



This is the 7th Affidavit
of Tian Kusumoto in this case
and was made on December 1, 2025

No. S-243389
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
ECOASIS DEVELOPMENTS LLP AND OTHERS

BETWEEN:

SANOVEST HOLDINGS LTD.

PETITIONER

AND:

ECOASIS DEVELOPMENTS LLP, ECOASIS BEAR
MOUNTAIN DEVELOPMENTS LTD., ECOASIS RESORT
AND GOLF LLP, 0884185 B.C. LTD., 0884188 B.C. LTD.,
0884190 B.C. LTD., 0884194 B.C. LTD., BM 81/82 LANDS
LTD., BM 83 LANDS LTD., BM 84 LANDS LTD., BM
CAPELLA LANDS LTD., BM HIGHLANDS GOLF COURSE
LTD., BM HIGHLANDS LANDS LTD., BM MOUNTAIN
GOLF COURSE LTD. and BEAR MOUNTAIN
ADVENTURES LTD.

RESPONDENTS
AFFIDAVIT

I, Tian Kusumoto, of 228 West 5th Avenue, Vancouver, British Columbia, businessperson,
AFFIRM THAT:

1. I am a director of Sanovest Holdings Ltd. ("Sanovest") and have been since February 2021. Since June 2021, I have also been a director of the Respondent corporations in these proceedings, including Ecoasis Bear Mountain Developments Ltd., the managing partner of Ecoasis Developments LLP (the "Developments Partnership") and Ecoasis Resort and Golf LLP. Accordingly, I have personal knowledge of the facts deposed to in this affidavit except where

stated to be on information and belief, in which case I believe both the statements and information to be true.

2. I am authorized to make this affidavit on behalf of Sanovest to oppose the Application by Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of the Respondents, seeking approval of the transaction with Groundplay Developments Ltd., who I understand is an affiliate of 599315 B.C. Ltd. (“**599**”), for the *en bloc* purchase of effectively all of the Respondents’ property and business (the “**599 Bid**”).

3. For the reasons noted below, I believe that the Court should approve the superior bid submitted by Sanovest, or at the very least, direct a form of auction or other bidding process between Sanovest and 599 to maximize the amount to be paid to the “selling” equity holder for their interests in the Developments Partnership and its assets. Based on the Eighth Report of the Receiver, the equity holders (Sanovest and 599) are the “fulcrum” economic stakeholders in these proceedings and the only ones whose interests are affected by the proposed transactions.

History of the SISP

4. Beginning shortly after the Receiver’s appointment, I engaged in discussions with the Receiver regarding the proposed sale process and path forward, including that a stalking horse bid may be beneficial to the process. I advised the Receiver that Sanovest would be prepared to be a stalking horse bidder and supported the Receiver asking 599 if it wanted to be a stalking horse bidder.

5. On or about February 18, 2025, the Receiver provided a form of term sheet for a potential stalking horse bid. I understand that this was also provided to 599.

6. The Receiver had originally requested that stalking horse bids be submitted by March 14, 2025. However, since Placemark Design Studio Inc. (“**Placemark**”) was preparing a report that was expected to be relevant to anyone submitting a bid, and as that report was expected soon after the March 14 deadline, the Receiver later amended the timeline to require non-binding term sheets by March 21, 2025 and binding term sheets 10 days after delivery of the Placemark report (which was ultimately delivered in draft on April 29, 2025).

7. On or about March 14, 2025, Sanovest submitted a term sheet for a stalking horse bid to the Receiver for its consideration.

8. In early April 2025, the Receiver advised Sanovest that 599 had not yet submitted a term sheet due to a family medical emergency on the part of Mr. Matthews.

9. Throughout the spring and early summer of 2025, Sanovest had numerous discussions with the Receiver regarding the terms and structure of its proposed stalking horse bid and ended up submitting several iterations of revised stalking horse bids to the Receiver. Additionally, in early June 2025, at the Receiver's request, Sanovest allowed the Receiver to send its stalking horse bid, along with supporting calculations, to 599 for comment and consideration. Sanovest agreed to the Receiver's request to facilitate transparency and efficiency in the Receiver's discussions with the equity holders by ensuring 599 had the opportunity to consider the implications of Sanovest's proposed deal structure and terms.

10. Sanovest anticipated that 599 would reciprocate and permit disclosure of its stalking horse bid, which would similarly allow Sanovest to consider the structure and implications of 599's bid for Sanovest in its capacities both as the first ranking secured (and largest) creditor and as the other equity holder. I understand that the Receiver asked 599 if the Receiver could share its proposed stalking horse bid with Sanovest, and that 599 refused to allow the Receiver to do so.

11. As a result, 599 had access to the structure and key terms of Sanovest's proposed stalking horse bid in early June 2025, but Sanovest never received a copy of 599's proposed stalking horse bid, nor did it receive an overview of its terms.

