



No. H-230653
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE
COMPANY

PETITIONER

AND:

COROMANDEL CAMBIE 59 BT LTD., COROMANDEL CAMBIE
59 DEVELOPMENTS LTD., COROMANDEL CAMBIE 59
LIMITED PARTNERSHIP, JUN CHAO MO, ZHEN YU ZHONG,
CM BAY HOLDINGS LTD., COROMANDEL HOLDINGS LTD.,
JIN-OCEAN MORTGAGE INVESTMENT CORPORATION and
HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA

RESPONDENTS

NOTICE OF APPLICATION

Name of applicant: Desjardins Financial Security Life Assurance Company (the
“Applicant” or “Desjardins”)

To: the Service List and to His Majesty the King in Right of the Province of British Columbia

TAKE NOTICE that an application will be made by the applicant to the presiding judge at the
courthouse at 800 Smithe Street, Vancouver, BC, V6Z 2E1 on November 18, 2024 at 2:00 pm for
the orders set out in Part 1 below.

The applicant estimates that the application will take one hour

☒ This matter is not within the jurisdiction of an Associate Judge.

Part 1: ORDERS SOUGHT

1. An order, substantially in the form attached hereto as **Schedule “A”**:

- (a) abridging the time for service of this Notice of Application to the time actually given;
 - (b) approving a sale and investment solicitation process (the “**Proposed SISP**”) of the Property (as defined below), including the use of the Stalking Horse Bid (as defined below);
 - (c) approving and granting a conditional reverse vesting order (“**RVO**”) of the Stalking Horse Bid; and
 - (d) such further and other relief as counsel may advise and this Court deems just and appropriate in the circumstances.
2. An order, substantially in the form attached hereto as **Schedule “B”**, approving the activities of the Receiver (as defined below), as set out in the Receiver’s First Report to Court dated November 15, 2024 (the “**First Report**”).

Part 2: FACTUAL BASIS

Debtors and Lands

1. The respondents, Coromandel Cambie 59 BT Ltd., Coromandel Cambie 59 Developments Ltd. and Coromandel Cambie 59 Limited Partnership (collectively, the “**Debtors**”) were part of the Coromandel Properties Ltd. group (“**Coromandel**”), a real estate developer which previously employed approximately 30 employees and had interests in approximately 16 real estate projects in Vancouver.
2. Several of Coromandel’s projects have been subject to foreclosure and receivership proceedings over the past two years. This is the latest of those proceedings.
3. The Debtors’ principal asset is a parcel of land located at 7510 Cambie Street, Vancouver, British Columbia (PID: 029-788-897, the “**Lands**”), with a lot area of 29,482 square feet. The Lands include a dilapidated and boarded-up two-storey, mixed-use building, a single family house and parking lot.
4. Coromandel Cambie 59 BT Ltd. (the “**Nominee**”) is the legal owner of the Lands. Coromandel Cambie 59 Developments Ltd. and Coromandel Cambie 59 Limited Partnership are the beneficial owners of the Lands and the shareholders of the Nominee.

5. A site specific zoning bylaw for the Lands was approved by the City of Vancouver in 2016 for the development of a two building mixed-use medium density development, comprised of stratified condominiums and retail units at grade.
6. Coromandel acquired the Lands in 2018 for approximately \$44,000,000. The Lands had an assessed value of \$36,303,000 as of July 1, 2023, of which just \$10,000 was attributed to the buildings.

Foreclosure Proceedings

7. Desjardins holds a first-ranking mortgage against the Lands. Desjardins commenced the herein foreclosure proceedings in respect of the Lands on August 31, 2023, and obtained order nisi on October 26, 2023, with a redemption period expiring on April 26, 2024.
8. Jin-Ocean Mortgage Investment Corporation ("**Jin-Ocean**") holds a second-ranking mortgage over the Lands. Jin-Ocean commenced separate foreclosure proceedings on March 13, 2023, and was also granted order nisi with a six-month redemption period that has since expired. On November 30, 2023, Jin-Ocean obtained an Order for Conduct of Sale in respect of the Lands.
9. As of November 7, 2024, Desjardins and Jin-Ocean were owed approximately \$22,547,338 and \$8,484,954, respectively.

Foreclosure Sales Process

10. On December 11, 2023, Jin-Ocean entered into an exclusive listing agreement (the "**Colliers Listing Agreement**") with Colliers Macaulay Nicholls Inc. ("**Colliers**") to conduct a comprehensive marketing and sales process in respect of the Lands (the "**Foreclosure Sales Process**").
11. The Colliers Listing Agreement provided for a Commission of 1.75% of gross sale proceeds to be paid to Colliers on closing of a transaction.
12. In furtherance of the Foreclosure Sales Process, Colliers took the following steps:
 - (a) Prepared a customized property brochure and ordered professional drone aerial photographs to highlight the Lands;

- (b) Organized a data room with due diligence documents for potential purchasers;
 - (c) On December 27, 2023, professional signage was installed on the Lands advertising the property for sale;
 - (d) On December 31, 2023, sent an e-blast to a targeted developer and investor marketing list which included over 5,400 recipients (the "**Marketing List**");
 - (e) On January 14, 2024, sent another e-blast to the Marketing List which was aimed at re-engaging the market following the winter holiday break;
 - (f) On February 5, 2024, sent a MLS Commercial e-blast to 865 commercial realtors; and
 - (g) The Lands were also publicly listed on collierscanada.com and featured in (i) the February print addition and online version of *Western Investor*, (ii) the February (Lunar New Year) addition of *Sing Tao*; (iii) the Colliers agent's LinkedIn page in December 2023; (iv) a Lunar New Post on LinkedIn, WeChat and Instagram.
13. As a result of those marketing efforts, Colliers received two written offers between January 29, 2024 and March 7, 2024. On March 8, 2024, an offer to purchase the Lands for the purchase price of \$25,800,000 was accepted.
14. On April 8, 2024, the Colliers' Listing Agreement was amended (the "**Amended Listing Agreement**") to provide for the payment of a reduced flat commission of \$250,000 plus goods and services tax to Colliers (the "**Flat Fee**") in the event that an offer to purchase the Lands from a purchaser referred by Jin-Ocean was accepted and approved by the Court.
15. Thereafter, on April 25, 2024, a new offer was received from 1475040 BC Ltd. (the "**Purchaser**") for the purchase price of \$32,000,000 (the "**Original Offer**"). The Purchaser and Jin-Ocean are related parties.
16. The Original Offer provided for payment of a deposit of \$2,000,000 (the "**First Deposit**"), with a closing date of October 1, 2024.
17. On April 29, 2024, this Honourable Court granted an Order (the "**Approval Order**") which, *inter alia*, approved the Original Offer.

