, as the General Partner deems advisable;
- (k) open and operate under the name of the General Partner any bank account, with full and exclusive signing authority on behalf of the Partnership;
- (l) make advances to the Partnership for any purposes of the Partnership and require repayment therefor from the Partnership within a reasonable time and at a reasonable rate of interest;
- (m) bring or defend on behalf of the Partnership any actions or proceedings in connection with the Partnership or its assets;
- (n) to pay to itself, as General Partner, such reasonable fees as may be approved by Ordinary Resolution;
- (o) file tax returns and other like returns on behalf of the Partnership;
- (p) make on behalf of the Partnership and on behalf of each Limited Partner, in respect of any Partner's interest in the Partnership, any elections, determinations or designations under the ITA or other Applicable Laws;
- (q) execute such documents and instruments as may be reasonably required to give effect to the agreements it has entered into on behalf of the Partnership;
- (r) call on any of the Limited Partners to contribute forthwith any unpaid amount of their Capital Contribution in accordance with the provisions of this Agreement; and
- (s) to do anything that is in furtherance of or is incidental to the business of the Partnership.

8.3 The General Partner may contract with any Person to carry out any of the duties of the General Partner hereunder and may delegate to that Person any power and authority of the General Partner hereunder, but no such contract or delegation will relieve the General Partner of any of its obligations hereunder. The General Partner may, on behalf of the Partnership, pay reasonable costs incurred in delegating such duties. No such contract delegation may be with or to a Limited Partner.

#### **Title to Property**

8.4 If the General Partner or any other party holds legal title to any property of the Partnership it will execute a declaration of trust in favour of the Partnership and make such filings as the Limited Partners may from time to time request by Ordinary Resolution; but such request will not in any manner allow the Limited Partners to take part in the control or management of the business of the Partnership.

**Execution of Documents**

8.5 Any and all powers of the General Partner may be exercised by the execution and delivery by the General Partner (or an agent or employee designated by it) for and on behalf of and in the name of the Partnership, and under seal or otherwise, of instruments, deeds, agreements or documents in such form as the General Partner (or an agent or employee designated by it) deems sufficient.

**Reliance by Third Parties**

8.6 The power of the General Partner to represent the Partnership in dealings with third parties is unrestricted insofar as a third party is concerned, and no person dealing with the Partnership need inquire into the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership.

**Interim Investments**

8.7 The General Partner may invest funds of the Partnership not immediately required for the business of the Partnership if the General Partner determines that investment is in the best interest of the Partnership, acting reasonably.

**Exercise of Powers and Discharge of Duties**

8.8 Subject to Section 3.15, the General Partner will exercise its powers and discharge its duties under this Agreement honestly, and in good faith towards and in the best interests of the Limited Partners and in connection therewith, will exercise the degree of care, diligence and skill that a reasonably prudent person in comparable circumstances would exercise. The General Partner shall be entitled to retain advisors, experts and consultants to assist in the exercise of its powers and the performance of its duties hereunder.

**Transactions with Affiliated Entities and Others**

8.9 The General Partner may, on behalf of the Partnership, execute and deliver or otherwise assume or cause or consent to the execution and delivery of all contracts related to the Partnership's business and affairs.

8.10 The General Partner may, on behalf of the Partnership, enter into and carry out any other agreement or transaction with or involving an Affiliate of the General Partner if the price, costs and other terms of the agreement or transaction are comparable to the price, costs and other terms of similar agreements or transactions with arm's length parties and if a reasonably prudent person would determine that it is in the best interests of the Partnership to do so.

8.11 Without limiting the generality of Section 8.10, the General Partner or an Affiliate of the General Partner may, but shall not be obligated to, provide financing to the Partnership, and the General Partner may cause the Partnership to enter into and carry out such a transaction (including granting security) if the financing is at a rate not higher than the market rate of interest and on terms no less favourable than market terms and otherwise is permitted under the terms, conditions and provisions of this Agreement.

8.12 Notwithstanding Section 8.10, any resolution, agreement or transaction with or involving an Affiliate of the General Partner that is approved by Ordinary Resolution shall be deemed to be in the best interests of the Partnership and to satisfy the requirements of Section 8.8.

8.13 Nothing in Section 8.9 to Section 8.11 will limit the authority of the General Partner to enter into any Material Contract from time to time as herein provided.

**Expenses**

8.14 The General Partner will be paid by the Partnership for all costs incurred in the performance of its duties hereunder, and all other costs directly incurred for the benefit of the Partnership or the performance of this Agreement.

**Canadian Corporation**

8.15 The General Partner shall at all times be a Canadian controlled private corporation.

**ARTICLE 9  
BOOKS AND RECORDS AND FINANCIAL INFORMATION****Books of Account**

9.1 The General Partner will keep and maintain at the principal office of the Partnership full, complete and accurate books of account and records of the business of the Partnership.

**Access to Information**

9.2 The Limited Partners shall be entitled to inspect all of the project plans, specifications, documentation and correspondence, the financial arrangements entered into by the General Partner on behalf of the Partnership, the financial accounting and tax books and records, opinions, correspondence and documents, the legal contracts, tender bids, opinions and correspondence, and other information, documents and materials of the Partnership, including price checks in relation to any cost item relating to the Project, at any time at the request of the Limited Partners. The General Partner will provide annual reports to the Limited Partners of the progress of the Project and the financial status of the Partnership.

**Appointment of Accountant**

9.3 The General Partner will, on behalf of the Partnership, prepare notice to reader financials at the expense of the Partnership to review and report to the Partners upon the financial statements of the Partnership for and as at the end of each Fiscal Period.

**Annual Report and Income Tax Information**

9.4 Within 90 days after the end of each Fiscal Period (except if the Fiscal Period is less than six months), the General Partner will forward reports as follows:

- (a) to each Person shown on the Register as a Partner at the end of the Fiscal Period, an annual report for the Fiscal Period containing:
  - (i) financial statements of the Partnership as at the end of, and for, the Fiscal Period, prepared in accordance with generally accepted accounting principles, as applicable to projects similar to the Project, consistently applied and in accordance with the provisions of this Agreement, with comparative financial statements as at the end of, and for, the immediately preceding Fiscal Period, including:
    - (A) a balance sheet;
    - (B) a statement of income; and
    - (C) a statement of cash flow;
  - (ii) a report on allocations and distributions to Partners; and

- (iii) subject to Section 9.2, such other information as, in the opinion of the General Partner, is material to the business of the Partnership; and
- (b) to each Person shown on the Register as a Partner at the end of or at any time during the Fiscal Period, information concerning the amount of Tax Income or Tax Loss and credits and charges to the Capital Accounts and to the Current Accounts allocated to that Person in respect of the Fiscal Period and such other information as is necessary to enable that Person to file income tax returns with respect to that Person's Tax Income or Tax Loss from the Partnership in respect of the Fiscal Period.

### **Reporting**

9.5 The General Partner shall report quarterly to the Limited Partners on all matters of the business of the Partnership.

## **ARTICLE 10 PARTNERSHIP MEETINGS**

### **Meetings of Partners**

10.1 The General Partner may call a meeting of the Partnership at any time on not less than 14 days' notice in writing to the Limited Partners. The General Partner agrees at any time upon 14 days' notice at the request of not less than 50% of the Limited Partners to call a meeting of the Partnership. The notice period may be waived or reduced by the written consent of at least 51% of Limited Partners given before, during or after any meeting, or by Ordinary Resolution.

### **Corporations**

10.2 A Partner that is not an individual may appoint in writing an officer, director or other authorized Person as its representative to attend, vote and act on its behalf at a meeting of Partners, plus if desired one additional observer and its legal counsel.

### **Attendance of Others**

10.3 Any officer or director of the General Partner, counsel for the General Partner and the Partnership and representatives of the auditor of the Partnership, may attend and speak at a meeting of Partners.

### **Appointment of Proxy and Voting**

10.4 A Partner may attend a meeting of Partners personally, or may be represented thereat by proxy.

### **Validity of Proxies**

10.5 An instrument appointing a proxy purporting to be executed by or on behalf of a Partner will be valid unless challenged at the time of or before its exercise, and a Person challenging it will have the burden of proving at the meeting at which it is proposed to be used that it is invalid.

### **Revocation of Proxy**

10.6 A vote cast in accordance with the terms of an instrument of proxy will be valid notwithstanding the previous death, incapacity, insolvency or bankruptcy of the Partner giving the instrument, or revocation of the instrument of proxy, unless, before the vote is cast, the chairman of the meeting receives written notice of the death, incapacity, insolvency, bankruptcy or revocation.

**Form of Proxy**

10.7 An instrument of proxy, whether for a specified meeting of Partners or otherwise, will as nearly as circumstances permit be in the following form:

"I, \_\_\_\_\_, of \_\_\_\_\_ in the Province of \_\_\_\_\_ being a Partner of 8655 GRANVILLE LIMITED PARTNERSHIP hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the Province of \_\_\_\_\_ or failing such individual, \_\_\_\_\_ of \_\_\_\_\_ in the Province of \_\_\_\_\_, as my proxy to attend and vote for me and on my behalf at the meeting of Partners of 8655 GRANVILLE LIMITED PARTNERSHIP to be held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ and any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_."

**Chairman**

10.8 The General Partner, or in the case of a corporate General Partner, any one director of the General Partner, shall be entitled to be Chairman of a meeting of the Limited Partners. If none of them is present within 30 minutes of the time fixed for holding such meeting, the Limited Partners shall elect a Chairman by Ordinary Resolution.

**Quorum**

10.9 Except as otherwise expressly stated in this Agreement:

- (a) a quorum at any meeting of Limited Partners shall consist of two or more persons present in person holding or representing by proxy not less than 51% of the issued and outstanding Units; and

if, within half an hour after the time for holding of such meeting, a quorum is not present the meeting:

- (a) if called by or on the requisition of the Limited Partners will be dissolved; and
- (b) if called by the General Partner will be held at the same time and place on the day 14 days later (or if that date is not a business day, the first business day after that date), and the General Partner will give three days' notice of the adjourned meeting to all Limited Partners and at such adjourned meeting the quorum will consist of the Limited Partners then present in person or represented by proxy.

**Voting at Meetings**

10.10 Every question submitted to a meeting:

- (a) which requires an Extraordinary Resolution under this Agreement will be decided by a poll according to Section 10.11; and
- (b) which does not require an Extraordinary Resolution will be decided by an Ordinary Resolution on a show of hands unless a poll is demanded, in which case a poll will be taken according to Section 10.11;

and in the case of an equality of votes, the Chairman will not have a casting vote, but will be entitled to vote in respect of any Units held by him or for which he may be a proxy holder. On any vote at a meeting of the Limited Partners, a declaration of the Chairman concerning the result of the vote will be conclusive.

**Polling at Meetings**

10.11 A poll requested or required concerning:

- (a) the election of a Chairman or an adjournment will be taken immediately on request; or
- (b) any other matter, will be taken at the meeting or an adjournment of the meeting in such manner as the Chairman directs,

and each person present at the meeting will have one vote for each Unit in respect of which he is registered as the holder in the register of Limited Partners and each Unit in respect of which he is the proxy holder.

**Resolutions Binding**

10.12 Any resolution passed in accordance with this Agreement will be binding on all the Limited Partners and their respective heirs, executors, administrators, successors and assigns, whether or not any such Limited Partner was present or voted against any resolution so passed.

**Minutes**

10.13 The General Partner will cause minutes of all proceedings and resolutions at each meeting of Partners, and of all consent resolutions of the Partners, to be made and entered in books to be kept for that purpose and those minutes, when signed by the chairman of the meeting or by the chairman of the next succeeding meeting, will be conclusive of the matters stated in them and the meeting will be deemed to have been duly convened and held and all proceedings and resolutions recorded in them will be deemed to have been duly taken and passed.

**Powers Exercisable by Extraordinary Resolution**

10.14 The Limited Partners may by Extraordinary Resolution:

- (a) amend this Agreement;
- (b) dissolve the Partnership;
- (c) elect a new General Partner in anticipation of the removal, retirement, insolvency, bankruptcy or dissolution of the General Partner or a successor General Partner (such election only to be effective upon the effective date of the removal or resignation of the General Partner);
- (d) waive any default on the part of the General Partner on such terms as they may determine;
- (e) continue the Partnership in the event that the Partnership is terminated by operation of law;
- (f) require the General Partner on behalf of the Partnership to enforce any obligation or covenant on the part of any Limited Partner provided for in this Agreement;
- (g) change the fiscal year end of the Partnership; and
- (h) amend, modify, alter or repeal any Extraordinary Resolution previously passed by the Limited Partners.

**Removal of General Partner**

10.15 The Limited Partners may, by Unanimous Resolution, and only with cause (which shall include the General Partner failing to perform its duties hereunder in a material and substantive manner and then only if the General Partner does not remedy or correct its failure within a reasonable period of time of receiving notice of such failure), remove the General Partner and appoint a new General Partner provided that the



Limited Partners have previously or concurrently elected such new General Partner pursuant to Section 10.14(c).

### **Consent Resolutions**

10.16 A resolution consented to in writing by all the Limited Partners, whether by document, electronic facsimile transmission or other means of electronic communication capable of producing a printed copy, is as valid and effectual as if the resolution had been passed at a meeting of the Partnership duly called and held. Such resolution may be in two or more counterparts which together will be deemed to constitute one resolution in writing.

