Deloitte.

NO. S-240493

VANCOUVER REGISTRY

VANCOUVER JUN 25 2026 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

FIFTH REPORT OF DELOITTE RESTRUCTURING INC., THE COURT APPOINTED RECEIVER OF INTERNATIONAL TRADE CENTER PROPERTIES LTD., HOTEL VERSANTE LTD., AND RCC HOLDINGS LTD.

JUNE 25, 2026

TABLE OF CONTENTS

APPENDICES

INTRODUCTION

(1) Pursuant to an Order (the "**Receivership Order**") of the Supreme Court of British Columbia (the "**Court**") dated March 4, 2025 (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as receiver and manager (in such capacity, the "**Receiver**") of all the assets, undertakings, and hotel property of International Trade Center Properties Ltd. ("**ITCP**") and Hotel Versante Ltd. ("**Hotel Versante**") acquired for, or used in relation to the business and operation of the hotel known as the "Versante Hotel" (the "**Hotel**"), with a civic address of 8499 Bridgeport Road, Richmond, British Columbia ("**BC**") and with the following legal descriptions:

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

b) 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**").

Including without limiting the foregoing all proceeds thereof (collectively the "**Hotel Property**").

(2) The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".

(3) The application for the Receivership Order was brought by the petitioners, Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. (together, the "**Lenders**" or "**Fox Island**"), in foreclosure proceedings previously commenced by the Lenders by way of a petition filed on January 24, 2024 and pursuant to which an Order Nisi was granted on February 29, 2024.

(4) The Lenders advanced financing to ITCP, and certain other of the respondents in the Receivership Proceedings, pursuant to a loan agreement in 2021 (the "**Loan Agreement**"). As security for the obligations under the Loan Agreement, the Lenders were granted various security, including mortgages over several land parcels and properties, including among them, the Hotel Property (the "**Lenders' Security**"). The Receiver understands that the Lenders' indebtedness totaled approximately $113.9 million as at August 21, 2025 (the "**Fox Island Indebtedness**"). However, certain elements of the Fox Island Indebtedness remain subject to dispute among the parties involved.

(5) The Receiver's independent legal counsel, Dentons Canada LLP ("**Dentons**"), has reviewed the Lenders' Security and concluded that, subject to customary qualifications and assumptions, the Lenders' Security is valid and enforceable and that the Lenders have taken the necessary steps to perfect their security interests as against third parties (the "**Security Opinion**").

(6) On March 31, 2025, the Receiver filed its first report to the Court (the "**First Report**") which provided the Court with, among other things, an overview of the Hotel's operations and financial position, and supported the Receiver's request for an amended and restated receivership order (the "**Amended and Restated Receivership Order**").

(7) On April 2, 2025, the Court granted the Amended and Restated Receivership Order which included, among other things, the addition of RCC Holdings Ltd. ("**RCC**" together with ITCP and Hotel Versante, the "**Debtors**") in the definition of the "Debtors" over whose assets, undertakings, and hotel property the Receiver is appointed, to the extent such property is acquired for and used in connection with the business and operations of the Hotel. Details of the other relief granted in the Amended and Restated Receivership Order are fully described in the Receiver's third report to the Court dated October 10, 2025 (the "**Third Report**") and is not repeated here.

(8) On July 11, 2025, the Receiver filed its second report to the Court (the "**Second Report**") which provided the Court with, among other things, an update on the sale process undertaken by the Receiver in respect of the Hotel Property (the "**Sale Process**") and support for the Receiver's application for the Parking Settlement Approval Order (as defined later herein).

(9) On July 15, 2025, the Court granted an Order (the "**Parking Settlement Approval Order**") which provides, among other things, for certain agreements and arrangements that allow the Receiver to transfer the rights to the parking stall numbers 254 to 337 located on P5 of the Hotel shared parkade (the "**P5 Parking Stalls**") as part of the Hotel Property. Pursuant to the Parking Settlement Approval Order, the Receiver was required to hold an amount in trust pertaining to the P5 Parking Stalls following any sale of the Hotel Property (the "**P5 Parking Stalls Holdback**"). On October 24, 2025, the Court ordered that the sum of $4.2 million be held as the P5 Parking Stalls Holdback, pending further agreement of the parties as to allocation, further Order of the Court determining the rights associated with the P5 Parking Stalls, or further Order of the Court directing the distribution of these funds.

(10) On October 10, 2025, the Receiver filed the Third Report which provided the Court with, among other things, an update on the Sale Process and supported the Receiver's application filed on October 10, 2025 (the "**Sale Approval Application**") for an order approving the sale transaction contemplated by an asset purchase agreement ("**APA**") dated August 29, 2025 as between the Receiver and Citation Property Holdings Limited ("**Citation**", the "**Citation Original Agreement**") and approving an interim distribution to Fox Island (the "**Fox Island Interim Distribution**").

(11) On October 21, 2025, the Receiver filed with the Court a supplement to the Third Report (the "**Third Report Supplement**") which included, among other things, updates regarding the estimated value of the P5 Parking Stalls, additional information concerning the projected amounts of the Fox Island Interim Distribution and Fox Island Indebtedness, as well as information on the valet parking operations at the Hotel and terms of the valet parking easement agreement (the "**Valet Parking Easement Agreement**").

(12) On October 22, 2025, the Receiver filed with the Court a confidential supplement report to the Third Report dated October 22, 2025 (the "**First Confidential Report**") which provided the Court with, among other things, additional information regarding offers received during the Sale Process and negotiations with interested parties.

(13) On October 23, 2025, the Court granted orders which provided, among other things:

a) Authorization for the Receiver to execute the Valet Parking Easement Agreement on behalf of ITCP in its capacity as owner of the Remainder Parcel, as grantor, and ITCP in its capacity as owner of the Air Space Parcel, as grantee (the "**Valet Parking Order**");

b) An increase in the principal amount that the Receiver is authorized to borrow under the Receiver's borrowing facility from $750,000 to $1,450,000; and

c) Approval of the key employee retention plan ("**KERP**"), as outlined in the Third Report, and the granting of a charge in favour of the KERP recipients as against the Hotel Property (ranking behind the Receiver's Charge and the Receiver's Borrowing Charge as defined in the Amended and Restated Receivership Order).

(14) On October 24, 2025, the Court granted an Order (the "**Sale Approval Order**") which provided, among other things:

a) Approval of the sale transaction (the "**Citation Transaction**") contemplated by the amended APA for the Hotel Property dated October 24, 2025 as between the Receiver and Citation (the "**Citation Agreement**") and authorization for the Receiver to take the necessary steps and execute such additional documents required to complete the Citation Transaction;

b) Authorization for the Receiver to make the Fox Island Interim Distribution from the Net Sale Proceeds less a Holdback Reserve (as all terms are defined in the Sale Approval Order);

c) Authorization for the Receiver to assign Hotel Versante into bankruptcy for the general benefit of creditors; and

d) Approval of the activities of the Receiver as set out in the First Report, the First Confidential Report, the Second Report, the Third Report, and the Third Report Supplement.

(15) On December 9, 2025, the Court heard an application brought by Fox Island for a declaration of priority over the P5 Parking Stalls Holdback and an Order that the P5 Parking Stalls Holdback, when paid, be distributed to it. The application was opposed by various parties. On February 24, 2026, the Court issued its Reasons for Judgement on February 24, 2026 granting the declaration sought by Fox Island that it has valid and enforceable first priority security over the P5 Parking Stalls and, accordingly, the P5 Parking Stalls Holdback was released by the Receiver. Bygenteel Capital Inc. ("**Bygenteel**") filed a notice of appeal in respect of this decision on March 9, 2026; however, no hearing date for the appeal has been set as of the date of this Report.

(16) On December 12, 2025, the Receiver filed its fourth report to the Court (the "**Fourth Report**") which provided the Court with, among other things, an update on the steps taken by the Receiver to attempt to close the Citation Transaction, and an overview of the salient terms of the APA the Receiver entered into with 1483610 B.C. Ltd. ("**148**"), a company related to Fox Island, dated December 12, 2025 (the "**Fox Island Credit Bid**"). The Fox Island Credit Bid was being presented to the Court for approval as a back-up bid (the "**Credit Bid Transaction**") as the Citation Transaction did not close when required on December 10, 2025.

(17) On December 15, 2025, the Receiver filed with the Court the first supplement to the Fourth Report (the "**Fourth Report First Supplement**") which included, among other things, an overview of the relationships between the Hotel, Club Versante Ltd. ("**Club Versante**") and Bygenteel as they related to the food and beverage operations and food and beverage assets located within the Hotel Property that were alleged to be owned by Club Versante and/or Bygenteel (the "**F&B Assets**"), and a proposed process to be overseen by the Receiver for Club Versante and/or Bygenteel to prove ownership of and remove the F&B Assets from the Hotel Property (the "**F&B Claims Process**") in support of the Credit Bid Transaction.

(18) On December 17, 2025, the Court granted an order which provided, among other things:

a) Approval of the forfeiture of deposit and amending agreement between the Receiver and Citation dated December 16, 2025 (the "**Citation Amending Agreement**") which provided for the forfeiture of the deposit in the amount of $2,575,000 (the "**Citation Deposit**") and the payment of the Citation Extension Fee, as defined later herein;

b) Approval of the Fox Island Credit Bid as a back-up transaction to the Citation Transaction (and related Citation Amending Agreement) which would become effective immediately (the "**Credit Bid Approval Order**") upon the earlier of either: (i) the failure of Citation to pay the extension fee of $1.0 million (the "**Citation Extension Fee**") or meet the other conditions of the Citation Amending Agreement; or ii) the failure of Citation to close the Citation Transaction on or before the closing date of January 30, 2026 or such other date as may be agreed to by the parties in writing (the "**Citation Extended Closing Date**") included in the Citation Amending Agreement (the "**Closing Default**"), such earlier date being the "**Effective Date**";

c) Approval of the F&B Claims Process (the "**F&B Claims Order**"); and

d) Approval of the activities of the Receiver outlined in the Fourth Report and the Receiver's statement of receipts and disbursements up to November 30, 2025.

(19) On February 19, 2026, the Receiver filed with the Court the second supplement to the Fourth Report (the "**Fourth Report Second Supplement**") which included, among other things, an update on the Sale Process since the Fourth Report, details around the purported termination of the trademark licence agreement between 1036524 B.C. Ltd. ("**103**") and Hotel Versante (the "**Trademark Agreement**") by 103, and details of the digital accounts and other online platforms used in connection with or required for the operation, management, marketing, branding,

reservation systems, or online presence of the Hotel Versante (collectively, the "**Digital Accounts**") and the current control of and access to the Digital Accounts.

(20) On February 24, 2026, the Court granted an order (the "**Intellectual Property Order**") which provided, among other things:

a) a declaration that the termination of the Trademark Agreement by 103 was of no force or effect and that the Trademark Agreement remains in full force and effect;

b) a declaration that any and all login credentials, passwords, etc. and other access rights to the Digital Accounts are Purchased Assets as defined in the December 17 Orders and are properly subject to transfer by the Receiver in accordance with the Fox Island Credit Bid; and

c) a declaration that Michael Ching, Linda Ching, 103, and any other person who have possession, custody or control of the Digital Accounts deliver, transfer and provide the Digital Accounts to the Receiver including all usernames, passwords, etc.