Proposed RVO Transaction

18. In September, 2024, the Purchaser, Jin-Ocean and Desjardins agreed to an extension of the closing date to January 7, 2024, conditional on the Purchaser making payment of a further deposit of \$900,000 (the "**Second Deposit**"). The First Deposit and the Second Deposit have been paid and forfeited to Desjardins, and the Original Offer remains scheduled to close on January 7, 2024.
19. The Original Offer is for the purchase of the Lands and all buildings, structures and improvements thereon, which are understood by Desjardins, Jin-Ocean and the Purchaser to be all or substantially all of the Debtors' assets.
20. If it closes, the Original Offer will result in a shortfall on the recovery of Jin-Ocean's indebtedness of between approximately \$3,400,000 and \$3,600,000. Further, the Purchaser will be obligated to pay property transfer tax of between approximately \$1,100,000 and \$1,200,000 (the "**PTT**"), assuming that 50% of the Lands are classified as residential, and 50% as commercial.
21. As a result, the Purchaser advised Jin-Ocean and Desjardins that it wanted to restructure the Original Offer as a sale or issuance of shares of the Nominee, subject to, and to be implemented by, an RVO.
22. The main benefit of the RVO structure is that it would allow the Purchaser to avoid paying the PTT. In exchange for that benefit, the Purchaser has agreed, *inter alia*, to pay:
 - (a) an additional \$576,612.43 in order to increase the recovery to Jin-Ocean (effectively to split the PTT savings with Jin-Ocean); and
 - (b) Desjardins' legal fees and expenses in connection with the RVO transaction, as well as the Receiver's fees and expenses.
23. The Purchaser, Jin-Ocean and Desjardins all agree that the Original Offer and the Approval Order will remain in force and be binding upon Desjardins and the Purchaser unless and until an RVO transaction, based on an offer by the Purchaser or otherwise, is approved by this Court and is completed.

Proposed Sales Process

24. In order to facilitate a restructuring of the Original Offer as a share sale to be implemented by way of RVO, Desjardins, with the express support of Jin-Ocean and the Purchaser, obtained an order on November 7, 2024 (the “**Receivership Order**”), appointing Deloitte Restructuring Inc. (the “**Receiver**”) as receiver and manager, without security, of the Lands, all personal property of the Debtors located at, related to or derived from the Lands, and the shares of the Nominee (collectively, the “**Property**”).
25. The Receivership Order empowers the Receiver to, among other things, market and solicit offers in respect of the Property, negotiate such terms and conditions of sale as the Receiver considers appropriate, and apply for vesting and other orders necessary to convey any of the Property to a purchaser.
26. The Receiver and the Purchaser have entered into an offer to purchase and contract of purchase and sale agreement dated November 15, 2024, for a sale of the shares of the Nominee and the beneficial interest in the Lands and buildings thereon, with a purchase price of \$32,576,612.43 (the “**Revised Offer**”). The Revised Offer is structured as an RVO transaction and is subject to Court approval, following completion of the Proposed SISP.
27. In order to ensure the highest purchase price is obtained for the Property (and, in turn, to mitigate the shortfall Jin-Ocean is projected to suffer under the Original Offer), the Purchaser has agreed with Jin-Ocean and Desjardins to be the stalking horse bidder in a further sales process to be conducted by the Receiver, in accordance with the Proposed SISP.
28. The Proposed SISP contemplates that the Receiver shall re-engage Colliers as the listing agent for the Lands using the same commission structure as provided for in the Amended Listing Agreement. As such, if a sale closes in accordance with the Original Offer or the Revised Offer, Colliers will earn the Flat Fee. If the Proposed SISP results in a sale to a third party purchaser not referred by Jin-Ocean, Colliers will earn 1.75% of gross sale proceeds.
29. The Proposed SISP is to be conducted in one phase in which Colliers will:
 - (a) update the marketing brochure to provide details of the Proposed SISP;

- (b) send an e-blast to targeted developer and investor marketing list and commercial brokers;
 - (c) publish the listing on its website and LinkedIn page;
 - (d) undertake targeted calls to parties that signed confidentiality agreements and made offers as part of the Foreclosure Sale Process;
 - (e) re-establish a virtual data room that contains key information for potential purchasers to evaluate the acquisition opportunity following signing of a confidentiality agreement; and
 - (f) seek qualified binding offers by the Final Bid Deadline (as defined herein).
30. The Proposed SISP contemplates that the Revised Offer will be considered a Qualified Bid, and be treated as a stalking horse bid. Other offers will be considered Qualified Bids if they exceed the Revised Offer by \$350,000. If the Receiver does not receive any Qualified Bids other than the Revised Offer, then the Receiver will take steps to close a sale to the Purchaser in accordance with the Revised Offer.
31. If the Receiver receives one or more Qualified Bid(s) greater than the Revised Offer, the Receiver will review and assess which bid shall be deemed the "**Successful Bid**").
32. The Target Dates under the Proposed SISP are as follows:
- (a) The commencement date shall be on November 19, 2024 (the "**Commencement Date**"), or as soon as reasonably practical after the Court grants an order approving the Proposed SISP.
 - (b) The Final Bid Deadline shall be 27 days after the Commencement Date.
 - (c) A Definitive Agreement, as defined in the Proposed SISP, shall be entered into by no later than December 31, 2024.
 - (d) The outside closing date for a Definitive Agreement shall be January 7, 2025 (the "**Outside Closing Date**"), provided that the Outside Closing Date may be extended if a Qualified Bid is received from a third party unrelated to Jin-Ocean, and subject to the approval of the Receiver, Desjardins and Jin-Ocean.