## **ARTICLE 11 CHANGE, RESIGNATION OR REMOVAL OF GENERAL PARTNER**

### **Assignment of Interest of General Partner**

11.1 The General Partner may not sell, assign, transfer or otherwise dispose of its interest in the Partnership as General Partner except if the sale, assignment, transfer or disposition is in connection with and ancillary to a merger or amalgamation of the General Partner resulting in the surviving or continuing corporation or body corporate being the General Partner.

### **Bankruptcy or Dissolution**

11.2 The General Partner, by agreeing to be bound by this Agreement, will be deemed to resign as the General Partner in the event of the bankruptcy, dissolution, liquidation or winding up of the General Partner (or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the General Partner) or the appointment of a trustee, receiver or receiver-manager of the affairs of the General Partner, but the resignation will not be effective and the General Partner will not cease to be the General Partner until the earlier of:

- (a) the admission of a new General Partner to the Partnership; or
- (b) 180 days after the occurrence of the event or appointment described in this Section 11.2.

11.3 If no new General Partner has been admitted to the Partnership by the time the deemed resignation becomes effective, the Partnership will be dissolved pursuant to Article 12.

### **Resignation**

11.4 The General Partner may resign on written notice to the Limited Partners, and such resignation will become effective upon the earlier of:

- (a) 28 days after written notice thereof is given as aforesaid; and
- (b) the admission of a new General Partner to the Partnership by Ordinary Resolution.

The General Partner will be deemed not to have resigned if the effect thereof would be to dissolve the Partnership.

### **Transfer of Management**

11.5 On the admission of a new General Partner to the Partnership the retiring General Partner will do all things and take all steps to transfer the administration, management, control and operation of the business of the Partnership and the books, records and accounts of the Partnership to the new General Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect the transfer.

### Release

11.6 On the resignation of the General Partner, the Partnership will release the General Partner and the Partnership will agree to hold harmless the resigning General Partner from any costs, damages, liabilities or expenses suffered or incurred by such General Partner in relation to the Partnership prior to such resignation or removal, other than as a result of or arising out of a failure of the General Partner to act as required by Section 8.8.

### New General Partner

11.7 A new General Partner will become a party to this Agreement by signing a counterpart hereof and will agree to be bound by all of the provisions hereof and to assume the obligations, duties and liabilities of the General Partner hereunder as and from the date the new General Partner becomes a party to this Agreement.

## ARTICLE 12 DISSOLUTION OF PARTNERSHIP

### Events of Dissolution

- 12.1 The Partnership will be wound up and dissolved on the earliest of:
- (a) the authorization of its dissolution by Extraordinary Resolution;
  - (b) the end of the Fiscal Period in which all of the property of the Partnership has been disposed of;
  - (c) the date on which the Partnership is otherwise dissolved by operation of law, unless all of the Partners elect to continue the Partnership;
  - (d) pursuant to Section 11.2, 180 days after the bankruptcy or dissolution of the General Partner unless, within 180 days from the time of the bankruptcy or dissolution of the General Partner, a new General Partner is admitted to the Partnership; and
  - (e) the first day following the twentieth (20<sup>th</sup>) anniversary of the Effective Date, unless such time period is extended by the Limited Partners.

### Event Not Causing Dissolution

12.2 No Partner will bring an application pursuant to the Act to dissolve the Partnership except pursuant to this Article 12 or except as otherwise permitted by the Act.

### Receiver

12.3 On dissolution of the Partnership, an independent professional receiver or, with the consent of the Limited Partners, the General Partner will act as the receiver (the "**Receiver**") of the Partnership.

12.4 If the General Partner is unable or unwilling to act as the Receiver, the Limited Partners may appoint an appropriate Person to act as the Receiver.

### Liquidation of Assets

- 12.5 The Receiver will:
- (a) prepare or cause to be prepared a statement of financial position of the Partnership, and will forward a copy to each Person who was a Partner at the date of dissolution;

- (b) wind up the affairs of the Partnership and liquidate all its property in an orderly manner;
- (c) manage and operate the property of the Partnership (unless then sold) and have all powers and authority of the General Partner under this Agreement; and
- (d) be entitled to be paid for and to recover from the assets of the Partnership its reasonable fees and disbursements incurred in carrying out its duties as such.

#### **Distribution of Proceeds of Liquidation**

12.6 The Receiver will distribute the net proceeds from liquidation of the Partnership:

- (a) first, to pay the expenses of dissolution and liquidation and the debts and liabilities of the Partnership to its creditors (excepting any Partners) or to make due provision for payment thereof;
- (b) second, to provide reserves the Receiver considers reasonably necessary for any contingent or unforeseen liability or obligation of the Partnership which will be paid to an escrow agent to be held for payment of liabilities or obligations of the Partnership; and
- (c) third, to the Partners according to the distributions allocated to each of the Partners pursuant to Section 7.2.

#### **Return of Capital**

12.7 Except as provided herein or as otherwise agreed, no Partner will have the right to demand or receive a return of Capital Contribution in a form other than cash.

#### **Termination of Partnership**

12.8 The Partnership will terminate when all of its assets have been disposed of and the net proceeds therefrom, after payment of or due provision for the payment of all debts, liabilities and obligations of the Partnership to creditors, have been distributed as provided in this Article 12.

#### **Tax Election**

12.9 If on dissolution or termination of the Partnership, any asset other than cash is distributed, such distribution will be such as to permit an election to be made under subparagraph 98(3) of the ITA or the then current equivalent thereof and all Partners will join in making such an election.

### **ARTICLE 13 FOUNDER'S RIGHT OF FIRST REFUSAL**

#### **Right of Refusal**

13.1 No Partner shall sell, transfer, or otherwise dispose of or offer to sell, transfer or otherwise dispose of its interest in the Partnership (or any portion thereof) unless such Partner (herein called the "**Offeror**", which expression shall include the trustee-in-bankruptcy and personal representative of an individual Partner and the trustee-in-bankruptcy, receiver, receiver-manager, or liquidator of a corporate Partner) first offers by written notice (herein called the "**Offer**") to sell such number of Units to the Founder.

#### **Offer to Sell**

13.2 The Offer shall set forth:

- (a) the number of Units offered for sale;

- (b) the price (expressed as a price per Unit) and the other terms and conditions of the sale;
- (a) whether the Offeror has had an offer to purchase from any person and if so the name of such person, and
- (b) the Offer shall be deemed to include a term that the Offer shall be open for acceptance at any time before the expiration of 30 days after receipt of the Offer and that the Offer shall be irrevocable during such 30-day period.

#### Acceptance of Offer

13.3 If the Founder wishes to accept the Offer, it shall give notice thereof to the Offeror within such 30-day period. If the Offer is not so accepted within such period, it shall be deemed to have been declined and any notice of acceptance received after the expiration of such 30-day period shall be null and void and of no effect.

#### Sale to Third Party

13.4 If the Offeror does not receive within such 30-day period sufficient acceptances to purchase all its Units offered for sale, the Offeror shall have the right for 30 days after the expiration of such initial 30-day period to sell the number of its Units offered for sale in the Offer, subject to as hereinafter provided to any third party but only for a consideration not less than that contained in the Offer and upon terms and conditions not more favourable to such purchaser than those contained in the Offer provided that no disposition of any Units shall be made unless such third party:

- (a) is an arm's length *bona fide* purchaser for valuable consideration;
- (b) first complies with the requirements of Section 4.11 hereof; and
- (c) provides to the General Partner proof of the date on which the Offeror agreed to sell its Units to such third party and the terms and conditions of such sale (including price) and proof reasonably satisfactory to the General Partner that the sale will be completed in accordance with such terms and conditions.

The General Partner shall refuse to record the transfer of the Offeror's Units if such Units may have been sold otherwise than in accordance with the provisions of Article 13, in which case, such Units shall again be subject to the provisions of Section 13.1.

#### Agreement of Sale

13.5 If the Offeror shall have received within such 30-day period acceptance to purchase its Units, the Offeror (herein called the "**Vendor**") shall be bound to sell and the Founder shall be bound to purchase the Units upon the terms and conditions contained in the Offer.

#### Closing

13.6 The purchase and sale of the Vendor's interest in the Partnership shall be closed at 10:00 a.m. (Vancouver time) on the date (herein called the "**Closing Date**") which is the 5<sup>th</sup> day after the expiration of such 30-day period provided that if such day is a Saturday, Sunday or statutory holiday in Vancouver, then on the next following business day at the then registered office of the Partnership or at such other time, date or place as shall be mutually agreed by the Vendor and the Founder.

#### Closing Transactions

- 13.7 At the closing:
- (a) the Vendor shall assign to the Founder the number of Units in the Partnership as described in the Offer, free and clear of all liens, claims or other encumbrances;

- (b) the Founder shall pay the purchase price for the Units in the Partnership set forth in the Offer in cash or by certified cheque drawn on or bank draft issued by a Canadian chartered bank payable at par at Vancouver against delivery by the Vendor of the Unit Certificates representing such Units and a duly executed assignment; and
- (c) the Founder shall deliver to the Vendor a release of any guarantee of the obligations of the Partnership given by the Vendor or if the Vendor is a corporation, by the Vendor's principal.

#### **Default by Vendor**

13.8 If the Vendor fails to attend at the closing and/or fails to deliver any of the documents required by the Vendor to be delivered, the Founder may pay the purchase price to the General Partner. The General Partner may deposit the purchase price in a separate interest bearing account at any Canadian chartered bank in Vancouver to the order of the Vendor. Such payment and deposit shall constitute valid and effective payment of the purchase price to the Vendor. The Vendor shall be entitled to receive the purchase price plus any accrued interest upon presentation and surrender to such bank of the documents which were to be delivered by him at the closing, all duly executed.

#### **Appointment as Attorney**

13.9 If the Vendor fails to attend at the closing and/or fails to deliver any of the documents required by him to be delivered, the Vendor hereby irrevocably appoints the General Partner as the Vendor's true and lawful attorney-in-fact and agent to complete the sale of the Vendor's interest in the Partnership to the Founder and to execute on behalf of the Vendor, all documents and to do all things reasonably necessary or desirable to complete the transaction. Such appointment and power of attorney shall not be revoked by the insolvency or bankruptcy of the Vendor and the Vendor hereby ratifies and confirms and agrees to ratify and confirm all that the General Partner lawfully does or causes to be done by virtue of the provisions hereof.

### **ARTICLE 14 CONFIDENTIALITY**

#### **Confidentiality**

14.1 Each Partner acknowledges and agrees that:

- (a) In the course of its association with the Partnership, it has acquired Confidential Information;
- (b) The Partnership has possession of, title to, and ownership of all rights to use the Confidential Information; and
- (c) Any disclosure of the Confidential Information would be highly detrimental to the interests of the Partnership,

and accordingly, each Partner agrees to keep confidential and not disclose or use any Confidential Information for any purpose other than those expressly contemplated in this Agreement.

14.2 The General Partner may consent to the disclosure of any Confidential Information by any Partner at its sole discretion and may impose conditions on such disclosure including the execution of confidentiality or non-disclosure agreements.

14.3 If a Partner is required by Applicable Laws or any Governmental Authority to disclose any Confidential Information, the Partner may do so but shall provide notice to the Partnership prior to such disclosure and shall not object to and shall cooperate with the Partnership in any application for a protective order or contesting the disclosure requirement.

## ARTICLE 15 DEFAULT

### Triggering Events

15.1 In this Article 15, a triggering event ("**Triggering Event**") means a Limited Partner becoming a Defaulting Partner.

### Default Call Option

15.2 Notwithstanding any other provisions of this Agreement, upon the occurrence of and during the continuance of a Triggering Event and for a period of twelve (12) months thereafter the Founder shall have the option (the "**Default Call Option**") to purchase from the Limited Partner in respect of which the Triggering Event has occurred (the "**Default Optionor**") all but not less than all of the Units (the "**Default Option Units**") then owned by the Optionor at a purchase price equal to the Capital Contribution of the Optionor multiplied by the Priority Return Percentage.

### Exercise of Default Call Option

15.3 The Default Call Option shall be exercisable by the Founder delivering to the Default Optionor a notice exercising the Default Call Option. Upon the delivery of such notice, a binding contract of purchase and sale between the Default Optionor and the Founder shall be deemed to come into existence. The completion of the purchase and sale shall take place no later than the 60<sup>th</sup> day after the date that such notice is given.

### Closing

15.4 The agreement of purchase and sale of a Limited Partner's interest in the Partnership arising on the exercise of the Default Call Option shall be closed at 10:00 a.m. (Vancouver time) on the date which is the 30<sup>th</sup> day after the exercise of the option, provided that if such date is a Saturday, Sunday or statutory holiday in Vancouver, then the closing date shall be the next following business day at the then registered office of the Partnership and the provisions of Sections 13.7 to 13.9 shall apply *mutatis mutandis* to such closing.

## ARTICLE 16 NOTICE

### Notices

16.1 To be effective, a notice, communication or demand required or permitted to be given hereunder (a "**notice**") must be in writing.

16.2 A notice or payment required or permitted to be given or made hereunder will be sufficiently given or made for all purposes if:

- (a) delivered personally to the Person or to an officer of the Person to whom it is directed; or
- (b) sent by ordinary first class mail within Canada, postage prepaid, addressed:
  - (i) if to the General Partner, to then-current address shown on the register of General Partners of the Partnership; or
  - (ii) if to a Limited Partner, to the address of the Limited Partner as it appears on the Register.