(21) On April 8, 2026 and pursuant to the power granted in the Sale Approval Order, the Receiver assigned Hotel Versante into bankruptcy for the general benefit of the creditors (the "**Bankruptcy Filing**") and Deloitte was appointed as the trustee in bankruptcy of the estate (in such capacity, the "**Trustee**").

(22) This is the Receiver's fifth report to the Court (the "**Fifth Report**" or "**this Report**"). Unless otherwise indicated, all other capitalized terms not defined in this Report are as defined in the Amended and Restated Receivership Order, or the previous reports.

(23) The Amended and Restated Receivership Order, the above-mentioned Receiver's reports, and other materials pertaining to the Receivership Proceedings are available on the Receiver's website at www.insolvencies.deloitte.ca/hotelversante (the "**Receiver's Website**").

Purpose of the Fifth Report

(24) The purpose of the Fifth Report is to:

a) Report on the Receiver's activities since the Fourth Report;

b) Provide an update on the Sale Process and the closing of the Credit Bid Transaction;

c) Provide an update on the Valet Parking Easement Agreement;

d) Provide an update on the F&B Claims Process;

e) Provide an update on the remaining assets and creditor claims of the Debtors;

f) Report on the receipts and disbursements in the Receivership Proceedings as outlined in the Receiver's statement of actual and estimated receipts and disbursements from the Date of Receivership to June 22, 2026 (the "**Receiver's R&D**"), a copy of which is attached hereto as **Appendix "F"**;

g) Summarize the fees and disbursements of the Receiver and Dentons;

h) Recommend that the Receiver be discharged of its duties and obligations under the Receivership Order upon filing a certificate with the Court confirming that all outstanding receivership matters have been completed (the "**Discharge Certificate**"); and

i) Support the Receiver's application(s) for an order(s):

   i) Approving the activities of the Receiver as described in the Fourth Report First Supplement, the Fourth Report Second Supplement, and this Report;

   ii) Approving the assignment of the ongoing litigation relating to the F&B Claims Process to the Lenders and reliving the Receiver of any obligation under paragraph 16(d) of the F&B Claims Order;

iii) Approving the assignment of any remaining amounts due to Hotel Versante to 148, including the Related Party AR and the 4HD Claim (as both defined later herein);

iv) Approving the Receiver's R&D;

v) Approving and authorizing payment of the fees and disbursements of the Receiver;

vi) Approving and authorizing payment of the fees and disbursements of Dentons;

vii) Approving and authorizing the Receiver to make payment of the Final Distribution (as that term is hereafter defined); and

viii) Subject to the Receiver filing the Discharge Certificate, discharging the Receiver from its obligations under the Receivership Order and releasing Deloitte from any and all liability that Deloitte may have by reason of the acts and omissions of Deloitte while acting in its capacity as Receiver, save and except for any claim or liability arising out of fraud, willful misconduct, or gross negligence on the part of Deloitte.

Terms of reference

(25) In preparing this Report, the Receiver has relied upon unaudited financial and other information prepared by the Hotel's accountants, the Hotel's books and records, and discussions with the management of the Hotel ("**Management**").

(26) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of this information.

(27) This Report includes future oriented financial information based on various estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

(28) All dollar amounts in this Report are in Canadian dollars, unless otherwise indicated.

BACKGROUND

(29) The Hotel is located at 8499 Bridgeport Road in Richmond, BC and is part of a three-tower mixed-use strata office, retail and hotel complex known as the International Trade Centre (the "**Centre**"). The Centre comprises two office towers and the Hotel tower, each as a separately titled parcel, along with a shared parkade. There are two strata corporations in place for the two office towers in the Centre (the "**Strata Corporations**").

(30) The Hotel was opened as a luxury boutique hotel in 2021 and is comprised of 14-storeys with 100 guest rooms, an event space, a restaurant, a roof-top pool, and a penthouse lounge. Parking for the Hotel includes valet spaces on street level and the P5 Parking Stalls.

(31) The Hotel's principal lines of business includes providing luxury accommodation, fine dining, and event hosting and catering to both business and leisure travelers.

(32) Additional information regarding the Hotel ownership structure, the various agreements in place, and Hotel Versante's books and records, assets and liabilities, employees and contractors, financial position, and relationships with related parties is as set out in the Receiver's reports and is not repeated herein.

ACTIVITIES OF THE RECEIVER SINCE THE FOURTH REPORT

(33) Following the Fourth Report, the Receiver has, among other things:

a) Continued to monitor the Hotel's operating performance through its participation in regular operations and revenue meetings and its review of daily occupancy and revenue reports;

b) Met regularly with Management to address operational, financial and strategic issues as they arose;

c) Liaised with department managers to deal with and resolve day-to-day operating matters;

d) Supervised staffing matters, including reviewing proposed employment agreements, vacation entitlements, vacation requests, and participated in interviews and facilitated additional hires to address staff turnover;

e) Negotiated and settled renewals of, or amendments to, service agreements with vendors as existing contracts expired;

f) Coordinated the renewal of business licenses with the relevant regulatory authorities;

g) Reviewed, approved, and processed payroll, supplier invoices, and other disbursements through the Receiver's trust account;

h) Reviewed employee matters and transitions and coordinated the final payroll and payment of employee related amounts;

i) Administered the Wage Earner Protection Program;

j) Reviewed receipts and assisted with billings and collection processed through the Receiver's trust account;

k) Performed monthly bank reconciliations for the Receiver's trust account and prepared statements of receipts and disbursements;

l) Maintained a rolling cash flow forecast for the Hotel and prepared weekly payment schedules;

m) Prepared and updated cash flow forecasts and operating budgets for Hotel Versante, compared actual results to budget, and monitored expenses to ensure that sufficient funds were available to meet ongoing operational needs;

n) Worked with the internal and external accountants to prepare financial statements and tax returns;

o) Continued to engage with FortisBC Alternative Energy Services Inc. ("**FAES**") in relation to arrears on the account (the "**FAES Arrears**"), the proposed assignment of the existing service agreement, and the remediation of identified system deficiencies;

p) Performed monthly financial reconciliations related to the food and beverage services at the Hotel;

q) Reviewed and oversaw the filing and remittance of post-receivership Goods and Services Tax ("**GST**"), Provincial Sales Tax ("**PST**"), Municipal and Regional District Tax ("**MRDT**"), and TransLink parking tax;

r) Corresponded with the Canada Revenue Agency ("**CRA**") and the Ministry of Finance ("**MoF**") regarding various tax matters;

s) Communicated with various vendors regarding the anticipated change of ownership of the Hotel, including obtaining required documentation, arranging for final billings and coordinating related transition matters and any refunds;

t) Held discussions with and provided updates to the Lenders and their legal counsel;

u) Engaged with Dentons on ongoing legal matters related to the Receivership Proceedings and the Sale Process;

v) Attended to various matters, discussions and analysis relating to the Sale Process, Valet Parking Easement Agreement, and F&B Claims Process, as further detailed in this Report;

w) Maintained the Receiver's Website; and

x) Prepared the Fourth Report First Supplement, the Fourth Report Second Supplement and this Report.

SALE PROCESS

(34) As outlined in the Fourth Report Second Supplement, following the receipt of the Citation Extension Fee, the Receiver continued to work with the relevant stakeholders toward a closing of the Citation Transaction, including by attending to closing deliverables and transition matters in advance of the Citation Extended Closing date of January 30, 2026. Notwithstanding these efforts, Citation did not meet the terms of the Citation Amending Agreement and the Citation Transaction did not close.

(35) On the Citation Extended Closing Date, the Receiver exercised its right to terminate the Citation Transaction. The Receiver notified the Service List that the Citation Transaction was terminated by filing and serving a Receiver's Certificate on or about February 2, 2026.

(36) Following the termination of the Citation Transaction, the Receiver worked with Fox Island to advance and close the Credit Bid Transaction. The Credit Bid Transaction ultimately closed on February 25, 2026 (the "**Credit Bid Closing Date**"). The Credit Bid Closing Date was delayed from February 19, 2026 in part due to the declarations sought and granted in the Intellectual Property Order.

(37) The Credit Bid Transaction included a credit bid amount of $42,700,000 (the "**Credit Bid Amount**") along with a cash component of $1,099,216 (the "**Credit Bid Cash Component"**) to fund certain disbursements required to close the Credit Bid Transaction. The disbursements comprising the Credit Bid Cash Component included the following amounts:

a) $602,450 in estimated 2024 and 2025 property tax arrears;

b) $35,262 as an offsetting 2026 property tax credit for accrued and unpaid taxes owing in 2026 by the Receiver for the period up to the Credit Bid Closing Date;

c) $410,028 in sales commission owing to Colliers International Group Inc. (the "**Colliers Sales Commissions**");

d) $750,000 representing the Receiver borrowings drawn (the "**Receiver Borrowings**") and repaid to Fox Island as part of the Credit Bid Transaction (nil impact);

e) $72,000 in estimated payments due under the KERP; and

f) $50,000 for the estimated fees and costs to bankrupt Hotel Versante (the "**Bankruptcy Costs**").

(38) The Credit Bid Cash Component was funded and offset through the excess cash being held by the Receiver in the Receivership Proceedings which Fox Island had a first priority claim against.

(39) The Receiver made the following payments as part of the Credit Bid Transaction, in addition to the disbursements required to fund the operations to closing:

a) $605,746 in 2024 and 2025 property tax arrears with additional accrued interest;

b) The Colliers Sales Commissions;

c) The Receiver Borrowings were offset and repaid, including $86,027 in accrued interest;

d) $68,750 in KERP payments;

e) The Bankruptcy costs were transferred into a separate bankruptcy estate account;

f) $257,338 in pre-receivership FAES arrears required to assign the FAES agreement to Fox Island; and

g) $57,196 in pre-receivership strata fee arrears owing in regards to the Remainder Parcel as part of the closing conditions.

(40) As part of the closing of the Credit Bid Transaction, the Receiver entered into a transition services agreement with 148, 1575769 B.C. Ltd. (the hotel operator), and Fox Island (the "**TSA**") to provide ongoing services to help transition payroll, revenue collection, and related systems. The Receiver has provided the required services to transition the operations to the parties and the TSA was terminated effective April 30, 2026.

(41) The Receiver has completed all other steps required to close the Credit Bid Transaction including the successful transition of the Digital Accounts pursuant to the Intellectual Property Order.

VALET PARKING EASEMENT AGREEMENT AND VALET PARKING ORDER

(42) As outlined in the Third Report Supplement, the operation of the Hotel included access to and use of five valet parking spaces and one loading area located on the street level of the Remainder Parcel (collectively, the "**Valet Parking**").

(43) The Valet Parking Order was sought by the Receiver to help ensure that any prospective purchaser of the Hotel Property would have formal and reasonable access to the Valet Parking. This access was expected to help facilitate a smooth sale transaction and maximize the value for the Hotel Property.

(44) Pursuant to the Valet Parking Order, the Receiver executed the Valet Parking Easement Agreement on behalf of ITCP in its capacity as owner of the Remainder Parcel, as grantor, and ITCP in its capacity as owner of the Air Space Parcel, as grantee.

(45) After the Valet Parking Order was granted, certain owners of the Strata Corporations challenged the Order and ultimately filed an application on January 23, 2026 (the "**Strata Application**") to set aside the Valet Parking Order, among other relief.

