

No. B-130443
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE BANKRUPTCY OF NORTHWEST ANGLING
ADVENTURES LTD.**

**TRUSTEE'S FIRST REPORT TO COURT
[Prepared for the March 28, 2013 Court Hearing]**

March 26, 2013



**NORTHWEST ANGLING ADVENTURES LTD.
TRUSTEE’S FIRST REPORT TO COURT**

March 26, 2013

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NORTHWEST ANGLING ADVENTURES LTD. TRUSTEE'S FIRST REPORT TO COURT

MARCH 26, 2013

1. INTRODUCTION

- 1.1 Northwest Angling Adventures Ltd. (the "Company") was assigned into bankruptcy by its sole shareholder. The assignment was filed with the Office of the Superintendent of Bankruptcy on March 14, 2013 and PricewaterhouseCoopers Inc., was appointed Trustee in Bankruptcy (the "Trustee"). Attached as **Appendix A** is the Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy Canada.
- 1.2 The purpose of this, the Trustee's first report, is to provide information to the Court in support of the Trustee's application to the court for the following:
 - 1.2.1 A declaration that the security interest claimed by Michael Uehara constitutes a fraudulent preference pursuant to Section 95 of the *Bankruptcy and Insolvency Act* ("BIA") or in the alternative, a transfer under value pursuant to s. 96 of the BIA, and is therefore void; and
 - 1.2.2 The appointment of the Trustee as Receiver pursuant to the *Law & Equity Act* in order to facilitate the preservation and sale of the Company's assets in the event that a decision regarding the security claimed by Michael Uehara cannot be determined immediately.

2. BACKGROUND

COMPANY OVERVIEW

- 2.1 The Company operates a seasonal luxury resort called King Pacific Lodge. The resort is a floating lodge that is moored in Barnard Inlet near Princess Royal Island on the west coast of British Columbia. The lodge offers wilderness and ecotourism activities in the nearby Great Bear Rainforest and sport fishing excursions. The lodge typically operates from June 1 to mid/late September and is closed during the remainder of the year.
- 2.2 The lodge has been operating since 1989 with the Company purchasing the operations in 1996. The Company's sole shareholder is indirectly controlled by Mr Morita, a resident of Tokyo, Japan. Mr. Michael Uehara, a West Vancouver

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resident, is the current president and has managed the business for approximately 18 years.

- 2.3 The Company's Directors and Officers are summarized below:

Name	Title	Status
Hidea Morita	Director/Chair	Current
Michael Uehara	Director	Resigned 27 February 2013
Hiroshi Kojima	Other Officer	Current
Michael Uehara	President	Current

BUSINESS OPERATIONS

- 2.4 The typical operating season for the lodge is from June 1 to mid/late September. Guests have historically been flown by charter aircraft from Vancouver to Bella Bella and then from Bella Bella to the Lodge by sea plane. The typical length of stay is 4 days. Guests can book their visits to the lodge at any time during the year by placing deposits to secure their reservation. Full payment for guest visits are due 90 days prior to a guest's arrival.
- 2.5 At the end of an operating season, the guest lodge, staff lodge and the fishing boats are relocated to Prince Rupert. The floating lodges are moored in a remote location close to Prince Rupert under contract with Wainwright Marine Ltd., and regularly checked by security personnel. All fishing boats, outboards, tour equipment and other items requiring maintenance are stored by various suppliers either in Prince Rupert or in Vancouver.
- 2.6 March 1 to May 31 is typically a critical period for the Company's operations. During this period, most of the significant preparations are made for the summer operating season. In particular, during this period the following tasks are required to be undertaken:
- 2.6.1 The Company initiates its marketing and advertising campaigns and significant sales activity is undertaken to secure and confirm bookings. Approximately one half of the typical guest volume provides deposits by March 1 each year;

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- 2.6.2 Maintenance activities not completed during the fall/winter period are completed to ensure the lodges, boats and other equipment are ready for the operating season;
- 2.6.3 Detailed supply inventories are conducted and provisions for the summer season are procured and transported to Prince Rupert to load on the lodges. An estimated 80% of the provisions are purchased prior to the operating season;
- 2.6.4 Staff are secured for the operating season; and
- 2.6.5 The lodges and the fishing boats are relocated, along with many staff, from Prince Rupert back to Barnard Inlet to ready the lodges for a June 1 opening.
- 2.7 During the operating season, the Company maintains employment for approximately 30 staff who live in a staff lodge adjacent to the guest lodge. The guest lodge contains 17 rooms and guest capacity is considered to be approximately 34 guests.
- 2.8 The Company maintains an administration office in North Vancouver, B.C. that is typically staffed by 4-5 personnel during the year.

CAUSES OF FINANCIAL DIFFICULTY

- 2.9 The Company's revenue peaked in 2007 after which the economic recession contributed to significantly lower revenues. Operating expenses were not adjusted sufficiently and the Company incurred losses for 2008 to 2011. In 2010, revenues had declined to approximately 40% of their peak but recovered to approximately 60% of their peak in 2012. In 2012, the Company earned a small income.
- 2.10 The ongoing operating losses were funded by the Company's shareholder and Michael Uehara but, despite this support, the Company's liquidity position became strained.
- 2.11 The Company was in arrears with its HST remittances to CRA and during the two months leading up to the date of bankruptcy, CRA seized approximately \$208,000

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of the Company's funds from its bank account pursuant to a requirement to pay in order to satisfy the balance owing.

- 2.12 The Company's liquidity further suffered as the Company's in-house accountant recently resigned after she confessed to that RCMP that she had taken an estimated \$650,000 of the Company's funds during the past four years and used them for personal use.
- 2.13 The Company's sole shareholder declined to provide further financial support for the Company which resulted in the bankruptcy assignment.

3. FINANCIAL POSITION

- 3.1 Attached as **Appendix B** is a copy of the sworn Statement of Affairs as at March 21, 2013. A summary of the Company's financial position is presented below:

Description	\$'000	\$'000
Assets		
Cash	28	
Inventory	32	
Furniture and Fixtures	18	
Boats and Other Equipment	353	
Lodges and Docks	5,595	
Vehicles	16	6,042
Liabilities		
Secured Creditors	28	
Customer Deposits	622	
Other operating liabilities	1,363	
Shareholder loan	9,576	
Michael Uehara	2,669	14,258
TOTAL DEFICIENCY		(8,216)

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SUMMARY OF ASSETS

- 3.2 Cash – The Company maintained bank accounts at the Toronto Dominion Bank and the Royal Bank of Canada (“RBC”). The Trustee has seized \$27,705 from the RBC account and \$420.80 in petty cash.
- 3.3 Inventory – consists of mainly supplies inventory stored on the lodges.
- 3.4 Furniture & Fixtures - relates primarily to head office furniture.
- 3.5 Boats and Other Equipment - consists mainly of 12 fishing boats 18-22’ in length that, along with most of the outboard motors are currently being stored in dry storage with Bridgeview Marine Ltd. in Prince Rupert. Other equipment is either on the lodges or in the hands of other suppliers who were conducting winter maintenance on them.
- 3.6 Lodges and Docks – The staff and guest lodges comprise 90% of the Company’s asset value and are moored in Prince Rupert at a moorage leased from a significant unsecured creditor, Wainwright Marine Services Ltd. (“Wainwright”) The Trustee has entered into an agreement with Wainwright to continue to moor the lodges in Prince Rupert. Arrangements have been made to continue security surveillance of the lodges.
- 3.7 Vehicles – consists of one vehicle used by Michael Uehara which is subject to a lease. Based on a preliminary review, the Trustee does not expect that any equity is available to the unsecured creditors for the leased vehicle.

SUMMARY OF LIABILITIES

- 3.8 Secured Claims - This relates to secured claims of approximately \$6,000 for employee wages owing pursuant to s.81.3 of the BIA as well as the balance of the lease for the vehicle used by Michael Uehara. A copy of the results of a search of the personal property registry (“PPR”) on March 4, 2013 is attached as **Appendix C**.
- 3.9 Customer Deposits – Approximately 242 customers have placed deposits with the Company to secure their reservation for visits during the 2013 operating season.

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These deposits were not held in trust and therefore these customers are considered unsecured creditors.

- 3.10 Other operating liabilities – these liabilities are further detailed in the table below:

Creditor type	No.	\$'000
Employees	39	122
Statutory Claims	2	12
Trade Creditors	124	1,229
Total	165	\$1,363

- 3.10.1 Employees are owed approximately \$119,000 collected as gratuities from guests during the 2012 summer season that have not been distributed to the employees. Further, approximately \$2,000 is owed to employees for current wages at the date of bankruptcy in excess of the employees' secured claim pursuant to the BIA of approximately \$6,000 as noted above;
- 3.10.2 Statutory claims relate to approximately \$7,300 owing in relation to unpaid source deductions and approximately \$5,000 owing for WCB premiums.
- 3.10.3 Most trade payables relate to unpaid balances from the 2012 operating season and winter maintenance/storage liabilities. The Trustee notes that Bridgeview Marine Ltd. and Wainwright may be able to exert possessory or marine lien claims.
- 3.11 Shareholder loan – this balance is owed to a company indirectly controlled by the Company's sole shareholder.
- 3.12 Michael Uehara – this balance represents past wages due to Mr. Uehara, advances made by Mr. Uehara and accrued interest claimed for these unpaid balances. This claim is further described in section 4 below.

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4. SECURITY INTEREST CLAIMED BY MICHAEL UEHARA

- 4.1 As noted above, Michael Uehara has filed a secured claim with the Trustee in the amount of \$2,669,421.30 (the "Uehara Claim"). A copy of this claim is attached as **Appendix D**. Components of the claim are summarized in the table below:

Component	Amount
Salary Arrears	\$1,274,385.98
Interest – pre Management Agreement	\$645,029.42
Interest - post Management Agreement	\$25,260.51
Advances – pre Management Agreement	\$600,000.00
Advances – post Management Agreement	\$124,746.44
Total	\$2,669,421.30

- 4.2 The Uehara Claim relies upon an agreement between Michael Uehara and the Company dated December 12, 2011 (the "Management Agreement") in which the Company agreed to repay certain Advances and pay Salary Arrears and Interest (as the terms are defined in the Management Agreement). The Company further agreed to grant a security interest over all the present and after acquired property of the Company to secure these obligations. The Management Agreement does not provide security for any future obligations that the Company may have to Michael Uehara.
- 4.3 The Uehara Claim further relies upon a General Security Agreement ("GSA") dated December 12, 2011, which grants a security interest in all of Northwest's present and after acquired personal and real property and the proceeds thereof. A financing statement was registered in respect of this GSA in the PPR on February 26, 2013.
- 4.4 The Trustee has disallowed a portion of the Uehara Claim and a portion of the security pursuant to its Notice of Disallowance dated March 25, 2013. A copy of the Notice of Disallowance is attached as **Appendix E**.

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- 4.5 In addition to the issues raised in the Trustee's Notice of Disallowance, the Trustee has concluded that the granting of security by the Company was a preference pursuant to S. 95 of the BIA and a transfer under value pursuant to S. 96 of the BIA. As a result, the Trustee is seeking a declaration from the Court that the granting of the security was a preference pursuant to S. 95 and/or a transfer under value pursuant to S. 96 and is therefore void.
- 4.6 A summary of the Trustee's preliminary findings and analysis of the Uehara Claim is attached as **Appendix F**.

5. PROPOSED RECEIVERSHIP

- 5.1 The Company's financial statements indicate that operating results improved significantly in 2012 over 2011, once adjusted for the non-operating cost arising from the theft of funds, indicate that the Company had returned to profitability. As a result, the Trustee expects that the value of the business would be maximized if it were sold on an *en-bloc* basis as a going concern with the view of preserving the current bookings and customer base.
- 5.2 Currently, the Trustee is unable to operate the business or proceed with a sales process due to a lack of available funds as result of the following:
 - 5.2.1 The Trustee is not able to obtain financing in light of the uncertainty surrounding the status of Michael Uehara's claim. In the event that Michael Uehara's security is determined to be valid, the Trustee would have no recourse to the Company's assets to fund either operating costs or simply the costs of preserving and protecting the Company's assets during a sales process if the business is not operated;
 - 5.2.2 The cash seized by the Trustee is subject to the security claimed by Michael Uehara and would not be available to fund these costs in the event that the security is determined to be valid; and
 - 5.2.3 Currently, the Trustee's costs of administration have been guaranteed to a maximum of \$40,000 by Mr. Morita. After factoring in the professional costs of the Trustee, the current monies available to the Trustee are

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insufficient to fund the administration during even a short four week sales process.

- 5.3 The Trustee has taken possession of the Company's assets and estimates that its ongoing monthly costs to preserve and protect the assets are as follows:

Description	\$/Month
Wages	3,500
Office Rental	4,511
Insurance	7,020
Boat Storage	1,200
Lodge Mooring Costs	4,390
Lodge Security	2,400
Web maintenance	750
Utilities	1,500
Total Costs	25,271

- 5.4 As the Trustee is unable to operate the business, the Trustee recommends that a short sales process be implemented in an effort to find a new operator with sufficient financing to restart the Company's operations in time to preserve a portion of the 2013 summer operating season. The Trustee believes that a new operator would be interested in an expedited purchase so that it could preserve the current bookings for 2013. The Trustee estimates that a sale must occur by April 30, 2013 in order to enable a new operator to ready the operations for a late start to the season on July 1, 2013.
- 5.5 Implementation of a sales process is currently impeded by the uncertainty surrounding the determination of Michael Uehara's secured claim. The Trustee is unable to offer clear title to the assets to any purchaser, and needs financing in order to implement the sales process. The 30 day appeal period of the Trustee's Notice of Disallowance and/or the time it will take to hear the Trustee's application for a declaration pursuant to s. 95 or s.96 will serve to delay the commencement of the sales process.
- 5.6 In order to facilitate the sales process, and to allow for the preservation of value in the Company's assets, the Trustee recommends that the Court appoint an

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equitable Receiver. The Receiver would require the ability to charge the Company's assets to fund the sales process and the authority to sell the Company's assets, subject to court approval with a vesting order to convey clear title.

This report is respectfully submitted this 26th day of March 2013.

PricewaterhouseCoopers Inc.

Trustee of the Estate of Northwest Angling Adventures Ltd., a bankrupt



**Neil Bunker, CA, CIRP
Vice President**



**Jonathan Reimche, CA, CIRP
Vice President**

APPENDIX A

**Certificate of Appointment issued by the
Office of the Superintendent of Bankruptcy Canada**



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of: British Columbia
Division No.: 03 - Vancouver
Court No.: 11-1725231
Estate No.: 11-1725231

In the Matter of the Bankruptcy of:

Northwest Angling Adventures Ltd.

Debtor

PRICEWATERHOUSECOOPERS INC.

Trustee

Ordinary Administration

Date and time of bankruptcy:	March 14, 2013, 15:01	Security:	\$0.00
Date of trustee appointment:	March 14, 2013		
Meeting of creditors:	April 04, 2013, 10:00 700 - 250 HOWE STREET VANCOUVER, British Columbia Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: March 14, 2013, 18:03

E-File/Dépôt Electronique

Official Receiver

#2000 - 300 W. Georgia St., Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

APPENDIX B

Statement of Affairs dated March 21, 2013

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

☒ Original

☐ Amended

-- Form 78 --

Statement of Affairs (Business Bankruptcy) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the bankruptcy of
Northwest Angling Adventures Ltd.

To the bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 14th day of March 2013. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES
(as stated and estimated by the officer)

1. Unsecured creditors as per list "A"	11,562,208.40
Balance of secured claims as per list "B"	4,645.02
Total unsecured creditors	11,566,853.42
2. Secured creditors as per list "B"	2,691,500.01
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	14,258,353.43
Surplus	NIL

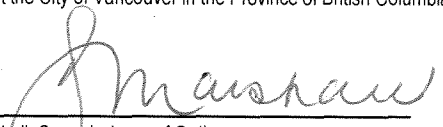
ASSETS
(as stated and estimated by the officer)

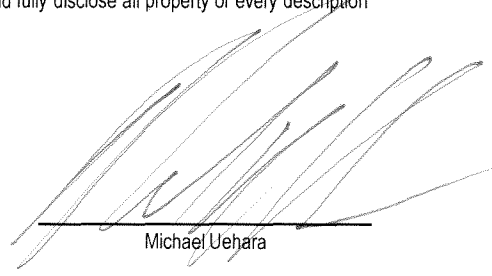
1. Inventory	31,556.53
2. Trade fixtures, etc.	10,315.38
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
Doubtful	0.00
Bad	0.00
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F" ..	0.00
5. Deposits in financial institutions	0.00
6. Cash	27,420.80
7. Livestock	0.00
8. Machinery, equipment and plant	352,841.14
9. Real property or immovable as per list "G"	0.00
10. Furniture	8,580.89
11. RRSPs, RRIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	16,000.00
15. Other property, as per list "H"	5,595,000.00
If bankrupt is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	6,041,714.74
Deficiency	8,216,638.69

I, Michael Uehara, of the City of North Vancouver in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 21st day of March 2013 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)

before me at the City of Vancouver in the Province of British Columbia, on this 21st day of March 2013.