16.3 A notice so sent by mail will be deemed to have been received on the 5th day after the day on which it is sent or deposited in a regularly maintained receptacle for the deposit of mail.

16.4 If there is a disruption, strike or interruption in the Canadian postal service after mailing and before receipt or deemed receipt, notice sent by mail will be deemed to have been received on the 5th business day after full resumption of the Canadian postal service.

16.5 A Limited Partner may change the Limited Partner's address by giving notice of the change to the General Partner and the General Partner may change its address by giving notice of the change to each Limited Partner.

16.6 Accidental omission to give a notice within the time required by this Agreement will not affect the validity of the notice.

#### **Registered Holder**

16.7 Notice will be well and sufficiently given or a document or a distribution or allocation will be duly made or delivered by the Partnership to the first named individual in the Register or any Person which is not an individual or a body corporate and the Partnership need give no further notice nor deal with nor recognize any other holder.

### **ARTICLE 17 MISCELLANEOUS**

#### **Strict Performance of Covenants**

17.1 A failure of a party to seek redress for a violation of or to insist upon strict performance of any provision hereof will not prevent a subsequent act, which would have originally constituted a violation of that provision or any other provision hereof, from having the effect of an original violation of that provision or any other provision hereof.

#### **Severability**

17.2 Each provision of this Agreement is intended to be severable, and if any provision hereof is illegal or invalid, the illegality or invalidity will not affect the validity of the remainder hereof.

#### **Governing Law**

17.3 This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of British Columbia and, except as otherwise provided herein, all disputes and claims, whether for specific performance, injunction, declaration or otherwise howsoever both at law and in equity, arising out of or in any way connected with this Agreement will be referred to the courts of British Columbia and, by execution and delivery of this Agreement, each party hereto irrevocably submits to such jurisdiction.

#### **Limited Partner Not a General Partner**

17.4 If a provision of this Agreement has the effect of imposing upon a Limited Partner any of the liabilities or obligations of a general partner, the provision will be of no force and effect.

#### **Counterparts**

17.5 This Agreement may be executed in any number of counterparts with the same effect as if all parties had all signed the same document, and may be adopted in any subscription or similar instrument signed by a Person who is to become a Limited Partner with the same effect as if the Limited Partner had executed a counterpart of this Agreement.

17.6 All counterparts and adopting instruments will be construed together and will constitute one and the same agreement.

**Binding Effect**

17.7 The parties hereto will execute and deliver such further and other documents and perform or cause to be performed such further and other acts as are necessary or desirable in order to give full effect to this Agreement.

17.8 This Agreement will be binding upon and enure to the benefit of the respective heirs, executors, administrators and other legal representatives of the parties and, to the extent permitted hereunder, their respective successors and assigns.

17.9 This Agreement will bind a person who has been a Limited Partner but subsequently ceases to be a Limited Partner to the extent specifically provided herein.

17.10 The parties hereto will execute and deliver such further and other documents and perform or cause to be performed such further and other acts as are necessary or desirable in order to give full effect to this Agreement.

*[Signature page follows]*



IN WITNESS WHEREOF this Agreement is executed as of the date and year first above written.

**RED BUFFALO 8655 MANAGEMENT CORP.**

Per:   
Authorized Signatory

**1146503 B.C. LTD.**

Per:   
Authorized Signatory

**1146812 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**1138555 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**CANADA REDWOOD EDUCATION GROUP LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**1145804 B.C. LTD.**

Per:   
Authorized Signatory

---

IN WITNESS WHEREOF this Agreement is executed as of the date and year first above written.

**RED BUFFALO 8655 MANAGEMENT CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

**1146503 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**1146812 B.C. LTD.**

Per: 徐洪  
Authorized Signatory

**1138555 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**CANADA REDWOOD EDUCATION GROUP LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**1145804 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**IN WITNESS WHEREOF** this Agreement is executed as of the date and year first above written.

**RED BUFFALO 8655 MANAGEMENT CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

**1146503 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**1146812 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**1138555 B.C. LTD.**

Per:  \_\_\_\_\_  
Authorized Signatory

**CANADA REDWOOD EDUCATION GROUP LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**1145804 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**IN WITNESS WHEREOF** this Agreement is executed as of the date and year first above written.

**RED BUFFALO 8655 MANAGEMENT CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

**1146503 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**1146812 B.C. LTD.**

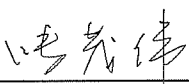
Per: \_\_\_\_\_  
Authorized Signatory

**1138555 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**CANADA REDWOOD EDUCATION GROUP LTD.**

Per: \_\_\_\_\_  
Authorized Signatory



**1145804 B.C. LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**SCHEDULE A**

CLASS [A / B] UNIT CERTIFICATE

**8655 GRANVILLE LIMITED PARTNERSHIP**  
(a Limited Partnership duly constituted pursuant to the provisions of the *Partnership Act* (British Columbia))

Certificate Number:

This certifies that \_\_\_\_\_ is the registered owner of \_\_\_\_\_ Class [A / B] Unit(s) in **8655 GRANVILLE LIMITED PARTNERSHIP** (the "**Partnership**"), and, as such, is entitled to all of the rights, privileges and notices of a Limited Partner as set forth in the Partnership Agreement, as referred to below.

This Certificate and the Class [A / B] Units represented hereby are held subject to the conditions and restrictions contained in the Limited Partnership Agreement entered into as of and dated for reference February \_\_\_\_, 2018 and made and entered into by and among Red Buffalo 8655 Management Corp. and those parties referred to as Limited Partners, as amended from time to time. Units are transferable only in accordance with the provisions of the aforementioned Partnership Agreement.

IN WITNESS WHEREOF the Partnership has caused this certificate to be signed by the duly authorized officer of the General Partner, as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**8655 GRANVILLE LIMITED PARTNERSHIP,**  
by its General Partner, **RED BUFFALO 8655 MANAGEMENT CORP.**

Per:

\_\_\_\_\_  
Authorized Signatory

**SCHEDULE B****FORM OF SUBSCRIPTION**

8655 GRANVILLE LIMITED PARTNERSHIP  
Vancouver, British Columbia

1. The undersigned hereby subscribes for \_\_\_\_\_ Units of 8655 GRANVILLE LIMITED PARTNERSHIP (the "**Partnership**") for a subscription price of \$1.00 per Unit payable in cash to the Partnership.
2. The undersigned acknowledges that participation in the Partnership is subject to the acceptance of this subscription by the General Partner and to certain other conditions set forth in the Limited Partnership Agreement (the "**Partnership Agreement**") dated for reference only February \_\_\_\_\_, 2018. The acceptance of this subscription shall be effective upon the deposit of a written confirmation in the mail, addressed to the undersigned at the address indicated below or upon delivery of notice of acceptance to the undersigned in writing or by e-mail or facsimile.
3. The undersigned represents that:
  - a) if an individual, the individual has attained the age of majority, is legally competent to execute this subscription form and to take all actions required pursuant hereto and to be bound by the Partnership Agreement;
  - b) if a company or corporate body, it is legally competent to execute this subscription form and to take all actions required pursuant hereto and to be bound by the Partnership Agreement and that all necessary approvals by directors, shareholders, members or otherwise have been given to authorize it to execute this subscription form and to take all actions required pursuant hereto and that it is duly registered to carry on business in British Columbia as and when required it to carry on business there and to conduct suits there, and so long as it is a Limited Partner will continue to be so registered;
  - c) the undersigned is not a "non-Canadian" within the meaning of the *Investment Canada Act* and is a resident of Canada;
4. The undersigned agrees to be bound, as a party to and as a Limited Partner in the Partnership, by the terms of the Partnership Agreement, as from time to time amended and in effect.
5. The undersigned has completed Appendix I which is attached to, and forms part of, this subscription.
6. In consideration of 8655 GRANVILLE LIMITED PARTNERSHIP accepting the subscription and conditional thereon, the undersigned hereby irrevocably makes, constitutes and appoints Red Buffalo 8655 Management Corp. or such other General Partner of the Partnership, with full power of subscription, as his agent and true and lawful attorney to act on its behalf with full power and authority in its name, place and stead to:
  - a) execute and record or file as and where required:
    - (i) the Partnership Agreement and any Certificate amendment to any Certificate and any other instruments or documents required to form, qualify, continue, and keep in good standing the Partnership as a limited partnership;

- (ii) any instrument required in connection with the dissolution and termination of the partnership including any election under Section 98 of the *Income Tax Act* of Canada (as amended from time to time) and any analogous legislation;
- b) execute and file with any governmental body, any document required to be filed concerning or in connection with any property, assets, business or undertaking of the Partnership;
- c) execute and deliver on behalf of the Partnership any agreements or documents which may be required or which the General Partner deems advisable in connection with the business or the Partnership;
- d) execute and deliver any other documents under seal or otherwise on behalf of the Partnership or the under signed which may be required or which the General Partner deems advisable in connection with the assets or business of the Partnership including without limitation any:
  - (i) deed;
  - (ii) indenture;
  - (iii) mortgage; or
  - (iv) other security document granted by the Partnership,

and the undersigned expressly ratifies and confirms the power of attorney given to the General Partner in the Partnership Agreement and the power of attorney granted hereby shall be irrevocable and will survive the disability of the undersigned, until the assignment by the undersigned of the whole or any part of the interest of the undersigned in the Partnership and will extend to the heirs, executors, administrators, successors and assigns of the undersigned and may be exercised by the General Partner on behalf of the undersigned and each Limited Partner by listing all the Limited Partners executing any instrument with a single signature as attorney and agent for all of them. The undersigned agrees to be bound by any representations and actions made or taken by the General Partner pursuant to this power of attorney and hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under this power of Attorney. Notwithstanding the foregoing any instrument which would be legally executed by the General Partner on behalf of the undersigned assignee pursuant to this power of attorney shall also be binding if executed personally by such undersigned.

DATED at \_\_\_\_\_, British Columbia this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Where the Subscriber is a Corporation:

\_\_\_\_\_  
(Name of Corporation – Please Print)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, Province, Postal Code)

By: \_\_\_\_\_

Authorized Signatory

This subscription is accepted by the General Partner of 8655 GRANVILLE LIMITED PARTNERSHIP at Vancouver, British Columbia, on \_\_\_\_\_, 20\_\_\_\_.

**8655 GRANVILLE LIMITED PARTNERSHIP**, by its  
General Partner, **RED BUFFALO 8655 MANAGEMENT  
CORP.**

Per:

\_\_\_\_\_  
Authorized Signatory



**APPENDIX I TO SCHEDULE "B"**

**FORM OF SUBSCRIPTION**

**SUBSCRIBER'S QUESTIONNAIRE FOR PRIVATE ISSUER EXEMPTION**

To: 8655 Granville Limited Partnership (the "Partnership")

In connection with the purchase of Units by the undersigned (the "Subscriber"), the undersigned represents, warrants, certifies and covenants to and with the Partnership and acknowledges that the Partnership is relying thereon that:

1. The Subscriber is resident in a Province or Territory of Canada or is subject to the laws of a Province or Territory of Canada.
2. The Subscriber is purchasing the Units as principal for its own account and not for the benefit of any other person, for investment only, and not with a view to resale or distribution of all or any of the Units.
3. The Subscriber is either: **[CHECK APPROPRIATE CATEGORY]:**
  - \_\_\_\_\_ (a) a director, officer, employee, founder or control person of the Partnership;
  - \_\_\_\_\_ (b) a director, officer or employee of an affiliate of the Partnership;
  - \_\_\_\_\_ (c) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer, founder or control person of the Partnership;
  - \_\_\_\_\_ (d) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer, founder or control person of the Partnership; or
  - \_\_\_\_\_ (e) a close personal friend of a director, executive officer, founder or control person of the Partnership **who has completed Schedule A attached hereto;**
  - \_\_\_\_\_ (f) a close business associate of a director, executive officer, founder or control person of the Partnership **who has completed Schedule B attached hereto;**
  - \_\_\_\_\_ (g) a spouse, parent, grandparent, brother, sister, child or grandchild of the selling security holder or of the selling security holder's spouse;
  - \_\_\_\_\_ (h) a security holder of the Partnership;
  - \_\_\_\_\_ (i) an accredited investor **who has completed Schedule C attached hereto;**
  - \_\_\_\_\_ (j) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (i);
  - \_\_\_\_\_ (k) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are person described in paragraphs (a) to (i); or
  - \_\_\_\_\_ (l) a person that is not the public.
4. Unless the Subscriber is an accredited investor, no commission or finder's fee was paid to any director,

officer founder or control person of the Partnership in connection with the purchase of Units by the Subscriber.

Dated: \_\_\_\_\_.

\_\_\_\_\_  
Print name of Subscriber

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name of Authorized Signatory for a Corporate Subscriber

\_\_\_\_\_  
Title of Authorized Signatory

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name of Authorized Signatory for a Corporate Subscriber

\_\_\_\_\_  
Title of Authorized Signatory

**SCHEDULE A  
TO APPENDIX I**

**STATEMENT OF CLOSE PERSONAL FRIENDS**

**“Close personal friend”** means an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. The term “close personal friend” can include a family member who is not already specifically identified in the exemptions if the family member is in a position to assess the capabilities and trustworthiness of the director, executive officer, founder or control person and to obtain information from them with respect to the investment. The following factors are relevant to this determination:

- a) the length of time the individual has known the director, executive officer, founder or control person;
- b) the nature of the relationship between the individual and the director, executive, officer, founder or control person including such matters as the frequency of contacts between them and the level of trust and reliance in the other circumstances; and
- c) the number of “close personal friends” of the director, executive officer, founder or control person to whom securities have been distributed in reliance on the private issuer exemption or the family, friends and business associates exemption.