(46) The Strata Application advances various issues, including allegations that the Strata Corporations were not properly served with the Court application seeking the Valet Parking Order and that the Valet Parking interferes with the reasonable use of the vehicular access routes and may interfere with fire-safety or emergency service bylaws for the City of Richmond.

(47) A Court application scheduled for April 8, 2026 to hear the opposition to the Valet Parking Order was adjourned generally after the Strata Corporations and Fox Island (as the new owner of the Hotel Property) came to an agreement and Fox Island discharged the Valet Parking easement, without prejudice for the parties to advance arguments in connection with potential cost awards in relation to the Valet Parking Order and the Strata Application at a later date.

F&B CLAIMS PROCESS

(48) As previously reported, the food and beverage operations at the Hotel were conducted pursuant to a ten-year commercial sublease agreement dated August 1, 2021 as between Hotel Versante, as sublandlord, and Club Versante, as subtenant, which provided Club Versante with the exclusive right to operate food and beverage services within designated areas of the Hotel (the "**Sublease**"). The Receiver was initially advised that Club Versante had purchased the F&B Assets located within these areas. However, subsequent information, including materials provided in connection with the first affidavit of Ms. Ching sworn on October 21, 2025 which included a letter of intent between Bygenteel and Citation dated September 19, 2025 related to a sale of the F&B Assets to Citation for $1,000,000 (the "**Citation LOI**"), indicated that such assets may instead be owned, in whole or in part, by Bygenteel, a related entity. The Receiver understood that Citation entered into the Citation LOI in order to purchase the F&B Assets from Bygenteel as part of the purchase of the Hotel Property.

(49) The Sublease arguably suggests that while Club Versante retained ownership of certain personal property installed within the subleased areas, including trade fixtures, equipment and furnishings, such rights were subject to contractual limitations, including restrictions on the removal of certain items, obligations to repair any damage arising from removal, and provisions deeming unremoved property to be abandoned upon termination. Certain structural and integrated components were not removable under the Sublease and, when considered alongside the initial information reviewed by the Receiver, contributed to uncertainty regarding the ownership and characterization of certain F&B Assets.

(50) At the commencement of the Receivership Proceedings, the Receiver sought information from Club Versante regarding the F&B Assets in order to determine which assets formed part of the Hotel Property and could be conveyed as part of the sale of the Hotel and what assets would need to be purchased separately from Club Versante or other parties.

(51) In April 2025, Mr. Ching provided information on the F&B Assets, including several listings of the F&B Assets (the "**F&B Asset Listings**"), general ledgers, invoices, purchase orders, and cheques supporting the payment of certain of the assets (the "**F&B Payment Support**"). This information was not well organized, and the Receiver was unable to fully reconcile the F&B Asset Listings to the F&B Payment Support and other supporting documents for the following reasons:

a) item descriptions on the invoices and purchase orders did not consistently align with the descriptions in the F&B Asset Listings;

b) neither the F&B Asset Listings nor the supporting documentation included serial numbers or other unique identifiers, making it difficult to perform item-by-item verification;

c) it was unclear if some of the information related to the Bruno Space, Alaia Space or other Club Versante locations and the Receiver understands that not all of the Club Versante assets were segregated by location in the records;

d) the F&B Payment Support did not account for all items appearing on the F&B Asset Listings;

e) the F&B Payment Support appeared to evidence only partial payment of certain invoices (i.e. invoices with down payments and other installment payments) and several cheques referenced Mo Yeung International Enterprise Ltd. rather than Club Versante;

f) The supporting information reflected expenditures for things such as installation labor, design fees, or other services that do not constitute physical assets;

g) Some assets may no longer exist, may have been sold or disposed of in the normal course, may be located elsewhere, or may be in the possession of other entities related to Mr. Ching; and

h) Some assets may constitute fixtures rather than chattels.

(52) As a result of the foregoing challenges, the Receiver did not conduct an inventory of the F&B Assets and did not audit, review, or independently verify the accuracy or completeness of the F&B Asset Listings, F&B Payment Support or other supporting information and, accordingly, did not make any representations, warranties, opinions, or assurances as to the F&B Assets to any interested parties as part of the Sale Process.

(53) The Receiver, as part of the Sale Process, did advise interested parties that the sale of the Hotel Property was on an "as is, where is" basis and that the F&B Assets may not constitute Hotel Property. As such, interested parties were instructed to perform their own due diligence on the F&B Assets and make arrangements to purchase the F&B Assets directly with Mr. Ching.

(54) Fox Island did not purchase the F&B Assets per se in conjunction with the Fox Island Credit Bid and a term of the transaction was that the approval and vesting order must provide for a claims and asset removal process run by the Receiver and acceptable to Fox Island, regarding claims

for ownership of food and beverage assets located within the Hotel Property by Club Versante and/or Bygenteel and the removal of assets determined by the Receiver to be owned by Club Versante and/or Bygenteel, as applicable.

(55) In light of the foregoing uncertainty, and in order to facilitate the completion of the Credit Bid Transaction and the orderly transfer of the Hotel Property, the Receiver proposed the F&B Claims Process to provide a structured mechanism for parties asserting ownership of F&B Assets to substantiate their claims and arrange for the removal of any assets determined not to form part of the Hotel Property.

(56) Pursuant to the F&B Claims Order granted on December 17, 2025, the Receiver implemented the F&B Claims Process.

(57) Club Versante was the only party that submitted a proof of property claim for the F&B Assets (the "**F&B Claim**") by the claim deadline of February 23, 2026. Due to the volume and size of the F&B Claim and its supporting documentation, a copy has not been appended to this Report but has been posted on the Receiver's Website.

(58) The Receiver reviewed the F&B Claim and supporting documents and, pursuant to the F&B Claims Order, was required to make a determination on each claim by March 2, 2026 which would be final and binding if not appealed by application to the Court within 10 business days of such determination, which appeal shall proceed *de novo*.

(59) On March 2, 2026, the Receiver issued a notice of disallowance of the Club Versante F&B Claim in its entirety (the "**Receiver's F&B Claim Disallowance**") based on a lack of clarity regarding the F&B Assets being claimed, inconsistent and insufficient invoice and payment support, and legal issues to be resolved around the interpretation of the Sublease and ownership of the F&B Assets and the application of British Columbia common law principles respecting fixtures versus chattels. A copy of the Receiver's F&B Claim Disallowance is attached hereto as **Appendix "A"**.

(60) On March 16, 2026, Club Versante filed a notice of application and affidavit with Court appealing the Receiver's F&B Claim Disallowance (the "**F&B Claim Appeal**"). A copy of the F&B Claim Appeal is attached hereto as **Appendix "B"**.

(61) On April 23, 2026 the Petitioners filed a response to the Club Versante F&B Claim Appeal (the "**F&B Claim Appeal Response**"). A copy of the F&B Claim Appeal Response is attached hereto as **Appendix "C"**.

(62) As the Credit Bid Transaction has closed and title to the Hotel Property and the Purchased Assets have vested in 148 pursuant to the Credit Bid Approval Order, the Receiver no longer has possession of, control over, or operational involvement with the Hotel Property or the F&B Assets. The Receiver understands that, following closing, Fox Island and Club Versante have had ongoing interactions and disputes regarding access to and use of the F&B Assets.

(63) The Receiver implemented the F&B Claims Process in accordance with the F&B Claims Order, reviewed the F&B Claim submitted by Club Versante, and issued the Receiver's F&B Claim Disallowance within the prescribed timelines. In doing so, the Receiver fully discharged its obligations under the F&B Claims Order.

(64) In light of the closing of the Credit Bid Transaction and the vesting of the Hotel Property and Purchased Assets in 148, the Receiver submits that any remaining disputes or litigation relating to the F&B Assets, including the F&B Claim Appeal, are now more appropriately addressed as between Fox Island and Club Versante without further involvement by, or costs being incurred, by the Receiver. Accordingly, the Receiver seeks an order approving the assignment all further litigation in connection with the F&B Claims Process to the Lenders and relieving it of any further duties, responsibilities, or liability in respect of the F&B Assets or any related disputes.

REMAINING ASSETS

(65) The Credit Bid Transaction with 148 did not include certain Hotel Property including cash and accounts receivable which were defined in the 148 APA as Excluded Assets. The only known remaining Excluded Assets to be realized on by the Receiver include the following:

a) accounts receivable of approximately $35,000 due from American Airlines (the "**Remaining AR**"). The Remaining AR is expected to be collected in the normal course;

b) post-receivership GST refunds of approximately $15,000 due from CRA up to April 30, 2026 (the "**Post-receivership GST Refund**"). CRA has incorrectly applied the Post-receivership GST Refund against the pre-receivership CRA GST Property Claim (as defined later herein). The Receiver is of the view that these amounts cannot be offset and is working with CRA to have this corrected and to have the Post-receivership GST Refund paid to the Receiver;

c) amounts due to Hotel Versante from Club Versante for $34,577, ITCP for $5,754,247, and Mr. Ching for $190,000 (collectively, the "**Related Party AR**"). The Receiver has sent collection letters for the Related Party AR, which are attached hereto as **Appendix "D"**, and has not come to an agreement with Club Versante on what is owed and has not heard back from ITCP or Mr. Ching on amounts due from these parties; and

d) funds of approximately $328,887 are currently being held in Court (the "**4HD Disputed Funds**") in connection with litigation which arose between Hotel Versante and 4HD Construction Ltd. as part of the original construction of the Hotel (the "**4HD Claim**"). The 4HD Disputed Funds were deposited into Court as security pursuant to the 4HD Claim and the *Builders Lien Act* and are subject to competing claims. Accordingly, any recovery from the 4HD Claim is contingent on a negotiated resolution or determination of the claim.

(66) The Receiver has been unsuccessful in resolving the Related Party AR or negotiating a resolution or settlement of the 4HD Claim. As a result, and with a view to concluding Receivership Proceedings, the Receiver proposes to assign the Related Party AR and 4HD Claim to Fox Island as the purchaser of the Hotel Property.

(67) The Receiver considers the proposed assignment to be appropriate in the circumstances for the following reasons:

a) The Related Party AR is owed by Club Versante, ITCP, and Mr. Ching, each a party related to the Debtors. Despite the Receiver having issued collection letters, no agreement has been reached with Club Versante as to the amount owing, and neither ITCP nor Mr. Ching has responded. Any recovery would require litigation against related parties of uncertain merit, duration, and cost, with no assurance of a net return to the estate;

b) Recovery on the 4HD Claim is contingent on the negotiated resolution or judicial determination of competing claims to the 4HD Disputed Funds held in Court, and the Receiver has been unable to achieve a resolution. Continued pursuit would require the estate to fund ongoing litigation;

c) Fox Island holds valid and enforceable security over the present and after-acquired property of the Debtors, as confirmed by the Security Opinion, and is the sole party with an economic interest in any recovery on the Related Party AR and the 4HD Claim. As set out in this Report, Fox Island is expected to suffer a shortfall of approximately $84.0 million on the Fox Island Debt. Accordingly, the proceeds of any recovery on these assets would in any event be payable to Fox Island in priority to all other creditors;

d) Since Fox Island is expected to suffer a substantial shortfall, there is no prospect of any recovery flowing to unsecured creditors regardless of whether the Receiver or 148 pursues these assets. The Receiver is therefore of the view that the proposed assignment does not prejudice the interests of unsecured or other creditors, none of whom would receive a distribution from these assets in the receivership.

