



No. S-240493
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.,
INTERNATION 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 ;IU,
1307510 B.C. LTD., JEFFREY RAUCH, HEUNG KEI SUNG, AND
RCC HOLDINGS LTD.

RESPONDENTS

APPLICATION RESPONSE

Application response of: Fox Island Development Ltd., and Advanced Venture Holding Co.,
Ltd.

THIS IS A RESPONSE TO the notice of application of the Receiver filed February 19, 2026.

The application respondents estimate that the application will take ½ day.

PART 1 ORDERS CONSENTED TO

The application respondents consent to the granting of **ALL** paragraphs of orders sought in Part 1 of the notice of application

PART 2 ORDERS OPPOSED

The application respondents oppose the granting of **NONE** of the orders set out in paragraphs of Part 1 of the notice of application.

PART 3 ORDERS ON WHICH NO POSITION IS TAKEN

The application respondents take no position on the granting of the **NONE** of the orders set out in Part 1 of the notice of application.

PART 4 FACTUAL BASIS

1. On June 14, 2021, Fox Island Development Ltd. ("**Fox Island**") entered into a loan transaction (the "**Loan Agreement**") with Hotel Versante Ltd. ("**Hotel Versante**") under which Fox Island advanced funds to Hotel Versante in connection with the development and operation of the hotel known as the "Versante Hotel."
2. In connection with the Loan Agreement, Fox Island obtained comprehensive security from Hotel Versante, including, *inter alia*:
 - (a) Loan Agreement with Hotel Versante Ltd. ("**Hotel Versante**");
 - (b) General Security Agreement with Hotel Versante (the "**GSA**"); and
 - (c) Assignment of Material Contracts (the "**Contracts Assignment**")(collectively the "**Security**")
3. Under the GSA, the secured "Collateral" expressly includes, among other things, all present and after-acquired intangible property of Hotel Versante, including:

all contractual rights, insurance claims, licences, goodwill, patents, trademarks, trade names, copyrights and other industrial or intellectual property of the Debtor, all other choses in action of the Debtor of every kind which now are, or which may at any time

hereinafter 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, Investment Property or Money;

[underlining added]

4th Affidavit Wen Yong Wang made February 20, 2026, Ex. B (GSA, s. 1.1(a)(5)) [4th Wang Affidavit].

4. The Contracts Assignment similarly assigns, as security, all “Material Contracts” relating to the hotel business, which is defined to include the following:

... (i) all architectural plans and specifications, development approvals and permits, licences, construction management agreements, major fixed price sub-trade contracts, contracts, bonds, lease agreements, and (ii) all other material contracts, agreements, permits, licences, approvals or other documents or rights held by or for the benefit of the Assignors (or any of them), all with respect to the Lands or any development thereon, or reasonably required or incidental with respect thereto, including, without limitation, the Material Contracts described in Schedule B hereto, as the same may be amended, extended, renewed, restated or replaced in effect from time to time.

4th Wang Affidavit, Ex. C (Contracts Assignment, s. 1(g)).

5. The Schedule B, referred to in the Material Contracts definition above, states, *inter alia*, the following:

1. all construction contracts, planning approvals, permits and licences, development agreements, and contracts, project plans and specifications, architects, engineers and land surveyors’ contracts,
2. any other contracts and agreements in effect from time to time, relating to the ITC Property And the Hotel, and including without limitation, the following:
 - (a) Hotel Management Agreement dated for reference May 22, 2014 among Hotel Versante Ltd., as Owner, Trilogy Hotel Management (Richmond) Ltd., as Manager, and Opus Hotel Corporation, as the Trademark Licensor.
 - (b) Construction Management Contract – For Services dated April 10, 2017 between International Trade Center Properties Ltd., as Owner, and Scott Construction Management Ltd., as Construction Manager;

- (c) Trade-Mark License Agreement dated as of May 22, 2014 between Opus Hotel Corporation, as the Licensor and Hotel Versante Ltd., as Licensee; and

4th Wang Affidavit, Ex. C (ss. 1-2, Schedule B, Material Contracts).

Trademark and intellectual property at the time of the Loan Agreement

6. At the time Fox Island entered into the Loan Agreement, Fox Island was advised by Michael Ching that the hotel would operate under the name "Opus Hotel Versante," and Hotel Versante provided Fox Island with a copy of a Trade-Mark License Agreement, dated May 22, 2014, between Opus Hotel Corporation, as licensor, and Hotel Versante, as licensee (the "**Opus Licence**").