An individual is not a close personal friend solely because the individual is:

- a) a relative;
- b) a member of the same club, organization, association or religious group;
- c) a co-worker, colleague or associate at the same workplace;
- d) a client, customer, former client or former customer;
- e) a mere acquaintance; or
- f) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

The relationship between the purchaser and the director, executive officer, founder or control person must be direct. For example, the exemption is not available for a close personal friend of a close personal friend of the director, executive officer, founder or control person. A relationship that is primarily founded on participation in an Internet forum would not be considered to be that of a “close personal friend”.

Please describe the relationship between yourself and the relevant director(s), executive officer(s), founder(s) or control person(s) of the Partnership or of an affiliate of the Partnership:

---



---



---

**SCHEDULE B  
TO APPENDIX I**

**STATEMENT OF CLOSE BUSINESS ASSOCIATES**

**“Close Business Associate”** means an individual who has had sufficient prior business dealings with the director, executive officer, founder or control person to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. The following factors are relevant to this determination:

- a) the length of time the individual has known the director, executive officer, founder or control person;
- b) the nature of any specific business relationships between the individual and the director, executive officer, founder or control person, including, for each relationship, when it began, the frequency of contact between them and when it terminated if it is not ongoing, and the level of trust and reliance in the other circumstances;
- c) the nature and number of any business dealings between the individual and the director, executive offer, founder or control person, the length of the period during which they occurred, and the nature and date of the most recent business dealing; and
- d) the number of “close business associates” of the director, executive officer, founder or control person to whom securities have been distributed in reliance on the private issuer exemption or the family, friends and business associates exemption.

An individual is not a close business associate solely because the individual is:

- a) a member of the same club, organization, association or religious group;
- b) a co-worker, colleague or associate at the same workplace;
- c) a client, customer, former client or former customer;
- d) a mere acquaintance; or
- e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

The relationship between the purchaser and the director, executive officer, founder or control person must be direct. For example, the exemption is not available for a close business associate of a close business associate of a director, executive officer, founder or control person. A relationship that is primarily founded on participation in an Internet forum would not be considered to be that of a “close business associate”.

Please describe the relationship between yourself and the relevant director(s), executive officer(s), founder(s) or control person(s) of the Partnership or of an affiliate of the Partnership:

---



---



---

**SCHEDULE C  
TO APPENDIX I**

**STATEMENT OF ACCREDITED INVESTORS**

The Subscriber hereby represents, warrants and covenants to the Partnership that it (and any Disclosed Beneficial Purchaser for whom the Subscriber is acting) is an “Accredited Investor” within the meaning of National Instrument 45-106, Prospectus and Registration Exemptions, by virtue of satisfying one of the following categories: **[CHECK APPROPRIATE CATEGORY]**

- \_\_\_\_\_ (a) a Canadian financial institution, or Schedule III Bank,
- \_\_\_\_\_ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),
- \_\_\_\_\_ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
- \_\_\_\_\_ (d) a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),
- \_\_\_\_\_ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person or company referred to in paragraph (d),
- \_\_\_\_\_ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, Underwriting or wholly owned entity of the Government of Canada or a jurisdiction of Canada,
- \_\_\_\_\_ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la tax scolaire de l’île de Montréal or an intermunicipal management board in Québec,
- \_\_\_\_\_ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agent of that government,
- \_\_\_\_\_ (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada,
- \_\_\_\_\_ (j) an individual who, either alone or with a spouse, beneficially owns **financial assets**<sup>(1)</sup> having an aggregate realizable value that before taxes, but net of any **related liabilities**<sup>(2)</sup>, exceeds \$1,000,000,
- \_\_\_\_\_ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
- \_\_\_\_\_ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000,
- \_\_\_\_\_ (m) a person, other than an individual or **investment fund**<sup>(3)</sup>, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements, provided such person is not created or used solely to purchase or hold securities as an accredited investor under this paragraph (m),
- \_\_\_\_\_ (n) an **investment fund** that distributes or has distributed its securities only to:
  - (i) a person that is or was an accredited investor at the time of distribution,

- (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [*Minimum amount investment*], or 2.19 [*Additional Investment in Investment Funds*] of NI 45-106, or
  - (iii) a person described in (i) or (ii) that acquires or acquired securities under section 2.18 [*Investment fund reinvestment*] of NI 45-106,
- \_\_\_\_\_ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,
  - \_\_\_\_\_ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a **fully managed account**<sup>(4)</sup> managed by a trust company or trust corporation, as the case may be,
  - \_\_\_\_\_ (q) a person acting on behalf of a **fully managed account** managed by that person if that person:
    - (a) is registered or authorized to carry on business as an advisor or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and
    - (b) in Ontario, is purchasing a security that is not a security of an investment fund,
  - \_\_\_\_\_ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an **eligibility adviser**<sup>(5)</sup> or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
  - \_\_\_\_\_ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) through (d) and paragraph (i) in form and function,
  - \_\_\_\_\_ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,
  - \_\_\_\_\_ (u) an **investment fund** that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser, or
  - \_\_\_\_\_ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor.

## Notes:

- (1) “**financial assets**” means:
  - (a) cash,
  - (b) securities, or
  - (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.
- (2) “**related liabilities**” means:
  - (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
  - (b) liabilities that are secured by financial assets.
- (3) “**investment fund**” has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*.
- (4) “**fully managed account**” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction.
- (5) “**eligibility adviser**” means:

- (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - (i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - (ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.

**SCHEDULE C  
SECOND ROUND INVESTMENT**

<b>Investor</b>	<b>Second Round Units</b>	<b>Second Round Consideration</b>	<b>Post-Second Round Unit Holdings</b>	<b>Price Per Second Round Unit</b>
<b>Founder</b>	4,000,000 Class A Units	\$4,000,000	10,100,000 Class A Units	\$1.00
<b>1146</b>	2,500,000 Class B Units	\$2,500,000	6,312,500 Class B Units	\$1.00
<b>1138</b>	1,500,000 Class B Units	\$1,500,000	3,787,500 Class B Units	\$1.00
<b>Redwood</b>	1,000,000 Class B Units	\$1,000,000	2,525,000 Class B Units	\$1.00
<b>1145</b>	1,000,000 Class B Units	\$1,000,000	2,525,000 Class B Units	\$1.00





**TITLE SEARCH PRINT**

File Reference: 2318910008

Requestor: Thomas Hanson

Declared Value \$20000000

\*\*CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN\*\*

**Land Title District**

Land Title Office

VANCOUVER

VANCOUVER

**Title Number**

From Title Number

CA6653042

CA6639468

**Application Received**

2018-02-28

**Application Entered**

2018-03-06

**Registered Owner in Fee Simple**

Registered Owner/Mailing Address:

RED BUFFALO 8655 HOLDINGS LTD., INC.NO. BC1149162  
780 WEST 54TH AVENUE  
VANCOUVER, BC  
V6P 1M5**Taxation Authority**

Vancouver, City of

This is Exhibit " *B* " referred to in the  
affidavit of..... *John McEwen*.....sworn before me at..... *Vancouver*.....this *27* day of..... *July*..... 20*23***Description of Land**

Parcel Identifier:

009-430-105

Legal Description:

LOT D BLOCK F DISTRICT LOT 318 PLAN 21521

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

NONE

**Charges, Liens and Interests**

Nature:

EASEMENT AND INDEMNITY AGREEMENT

Registration Number:

396603M

Registration Date and Time:

1964-12-21 12:54

Registered Owner:

CITY OF VANCOUVER

Remarks:

PART DERIVED FROM FORMER LOTS 11,12,13, AND 14  
BLOCK F, PLAN 2978

Nature:

STATUTORY RIGHT OF WAY

Registration Number:

R117336

Registration Date and Time:

1987-11-16 12:40

Registered Owner:

CITY OF VANCOUVER

Remarks:

NORTH 4 METRES

**TITLE SEARCH PRINT**

File Reference: 2318910008

Declared Value \$20000000

Nature: RESTRICTIVE COVENANT  
 Registration Number: CA6016094  
 Registration Date and Time: 2017-05-25 10:42  
 Remarks: APPURTENANT TO  
 PARCEL A (REFERENCE PLAN 2891) OF PARCEL K  
 (REFERENCE PLAN 1756) DISTRICT LOT 256 GROUP 1 NEW  
 WESTMINSTER DISTRICT  
 PARCEL C (REFERENCE PLAN 2360) OF DISTRICT LOT 256  
 GROUP 1 NEW WESTMINSTER DISTRICT  
 PARCEL "K" (REFERENCE PLAN 1756) DISTRICT LOT 256  
 GROUP 1 EXCEPT: PART 13.1 ACRES (REFERENCE PLAN  
 2891) NEW WESTMINSTER DISTRICT  
 PARCEL "ONE" (REFERENCE PLAN 1709) DISTRICT LOT  
 256 GROUP 1 EXCEPT: PARCEL "C" (REFERENCE PLAN  
 2360) NEW WESTMINSTER DISTRICT  
 LOT 2 DISTRICT LOTS 219 AND 256 GROUP 1 NEW  
 WESTMINSTER DISTRICT PLAN 18279

Nature: MORTGAGE  
 Registration Number: CA6653043  
 Registration Date and Time: 2018-02-28 14:14  
 Registered Owner: CANADIAN WESTERN BANK

Nature: ASSIGNMENT OF RENTS  
 Registration Number: CA6653044  
 Registration Date and Time: 2018-02-28 14:14  
 Registered Owner: CANADIAN WESTERN BANK

Nature: CLAIM OF BUILDERS LIEN  
 Registration Number: BB5006343  
 Registration Date and Time: 2023-04-18 14:50  
 Registered Owner: CORE CONCEPT CONSULTING LTD.

Nature: CERTIFICATE OF PENDING LITIGATION  
 Registration Number: CB631232  
 Registration Date and Time: 2023-05-18 15:23  
 Registered Owner: CANADIAN WESTERN BANK

**Duplicate Infeasible Title** NONE OUTSTANDING

**Transfers** NONE

**Pending Applications** NONE

This is Exhibit "C" referred to in the  
 affidavit of John McEwen  
 sworn before me at Vancouver  
 this 29 day of July, 2018

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

## DECLARATION OF BARE TRUST AND AGENCY AGREEMENT

THIS AGREEMENT dated February 28, 2018 is between:

RED BUFALLO 8655 MANAGEMENT CORP., acting in its capacity as  
 General Partner of 8655 GRANVILLE LIMITED PARTNERSHIP,

("Beneficial Owner")

AND

RED BUFFALO 8655 HOLDINGS LTD., (BC Incorporation  
 No. BC1149162)

("Bare Trustee")

### BACKGROUND

- A. The Beneficial Owner is the registered and beneficial owner of the shares of the Bare Trustee.
- B. The Beneficial Owner intends to purchase the lands and premises ("Lands") legally described as:  
  
 Parcel Identifier 009-430-105  
 Legal Description: Lot D Block F Plan VAP21521 District Lot 318 Land District 36;
- C. The purchase of the Lands has been assigned to the Bare Trustee as the Beneficial Owner wishes to appoint the Bare Trustee as their bare trustee and agent to hold the legal title to the Lands and to all present and after acquired personal property of the Beneficial Owner relating to the Lands (collectively, the Lands and the personal property relating thereto are the "Property") for and on behalf of the Beneficial Owner.

### AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

1. **Appointment.**
  - (a) The Beneficial Owner appoints the Bare Trustee as their bare trustee and agent to hold the legal title to the Property for the sole benefit and account of the Beneficial Owner as principal and beneficial owner in accordance with the terms of this Agreement, with full power to deal with the Property and execute any instrument, document or encumbrance in respect of the Property for and on behalf of the Beneficial Owner, all at the direction of the Beneficial Owner and in accordance with this Agreement.
  - (b) The Bare Trustee accepts the appointment in paragraph 1(a) and acknowledges that it has no discretion to deal with the Property and that it can only deal with the Property as authorized by this Agreement or by the Beneficial Owner.
2. **Bare Trustee's Covenants.** The Bare Trustee agrees that:
  - (a) it will hold legal title to the Property as bare trustee and agent for the sole benefit and account of the Beneficial Owner as principal and beneficial owner in accordance with the

- 2 -

terms of this Agreement and subject to the terms and conditions of any deed, transfer, lease, sublease, mortgage, debenture, security agreement, easement, right of way, license, restrictive covenant, encumbrance or other instrument pertaining to the Property or any part of it;

- (b) it will have no equitable or beneficial interest in the Property, and that the equitable and beneficial interest in the Property will be vested solely and exclusively in the Beneficial Owner;
- (c) any benefit, interest, profit or advantage arising out of or accruing from the Property or any part of it is and will be a benefit, interest, profit or advantage of the Beneficial Owner and, if received by the Bare Trustee, will be received and held by the Bare Trustee for the sole use, benefit and advantage of the Beneficial Owner, and the Bare Trustee will account to the Beneficial Owner for any money, benefit, interest, profit, advantage or other consideration paid to or to the order of or received by the Bare Trustee in connection with the Property or any part of it as directed by the Beneficial Owner;
- (d) it will, upon the direction of the Beneficial Owner, deal with the Property and do all acts and things in respect of the Property at the expense of and as directed by the Beneficial Owner from time to time and will assign, transfer, convey, lease, sublease, mortgage, pledge, charge or otherwise deal with the Property or any part of it at any time as the Beneficial Owner may direct, to the extent permitted by law; without limiting the generality of the foregoing, the Bare Trustee will transfer legal title to any or all of the Property to or as directed by the Beneficial Owner immediately upon demand of the Beneficial Owner;
- (e) it will, upon the direction of the Beneficial Owner, act as agent of the Beneficial Owner, as undisclosed principals, in respect of any matter relating to the Property or any part of it or in respect of the performance or observance of any contract or agreement relating to the Property or any part of it;
- (f) it will not deal with the Property in any way or execute or deliver any instrument, document or encumbrance in respect of the Property without the prior consent or direction of the Beneficial Owner; and
- (g) it will notify the Beneficial Owner immediately upon receipt by it of all notices affecting the Property or any part of it, including without limitation notices of any tax, lien, charge or encumbrance of the Property.