(68) Assigning the Related Party AR and the 4HD Claim to Fox Island allows the party with economic interest in those assets to determine whether and how to pursue them at its own cost and risk, while permitting the Receiver to conclude the administration of the estate without incurring further costs that would erode the recovery otherwise available to Fox Island. For these reasons, the Receiver considers the proposed assignment to be appropriate and in the best interests of the estate.

CREDITOR CLAIMS AND CHARGES

CRA claims

(69) CRA filed a claim against Hotel Versante for $256 relating to pre-receivership payroll source deductions (the "**CRA Payroll Deemed Trust Claim**"). Payroll source deductions constitute a deemed trust claim with priority over secured creditors and the CRA Payroll Deemed Trust Claim was paid by the Receiver. CRA did not complete a payroll trust audit or file any claim in respect of any payroll source deduction arrears since the Date of Receivership.

(70) CRA filed a claim against Hotel Versante for $457,622 in respect of GST for the pre-receivership period (the "**CRA GST Property Claim**"). CRA did not complete a GST trust audit after the Date of Receivership. As a result of the Bankruptcy Filing for Hotel Versante, the CRA GST Property Claim no longer retains its deemed trust status under the *Excise Tax Act* and this claim is an unsecured liability.

(71) CRA filed a claim against Hotel Versante for $417,114 in respect of corporate income tax for the fiscal year ended December 31, 2024. In addition, the Receiver understands that approximately $189,019 is outstanding for the year ended December 31, 2025. Corporate income tax does not give rise to a deemed trust and, accordingly, such amounts are unsecured claims in the Hotel Versante bankruptcy. The Receiver has also considered the treatment of income tax liabilities arising following the Date of the Receivership. Based on the Lenders' Security, which includes a valid security interest over present and after-acquired property and proceeds thereof, the Receiver understands that no statutory priority arises in favour of the CRA in respect of such amounts. Accordingly, both pre-receivership and post-receivership income tax liabilities are treated as unsecured claims.

(72) CRA filed claims against ITCP and RCC for $5,489,485 and $20,398, respectively, for corporate income tax owing for the pre-receivership period. Corporate income tax does not give rise to a deemed trust and, accordingly, such amounts are unsecured claims.

Wage claims

(73) The Receiver is not aware of any priority wage claims against Hotel Versante that would give rise to a charge under sections 81.3 or 81.4 of the BIA.

(74) The Receiver understands that one former Hotel Versante employee has filed a claim in respect of severance amounts that may be eligible under the Wage Earner Protection Program Act ("**WEPPA**"). To the extent payments are made under WEPPA, the Government of Canada may obtain a subrogated priority claim in accordance with the BIA to a maximum amount of $2,000 per employee. Severance payments made through WEPPA would constitute an unsecured claim in the estate.

PST and MRDT claim

(75) Hotel Versante's online account with the MoF indicated an outstanding amount of $208,194 for MRDT and PST for the pre-receivership period. PST and MRDT do not give rise to a deemed trust and are unsecured claims in the bankruptcy.

(76) Following the Date of Receivership, the Receiver engaged directly with the MoF in respect of the PST and MRDT obligations of Hotel Versante. At the commencement of the Receivership Proceedings, the Receiver undertook the necessary administrative steps to transition PST and

MRDT accounts and reporting processes into its control. Timing delays arose during the transition period as new tax accounts were required to be set up, the Hotel's third-party accountant was retained to prepare filings, and the Receiver's bank account needed to be established as well as internal approval and payment processes. The timing delays in filing and remitting the taxes resulted in the assessment of interest and penalties by the MoF in the amount of approximately $48,000 (the "**MoF Assessment**") for the reporting periods from March to October 2025. The Receiver submitted a detailed appeal to the MoF in respect of the MoF Assessment pursuant to the MoF's administrative guidance (the "**MoF Appeal**") in light of the good-faith compliance efforts undertaken by the Receiver. A copy of the MOF Appeal is attached hereto as **Appendix "E"**.

(77) The MoF acknowledged receipt of the MoF Appeal on February 19, 2026, but has not confirmed the timeframe for it to review and assess the MoF Appeal. The Receiver will continue to follow up on this issue.

WorkSafeBC claim

(78) The Receiver understands that WorkSafeBC is owed $5,027 by Hotel Versante in respect of outstanding pre-receivership premiums and WorkSafeBC asserted a statutory lien pursuant to section 265 of the *Workers' Compensation Act* but have not taken any realization steps. Following the bankruptcy of the Hotel Versante, and pursuant to Section 86(1) of the BIA, the claim is being treated as an unsecured liability.

Employee health tax

(79) The Receiver understands that Hotel Versante owes $74,832 in outstanding employee health taxes for the pre-receivership period. Such amounts do not give rise to a deemed trust and are unsecured claims in the bankruptcy. An additional amount of $47,003 relating to the post-receivership period was paid by the Receiver.

Property taxes

(80) The property tax arrears for the Hotel Property were paid as a part of the Credit Bid Transaction.

Receiver's charge and borrowings

(81) Pursuant to paragraph 20 of the Receivership Order, the Receiver and Dentons are the beneficiaries of a Court-ordered charge (the "**Receiver's Charge**") securing payment of their fees and disbursements incurred in the Receivership Proceedings. The Receiver's Charge constitutes a first-ranking charge over the Hotel Property, subordinate only to certain statutory priorities, if any, including those under sections 14.06(7), 81.4(4), and 81.6(2) of the BIA. The accounts of the Receiver and Dentons have been paid up to the period ending May 31, 2026 and it is anticipated that the balance of the fees and disbursements incurred to the date of discharge will be paid as part of the Final Distributions.

(82) As outlined previously in this Report, amounts advanced under the Receiver's borrowing facility were offset and repaid in full, together with $86,027 in accrued interest, from the proceeds of the Credit Bid Transaction.

Fox Island indebtedness

(83) As noted above, Fox Island is the principal secured creditor of the Hotel and was owed approximately $86.1 million as of April 8, 2026, after the application of the Credit Bid Amount, which amount remains outstanding and secured by the Lenders' Security (the "**Fox Island Debt**"). As noted above, the Security Opinion completed by Dentons concluded that, subject to customary qualifications and assumptions, the Lenders' Security is valid and enforceable and that the Lenders have taken the necessary steps to perfect their security interests as against third parties.

(84) Interest and costs continue to accrue on the Fox Island Debt in accordance with the underlying security documents.

(85) The Lenders' Security is subject to certain prior ranking Court-ordered charges and statutory priorities, including the CRA Payroll Deemed Trust Claim which has been paid in full.

(86) An interim distribution of $2.0 million was made by the Receiver to the Lender pursuant to the Sale Approval Order, reducing the Fox Island Debt to approximately $84.1 million, plus accrued interest and costs.

Unsecured creditors

(87) Based on the available books and records of the Hotel and correspondence received from creditors, the Receiver estimates that Hotel Versante's unsecured claims total approximately $698,000 as of the Date of Receivership.

(88) Given that Fox Island, as secured creditor, is expected to suffer a shortfall in respect of the Fox Island Debt, the Receiver has not undertaken a formal review or adjudication of the unsecured creditor claims. The Receiver has, however, provided ad-hoc updates on the status of the Receivership Proceedings to certain unsecured creditors as and when the Receiver was contacted and its various Reports and other documents have been posted to the Receiver's Website from time to time.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

(89) The Receiver's R&D reflects the administration of the Receivership Proceedings from the Date of Receivership to June 22, 2026 (the "**R&D Period**"). Total actual receipts and disbursements reported herein include amounts processed through the Receiver's trust account.

Receipts

(90) During the R&D Period, the Receiver's actual gross receipts have totaled approximately $14.2 million, of which $9.8 million relates to the Hotel's operating receipts, $3.575 million relates to the Citation Deposit and Citation Extension Fee, and $750,000 was funded and drawn under the Receiver's borrowing facility (which has subsequently been repaid as a part of the Credit Bid Transaction).

Disbursements

(91) During the R&D Period, the Receiver has made actual disbursements totaling approximately $14.0 million, primarily including, among other items, the following approximate amounts:

a) $3.1 million for the Hotel payroll and payroll source deductions;

b) $2.0 million interim distribution to Fox Island;

c) $1.5 million for Receiver's fees and costs (excluding taxes) to May 31, 2026;

d) $1.3 million for post-receivership GST, PST and MRDT payments;

e) $1.1 million for hotel operating costs relating to elevator maintenance, pool supplies, office equipment, staff uniforms, hotel supplies, linen services, and other miscellaneous operational needs;

f) $871,000 for legal fees and costs (excluding taxes) to May 31, 2026;

g) $606,000 for Hotel property tax pre-receivership arrears;

h) $522,000 for room booking commissions;

i) $409,000 for food and beverage services and costs;

j) $391,000 for broker commissions related to the closing of the Credit Bid Transaction;

k) $383,000 for software and platform fees;

l) $372,000 for utilities;

m) $339,000 for leases, rent, and strata fees;

n) $257,000 for FAES arrears;

o) $249,000 for insurance; and

p) $201,000 for consultant services related to finance and operations support.

(92) As outlined in the First and Second Report, Hotel Versante was in arrears with several key suppliers as of the Date of Receivership. These suppliers included several parties providing software or online services or platforms that are essential to the Hotel's operations, including guest bookings, sales, payment processing, and communications. To avoid disruption to the Hotel's ongoing operations, the Receiver made payments totaling approximately $266,000 to these key suppliers as of June 30, 2025 and no further such payments have been made thereafter. These amounts are included in the R&D Period.

Remaining funds

(93) The cash balance held by the Receiver as of June 22, 2026 was $168,759 (the "**Receiver's Remaining Funds**"). This is before any additional estimated receipts and disbursements as detailed later herein.

PROFESSIONAL FEES

(94) The Receiver has invoiced approximately $1.5 million in fees and costs (excluding taxes) from the Date of Receivership to May 31, 2026. Included in this total, is approximately $17,000 in fees incurred by the Receiver under the TSA. These fees and costs are more fully described in Affidavit #1 of J. Keeble dated June 24, 2026.

(95) Dentons has invoiced approximately $ 871,000 in fees and costs (excluding taxes) from the Date of Receivership to May 31, 2026. These fees and costs are more fully described in Affidavit #1 of J. Sandrelli dated June 24, 2026.

(96) The Receiver and Dentons will incur further fees and disbursements to conclude the Receivership Proceedings which have been estimated to total $30,000 and $60,000, respectively (the "**Receivership Completion Costs**").

(97) In addition to the Receivership Completion Costs, the Receiver transferred $50,000 into a third-party account for the purpose of facilitating the Bankruptcy Filing and paying its fees as Trustee in Bankruptcy. Any unused portion of the $50,000 will be returned directly to Fox Island. As of the date of this Report, no amount of the $50,000 has been drawn.

(98) The Receiver is of the view that the work performed by the Receiver and its legal counsel was necessary and appropriate in the circumstances of the Receivership Proceedings, and that the rates charged are reasonable and in keeping with the rates charged by other Licensed Insolvency Trustees and lawyers in the market performing similar work.

FINAL DISTRIBUTIONS

(99) As outlined previously in this Report, the Receiver's Remaining Funds total $168,759.