33. For reasons more particularly described in the First Report, the Receiver is of the view that the Proposed SISP is fair and reasonable in the circumstances, with a view to maximizing recoverable value for the Property.

Part 3: LEGAL BASIS

Approval of Stalking Horse Sales Process

1. Subsection 243(1) of the BIA provides the court with jurisdiction to grant a receiver the authority to take any action that the Court considers advisable where the Court determines that it is just and convenient to do so, including approving a sales process.
2. The use of stalking horse bids to set a baseline for a bidding process in receivership processes has been recognized by Canadian courts as a legitimate means of maximising recovery in a bankruptcy or receivership sales process.

Leslie & Irene Dube Foundation Inc. v P218 Enterprises Ltd., 2014 BCSC
1855 at para 20

3. A receiver must seek Court approval of a stalking horse bid process prior to undertaking such a process.

Farm Credit Canada v Gidda, 2015 BCSC 2188 at para 37

4. This Court has previously granted a conditional vesting order in favour of a stalking horse bid (concurrently with approval of a sales process, and subject only to a better offer being received) where it was satisfied that such an order represented the best chance for maximum recovery.

Institutional Mortgage Capital Canada Inc. v 0876242 BC Ltd.,
2022 BCSC 1520 at para 61

5. In deciding to approve a bid the factors to be considered are those set out in *Royal Bank of Canada v. Soundair Corp.*, 1991 CanLII 2727 (ON CA), including:
 - (a) whether the receiver has made a sufficient effort to get the price and has not acted improvidently;
 - (b) the interests of all parties;

- (c) the efficacy and integrity of the process by which the offers are obtained; and
 - (d) whether there has been unfairness in the working out of the process.
6. In this proceeding, a stalking horse bid is appropriate. The bidding process will provide a public and transparent process under which potential purchasers will be identified and the Property will be marketed, in a manner that accounts for the steps already taken during the Foreclosure Sales Process. The process has been designed to obtain the highest price; the proposed stalking horse agreement sets a floor price for potential bidders.
 7. The Proposed SISP is designed to generate a result efficiently and effectively, while giving confidence to stakeholders that there will be a timely sale, be it to the stalking horse bidder or a superior offer.
 8. Most importantly, there is no unfairness to any stakeholder in this process given that under the Original Offer, Jin-Ocean is the fulcrum creditor and it is transparently related to the Purchaser. Further, both Desjardins and Jin-Ocean support the Proposed SISP.

Reverse Vesting Orders

9. The purpose and object of a receivership authorized by the *Bankruptcy and Insolvency Act*, RSC, 1985 c. B-3 ("**BIA**"), is to facilitate and enhance the preservation and realization of the assets of a debtor for the benefit of creditors, in accordance with their priority rankings.

British Columbia v Peakhill Capital Inc., 2024 BCCA 246 ("**Peakhill BCCA**") at para 21.
10. Our Court of Appeal recently confirmed that there exists "clear jurisdiction to authorize an RVO" in receivership proceedings, under s. 243 of the BIA.

Peakhill BCCA at para 24
11. Employment of the RVO structure is not routine or ordinary course. Rather, courts are directed to consider the appropriateness of RVOs on a case-by-case basis, having regard to the following factors as set out in the seminal decision of *Harte Gold*:

- (a) **Why is the RVO necessary in this case?** As set out above, the Approval Order approved a transaction whereby Jin-Ocean will suffer an estimated \$3,400,000 to \$3,600,000 shortfall on its secured debt. Because the proposed RVO sale attracts a higher purchase price, it will increase Jin-Ocean's recovery. The Original Offer will proceed by way of the Approval Order unless the proposed RVO is approved, meaning that the RVO is necessary in this case to maximize the realization of assets for the benefit of creditors, in service of the BIA's objectives.
- (b) **Does the RVO structure produce an economic result at least as favourable as any other viable alternative?** As set out above, the proposed RVO will result in recoveries for Jin-Ocean higher than will be recouped under the Approval Order, being the only viable alternative.
- (c) **Is any stakeholder worse off under the RVO structure than they would have been under any other viable alternative?** The Province of British Columbia (the "Province") will not receive PTT if the Revised Offer is approved and an RVO is granted, and in that regard is worse off than it would be under the Approval Order. However, the Court in *Peakhill* (affirmed by the BCCA) recognized that commercial parties legitimately transact to avoid paying PTT all the time, and it is "perfectly proper" to do so. Particularly where the purpose and result of a PTT-avoidant transaction is to maximize recovery for creditors in an insolvency proceeding, that transaction should be allowed to proceed, despite disadvantage to the Province.
- (d) **Does the consideration being paid for the debtor's business reflect the importance and value of the licenses and permits (or other intangible assets) being preserved under the RVO structure?** The Purchaser is willing to pay a higher price under the RVO than under the Approval, commensurate with the benefit to the Purchaser of saving on PTT that would otherwise be payable. Further, effecting a sale of the Lands by RVO will allow the Purchaser to retain intangible assets and tax losses associated with the Debtors that will otherwise be lost, although the Receiver does not attribute meaningful value to those benefits to the Purchaser.

Harte Gold Corp (Re), 2022 ONSC 653 ("**Harte Gold**") at para 38.

Peakhill BCCA at paras 30 and 31.
Peakhill Capital Inc. v Southview Gardens Limited Partnership, 2023
BCSC 1476 ("**Peakhill BCSC**") at paras 76 and 77;
MCAP Financial Corporation v QRD (Willoughby) Holdings Inc., 2024
BCSC 1654 ("**MCAP**") at para 12

12. Reverse vesting orders are particularly appropriate in situations where no creditor, other than fulcrum secured creditors, have any expectation of recovery. Unsecured creditors will not obtain a better outcome in the current circumstances under a plan of arrangement, a proposal or a bankruptcy.
13. Except as to purchase price and mechanics, the Revised Offer contemplates the same commercial terms as the Original Offer. As such, the Approval Order itself is confirmation that the *Soundair* factors are satisfied in respect of the Revised Offer. For certainty, *Soundair* requires a court to consider:
 - (a) whether the receiver has made a sufficient effort to get the price and has not acted improvidently;
 - (b) the interests of all parties with the primary interest being the Debtor's creditors and ensuring that the best possible price is obtained and a secondary but still important consideration being the integrity of the process;
 - (c) the efficacy and integrity of the process by which the offers are obtained; and
 - (d) whether there has been unfairness in the working out of the process.