3. **Authority of Bare Trustee.** The Bare Trustee will have the following power and authority acting under this Agreement and at the direction of the Beneficial Owner:

- (a) to execute and deliver, under seal or otherwise, any transfer, deed, mortgage, statement of adjustments, disclosure statement, plan, lease, sublease, right of way, licence, restrictive covenant, building scheme, release, or other instruments, including construction, repair, development and servicing contracts which:
  - A. relate to the Property or any part of it; and
  - B. have been negotiated or agreed to by the Beneficial Owner;

without delivery of proof of its authority to do so to any person (including without limitation any other party to the instrument or the registrar of any Land Title Office), and any person may act in reliance on the instrument and for all purposes the instrument will be binding on the Beneficial Owner;

- 3 -

- (b) to covenant to repay money borrowed by the Beneficial Owner, or otherwise owing by the Beneficial Owner either alone or with others, and to secure repayment of all indebtedness and liabilities under any amounts so borrowed or owing by the grant of any charge or encumbrance on, or security interest in, the Property or any part of it, by way of debenture, mortgage, assignment of rents, assignment of sale proceeds, assignment of profits, security agreement or other instrument without delivery of proof of its authority to do so to any person (including without limitation any other party to the instrument or the registrar of any Land Title Office), and any person may act in reliance on the instrument and for all purposes the instrument will be binding on the Beneficial Owner;
- (c) to subdivide, rezone and develop the Lands or otherwise deal with the Property or any interest in the Property for the purposes of development of the Property; and
- (d) to pay from the revenue from the Property all necessary costs and expenses to maintain the Property in good repair, and to pay the taxes, insurance premiums, water rates, utility payments and mortgage instalments relating to the Property.
4. **Reimbursement of Expenses.** All payments and disbursements made by the Bare Trustee relating to the Property under this Agreement will be made as the agent of and for the account of the Beneficial Owner, and the Beneficial Owner will reimburse the Bare Trustee for all amounts reasonably and properly expended by the Bare Trustee in connection with the Property with the consent or direction of the Beneficial Owner. The Bare Trustee will not be entitled to any remuneration or any revenue or profit in respect of the Property for acting under this Agreement.
5. **Indemnity by Beneficial Owner.** The Beneficial Owner agrees to indemnify and save harmless the Bare Trustee, its employees and agents, from and against all liability, loss, cost, action, claim or expense (collectively, "Liability") resulting from the Bare Trustee's holding of title to the Property or dealing with the Property as directed from time to time by the Beneficial Owner, except to the extent that the Liability results from a dishonest, fraudulent or negligent act or omission of the Bare Trustee or its employees or agents.
6. **Further Assurances.** The Bare Trustee will take all other actions and will execute and deliver all other instruments and documents as may be necessary or desirable in the reasonable opinion of the Beneficial Owner to evidence or carry out the terms or intent of this Agreement.
7. **Notices.** In this Agreement:
- (a) any notice or communication required or permitted to be given under this Agreement will be in writing and will be considered to have been given if delivered by hand, transmitted by e-mail or mailed by prepaid registered post in Canada, to the address or e-mail address of each party set out below:
- (i) if to the Beneficial Owner:
- 780 West 54<sup>th</sup> Avenue  
Vancouver, BC V6P 1M5  
Attention: Ms. Changxia Lv  
E-mail: \_\_\_\_\_
- (ii) if to Bare Trustee:
- 780 West 54<sup>th</sup> Avenue  
Vancouver, BC V6P 1M5  
Attention: Ms. Changxia Lv  
E-mail: \_\_\_\_\_

- 4 -

or to such other address or e-mail address as any party may designate in the manner set out above;

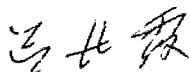
- (b) notice or communication will be considered to have been received:
- (i) if delivered by hand during business hours on a business day, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business on the next business day;
  - (ii) if sent by e-mail during business hours on a business day, upon the sender receiving confirmation of receipt, and if not transmitted during business hours, upon the commencement of business on the next business day; and
  - (iii) if mailed by prepaid registered post in Canada, upon the fifth business day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services every notice or communication will be delivered by hand or sent by e-mail;
- (c) for the purposes of this paragraph "business day" means a day which is not a Saturday nor defined as a "holiday" under the *Interpretation Act* (British Columbia), as amended or replaced from time to time.
8. **Governing Law and Jurisdiction.** This Agreement will be governed by and construed in accordance with British Columbia law and applicable Canadian law and will be treated in all respects as a British Columbia contract.
9. **Submission to Jurisdiction.** Each of the parties will:
- (a) submit to the jurisdiction of the British Columbia courts;
  - (b) if not incorporated or registered in British Columbia, appoint an agent to receive service of any process in British Columbia; and
  - (c) if an appointed agent is required, notify the other party of the name and address of its appointed agent.
10. **Number and Gender.** Words in the masculine gender include the feminine and neuter genders and words in the singular include the plural, and vice versa.
11. **Amendment.** This Agreement may be altered or amended only by agreement in writing signed by all parties.
12. **Enurement.** This Agreement will enure to the benefit of and be binding on the respective successors and assigns of the parties.
13. **Time Limitation.** The powers conferred on the Bare Trustee will not extend beyond the expiration of 80 years from the date of execution and delivery of this Agreement, unless renewed.
14. **No Waiver.** No failure or delay on the part of either party in exercising any right or power under this Agreement will operate as a waiver, nor will any single or partial exercise of any right of power preclude any further exercise. Except as may be limited in this Agreement, either party may exercise any right or power concurrently or individually without the necessity of making any election.

- 5 -

TO EVIDENCE THEIR AGREEMENT each of the parties has executed this Agreement on the date appearing below.

RED BUFALLO 8655 MANAGEMENT CORP.,  
acting in its capacity as General Partner of  
8655 GRANVILLE LIMITED PARTNERSHIP

By:




---

Authorized Signatory

RED BUFFALO 8655 HOLDINGS LTD.

By:



---

Authorized Signatory



**CENTRAL SECURITIES REGISTER**

**RED BUFFALO 8655 HOLDINGS LTD.**

**Common shares without par value**

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Other Than Cash Particulars
Jan 15, 2018	Jan 15, 2018	Davis Corporate Solutions Inc. 2800 Park Place 666 Burrard Street Vancouver, BC V6C 2Z7 (Incorporator)	1	Allotment (1)		n/a	Cash	\$0.01	[1 repurchased by company]
Jan 15, 2018		Red Buffalo 8655 Management Corp.	1,000	Allotment (1,000)		1	Cash	\$0.01	

This is Exhibit "D" referred to in the affidavit of John McEwen sworn before me at Vancouver this 27 day of July 2023

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

CENTRAL SECURITIES REGISTER

RED BUFFALO 8655 MANAGEMENT CORP.

Common shares without par value

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Other Than Cash Particulars
Jan 15, 2018	Jan 15, 2018	Davis Corporate Solutions Inc. 2800 Park Place 666 Burrard Street Vancouver, BC V6C 2Z7 (Incorporator)	1	Allotment (1)		n/a	Cash	\$0.01	{1 repurchased by company}
Jan 15, 2018		Canadian Red Bull Group Investment Management Ltd.	1,000	Allotment (1,000)		1	Cash	\$0.01	

This is Exhibit "E" referred to in the affidavit of John McEwen sworn before me at Vancouver this 14 day of July 2025

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

**CENTRAL SECURITIES REGISTER**

**CANADIAN RED BULL GROUP INVESTMENT MANAGEMENT LTD.**

Common shares without par value

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Paid Per Share Other Than Cash Particulars Cancel details
Jan 3, 2018	Jan 3, 2018	Davis Corporate Solutions Inc. 2800 Park Place 666 Burrard Street Vancouver, BC V6C 2Z7 (Incorporator)	1	Allotment (1)		n/a	Cash	\$0.01	[1 repurchased by company]
Jan 3, 2018		1146506 B.C. Ltd.	500	Allotment (500)		1	Cash	\$0.01	
Jan 3, 2018		Sunshine Treasurehunt Development Ltd.	500	Allotment (500)		2	Cash	\$0.01	

This is Exhibit "F" referred to in the affidavit of John McEwen sworn before me at Vancouver this 27 day of July 2018

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

This is Exhibit " *G* " referred to in the  
affidavit of *John McEown*.....  
sworn before me at *Vancouver*.....  
this *27* day of *July* 20*23*.....

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

**8655 GRANVILLE LIMITED PARTNERSHIP**  
(the "Limited Partnership")

**EXTRAORDINARY RESOLUTIONS OF THE LIMITED PARTNERS**

The undersigned, being limited partners of the Limited Partnership that hold in the aggregate more than 75% of the aggregate number of outstanding limited partnership units in the Limited Partnership as of the date hereof, hereby consent to and adopt the following resolutions effective as of April 18, 2023 at 10:00 a.m. (the "Effective Time").

**WHEREAS:**

- A. The Limited Partnership is governed by a Limited Partnership Agreement dated February 21, 2018 (the "LPA") between Red Buffalo 8655 Management Corp., as general partner, and the limited partners of the Limited Partnership.
- B. Pursuant to Section 1.1(x) of the LPA, an "Extraordinary Resolution" includes a written resolution in one or more counterparts signed by Limited Partners holding in the aggregate more than 75% of the aggregate number of outstanding Units ("**Extraordinary Resolution**").
- C. Pursuant to Section 10.14(b) of the LPA, the Limited Partners may by Extraordinary Resolution dissolve the Partnership, and pursuant to Section 12.1 of the LPA, the Limited Partnership will be wound up and dissolved upon the authorization of its dissolution by Extraordinary Resolution.
- D. The undersigned Limited Partners holding in the aggregate more than 75% of the aggregate number of outstanding Units wish to wind up and dissolve the Limited Partnership and appoint a Receiver of the Limited Partnership, pursuant to Sections 12.1 and 12.4 of the LPA.
- E. Capitalized terms herein, including in these recitals, not otherwise defined herein have the meanings ascribed to them in the LPA.

**RESOLVED AS EXTRAORDINARY RESOLUTIONS THAT:**

1. The winding up and dissolution of the Limited Partnership is hereby authorized and approved.
2. McEown and Associates Ltd. be appointed as the Receiver of the Limited Partnership pursuant to Sections 12.3 and 12.4 of the LPA.
3. McEown and Associates Ltd. is authorized and directed to wind up the Limited Partnership in accordance with the procedure prescribed at Sections 12.5 and 12.6 of the LPA.
4. McEown and Associates Ltd. is authorized and directed, on behalf of the Limited Partnership, to execute and to deliver all documents, instruments and other writings and to perform and do all acts and things as McEown and Associates Ltd. considers necessary or desirable in connection with the winding up and dissolution of the Limited Partnership, and the liquidation of the property of the Limited Partnership and the distribution of the proceeds thereof, pursuant to the terms of the LPA.
5. In accordance with Section 12.5(d) of the LPA, McEown and Associates Ltd. is entitled to be paid for and recover from the property of the Limited Partnership its reasonable fees and disbursements (including those of its legal counsel) in carrying out its duties as

Receiver.

6. McEown and Associates Ltd. is authorized to take an advance or a retainer from one or more of the Limited Partners for its anticipated fees and disbursements (including those of its legal counsel) in carrying out its duties as Receiver, and such advance will be repaid by McEown and Associates Ltd. to the Limited Partner(s) having paid such advance or retainer upon the payment in full of all of the fees and disbursements of McEown and Associates Ltd. from the proceeds of the liquidation of the property of the Limited Partnership.
7. Any director or officer of the general partner of the Limited Partnership (the “GP”) is authorized and directed, on behalf of the GP in its capacity as general partner of the Limited Partnership, to execute and to deliver all documents, instruments and other writings and to perform and do all acts and things as that director or officer considers necessary or desirable in connection with the appointment of the Receiver and to give effect to the winding up and dissolution of the Limited Partnership.

*[signature page follows]*


These resolutions may be executed and delivered by the undersigned in one or more counterparts, each of which will be an original, and each of which may be delivered by e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

DATED as of the date first noted above.