(100) Subject to the Court granting the relief sought by the Receiver, the Receiver proposes to pay out the Receiver's Remaining Funds, in addition to any final collections from the Remaining AR, the Post-receivership GST Refund, or any other receipts, as follows:

a) Payment of the Receivership Completion Costs and any other remaining costs incidental to the Receiver concluding its administration of these Receivership Proceedings;

b) Payment to Fox Island of the residual funds held by the Receiver after completing its administration of the estate (the "**Final Fox Island Distribution**").

(collectively, the "**Final Distributions**")

(101) The Receiver intends to retain a holdback for the MoF Assessment (the "**MoF Assessment Holdback**"), subject to the outcome of the MoF Appeal.

(102) The Final Fox Island Distribution is estimated to be approximately $63,759, before any additional amounts that may ultimately be released from the MoF Assessment Holdback, resulting in a shortfall on the Fox Island Debt of over $80.0 million.

REMAINING MATTERS TO BE COMPLETED IN THE RECEIVERSHIP PROCEEDINGS

(103) Subject to the Court granting the relief sought by the Receiver and the Receiver paying the Final Distributions, the Receiver will have completed its duties and obligations under the Receivership Order, save and except for other administrative matters incidental to the Receivership Proceedings, including the following:

a) assigning any amounts due to Hotel Versante from the Related Party AR and 4HD Claim (if the Order is granted);

b) taking steps to collect the Remaining AR and Post-receivership GST Refund;

c) filing the remaining post-receivership GST, PST, and MRDT returns and closing the respective accounts;

d) addressing the MoF response to the MoF Appeal once received;

e) closing the Receiver's trust account; and

f) filing the Receiver's final report pursuant to section 246(3) of the BIA.

(104) The remaining matters are administrative in nature, and the Receiver is of the view that it is appropriate to seek an order of the Court discharging the Receiver with the discharge to be effective upon filing of the Discharge Certificate.

(105) The Receiver also seeks an order releasing Deloitte from any liability that might arise in relation to its role as Receiver. In the Receiver's view, this relief is appropriate in the circumstances and is consistent with the model receiver's discharge order currently being used in the Province of British Columbia.

CONCLUSION AND RECOMMENDATION

(106) Based on the foregoing, the Receiver respectfully requests that the Court grant the Orders cited at paragraph 24(i) of this Report.

All of which is respectfully submitted at Vancouver, BC this 25th day of June, 2026.

DELOITTE RESTRUCTURING INC.
In its capacity as Court-appointed Receiver of
International Trade Center Properties Ltd.,
Hotel Versante Ltd. and RCC Holdings Ltd.,
and not in its personal capacity

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Appendix "A"

Receiver's F&B Claim Disallowance

Deloitte.

Deloitte Restructuring Inc.
410 West Georgia Street
Vancouver, BC V6B 0S7
Canada
Tel: 604 235 4197

Notice of Disallowance of Property Claim

March 2, 2026

VIA Email: Linda@sunwins.ca

Chung Lin (Linda) Ching
750-900 Howe Street
Vancouver
British Columbia
V6Z 2M4

Take notice that:

Deloitte Restructuring Inc. (the "**Receiver**") is in receipt of the Proof of Property Claim filed by Ms. Linda Ching ("**Ms. Ching**") on behalf of Club Versante Management Ltd. ("**Club Versante**") sworn on February 23, 2026 (the "**Club Versante Property Claim**"). The Club Versante Property Claim was submitted pursuant to the proof of property claims process established in accordance with paragraph 16 of the Order of the Supreme Court of British Columbia dated December 17, 2025 (the "**Claims Process Order**").

The Claims Process Order sets out the process for determining ownership of the food and beverage assets located within the portion of the Hotel Property formerly subleased by Club Versante (the "**F&B Assets**") and requires the Receiver to make a determination of any claims filed pursuant to the Claims Process Order by March 2, 2026.

The Receiver has reviewed the Club Versante Property Claim and the supporting documents provided and has determined that the Club Versante Property Claim is disallowed in its entirety for the following reasons:

1) Lack of clarity regarding the F&B Assets being claimed.
    a. No consolidated asset list was provided identifying the specific F&B Assets being claimed, including unique identifiers (such as serial numbers, asset tags, or other item-level identifiers) that would allow the Receiver to cross-reference the claimed assets to the supporting invoices and proof of payment.
    b. The supporting invoice and payment documentation are inconsistent, and it is not clear which assets are being claimed as F&B Assets, as opposed to leasehold improvements, fixtures, or other non-movable property.
    c. No documentary support has been provided for certain categories of assets at the Hotel Property, including pots and pans, cutlery, and dishware.
    d. It is unclear whether certain invoices and payment records relate to assets located at the Hotel Property or to assets associated with other Club Versante locations.

2) Inconsistent and insufficient invoice and payment support.

   a. Certain payment records evidence only partial payment of invoices or quotes (including deposits or installment payments), without evidence that full payment was made.

   b. In some cases, payment records were provided without corresponding invoices, and invoices were provided without corresponding proof of payment.

   c. The invoice and payment records involve multiple parties, including International Trade Centre Properties Ltd., Hotel Versante Hotel Versante, Club Versante, Mo Yeung International Enterprises Ltd., Sunwins Group and a relative of Ms. Ching, creating uncertainty as to the party that contracted and paid for the assets claimed.

Without limiting the foregoing, the Receiver notes that there are likely additional legal issues to be resolved, including:

a. The interpretation of the sublease agreement between Hotel Versante Ltd. and Club Versante dated August 21, 2021 (the "**Sublease**") and how that interacts with or informs the determination of ownership or entitlement to personal property located at the premises.

b. The extent to which, if ownership is proven under the Claims Process Order, any "Subtenants Personal Property" as defined in section 6.6 of the Sublease may be removed by Club Versante under the Sublease.

c. The application of British Columbia common law principles respecting fixtures versus chattels, and how those principles interact with the Sublease.

These issues may have to be resolved by agreement of the parties or, failing agreement, by determination of the Court in the context of the process hereunder or otherwise.

Pursuant to paragraph 16(c) of the Claims Process Order, the Receiver's determination is final and binding unless appealed by application to the Court within ten (10) business days of the date of this letter. Any appeal proceeds de novo.

Dated at the City of Vancouver in the Province of British Columbia, this 2nd day of March 2026.

DELOITTE RESTRUCTURING INC.,
Deloitte Restructuring Inc., in its capacity as court appointed receiver and manager of the hotel property of International Trade Center Properties Ltd., Hotel Versante Ltd. and RCC Holdings Ltd. and not in its personal capacity.

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV

Senior Vice-President

Appendix "B"

F&B Claim Appeal

VANCOUVER
MAR 16 2026
REGISTRY

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., 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 RAUCHM, RCC HOLDINGS LTD. and HEUNG KEI SUNG

RESPONDENTS

NOTICE OF APPLICATION

Name(s) of applicant(s): **Club Versante Management Ltd.** (“**Club Versante**”, or the “**Applicant**”)

To: Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (in that capacity, the “**Receiver**” or the “**Applicant**”) of the “Hotel Property RCC Holdings Ltd., Hotel Versante Ltd., and International Trade Centre Properties Ltd. (the “**Debtors**”)

And to: Michael Ching

And to: Bygenteel Capital Inc.

And to: The Service List attached hereto as Schedule “A”

TAKE NOTICE that an application will be made by the Applicant to the presiding judge at the courthouse at 800 Smithe Street, Vancouver, B.C. on 8/APR/2026 , at ~~9:45~~ a.m. for the orders set out in Part 1 below.
10:00

The applicant estimates that the application will take 1 day.

_ This matter is within the jurisdiction of the associate judge.

X This matter is not within the jurisdiction of an associate judge.

Part 1: ORDER(S) SOUGHT

1. An order:

   (a) Setting aside disallowance of the Proof of Property Claim filed by Club Versante Management Ltd. ("**Club Versante**") on February 23, 2026; and

   (b) Allowing the Proof of Property Claim of Club Versante regarding ownership of the food and beverage assets located within the portion of the hotel property formerly subleased by Club Versante (the "**F&B Assets**").

2. Such further orders as counsel for the Applicant may advise and this court may deem appropriate in the circumstances.

Part 2: FACTUAL BASIS

OVERVIEW

1. By order of this Honourable Court made December 17, 2025, any parties wishing to claim ownership in the F&B Assets as defined in the order were to deliver a Proof of Property Claim to the Receiver within the time provided in the order. The only party to file a Proof of Property Claim was Club Versante.

2. Through a determination made March 2, 2026, the Receiver disallowed Club Versante's Proof of Property Claim (the "**Notice of Disallowance**") The Receiver provided two reasons for its determination: a "lack of clarity regarding the F&B Assets being claimed" and "inconsistent and insufficient invoice and payment support. The Receiver expressly declined to decide any legal issues arising from Club Versante's claim, including the interpretation of the Sublease (as defined below) and the application of British Columbia law respecting fixtures versus chattels.

3. The Receiver's determination was in error. The interpretation of the Sublease is straightforward and governs Club Versante's rights to remove its personal property from the premises on termination of the Sublease. In the face of the following three factors, there was only one conclusion available to the Receiver, allowance of Club Versante's claim:

   (a) Club Versante was the only party to file a claim for the F&B Assets;

   (b) a sub-lease, which confirmed Club Versante's right to remove all personal property, furnishings, machinery, trade fixtures, equipment and improvements it installed; and

(c) there being no evidence before the Receiver to contradict the evidence led by Club Versante as to its installation of the F&B Assets.

4. In this *de novo* appeal, it is appropriate to allow Club Versante's appeal and find it owns the F&B Assets.

5.

BACKGROUND

6. Hotel Versante Ltd. leases the property known as the Versante Hotel (the "**Hotel Property**") from ITCP pursuant to a lease dated August 1, 2021 (the "**Head Lease**").

7. Hotel Versante Ltd. in turn leased a portion of the Hotel Property (the "**Sublet Premises**") to Club Versante Management Ltd. ("**Club Versante**") as Subtenant pursuant to a Commercial Sublease (the "**Sublease**") made as of August 1, 2021.

8. The fine dining and catering services for the Versante Hotel have been provided by Club Versante pursuant to a 10 year Commercial Sub-Lease Agreement between Hotel Versante Ltd. (the "**Sub-Landlord**") and Club Versante (the "**Subtenant**") dated August 1, 2021 (the "**Sub-Lease**"). The Sub-Lease grants Club Versante the exclusive use of space on the ground floor of the hotel where the Bruno Restaurant (the "**Bruno Space**") is operated and on the 12th and 13th floors of the hotel as part of the Alaia event space (the "**Alaia Space**", together with the Bruno Space, the "**Sublet Premises**"). The Sub-Lease was updated through 2 separate minor amendments dated September 1, 2021 and June 1, 2023.

Affidavit # 2 of Chung-Lin (Linda) Ching made March 15, 2026 (**L. Ching #2**), para. 3

9. The hotel opened as a luxury boutique hotel in 2021. The fine dining and catering services for the hotel have been provided by Club Versante since the hotel opened.

L. Ching #2, para 4

10. By a Project Construction Management Agreement ("**PCMA**") dated as of February 18, 2020, Bygenteel Capital Inc. ("**Bygenteel**"), the parent of Club Versante, and Club Versante retained International Trade Centre Properties Ltd. ("**ITCP**") to construct the Bruno Space and the Alaia Space so that the restaurant premises could open concurrently with the hotel operations.