Royal Bank of Canada v. Soundair Corp., 1991 CanLII 2727 (ON CA)
("**Soundair**") at paras 8-9.

14. By making the Approval Order, this Honourable Court found, among other things, that the marketing efforts undertaken by Colliers satisfied the *Soundair* criteria. Those factors are equally satisfied now, where an even higher offer is available.

Third-Party Releases

15. Third-party releases are often a component of restructuring processes. Factors that must be considered by the court when approving releases in restructuring proceedings have been distilled into what is now known as the "nexus test":

- (a) whether the parties to be released from claims were necessary and essential to the restructuring of the debtor;
- (b) whether the claims to be released were rationally connected to the purpose of the plan and necessary for it;
- (c) whether the plan could succeed without the releases;
- (d) whether the parties being released were contributing to the plan; and
- (e) whether the release benefitted the debtors as well as the creditors generally.

Re Lydian International Limited, 2020 ONSC 4006 at para 54

- 16. No single factor will be determinative, nor is it necessary for each factor to apply. Nevertheless, some factors may assume greater weight, depending on the situation.
- 17. Similar to *MCAP*, the proposed RVO contains releases that are not contained in the Approval Order. The RVO contains releases for the Receiver, its directors and officers, employees, counsel, and advisors. Also similar to *MCAP*, in the proposed RVO the Purchaser as well as the current and former directors, officers, employees, legal counsel and advisors of ResidualCo do obtain a broad release. However, the RVO does not contemplate a release of the principals of the debtors, such that they remain liable as guarantors.

MCAP at paras 32-35

- 18. The releases in the RVO are tailored so as to release the parties that are essential to the restructuring process and materially contributed to its success. The releases also permit the Receiver to act as directors or officers of ResidualCo. Similar releases were approved in *Peakhill* and *MCAP*, and are appropriate here.

Approving the Receiver's Activities

- 19. A receiver, as a court-appointed officer experienced in the insolvency field, is entitled to considerable deference. As such, the Court should be reluctant to second-guess, with the benefit of hindsight, the considered business decisions made by its receiver.

Chahal v Chabarra et al., 2014 ONSC 6770 at para 23

20. In particular, the case law is clear that where the court is concerned with the disposition of property, the purpose of appointing a receiver is "to have the receiver do the work that the court would otherwise have to do."

2403177 Ontario Inc. v Bending Lake Iron Group Limited, 2016 ONSC 199 at para 73

21. The conduct of a receiver should be viewed in the light of the specific mandate provided by the court and the expansive articulation of the receivership provisions of the *BIA*.
22. There are good policy and practical reasons for the Court to approve of an insolvency professional's activities during an insolvency process; specifically, court approval: allows a receiver to move forward with the next steps in the proceedings; brings the receiver's activities before the Court; allows an opportunity for the concerns of the stakeholders to be addressed and any problems to be rectified; enables the Court to satisfy itself that the receiver's activities have been conducted in a prudent and diligent manner; provides protection for the receiver not otherwise provided by the *BIA* or the appointing order; and protects creditors from delay and disruption caused by re-litigation of issues and potential indemnity claims by the receiver.

Target Canada Co. (Re), 2015 ONSC 7574, at paras 22-23

23. Here the Receiver's activities fall directly within the scope of its authority and powers under the Receivership Order and serve the purpose of enhancing and facilitating the preservation and realization of the Property for the benefit of the Debtors' creditors. An order approving the Receiver's activities clearly fits within the Court's broad mandate under s. 243(1)(c) of the *BIA*, and is appropriate in the circumstances.

Part 4: MATERIAL TO BE RELIED ON

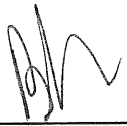
1. Approval Order pronounced herein on April 29, 2024;
2. Receivership Order pronounced herein on November 7, 2024;
3. Receiver's First Report to Court dated November 15, 2024.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application

or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33;
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding; and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

November 15, 2024
Date


Signature of ☒ lawyer for filing party
Lawson Lundell LLP (Bryan Gibbons)
Lawyer for Receiver

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs _____ of Part 1
of this notice of application

☐ with the following variations and additional terms:

Date: _____

Signature of ☐ Judge ☐ Associate

Judge

APPENDIX

The following information is provided for data collection purposes only and is of no legal effect.

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ oral matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- ☒ none of the above

SCHEDULE "A"

No. H230653
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE
COMPANY

PETITIONER

AND

COROMANDEL CAMBIE 59 BT LTD., COROMANDEL CAMBIE
59 DEVELOPMENTS LTD., COROMANDEL CAMBIE 59
LIMITED PARTNERSHIP, JUN CHAO MO, ZHEN YU ZHONG,
CM BAY HOLDINGS LTD., COROMANDEL HOLDINGS LTD.,
JIN-OCEAN MORTGAGE INVESTMENT CORPORATION and
HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA

RESPONDENTS

ORDER MADE AFTER APPLICATION

**(STALKING HORSE SALE PROCEDURE AND APPROVAL
AND REVERSE VESTING ORDER)**

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))	
BEFORE)	THE HONOURABLE JUSTICE MASUHARA)	November 18, 2024
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))	

THE APPLICATION of Deloitte Restructuring Inc., in its capacity as receiver and manager (the "**Receiver**"), coming on for hearing at Vancouver, British Columbia, on the 18th day of November, 2024; AND ON HEARING Bryan Gibbons and Baylee Hunt, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including First Report of the Receiver dated November 15, 2024 (the "**First Report**"),

THIS COURT ORDERS AND DECLARES THAT:

GENERAL

1. The time for service of the Notice of Application filed November 15, 2024 and supporting materials filed therewith, including the First Report, is hereby abridged such that the Notice of Application is properly returnable today.
2. All capitalized terms contained in this Order not otherwise defined herein shall have the meanings ascribed to them in the Sale Agreement or the Sale Procedure (as defined below).
3. In this Order, the following terms shall bear the meaning given to them below:
 - (a) "**Claims**" means any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing, all Encumbrances;
 - (b) "**Encumbrances**" means (i) any encumbrances or charges created by the Receivership Order of this Court granted November 7, 2024 (the "**Receivership Order**"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; (iii) all charges, mortgages or claims evidenced by registrations pursuant to the *Land Title Act* of British Columbia; and (iv) all other legal notations, charges, liens, interests, encumbrances or charges, whatsoever (whether registered or unregistered), but excluding the permitted encumbrances listed on **Schedule "D"** of this Order;
 - (c) "**Liability**" means any debt, claim, liability, duty, responsibility, obligation, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed;
 - (d) "**Retained Assets**" means all right, title and interest of the Nominee, if any, in and to the Lands, the Buildings, and any other assets, property or obligations, which,

pursuant to the terms and conditions of the Sale Agreement, are to remain the property of the Nominee after completion of the Transaction;

- (e) **"Sale Agreement"** means the agreement of purchase and sale dated as of November 15, 2024 between the Receiver, as vendor and 1475040 B.C. Ltd. (the **"Stalking Horse Bidder"** or the **"Purchaser"**), attached as Appendix "C" to the First Report;
- (f) **"Sale Procedure"** means the stalking horse Sale Procedure attached as Appendix "B" to the First Report;
- (g) **"Transaction"** means the sale transaction contemplated by the Sale Agreement;
- (h) **"Transferred Assets"** means any assets of the Nominee that are not the Retained Assets;
- (i) **"Transferred Liabilities"** means (i) every Liability of the Nominee arising during or relating to any period prior to the Closing Date, including, but not limited to, Liability owed to lenders, service contractors, or third parties of any kind, except for the Permitted Encumbrances listed in Part 2 of Schedule "A" of the Sale Agreement; (ii) any Liability relating to or arising out of the Transferred Assets; (iii) any Liability of the Nominee for taxes resulting from the Transaction (for the avoidance of doubt this shall not include any GST or other taxes payable by the Purchaser in respect of the Transaction pursuant to the Sale Agreement); (iv) all employees, employment agreements, executive personnel agreements, officer or director agreements, employee wages, employee benefit plans or payments, pension obligations, employee tax withholding obligations, employee health or dental plan obligations, all employee complaints or claims, labour relations board actions or other employee proceedings and similar obligations of the Nominee; (v) all Liability for payment of fees for operation of the Lands and the Buildings up to the Completion Date; (vi) any proceedings, claims or actions commenced in any court initiated or threatened against the Nominee; (vii) the costs and expenses and Liability of the Nominee under the within proceedings; (viii) any Liability for a breach of or non-compliance with any applicable law by the Nominee; (ix) the Liability of the Nominee under the Sale Agreement; and (x) any Liability for a breach of or otherwise related in any way to the Encumbrances.

SALE PROCEDURE

4. The Sale Procedure is hereby approved.
5. The Receiver is hereby authorized and directed to proceed with the Sale Procedure and to do all such things as are reasonably necessary to carry out its obligations thereunder and give full effect to the Sale Procedure.
6. The requirements of Supreme Court of British Columbia Practice Direction 62 – Sealed bid Process for Foreclosures and Other Matters Involving Sales of Land are hereby dispensed with.

APPROVAL OF STALKING HORSE BID

7. In accordance with the Sale Procedure, effective upon the Receiver filing a certificate with the Court that no Qualified Bids (other than the Sale Agreement) were received by the Receiver by the Bid Deadline (the “**SISP Completion Certificate**”), the Transaction is hereby authorized, ratified and approved, with such amendments to the Sale Agreement as may be made in accordance with this Order.
8. Upon filing the SISP Completion Certificate, the Receiver is hereby authorized and directed to take all such steps as may be reasonably necessary or desirable for the completion of the Transaction and for the conveyance to the Stalking Horse Bidder of the Purchased Assets (as defined in the Sale Agreement) in accordance with the terms of the Sale Agreement, including, without limitation:
 - (a) to execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Stalking Horse Bidder of the Purchased Assets (the “**Additional Documents**”), including, on behalf of the Nominee, all such documents as may be necessary or desirable in connection with the transfer of the Shares to the Stalking Horse Bidder (including, without limitation, all such documents that are customary in share transactions in British Columbia); and
 - (b) to make such amendments to the Sale Agreement and to the Additional Documents as the Receiver and the Stalking Horse Bidder may approve in writing and which do not materially alter the Sale Agreement.

9. If the Successful Bid (as defined in the Sale Procedure) is not the Sale Agreement, then the Receiver shall bring an application to the Court for a sale approval and vesting order with respect to the Successful Bid.

INCORPORATION OF RESIDUALCO

10. Upon filing the SISP Completion Certificate, the Receiver is hereby authorized to incorporate a new company ("**ResidualCo**"), which shall be added as a Respondent in the within proceedings pursuant to paragraph 29 of this Order.
11. Jeff Keeble, in his capacity as a representative of the Receiver and not in any other capacity ("**Keeble**"), is hereby authorized, but not directed, as officer of the Court, to act as a director and officer of ResidualCo.
12. In any role as director and/or officer of ResidualCo, Keeble is hereby authorized to take such steps and perform such tasks as are necessary or desirable to effect the Transaction and facilitate the implementation of this Order.
13. Keeble shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of gross negligence or wilful misconduct on his part.
14. Until further order of this Court, no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim, or otherwise, against or in respect of Keeble relating to his appointment as director or officer of ResidualCo, or his actions in respect of the Transaction or related to this Order, and all rights and remedies of any person against or in respect of Keeble are hereby stayed and suspended, except with leave of this Court.
15. The protections provided to Keeble in this Order are in addition to and in no way limit those provided to the Receiver in the Receivership Order, any further order granted in these proceedings, or in the *Bankruptcy and Insolvency Act* (the "**BIA**").