Patricia Marshall, Commissioner of Oaths
For the Province of British Columbia
Expires Nov. 30, 2013


Michael Uehara

PATRICIA A. MARSHALL
A Commissioner for taking affidavits
for the province of British Columbia
250 Howe Street, Suite 700
Vancouver, BC V6C 3S7
Expires November 30, 2013

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Continued

List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	A&A Contract Customs Brokers	Suite 101, 120 - 176th Street Surrey BC V3S 9S2	61.60	0.00	61.60
2	Agg, Jane & Mike	#3E-1067 Marinaside Crescent Vancouver BC V6Z 3A4	12,676.80	0.00	12,676.80
3	Air Canada	7373 Cote Vertu Ouest Dorval QC H4Y 1H4	160.69	0.00	160.69
4	Albek, Mario	6926 Montagnola P.O. Box 213 Switzerland	15,672.40	0.00	15,672.40
5	Albrite	1371 Kebet Way Port Coquitlam BC V3C 6G1	0.00	0.00	0.00
6	American Express	PO Box 7000 STN B Willowdale ON M2K 2R6	1,019.16	0.00	1,019.16
7	American Express Centurion	154 Edward Street BN2 3T2 Brighton UK	2,009.50	0.00	2,009.50
8	Andrew Harper Travel	Suite 450, 601 Oakmont Lane Westmont IL 60559	1,216.00	0.00	1,216.00
9	Angel, Tonya	2006 Burntleaf Place GREENSBORO NC 27410	2,000.00	0.00	2,000.00
10	Archery Marketing	1337 East 15th Street North Vancouver BC V7J 1K9	616.50	0.00	616.50
11	ArcTeryx	100 - 2155 Dollarton Hwy North Vancouver BC V7H 3B2	21,000.00	0.00	21,000.00
12	Arctig	3008 Spring Street Port Moody BC V3H 1Z8	25,000.00	0.00	25,000.00
13	Armstrong, Hillary	39 Cliffview Lane RR#2 Westport ON K0G 1X0	14,512.00	0.00	14,512.00
14	Bandstra Transportation	9920 River Drive Richmond BC V6X 3S3	8,283.71	0.00	8,283.71
15	Barnhart Jr., William "Gordon"	515 Terrace Avenue Cincinnati OH 45220	4,577.25	0.00	4,577.25
16	Baxendale, Carlee	3776 Privateers Drive Pender Island BC V0N 2M2	3,557.55	0.00	3,557.55
17	Bernard & Peters	Attn: Paul Mooney 1500-570 Granville Street Vancouver BC V6C 3P1	0.00	0.00	0.00
18	Binkley, Manse	2550 Enterprise Way Kelowna BC V1X 7X5	7,044.78	0.00	7,044.78
19	Biovia Organic Link	1449 Powell Street Vancouver BC V5L 1G8	4,397.59	0.00	4,397.59
20	Blanchet, Francois	08 Ch Du Grand Duc Masonville QC J0E 1X0	2,328.74	0.00	2,328.74
21	Bouwmeister, Gary & Melissa	4812 Vandrof Rd Whitchurch-Stouffville ON L4A 7X5	11,176.00	0.00	11,176.00
22	Bridgeview Marine	8550 River Road Delta BC V4G 1B5	80,839.01	0.00	80,839.01

21-Mar-2013

Date

Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Continued

List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
23	Brunette, Al & Brenda	5716 Burbank Cres. SE Calgary AB T2H 1Z6	10,125.50	0.00	10,125.50
24	Buttler, Tiffany	1111 Beach Ave Apt #304 Vancouver BC V6E 1T9	1,307.76	0.00	1,307.76
25	BWireless	551 Robson Street Vancouver BC V6B 1A6	344.96	0.00	344.96
26	Byszio, Ulrich	Unknown Unknown BC	2,386.60	0.00	2,386.60
27	Canada Revenue Agency	Tax Services Office PO Box 11575 Stn Main Surrey BC V3T 0E5	7,250.99	0.00	7,250.99
28	Canada Revenue Agency	PO Box 11575 Stn Main Surrey BC V3T 0E5	0.00	0.00	0.00
29	Canadian Springs	6560 McMillan Way Richmond BC V6W 1L2	3.08	0.00	3.08
30	Canadian Tire	P.O. Box 770 Station K Toronto ON M4P 2V8	134.39	0.00	134.39
31	Champagne, Charity	#510 - 2033 Comox Street Vancouver BC V6G 1S1	2,853.03	0.00	2,853.03
32	Ching, Ann & Wallace	591 Paikau Street Honolulu HI 96816	6,551.20	0.00	6,551.20
33	CIBC	PO Box 4595 STN A Toronto ON M5W 4X9	45,000.00	0.00	45,000.00
34	Coastal Propane	PO Box 7 Prince Rupert BC V8J 3P4	1,800.13	0.00	1,800.13
35	Constant Contact	Reservoir Place 1601 Trapelo Road, 02451 Waltham MA	0.00	0.00	0.00
36	Corrine LaPlante	Suite 201, 155 19th Street East North Vancouver BC V7L 2Y9	0.00	0.00	0.00
37	Crest Hotel Ltd	222 1st Avenue West Prince Rupert BC V8J 1A8	510.66	0.00	510.66
38	Crigler, Rebecca	2311 Mandeville Canyon Road Los Angeles CA 90049	975.00	0.00	975.00
39	Currie, Jonathan	3776 Privateers Road Pender Island BC V0N 2M2	3,590.55	0.00	3,590.55
40	Cushman, Christina & Louis	Unknown Unknown BC	8,612.00	0.00	8,612.00
41	Daley, Dale	Unknown Unknown BC	4,692.00	0.00	4,692.00
42	Danes, Brodie	209 Wee Xaa Blvd Hartley Bay BC V0V 1A0	1,189.13	0.00	1,189.13
43	DC Coastal Marine	206 Alberta Place Prince Rupert BC V8J 3X8	4,032.00	0.00	4,032.00
44	de Ravenel, Jackie & Jean Charles	Unknown Unknown BC	5,588.00	0.00	5,588.00

21-Mar-2013

Date

Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Continued

List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
45	Dell Financial Services	PO Box 8751 Station A Toronto ON M5W 3C2	3,880.71	0.00	3,880.71
46	Diamond, Marilyn & Terry	Unit 5502 950 North Michigan Avenue Chicago IL 60611	7,458.40	0.00	7,458.40
47	Document Systems	12111 Riverside Way Richmond BC V6W 1K8	2,088.74	0.00	2,088.74
48	Douglas Reynolds Gallery	2335 Granville Street Vancouver BC V6H 3G4	3,679.27	0.00	3,679.27
49	DSD	12111 Riverside Way Richmond BC V6W 1K8	2,088.74	0.00	2,088.74
50	Dueck, David & James	5630 Angus Drive Vancouver BC V6M 3N6	10,720.40	0.00	10,720.40
51	Dundas, Floyd	Box 20 Hartley Bay BC V0V 1A0	2,893.55	0.00	2,893.55
52	Dundas, Frank	Box 20 Hartley Bay BC V0V 1A0	3,039.23	0.00	3,039.23
53	E & B Helicopters	P.O Box 1000 Campbell River BC V9W 6Y4	177,835.24	0.00	177,835.24
54	Eco Lab	Suite 203, 15310 - 103A Avenue Surrey BC V3R 7A2	1,883.09	0.00	1,883.09
55	Ed Wilcock	P.O Box 1000 Campbell River BC V9W 6Y4	313.59	0.00	313.59
56	Elan Travel	4553 Lakelse Avenue Terrace BC V8G 1P7	3,519.53	0.00	3,519.53
57	Emelle's Catering	177 W 7th Avenue Vancouver BC V5Y 1L8	1,306.19	0.00	1,306.19
58	Entrée Canada	Re: Butt, Colin & Lindsay 134 Abbot Street Vancouver BC V6B 2K4	8,701.50	0.00	8,701.50
59	Entrée Canada	Re: McCain 134 Abbot Street Vancouver BC V6B 2K4	39,960.20	0.00	39,960.20
60	Entrée Canada	Re: Morizio, David & Jennifer 134 Abbot Street Vancouver BC V6B 2K4	3,629.00	0.00	3,629.00
61	Entrée Canada	Re: Roberts, Wendala 134 Abbot Street Vancouver BC V6B 2K4	4,138.00	0.00	4,138.00
62	Entrée Canada	Re: Robshaw, Paul 134 Abbot Street Vancouver BC V6B 2K4	3,629.00	0.00	3,629.00
63	Evergreen Computers	1914 Lonsdale Avenue North Vancouver BC V7M 2K1	132.16	0.00	132.16
64	Everything Wine	998 Marine Drive North Vancouver BC V7P 3C4	509.87	0.00	509.87
65	Far-Met	34 W 7th Avenue Vancouver BC V5Y 1L6	219.16	0.00	219.16
66	Farr, Jerrell & Kathy	Unknown Unknown BC	5,289.00	0.00	5,289.00

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List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
67	Fear, David	40 Portman Square W1H 6LT London UK	12,423.26	0.00	12,423.26
68	Federal Express Canada Ltd	5985 Explorer Drive Mississauga ON L4W 5K6	91.39	0.00	91.39
69	Ferraz, Luiz Augusto	Rua Grecia 348 01450 010 Sao Paulo SP	8,556.00	0.00	8,556.00
70	Fisher, George	600 Txalgiu Blvd Hartley Bay BC V0V 1A0	4,124.12	0.00	4,124.12
71	Fishman, Jodie, Steven & Michael	16830 Ventura Blvd Encino CA 91436	11,864.30	0.00	11,864.30
72	Fly Angler Distributing	#204 - 5529 192 Street Surrey BC V3S 8E5	1,182.61	0.00	1,182.61
73	Franz	Unknown Unknown BC	15,947.65	0.00	15,947.65
74	Frosch International	1 East Greenway Plaza #800 Houston TX 77046	1,460.00	0.00	1,460.00
75	Frosty Refrigeration & Air	1520 10th Avenue E Prince Rupert BC V8J 2V3	4,352.62	0.00	4,352.62
76	GFS British Columbia Inc	PO Box 6 New Westminster BC V3L 4X9	19,480.53	0.00	19,480.53
77	Gilbert (North), Andrew & Joanne	Mount Lodge EX1G 9LB Devon England Bampton	10,686.80	0.00	10,686.80
78	Ginger Kid Creative	1008 - 1415 Street Georges Avenue North Vancouver BC V7L 4R9	30.00	0.00	30.00
79	Gitga'at Development Corp	Attention: Ms. Ellen Torng 654 Txalgui Blvd Hartley Bay BC V0V 1A0	0.00	0.00	0.00
80	Gitga'at First Nations	654 Txalgui Blvd Hartley Bay BC V0V 1A0	71,125.00	0.00	71,125.00
81	Gitga'at Spirit Tours	654 Txalgui Blvd Hartley Bay BC V0V 1A0	18,480.00	0.00	18,480.00
82	Global Travel International	Suite 305, 1060 Maitland Center Commons Maitland FL 32751	2,331.50	0.00	2,331.50
83	Goodman, Eleanor & Rick	1278 Cottonwood Cres Oakville ON L6M 2W7	400.00	0.00	400.00
84	Griffith, Joan & Ronald	Unknown Unknown BC	5,403.00	0.00	5,403.00
85	Groomes	Unknown Unknown BC	15,961.90	0.00	15,961.90
86	Halward, Nadia	PO Box 2334 Squamish BC V8B 0G5	3,544.86	0.00	3,544.86
87	Harbour Machining	208 Kaien Road Prince Rupert BC V8J 3R5	5,343.68	0.00	5,343.68
88	Hartley Bay Fuels	320 Hyimisaxaa Way Hartley Bay BC V0V 1A0	1,579.71	0.00	1,579.71

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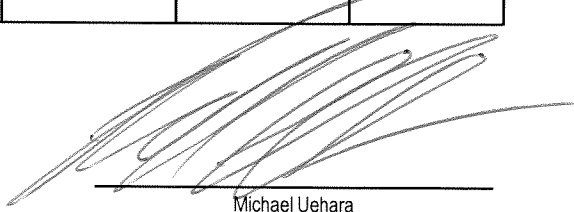
List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
89	Hezky, Peter & Heather	Unknown Unknown BC	3,629.00	0.00	3,629.00
90	Hill, Brian	747 South Emerson Street Denver CO 80209	7,699.64	0.00	7,699.64
91	Hill's Travel Service	1500 4th Street N St. Petersburg FL 33704	2,800.00	0.00	2,800.00
92	Holden, Chelsea	6674 Amwell Drive Brentwood Bay BC V8M 2C6	3,680.27	0.00	3,680.27
93	Horsman, Christie	610 - 1060 Albernie Street Vancouver BC V6E 4K2	112.61	0.00	112.61
94	Hotel Association of Canada Inc.	Suite 1206, 130 Albert Street Ottawa ON K1P 5G4	448.00	0.00	448.00
95	Hub Insurance	3875 Henning Drive Burnaby BC V5C 6N5	0.00	0.00	0.00
96	Huff, Lucy & Robert	2238 Wingfield Rd Charlottesville VA 22901	3,629.00	0.00	3,629.00
97	Hutchins, Roberta & Ward	1130 East Mountain Drive Santa Barbara CA 93108	2,000.00	0.00	2,000.00
98	Imperial Parking Canada Corporation	PO Box 2072 Station Main Vancouver BC V6B 3S3	806.34	0.00	806.34
99	Infosat	3140 - 114th Avenue SE Calgary AB T2Z 3V6	801.63	0.00	801.63
100	Inn on the Harbour	720 1st Ave W Prince Rupert BC V8J 3V6	905.00	0.00	905.00
101	Intercity Packers	1575 Kootenay Street Vancouver BC V5K 4Y3	25.04	0.00	25.04
102	JAC Travel	Re: Pawlik, Dieter Suite 305 - 1847 Broadway W Vancouver BC V6J 1Y6	14,591.19	0.00	14,591.19
103	Jefferys, Catherine & Paul	Unknown Unknown BC	8,654.00	0.00	8,654.00
104	Jeffries, Celline	4609 Woodburn Road West Vancouver BC V7S 2W5	2,877.15	0.00	2,877.15
105	Johnson, Andrew, Forrest & Christoper	567 Montara Way Eugene OR 97405	24,623.84	0.00	24,623.84
106	Jonview Canada	Place du Parc, 300 Leo-Pariseau Montreal QC H2X 4C2	840.00	0.00	840.00
107	Kaplan, Jon	655 Alvarado Street San Francisco CA 94114	57,120.00	0.00	57,120.00
108	KFFVX	Floor 200 3223 - 3rd Avenue South Seattle WA 98134	75.00	0.00	75.00
109	Kittle, Annie & Tucker	1426 Ladue Lane Sarasota FL 34231	6,729.00	0.00	6,729.00
110	Kristoff Trucking	P.O. Box 201 Port Edward BC V0V 1G0	680.91	0.00	680.91

