



No. S240493
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

FOX ISLAND DEVELOPMENT LTD. and ADVANCED VENTURE HOLDING CO.,
LTD.

PETITIONERS

- AND -

KENSINGTON UNION BAY PROPERTIES NOMINEE LTD. (FORMERLY KNOWN AS 34083 YUKON INC.), KENSINGTON UNION BAY PROPERTIES LIMITED PARTNERSHIP, KENSINGTON UNION BAY PROPERTIES GP LTD, INTERNATIONAL TRADE CENTER PROPERTIES LTD., SUNWINS ENTERPRISE LTD., MO YEUNG CHING ALSO KNOWN AS MICHAEL CHING, MO YEUNG PROPERTIES LTD., SFT DIGITAL HOLDINGS 30 LTD., HOTEL VERSANTE LTD., BEEM CREDIT UNION, MORTEQ LENDING CORP., CHUN YU LIU, 1307510 B.C. LTD., JEFFREY RAUCH, HEUNG KEI SUNG, AND RCC HOLDINGS LTD.

RESPONDENTS

APPLICATION RESPONSE

Application response of: Deloitte Restructuring Inc. in its capacity as receiver and manager of Hotel Versante Ltd., International Trade Center Properties Ltd., and RCC Holdings Ltd. (the "Receiver")

THIS IS A RESPONSE TO the Notice of Application of the Owners Strata Plan EPS 5802, The Owners Strata Plan EPS 5803 (the "**Strata Corporations**") filed 23/JAN/2026 (the "**Notice of Application**").

The Application Respondent estimates that the application will take 1 day.

Part 1: ORDER CONSENTED TO

The Application Respondent consents to the granting of the orders set out in the following paragraphs of Part 1 of the Notice of Application: NIL

Part 2: ORDERS OPPOSED

The Application Respondent opposes the granting of the orders set out in paragraphs 1-4 of Part 1 of the Notice of Application.

Part 3: ORDERS ON WHICH NO POSITION IS TAKEN

The Application Respondent takes no position on the granting of the order set out in paragraphs of Part 1 of the Notice of Application: NIL.

Part 4: FACTUAL BASIS

Background

1. Pursuant to an amended and restated receivership order (the "**Receivership Order**") made April 2, 2025, the Receiver was appointed as court-appointed receiver over the assets, undertakings, and properties of International Trade Center Properties Ltd. ("**ITCP**"), Hotel Versante Ltd. ("**Hotel Versante**"), and RCC Holdings Ltd. ("**RCC**") and together with ITCP and Hotel Versante, the "**Debtors**"), acquired for, or used in relation to the business and operations, of the hotel known as the "Versante Hotel" (the "**Hotel**"), including without limiting the foregoing all proceeds thereof, with a civic address of 8499 Bridgeport Road, Richmond, B.C. and with the following legal descriptions:

PID: 030-795-851
Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster District Air Space Plan EPP73985 ("**ASP2**")

PID: 029-611-598
Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985 (the "**Remainder Parcel**")

(collectively the "**Hotel Property**")
2. The Debtor ITCP owns legal fee simple title to both the Remainder Parcel and ASP2.
3. The Remainder Parcel and ASP2 form part of the International Trade Centre in Richmond, BC, which is comprised of a total of 5 airspaces parcels, inclusive of ASP2, plus the Remainder (the "**ITC Development**").

4. The various airspace parcels that form part of the ITC Development contain several commercial strata units, including restaurant spaces, offices, and other businesses.
5. Following its appointment pursuant to the Receivership Order, the Receiver facilitated several months of marketing and sales efforts in respect of the Hotel Property. Ultimately, the Receiver entered into a purchase agreement with Citation Property Holdings Limited ("**Citation**") dated August 29, 2025 (the "**Original Citation APA**") pursuant to which the Receiver agreed to sell substantially all of the Hotel Property to Citation, which included title to both ASP2 and the Remainder Parcel.
6. The Receiver brought an application to approve the Original Citation APA at a hearing on October 23, 2025 (the "**Sale Approval Hearing**"). At the Sale Approval Hearing, the Court ordered a live auction between Citation and another bidder who attended the Sale Approval Hearing with a competing bid (the "**Live Auction**").
7. At the Sale Approval Hearing, the Receiver also sought other relief, including authorization for it to execute and register an easement agreement on title to the Hotel Property in respect of the use of valet parking stalls on the Hotel Property (the "**Valet Easement**"). Such relief was granted by an order made on October 23, 2025 (the "**Easement Approval Order**").
8. Citation was the highest bidder at the Live Auction, which took place on October 24, 2025 before the Court. Following the Live Auction, the Receiver and Citation entered into an amended asset purchase agreement dated as of October 24, 2025 (the "**Amended Citation APA**"), which set forth the amended terms of the sale of the Hotel Property to Citation (the "**Amended Citation Transaction**").
9. The Amended Citation APA was approved by an order made on October 24, 2025 (the "**Sale Approval Order**").
10. The Amended Citation APA provided for a closing date of December 10, 2025 (the "**Initial Closing Date**").
11. Citation was not able to close pursuant to the terms of the Amended Citation APA by the Initial Closing Date, and the Receiver and Citation did not reach an agreement as to extension terms that were acceptable to both parties by the Initial Closing Date.
12. Following the Initial Closing Date, the Receiver negotiated a credit bid transaction with 1483610 B.C. LTD. ("**148**"), which it sought approval of at a hearing before the Court on December 17, 2025 (the "**Second Sale Approval Hearing**"). 148 is an affiliate of the Petitioners in these proceedings, FOX ISLAND DEVELOPMENT LTD. and ADVANCED VENTURE HOLDING CO., LTD. (together, the "**Lenders**").