VESTING OF ASSETS AND LIABILITIES

16. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule "E"** hereto (the "**Closing Certificate**"), the following shall occur

and be deemed to have occurred commencing at the time of delivery of the Closing Certificate (the "**Effective Time**") in the following sequence:

- (a) All of the Nominee's right, title, and interest in and to the Transferred Assets shall be transferred to, and shall vest absolutely and exclusively, without recourse, in ResidualCo;
- (b) All Claims, Encumbrances, and Transferred Liabilities in respect of the Nominee and the Nominee's right, title, and interest in and to the Retained Assets shall be transferred to and assumed by and shall vest absolutely and exclusively without recourse in ResidualCo, and (i) such Claims and Encumbrances shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and had remained in the possession or control of the person having possession or control immediately prior to the transfer; (ii) such Claims and Encumbrances equal to the fair market value of the Transferred Assets shall be transferred to and assumed by ResidualCo in consideration for the transfer of the Transferred Assets; and (iii) the remaining Claims and Encumbrances, and all Transferred Liabilities shall be transferred to and assumed by ResidualCo for no consideration as part of, and to facilitate, the implementation of the Transaction;
- (c) All Claims, Encumbrances and Transferred Liabilities in respect of the Nominee, the Shares, and the Nominee's Retained Assets shall be irrevocably and forever expunged, released and discharged as against the Purchaser, the Nominee and the Retained Assets;
- (d) Without limiting subparagraph 16(c), any and all security registrations against the Nominee, the Shares, and the Retained Assets shall be and are hereby forever released and discharged as against the Nominee, and all such security registrations shall attach to the Transferred Assets vested in ResidualCo and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are

required to reflect the transfer of and assumption by ResidualCo of such security registrations;

(e) The Nominee shall cease to be a respondent in the within proceedings and shall be deemed released from the purview of all Orders of this Court granted in respect of the within proceedings, save and except for this Order; and

(f) All of the:

(i) legal and beneficial right, title, and interest in and to the Shares; and

(ii) beneficial right, title, and interest in and to the Lands, the Buildings and any other Retained Assets

will be transferred to and will vest absolutely in the Purchaser, free and clear of all Claims and Encumbrances.

17. Upon presentation for registration in the Land Title Office for the Lower Mainland Land Title Office of a certified copy of this Order, together with a letter from Lawson Lundell LLP, solicitors for the Receiver enclosing a filed copy of the SISP Completion Certificate and authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to discharge, release, delete, and expunge from title to the Lands all of the registered Encumbrances, except for those listed in **Schedule "D"** of this Order. For additional clarity, the British Columbia Registrar of Land Titles is hereby directed to discharge all of the registered Encumbrances listed in **Schedule "C"** of this Order.
18. The Receiver and ResidualCo are hereby permitted to execute and file articles of incorporation, bylaws, and such other documents or instruments as may be required to permit or enable and effect the incorporation of ResidualCo and the Transaction, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the incorporation of ResidualCo.
19. As of the Effective Time, the existing share certificates in respect of the Shares shall be cancelled and the Receiver shall be authorized to issue new share certificates in respect of the Shares in the name of the Purchaser or such entity as the Purchaser may require.

20. This Order shall constitute the only authorization required by the Receiver, the Nominee, or ResidualCo to proceed with the Transaction, including, without limitation, the incorporation of ResidualCo and, except as specifically provided in the Sale Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any governmental authority exercising jurisdiction in respect of the Nominee is required for the due execution, delivery and performance by the Receiver, the Nominee, and by ResidualCo of the Sale Agreement and the completion of the Transaction.
21. As of the Effective Time:
- (a) the Nominee shall continue to hold all legal right, title and interest in and to the Retained Assets, free and clear of all Claims and Encumbrances and the Transferred Liabilities;
 - (b) the Purchaser shall hold all beneficial right, title, and interest in and to the Retained Assets, free and clear of all Claims and Encumbrances and the Transferred Liabilities; and
 - (c) the Nominee shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.
22. For greater certainty, any person that, prior to the Effective Time, had a Claim or Encumbrance against the Nominee or its assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Nominee or the Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, against the Transferred Assets to be administered by the Receiver in ResidualCo from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Claim or Encumbrance of any Person as against the Transferred Assets to be administered by the Receiver in ResidualCo.
23. From and after the Effective Time, the Purchaser and/or the Nominee shall be authorized to take all steps as may be necessary to effect the discharge and release as against the Nominee and the Retained Assets of the Claims, Encumbrances and Transferred Liabilities that are transferred to and vested in ResidualCo pursuant to this Order including,

without limitation, to file any discharges in the Land Title Office, the Personal Property Registry of British Columbia or any other personal property registry.

24. Upon the delivery of the Closing Certificate, and upon filing of a certified copy of this Order together with any applicable registration fees, all governmental authorities exercising jurisdiction with respect to the Nominee, the Retained Assets, or the Transferred Assets are hereby authorized, requested and directed to accept delivery of such Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and conveyances as may be required to give effect to the terms of this Order and the completion of the Transaction and to discharge and release all Claims and Encumbrances and Transferred Liabilities against or in respect of the Nominee and the Retained Assets including, without limitation, those Encumbrances listed on **Schedule "C"**, and presentment of this Order and the Closing Certificate shall be the sole and sufficient authority for the governmental authorities to do so.
25. Subject to the terms of the Sale Agreement, the Receiver shall deliver to the Purchaser vacant possession of the Lands and Buildings on the Closing Date.

RELEASES

26. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Receiver, its directors, officers, employees, counsel, advisors and representatives, the Purchaser, the Nominee, or the Retained Assets, in any way relating to, arising from or in respect of:
 - (a) the Transferred Assets;
 - (b) any and all Claims or Encumbrances and the Transferred Liabilities against or relating to the Nominee, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
 - (c) the insolvency of the Nominee or the Beneficial Owners prior to the Effective Time;
 - (d) the commencement or existence of these receivership proceedings; and
 - (e) the completion of the Transaction.