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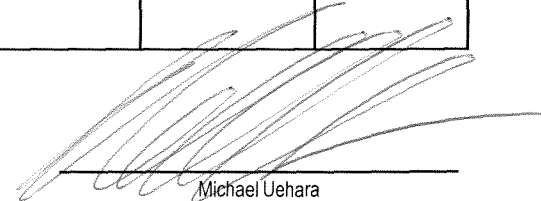
List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
111	Kuoni Travel	Neue Hard 7 CH-8010, Switzerland Zurich	2,058.00	0.00	2,058.00
112	Lakelse Air	3550 Highway 16 East Terrace BC V8G 5J3	3,820.76	0.00	3,820.76
113	Laking, Jennifer	Unknown Unknown BC	10,806.00	0.00	10,806.00
114	Lalonde, Leanne	#602 - 683 Victoria Park Avenue West North Vancouver BC V7M 0A2	5,820.34	0.00	5,820.34
115	Law, Matiele	C/O Hill Barrett Travel 14479 Woodinville Redmon Rd NE Woodinville WA 98072	21,006.80	0.00	21,006.80
116	Leader Sales & Marketing	34764 Prior Avenue Abbotsford BC V2S 8G7	2,424.80	0.00	2,424.80
117	Lefton, Donald	1900 S. Bayshore LN Miami FL 33133	2,000.00	0.00	2,000.00
118	Leitner, Karen & Fred	26 Canadiana Drive Thornhill ON L3T 2Y6	4,278.00	0.00	4,278.00
119	Leslie, Magnus	5636 Edgewater Blvd. Minneapolis MN 55417	5,358.40	0.00	5,358.40
120	Lloyd's Boat Place	8550 River Road Delta BC V4G 1B5	8,453.24	0.00	8,453.24
121	Love My Choice	#120 - 3757 Jacombs Road Richmond BC V6V 2R3	3,888.64	0.00	3,888.64
122	Lucia Hernandez	#71 - 2978 Whister Way Coquitlam BC V3E 3R8	0.00	0.00	0.00
123	Lussier, Arthur	2595 White Rapids Road Nanaimo BC V9X 1E6	4,460.06	0.00	4,460.06
124	LuxuryScapes	1231W Brandon By Brandon FL 33511	2,708.60	0.00	2,708.60
125	Magellan Public Relations	SW18 1DY #48 - 52 Fairfield Street London UK	386.73	0.00	386.73
126	Mammadov, Samir	PricewaterhouseCoopers LLP 1201 Louisiana, Suite 2900 Houston TX 77002-5678	24,758.00	0.00	24,758.00
127	Manulife Financial	Attn: Jan Spilowey PO Box 1900, Stn C Kitchener ON N2G 4R4	4,000.15	0.00	4,000.15
128	Marion, Patrick	#6 - 2704 Draper Avenue Ottawa ON K2H 6Z9	3,618.26	0.00	3,618.26
129	Marziale, Mary-Ellen & Roberto	Via Bagenia 14 6926 Montagnole Switzerland	5,278.00	0.00	5,278.00
130	Massullo, Ralph	3244 W. Castle Pines Loop Le Canto FL 34461	9,222.00	0.00	9,222.00
131	Maui Jim Canada ULC	Station A P.O. Box 3556 Toronto ON M5W 3G4	320.96	0.00	320.96

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List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
132	Mavredakis, Christie & John	83 Crest Road East Rolling Hills CA 90274	5,000.00	0.00	5,000.00
133	Mayfield Jr., Jack	1819 St. James Pl Houston TX 77056	19,788.00	0.00	19,788.00
134	McCauley, Dan	PO Box 1143 Gabribaldi Heights BC V0N 1T0	3,484.25	0.00	3,484.25
135	McCleery, Jesse	#602 - 683 Victoria Park Avenue West North Vancouver BC V7M 0A2	5,318.94	0.00	5,318.94
136	McGill, Alison	7 Bridlewood Blvd Limehouse ON L0P 1H0	1,680.00	0.00	1,680.00
137	McCloughlin, Karen	Unknown Unknown BC	3,933.60	0.00	3,933.60
138	Meier, Christina & Kerstin	In der Brunnmatt 1 Untereengstringen, 8103, Switzerland Zurich	6,538.50	0.00	6,538.50
139	Metlakatla Ferry Service	P.O. Box 224 Prince Rupert BC V8J 3P6	10,080.00	0.00	10,080.00
140	MeTV KVOS - TV	#108 - 3111 Newmarket Street Bellingham WA 98226	1,000.00	0.00	1,000.00
141	Meyer, Gabriella	603 - 1483 Lameys Mill Road Vancouver BC V6H 3Y7	4,566.39	0.00	4,566.39
142	Mikuni Wild Harvest	134 Drake Road Kelowna BC V1V 1X2	297.22	0.00	297.22
143	Minister of Agriculture and Lands	3726 Alfred Avenue, Bag 5000 Smithers BC V0J 2N0	525.00	0.00	525.00
144	Morehouse, Laura	1296 Scarboroud Rd Bowen Island BC V0N 1G1	6,191.93	0.00	6,191.93
145	Morita Co. Inc.	255 1st Street W, Suite 214 North Vancouver BC V7M 3G8	145,863.80	0.00	145,863.80
146	Morris, Diane	2550 Scott Street San Francisco CA 94115	3,718.32	0.00	3,718.32
147	Morris, John	12310 Charlotte Dr Alpharetta GA 30004	9,226.59	0.00	9,226.59
148	Needler, Barry	1011 19th Side Road King City ON L7B 1K5	2,346.00	0.00	2,346.00
149	Nicholls, Jeffrey	772 Westbury Road Victoria BC V8Y 1G7	3,519.10	0.00	3,519.10
150	North Coast Cetacean Society	446 Hayimiisaxaa Way Hartley Bay BC V0V 1A0	3,232.90	0.00	3,232.90
151	North Pacific Seaplanes	PO Box 99 Prince Rupert BC V8J 3P4	3,026.55	0.00	3,026.55
152	North-Co-Corp Ferry Services Ltd	PO Box 224 Prince Rupert BC V8J 3P6	770.85	0.00	770.85
153	Northwest Fuels Ltd	240 Kaien Road Cardlock BC	76.31	0.00	76.31
154	Ogle, Liam	1296 Scarboroud Rd Bowen Island BC V0N 1G1	4,718.94	0.00	4,718.94
155	Orlowski, Michael	2172 Kathleen place Whistler BC V0N 1B4	796.65	0.00	796.65

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List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
156	Pacific Coastal Airlines	Unit 204, 4440 Cowley Crescent Richmond BC V7B 1B8	0.00	0.00	0.00
157	Pacific Net & Twine	3731 Moncton Street Richmond BC V7E 3A5	3,090.39	0.00	3,090.39
158	Paladin Security	295 - 4664 Lougheed Highway Burnaby BC V5C 5T5	83.83	0.00	83.83
159	Pence, Melissa & Tom	Suite 310 900 E. 96th Street Indianapolis IA	2,639.00	0.00	2,639.00
160	Pestell, Don	Unknown Unknown BC	12,659.20	0.00	12,659.20
161	Peter, Douglas & Lynne	15 Heron Trail RR3 New Market ON L3Y 4W1	4,126.40	0.00	4,126.40
162	Pitney Bowes	PO Box 278 Orangeville ON L9W 2Z7	1,117.88	0.00	1,117.88
163	Primus	PO Box 4662 STN A Toronto ON M5W 5H4	58.50	0.00	58.50
164	Pryke Lambert Leathley Russell LLP	5811 Cooney Road Richmond BC V6X 3M1	2,003.99	0.00	2,003.99
165	Purolator	PO Box 1100 ETOBICOKE POST STN A Etobicoke ON M9C 5K2	17.76	0.00	17.76
166	Raunig, Thomas (Tom)	240 Makee Rd. #7A Honolulu HI 96815	9,384.80	0.00	9,384.80
167	Raykay Inc.	C/O Warren Price - Price Okamoto Himeno & Lum 707 Richards St. Suite 728 Honolulu HI 96813	9,566,822.00	0.00	9,566,822.00
168	Receiver General	11 Laurier Street, Phase III, Place du Portage Gatineau QC K1A 0S5	1.00	0.00	1.00
169	Reece, Donald	642 Txalgiu Blvd Hartley Bay BC V0V 1A0	3,190.63	0.00	3,190.63
170	Reece, Simone	534 Towersville Road Hartley Bay BC V0V 1A0	2,287.15	0.00	2,287.15
171	RHR Offshore, LP	Suite 300 - 500 Crescent Court Dallas TX 75201	64,698.69	0.00	64,698.69
172	Roberts, Margot & Steven	2051 Somero Road Ely MN 55731	3,629.00	0.00	3,629.00
173	Robinson, Darryl	141 Hayimisaxaa Way Hartley Bay BC V0V 1A0	4,004.45	0.00	4,004.45
174	Robinson, Marisa	660 Txalgiu Blvd Hartley Bay BC V0V 1A0	1,455.44	0.00	1,455.44
175	Robinson, Shelby-Mae	654 Txalgiu Blvd Hartley Bay BC V0V 1A0	3,218.70	0.00	3,218.70
176	Rogers	100 Westmorland Street Moncton NB E1C 0G1	952.14	0.00	952.14
177	Rohrlick, Steve & Victoria	237 26th Street Del Mar CA 92014	2,639.00	0.00	2,639.00

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List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
178	Rosewood Hotel Georgia	801 West Georgia Street Vancouver BC V6C 1P7	1,567.92	0.00	1,567.92
179	Rosewood Hotels & Resorts	Suite 300 - 500 Crescent Court Dallas TX 75201	21,250.02	0.00	21,250.02
180	Rosewood Hotels & Resorts, LLC U\$	Suite 301 - 501 Crescent Court Dallas TX 75202	54,062.03	0.00	54,062.03
181	Schmoller, Beth & Eberhard	409 Claremont Way Menlo Park CA 94025	4,671.68	0.00	4,671.68
182	Schroeder, Kenneth	14545 Manuella Road Los Altos CA 94022	16,766.48	0.00	16,766.48
183	Schwartz, Elora M	2119 Geulph St Vancouver BC V5T 3N7	4,764.08	0.00	4,764.08
184	Self Storage Depot	1175 West 1st Street North Vancouver BC V7P 3T4	470.40	0.00	470.40
185	Seres, Joel	4175 SW Greenleaf Drive Portland OR 97221	8,252.80	0.00	8,252.80
186	Seven Seas Fish Co Ltd	12411 Vulcan Way Richmond BC V6V 1J7	814.78	0.00	814.78
187	Shaw	PO Box 2530 STN M Calgary AB T2P 0C2	235.24	0.00	235.24
188	Sklar, Peter & Jeannie	Unknown Unknown BC	5,328.00	0.00	5,328.00
189	Sokoloff, Kiril	PO Box 2087 109 Boulder View Lane Boulder CO 83340	7,983.50	0.00	7,983.50
190	Spectacular Ink	#509 - 55 East Cordova Vancouver BC V6A 0A5	7,203.87	0.00	7,203.87
191	Stanley, Craig & Mathew	23 Sterling Road South Armonk NY 10504	6,551.20	0.00	6,551.20
192	Staples	FCDQ PO Box 8601 STN Centre-ville Montreal QC H3C 3V2	425.57	0.00	425.57
193	Starlynx Communications	1080 Main Street Smithers BC V0J 2N0	10,884.38	0.00	10,884.38
194	Starr, Paul	8496 Lazy Creek Court Springfield VA 22153	5,598.76	0.00	5,598.76
195	Strong, Donna & Richard	Suite 200 115 South 84th Street Milwaukee WI 53214	3,376.88	0.00	3,376.88
196	Summers, Paul & Susan	Unknown Unknown BC	3,629.00	0.00	3,629.00
197	SunCruiser Oublishing Inc	Suite 7 - 3310 Appaloosa Road Kelowna BC V1V 2W5	465.00	0.00	465.00
198	Sylvestre Contracting	703 Ritchie Street Prince Rupert BC V8J 3S9	1,000.00	0.00	1,000.00
199	Tabas, Charles	1443 Lanes End Villanova PA 19085	7,480.40	0.00	7,480.40
200	TD Canada Trust	PO Box 300 TD Centre Toronto ON M5K 1K6	0.00	0.00	0.00

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List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
201	Teece, David	227 Tunnel Road Berkeley CA 94705	9,551.30	0.00	9,551.30
202	Telus	PO Box 13101STN Terminal Vancouver BC V6B 5X9	1,430.15	0.00	1,430.15
203	Telus Mobility	PO Box 8950 STN Terminal Vancouver BC V6B 3C3	1,622.59	0.00	1,622.59
204	TFO Holdings, LLC US\$	8105 Sovereign Row Dallas TX 75247	0.00	0.00	0.00
205	The Electrician	735 1st Avenue West Prince Rupert BC V8J 1B2	4,313.90	0.00	4,313.90
206	The Fairmont Vancouver Airport	3111 Grant McConachie Way Richmond BC V7B 0A6	966.90	0.00	966.90
207	Toth, Krisztina	2114 MacDonald Street Vancouver BC V6K 3T4	3,005.49	0.00	3,005.49
208	Tourism British Columbia	Suite 12 - 510 Burrard Street Vancouver BC V6C 3A8	0.00	0.00	0.00
209	Tower Radio	2809 Kalum Street Terrace BC V8G 2M4	7,236.42	0.00	7,236.42
210	Toyota Credit Canada Inc.	80 Micro Court Markham ON L3R 9Z5	0.00	4,645.02	4,645.02
211	Toyota Financial Services	PO Box 4060 Markam ON L3R 0M8	0.00	0.00	0.00
212	Trade Exchange	Suite 216 - 3823 Henning Drive Burnaby BC V5C 6P3	0.00	0.00	0.00
213	TravelCorp	306 Main Street Fort Worth TX 76102	2,620.00	0.00	2,620.00
214	Two Rivers Specialty Meats	180 Donaghy Avenue North Vancouver BC V7P 2L5	749.66	0.00	749.66
215	Tyee Building Supplies	405 3rd Avenue E Prince Rupert BC V8J 1K7	48.16	0.00	48.16
216	Uyeda, Colin	4651 Princeton Avenue Richmond BC V7E 4N8	3,618.25	0.00	3,618.25
217	Vancouver Coastal Health	Environmental Health 6th Floor - 132 West Esplanade North Vancouver BC V7M 1A2	150.00	0.00	150.00
218	Verizon Wireless	PO Box 660108 Dallas TX 75266-0108	215.73	0.00	215.73
219	Virtuoso US\$	505 Main Street, Suite 500 Fort Worth TX 76102	3,450.70	0.00	3,450.70
220	Vision Optometry	300 - 801 Marine Drive North Vancouver BC	45.00	0.00	45.00
221	von Westphalen, Johannes Graf	Unknown Unknown BC	1,817.00	0.00	1,817.00
222	Voyages by Linda Swidler	640 W Fullerton PKWY Chicago IL 60614	2,060.00	0.00	2,060.00
223	Wa2	PO Box 2308, Station Main Vancouver BC V6B 3W5	0.00	0.00	0.00

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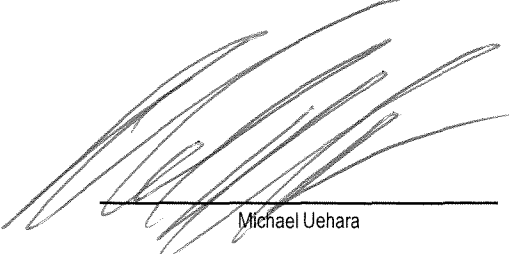
List "A"
Unsecured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
224	Wainwright Marine	C/O J. William Perrett 2774 Granville Street Vancouver BC V6H 3J3	201,422.54	0.00	201,422.54
225	Waitzkin, Josh	200 West Houston Street New York NY 10014	2,639.00	0.00	2,639.00
226	Ward, Frank	Po Box 5713 175 Stoneridge Road Ketchum ID 83340-5713	19,341.08	0.00	19,341.08
227	Warrington PCI Management	#1700 - 1030 West Georgia Street Vancouver BC V6E 2Y3	4,700.63	0.00	4,700.63
228	Watters, Christopher & Richard	7461 North Pacific Avenue Fresno CA 93711	11,115.83	0.00	11,115.83
229	Wee-Tote Delivery Services	7011 Randolph Avenue Burnaby BC V5J 4W5	25.04	0.00	25.04
230	Welch, Bruis & Lis	4060 Almond Road West Vancouver BC V7V 3L5	4,126.40	0.00	4,126.40
231	Wentworth, Charles & Penny	1421 N. Wanda Rd. Suite 140 Orange CA 92867	8,252.80	0.00	8,252.80
232	West Coast Resorts	7100 River Road Richmond BC V6X 1X5	1,840.00	0.00	1,840.00
233	Western Canada Fire Protection	2083 Ogilvie Street S Prince George BC V2N 1X2	2,000.00	0.00	2,000.00
234	White, Kathleen & Terry	Unknown Unknown BC	5,588.00	0.00	5,588.00
235	Whittaker & Towler	#202 - 267 Esplanade Avenue North Vancouver BC V7M 1A5	20,048.00	0.00	20,048.00
236	Whittaker, C Connor	19080 - 64th Avenue Surrey BC V7M 3G8	2,940.68	0.00	2,940.68
237	Whittaker, Fred	#202 - 267 Esplanade Avenue North Vancouver BC V7M 1A5	8,000.00	0.00	8,000.00
238	Wilkins, Logan	306 - 2358 York Avenue Vancouver BC V6K 1C7	2,574.36	0.00	2,574.36
239	Williams, Andrew	136 - 4524 Scott Avenue Terrace BC V8G 2A9	1,792.79	0.00	1,792.79
240	Wolff, Louis	Unknown Unknown BC	11,426.00	0.00	11,426.00
241	WorksafeBC - Workers Compensation Board	Assessment Receivables Box 9600 Stn Terminal Vancouver BC V6B 5J5	5,337.10	0.00	5,337.10
242	Yagi, Shuji & Tomoko	Apartment 6C 58 West 58th Street New York NY 10017	5,800.00	0.00	5,800.00
Total:			11,562,208.40	4,645.02	11,566,853.42