**SUNSHINE TREASUREHUNT  
DEVELOPMENT LTD.**

Per: 徐洪  
Authorized Signatory

**1138555 B.C. LTD.**

Per:   
Authorized Signatory

**1145804 B.C. LTD.**

Per: 徐洪  
Authorized Signatory

**1146812 B.C. LTD.**

Per: 徐洪  
Authorized Signatory

SUPREME COURT  
OF BRITISH COLUMBIA  
VANCOUVER REGISTRY

MAY 17 2023



No. **H-230378**  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

CANADIAN WESTERN BANK

PETITIONER

AND:

8655 GRANVILLE LIMITED PARTNERSHIP  
RED BUFFALO 8655 MANAGEMENT CORP.  
RED BUFFALO 8655 HOLDINGS LTD.  
CANADIAN RED BULL GROUP INVESTMENT MANAGEMENT LTD.  
SUNSHINE TREASUREHUNT DEVELOPMENT LTD.  
1146506 B.C. LTD.  
WJY 2015 TRUST  
CHANG XIA LV  
HU WANG  
HONG XU  
1146503 B.C. LTD.  
1146812 B.C. LTD.  
1138555 B.C. LTD.  
1145804 B.C. LTD.  
CANADA REDWOOD EDUCATION GROUP LTD.  
CORE CONCEPT CONSULTING LTD.

RESPONDENTS

PETITION TO THE COURT

THIS IS THE PETITION OF:

Canadian Western Bank  
c/o 700 - 401 West Georgia Street  
Vancouver, BC V6B 5A1

ON NOTICE TO:

8655 Granville Limited Partnership  
7985 Granville Street  
Vancouver, BC V6P 4Z3

Red Buffalo 8655 Management Corp.  
7985 Granville Street  
Vancouver, BC V6P 4Z3

Red Buffalo 8655 Holdings Ltd.  
7985 Granville Street  
Vancouver, BC V6P 4Z3

This is Exhibit "H" referred to in the  
affidavit of John McEwen  
sworn before me at Vancouver  
this 27 day of July 2023

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



Canadian Red Bull Group Investment Management Ltd.  
486 Keith Road  
West Vancouver, BC V7T 1L7

Sunshine Treasurehunt Development Ltd.  
486 Keith Road  
West Vancouver, BC V7T 1L7

1146506 B.C. Ltd.  
1510 - 800 West Pender Street  
Vancouver, BC V6C 2V6

WJY 2015 Trust  
780 West 54th Avenue  
Vancouver, BC V6P 1M2

Chang Xia Lv  
780 West 54th Avenue  
Vancouver, BC V6P 1M2

Hu Wang  
780 West 54<sup>th</sup> Avenue  
Vancouver, BC V6P 1M2

Hong Xu  
486 Keith Road  
West Vancouver, BC V7T 1L7

Core Concept Consulting Ltd.  
220 - 2639 Viking Way  
Richmond, BC V6V 3B7

1146503 B.C. Ltd.  
1510 - 510 West Pender Street  
Vancouver, B.C. V6C 2V6

1146812 B.C. Ltd.  
486 Keith Road  
West Vancouver, B.C. V7T 1L7

1138555 B.C. Ltd.  
4828 Narvaez Drive  
Vancouver, B.C. V6L 2J2

1145804 B.C. Ltd.  
103 - 3555 Westminster Hwy.  
Richmond, B.C. V7C 5P6  
Email: liubeivip@Yahoo.com

- 3 -

Canada Redwood Education Group Ltd.  
4362 Pine Crescent  
Vancouver, B.C. V6J 4L1

Core Concept Consulting Ltd.  
1200 - 925 West Georgia Street  
Vancouver, B.C. V6C 3L2

**This proceeding has been started by the petitioner(s) for the relief set out in Part 1 below.**

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to the petition in Form 67 in the above-named registry of this court within the time for response to the petition described below, and
- (b) serve on the petitioner(s)
  - (i) 2 copies of the filed response to the petition, and
  - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

**Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to the petition within the time for response.**

#### Time for Response to the Petition

A response to the petition must be filed and served on the petitioner(s),

- (a) if you were served with the petition anywhere in Canada, within 21 days after that service,
- (b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the petition anywhere else, within 49 days after that service, and
- (d) if the time for response has been set by order of the court, within that time.

(1) The address of the registry is:

800 Smithe Street  
Vancouver, BC V6Z 2E1

(2) The ADDRESS FOR SERVICE of the Petitioner is:

c/o 700 - 401 West Georgia Street  
Vancouver, BC V6B 5A1

Fax number for delivery (if any) of the petitioner: nil

E-mail address for service (if any) of the petitioner: dnugent@rbs.ca/dmanuel@rbs.ca

(3) The name and office address of the Petitioner's lawyer is:

Daniel D. Nugent  
Richards Buell Sutton LLP  
Barristers & Solicitors  
700 - 401 West Georgia Street  
Vancouver, BC V6B 5A1  
Telephone: 604.682.3664

#### Endorsement on Originating Petition for Service Outside British Columbia

The Petitioner claims the right to serve this Petition on the Respondents outside British Columbia on the grounds that the proceeding is by a mortgagee in relation to a mortgage of property in British Columbia and seeks relief of the nature of foreclosure and delivery of possession by the mortgagor and that the proceeding is in respect of a breach, committed in British Columbia, of a contract. (Pursuant to Rule 4-5 of the Supreme Court Civil Rules and Section 10 of the *Court Jurisdiction and Proceedings Transfer Act*, S.B.C. 2003, c. 28.)

Claim of the Petitioner(s)

#### PART 1: ORDER(S) SOUGHT

1. A declaration that the Respondent, Red Buffalo 8655 Holdings Ltd. (the "Trustee") has defaulted under a Form B Mortgage and Assignment of Rents executed February 27, 2018 by the Respondent Trustee, as Mortgagor, in favour of the Petitioner, as Mortgagee, and registered on February 28, 2018 in the New Westminster Land Title Office, in the Province of British Columbia, under Nos. CA6653043 and CA6653044, as modified (hereinafter, the "**Mortgage**"), which secures the obligations of the Respondents, 8655 Granville Limited Partnership. ("LP") and Red Buffalo 8655 Management Corp. ("GP"), (collectively, the "**Borrowers**") under a loan agreement as set out in a Commitment Letter dated February 28, 2018, as amended (the "**Loan**"), is a mortgage charging those lands and premises situate in the City of Vancouver, Province of British Columbia, and legally described as:

- 5 -

Parcel Identifier: 009-430-105

LOT D BLOCK F DISTRICT LOT 318 PLAN 21521

(hereinafter called the "Lands and Premises").

in priority to the interest, right or claim of the Respondents.

2. A declaration that the Borrowers are in default of a Mortgage Agreement dated for reference February 27, 2018, entered into between the Trustee as Agent and the Petitioner as Lender.

3. A declaration that the Respondent, LP has defaulted under the General Security Agreement dated for reference February 27, 2018 entered into between LP as Debtor and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "LP GSA") and that the LP GSA charges the personal property described therein in priority to the interest, right or claim of the Respondents.

4. A declaration that the Respondent, GP, has defaulted under the General Security Agreement dated for reference February 27, 2018 entered into between GP as Debtor and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "GP GSA") and that the GP GSA charges the personal property described therein in priority to the interest, right or claim of the Respondents.

5. A declaration that the Respondent, Trustee, has defaulted under the General Security Agreement dated for reference February 27, 2018 entered into between Trustee as Debtor and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "Trustee GSA") and that the Trustee GSA charges the personal property described therein in priority to the interest, right or claim of the Respondents.

6. A declaration that the Borrowers, have defaulted under the Hypothecation of Bank Balances dated for reference February 27, 2018 entered into between the Borrowers as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the

“**Hypothecation Agreement**”) and that the Hypothecation Agreement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

7. A declaration that the Borrowers and Canadian Red Bull Group Investment Management Ltd., Sunshine Treasurehunt Development Ltd., 1146506 B.C. Ltd., WJY 2015 Trust, Chanxia Jv, Hu Wang and Hong Xu, (collectively referred to as the “**Guarantors**”, have defaulted under the Environmental Agreement and Indemnity dated for reference February 27, 2018 entered into between the Borrowers and Guarantors as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the “**Environmental Agreement**”) and that the Environmental Agreement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

8. A declaration that the Borrowers, have defaulted under an Assignment and Postponement of Creditor’s Claims dated, for reference, February 27, 2018, entered into between 1146503 B.C. Ltd., as Creditor and the Borrowers, as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the “**1146503 Assignment and Postponement**”) and that the 1146503 Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

9. A declaration that the Borrowers, have defaulted under an Assignment and Postponement of Creditor’s Claims dated for reference February 27, 2018 entered into between 1146812 B.C. Ltd. as Creditor, the Borrowers as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the “**1146812 Assignment and Postponement**”) and that the 1146812 Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

10. A declaration that the Borrowers, have defaulted under an Assignment and Postponement of Creditor’s Claims, dated for reference February 27, 2018, entered into between 1138555 B.C. Ltd., as Creditor, the Borrowers, as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the “**1138555 Assignment and Postponement**”) and that the 1138555 Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

11. A declaration that the Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018, entered into between 1145804 B.C. Ltd., as Creditor, the Borrowers as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**1145804 Assignment and Postponement**") and that the 1145804 Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

12. A declaration that the Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018, entered into between Canada Redwood Education Group Ltd., as Creditor, the Borrowers as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Canada Redwood Assignment and Postponement**") and that the Canada Redwood Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

13. A declaration that the Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018, entered into between the Guarantors as Creditors, the Borrowers as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Guarantor Assignment and Postponement**") and that the Guarantor Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

14. A declaration that the Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018, entered into between, WJY 2015 Trust as Creditor, the Borrowers as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Trust Assignment and Postponement**") and that the Trust Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

15. A declaration that the Respondent Borrowers have defaulted under a General Assignment of Leases dated for reference February 27, 2018 entered into between the Borrowers as Debtors and the Petitioner as Lender, and registered at the British Columbia

Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the “**General Assignment of Leases**”) and that the General Assignment of Leases charges the personal property described therein in priority to the interest, right or claim of the Respondents.

16. A declaration that the Respondents, the Borrowers have defaulted under an Assignment of Interest Reserve Account dated for reference February 27, 2018 entered into between the Borrowers as Debtors, and the Petitioner as Lender, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the “**Assignment of Interest Reserve Account**”) and that the Assignment of Interest Reserve Account charges the personal property described therein in priority to the interest, right or claim of the Respondents.

17. A declaration that the Respondent Borrowers have defaulted under an Assignment of Rights Under Contracts dated for reference February 27, 2018 entered into between the Borrowers and the Petitioner as Lender, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the “**Assignment of Rights Under Contracts**”) and that the Assignment of Rights Under Contracts charges the personal property described therein in priority to the interest, right or claim of the Respondents.

18. A declaration that the Respondent Borrowers have defaulted under an Assignment of Money Due or Accruing Under Insurance Contracts dated for reference February 27, 2018, entered into between the Borrowers as Debtors and the Petitioner as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K. (the “**Assignment of Money Due or Accruing Under Insurance Contracts** ”) and that the Assignment of Money Due or Accruing Under Insurance Contracts charges the personal property described therein in priority to the interest, right or claim of the Respondents.

(The LP GSA , GP GSA, Trustee GSA, Hypothecation Agreement, Environmental Agreement, 1146503 Assignment and Postponement, 1146812 Assignment and Postponement, 1138555 Assignment and Postponement, 1145804 Assignment and Postponement, Canada Redwood Assignment and Postponement, Guarantor Assignment and Postponement, Trust Assignment and Postponement, General Assignment of Leases, Assignment of Interest Reserve Account, Assignment of Rights Under Contracts, and Assignment of Money Due or Accruing under

Insurance Contracts referred to in paragraphs 2 to 20 hereof are hereinafter collectively referred to as the “**Personal Property Security**”)

19. A declaration of the amount required to redeem the Lands and Premises and the personal property charged by the Personal Property Security (the “**Personal Property**”).

20. An Order that the last day for redemption of the Mortgage, the Personal Property and the Lands and Premises shall be set at the expiry of one day from the date of pronouncement of the Order Nisi herein, or such other period as this Honourable Court shall determine upon application of the Petitioner.

21. An Order for Sale of the Lands and Premises and Personal Property to be pronounced at the time the Order Nisi is pronounced but effective at the expiry of the redemption period or such other time sought by the Petitioner, and that the Petitioner have exclusive conduct of the sale in the following terms:

- (a) The Lands and Premises and Personal Property be offered for sale, free and clear of all encumbrances of the parties, but subject to the reservations, provisos, exceptions and conditions express in the original grant from the Crown.
- (b) The Petitioner have exclusive conduct of sale and be at liberty to list the Lands and Premises and Personal Property for sale, until further Order, and to pay a realtor's commission of up to 7% of the first \$100,000.00 of the gross selling price and 2½% of the balance, plus applicable taxes, from the sale proceeds.
- (c) Any sale be subject to Court approval unless otherwise agreed by the parties.
- (d) The Respondents, or any person(s) on their behalf including anyone in possession of the Premises and Personal Property, permit any agent of the Petitioner to inspect, appraise, or show to any prospective purchaser the Lands and Premises and Personal Property including the interior of the Premises any day between 9:00 o'clock a.m. and 7:00 o'clock p.m., and to post signs on the Lands and premises offering the Lands and Premises for sale.

22. An Order that the Petitioner obtain Judgment against the Respondent Borrowers, pursuant to the covenants for payment contained in the Mortgage and the Personal Property Security for the amount determined summarily or certified on an accounting or at the date of



granting of the Order Nisi of Foreclosure as aforesaid together with the Petitioner's costs of this proceeding on a scale to be determined.