27. From and after the Effective Time, the current and former directors, officers, employees, legal counsel and advisors of ResidualCo shall be deemed to be forever irrevocably released and discharged from all present and future claims, liabilities, indebtedness, demands, actions or obligations of any kind, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time or undertaken or completed in connection with or pursuant to the terms of this Order in respect of, relating to, or arising out of (i) the Debtors or their business, operations, assets, property and affairs, or (ii) the Transaction.
28. From and after the Effective Time, all current directors and officers of the Nominee are deemed to have resigned as directors and officers of the Nominee and to have released the Nominee from any claims whatsoever against the Nominee.

RESIDUALCO

29. As at the Effective Time, ResidualCo shall be substituted as a Respondent in these proceedings in place of the Nominee and the style of cause for these proceedings shall be changed by deleting the Nominee as a Respondent and replacing it with ResidualCo as a Respondent.
30. The administration of ResidualCo shall remain subject to the Court's oversight and these proceedings, and the Receiver is hereby authorized and empowered, but not obligated, to assign ResidualCo into bankruptcy.

MISCELLANEOUS

31. The Receiver is directed to file with the Court a copy of each of the SISP Completion Certificate and the Closing Certificate forthwith after delivery thereof to the Purchaser.
32. Notwithstanding:
 - (a) these proceedings;
 - (b) any application for a bankruptcy order or a receivership order in respect of the Nominee or ResidualCo now or hereafter made pursuant to the BIA or otherwise and any bankruptcy or receivership order issued pursuant to any such application;or

(c) any assignment in bankruptcy made by the Nominee or ResidualCo;

the execution of the Sale Agreement and the implementation of the Transaction shall be binding on any trustee or other administrator in respect of ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Nominee, and shall not be void or voidable by creditors of ResidualCo or the Nominee, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

33. The Receiver and the Purchaser shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transaction.
34. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Sale Agreement and all amendments thereto, in connection with any dispute involving the Nominee or ResidualCo, and to adjudicate, if necessary, any disputes concerning the Nominee or ResidualCo related in any way to the Transaction.

DISTRIBUTION OF TRANSACTION PROCEEDS

35. The Receiver is hereby authorized to distribute the net proceeds of sale received by the Receiver from the Transaction to:
 - (a) Desjardins Financial Security Life Assurance Company ("**Desjardins**") on account of the amount owing to Desjardins by the Debtors and secured by, among other security, Mortgages CA7184754 and CA7184755 registered on the Lands on November 13, 2018, in favour of Desjardins together with its professional fees; and
 - (b) following payment to Desjardins, to Jin-Ocean Mortgage Investment Corporation ("**Jin-Ocean**") on account of the amount owing to Jin-Ocean by the Debtors and secured by, among other security, Mortgages CA9341014 and CA9341015 registered against the Lands on September 7, 2021, in favour of Jin-Ocean.

36. The distributions authorized by paragraph 35 of this Order shall at all times be subject to: (a) the completion of the Transaction; (b) receipt by the Receiver of the proceeds of sale from the Transaction; and (c) a holdback by the Receiver of an amount or amounts satisfactory to the Receiver to be sufficient for the payment of the Receiver's fees and disbursements and any other amounts deemed necessary or advisable by the Receiver to hold back.

37. Notwithstanding;

- (a) the pendency of these proceedings;
- (b) any assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such petition; or
- (c) any provisions of any federal or provincial legislation;

any payments, distributions and disbursements contemplated by this Order shall be made free and clear of any Claims and Encumbrances, shall be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Receiver and any party receiving payments, distributions, and disbursements pursuant to this Order, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

38. In addition to and without limiting the rights and protections afforded to the Receiver under the Receivership Order, the Receiver and its employees and representatives shall not be liable as a result of acting in accordance with this Order, including for making any distribution of funds under this Order, or for administering ResidualCo, save and except for any claim or liability arising out of any gross negligence or willful misconduct on the part of any such parties. Nothing in this Order shall derogate from the protections afforded to the Receiver under the Receivership Order, or any other applicable federal or provincial law.

39. Notwithstanding any other provision of this Order and without in any way limiting the protections for the Receiver provided for under the Receivership Order, the BIA, or any

other federal or provincial applicable law, the Receiver shall have no obligation to make any payment unless the Receiver is in receipt of funds adequate to make any such payment.

40. Any payments, distributions, and disbursements made by the Receiver under this Order shall not constitute a "distribution" for the purposes of section 159 of the *Income Tax Act*, as amended, or section 270 of the *Excise Tax Act*, or any other similar federal or provincial legislation (collectively, the "**Tax Statutes**"). The Receiver in making any such payments, distributions, or disbursements is not "distributing", nor shall it be considered to "distribute" nor have "distributed", such funds for the purpose of the Tax Statutes, and the Receiver shall not incur any liability under the Tax Statutes in respect of the making of any payments ordered or permitted under this Order.
41. The Receiver may apply to the Court as necessary to seek further orders and directions with respect to payments and distributions made pursuant to this Order.
42. Endorsement of this Order by counsel appearing on this application, other than counsel for the Receiver, is hereby dispensed with.

43. vTHIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Bryan Gibbons
☒ lawyer for the Receiver

BY THE COURT

REGISTRAR

Schedule A – List of Counsel

<u>Counsel</u>	<u>Party Represented</u>
Colin Brousson	Desjardins Financial Security Life Assurance Company
Shawn Poisson / Holiday Powell	1475040 B.C. Ltd.

Schedule B – Purchased Assets

1. PID: 029-788-897, Parcel 1 District Lot 323 Group 1 New Westminster District Plan EPP59445 and all buildings, structures, and improvements thereon.
2. The Shares (as defined in the Sale Agreement).