21-Mar-2013

Date



Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Continued

List "B"
Secured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim unsecured
1	Blais, Steve	1293 Oceanview Road Bowen Island BC V0N 1G1	1,609.24	Cash on Hand - Cash in bank Company account - Royal Bank Canada	14-Mar-2013	1,609.24		
2	Champagne, Charity	#510 - 2033 Comox Street Vancouver BC V6G 1S1	468.44	Cash on Hand - Cash in bank Company account - Royal Bank Canada	14-Mar-2013	468.44		
3	Horsman, Christie	610 - 1060 Albernie Street Vancouver BC V6E 4K2	2,000.00	Cash on Hand - Cash in bank Company account - Royal Bank Canada	14-Mar-2013	2,000.00	20,921.99	
4	Morehouse, Laura	1296 Scarboroud Rd Bowen Island BC V0N 1G1	2,000.33	Cash on Hand - Cash in bank Company account - Royal Bank Canada	14-Mar-2013	2,000.33		
5	The Toronto Dominion Bank	Banking Centre 5991#3 Road & Westminster Hwy Richmond BC V6X 3Y6	1.00	Business Assets - Machinery - Boat Motors	24-Jun-2002	0.00		
				Business Assets - Machinery - Boats	24-Jun-2002	0.00		
				Business Assets - Machinery - Fuel Barge	24-Jun-2002	0.00		
				Business Assets - Machinery - Head Office Computers	24-Jun-2002	0.00		
				Business Assets - Machinery - Hull	24-Jun-2002	0.00		
				Business Assets - Machinery - Information Systems Equipment	24-Jun-2002	0.00		
				Business Assets - Machinery - Machinery & Equipment	24-Jun-2002	1.00		
				Business Assets - Machinery - Telecommunications Equipment	24-Jun-2002	0.00		
				Business Assets - Trade Fixtures - Kitchen Equipment	24-Jan-2002	0.00		
				Business Assets - Trade Fixtures - Office Equipment	24-Jun-2002	0.00		
				Cash on Hand - Cash on hand - Petty Cash	24-Jun-2002	0.00		
				Furniture - Furniture & Fixtures	24-Jun-2002	0.00	8,161.72	
				Furniture - Head Office Furniture	24-Jun-2002	0.00	419.17	
				Other - King Pacific Lodge	24-Jun-2002	0.00	3,125,711.85	
				Other - Docks & Sifflegs	24-Jun-2002	0.00	195,000.00	

21-Mar-2013

Date

Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Continued

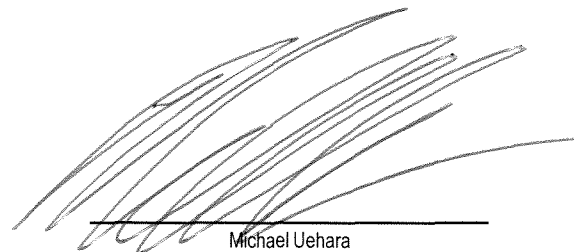
List "B"
Secured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim unsecured
5	The Toronto Dominion Bank	Banking Centre 5991#3 Road & Westminster Hwy Richmond BC V6X 3Y6		Business Assets - Stock In Trade - Inventory-Variou	24-Jun-2002	0.00		
				Motor Vehicles - Automobile - 2011- Toyota - HYLANDERHYB - JTEDC3EH0B2001760	24-Jun-2002	0.00		
				Cash on Hand - Cash in bank Company account - Royal Bank Canada	24-Jun-2002	0.00		
6	Toyota Credit Canada Inc.	80 Micro Court Markham ON L3R 9Z5	20,645.02	Motor Vehicles - Automobile - 2011- Toyota - HYLANDERHYB - JTEDC3EH0B2001760	26-Jan-2011	16,000.00		4,645.02

21-Mar-2013

Date



Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Continued

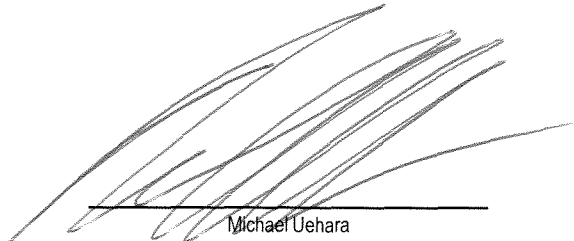
List "B"
Secured Creditors

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim unsecured
7	Uehara, Michael	4609 Woodburn Road West Vancouver BC V7S 2W5	2,669,421.00	Other - King Pacific Lodge	26-Feb-2013	2,274,288.15		
				Other - Docks & Sifflegs	26-Feb-2013	0.00		
				Business Assets - Stock In Trade - Inventory-Various	26-Feb-2013	31,556.53		
				Business Assets - Machinery - Boat Motors	26-Feb-2013	80,000.00		
				Business Assets - Machinery - Boats	26-Feb-2013	220,000.00		
				Business Assets - Machinery - Fuel Barge	26-Feb-2013	3,103.00		
				Business Assets - Machinery - Head Office Computers	26-Feb-2013	1,012.85		
				Business Assets - Machinery - Hull	26-Feb-2013	18,993.23		
				Business Assets - Machinery - Information Systems Equipment	26-Feb-2013	9,607.07		
				Business Assets - Machinery - Machinery & Equipment	26-Feb-2013	18,011.27		
				Business Assets - Machinery - Telecommunications Equipment	26-Feb-2013	2,112.72		
				Business Assets - Trade Fixtures - Kitchen Equipment	26-Feb-2013	4,718.47		
				Business Assets - Trade Fixtures - Office Equipment	26-Feb-2013	5,596.91		
				Cash on Hand - Cash on hand - Petty Cash	26-Feb-2013	420.80		
				Furniture - Furniture & Fixtures	26-Feb-2013	0.00		
				Furniture - Head Office Furniture	26-Feb-2013	0.00		
				Motor Vehicles - Automobile - 2011- Toyota - HYLANDERHYB - JTEDC3EH0B2001760	26-Feb-2013	0.00		
				Cash on Hand - Cash in bank Company account - Royal Bank Canada	26-Feb-2013	0.00		
Total:			2,696,145.03			2,691,500.01	3,350,214.73	4,645.02

21-Mar-2013

Date


Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Continued

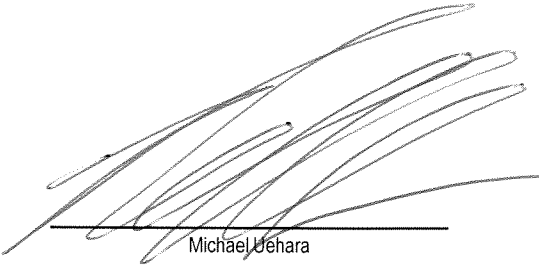
List "C"
Preferred Creditors for Wages, Rent, etc.

Northwest Angling Adventures Ltd.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

21-Mar-2013

Date



Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Continued

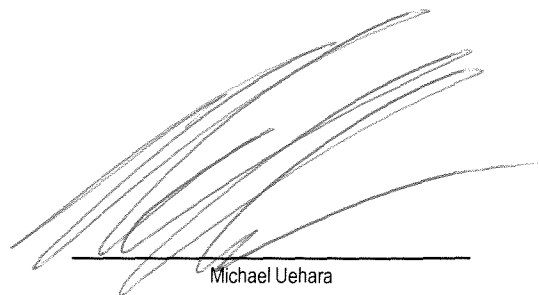
List "D"
Contingent or Other Liabilities

Northwest Angling Adventures Ltd.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

21-Mar-2013

Date



Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Continued

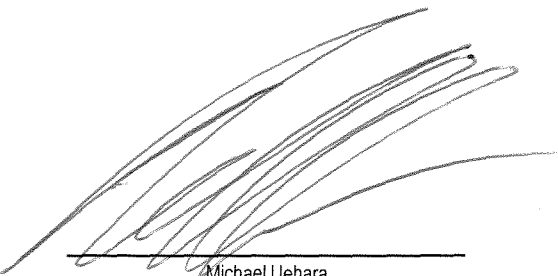
List "E"
Debts Due to the Bankrupt

Northwest Angling Adventures Ltd.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
Total:				0.00 0.00 0.00			0.00	

21-Mar-2013

Date



Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Continued

List "F"

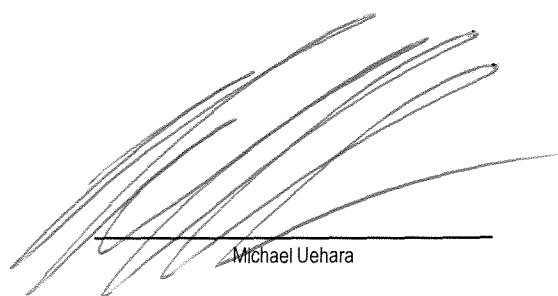
Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Northwest Angling Adventures Ltd.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

21-Mar-2013

Date



Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

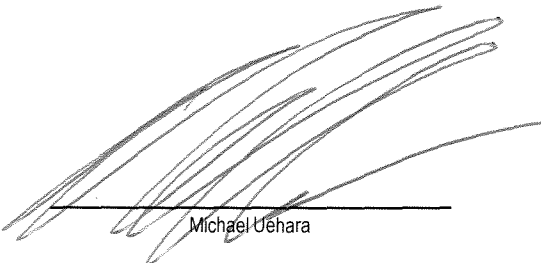
FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Bankrupt
Northwest Angling Adventures Ltd.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

21-Mar-2013

Date



Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-1725231

FORM 78 -- Concluded

List "H"
Property

Northwest Angling Adventures Ltd.
FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade	Prince Rupert	Inventory-Variou	315,565.33	31,556.53
(b) Trade fixtures, etc.	North Vancouver	Office Equipment	55,969.12	5,596.91
	Prince Rupert	Kitchen Equipment	47,184.65	4,718.47
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	420.80	420.80
		Cash on hand	27,000.00	27,000.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant	Prince Rupert	Machinery & Equipment	180,122.76	18,012.27
	North Vancouver	Information Systems Equipment	96,070.73	9,607.07
	North Vancouver	Telecommunications Equipment	21,127.18	2,112.72
	Prince Rupert	Fuel Barge	31,030.00	3,103.00
	Prince Rupert	Hull	189,932.34	18,993.23
	Prince Rupert	Boats	540,000.00	220,000.00
	Prince Rupert	Boat Motors	145,000.00	80,000.00
	North Vancouver	Head Office Computers	10,128.54	1,012.85
(g) Furniture		Furniture & Fixtures	81,617.16	8,161.72
		Head Office Furniture	4,191.65	419.17
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles		Automobile - 2011 - Toyota - HYLANDERHYB - JTEDC3EH0B2001760	54,321.00	16,000.00
(l) Taxes			0.00	0.00
(m) Other		King Pacific Lodge	15,805,000.00	5,400,000.00
		Docks & Sifflegs	715,000.00	195,000.00
			Total:	6,041,714.74

21-Mar-2013

Date

Michael Uehara

Court No.

File No. 11-1725231

In the matter of the bankruptcy of
Northwest Angling Adventures Ltd.

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

PricewaterhouseCoopers Inc. - Trustee
Per:

Neil Bunker
250 Howe Street, Suite 700
Vancouver BC V6C 3S7
Phone: (604) 806-7000 Fax: (604) 806-7806

APPENDIX C

Personal Property Registry search dated March 4, 2013

BC OnLine: PPRS SEARCH RESULT 2013/03/04
 Lterm: XPSP0050 For: PE27345 BULL, HOUSSEY & TUPPER LLP (VANCO 16:44:02

Index: BUSINESS DEBTOR

Search Criteria: NORTHWEST ANGLING ADVENTURES

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUN 24, 2002 Reg. Length: 3 YEARS
 Reg. Time: 16:25:09 Expiry Date: JUN 24, 2013
 Base Reg. #: 467026A Control #: B4727283
 *** Expiry date includes subsequent registered renewal(s).

This registration was selected and included for your protection
 because of close proximity to your search criteria.

Block#

S0001 Secured Party: THE TORONTO-DOMINION BANK, COMMERCIAL
 BANKING CENTRE
 5991 #3 RD & WESTMINSTER HWY
 RICHMOND BC V6X 3Y6

=D0001 Base Debtor: NORTHWEST ANGLING ADVENTURES LTD
 (Business) 145 EAST 15TH ST STE 202
 NORTH VANCOUVER BC V7L 2P7

D0002 Bus. Debtor: KING PACIFIC LODGE
 145 EAST 15TH ST STE 202
 NORTH VANCOUVER BC V7L 2P7

General Collateral:
 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND PROCEEDS
 THEREOF.

Registering
 Party: THE TORONTO DOMINION BANK -
 PROCESSING CENTRE
 #180 13571 COMMERCE PARKWAY
 RICHMOND BC V6V 2L1

----- R E N E W A L -----

Reg. #: 321743C Reg. Date: MAY 02, 2005
 Reg. Life: 3 YEARS Reg. Time: 09:35:41
 Control #: B6630148
 Base Reg. Type: PPSA SECURITY AGREEMENT
 Base Reg. #: 467026A Base Reg. Date: JUN 24, 2002

Registering
 Party: CANADIAN SECURITIES REGISTRATION
 SYSTEMS
 4126 NORLAND AVENUE
 BURNABY BC V5G 3S8

Continued on Page 2

*** Name/Address Changed on May 7, 2012 to:

Registering

Party: D & H LIMITED PARTNERSHIP
4126 NORLAND AVENUE, SUITE 201
BURNABY BC V5G 3S8

----- R E N E W A L -----

Reg. #: 436373E Reg. Date: JUN 20, 2008
Reg. Life: 5 YEARS Reg. Time: 14: 24: 24
Control #: B8809126

Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 467026A Base Reg. Date: JUN 24, 2002

Registering

Party: CANADIAN SECURITIES REGISTRATION
SYSTEMS
4126 NORLAND AVENUE
BURNABY BC V5G 3S8

*** Name/Address Changed on May 7, 2012 to:

Registering

Party: D & H LIMITED PARTNERSHIP
4126 NORLAND AVENUE, SUITE 201
BURNABY BC V5G 3S8

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JAN 26, 2011 Reg. Length: 4 YEARS
Reg. Time: 08: 15: 55 Expiry Date: JAN 26, 2015
Base Reg. #: 970789F Control #: D0384491

This registration was selected and included for your protection
because of close proximity to your search criteria.

Block#

S0001 Secured Party: TOYOTA CREDIT CANADA INC.
80 MICRO COURT
MARKHAM ON L3R 9Z5

=D0001 Base Debtor: NORTHWEST ANGLING ADVENTURES LTD.
(Business) 214 255 WEST 1 ST
NORTH VANCOUVER BC V7M 1B3

D0002 Ind. Debtor: UEHARA MICHAEL Birthdate: 57OCT22
214-255 WEST 1 ST
NORTH VANCOUVER BC V7M 1B3

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg. #
V0001 MV	JTEDC3EHOB2001760	2011	TOYOTA HLANDERHYB	

Continued on Page 3

APPENDIX D

Proof of Claim filed by Michael Uehara

PROOF OF CLAIM

All notices or correspondence regarding this claim must be forwarded to the following address:

4609 WOODBURN Rd, WEST VANCOUVER, BC V7S-2W5
(Street, City, Province/State, & Postal/Zip Code)

Business/Home/Cell phone 604 551 0145 Fax: _____

IN THE MATTER OF THE BANKRUPTCY OF NORTHEAST ANGLING ADVENTURES LTD.

and the claim of Michael Dehara, creditor

I, Michael Dehara of WEST VANCOUVER, BC do hereby certify:
(name of creditor or representative of creditor) (City & Province)

1. That I am a creditor of the above named debtor ☒, or I am the (state position or title) _____ of the creditor ☐
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of filing, namely the 14th of March, 2013, the debtor was and still is indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked as Schedule "A", after deducting any counterclaims to which the debtor is entitled.