L. Ching #2, para 5

11. Pursuant to the PCMA, ITCP constructed the Bruno Space and the Alaia Space on behalf of Bygenteel and Club Versante. Bygenteel and Club Versante agreed to separately fund the interior improvements and assume full financial responsibility and to provide all improvements, equipment and furnishings for the restaurant/bar with funding to be provided by Bygenteel and Club Versante and/or related entities.

L. Ching, para. 6

12. To ensure that the restaurant premises would open concurrently with the hotel operations, all municipal building permits were issued under the name of ITCP. Consequently, Bygenteel and Club Versante agreed to engage ITCP to administer and coordinate the restaurant's interior improvement/tenant related work. Further, pursuant to the PCMA, ITCP agreed that it was the limited agent for the purposes of procurement and payment administration and would not be deemed the owner of the furniture, fixtures and equipment or interior improvements.

L. Ching, para.7

13. The Sub-Lease provides that all personal property, furnishings, machinery, trade fixtures, equipment and improvements which Club Versante installs, on termination of the Sub-Lease may be removed by Club Versante.

14. The Sublease further provides;

6.5.1. Initial improvements. <u>Subtenant, at Subtenant's cost, may install such fixtures and finishes and communications and internet services infrastructure and other initial Subtenant improvements in or about the Sublet Premises as Subtenant deems necessary or desirable for the conduct of Subtenant's business therein</u> (the "**Initial Improvements**").

6.6.1. <u>The term "Subtenant's Personal Property" shall mean all personal property, furnishings, machinery, trade fixtures, equipment and improvements (trade or otherwise) which Subtenant installs in the Sublet Premises</u> including without limitation the following: partitions, screens, art, plant walls along with the irrigation and suspended plants, specialized lighting fixtures, moveable boulders, menu boards, signage and other non-structural design elements. Until or upon the termination or expiration of the Term, Subtenant may, from time to time, remove Subtenant's Personal Property from the Sublet Premises no later than the termination or expiration date of the Term. In addition, Subtenant may remove from the Sublet Premises, all items installed by Subtenant that are indicative of Subtenant's business and may otherwise "de-identify" the Sublet Premises and/or the Building as Subtenant reasonably believes necessary or appropriate for the protection of Subtenant's interest in Subtenant's trademarks, trade names or copyrights. <u>Subtenant shall repair any damage to the Sublet Premises or the Building caused by such removal, including patching and filling holes.</u> Notwithstanding the foregoing, <u>in no event shall Subtenant be entitled pursuant to this Section 6.6.1 to remove, nor shall Subtenant be required to remove, any restroom fixtures, flooring, ceilings, walls or utility or electrical components located inside the walls nor any portions of the HVAC system(s)</u>. Sublandlord shall not have the right to place or permit liens, charges or other encumbrances on any of Subtenant's Personal Property and Sublandlord waives and release any and all liens or charges, whether statutory or under common law, on Subtenant's Personal Property which may be located from time to time in or about the Sublet Premises.

6.6.2 Except for items installed by Subtenant that are indicative of Subtenant's business and/or that Subtenant reasonably believes necessary or appropriate for the protection of Subtenant's interest in Subtenant's trademarks, trade names or copyrights, <u>all of Subtenant's Personal Property not removed from the Sublet Premises on the date this</u>

<u>Sublease terminates or expires shall be deemed abandoned and shall thereupon become the property of Sublandlord.</u>

<u>[Emphasis added]</u>

L. Ching #2, Exhibit "A"

15. The provisions of the Sub-lease are clear: the Subtenant was to install the Subtenant's Personal Property, at the Subtenant's cost, and such Subtenant's Personal Property is not the property of the Sub-Landlord unless and until the Subtenant fails to remove the property on termination of the Sub-lease.

16. The Subtenant did install the Subtenant's Personal Property which remains on the Sublet Premises.

L. Ching #2, para. 8

INSTALLATION OF SUBTENANT'S PERSONAL PROPERTY

17. The estimated construction budget for the restaurant project was $4M. ITCP would be required to monitor and control costs within the Project Budget and provide monthly cost reports.

L. Ching #2, para. 9

18. ITCP's request for payments were included in the monthly progress draws of its main construction contractor, Scott Construction, designated as "Project - Out of Scope". The Out of Scope work was shown on Scott Construction project claims as Project 1834. The hotel construction contract by Scott Construction was shown as Project 1793.

L. Ching #2, para. 10

19. Out of Scope Project 1834 invoices from Scott Construction for draws 16 through 41 each contain items relating to the Club Versante restaurant/bar. Those items show on the Scott Construction Job Cost Reports under the heading "Level 12 Bar". Those items include the Bruno Space and the Alaia Space.

L. Ching #2, para. 11 & 12

20. The Tenant Improvements include "restroom fixtures, flooring, ceilings, walls or utility or electrical components located inside the walls nor any portions of the HVAC system(s)" which, pursuant to Section 6.6.1 of the Sublease, may not be removed by the Subtenant. Also included are Tenant Improvements that are "personal property, furnishings, machinery, trade fixtures, equipment and improvements (trade or otherwise) which Subtenant installs in the Sublet Premises" as described in Section 6.6.1, which may be removed by the Subtenant on termination of the Sublease.

21. The total cost of Out of Scope Project 1834 was $3,796,105.13 as shown on Exhibit "C" to L. Ching #2. That amount was paid by ITCP which in turn was paid by Club Versante, Bygenteel and/or related entities as provided in the PCMA. Approximately $8.7M was deposited into ITCP's account at Gulf & Fraser Fishermen's Credit Union (**"Gulf $ Fraser C.U."**) by entities related to Bygenteel and Club Versante from which approximately $3.9M was used to pay Scott Construction's Progress Draws for Out of Scope Project 1834.

L. Ching #2, paras. 14 & 15, Exhibits"CC", "DD" and "EE"

22. The Financial Statements of Club Versante for the year ended December 31, 2024 show Loans Payable of $5,407,406. The vast majority of that amount is payable to Bygenteel, $5,294,671, shown on Bygenteel's Financial Statements for the same period as a Loan Receivable from a subsidiary. The subsidiary is Club Versante.

L. Ching #2, para. 16, Exhibits "FF" and "GG"

23. The Out of Scope work does not include the purchase of furniture and equipment used in the Sublet Premises. That personal property was acquired by or on behalf of Club Versante.

24. Advances made by Fox Island were applied to construction costs incurred by Scott Construction in relation to Project 1793 – the hotel construction – only and not to the restaurant/bar improvements or furniture and equipment. The full amount advanced by Fox Island after payment of the balances owed to prior lenders, Romspen and Broadway Camera, was $3,005,713.32. This amount was advanced in two draws, $2,102,311.43 on November 29, 2019 and $903,401.89 on June 12, 2020. Those funds were used entirely to pay Scott Construction's invoices for Project 1793, the hotel project. None of those funds were used to pay invoices for Project 1834 – the Out of Scope Project nor for furniture and equipment for the restaurant/bar. No other advances were made by Fox Island.

L. Ching #2, paras, 17 & at, Exhibit "FF"

25. The evidence before this Court establishes that Club Versante, or its agents, installed and paid for the F&B Assets. .

LIST OF F&B ASSETS

26. In the Notice of Disallowance, the Receiver finds that no consolidated asset list had been provided specifying the specific F&B Assets being claimed. That is not so.

L. Ching #2, para. 19

27. The 1st Affidavit of Linda Ching sworn October 31, 2025 was included in the Supplement to the 4th Report as Schedule "B". The affidavit contained as Exhibit "B" is a Letter of Intent dated September 19, 2025 (the "**Citation LOI**") from Citation Property Holdings Ltd. ("**Citation**") to Bygenteel whereby Citation agreed to purchase from Bygenteel 53

parking stalls and all fixtures, furniture and equipment used in the Bruno Restaurant and Alaia Bar as set out in Schedule "B" to the LOI.

Supplement to the Fourth Report of the Receiver dated December 15, 2025, para. 22 (**"Supplement to 4th Report"**)

28. The list of fixtures, furniture and equipment attached to the Citation LOI is a reasonably complete list of the F&B Assets as at September 2025. That list does not include tenant improvements made by or on behalf of Club Versante to the Sublet Premises.

L. Ching #2, para. 21, Exhibit "II"

29. Substantial evidence of payment by or on behalf of Club Versante for the F&B Assets has been produced, including payments for purchases of furniture and equipment from Liv and Company Investments Ltd., Canadian Restaurant Supply Ltd., Yugen Gaishya Ichifuji, Designform Furnishings, Suite 22 Contract Inc., Beijing Hundred Hutch of Kitchen Equipment Sales Centre, Uline Canada Corporation, Costco and others.

L. Ching #2, para. 22

30. Furniture belonging to Club Versante for use periodically in the Alaia Space, Level 3 conference and ITC north tower level 6 is stored in Hotel storage when not in use. There is currently such furniture stored in Hotel storage.

L. Ching #2, para. 23

Part 3: LEGAL BASIS

The Claims Process operated by the Receiver should have resulted in an allowance of Club Versante's claim to the F&B Assets

31. The order of December 17, 2025 established the claims process whereby the Receiver was directed and authorized to determine ownership of the F&B Assets as defined in the Order. Any party wishing to claim ownership was to deliver a Proof of Property Claim within the time provided in the order.

32. The record before the Receiver established the following:

(a) only Club Versante delivered a Proof of Property Claim to the Receiver;

(b) only Club Versante has operated the food and beverage business at Hotel Versante since it opened; and

(c) only Club Versante has used the food and beverage assets in question.

33. The Sublease allows Club Versante to install fixtures and improvements as it thinks are necessary to conduct its business (Section 6.5.1).

34. Other parties related to Club Versante may have advanced funds directly to suppliers of the food and beverage assets to Club Versante. Club Versante may continue to owe money to those parties, including Bygenteel. However, none of those parties have claimed any interest in the F&B Assets.

35. The Sublease between Club Versante and Hotel Versante is clear. The Subtenant's Personal Property is defined in Section 6.6.1 of the Sublease. The Sublease allows the Subtenant, Club Versante, to remove those assets prior to or on termination of the Sublease. The Subtenant is not permitted to remove "any restroom fixtures, flooring, ceilings, walls or utility or electrical components located inside the walls nor any portions of the HVAC system(s)" but is permitted to remove the F&B Assets in issue here. It is only if Club Versante fails to remove the Subtenant's Personal Proerty on termination of the Sublease that the Subtenant's Personal Property is deemed to be abandoned by Club Versante and becomes the property of the Sublandlord, Hotel Versante.

36. Paragraph 16(f) of the December 17, 2025 order provides that, if and only if the Subtenant's Personal Property is not removed by Club Versante will 1483610 B.C. Ltd., the Purchaser, have any right to the F&B Assets.

The principles governing tenant fixtures

37. The general test to determine whether an item is a fixture or a chattel may not apply to all items in the context of a commercial lease. Rather, there is a presumption that the tenant did not intend for its items to be permanently affixed to the realty, where those items are used for the tenant's trade ("trade fixtures"). A lease may address a tenant's right to remove trade fixtures in a manner different from the common law, but any terms limiting that right will be construed narrowly against the landlord..