Schedule C – Encumbrances to be Discharged

Land Title Office

1. Mortgage CA7184754 registered on November 13, 2018 in favour of Computershare Trust Company of Canada
2. Assignment of Rents CA7184755 registered on November 13, 2018 in favour of Computershare Trust Company of Canada
3. Mortgage CA9341014 registered on September 7, 2021 in favour of Jin-Ocean Mortgage Investment Corporation, Incorporation No. 1038697
4. Assignment of Rents CA9341015 registered on September 7, 2021 in favour of Jin-Ocean Mortgage Investment Corporation, Incorporation No. 1038697
5. Property Transfer Tax Lien registered on March 4, 2022 in favour of Her Majesty the Queen in Right of the Province of British Columbia

Personal Property Registry

6. Personal Property Registration 124726L in favour of Computershare Trust Company of Canada
7. Personal Property Registrations 226327N and 226325N in favour of Jin-Ocean Mortgage Investment Corporation

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to Lands**

1. The subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown.
2. Statutory Right of Way registered March 23, 2016 in favour of the City of Vancouver, CA5061285
3. Covenant registered March 23, 2016 in favour of the City of Vancouver, CA5061288
4. Covenant registered March 23, 2016 in favour of the City of Vancouver, CA5061291
5. Equitable Charge registered March 23, 2016 in favour of the City of Vancouver, CA5061294
6. Statutory Right of Way registered March 23, 2016 in favour of the City of Vancouver, CA5061297
7. Covenant registered March 23, 2016 in favour of the City of Vancouver, CA5061300
8. Covenant registered March 23, 2016 in favour of the City of Vancouver, CA5061303
9. Statutory Right of Way registered March 23, 2016 in favour of the City of Vancouver, CA5061306
10. Covenant registered March 23, 2016 in favour of the City of Vancouver, CA5061309

Schedule E – Closing Certificate

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE
COMPANY

PETITIONER

AND

COROMANDEL CAMBIE 59 BT LTD., COROMANDEL CAMBIE
59 DEVELOPMENTS LTD., COROMANDEL CAMBIE 59
LIMITED PARTNERSHIP, JUN CHAO MO, ZHEN YU ZHONG,
CM BAY HOLDINGS LTD., COROMANDEL HOLDINGS LTD.,
JIN-OCEAN MORTGAGE INVESTMENT CORPORATION and
HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA

RESPONDENTS

CLOSING CERTIFICATE

A. Pursuant to an Order of Justice Masuhara of the Supreme Court of British Columbia (the "**Court**") dated November 7, 2024, Deloitte Restructuring Inc. was appointed as the receiver and manager (in such capacity, the "**Receiver**") of the property, assets and undertakings of Coromandel Cambie 59 BT Ltd., Coromandel Cambie 59 Developments Ltd., Coromandel Cambie 59 Limited Partnership, including the land legally described as 029-788-897, Parcel 1 District Lot 323 Group 1 New Westminster District Plan EPP59445 and the buildings thereon.

B. Pursuant to an Order of the Court dated November 18, 2024 (the "**Approval and Reverse Vesting Order**"), the Court, among other things, approved the Offer to Purchase dated November 15, 2024, between the Receiver and 1475040 B.C. Ltd. (the "**Purchaser**"), a copy of which is attached as Appendix "B" to the Approval and Reverse Vesting Order, and the transactions contemplated thereby, and providing for the occurrence of certain events in the specified sequence upon delivery by the Receiver to the Purchaser of a certificate confirming (i) payment by the Purchaser of the Purchase Price; (ii) that the conditions to completion as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, the capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER HEREBY CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price payable on the Completion Date pursuant to the Sale Agreement;
2. The conditions to closing set out in Article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____, 2024.

DELOITTE RESTRUCTURING INC., in its capacity as the court-appointed receiver and manager of Coromandel Cambie 59 BT Ltd., Coromandel Cambie 59 Developments Ltd., Coromandel Cambie 59 Limited Partnership, and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

No. H230653
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE
COMPANY

PETITIONER

AND

COROMANDEL CAMBIE 59 BT LTD., COROMANDEL
CAMBIE 59 DEVELOPMENTS LTD., COROMANDEL
CAMBIE 59 LIMITED PARTNERSHIP, JUN CHAO MO,
ZHEN YU ZHONG, CM BAY HOLDINGS LTD.,
COROMANDEL HOLDINGS LTD., JIN-OCEAN
MORTGAGE INVESTMENT CORPORATION and HIS
MAJESTY THE KING IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA

RESPONDENTS

ORDER MADE AFTER APPLICATION

(APPROVE RECEIVER'S ACTIVITIES)

BEFORE THE HONOURABLE
JUSTICE MASUHARA

MONDAY, THE 18TH DAY OF
NOVEMBER, 2024

ON THE APPLICATION of Deloitte Restructing Inc. (the "**Receiver**"), in its capacity as receiver and manager of certain lands and personal property of Coromandel Cambie 59 BT Ltd., Coromandel Cambie 59 Developments Ltd. and Coromandel Cambie 59 Limited Partnership (the "**Debtors**"), coming on for hearing at Vancouver, British Columbia, on the 18th day of November, 2024, and on hearing Bryan Gibbons and

Baylee Hunt, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto;

AND ON READING the material filed, including the Receiver's First Report to the Court dated November 15, 2024 (the "**First Report**");

THIS COURT ORDERS that:

1. The activities of the Receiver to date, as set out in the First Report, be and are hereby approved by the Court
2. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of ☒ lawyer for Applicant
Lawson Lundell LLP (Bryan Gibbons)

BY THE COURT

REGISTRAR

SCHEDULE "A"
LIST OF COUNSEL

Counsel	Party Represented
Colin Brousson	Desjardins Financial Security Life Assurance Company
Shawn Poisson / Holiday Powell	1475040 B.C. Ltd.

NO. H230653
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

DESJARDINS FINANCIAL SECURITY LIFE
ASSURANCE COMPANY

PETITIONER

AND

COROMANDEL CAMBIE 59 BT LTD., AND
OTHERS

RESPONDENTS

ORDER MADE AFTER APPLICATION



Barristers & Solicitors
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Phone: (604) 685-3456

Attention: Bryan Gibbons/Baylee Hunt

NO. H230653
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

DESJARDINS FINANCIAL
SECURITY LIFE
ASSURANCE COMPANY

PETITIONER

AND:

COROMANDEL CAMBIE 59
BT LTD., AND OTHERS

RESPONDENTS

NOTICE OF APPLICATION



Barristers & Solicitors
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2
Phone: (604) 685-3456
Attention: Bryan Gibbons/Baylee Hunt