4. Check and complete appropriate category:

- A ☐ **Unsecured claim** of \$ _____ (other than as a customer contemplated by section 262 of the Act)
That in respect of this debt, I do not hold any assets of the debtor as security and
- (i) ☐ Regarding the amount of \$ _____, I claim a right to a priority under Section 136 of the Act.
- (ii) ☐ Regarding the amount of \$ _____, I do not claim a right to a priority.
- B ☐ **Claim of lessor for disclaimer of a lease** \$ _____
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as attached.
- C ☒ **Secured claim** of \$ 2,669,421.30
That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as attached.
- D ☐ **Claim by farmer, fisherman, or aquaculturist** of \$ 2,669,421.30
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount \$ _____
- E ☐ **Claim by wage earner** of \$ _____
- (i) ☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____
- (ii) ☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____
- F ☐ **Claim against director** of \$ _____ (to be completed when a proposal provides for the compromise of claims against directors)
That I hereby make a claim under subsection 50(13) of the Act.
- G ☐ **Claim of a customer of a bankrupt securities firm** of \$ _____
That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act.
5. That, to the best of my knowledge, ☐ I am related **OR** ☒ I am not related to the debtor within the meaning of Section 4 of the Act, and ☐ have **OR** ☐ have not dealt with the debtor in a non-arm's length manner.
6. That the following are the payments I have received from, and/or the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor, within the three months (or, if the creditor and debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act:

see schedule

(list on separate paper if necessary)

Dated at VANCOUVER, this 21 day of MARCH, 2013
(City/Town, etc.)

(signature of witness)

(Creditor)

Notes: If an affidavit is attached, it must have been made before a person qualified to take an affidavit.

If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

Warnings: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

See Instructions & General Proxy on reverse

GENERAL PROXY

(with power of substitution)

In the Matter of the bankruptcy of Northwest Angling Adventures Ltd., the creditor hereby appoints (with power of substitution)

_____ of _____
(name) (city)

to be the creditor's general proxy in the above matter (excepting only as to the receipt of dividends).

Dated at _____, this _____ day of _____, 20____.
(city) (day) (month)

Name of creditor (print)

Witness Per: Signature of creditor

Note: If it is desired to appoint a proxy, the proxy form must be completed and signed by the creditor. If the creditor is a corporation, the proxy form must be signed in the corporate name by an individual having signing authority. The proxy must also be witnessed.

INSTRUCTIONS FOR COMPLETION OF PROOF OF CLAIM

Every creditor who does not prove his claim is not entitled to share in any distribution. Claims not completed correctly in every respect will be returned. In completing the Proof of Claim, your attention is directed to the following requirements:

Proof of Claim:

1. Individuals who are the creditor should tick the appropriate box. If you are acting for a corporation or another person, you must state the capacity in which you are acting, such as, "Credit Manager", "Counsel", "Authorized Agent", etc.
2. The person signing the form must have knowledge of the circumstances connected with the claim.
3. The creditor must submit the total amount owing by the debtor, in CDN funds. Further, a Statement of Account containing details and support of the claim **must** be attached and marked "A".
4. The nature of your claim must be indicated by ticking the type of claim which applies.

ALL TYPES OF CLAIMS MUST BE SUPPORTED WITH DOCUMENTATION SHOWING HOW YOU ARRIVED AT YOUR TOTAL CLAIM.

5. The BIA defines persons related to a debtor. If the creditor is related by blood or marriage to the debtor, the creditor should consider him/herself to be a related person. If the debtor is a corporation, a creditor would be related if he/she was a shareholder or if he/she was controlled by the same shareholders as the debtor.
6. The person signing the form must provide full details of any and all payments and/or credits received from or allowed to the debtor during the period indicated. A blank answer will indicate there were no such payments or credits.

PLEASE FORWARD ALL DOCUMENTS TO:

PricewaterhouseCoopers Inc.
Trustee in bankruptcy of Northwest Angling Adventures Ltd.
Attention: Kiran Chahal
700 - 250 Howe Street
Vancouver BC V6C 3S7

Phone: (604) 806-7787

Michael Uehara, President of King Pacific Lodge took out a personal Line of Credit in January of 2010 to provide as loan to King Pacific Lodge if there were cash flow concerns. This was done through the HSBC. King Pacific Lodge was to make regular payments to at least cover any interest and repay amounts if they could.

In October of 2011 it was determined that King Pacific Lodge would need more money for cash flow purposes. As Michael is the ONLY source available to provide any kind of help Michael would try to increase the Line of Credit.

In order to do so, Michael was required to consildate his mortgage with the Line of Credit and refinance with another source.


November 7, 2011 the amount paid out to the HSBC for the Line of Credit was \$394,967.10

As of November 7 \$394,967.10 plus any additional amounts borrowed from Michael will be paid at an interest rate of 6%/annum.

balance	\$394,967.11	
19-Oct-11	-\$308.00	paid to Ken Jue - assess house for increase loc
08-Nov-11	\$200,000.00	advance to KPL
Closing balance \$594,659.11 2011		

100K.

slb 100,000.



2012 transactions

✓13-Dec-11	\$15,000.00	advance to KPL
✓06-Dec-11	-\$1,974.84	kpl cheque #16764
07-Dec-11	\$2,473.30	Interest
07-Jan-12	\$2,125.66	Interest
07-Feb-12	\$2,134.51	Interest
✓23-Feb-12	\$30,000.00	advance to KPL
✓01-Mar-12	-\$5,000.00	kpl cheque #16868
07-Mar-12	\$2,268.41	Interest
07-Apr-12	\$2,277.86	Interest
✓30-Apr-12	-\$2,163.94	kpl cheque #16944
07-May-12	\$2,266.52	Interest
✓31-May-12	-\$1,836.07	kpl cheque #17032
31-May-12	-\$1,500.00	kpl cheque #17033 - CF
07-Jun-12	\$2,266.94	Interest
07-Jul-12	\$2,262.49	Interest
12-08-07	\$2,271.92	Interest
✓12-09-12	\$15,000.00	transfer to kpl
12-09-07	\$2,281.38	Interest
✓12-10-11	\$10,000.00	advance to KPL
12-10-07	\$2,353.39	Interest
12-11-07	\$2,404.86	Interest
✓12-11-30	\$2,500.00	advance to KPL
12-12-07	\$2,414.88	Interest
✓12-12-14	\$28,000.00	advance to KPL

Closing balance \$712,486.38 2012

Closing balance	\$712,486.38	2011
2013 transactions		
07-Jan-13	\$3,062.43 Interest	
✓ 12-Jan-13	\$10,000.00 advance to KPL	
✓ 04-Feb-13	\$10,234.90 cheques written for KPL	
07-Feb-13	\$3,077.74 Interest	
✓	\$16,486.39 cheques written for KPL	

Cheques written from Michael's personal chequing:

28-Jan	910 Lucia Hernandez	✓	\$920.00 contract cleaning
31-Jan	914 Steve Blais	✓	\$1,226.58 payroll
31-Jan	915 Charity Champagne	✓	\$1,013.16 payroll
31-Jan	916 Lindsay Clifton	✓	\$848.94 payroll
31-Jan	917 Leanne Lalonde	✓	\$1,997.48 payroll
31-Jan	918 Laura Morehouse	✓	\$1,308.73 payroll
31-Jan	919 Heide Whittaker	✓	\$1,778.01 payroll
31-Jan	920 John Ross	✓	\$750.00 payroll
04-Feb	unknown Corrine LaPlante	✓	\$392.00 contract cleaning
			<u>\$10,234.90</u>
14-Feb	Visa persor First Insurance		\$8,191.95 business insurance
15-Feb	922 Charity Champagne	✓	\$1,270.00 payroll
15-Feb	923 Heide Whittaker	✓	\$1,778.01 payroll
15-Feb	924 Lindsay Clifton	✓	\$731.24 payroll
15-Feb	925 Leanne Lalonde	✓	\$2,149.07 payroll
15-Feb	926 Steve Blais	✓	\$1,057.39 payroll
15-Feb	927 Laura Morehouse	✓	\$1,308.73 payroll
			<u>\$16,486.39</u>

Closing balance	\$755,347.84	2012
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THIS AGREEMENT is made the 12 day of December 2011.

BETWEEN:

NORTHWEST ANGLING ADVENTURERS LTD., a company duly incorporated under the laws of British Columbia, having its registered and records office at 500 - 5811 Cooney Road, North Tower, Richmond B.C., V6X 3M1 ("**Northwest Ltd.**")

AND

MICHAEL UEHARA, businessman, whose address is 4609 Woodburn Road, West Vancouver, B.C., V7S 2W5 ("**Mr. Uehara**").

WHEREAS:

- A. Northwest Ltd. carries on business as King Pacific Lodge providing adventure travel and ecotourism tourism at its hotel facilities on Princess Royal Island off the West Coast of British Columbia, and its business is marketed as part of Rosewood Resort.
- B. Mr. Uehara is a director and the President of Northwest Ltd.
- C. Hideo Morita is the Chairman and sole shareholder and Hiroshi Kojima is the Vice-President of Northwest Ltd.
- D. Northwest Ltd. is indebted to Mr. Uehara for the Salary Arrears and the Advance.
- E. Northwest Ltd. has requested that Mr. Uehara continue as a director and its President and Mr. Uehara has agreed to do so, upon the terms of this Agreement.

NOW IT IS AGREED as follows:

1. Definitions and Interpretation

Definitions

- 1.1 In this Agreement the words and expressions in **Schedule A** shall have the meanings respectively ascribed to them.

Recitals etc.

- 1.2 Unless expressly stated otherwise, references to the Recitals, Clauses, Paragraphs, Schedules, Annexures and Appendices or any of them are references to the Recitals, Clauses, Paragraphs, Schedules, Annexures and Appendices to this Agreement and, for the avoidance of doubt, the Recitals, Clauses, Paragraphs, Schedules, Annexures and Appendices are incorporated in and form part of this Agreement as if set out in full in this Agreement.

Boilerplate

1.3 This Agreement shall be interpreted and construed in accordance with **Schedule B**.

Schedules etc.

1.4 The Schedules, Appendices and Annexures to this Agreement are:

Schedule A: Definitions;

Schedule B: Boilerplate;

Schedule C: Notices or Communications;

Schedule D: General Security Agreement; and

Schedule E: Corporate Resolutions

2. Consideration

2.1 In consideration of the payment by Northwest Ltd to Mr. Uehara of:

- (a) the Salary Arrears; and
- (b) the Advance,

Mr. Uehara agrees, at the request of Northwest Ltd., to continue as a director and the President of Northwest Ltd., upon the terms of this Agreement.

3. Recitals

3.1 Northwest Ltd. and Mr. Uehara acknowledge and agree that the above Recitals are true and form part of the terms of this Agreement.

4. Acknowledgements and Agreed Payments

4.1 Northwest Ltd. acknowledges and agrees that it is indebted to Mr. Uehara for the payment of the Salary Arrears and the Advance, and Northwest Ltd. will pay to Mr. Uehara the Salary Arrears and the Advance on demand.

4.2 If Northwest Ltd. shall fail to pay, when demanded, the Salary Arrears and the Advance, Interest thereon shall be payable, in addition, from the date when payment was due to the date when payment is made in full.

6. Corporate Resolutions

- 6.1 Northwest Ltd., on or before the date of this Agreement, will execute the Corporate Resolutions to approve the entering into of this Agreement and all matters contemplated hereby and deliver certified copies of the same to Mr. Uehara.
- 6.2 Northwest Ltd. acknowledges and agrees that Mr. Uehara has given notice of a disclosable interest for the purposes Part 5, Division 3 of the *Business Corporations Act* with respect to this Agreement and the matters contemplated herein, and has not and will not vote to approve this Agreement on any relevant directors' resolution.

7. Security Interest

- 7.1 Northwest Ltd. grants to Mr. Uehara a security interest over all present and after acquired property of Northwest Ltd. as security for the payment of the Salary Arrears, the Advance, all other amounts payable to Mr. Uehara under this Agreement and Interest thereon or otherwise, and waives notice of filing of any financing statement or receipt of any verification statement relating to such security interest.
- 7.2 Northwest Ltd., on the date of this Agreement, will execute the General Security Agreement in favour of Mr. Uehara and deliver the same to Mr. Uehara.

8. Warranties

- 8.1 Northwest Ltd. warrants to Mr. Uehara that:
- (a) it is a properly constituted company in good standing and that it will remain properly constituted and in good standing during the continuation of this Agreement and that all corporate acts or things, as may need to have been done, have been done by Northwest Ltd. to enable Northwest Ltd. to enter into and execute this Agreement;
 - (b) it is not subject to any matter, event or circumstance as referred to Termination Events and, further, it knows of no circumstances which will or may result in any such matter, event or circumstance;
 - (c) it is and will be of sufficient financial standing to pay the Salary Arrears, the Advance and Interest thereon (if any); and
 - (c) it will promptly do all acts or things and enter into and execute all contracts or documents as may be reasonably required to be done or executed with respect to those matters contemplated by this Agreement.

9. Indemnity

- 9.1 Northwest Ltd. will indemnify and keep indemnified Mr. Uehara from and against any or all losses, claims, demands, damages, actions, causes of action, costs, expenses and liabilities (including but not limited to legal costs and expenses on a full indemnity basis)

of whatsoever nature which Mr. Uehara may sustain, incur, suffer or be put to at any time, that may arise from or in consequence of the failure by Northwest Ltd. to pay when demanded the Salary Arrears, the Advance, Interest and all other amounts which may become due under this Agreement.

10. Confidentiality

- 10.1 The Parties will keep the terms of this Agreement secret and confidential and will not disclose nor permit the disclosure of the terms of this Agreement to any persons except disclosure to Authorized Persons or where the terms of this Agreement becomes publicly known, other than through a breach of this provision, or where disclosure is required by order of the court or other public body.

IN WITNESS WHEREOF the Parties have executed this Agreement the day and year written above.

SCHEDULE A (Definitions)

- | | |
|------------------------------|---|
| “Advance” | the aggregate amount of <u>\$600,000.00</u> advanced by Mr. Uehara to Northwest Ltd. at the request of Northwest Ltd., for its business purposes; |
| “Authorized Persons” | the directors, officers, employees and professional advisers of Northwest Ltd. and the professional advisers of Mr. Uehara; |
| “Corporate Resolutions” | the directors’ resolutions of Northwest Ltd. and the shareholders’ resolution of Northwest Ltd., in the form of the draft directors’ and shareholders’ resolutions respectively in Part I and Part II of Schedule E; |
| “General Security Agreement” | the general security agreement in the form of the draft security agreement contained in Schedule D; |
| “Insolvency Events” | any event where: <ul style="list-style-type: none"> (a) Northwest Ltd.: <ul style="list-style-type: none"> (i) shall pass any resolution for winding up (otherwise than for the purposes of a solvent amalgamation or reconstruction where the resulting entity is at least as credit worthy as Northwest Ltd. and who assumes all the obligations of Northwest Ltd. under this Agreement); (ii) ceases to carry on its business or substantially all of its business; or |

(iii) becomes or is declared to be insolvent, or convenes a meeting or proposes to make any arrangement or composition with its creditors; or

(b) a liquidator, receiver, administrator, administrative receiver, manager, trustee in bankruptcy or other similar officer is appointed over any or all of the assets of Northwest Ltd.;

“Interest” 3 per cent per annum above the prime lending rate, from time to time, of the Royal Bank of Canada, Main Branch, 1025 West Georgia Street, Vancouver, British Columbia, on advances to its general business customers or 10 per cent, whichever is the lesser, both before and after judgment, calculated on a daily basis and compounded quarterly;

“Parties” Northwest Ltd. and Mr. Uehara and, for the avoidance of doubt, “Party” will be construed accordingly;

“Salary Arrears” the aggregate amount of \$1,919,414.40, inclusive of interest, calculated with respect to the relevant years and amounts due and payable as follows:

<u>Year</u>	<u>Amount</u>
1998	\$ 170,000.00
1999	\$ 170,320.00
2000	\$ 151,366.48
2001	\$ 156,000.00
2002	\$ 175,365.87
2003	\$ 53,681.23
2004	(\$ 120,000.00)
2005	(\$ 68,825.69)
2006	\$ 76,206.54
2007	\$ 102,546.55
2008	\$ 41,000.00
2009	\$ 115,000.00
2010	\$ 136,725.00
2011	<u>\$ 115,000.00</u>

\$1,274,385.98

plus accrued interest thereon, in aggregate, of \$645,029.42;

“this Agreement” this Agreement and any amendment or variation thereto.