4th Wang Affidavit, Ex. D.

7. The Opus Licence was disclosed in response to Fox Island's request for all trademark and intellectual property-related agreements associated with the hotel.
8. The Opus Licence was expressly included in the Material Contract within the Contracts Assignment forming part of Fox Island's security.

Post-closing trademark restructuring

9. Shortly after Fox Island completed its loan transaction, on or about August 1, 2021, Hotel Versante entered into a further Trademark Licence Agreement (the "**103 License**") with 1036524 B.C. Ltd. ("**103**").

4th Wang Affidavit, Ex. E.

10. On or about August 27, 2021, 103 applied to register the name "VERSANTE HOTEL" as a trademark.

4th Wang Affidavit, Ex. F.

11. Michael Ching executed the 103 Licence on behalf of both of Hotel Versante, as licensee, and 103, as licensor.
12. Based on corporate registry records, Michael Ching has always been a director of 103 and was sole director from November 2023 until February 19, 2026. It appears Linda

Ching replaced Michael Ching as sole director on the same day that the Receiver filed its application herein. Michael Ching remains an officer of 103.

4th Wang Affidavit, Ex. G.

13. Fox Island was not informed at the time it advanced its loan to Hotel Versante, or at any time before the commencement of the foreclosure proceedings, that:
 - (a) the name "Versante" was subject to any registered or pending trademark held by an entity other than Hotel Versante;
 - (b) a separate company, 103, existed for the purpose of holding or licensing the hotel's trademark; or
 - (c) control of the hotel's trademark or trade name had purportedly been transferred to, or vested in, 103 shortly after completion of the loan transaction.
14. As reflected in the express language of both the GSA and the Contracts Assignment, Fox Island always intended to take security over all trademarks, trade names, and intellectual property used in connection with the hotel business, whether existing at the time of the loan or acquired thereafter.
15. Such security is customary and commercially reasonable where a lender is the principal secured creditor of an operating hotel business whose value depends significantly on brand identity, goodwill, and associated intellectual property.
16. Had Fox Island been advised that the "Versante" trademark would be held by, or licensed from, 103, Fox Island would likely have required 103 to be a party to the loan and Security or alternatively included the 103 Licence within the Contracts Assignment, in addition to the Opus Licence.

PART 5 LEGAL BASIS

1. Fox Island is of the view that:
 - (a) The 103 Licence can be assigned by the Receiver to a purchaser and indeed that is exactly what the Approval and Vesting Order provides for in this instance;
 - (b) There are no current grounds for 103 to terminate the 103 Licence;

- (c) If Fox Island (via its credit bid purchaser entities) completes the Assignment of the 103 Licence under the approved sale of the hotel, it would be entitled to use the name Hotel Versante under the 103 License until either:
 - (i) the expiration of the 103 Licence in 2031;
 - (ii) a proven post-closing breach of the 103 Licence; or
 - (iii) a valid termination under the terms of the 103 Licence was proven by 103.
- 2. Fox Island has no intention to breach the 103 License once it has been assigned to it under its approved purchase of the hotel.
- 3. Fox Island obviously has some substantial concerns about whether:
 - (a) the Hotel Versante Trademark should ever have been registered in the name of 103 at any time;
 - (b) Michael Ching took an improper corporate opportunity when he registered the trademark for his own benefit rather than Hotel Versante; and
 - (c) Michael Ching purposely withheld the information about the trademark from Fox Island to try and avoid it becoming part of the Fox Island security package.
- 4. However, Fox Island does not wish to challenge the ownership of the trademark at this time. Fox Island simply wants to complete the purchase of the hotel and be able to operate it properly with use of all intellectual property and use of the name Hotel Versante under the 103 Licence.

PART 6 MATERIAL TO BE RELIED ON

- 1. Affidavit #4 of Wen Yong Wang, made February 20, 2026;
- 2. The materials filed in these proceedings.

The application respondent has filed in this proceeding a document that contains the application respondents address for service.

February 20 2026
Dated

Kalefave
Signature of lawyer for application respondents
DLA Piper (Canada) LLP (Colin Brousson)
Lawyer for Petitioners

Articled
Student

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