12. Ultimately, the Receiver determined to move forward with a sale process that did not include a stalking horse bid.

13. The Receiver's Court-approved sales and investment solicitation process ("SISP") established a deadline for letters of intent of September 16, 2025 (the "**Letter of Intent Deadline**"). Sanovest submitted a bid to the Receiver in accordance with the SISP and by the Letter of Intent Deadline. Following the submission of this bid, the Receiver qualified Sanovest as a "Qualified Bidder" pursuant to the terms of the SISP, thereby qualifying Sanovest to submit a bid for the "**Final Bid Deadline**" of November 3, 2025.

14. Prior to the Final Bid Deadline, Sanovest had discussions with the Receiver regarding its offer, including whether there were any concerns with its structure or terms. Following those discussions, Sanovest sought to prepare a final bid in a form that the Receiver could recommend to the court for approval, or which, at the very least, would invite a further round of bidding, as contemplated by the SISP, among the Qualified Bidders who submitted Qualified Final Bids.

15. Since the inception of these proceedings, I expected that a sale process would result in at least some recovery for the equity holders. At the same time, I have also been consistent in my view that the best way to maximize value for the equity holders would be through an auction or bidding process among the highest bidders. I was well aware that, at the end of the process, it was possible that only the equity holders might be involved in the auction, however, to my mind, in those circumstances an auction seemed even more appropriate as it would ensure the highest price for the “selling” equity holder.

16. At all times, I was consistent in communicating to the Receiver my belief that an auction process would be appropriate. Indeed, the SISP expressly reserved to the Receiver the ability to direct the holding of an auction or some other form of run-off process following the Final Bid Deadline. While this language was permissive, my expectation was that such a process would be undertaken if the bids received were relatively close in value, and particularly if it was a contest among the equity holders.

17. I want to be clear that while the Receiver confirmed that an auction or other bidding process might be initiated after the Final Bid Deadline, the Receiver never gave any assurances that this would occur. That said, the Receiver did not indicate to me that it believed an auction – or other bidding process following the Final Bid Deadline – might not be appropriate or beneficial.

18. Given my views regarding the sale process, as discussed with the Receiver, Sanovest prepared a bid to be submitted by the Final Bid Deadline that was in a form and priced in a way such that the Receiver could either recommend the bid to the court for approval, or at the very least, qualify Sanovest to participate in an auction or any other further bidding process subsequently implemented by the Receiver .

19. On November 3, 2025, Sanovest submitted a bid to the Receiver in accordance with the SISP (the “**Initial Bid**”). Given the structure of Sanovest’s Initial Bid, which is discussed in more detail below, I explained that Sanovest’s Initial Bid could go up to an implied purchase price of approximately \$150 million without significant financial implications to Sanovest, and should that be necessary, Sanovest would be willing to increase its bid accordingly. The Initial Bid was also structured in a tax-efficient manner, with the majority of the tax consequences borne by Sanovest (though largely deferred).

20. On or about November 18, 2025, I was advised by Kibben Jackson of Fasken that the Receiver had indicated to him that it intended to select the 599 Bid as the “Successful Bidder” under the SISP and to seek court approval of their bid. Given my prior conversations with the Receiver, I was disappointed that the Receiver did not appear to intend to proceed with an auction or similar value maximizing process.

The 599 Bid is an Inferior Offer

21. On November 21, 2025, I was provided with a copy of the 599 Bid, which was the first time I had an opportunity to review and consider the terms and structure of 599’s proposed transaction. I reviewed the 599 Bid and, apart from having concerns with several of the assumptions contained in it, I did not believe that the 599 Bid represented a better outcome for all stakeholders in these proceedings, including Sanovest.

22. One of the most material concerns I have with the 599 Bid is that it contemplates that \$7.5 million of the purchase price will be paid by the purchaser issuing “Redeemable Special Shares” to the Developments Partnership. On the material available to me, it is not clear that those shares have \$7.5 million in value, or in fact have any value at all. There is no way for me to ascertain the value of the “Redeemable Special Shares” without seeing a cap table showing the total issued shares in all share classes of the company and evidence of the purchaser’s assets and their value. I have not seen any of this information, whether in the materials for the Receiver’s application for approval of the 599 Bid or otherwise.

23. Apart from the foregoing, I note that the “Redeemable Special Shares” are, by their terms, non-retractable, non-voting and non-participating, i.e. they are subordinated debt with no set

repayment entitlement. I have difficulty understanding how shares with those terms could have any value at all.

24. If no value is attributed to the “Redeemable Special Shares”, the 599 Bid purchase price is approximately \$134 million (i.e. lower than Sanovest’s Initial Bid).

25. If for some reason the Redeemable Special Shares have or are ascribed a value of \$7.5 million, the 599 Bid incorrectly assumes that 599 is entitled to a distribution of that amount. The 599 Bid ignores the pleadings and evidence in the ongoing litigation among Sanovest, 599, and the Partnership (referred to throughout these proceedings as the “Excluded Litigation”) wherein Mr. Matthews asserts that he received at least \$2.95 million of funds belonging to the Developments Partnership which he says were intended to be treated as equity distributions to 599.

26. There may be additional amounts that Mr. Matthews paid to himself from the Developments Partnership and which he may say constituted distributions to 599; however, Mr. Matthews has not yet produced the requested documents in relation to the payment of such personal expenses, so the amount is presently unknown.