SCHEDULE B
(Boilerplate)

Headings

1. The headings to Clauses and Schedules in this Agreement are for convenience only and do not form part of or affect the interpretation of this Agreement.

Amendment or Variation

2. No amendment or variation to or of this Agreement shall have effect unless made in writing and executed by the Parties or a duly authorised representative of the Parties.

No Assignment or Encumbrance

3. This Agreement is personal to the Parties and neither of them shall assign, transfer, hold in trust, licence, encumber, deal with or otherwise dispose of any of its rights, interests or obligations under this Agreement in any manner whatsoever.

Execution

4. This Agreement shall be executed by the Parties in counterparts, each such counterpart taken and read together, shall constitute a single document and when so executed, may be exchanged or completed in person, by post or by facsimile transmission.

Amendment of Law

5. Reference to any law or statute, whether generally or specifically, includes a reference to that law or statute as from time to time amended, consolidated or repealed and to any orders, statutory instruments or regulations made under that law or statute.

Obligation to Cause

6. Any obligation on the Parties to do or not to do an act or thing shall include an obligation to cause or not cause such act or thing.

Notices Etc.

7. (a) Notices or communications of whatsoever nature hereunder shall be in writing and may be delivered personally, mailed by prepaid registered post or transmitted by facsimile transmission to the respective mailing address or facsimile number of the Parties referred to in Schedule C or to such other mailing address or facsimile number as may from time to time be notified by each Party to the other.

(b) Any notice or communication shall be deemed to have been received if:
 - (i) delivered on the day of delivery;

- (ii) mailed by prepaid registered post on the expiry of the third working day following the mailing thereof; or
- (iii) by facsimile transmission on the working day next following the date of its transmission upon production of a receipt with respect to transmission confirmation.

Writing

8. Any notice, approval, authorisation, consent or other communication required to be given or served by one Party to or on the other Party under this Agreement shall be in writing and where a Party shall comprise two or more persons then any such notice, approval, authorisation or communication shall be sufficiently given or served if given or served on any person comprising such Party.

Parties

9. Reference to the Northwest Ltd. and Mr. Uehara will respectively include their affiliates, directors, officers, employees, agents, contractors, successors in title and assigns and any person claiming through or under them.

Invalidity or Unenforceability

10. The invalidity or unenforceability of any provision of this Agreement shall be ineffective only to the extent of such invalidity or unenforceability but shall not affect the validity or enforceability of the remaining provisions of this Agreement and any such invalid or unenforceable provision shall be deemed to be severable.

Rights and Remedies Cumulative

11. The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for, any rights or remedies provided by law, in equity or under statute.

Gender and Number

12. References to the male gender include the female and neuter genders and references to the singular number include the plural and vice versa.

Entire Agreement

13. This Agreement constitutes the entire agreement and understanding between the Parties and supersedes all previous negotiations and understandings with respect to the subject matter contained herein and the transactions contemplated hereby. Further, this Agreement supersedes all previous deeds or agreements whether written or oral and all such deeds and agreements are terminated and of no further effect. Further, all terms as may be capable of being implied into this Agreement are expressly excluded.

Waiver

14. No condoning, excusing or waiver by a Party of any default, breach or non-observance by any other party at any time or times in respect of any covenant, proviso or condition herein contained, shall operate as, be construed, or be deemed to be, a waiver of that Party's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of that Party in respect of any such continuing or subsequent default, breach or non-observance, and no waiver shall be inferred from or implied by anything done or omitted to be done by the Party having those rights, nor in any way affect the validity of the whole or any part of this Agreement, nor prejudice the right of such Party to take any subsequent action.

Time of Essence

15. Time is of the essence of this Agreement.

Due Execution

16. Any signature or execution made by a person or, on behalf of, any Party shall be deemed to be duly authorised by such Party and such Party shall be deemed to warrant that the person signing or executing is duly authorised to sign or execute (as the case may be).

Currency

17. All sums stated to be payable under this Agreement shall be paid in Canadian Dollars (\$), unless otherwise agreed by the Parties.

Obligations

18. Where the obligations under this Agreement are to be observed or performed by more than one person then such obligations shall be joint and several.

Continuance

19. This Agreement shall remain in full force and effect notwithstanding the expiry or earlier termination thereof with respect to anything required to be done, performed, carried out or otherwise contemplated herein and indefinitely in respect of any acknowledgement, representation, warranty, declaration, indemnity or guarantee given or undertaken in this Agreement.

No Partnership etc.

20. Nothing in this Agreement shall be construed as establishing or implying any partnership or joint venture between the Parties and nothing in this Agreement will be deemed to constitute the Parties as the agent of the other Party or authorise either Party to: (a) incur any costs on behalf of the other Party; (b) enter into any engagement or make any representation or warranty on behalf of the other Party; (c) pledge the credit of, or otherwise bind or oblige or seek to bind or oblige the other Party, or (d) commit the other

Party in any way whatsoever, save as expressly provided in this Agreement or without first obtaining the other Party's consent.

Further Assurance

21. Subject to the provisions of this Agreement, each Party agrees as expeditiously as possible to do all acts or things as may be reasonably necessary to bring into effect the matters contemplated by this Agreement, including but not limited to the performance of such further acts or the execution and delivery of all additional instruments or documents as may be reasonably necessary to perfect the matters contemplated by this Agreement.

Legal Advice

22. **The Parties respectively warrant to each other they have each received or had the opportunity of receiving legal advice on the nature and effect of this Agreement and all related documents, and they respectively confirm that they enter into this Agreement of their own free will without any coercion or duress having been imposed upon them by the other Party.**

Proper Law and Jurisdiction

23. This Agreement shall be governed and construed in accordance with the laws of British Columbia, Canada and each of the Parties attorn to and accept the exclusive jurisdiction of the courts of British Columbia over them with respect to any action, dispute, proceeding or claim arising out of or in connection with any matter contemplated by this Agreement, provided that nothing contained in this provision will limit or restrict the Parties from resorting to the courts of any other jurisdiction with respect to the collection, enforcement or execution on any judgement obtained in the courts of British Columbia, or with respect to the provision of any interim or protective measures, interlocutory procedures or orders in connection with any such action, dispute, proceeding or claim.

SCHEDULE C (Notices or Communications)

To Northwest Ltd.

Northwest Angling Adventures Ltd.
201 - 425 Front Street,
New Westminster, B.C.
V3L 1B1

Telephone:
Facsimile:

For the attention of

To **Mr. Uehara**

Michael Uehara.
4609 Woodburn Road
West Vancouver, B.C.
V7SM 2W5

Telephone:
Facsimile:

SCHEDULE D
(General Security Agreement)

The draft General Security Agreement attached to this Agreement.

SCHEDULE E
(Corporate Resolutions)

Part I

DIRECTORS' RESOLUTIONS
OF
NORTHWEST ANGLING ADVENTURES LTD.
("Company")

WHEREAS:

- A. The Company is indebted to Michael Uehara ("**Mr. Uehara**"), in aggregate, for the following amounts:
- (i) an advance to the Company, made at the Company's request, of \$600,000.00; and
 - (ii) salary arrears payable by the Company of \$1,919,414.40, inclusive of interest thereon.
- B. The Company has requested Mr. Uehara to continue in his capacity as a director and the President of the Company and Mr. Uehara has agreed to do so subject to the Company executing the Agreement. It is to be in the best interests of the Company to enter into the Agreement.
- C. The directors of the Company are satisfied that:
- (a) the Company will be solvent at the time when payments contemplated in the Agreement are required to be paid; and
 - (b) such payments will not render the Company insolvent.

- D. The Agreement contemplates that the Company, on or before the date of the Agreement, will execute the "Corporate Resolutions" to approve the terms and execution of the Agreement, and will execute the "General Security Agreement" as of the date of the Agreement. The phrases in parentheses are defined in the Agreement.
- E. Mr. Uehara has given notice that he has a disclosable interest for the purposes Part 5, Division 3 of the Business Corporations Act with respect to the Agreement, and it is acknowledged by the Company that he has and will not vote to approve the Agreement on this or any other relevant director's resolution.
- F. Pursuant to the terms of the Agreement, the Company may be required to execute and deliver certain ancillary agreements, documents, deeds and instruments in connection with the Agreement ("**Related Agreements**").

RESOLVED THAT:

- 1. The Company is indebted to Mr. Uehara with respect to the advance and salary arrears as set out in Recital A hereto.
- 2. The terms and conditions set out in the Agreement be approved.
- 3. The execution and delivery by the Company of the Agreement, the Related Agreements and all other agreements, documents, deeds and instruments that are necessary to complete the matters contemplated by the Agreement be approved.
- 4. Any director or officer of the Company, save Mr. Uehara, signing alone, be authorized to execute and deliver the Agreement, the Related Agreements and all such other documents and instruments, with such changes thereto as the director or officer may approve (such approval to be evidenced conclusively by his or her execution thereof), and to do such further acts as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.

Effective date: _____, 2011



HIDEO MORITA a duly authorized
director of the Company

Part II

**RESOLUTION OF THE SOLE SHAREHOLDER
OF
NORTHWEST ANGLING ADVENTURES LTD.
("Company")**

Pursuant to the *Business Corporations Act* (“**Act**”), the undersigned, being the sole shareholder of the Company, by signing these resolutions, in my capacity as the holder of shares entitled to vote on the matters herein, adopt the following resolutions and by so doing render the same as valid and effectual as if passed at a meeting of shareholders duly called and constituted.

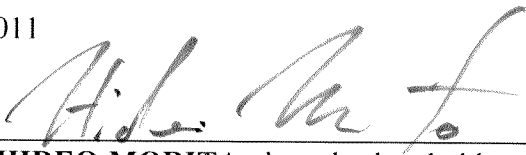
WHEREAS:

- A. The Company is indebted to Michael Uehara (“**Mr. Uehara**”), in aggregate, for the following amounts:
 - (i) an advance to the Company, made at the Company’s request, of \$600,000.00; and
 - (ii) salary arrears payable by the Company of \$1,919,414.40, inclusive of interest thereon.
- B. The Company has requested Mr. Uehara to continue in his capacity as a director and the President of the Company and Mr. Uehara has agreed to do so, subject to the Company executing the Agreement which is considered to be in the best interests of the Company.
- C. The Agreement contemplates that the Company, on or before the date of the Agreement, will execute the “Corporate Resolutions” to approve the terms and execution of the Agreement, and will execute the “General Security Agreement” as of the date of the Agreement. The phrases in parentheses are defined in the Agreement.

RESOLVED THAT:

- 1. The Agreement be approved and the Company be authorized to enter into the Agreement.

Effective date: Dec 12, 2011


HIDEO MORITA, the sole shareholder of the
 Company

Executed by **HIDEO MORITA**)
 a duly authorized director of)
NORTHWEST ANGLING)
AVENTURES LTD. in the)
 presence of:)

NORTHWEST ANGLING ADVENTURES LTD.

Per: 
HIDEO MORITA

Signature: 

Name: Heide Whittaker

Address: 19080 64th Ave, Surrey BC V3S8G5

Occupation: Office manager

Executed by **MICHAEL UEHARA**)
 in the presence of:)


MICHAEL UEHARA

Signature: 

Name: Heide Whittaker

Address: 19080 64th Ave, Surrey, BC V3S8G5

Occupation: Office Manager

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT made as of the 12 day of December, 2011.

BETWEEN:

NORTHWEST ANGLING ADVENTURERS LTD. whose
reherd and records office is situate at 500- 5811 Cooney Road,
North Tower, Richmond, B.C., V6X 3M1 ("**Debtor**")

AND:

MICHAEL UEHARA of 4609 Woodburn Road, West Vancouver,
B.C., V7S 2W5 ("**Secured Party**")

FOR VALUE RECEIVED, the Debtor covenants, agrees, warrants, represents, acknowledges, and confirms to and with the Secured Party and creates and grants the mortgages, charges, transfers, assignments, and security interests as follows:

1. SECURITY INTEREST

As security for the payment and performance of the Obligations (as defined in paragraph 3 of this General Security Agreement), the Debtor, subject to the exceptions set out in paragraph 2, does:

1.1 grant to the Secured Party a security interest in, and mortgages, charges, transfers and assigns absolutely, all of the Debtor's present and after acquired personal property, and all personal property in which the Debtor has rights, of whatever nature or kind and wherever situate, including, without limitations, all of the following now owned or in future owned or acquired by or on behalf of the Debtor;

(a) all goods, including:

- (i) all inventory of whatever kind and wherever situate, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in progress, finished goods, returned goods, repossessed goods and all packaging materials, supplies, and containers relating to or used or consumed in connection with any of the foregoing (collectively the "**Inventory**");
- (ii) all equipment of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, fixtures, furniture, furnishings, chattels, motor vehicles, vessels, and other tangible personal property of whatever nature or kind (collectively the "**Equipment**");

- (b) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action, and demands of every nature and kind however arising or secured including letters of credit and advices of credit, which are now due, owing, or accruing, or growing due to, or owned by, or which may in future become due, owing, or accruing, or growing due to, or owned by the Debtor (the "**Accounts**");
- (c) all contractual rights, insurance, claims, licences, goodwill, patents, trademarks, trade names, copyrights, and other industrial or intellectual property of the Debtor or in which the Debtor has an interest, all other choses in action of the Debtor of every kind which now are, or which may in future be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor which is not Accounts, Chattel Paper, Instruments, Documents of Title, Securities, or Money;
- (d) all Money;
- (e) all property (if any) described in Schedule A to this Security Agreement, or in any schedule now or at any time in future annexed to this Security Agreement or agreed to form part of this Security Agreement;
- (f) the undertaking of the Debtor;
- (g) all Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Securities now owned or in future owned or acquired by or on behalf of the Debtor (including those returned to or repossessed by the Debtor) and all other goods of the Debtor that are not Equipment, Inventory, or Accounts;
- (h) all proceeds, renewals, and accretions, and substitutions of any of the foregoing; and
- (i) all deeds, documents, writings, papers, books of account, and other books and electronically recorded data relating too any of the foregoing or by which any of the foregoing is or may in future be secured, evidenced, acknowledged, or made payable.

1.2 Charge as and by way of a floating charge to and in favour of the Secured Party, and grant to the Secured Party a security interest, mortgage, and charge in and to:

- (a) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real, immovable, and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements, and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant, and other fixtures (collectively "**Real Property**"); and
- (b) all property, assets, and undertakings of the Debtor, both present and future, of whatever nature or kind and wherever situate, and all Proceeds thereof and therefrom,

other than any of its property, assets, and undertakings otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created under paragraph 1.1(a) of this Security Agreement. This charge attaches immediately upon the Debtor acquiring any rights in any of that property.

1.3 Mortgage and charge as and by way of a fixed and specific charge to and in favour of the Secured Party, and assign and transfer to the Secured Party and grant to the Secured Party, by way of mortgage, charge, assignment, and transfer, a security interest in all of the Debtor's right, title, and interest, both present and future, in and to all of its presently owned or held and after acquired or held property which:

- (a) is or in future becomes a fixture, or
- (b) constitutes a licence, quota, permit or other similar right or benefit, or crops.

1.4 The mortgages, charges, assignments, transfers, and security interests created or granted under paragraphs 1.1(a), 1.2(a), and 1.3(a) of this Security Agreement are collectively called the "Security Interest", and all property, assets, interests, and undertakings (including Proceeds) subject to the security interest hereby created or otherwise charged or secured by this Security Agreement or expressed to be charged, assigned or transferred, or secured by any instruments supplemental to this Security Agreement or in implementation of this Security Agreement are collectively called the "**Collateral**".

2. EXCEPTIONS AND DEFINITIONS

2.1 The security interest granted by this Security Agreement shall not extend or apply to and the Collateral shall not extend to the last day of the term of any lease or Security Agreement to lease real property, but upon the enforcement of the security interest hereby created the Debtor shall stand possessed of such last day in trust to assign and dispose thereof as the Secured Party shall direct.