13. Prior to the Second Sale Approval Hearing, Citation and the Receiver agreed to certain extension terms, as summarized below:
 - (a) Payment of an extension fee to the Receiver in the amount of \$1,000,000;
 - (b) Agreement to provide documentation in support of financing to close the Amended Citation Transaction;
 - (c) Agreement to forfeit the deposit held in trust by the Receiver in the amount of \$2,575,000.00; and
 - (d) Subject to the satisfaction of the other conditions, agreement by the Receiver to make an application to the Court to obtain certain amendments to the Sale Approval Order (the "**Easement Application Term**")

(collectively, the "**Extension Conditions**").
14. The Extension Conditions are set forth in a forfeiture of deposit and amending agreement dated as of December 16, 2025 (the "**Amending Agreement**").
15. The Amending Agreement was approved by an Order made on December 17, 2025 (the "**Amending Agreement Approval Order**").
16. Further, the Court granted an order on December 17, 2025 (the "**Amended Sale Approval Order**") approving the Receiver's sale agreement dated December 17, 2025 with 148 as purchaser (the "**148 Agreement**") as a backup transaction that would take effect in the event that Citation failed to comply with any of the Extension Conditions or failed to close by the amended closing date of January 30, 2026 (the "**Amended Closing Date**").
17. The Receiver filed an application to comply with the Easement Application Term on December 31, 2025 (the "**AVO Amendment Application**").
18. The Strata Corporations filed a response to the AVO Amendment Application on January 7, 2026, which among other things, opposed the relief sought in the AVO Amendment Application and requested that such application be adjourned and expressed concerns about how the Valet Easement may interfere with emergency vehicle access at the ITC Development (the "**Strata Response**").
19. The AVO Amendment Application was heard on January 9, 2026 (the "**January 9 Hearing**"), and the Honourable Justice Fitzpatrick adjourned the AVO Amendment Application as sought in the Strata Response.

Updates on the Amended Citation Transaction:

20. Citation failed to close on or before the Amended Closing Date, and as such, the Receiver exercised its right to terminate the Amended Citation APA, as amended by the Amending Agreement.
21. The Receiver provided notice of the termination of the Amended Citation Transaction by way of emailing a receiver's certificate to the Service List in these proceedings on or about January 30, 2026.
22. Since the Amended Citation Transaction has been terminated, the Receiver is progressing towards closing the back up credit bid transaction with 148 pursuant to the 148 Agreement as approved by the Amended Sale Approval Order.

Need for an Adjournment of the Notice of Application:

23. The Receiver brought the AVO Amendment Application to facilitate the closing of the Amended Citation Transaction, as it formed part of the Receiver's obligations under the Amending Agreement.
24. At the January 9 Hearing, the Receiver had no alternative but to oppose the adjournment request in the Strata Response given its obligations to Citation under the Amending Agreement.
25. On January 23, 2026, the Receiver received a copy of the Notice of Application from the Strata Corporation's counsel.
26. Prior to receiving the Notice of Application, the Receiver's counsel contacted Jensen Hughes Contracting Canada Ltd. ("**Jensen Hughes**") initially on or about January 16, 2026. Jensen Hughes prepared the initial code compliance report for the ITC Development.
27. The Receiver, through its counsel, contacted Jensen Hughes with the intention of retaining their expertise to advise on the issues raised by the Strata Corporations in the Strata Response relating to emergency vehicle access along the road where the Valet Easement is located.
28. Further, the Receiver, through counsel, requested the original code consultant reports and architectural drawings related to the construction of the ITC Development from Jensen Hughes on or about January 26, 2026 and provided Jensen Hughes with a copy of the Notice of Application and supporting affidavit on the same date (the "**January 26 Request**").
29. In response to the January 26 Request, Jensen Hughes advised on or about January 26, 2026 that it would need to establish a formal budget and agreement for further consulting

services and that they would need to seek legal advice prior to sharing the requested documents.