27. The 599 Bid, upon closing, would immediately trigger significant tax obligations for the equity holders. Based on Sanovest’s modelling and understanding of the Partnership Agreement, on closing, the partners would immediately be liable for \$12,364,500 in taxes, of which approximately 83% would be borne by Sanovest. Attached and marked as **Exhibit “A”** is a true copy of the model prepared by Sanovest.

28. Sanovest prepared its Initial and Revised Bids consistent with its understanding of the Receiver’s views concerning distributions to the equity holders under the Partnership Agreement, which includes a priority distribution to each of the Partners on account of the tax liability each would incur as a result of a transaction. Under the 599 Bid, those liabilities are calculated by Sanovest to be \$10,232,296 for Sanovest and \$2,132,296 for 599. Those amounts would have to be distributed first, before any distribution on account of equity, and yet the 599 Bid does not contemplate any such distribution.

29. Finally, under the 599 Bid, Sanovest is expected to receive a distribution on account of its preferred equity. That distribution will only be made when all creditor claims and tax liabilities

have been quantified and paid. The timeline for doing so is unclear since (a) a claims process has not been commenced in the receivership proceedings; and (b) for several years, the Developments Partnership has been unable to finalize its financial statements. The distribution to Sanovest, which should be material (by my estimate as much as \$19 million) will seemingly be held back for an indeterminate period of time, without any provision for interest or other accommodation.

Sanovest Revised Bid

30. On November 21, 2025, after learning of the Receiver's intention to seek approval of the 599 Bid, and because it was apparent the Receiver did not intend to conduct an auction or other run-off process as I had anticipated, Sanovest delivered a revised bid (the "**Revised Bid**") to the Receiver.

31. Among other things, the Revised Bid:

- (a) contemplates the payment, at closing, of all unsecured liabilities of the Partnerships, but for the assumption of certain specified unsecured liabilities;
- (b) contemplates the assumption of all secured liabilities of the Partnership;
- (c) contemplates the payment to 599, in cash at closing, and without deductions or setoff based on prior distributions or claims against 599, of \$8 million in consideration for the cancellation of its equity interests in the Partnerships;
- (d) equates to a cash purchase price of \$157,860,000; and
- (e) results in no adverse tax consequences for the Partnerships, 599 or Sanovest (whose tax obligations are instead deferred).

32. To clarify and confirm, the Revised Bid includes a "Claim Fund" to be used to pay amounts owing to creditors (except those expressly assumed). In this regard, the definition of Claim Fund is "\$5,000,000 or such other amount as may be required to pay the Creditor Claims in full on Closing, including as may be negotiated or otherwise agreed between the Purchaser and the applicable Creditor." To the extent necessary, Sanovest will contribute additional funds to ensure that all such amounts are paid in full on closing.

33. I also confirm that, should its offer be approved and closed, Sanovest intends to continue operating the Partnerships' business without interruption, including continuing the employment of all employees (which was also the case under Sanovest's Initial Bid).

34. The Revised Bid is not subject to any conditions other than court approval. Sanovest is prepared to move to a closing of its Revised Bid immediately—and in any event before December 31, 2025—should the court approve it. Alternatively, Sanovest remains prepared to participate in an auction or other further bidding process with 599 if so directed by the court or the Receiver.

35. I swear this affidavit further to Sanovest's opposition to the Receiver's application to approve the 599 Transaction, and in support of Sanovest's request that this Court approve the superior bid submitted by Sanovest, or in the alternative, direct a form of auction process as between Sanovest and 599 to maximize value for the equity stakeholders in these proceedings.

AFFIRMED BEFORE ME at Vancouver,
British Columbia on December 1, 2025)

A Commissioner for taking Affidavits for
British Columbia

Asra Clarke
Articled Student

Fasken Martineau DuMoulin LLP
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Vancouver, BC V6C 0A3
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TIAN KUSUMOTO

This is **Exhibit “A”** referred to in the Affidavit of **Tian Kusumoto** sworn before me this 1st day of December, 2025,
at the City of Vancouver, in the Province of British Columbia



A Commissioner for Taking Affidavits for British Columbia

The following is an example of an interpretation of the distribution provisions of the LPA that would result in 599 receiving the maximum purchase price of \$8,000,000. This interpretation assumes that no distributions have already been made by the Partnership (a matter we understand is currently being litigated).

Purchase Price	\$ 157,859,232	
		Total Distributions to 599
Less Debt and Liabilities	\$ 91,225,786	\$ 12,293,483
		Less Tax (at 27%) on 599's Share of Taxable Income Resulting from Liquidation
Less Participation Fees	\$ 3,946,481	\$ 4,293,483
		Net Received by 599 on Liquidation at \$157.86M
Less Sanovest Tax Priority	\$ 12,393,483	\$ 8,000,000
Less 599 Tax Priority	\$ 4,293,483	
Less 599 Initial Entitlement	\$ 7,500,000	
Less Sanovest Initial Entitlement	\$ 7,500,000	
Less Sanovest Priority Entitlement	\$ 30,000,000	
Less Sanovest Second Equal Entitlement	\$ 500,000	
Less 599 Second Equal Entitlement	\$ 500,000	