2.2 The terms "Chattel Paper", "Document of title", "Equipment", "Consumer Goods", "Instrument", "Intangible", "Security", "Proceeds", "Inventory", "Accessions", "Money", "financing statement", "financing change statement" and "verification statement" shall, unless otherwise defined in this Security Agreement or otherwise required by the context, be interpreted according to their respective meanings as set out in the British Columbia *Personal Property Security Act*, as amended ("**Act**").

2.3 Any reference in this Security Agreement to "**Collateral**" shall, unless the context otherwise requires, be deemed a reference to "**Collateral or any part thereof**". The Collateral shall not include Consumer Goods of the Debtor.

2.4 The term "**Proceeds**", whenever used and interpreted as above, shall by way of example include trade-ins, Equipment, cash, bank accounts, notes, Chattel Paper, goods, contract rights, accounts, and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected, or otherwise disposed of. The term "**licence**" means any licence or similar right at any time owned or held by the Debtor including without limitation a

"**licence**" as defined in the Act, and the meaning of the term "**crops**" whenever used in this Security Agreement includes but is not limited to "**crops**" as defined in the Act.

3. OBLIGATIONS SECURED

3.1 This Security Agreement and the security interest created herein are in addition to and not in substitution for any other security interest now or in future held by the Secured Party from the Debtor or from any other person and shall be a general and continuing security for the obligations of the Debtor to pay the "Salary Arrears", "the Advance" and "Interest" as respectively defined in the Agreement made effective Dec, 2011 between the Debtor and the Secured Party and any amounts payable the Debtor under Clause 9 thereof ("**Obligations**").

4. PROHIBITIONS

4.1 Without the prior written consent of the Secured Party, the Debtor shall not and shall not have power to:

- (a) grant, create, or permit to be created any security interest in, charge, encumbrance, or lien over, or claim against any of its property, assets or undertakings that rank or could rank in priority to or pari passu with the security interest created by this Security Agreement;
- (b) grant, sell, or otherwise assign its Chattel Paper; or
- (c) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock, or other evidences of indebtedness of the Debtor or of any predecessor in title of the Debtor issued under a trust deed or other instrument running in favour of a trustee.

5. ATTACHMENT

5.1 The Debtor acknowledges and confirms that:

- (a) there is no intention to delay the time of attachment of the security interest created by this Security Agreement, and such security interest will attach upon the execution by the Debtor of this Security Agreement;
- (b) that value has been given; and
- (c) that the Debtor has (or in the case of any after acquired property, will have at the time of acquisition) rights in the Collateral.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Debtor represents and warrants to the Secured Party that:

- (a) each of the Debtor is a duly constituted company in good standing, this Security Agreement is granted in accordance with resolutions of the directors (and of the

shareholders as applicable) of each of the Debtor, and that all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations hereunder, legal, valid, and binding;

- (b) the Debtor lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Security Agreement;
- (c) where the Collateral includes Accounts, Chattel Paper, or Instruments, each is enforceable in accordance with its terms against the party obligated thereunder, and that the Debtor has fully and accurately disclosed to the Secured Party the amount owing thereunder and any other relevant information concerning liability for payment thereunder;
- (d) for goods constituting Collateral, the Debtor has in this Security Agreement or elsewhere fully and accurately disclosed to the Secured Party the locations thereof and of the business operations and records of the Debtor.

7. COVENANTS OF THE DEBTOR

7.1 The Debtor covenants with the Secured Party that at all times while this Security Agreement remains in effect the Debtor shall:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;
- (b) fully and effectually maintain and keep maintained the validity and effectiveness of the security interest hereby created;
- (c) maintain the Collateral in good order and repair;
- (d) forthwith pay:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims, dues and other charges of every nature that may be lawfully levied, assessed, or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and
 - (ii) all security interests, charges, encumbrances, liens and claims that rank or could in any event rank in priority to the security interest created hereby;
- (e) forthwith reimburse and indemnify the Secured Party for all costs, charges, expenses, and legal fees and disbursements that may be incurred by the Secured Party in:

- (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, and registering this Security Agreement or notice of it and other documents, whether or not relating to this Security Agreement;
 - (iii) investigating title to the Collateral;
 - (iv) taking, recovering, keeping possession of, and insuring the Collateral; and
 - (v) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Security Agreement and of any other Security Interest held by the Secured Party as security for the Obligations;
- (f) at the Secured Party's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the security interest granted by this Security Agreement in favour of the Secured Party upon any of the Collateral;
- (g) notify the Secured Party promptly of:
- (i) any change in the information contained in this Security Agreement relating to the Debtor, its address, its business, or the Collateral, including without limitation any change of name or address of the Debtor and any change in location of any Collateral;
 - (ii) the details of any material acquisition of Collateral;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in payment or other performance of his or her obligations to the Debtor with respect to any Accounts;
 - (v) the return to or repossession by the Debtor of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor; and
 - (vi) the details of any claims or litigation affecting the Debtor or the Collateral;
- (h) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to other property not covered by this Security Agreement;
- (i) permit the Secured Party and its representatives, at all reasonable times, access to all its property, assets, and undertakings and to all its books of account and

records for the purpose of inspection, and render all assistance necessary for such inspection; and

- (j) deliver to the Secured Party from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities, and Chattel Paper constituting, representing, or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists, and other writings relating to the Collateral for the purpose of inspecting, auditing, or copying;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) any information concerning the Collateral, the Debtor, and the Debtor's business and affairs as the Secured Party may reasonably require;
- (k) carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral.

7.2 The Debtor covenants that, at all times, while this Security Agreement remains in effect, without the prior written consent of the Secured Party, it shall not:

- (a) declare or pay any dividends;
- (b) purchase or redeem any of its shares or otherwise reduce its share capital;
- (c) become guarantor of any obligation; or
- (d) become an endorser of any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to any bank accounts of the Debtor.

7.3 Except as provided in this Security Agreement, without the prior written consent of the Secured Party, the Debtor shall not:

- (a) sell, lease, or otherwise dispose of the Collateral;
- (b) release, surrender, or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdiction or jurisdictions in which the Security Interest has been perfected.

7.4 Provided that the Debtor is not in default under this Security Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign, or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.

7.5 The Debtor covenants that to the extent that any monies, credit, or other consideration provided by the Secured Party has enabled the Debtor to purchase or acquire rights in any personal property or assets, the security interest hereby created is and shall remain a purchase money security interest.

8. INSURANCE

8.1 The Debtor covenants that at all times while this Security Agreement is in effect the Debtor shall:

- (a) maintain or cause to be maintained insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require, and in particular but without limitation maintain insurance on the Collateral to its full insurable value against loss or damage by fire including extended coverage endorsement, and in the case of motor vehicles and other mobile Collateral, maintain insurance against theft;
- (b) cause the insurance policy or policies required under this Security Agreement to be assigned to the Secured Party and have as part thereof a standard mortgage clause or a mortgage endorsement, as appropriate; and
- (c) pay all premiums in connection with such insurance, and deliver all such policies to the Secured Party, if he so requires.

8.2 If proceeds of any insurance required under this Security Agreement become payable, the Secured Party may, in its absolute discretion, apply those proceeds to such part or parts of the Obligations as the Secured Party may see fit, or the Secured Party may release any such insurance proceeds to the Debtor for the purpose of repairing, replacing, or rebuilding, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement.

8.3 The Debtor shall forthwith, on the happening of loss or damage to the Collateral, notify the Secured Party thereof and furnish to the Secured Party at the Debtor's expense any necessary proof and do any necessary act to enable the Secured Party to obtain payment of the insurance proceeds, but nothing contained in this Security Agreement shall limit the Secured Party's right to submit to the insurer a proof of loss on its own behalf.

8.4 The Debtor irrevocably authorizes and directs the insurer under any policy of insurance required under this Security Agreement to include the name of the Secured Party as a loss payee on any cheque or draft that may be issued with respect to a claim under and by virtue of such insurance, and the production by the Secured Party to any insurer of a certified copy of this Security Agreement shall be its full and complete authority for so doing.

8.5 If the Debtor fails to maintain insurance as required by this Security Agreement, the Secured Party may, but shall not be obliged to, maintain or effect such insurance coverage, or so much thereof as the Secured Party considers necessary for its protection.

9. USE AND VERIFICATION OF COLLATERAL

9.1 Subject to compliance with the Debtor's covenants contained in this Security Agreement and compliance with paragraph 11 of this Security Agreement, the Debtor may, until default, possess, operate, collect, use and enjoy, and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Security Agreement; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate. The Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith, and for such purposes to grant to the Secured Party or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

10. SECURITIES

10.1 If Collateral at any time includes Securities, the Debtor authorizes the Secured Party to transfer the same or any part of them into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner of them; provided that, until default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or its order as aforesaid shall thereafter be effective.

11. COLLECTION OF DEBTS

11.1 Before or after default under this Security Agreement, without notice to the Debtor, the Secured Party may notify all or any account debtors of the Debtor of the Security Interest and may also direct such account debtors to make all payments on Collateral to the Secured Party. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from account debtors, whether before or after notification of this Security Interest to account debtors, and whether before or after default under this Security Agreement, shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request. This includes interest on deferred payment contracts, and the payments themselves, and lease payments, if any.

12. INCOME FROM AND INTEREST ON COLLATERAL

12.1 Until default, the Debtor reserves the right to receive any money constituting income from or interest on Collateral and if the Secured Party receives any money before default, the Secured Party shall either credit that money against the Obligations or pay it promptly to the Debtor.

12.2 After default, the Debtor shall not request or receive any money constituting income from or interest on Collateral and if the Debtor received any such money in any event, the Debtor shall hold that money in trust for the Secured Party and shall pay it promptly to the Secured Party.

13. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

13.1 Whether or not default has occurred, the Debtor authorizes the Secured Party:

- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral Money so received shall be treated as income for the purposes of paragraph 12 of this Security Agreement and dealt with accordingly, and
- (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.

13.2 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor shall deliver the same promptly to the Secured Party to be held by the Secured Party as provided in this Security Agreement.

14. DISPOSITION OF MONIES

14.1 Subject to any applicable requirements of the Act, all monies collected or received by the Secured Party under or in exercise of any right it possesses with respect to Collateral shall be applied on account of the Obligations in such manner as the Secured Party deems best or, at the option of the Secured Party, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party under this Security Agreement, and any surplus shall be accounted for as required by law.

15. PERFORMANCE OF OBLIGATIONS

15.1 If the Debtor fails to perform any of its obligations under this Security Agreement, the Secured Party may, but shall not be obliged to, perform any or all of those obligations without prejudice to any other rights and remedies of the Secured Party under this Security Agreement, and any payments made and any costs, charges, expenses, and legal fees and disbursements (on the basis of special costs) incurred in connection therewith shall be payable by the Debtor to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be secured by this Security Agreement and rank prior to all claims subsequent to this Security Agreement.

16. DEFAULT

16.1 Unless waived by the Secured Party, it shall be an event of default ("default") under this Security Agreement and the security constituted by this Security Agreement shall immediately become enforceable if:

- (a) any term, covenant, or representation of this Security Agreement is breached or if default occurs under the Mortgage, if any; or
- (b) any amount owed to the Secured Party is not paid when due; or
- (c) the Debtor defaults or threatens to default in payment when due or performance of any of the Obligations; or
- (d) the Debtor or any guarantor of the Debtor declares itself to be insolvent, makes an assignment for the benefit of its creditors, is declared bankrupt, declares bankruptcy, makes a proposal, or otherwise takes advantage of provisions under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada), as amended from time to time, or similar legislation in any jurisdiction, or fails to pay its debts generally as they become due; or
- (e) a receiver or receiver-manager is appointed; or
- (f) the Debtor ceases to carry on all or a substantial part of its business; or
- (g) distress, execution, or seizure of any of the Collateral occurs; or
- (h) if the Debtor is a corporation, there is a change of voting control without the Secured Party's consent; or
- (i) the Debtor changes its name or amalgamates or merges without the Secured Party's consent; or
- (j) the Debtor allows any hazardous materials to be brought upon any lands or premises occupied by the Debtor; or
- (k) the Secured Party in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy.

16.2 In accordance with the British Columbia **Property Law Act**, the doctrine of consolidation applies to this Security Agreement.

16.3 It shall be an event of default under this Security Agreement and the security constituted by this Security Agreement shall immediately become enforceable if any term, covenant, or representation in any other Security Agreement, contract, or other commitment of the Debtor to the Secured Party is breached or if default should occur under the same.

17. ACCELERATION

17.1 The Secured Party, in its sole discretion, may declare all or any part of the Obligations that are not by their terms payable on demand to be immediately due and payable in the event of any default, or, in the absence of default, if the Secured Party considers or deems itself insecure or that the Collateral is in jeopardy. The provisions of this paragraph do not and are not intended to affect in any way any rights of the Secured Party with respect to any Obligations that may now or in future be payable on demand.

18. ENFORCEMENT

18.1 Upon any default under this Security Agreement, the security constituted by this Security Agreement shall immediately become enforceable, any floating charge will immediately attach to the Real Property and Collateral. To enforce and realize on the security constituted by this Security Agreement, the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Secured Party may do any of the following:

- (a) appoint by instrument a receiver, receiver and manager, or receiver-manager (the person so appointed is called the "**Receiver**") of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents, and its servants from those premises, without becoming liable as a mortgagee in possession;
- (c) preserve, protect, and maintain the Collateral and make such replacements and repairs and additions as the Secured Party may deem advisable;
- (d) sell, lease, or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonable obtained, and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit, the Debtor shall not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and
- (e) exercise all of the rights and remedies of a secured party under the Act.

18.2 A Receiver appointed under this Security Agreement shall be the agent of the Debtor and not of the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence or nonfeasance on the part of any Receiver, its servants, agents, or employees. A Receiver shall, to the extent permitted by law or to such lesser extent permitted by its appointment, have all the powers of the Secured Party under this Security Agreement, and in addition shall have power to carry on the business of the Debtor and for such purpose to enter upon, use and occupy all premises owned or occupied by the Debtor in which Collateral may be

situate, maintain Collateral upon such premises, use, Collateral directly or indirectly in carrying on the Debtor's business, and from time to time borrow money either unsecured or secured by a security interest in any of the Collateral.

18.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of Collateral under this Security Agreement shall be applied as the Secured Party, in its absolute discretion, may direct or as follows:

- (a) in payment of all costs, charges, and expenses (including legal fees and disbursements on a solicitor and own client basis) incurred by the Secured Party in connection with or incidental to:
 - (i) the exercise by the Secured Party of all or any of the powers granted to it under this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it under this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver excluding the Receiver's borrowings;
- (b) in payment of any sum or sums borrowed by the Receiver from the Secured Party and interest thereon if such sum or sums are secured by the Collateral;
- (c) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations;
- (d) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations;
- (e) in or toward payment of any sum or sums borrowed by the Receiver from any financial institution, corporation, or person other than the Secured Party, and interest thereon if such sum or sums are secured by the Collateral.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus shall be paid to the Debtor.

18.4 The Debtor agrees that the Secured Party may exercise its rights and remedies under this Security Agreement immediately upon default, except as may be otherwise provided in the Act, and the Debtor expressly confirms that, except as may be otherwise provided in this Security Agreement or in the Act, the Secured Party has not given any covenant, express or implied, and is under no obligation to allow the Debtor any period of time to remedy any default before the Secured Party exercises its rights and remedies under this Security Agreement.

19. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor shall pay to the Secured Party the amount of such deficiency immediately upon demand for the same.

20. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Security Agreement are cumulative, and no right or remedy contained in this Security Agreement is intended to be exclusive but each shall be in addition to every other right or remedy contained in this Security Agreement or in any existing or future security agreement or now or in future existing at law, in equity or by statute, or under any other security agreement between the Debtor and the Secured Party that may be in effect from time to time.

21. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as provided in this Security Agreement, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor, nor shall the Secured Party, in the case of Securities, Instruments, or Chattel Paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than as contained in this paragraph.

22. APPOINTMENT OF ATTORNEY AND DEED

22.1 The Debtor irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse, or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances, or consents that the Debtor is obliged to sign, endorse, or execute, and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, under this Security Agreement.

22.2 Whether or not the Debtor attaches its corporate seal, if a corporation, this Security Agreement is intended to be and is deemed to be deed given under seal.

23. ACCOUNTS

Notwithstanding any other provision of this Security Agreement, the Secured Party may collect, realize, sell, or otherwise deal with the Accounts or any part of them in such manner, upon such terms and conditions, and at such time or times, whether before or after

default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part 5 of the Act. All monies or other forms of payment received by the Debtor in payment of any Account shall be received and held by the Debtor in trust for the Secured Party.