23. An Order that the Petitioner obtain Judgment against the Respondents, Guarantors, Canadian Red Bull Group Investment Management Ltd., Sunshine Treasurehunt Development Ltd., 1146506 B.C. Ltd., WJY 2015 Trust, Chang Xia Lv, Hu Wang and Hong Xu, pursuant to the Full Liability Guarantees dated February 27, 2018 provided by the Guarantors to the Petitioner in support of the obligations of the Borrowers, together with the Petitioner's costs of this proceeding on a scale to be determined.

24. An Order that the Petitioner recover its costs of this proceeding as this Honourable Court may direct and that such costs form a part of the amount required to redeem the Mortgage, the Land and Premises and the Personal Property.

25. An Order that upon the Respondents, or any of them, paying into Court to the credit of these proceedings at the Court Registry, Courthouse, 800 Smithe Street, Vancouver, British Columbia, or paying to the solicitor of record for the Petitioner or, if no such solicitor exists then paying to the Petitioner, the amount required to redeem the Mortgage, the Lands and Premises and Personal Property Security together with the costs of this proceeding on a scale to be determined, or such other basis as this Honourable Court may direct, on or before pronouncement of either Order Absolute of Foreclosure or an order confirming the sale of the Lands and Premises, and the Personal Property, free and clear of all encumbrances on favour of it or by any person claiming by, through or under it and shall deliver up upon oath if required, all deeds, titles and documents in its custody, possession, or power relating thereto to the Respondents so paying or to whom they shall appoint.

26. An Order that in default of the Respondents paying into Court to the credit of this proceeding at the Court Registry, Courthouse, 800 Smithe Street, Vancouver, British Columbia, the money due and owing to the Petitioner which is required to redeem the Lands and Premises, and the personal property charged by the Personal Property, prior to the expiry of any redemption period set herein, the Respondents, and each of them, and their respective heirs, executors, administrators, successors and assigns, and all persons claiming by, through or under them or any of them shall be absolutely and forever debarred and foreclosed of and from any and all right, title and interest in and to the Lands and Premises and the personal property charged by the Personal Property Security.

27. An Order appointing a Receiver, or a Receiver Manager.
28. An Order for possession of the Lands and Premises and the personal property charged by the Personal Property.
29. An Order fixing an occupational rent for the Lands and Premises and the personal property charged by the Personal Property and directing payment thereof.
30. An Order for all necessary accounts, directions and enquiries.
31. An Order that the Petitioner have liberty to apply for an Order for a further summary accounting by the Court or the District Registrar of any amounts due to the Petitioner for interest, taxes, arrears of taxes, insurance premiums, costs charges, expenses or otherwise since the date of the Order Nisi.
32. An Order for a Certificate of Pending Litigation.
33. Such further Orders as this Honourable Court deems fit.

**PART 2: FACTUAL BASIS.**

1. The Petitioner is a chartered bank with its head office in Edmonton, Alberta.
2. By a certain indenture of mortgage and assignment of rents made between the Trustee, as Mortgagor, in favour of the Petitioner, as Mortgagee, and registered on February 28, 2018 in the New Westminster Land Title Office, in the Province of British Columbia, under Nos. CA6653043 and CA6653044, which further secures the obligations of the Respondents, LP and GP and did grant and mortgage unto the Petitioner those lands and premises situate in Vancouver, British Columbia, and more particularly known and described as:

Parcel Identifier: 009-430-105

LOT D BLOCK F DISTRICT LOT 318 PLAN 21521

(hereinafter called the "Lands and Premises").

in priority to the interest, right or claim of the Respondents.

3. By general security agreement dated for reference February 27, 2018 entered into between the LP as Debtor and the Petitioner, as Secured Party, and registered at the

British Columbia Personal Property Registry on February 28, 2018 under base registration no. 596951K the Respondent, the LP did grant the Petitioner a charge over all the property described therein.

4. By general security agreement dated for reference February 27, 2018 entered into between the GP as Debtor and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under base registration no. 596951K the Respondent, the GP did grant the Petitioner a charge over all the property described therein.

5. By general security agreement dated for reference February 27, 2018 entered into between Trustee as Debtor and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under base registration no. 596951K the Respondent, Trustee did grant the Petitioner a charge over all the property described therein.

6. By Hypothecation of Bank Balances dated for reference February 27, 2018 entered into between the Borrowers as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under base registration no. 596951K the Respondents, the Borrowers did grant the Petitioner a charge over all the property described therein.

7. By Environmental Agreement and Indemnity dated for reference February 27, 2018 entered into between the Borrowers and Guarantors as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under base registration no. 596951K the Respondents, the Borrowers and Guarantors did grant the Petitioner a charge over all the property described therein.

8. By Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018 entered into between 1146503 B.C. Ltd. as Creditor, the Borrowers as Debtors and the Petitioner as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K, 1146503 B.C. Ltd. did grant the Petitioner a charge over all the property described therein.

9. By Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018 entered into between 1146812 B.C. Ltd. as Creditor, the Borrowers as Debtors and the Petitioner as Secured Party, and registered at the British Columbia Personal

Property Registry on February 28, 2018 under Base Registration Number 596951K, 1146812 B.C. Ltd. did grant the Petitioner a charge over all the property described therein.

10. By Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018 entered into between 1138555 B.C. Ltd. as Creditor, the Borrowers as Debtors and the Petitioner as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K, 1138555 B.C. Ltd. did grant the Petitioner a charge over all the property described therein.

11. By Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018 entered into between 1145804 B.C. Ltd. as Creditor, the Borrowers as Debtors and the Petitioner as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K, 1145804 B.C. Ltd. did grant the Petitioner a charge over all the property described therein.

12. By Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018 entered into between Canada Redwood Education Group Ltd., as Creditor and the Borrowers as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K, Canada Redwood Education Group Ltd. did grant the Petitioner a charge over all the property described therein.

13. By Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018 entered into between the Guarantors as Creditor, the Borrowers as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K the Respondents, the Guarantors did grant the Petitioner a charge over all the property described therein.

14. By Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018 entered into between the WJY 2015 Trust as Creditor, the Borrowers as Debtors and the Petitioner as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K the Respondent, WJY 2015 Trust did grant the Petitioner a charge over all the property described therein.

16. By a General Assignment of Leases dated for reference February 27, 2018 entered into between the Borrowers as Debtors and the Petitioner as Secured Party, and

registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K the said Respondents did grant the Petitioner a charge over all the property described therein.

17. By an Assignment of Interest Reserve Account dated for reference February 27, 2018 entered into between the Borrowers as Debtors and the Petitioner, as Lender, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K the said Respondents did grant the Petitioner a charge over all the property described therein.

18. By an Assignment of Rights Under Contracts dated for reference February 27, 2018 entered into between the Borrowers as Debtors and the Petitioner, as Lender, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K the said Respondents did grant the Petitioner a charge over all the property described therein.

20. By an Assignment of Money Due or Accruing under Insurance Contracts dated for reference February 27, 2018 entered into between the Borrowers as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K the said Respondents did grant the Petitioner a charge over all the property described therein.

21. The Respondents being the Borrowers and Guarantors have defaulted in payment of the principal and interest as well as other amounts due and payable pursuant to the Mortgage and Personal Property Security and the full balance due and owing of principal monies, interest and other amounts due and owing under the Mortgages and under the Personal Property Security is now due and payable by the Respondents to the Petitioner together with interest and costs.

22. Pursuant to Full Liability Guarantees dated February 27, 2018 the Respondents-Guarantors provided to the Petitioner guarantees in support of the Borrowers obligations to the Petitioner, as stated herein.

23. The amount due under the Mortgage and the Personal Property Security as at April 26, 2023 is \$10,269,761.26 together with daily interest of \$2,292.21 thereafter, subject to the interest provisions of the Mortgage. This balance does not include any amount as penalty, bonus or indemnity.

- 15 -

24. The amount owing by the Respondents being the Borrowers and Guarantors, as at April 26, 2023 is \$10,269,761.26 plus applicable interest thereafter and costs.

25. The Petitioner has demanded payment by the Respondents being the Borrowers and Guarantors, of all monies owing but the Respondents have failed, refused or neglected to pay the same or part thereof.

26. The following sets out the holders of charges, nature of charges and registration number of the charges registered in the Land Title Office against the Lands and Premises all of which charges rank in priority behind the interest of the Petitioner.

<u>Respondent</u>	<u>Nature of Charge</u>	<u>Registration Number</u>
Core Concept Consulting Ltd.	Claim of Builder's Lien	BB5006343

27. On April 26, 2023, a Demand and Notice of Intention to Enforce Security pursuant to s. 244(1) of the *Bankruptcy and Insolvency Act* was served upon the Borrowers and Guarantors.

**PART 3: LEGAL BASIS**


1. Rules 21-7 and 13-5 of the Supreme Court Civil Rules.
2. *Law and Equity Act*, R.S.B.C. 1996, Chapter 253 and amendments thereto.
3. Such further authorities as this Honourable Court may permit.

**PART 4: MATERIAL TO BE RELIED ON**

1. Affidavit #1 of Dean Chan sworn May 16, 2023.
2. Affidavit #1 of Diana Manuel sworn May 16, 2023.
3. Such further Affidavits as may be filed.

The petitioner(s) estimate(s) that the hearing of the petition will take 5 minutes.

Dated: 16/MAY/2023

  
Signature of Daniel D. Nugent, lawyer for the  
Petitioner

To be completed by the court only:

Order made

in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this petition

with the following variations and additional terms:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_ Signature of  Judge  Master

No. H-230378  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

CANADIAN WESTERN BANK

PETITIONER

AND:

8655 GRANVILLE LIMITED PARTNERSHIP  
RED BUFFALO 8655 MANAGEMENT CORP.  
RED BUFFALO 8655 HOLDINGS LTD.  
CANADIAN RED BULL GROUP INVESTMENT MANAGEMENT LTD.  
SUNSHINE TREASUREHUNT DEVELOPMENT LTD.  
1146506 B.C. LTD.  
WJY 2015 TRUST  
CHANG XIA LV  
HU WANG  
HONG XU  
1146503 B.C. LTD.  
1146812 B.C. LTD.  
1138555 B.C. LTD.  
CANADA REDWOOD EDUCATION GROUP LTD.  
CORE CONCEPT CONSULTING LTD.

This is Exhibit " I " referred to in the  
affidavit of.....*John McEown*.....  
sworn before me at.....*Vancouver*.....  
this.....*27*.....day of.....*July*.....20.....*23*

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

RESPONDENTS

**RESPONSE TO PETITION**

**Filed by:** McEown and Associates Ltd. in its capacity as the Receiver, appointed by Extraordinary Resolution dated April 18, 2023, of 8655 Granville Limited Partnership ("McEown")

**Part 1: ORDERS CONSENTED TO**

McEown consents to the granting of NONE of the orders set out in Part 1 of the Petition filed May 17, 2023 (the "Petition").

**Part 2: ORDERS OPPOSED**

McEown opposes the granting of the orders set out in paragraph 20 (except to the extent that a six month redemption period is ordered), 21 and 26 - 29 in Part 1 of the Petition.



**Part 3: ORDERS ON WHICH NO POSITION IS TAKEN**

McEown takes no position on the granting of the orders set out in paragraphs 1 -19, 22 - 25 and 30-32 of Part 1 of the Petition.

**Part 4: FACTUAL BASIS**

1. Except as expressly provided herein McEown has adopted definitions utilized in the Petition.
2. By Extraordinary Resolution dated April 18, 2023, McEown was appointed as the Receiver of 8655 Granville Limited Partnership (the “Partnership”). In accordance with the provisions of the Limited Partnership Agreement dated February 21, 2018 (the “LPA”) the Partnership is now dissolved and McEown is charged with liquidating and distributing its assets.
3. The Partnership, by its general partner Red Buffalo 8655 Management Corp., is the beneficial owner of the Lands and Premises which are registered in the name of Red Buffalo 8655 Holdings Ltd. Pursuant to the terms of a Declaration of Bare Trust and Agency Agreement dated February 28, 2018.
4. The Petitioner is aware of McEown’s appointment.
5. In accordance with its obligations under the LPA McEown is taking steps to liquidate the assets of the Partnership including the Lands and Premises.
6. In the event that it secures an acceptable contract and purchase and sale for the Lands and Premises McEown anticipates seeking court approval in these proceedings.
7. In the meantime, McEown is keeping the Petitioner updated regarding developments with respect to the Lands and Premises.

**Part 5: LEGAL BASIS**

8. The Supreme Court Civil Rules

**Part 6: MATERIAL TO BE RELIED ON**

9. Such materials as counsel may advise.

McEown estimates that the application will take 5 minutes.

Date: June 6, 2023



---

Signature of Jeremy D. West  
Lawyer for McEown and Associates Ltd. in its  
capacity as the Receiver, appointed by  
Extraordinary Resolution dated April 18, 2023, of  
8655 Granville Limited Partnership

Petition Respondent's address for service:

Watson Goepel LLP  
Lawyers  
1200 - 1075 West Georgia Street  
Vancouver, B.C.  
V6E 3C9

Fax number address for service (if any): (604) 688-8193

E-mail address for service (if any): n/a

Name of the petition respondent's lawyer, if any: Jeremy D. West

SUPREME COURT  
OF BRITISH COLUMBIA  
VANCOUVER REGISTRY

No. H-230378  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

JUN 27 2023  
BETWEEN:

ENTERED



CANADIAN WESTERN BANK

PETITIONER

8655 GRANVILLE LIMITED PARTNERSHIP  
RED BUFFALO 8655 MANAGEMENT CORP.  
RED BUFFALO 8655 HOLDINGS LTD.  
CANADIAN RED BULL GROUP INVESTMENT MANAGEMENT  
LTD.