2105582 Ontario Ltd. (Performance Plus Golf Academy) v. 375445 Ontario Limited (Hydeaway Golf Club), 2017 ONCA 980 at paras. 33-38 [***Performance Plus***]

Homestar Hldg. Ltd. v. Old Country Inn Ltd., 1986 CanLII 813 at paras. 22-23 (BC SC)

38. As a starting point, courts have applied the well-established test for distinguishing between chattels and fixtures is set out in out in *Stack v. T. Eaton Co.* (1902), 4 O.L.R. 335 at 338 (Div. Ct.), and affirmed in *La Salle Recreations Ltd. v. Canadian Camdex Investments Ltd.* (1969), 1969 CanLII 740 (BC CA). The test was more recently affirmed in *Zellstoff Celgar Limited v. British Columbia*, 2014 BCCA 279 and was reproduced at para. 9 as follows:

> (1) That articles not otherwise attached to the land than by their own weight are not to be considered as part of the land, unless the circumstances are such as shew that they were intended to be part of the land.
>
> (2) That articles affixed to the land even slightly are to be considered part of the land unless the circumstances are such as to shew that they were intended to continue chattels.

> (3) That the circumstances necessary to be shewn to alter the prima facie character of the articles are circumstances which shew the degree of annexation and object of such annexation, which are patent to all to see.
>
> (4) That the intention of the person affixing the article to the soil is material only so far as it can be presumed from the degree and object of the annexation.
>
> (5) That, even in the case of tenants' fixtures put in for the purposes of trade, they form part of the freehold, with the right, however, to the tenant, as between him and his landlord, to bring them back to the state of chattels again by severing them from the soil, and that they pass by a conveyance of the land as part of it, subject to this right of the tenant.

39. In the context of commercial leases, the B.C. Court of Appeal in *Sawridge Manor Ltd. v. Selkirk Springs International Corp.*, 1995 CanLII 8906 (BC CA) described the distinction between tenant's fixtures and landlord's fixtures as follows:

> [41] As Lord Denning put it in *New Zealand Government Property Corp. v. H.M. & S. Ltd.*, [1982] 1 All E.R. 624 at 627 (C.A.), a case concerning Her Majesty's Theatre in the Haymarket:
>
> Before I go any further, I would describe the distinction between "tenant's fixtures" and "landlord's fixtures". The term "tenant's fixtures", for present purposes, mean those fixtures which the tenant himself fixed into the premises for the purpose of his trade, that is for the business of the theatre, but which do not become part of the structure itself. Instances are the seats for the stalls, or auditorium, which are fixed by screws or bolts to the floor, wall brackets for lights which are screwed on to the wall, electric transformers fixed on to the floor, and so forth. All these the tenant is entitled to remove when his term comes to an end. Whereas "landlord's fixtures" for present purposes means those fixtures which the tenant himself fixes into the premises so that they become part of the structure itself: see *Boswell v Crucible Steel Co* [1925] 1 KB 119, [1924] All ER Rep 298. Instances are improvements made by the tenant by putting in new doors or windows in place of those that were there before, or a new frontage or a new safety curtain. These improvements become part of the structure itself. The tenant cannot remove them when his term comes to an end. All this goes back to the time of Holt CJ.

40. In *Caledonia Service Station Inc. v. Cango Inc.*, 2011 ONCA 184 at para. 14, the Court of Appeal for Ontario held that the test for whether an asset is a leasehold improvement is the same as the test for whether an asset is a fixture; that is, there must be a sufficient degree and object of annexation such that the assets become part of the land. The Court described the distinction between improvements and trade fixtures in this way:

> [14] This distinction accords with the ordinary meaning of improvements and trade fixtures in the law of real property: **improvements refer to things constructed on and attached to the realty that are intended to become part of it; trade fixtures refer to things placed on and connected to the realty but in a**

way that the connection can be severed, restoring their character as chattels. See *Stack v. T. Eaton Co.* (1902), 4 O.L.R. 335 (Div. Ct*.); Fas Gas Oil Ltd. v. J. H. Automotive Ltd.* (2004), 2004 ABCA 120 (CanLII), 31 Alta. L.R. (4th) 197 (C.A.); *Beloit Sorel Walmsley, Ltd. v. New Brunswick* (1976), 1976 CanLII 1216 (NB CA), 71 D.L.R. (3d) 240 (N.B.C.A.).

[Emphasis added.]

41. This Court in *Nextgear Capital Corporation v Corsa Auto Gallery Ltd.*, 2019 BCSC 1667 at para. 37 applied the principles from *Caledonia* and held that "[i]mprovements are things constructed on and attached to land that are intended to become part of it".

42. In *Zellstoff* (cited above), the Court of Appeal for B.C. confirmed that it is appropriate to consider the use of the land when considering the object of annexation, as held in *Haggert v. Town of Brampton* (1897), 1897 CanLII 14 (SCC).

43. In *Performance Plus*, the Court of Appeal of Ontario stated that the general rule that fixtures remain with the land following the end of a tenancy does not apply to all fixtures. The Court went on to summarize the case law regarding trade fixtures as follows:

[33] Trade fixtures are assets that are affixed to leased premises by a tenant for trade or commercial purposes. **Courts have consistently held that tenants are presumptively allowed to remove trade fixtures at the end of a tenancy so long as the removal does not materially damage the premises:** *859587 Ontario Ltd. v. Starmark Property Management Ltd.* (1997), 1997 CanLII 12153 (ON SC), 34 O.R. (3d) 43, [1997] O.J. No. 2474, 1997 CarswellOnt 2308 (Gen. Div.), at p. 54 O.R., at para. 31, affd (1998), 1998 CanLII 7138 (ON CA), 40 O.R. (3d) 481, [1998] O.J. No. 3022, 1998 CarswellOnt 2937 (C.A.); *Caledonia Service Station Inc. v. Cango Inc.*, [2011] O.J. No. 1045, 2011 ONCA 184, at para. 14; *Newfoundland and Labrador Housing Corp. v. Humby*, [2013] N.J. No. 20, 2013 NLCA 7, per Rowe J.A. (as he then was), at paras. 22-27. **This exception -- that trade fixtures do not remain with the land post-tenancy -- has a long history in the common law**: *Warner v. Don* (1896), 1896 CanLII 67 (SCC), 26 S.C.R. 388, [1896] S.C.J. No. 44, 1896 CarswellNS 102, at pp. 391-92 S.C.R., at para. 8; *Stack*, at p. 338 O.L.R.; and [page570] *Richardson v. Equitable Fire Insurance Co.*, 1953 CanLII 159 (ON CA), [1953] O.R. 493, [1953] O.J. No. 668, [1953] 3 D.L.R. 583, 1953 CarswellOnt 67 (C.A.), at p. 586 D.L.R. (C.A.), at para. 8.

[34] Importantly, as this court held in *Bank of Nova Scotia v. Mitz* (1979), 1979 CanLII 1789 (ON CA), 27 O.R. (2d) 250, [1979] O.J. No. 4491, 106 D.L.R. (3d) 534, 1979 CarswellOnt 741 (C.A.), at p. 538 D.L.R., at para. 11, **there is a distinction in the analysis depending on whether the attempted removal of the disputed asset occurs in the context of a lease versus the sale of real property**. In the former case, there appears to be a presumption that a tenant would not have an objective intent to affix an asset on a permanent basis such that it would become part of the real property at the end of the lease: *Bank of Nova Scotia*, at pp. 538-39 D.L.R. **In other words, the object of annexation is presumptively not one of permanence.**

[35] **The jurisprudence demonstrates that the determination of whether an asset is a fixture or trade fixture upon termination of a lease is highly fact-specific.** For example, in *Webb v. Frank Bevis Ltd.*, [1940] 1 All E.R. 247 (E.W.C.A.), the English Court of Appeal held that a 6,750-square-foot shed was a trade fixture and removable by the tenant at the end of the lease. The shed in that case was covered with a corrugated iron roof that rested on wooden posts. The wooden posts, in turn, were affixed to a concrete floor -- but not embedded in the concrete. The court held that the shed could be taken apart without damage to the leased premises and was a trade fixture. By contrast, the concrete floor was not a trade fixture since it could not be removed without damage to the leased premises.

[36] *Webb* was implicitly affirmed by the United Kingdom House of Lords in Elitestone Ltd. v. Morris, [1997] 1 W.L.R. 687 (U.K.H.L.), at p. 691. In *Elitestone*, the House of Lords was asked to determine whether a bungalow constructed on leased real property was a chattel or fixture that was part of the land. The House of Lords affirmed the trial judge's conclusion that the bungalow was part of the land because such determinations depended on the facts of each case: *Elitestone*, per Lord Berwick, at p. 692; and per Lord Clyde, at p. 696. **It was also significant that the tenant claiming the bungalow did not construct the bungalow. It existed prior to the tenant occupying the premises.**

[37] Justice Rowe of the Newfoundland Court of Appeal (as he then was) found *Webb* and *Elitestone* to be persuasive authorities in *Humby*. *Humby* concerned a "Butler building", which was a pre-engineered 1,500-square-foot steel-frame building. It was built by the tenant and supported by metal beams that were [page571] bolted into a concrete foundation. There was also electrical wiring throughout the structure. Nevertheless, Rowe J.A. held that the building was a trade fixture that could be removed by the tenant at the end of the lease: *Humby*, at para. 31.

[38] The above cases -- as well as *Richardson* and *Starmark Property* -- demonstrate that the determination of whether an asset is a fixture versus a trade fixture or chattel is a question of mixed fact and law. **In this case, the trial judge applied the three requisite elements of the legal test for a trade fixture: (i) whether the asset is affixed to the ground by the tenant; (ii) whether the asset is used for the purpose of a trade or commerce; and (iii) whether the asset can be removed without material damage to the premises. Only element (iii) was in question at trial.**

[Emphasis added.]

The Sublease and common law allow Club Versante to remove the F&B Assets

44. In *Homestar Hldg. Ltd. v. Old Country Inn Ltd.*, 1986 CanLII 813 (BC SC), the Court considered whether the terms of a lease limited the landlord's common law right to remove tenant's fixtures. The Court made the following comments on this point:

> [22] A tenant's common law rights may be limited by the terms of the lease. This point is made in 20 C.E.D. (West. 3rd) Landlord and Tenant, p. 83-245, para. 799:
>
>> A lessor and lessee may by a special contract make a law for themselves as to fixtures, and trade fixtures may become irremovable if upon a true interpretation of

> the contract between the lessor and lessee it appears that the lessee has renounced his right to take them during the term.

Authorities for this proposition *are Re Maple Leaf Coal Co.*, 1951 CanLII 526 (AB CA) [...] and *Hayward & Dodds v. Lim Bang* (1914), 1914 CanLII 742 (BC CA) [...]

[23] However (Williams and Rhodes, p. 13-30):

> ... to deprive the tenant of his right to remove trade fixtures the language must be clear, and the courts will construe the covenant strictly against the lessor. *Beaufort v. Bates* (1862), 3 De G.F. & J. 381, 45 F.R. 926, followed in *Argles v. McMath* [(1894), 26 O.R. 224, affirmed 23 O.A.R. 44]: and see *Gray v. Lount*, 1932 CanLII 443 (MB KB) [...]