30. The Receiver's counsel continued to engage with Jensen Hughes following the January 26 Request, and was advised on or about February 3, 2026, that Jensen Hughes was still awaiting legal advice and was not prepared to share the requested documentation yet, but Jensen Hughes provided a copy of a proposed budget for services on the same date.
31. On or about February 5, 2026, the Receiver's counsel obtained copies of the requested code compliance report, architectural drawings, and other ancillary documents, as requested in the January 26 Request from Jensen Hughes, and formally executed an agreement to engage Jensen Hughes' ongoing services on February 9, 2026.
32. At the January 9 Hearing, the Court directed that the Receiver file and serve its response to the Notice of Application on or before February 10, 2026, but the Receiver does not yet have the necessary evidence and documentation to support its response in full and as such is seeking an adjournment of the Notice of Application currently scheduled for hearing on February 24, 2026.
33. The Receiver, through counsel, initially made a request for an adjournment of the Notice of Application to the Strata Corporations' counsel via email on February 3, 2026, and sent a follow up email to that request on February 7, 2026.
34. By an email sent to the Receiver's counsel on February 9, 2026, counsel to the Strata Corporations confirmed the Strata Corporations would not consent to an adjournment of the Notice of Application.
35. The Receiver continues to work diligently to obtain the necessary documentation to respond to the Notice of Application and intends to file a fulsome response in due course including the evidence obtained from Jensen Hughes.

Part 5: LEGAL BASIS

36. The Court in *Navarro v. Doig River First Nation*, 2015 BCSC 2173 notes the following on granting adjournments:

There are numerous factors to be considered on an adjournment application. However, the paramount consideration is the interest of justice in ensuring that there will remain a fair trial on the merits of the action (*Cal-Wood Door* at para. 13; *Graham v. Vandersloot*, 2012 ONCA 60 at para. 12 (*Graham*)). Because the overall interests of justice must prevail at the end of the day, courts are generous

rather than overly strict in granting adjournments, particularly where granting the request will promote a decision on the merits (*Graham* at para. 12). The natural frustration of judicial officials and opposing parties over delays in processing civil cases must give way to the interests of justice, which favours a claimant having his day in court and a fair chance to make out his case (*Graham* at para. 12).

***Navarro v. Doig River First Nation, 2015 BCSC
2173 (Navarro) at para 19***

37. Other factors or considerations include (in no particular order of priority):
- (a) the expeditious and speedy resolution of matters on their merits;
 - (b) the reasonableness of the request;
 - (c) the grounds or explanation for the adjournment;
 - (d) the timeliness of the request;
 - (e) the potential prejudice to each party;
 - (f) the right to a fair trial;
 - (g) the proper administration of justice;
 - (h) the history of the matter, including deliberate delay or misuse of the court process;
and
 - (i) the fact of a self-represented litigant.

Navarro at para 20 (citations omitted)

38. The Receiver submits that it is appropriate to grant an adjournment in the circumstances because:
- (a) The Receiver made a timely request to the Strata Corporations, through counsel;
 - (b) There have been delays for the Receiver in obtaining the necessary documents and evidence to fully respond to the Notice of Application;
 - (c) The circumstances of these receivership proceedings have changed substantially since the January 9 Hearing, as the Amended Citation Transaction has been terminated and the Receiver is now working towards closing the transaction with 148 pursuant to the 148 Agreement; and

(d) The Receiver is working diligently to obtain the necessary evidence and documentation to respond to the Notice of Application and will present such evidence to the Strata Corporations and other interested parties in due course.

39. Courts have also recognized the duty of a receiver to maximize recovery on assets under its jurisdiction, in service of which it may affirm or disclaim agreements.

See: *Constantine Enterprises Inc. v. Mizrahi (128 Hazelton) Inc. et al.*, 2025 ONSC 2073 at para 138, *Kingsett Mortgage Corporation et al. v. Vandyk-Uptowns Limited et al.*, 2024 ONSC 620 at paras 25–26, and *Forjay Management Ltd. v. 0981478 B.C. Ltd.*, 2018 BCSC 527, at para. 44, aff'd 2018 BCCA 25.

40. The Receiver maintains that its actions taken in respect of the Valet Easement throughout these proceedings are consistent with its duty to maximize recovery for creditors on the Hotel Property.

Part 6: MATERIAL TO BE RELIED ON

41. Such material as counsel for the Application Respondent may advise.

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

Date: 10/FEB/2026

Cassandra
Federico for:



Signature of John Sandrelli
Lawyer for Application Respondent