24. APPROPRIATION OF PAYMENTS

Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

25. LIABILITY TO ADVANCE

None of the preparation, execution, perfection, and registration of this Security Agreement or notice of this Security Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

26. WAIVER

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit or default under any paragraph of this Security Agreement but any such waiver of any right, benefit, or default on any occasion shall be deemed not to be a waiver of any such right, benefit, or default thereafter, or of any other right, benefit or default, as the case may be, and no delay or omission by the Secured Party in exercising any right or remedy under this Security Agreement or with respect to any default shall operate as a waiver thereof or of any other right or remedy.

27. NOTICE

Any notice, demand, or other communication required or permitted to be given under this Security Agreement shall be effectually made or given if delivered by prepaid private courier or by facsimile transmission to the address of each party set out below:

To the Debtor: Northwest Angling Adventures Ltd.

Telephone:
Facsimile No.:

To the Secured Party: Michael Uehara of

or to such other address or facsimile number as either party may designate in the manner set out above. Any notice, demand, or other communication shall be deemed to have been given and received on the day of prepaid private courier delivery or facsimile transmission.

28. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of the security interest granted hereby, and otherwise deal with the Debtor, account debtors of the Debtor, sureties, and others and with the Collateral, the said security interest, and other security interests as the Secured Party sees fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Security Agreement.

29. NO MERGER

This Security Agreement shall not operate to create any merger or discharge of any of the Obligations, or of any assignment, transfer, guarantee, lien, mortgage, contract, promissory note, bill of exchange, or security interest of any form held or which may in future be held by the Secured Party from the Debtor or from any other person. The taking of a judgment with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Security Agreement.

30. ASSIGNMENT

The Secured Party may, without further notice to the Debtor, at any time assign, transfer, or grant a security interest in this Security Agreement and the Security Interest. The Debtor expressly agrees that the assignee, transferee, or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Security Agreement, and the Debtor shall not assert any defence, counterclaim, right of setoff, or otherwise with respect to any claim that the Debtor now has or in future acquires against the Secured Party in any action commenced by such assignee, transferee, or secured party, as the case may be, and shall pay the Obligations to the assignee, transferee, or secured party, as the case may be, as the Obligations become due.

31. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party, shall be deemed not to be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses, and legal fees and disbursements (on a solicitor and own client basis) incurred by the Secured Party in connection with the Obligations and such release and discharge.

32. ENUREMENT

This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, personal representatives, successors, and permitted assigns.

33. INTERPRETATION

33.1 In this Security Agreement

- (a) "Debtor" and the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used, depending upon whether the Debtor is one or more individuals, corporations, or partnerships and, if more than one, shall apply to and be binding upon each of them jointly and severally;
- (b) "Act" means the British Columbia *Personal Property Security Act* and all regulations thereunder as amended;

33.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act, whether expressed in this Security Agreement with or without initial capital letters and whether in the singular or the plural, unless otherwise defined in this Security Agreement or unless the context otherwise requires, and, wherever the context so requires, in this Security Agreement the singular shall be read as if the plural were expressed, and vice-versa, and the provisions of this Security Agreement shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm, or corporation.

33.3 Should any provision of this Security Agreement be declared or held invalid or unenforceable in whole or in part or against or with respect to the Debtor by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of any or all of the remaining provisions of this Security Agreement, which shall continue in full force and effect and be construed as this Security Agreement had been executed without the invalid or unenforceable provision.

33.4 The headings of the paragraphs of this Security Agreement have been inserted for reference only and do not define, limit, alter, or enlarge the meaning of any provision of this Security Agreement.

33.5 This Security Agreement shall be governed by the laws of British Columbia and the Debtor and the Secured Party attorn and submit to the exclusive jurisdiction of the courts of British Columbia.

34. MISCELLANEOUS

34.1 The Debtor authorizes the Secured Party to file such financial statements, financing change statements, and other documents, and do such acts, matters, and things as the

Secured Party may deem appropriate, to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral, and to realize upon the Security Interest.

34.2 The Debtor waives protest of any Instrument constituting Collateral at any time held by the Secured Party on which the Debtor is any way liable and, subject to the provisions of the Act, notice of any other action taken by the Secured Party.

34.3 The Debtor covenants that it shall not amalgamate with any other company or entity without first obtaining the written consent of the Secured Party. The Debtor acknowledges and agrees that if it amalgamates with any other company or companies, then it is the intention of the parties that the term "Debtor" when used in this Security Agreement shall apply to each of the amalgamating companies and to the amalgamated company, so that the security interest granted by this Security Agreement:

- (a) shall extend to the "**Collateral**" (as that term is defined in this Security Agreement) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" owned or acquired by the amalgamated company thereafter, and
- (b) shall secure the "**Obligations**" (as that term is defined in this Security Agreement) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "**Obligations**" of the amalgamated company to the Secured Party arising thereafter. The Security Interest shall attach to "**Collateral**" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "**Collateral**" thereafter owned or acquired by the amalgamated company when that Collateral becomes owned or is acquired.

34.4 The Debtor authorizes the Secured Party to provide a copy of this Security Agreement and such other information and documents specified under the Act to any person entitled under the Act to demand and receive them.

35. COPY OF SECURITY AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Security Agreement, and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement, or verification statement filed, issued, or obtained at any time in respect of this Security Agreement.

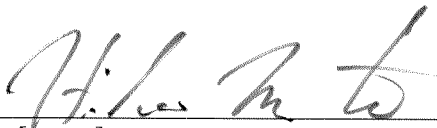
IN WITNESS WHEREOF the Debtor has executed this Security Agreement on the date indicated above.

THE SCHEDULE

N/A

SIGNED, SEALED and DELIVERED by)
NORTHWEST ANGLING)
ADVENTURES LTD. acting by)
HEIDE MIRITA a duly)
authorized signatory in the presence of:)
Heide Whitaker)
Name)
19080 64th Ave)
Address)
Surrey BC V3S8G5)
Office Manager)
Occupation

NORTHWEST ANGLING
ADVENTURES INC.

Per: 
[name]

APPENDIX E

Notice of Disallowance for Claim filed by Michael Uehara

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-130443
Estate No. 11-1725231

FORM 77

Notice of Disallowance of Claim, Right to Priority or Security or Notice of Valuation of Claim
(Subsection 135(3) of the Act)

In the matter of the bankruptcy of
Northwest Angling Adventures Ltd.

Uehara, Michael
4609 Woodburn Road
West Vancouver BC V7S 2W5

Take notice that:

As trustee acting in the matter of the bankruptcy of Northwest Angling Adventures Ltd., we have disallowed your security on the property in part, pursuant to subsection 135(2) of the Act, for the following reasons:

Please see attached reasons.

And further take notice that if you are dissatisfied with our decision in disallowing your claim in part (or a right to rank or your security or valuation of your claim), you may appeal to the court within the 30-day period after the day on which this notice is served, or within any other period that the court may, on application made within the same 30-day period, allow.

Dated at the City of Vancouver in the Province of British Columbia, this 25th day of March 2013.


PricewaterhouseCoopers Inc. - Trustee

250 Howe Street, Suite 700
Vancouver BC V6C 3S7
Phone: (604) 806-7000 Fax: (604) 806-7806

Reasons for Disallowance of Claim and Disallowance of Security

Secured Claim by Michael Uehara in the amount of \$2,669,421.30

Background

- The balance of the claim is composed of the following components:

Component	Amount
Salary Arrears	\$1,274,385.98
Interest – pre Management Agreement	\$645,029.42
Interest - post Management Agreement	\$25,260.51
Advances – pre Management Agreement	\$600,000.00
Advances – post Management Agreement	\$124,746.44
Total	\$2,669,421.30

- The claim relies upon an agreement between Michael Uehara and Northwest Angling Adventures Ltd. (“Northwest”) dated December 12, 2011 (the “Management Agreement”) in which Northwest agrees to repay the Advances and pay the Salary Arrears and Interest (as those terms are defined in the Management Agreement). Northwest further agrees to grant a security interest over all the present and after acquired property of Northwest to secure these obligations. The Management Agreement does not provide security for any future obligations that Northwest may have to Michael Uehara.
- The claim also relies upon a General Security Agreement (“GSA”) dated December 12, 2011, in which Northwest grants a security interest in all of Northwest’s present and after acquired personal and real property and the proceeds thereof.
- The GSA was registered in the personal property registry (“PPR”) on February 26, 2013.
- Northwest’s assets can be summarized as follows:
 - 2 barges on which a guest and staff lodges have been built;
 - 12 fishing boats and associated equipment used for fishing expeditions by guests staying at the lodge;
 - Furniture, Equipment and Suppliers used for operations at Northwest’s head office and in lodge operations; and,
 - Cash.

Quantum of the Claim Adjusted

- The balance of the claim outlined in the Management Agreement has generally been relied upon given that Northwest acknowledged the debt by executing the Management Agreement. However, Mr. Uehara has confirmed to the Trustee that the \$600,000 advance figure should be \$500,000. Therefore, the total quantum of the claim has been reduced by \$100,000.

Claim for Security Disallowed in part

- \$124,746.44 of the claim relates to advances made subsequent to the date of the Management Agreement. As the security interest granted pursuant to the Management Agreement was to secure past advances only, these advances will be considered an unsecured claim.

Secured Claim Against Vessels Disallowed

- Security claimed as against the two barges and the lodges built thereon is disallowed on the basis that:
 - The barges are considered vessels pursuant to the Canada Shipping Act (“CSA”) and as they are not considered pleasure craft, they must be registered pursuant to the CSA. The staff lodge and guest lodge barges have been registered pursuant to the CSA (Registration #314901 and 320241 respectively) although the registration for the guest lodge has been suspended.
 - Security interests in respect of the vessels must be registered pursuant to the CSA. The registration authority under the CSA is Transport Canada (“TC”). The Trustee’s review of the TC registry has confirmed that no security interests have been registered against the vessels.
 - Registration under the BC Personal Property Security Act (“PPSA”) does not perfect or create a security interest against vessels registered pursuant to the CSA.

Conclusion

- The total amount of the secured claim has been reduced by \$100,000 for the amount included in error and \$124,746.44 for the advances made subsequent to the Management Agreement and allowed in the amount of \$2,444,674.86.
- The balance of the claim of \$124,746.44 is allowed as an unsecured claim.
- The security interest claimed as against the two floating lodges registered as vessels pursuant to the CSA has been disallowed.

APPENDIX F

Trustee's findings and analysis of the Uehara Claim

Trustee's findings and analysis of the Uehara Claim

- 1.1 The Trustee reviewed the Company's books and records, public documentation and held discussions with individuals knowledgeable of the circumstances regarding the Uehara Claim. As a result, the Trustee noted the following with respect to Michael Uehara:
 - 1.1.1 Michael Uehara was a director of the Company for the period from February 11, 1998 until his resignation dated February 13, 2013 (which was filed with the office of the Registrar of Companies on February 27, 2013);
 - 1.1.2 Michael Uehara held the office of President for the Company at the time the security was granted and continually up to the date of bankruptcy;
 - 1.1.3 Michael Uehara has been employed by the Company since 1998 and has been in control of the Company's operations since that time, as the sole shareholder resides in Tokyo, Japan. The sole shareholder relied heavily on Mr. Uehara for the operation of the business. Mr. Uehara informed the Trustee that he required that his indebtedness be secured by the Company as a condition of his continued involvement with the Company.
- 1.2 The Trustee reviewed the relationship between Michael Uehara and the Company and determined that Michael Uehara was not a "related person" pursuant to s.4 of the BIA as at the date of bankruptcy. However, in the Trustee's view Michael Uehara was not dealing at arms-length with the Company at the time that the security was granted. This conclusion is based, in part, on the observations made in *Re: Pikani Energy Corporation (Re)*, 2012 ABQB 187. *Pikani* considered the appropriate time for determining arm's-length to be the time at which the transaction occurred. Further, a determination of whether parties were dealing at arm's-length should be done on a case by case basis and turn on the facts. The Trustee considered the additional comments made by the court regarding the extent of control of officers and how this would support the determination of a non-arm's-length relationship.
- 1.3 In the Trustee's view, the Company was insolvent both at the time that the security interest was granted on December 12, 2011 and at the time that the GSA was registered in the PPR on February 26, 2013. This view is based on the following:
 - 1.3.1 The Company's financial statements for the year ended November 30, 2011 indicate a nominal cash balance but accounts payable of approximately

\$872,000 and customer deposits received for the summer 2012 season of nearly \$940,000. This significant working capital deficit illustrated that the Company would not be able to pay its obligations as they normally become due without additional sources of capital. Furthermore, the financial statements indicate a shareholder deficit in excess of \$8 million which is a result of the value of the Company's assets being substantially less than the value of the Company's liabilities.

- 1.3.2 February 26, 2013 was only 16 days prior to the date of bankruptcy. As noted above, the Company had nominal cash balances and sizable liabilities consistent with its financial position at November 30, 2011.

ANALYSIS OF S.95 – FRAUDULENT PREFERENCE

- 1.4 Pursuant to s. 95, a charge made by an insolvent person in favour of a creditor who is not dealing at arm's length with the insolvent person is void against the Trustee if it is made during the period beginning on the day that is 12 months before the date of the initial bankruptcy event. The Trustee notes that the security agreement was dated December 12, 2011 which is outside of the 12 month "look back" period, but that registration of the security interest was completed less than three weeks prior to the bankruptcy and falls within this "look back" period. The Trustee has been advised by legal counsel that, in their view, the relevant date for the purposes of ss. 95 and 96 is the date of the registration of the security interest in the PPR.
- 1.5 As a result of the above analysis, the Trustee has concluded that the granting of the security interest to Michael Uehara is void pursuant to s. 95(1)(b) of the BIA.

ANALYSIS OF S.96 - TRANSFER AT UNDERVALUE

- 1.6 The Trustee notes that the granting of the security interest also represents a transfer undervalue pursuant to s.96(1)(b)(ii). Section 96 provides a "look back" period of up to five years if at the time the security was granted, the debtor was insolvent or the debtor and/or the preferred creditor intended to defeat or delay a creditor through the security arrangement. As noted previously, the Trustee has concluded that the Company was insolvent at both the date of the security agreement and the date that the financing statement was filed in the PPR. As a result of this expanded "look back" period, the granting of the security interest on December 12, 2011 falls within the provisions of s.96.
- 1.7 The Trustee considered the value provided to Michael Uehara by granting the security interest and compared it to the value received by the Company.

- 1.7.1 The security interest was intended to cover all the Company's assets – the majority of which consist of the two lodges and their contents and the fishing boats and related equipment. Although the fair market value of the Company's major assets is uncertain as they have not been exposed to the market, the Company engaged a marine surveyor to provide an appraisal of the assets in September, 2012. Chris Small Marine Surveyors Ltd issued its report dated September 30, 2012, in which it opined that the two lodges, the stiff-legs & docks and the fishing boats had as of that date a replacement value of approximately \$17 million and a fair value of approximately \$5.9 million.
- 1.7.2 The Management Agreement indicates that the security interest was given as consideration for Michael Uehara to "continue to act as a director and the President of Northwest Ltd. upon the terms of this Agreement". The Trustee has concluded that the value of this consideration to the Company is nil as follows:
 - 1.7.2.1 The Company had two directors at the time which exceeded the minimum requirement of one director. Therefore, there was no value in Michael Uehara continuing in his role as director.
 - 1.7.2.2 The Trustee recognizes the value of retaining Michael Uehara as the President and manager of the Company's operations. Michael Uehara fulfilled a need to have an experienced manager in Vancouver (as the shareholder could not manage the business from Tokyo) and the relationships that Michael Uehara had developed and exercised over the years were of value to the Company. In particular, Mr. Uehara's relationship with, the Company's customers, suppliers, employees and the Gitga'at First Nation were of value. However, the Management Agreement was silent on the length of time that Mr. Uehara must continue to act as President and it appears that Mr. Uehara could have withdrawn his services the day following the execution of the Management Agreement without jeopardizing his receipt of the security interest. As a result, the Trustee values Michael's obligation, as outlined in the Management Agreement, to remain as President, to have nil value.
- 1.8 In light of the substantial value received by Michael Uehara through the granting of the security interest and the lack of value received by the Company in return, the Trustee has concluded that the granting of the security interest was a transfer under value. As the transfer under value occurred within the five year "look

back” period stipulated in s. 96(1)(b)(ii) of the BIA, the Trustee has concluded that this transfer under value should be void as against the Trustee.