SUNSHINE TREASUREHUNT DEVELOPMENT LTD.

1146506 B.C. LTD.

WJY 2015 TRUST

CHANG XIA LV

HU WANG

HONG XU

1146503 B.C. LTD.

1146812 B.C. LTD.

1138555 B.C. LTD.

1145804 B.C. LTD.

CANADA REDWOOD EDUCATION GROUP LTD.  
CORE CONCEPT CONSULTING LTD.

This is Exhibit "J" referred to in the  
affidavit of John McEwen  
sworn before me at Vancouver  
this 27 day of July 2023

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

RESPONDENTS

ORDER MADE AFTER APPLICATION

BEFORE MASTER BILAWICH

THURSDAY, THE 22ND  
DAY OF JUNE, 2023

ON THE APPLICATION of the Petitioner coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on Thursday, June 22, 2023 and on hearing Daniel D. Nugent, Lawyer for the Petitioner, and no one appearing for the Respondents although duly served in accordance with the Rules of this Court;

THIS COURT ORDERS AND DECLARES that:

1. A Form B Mortgage and Assignment of Rents executed February 27, 2018 by the Respondent Trustee, as Mortgagor, in favour of the Petitioner, as Mortgagee, and registered on February 28, 2018 in the New Westminster Land Title Office, in the Province of British Columbia, under Nos. CA6653043 and CA6653044, as modified (hereinafter, the "Mortgage"), which secures the obligations of the Respondents, 8655 Granville Limited Partnership. ("LP") and Red Buffalo 8655 Management Corp. ("GP"), (collectively, the "Borrowers") under a loan agreement as set out in a Commitment Letter dated February 28, 2018, as amended (the "Loan"), is a mortgage charging those lands and premises situate in the City of Vancouver, Province of British Columbia, and legally described as:

Parcel Identifier: 009-430-105

LOT D BLOCK F DISTRICT LOT 318 PLAN 21521

(hereinafter called the "Lands and Premises").

2. The Borrowers are in default of a Mortgage Agreement dated for reference February 27, 2018, entered into between the Trustee as Agent and the Petitioner as Lender.
3. The Respondent, LP has defaulted under the General Security Agreement dated for reference February 27, 2018 entered into between LP as Debtor and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**LP GSA**") and that the LP GSA charges the personal property described therein in priority to the interest, right or claim of the Respondents.
4. The Respondent, GP, has defaulted under the General Security Agreement dated for reference February 27, 2018 entered into between GP as Debtor and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**GP GSA**") and that the GP GSA charges the personal property described therein in priority to the interest, right or claim of the Respondents.
5. The Respondent, Trustee, has defaulted under the General Security Agreement dated for reference February 27, 2018 entered into between Trustee as Debtor and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Trustee GSA**") and that the Trustee GSA charges the personal property described therein in priority to the interest, right or claim of the Respondents.
6. The Borrowers, have defaulted under the Hypothecation of Bank Balances dated for reference February 27, 2018 entered into between the Borrowers as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Hypothecation Agreement**") and that the Hypothecation Agreement charges the personal property described therein in priority to the interest, right or claim of the Respondents.
7. The Borrowers and Canadian Red Bull Group Investment Management Ltd., Sunshine Treasurehunt Development Ltd., 1146506 B.C. Ltd., WJY 2015 Trust, Chanxia Jv, Hu Wang and Hong Xu, (collectively referred to as the "**Guarantors**", have defaulted under the Environmental Agreement and Indemnity dated for reference February 27, 2018 entered into between the Borrowers and Guarantors as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Environmental Agreement**") and that the Environmental Agreement charges the personal property described therein in priority to the interest, right or claim of the Respondents.
8. The Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims dated, for reference, February 27, 2018, entered into between 1146503 B.C. Ltd., as Creditor and the Borrowers, as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**1146503 Assignment and Postponement**") and that the 1146503 Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

9. The Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018 entered into between 1146812 B.C. Ltd. as Creditor, the Borrowers as Debtors and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**1146812 Assignment and Postponement**") and that the 1146812 Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

10. The Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims, dated for reference February 27, 2018, entered into between 1138555 B.C. Ltd., as Creditor, the Borrowers, as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**1138555 Assignment and Postponement**") and that the 1138555 Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

11. The Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018, entered into between 1145804 B.C. Ltd., as Creditor, the Borrowers as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**1145804 Assignment and Postponement**") and that the 1145804 Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

12. The Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018, entered into between Canada Redwood Education Group Ltd., as Creditor, the Borrowers as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Canada Redwood Assignment and Postponement**") and that the Canada Redwood Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

13. The Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018, entered into between the Guarantors as Creditors, the Borrowers as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Guarantor Assignment and Postponement**") and that the Guarantor Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

14. The Borrowers, have defaulted under an Assignment and Postponement of Creditor's Claims dated for reference February 27, 2018, entered into between, WJY 2015 Trust as Creditor, the Borrowers as Debtors, and the Petitioner, as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Trust Assignment and Postponement**") and that the Trust Assignment and Postponement charges the personal property described therein in priority to the interest, right or claim of the Respondents.

15. The Respondent Borrowers have defaulted under a General Assignment of Leases dated for reference February 27, 2018 entered into between the Borrowers as Debtors and the Petitioner as Lender, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**General Assignment of**

**Leases**") and that the General Assignment of Leases charges the personal property described therein in priority to the interest, right or claim of the Respondents.

16. The Respondents, the Borrowers have defaulted under an Assignment of Interest Reserve Account dated for reference February 27, 2018 entered into between the Borrowers as Debtors, and the Petitioner as Lender, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Assignment of Interest Reserve Account**") and that the Assignment of Interest Reserve Account charges the personal property described therein in priority to the interest, right or claim of the Respondents.

17. The Respondent Borrowers have defaulted under an Assignment of Rights Under Contracts dated for reference February 27, 2018 entered into between the Borrowers and the Petitioner as Lender, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K (the "**Assignment of Rights Under Contracts**") and that the Assignment of Rights Under Contracts charges the personal property described therein in priority to the interest, right or claim of the Respondents.

18. The Respondent Borrowers have defaulted under an Assignment of Money Due or Accruing Under Insurance Contracts dated for reference February 27, 2018, entered into between the Borrowers as Debtors and the Petitioner as Secured Party, and registered at the British Columbia Personal Property Registry on February 28, 2018 under Base Registration Number 596951K. (the "**Assignment of Money Due or Accruing Under Insurance Contracts**") and that the Assignment of Money Due or Accruing Under Insurance Contracts charges the personal property described therein in priority to the interest, right or claim of the Respondents.

19. (The LP GSA, GP GSA, Trustee GSA, Hypothecation Agreement, Environmental Agreement, 1146503 Assignment and Postponement, 1146812 Assignment and Postponement, 1138555 Assignment and Postponement, 1145804 Assignment and Postponement, Canada Redwood Assignment and Postponement, Guarantor Assignment and Postponement, Trust Assignment and Postponement, General Assignment of Leases, Assignment of Interest Reserve Account, Assignment of Rights Under Contracts, and Assignment of Money Due or Accruing under Insurance Contracts referred to in paragraphs 2 to 20 hereof are hereinafter collectively referred to as the "**Personal Property Security**")

20. The Respondents have defaulted under the terms of the Mortgage and that the amount of money due under the Mortgage and required to redeem the Lands and Premises and the Personal Property Security is the sum of \$10,271,511.26 as of April 26, 2023 together with interest at a daily rate of \$2,292.21 subject to the calculation and compounding provisions of the Mortgage, to accrue until the Lands and Premises are redeemed or sold, whether redemption or sale occurs before or after the date set for redemption and together with the Petitioner's costs of this proceeding.

21. The Petitioner receive ordinary costs of this proceeding on a Scale A basis but that the Petitioner have liberty to apply at any time in this proceeding for an Order for increased costs, if applicable.

22. The last day for redemption is December 22, 2023.

23. The Respondents, 8655 Granville Limited Partnership, Red Buffalo 8655 Management Corp, Red Buffalo 8655 Holdings Ltd., Canadian Red Buell Group Investment Management Ltd., Sunshine Treasurehunt Development Ltd., 1146506 B.C. Ltd., WJY 2015 Trust, Hong Xu, 1146503 B.C. Ltd., 1146812 B.C. Ltd., 1138555 B.C. Ltd., 1145804 B.C. Ltd.,

Canada Redwood Education Group Ltd. and Core Concept Consulting Ltd., pay to the Petitioner \$10,271,511.26 together with the Petitioner's costs of this proceeding.

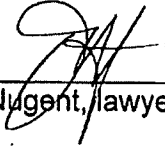
24. The application for Judgment against the Guarantors, Chang Xia Lv and Hu Wang be adjourned generally.

25. If any of the Respondents, on or before the last day set for redemption, pay into Court to the credit of this proceeding at the Court Registry, Courthouse, 800 Smithe Street, Vancouver, British Columbia, or pay to the solicitor for the Petitioner, or if no such solicitor exists, to the Petitioner, the amount required to redeem the Lands and Premises together with the Petitioner's costs of this proceeding before either Order Absolute of Foreclosure or an Order approving the sale of the Lands and Premises, the Petitioner shall reconvey the Lands and Premises free and clear of all encumbrances of the Petitioner, and deliver all deeds in its possession to the Respondents so paying or to whom they may appoint.

26. If the Lands and Premises are not redeemed, the Petitioner may apply for Order Absolute and on pronouncement of Order Absolute the Respondents and all persons claiming by, through or under them shall be foreclosed from all right, title, interest and equity of redemption in and to the Lands and Premises, that all money received under the Mortgage shall become the property of the Petitioner and that the Petitioner shall have vacant possession of the Lands and Premises.

27. The Petitioner may apply for a summary accounting of amounts owed to the Petitioner for interest, or as reimbursement for payments made for protective disbursements relating to taxes, insurance premiums or appraisals or for inspecting, repairing or maintaining the Lands and Premises or for other expenses which the Petitioner may incur before or after the date of the Order Nisi, before a Master in Chambers or by reference to the office of the District Registrar.

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

  
 Daniel D. Nugent, lawyer for the Petitioner

BY THE COURT

  
 REGISTRAR



No. H-230378  
Vancouver Registry

---

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

CANADIAN WESTERN BANK

PETITIONER

AND:

8655 GRANVILLE LIMITED  
PARTNERSHIP  
RED BUFFALO 8655 MANAGEMENT  
CORP.  
RED BUFFALO 8655 HOLDINGS LTD.  
CANADIAN RED BULL GROUP  
INVESTMENT MANAGEMENT LTD.  
SUNSHINE TREASUREHUNT  
DEVELOPMENT LTD.  
1146506 B.C. LTD.  
WJY 2015 TRUST  
CHANG XIA LV  
HU WANG  
HONG XU  
1146503 B.C. LTD.  
1146812 B.C. LTD.  
1138555 B.C. LTD.  
1145804 B.C. LTD.  
CANADA REDWOOD EDUCATION  
GROUP LTD.  
CORE CONCEPT CONSULTING LTD.

RESPONDENTS

---

**ORDER MADE AFTER APPLICATION**  
**(Order Nisi of Foreclosure)**

---

38275-0032  
DDN/sj

---

**RICHARDS BUELL SUTTON LLP**  
BARRISTERS AND SOLICITORS  
700 - 401 WEST GEORGIA STREET  
VANCOUVER, B.C. CANADA V6B 5A1  
604.682.3664



## Property information report

This is Exhibit "K" referred to in the  
 affidavit of John McEwen  
 sworn before me at Vancouver  
 this 27 day of July 2023

<< Back

Print 

A Commissioner for taking Affidavits  
 for British Columbia

### General Property Information

**Civic Address:** 8655 GRANVILLE ST  
**Folio:** 130-831-11-0000      **LTO Number:** CA6653042      **PID:** 009-430-105  
**MHR Number:**      **Status:** Active      **Property No:** 2278299  
**Legal:** LOT D BLOCK F PLAN 21521 DISTRICT LOT 318 NEW WESTMINSTER

### 2023 Taxable Assessment Details

Value Set	Assessment Class		Gross	Exempt	Net
GENERAL	MULTIPLE	Land	20,326,000	0	20,326,000
GENERAL	MULTIPLE	Improvement	10,000	10,000	0
<b>GENERAL</b>	<b>MULTIPLE</b>	<b>Total</b>	<b>20,336,000</b>	<b>10,000</b>	<b>20,326,000</b>
<hr/>					
SCHOOL	MULTIPLE	Land	20,326,000	0	20,326,000
SCHOOL	MULTIPLE	Improvement	10,000	10,000	0
<b>SCHOOL</b>	<b>MULTIPLE</b>	<b>Total</b>	<b>20,336,000</b>	<b>10,000</b>	<b>20,326,000</b>
<hr/>					
TRANSIT	MULTIPLE	Land	20,326,000	0	20,326,000
TRANSIT	MULTIPLE	Improvement	10,000	10,000	0
<b>TRANSIT</b>	<b>MULTIPLE</b>	<b>Total</b>	<b>20,336,000</b>	<b>10,000</b>	<b>20,326,000</b>
<hr/>					
HOSPITAL	MULTIPLE	Land	20,326,000	0	20,326,000
HOSPITAL	MULTIPLE	Improvement	10,000	10,000	0