[24] In the present case, the key terms in the lease read as follows:

> 3(m) All alterations, partitions, additions and improvements made, installed, cemented or otherwise adhesively affixed upon the demised premises and attached to the floor, walls or ceiling thereof, shall ipso facto become and be the property of the Lessors and remain upon the premises and be surrendered as a part thereof without disturbance, molestation or injury, upon the termination of this Lease, but nothing herein shall be construed so as to prohibit the Lessee from removing from the said premises any dishes, cutlery, electrical appliances, decorations, tables, chairs, partitions, counters, signs, displays, cabinets, cupboards, stoves, refrigerators, (sic) and any other chattels which are not affixed to the demised premises and attached to the floor, walls, or ceiling thereof.
>
> (n) If the Lessee shall, during the said term, affix to or erect on the demised premises any fixture other than as is hereinbefore mentioned, then such fixture shall belong to and be removable by the Lessee at any time during the said term or within Thirty (30) days after determination thereof provided that the Lessee shall make good all damages caused by such removal.
>
> ...

[31] However, cl. 3(n) must be given some meaning. Under it trade fixtures and articles or ornament are removable just as they would be at common law. This would include the built-in cabinets, cooking equipment, and sinks in a free-standing bar, as well as such decorative items as could be removed without losing their essential character (*Hughes v. Towers,* supra) and without causing damage to the realty (*Cartwright v. Herring*, supra).

45. This Court should start its analysis by considering the five-part test in *La Salle* set out in paragraph 38 above, consider whether there were any limitations set out in the terms of the lease, and determine which items were capable of being removed without causing material damage, to determine which items were chattels.

46. In *Sawridge Manor* (at paras. 48-49 & 54), the B.C. Court of Appeal accepted that parties to a lease can make an agreement stipulating which assets are to be considered removable

as tenant's fixtures and which assets are irremovable landlord's fixtures, but found there was nothing in the subject lease that modified the common law rules.

47. In the Club Versante Sub-lease, there are specific provisions dealing with what can and cannot be removed by the Subtenant. (see Section 6.6.1 in para. 13 above) and the consequences of not removing what the Subtenant is allowed to remove (see Section 6.6.2 in para. 13 above.

48. In clear terms in the Club Versante Sub-lease, it is only on the failure to remove the Sub-tenant's Personal Property as provided for in the Sub-lease that the Sublandlord acquires any right to keep that property.

49. The December 17, 2025 order has a similar provision, s. 16(f), which provides that the assets vest in the Purchaser if not removed.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #2 of Chung-Lin (Linda) Ching made March 16, 2026.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to the 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 9-7(9).

Date: March 16, 2026

Signature of counsel for applicant
Peter J. Reardon

THIS NOTICE OF APPLICATION is prepared by Peter J. Reardon, of the firm of Nathanson, Schachter & Thompson LLP, Barristers and Solicitors, whose place of business and address for service is Suite 750 – 900 Howe Street, Vancouver, B.C. V6Z 2M4, telephone (604) 662-8840 and whose email address for service is preardon@nst.ca; with a copy to nwalnicki@nst.ca.

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:

____

____

____

Dated: ______________ ______________________________

Signature of

☐ Judge ☐ Associate Judge

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

_ discovery: comply with demand for documents

_ discovery: production of additional documents

_ 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. 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, RCC HOLDINGS LTD.

RESPONDENTS

SERVICE LIST
As at February 19, 2026

Receiver's Website: https://www.insolvencies.deloitte.ca/en-ca/Pages/Hotel-Versante-Ltd.aspx

DLA Piper (Canada) LLP Barristers & Solicitors Suite 2700 - 1133 Melville Street Vancouver, BC V6E 4E5 Tel. No. 604-687-9444 **Attention: Colin Brousson** **Anthony Mersich** Email: colin.brousson@ca.dlapiper.com anthony.mersich@ca.dlapiper.com ashley.kumar@ca.dlapiper.com *Counsel for Petitioners, Fox Island Development Ltd. and Advanced Venture Holding CO., Ltd.*	**Deloitte Restructuring Inc.** 410 West Georgia Street, Vancouver, British Columbia, V6B 0S7, Canada Tel. No. 604-235-4197 **Attention: Jeff Keeble** **Aveshin Govender** **Sally Bao** E-mail: jkeeble@deloitte.ca avegovender@deloitte.ca sbao@deloitte.ca *Court Appointed Receiver and Manager*

SCHEDULE "A'

Dentons Canada LLP 20th Floor, 250 Howe Street Vancouver, BC V6C 3R8 Tel. No. 604-687-4460 **Attention: John R. Sandrelli** **Afshan Naveed** **Cassandra Federico** E-mail: john.sandrelli@dentons.com afshan.naveed@dentons.com cassandra.federico@dentons.com avic.arenas@dentons.com nav.sidhu@dentons.com *Counsel to the Receiver, Deloitte Restructuring Inc.*	**Bridgehouse Law LLP** 9th Floor, 900 West Hastings Street Vancouver, British Columbia Canada V6C 1E5 Tel No.: 604.684.2550 **Attention: H.C. Ritchie Clark, K.C.** **Benjamin La Borie** Email : rclark@bridgehouselaw.ca blaborie@bridgehouselaw.ca cwilson-cole@bridgehouselaw.ca *Counsel for 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., SFT Digital Holdings 30 Ltd., Hotel Versante Ltd., Sunwins Enterprise Ltd., Mo Yeung Ching also known as Michael Ching Mo Yeung Properties Ltd., Club Versante Management Ltd. and 1212429 B.C. Ltd.*
Pryke Lambert Leathley Russell LLP Suite 500-North Tower 5811 Cooney Road Richmond, BC V6X 3M1 **Attention: Thomas W. Russell** Email: Trussell@pllr.com	**Owen Bird Law Corporation** 2900 – 733 Seymour Street, P.O. Box 1, Vancouver, B.C. V6B 0S6. Tel. No: 604-688-0401 **Attention: Alan A. Frydenlund K.C.** **Scott Stephens** Email: afrydenlund@owenbird.com sstephens@owenbird.com *Counsel for Beem Credit Union*
Fasken Martineau DuMoulin LLP 550 Burrard Street, Suite 2900 Vancouver, BC V6C 0A3 **Attention: Kibben Jackson** Email: kjackson@fasken.com	**Michael Ching** #1205 - 8400 West Road Richmond, BC V6X 0S7 Email: michael@sunwins.ca

SCHEDULE "A'

Rita Zhang #1205 - 8400 WEST ROAD RICHMOND BC V6X 0S7 Email: rita@versantehotel.com	**Nathanson, Schachter & Thompson LLP** 750 – 900 Howe Street, Vancouver, BC V6Z 2M4 Tel. No. (604)662-8840 **Attention: Peter Reardon** Email: preardon@nst.ca nwalnicki@nst.ca *Counsel for Bygenteel Capital Inc. and Chun Lin (Linda) Ching*
Owen Bird Law Corporation 2900 – 733 Seymour Street, P.O. Box 1, Vancouver, B.C. V6B 0S6 Tel. No: 604-688-0401 **Attention**: Email: *Counsel for Broadway Camera Investments Ltd., Kangaloo Invesmtments Ltd., John Lo, and Kandy Du,*	**Poulus Ensom Smith LLP** One Bentall Centre 505 Burrard Street Suite 1560, Box 15 Vancouver, BC V7X 1M5 Tel No. 778.727.3500 **Attention: Hein Poulus, KC, Saheli Sodhi & Edith Chen** Email: hpoulus@peslitigation.com ssodhi@peslitigation.com echen@peslitigation.com
Lawrence Wong & Associates 210 – 2695 Granville Street, Vancouver, BC V6H 3H4 Tel. No.: (604) 739-0118 **Attention: Lawrence Wong** Email: lwong@lwacorp.com *Counsel for Ms. Heung Kei Sung (Second Mortgagee)*	**Blakes Cassels and Grayden LLP** 1133 Melville Street, Suite 3500, The Stack Vancouver, BC V6E 4E5 Tel. No.: 604-631-3300 **Attention: Peter Bychawski** Email: peter.bychawski@blakes.com Counsel to *Citation Property Holdings Limited*
CAMPBELL FROH MAY & RICE LLP 200-5611 Cooney Road, Richmond, BC V6X 3J6 Tel: (604) 273-8481 **Attention: Katherine E. Ducey and Mark Standerwick** Email: Kducey@cfmrlaw.com mstanderwick@cfmrlaw.com *Counsel for Fortis BC*	**Hamilton & Company** 4th Floor, 500 Sixth Avenue New Westminster, BC V3L 1V3 Tel: (604) 630-7472 Attention: **G. Stephen Hamilton / Eve Shen Mahbuba Nazaryar** Email: SHamilton@hamiltonco.ca eshen@hamiltonco.ca MNazaryar@hamiltonco.ca *Counsel for The Owners, Strata Plan EPS 5801, The Owners, Strata Plan EPS 5802, The Owners, Strata Plan EPS 5803, The Owners, Strata Plan EPS 5804*

SCHEDULE "A'

City of Richmond – Property Tax Department 6911 No. 3 Road, Richmond, BC V6Y 2C1 Email: LHobman@richmond.ca AZanardo@richmond.ca VLee@richmond.ca	

SCHEDULE "A'

EMAIL SERVICE LIST

colin.brousson@ca.dlapiper.com; jkeeble@deloitte.ca; avegovender@deloitte.ca; sbao@deloitte.ca; john.sandrelli@dentons.com; afshan.naveed@dentons.com ; cassandra.federico@dentons.com; avic.arenas@dentons.com ; nav.sidhu@dentons.com; Trussell@pllr.com; afrydenlund@owenbird.com; sstephens@owenbird.com; kjackson@fasken.com; michael@sunwins.ca; rita@versantehotel.com; rclark@bridgehouselaw.ca; blaborie@bridgehouselaw.ca; preardon@nst.ca; hpoulus@peslitigation.com; lwong@lwacorp.com; peter.bychawski@blakes.com; echen@peslitigation.com; ssodhi@peslitigation.com; cwilson-cole@bridgehouselaw.ca; mstanderwick@cfmrlaw.com ; Kducey@cfmrlaw.com; wilson@bccamera.com; johnlo649@gmail.com; kangalooinvestments@gmail.com; ashley.kumar@ca.dlapiper.com; joel.robertson-taylor@ca.dlapiper.com; anthony.mersich@ca.dlapiper.com; SHamilton@hamiltonco.ca; MNazaryar@hamiltonco.ca; nwalnicki@nst.ca; eshen@hamiltonco.ca; VLee@richmond.ca; AZanardo@richmond.ca; LHobman@richmond.ca; linda@sunwins.ca;

Appendix "C"

F&B Claim Appeal Response

APR 2 3 2026
VANCOUVER REGISTRY

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 LIMTED 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 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., (the "**Petitioners**")

THIS IS A RESPONSE TO the notice of application of Club Versante Management Ltd. **("Club Versante"**) filed March 16, 2026.

The application respondents estimate that the application will take 1 day.

PART 1 ORDERS CONSENTED TO

The Petitioners consent to the granting of the orders set out in the following paragraphs of Part 1 of the notice of application on the following terms: **NONE**

PART 2 ORDERS OPPOSED

The Petitioners oppose the granting of the orders set out in **ALL** paragraphs of Part 1 of the notice of application.

PART 3 ORDERS ON WHICH NO POSITION IS TAKEN

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

PART 4 FACTUAL BASIS

Overview

1. Capitalized terms used herein have the same meaning as in the Notice of Application of Club Versante Management Ltd. ("**Club Versante**") filed March 16, 2026, or the Affidavit #2 of Chung-Lin (Linda) Ching, affirmed March 16, 2026 (the "**Ching Affidavit**") unless otherwise defined.

2. Club Versante asserts ownership of certain F&B Assets located in the restaurant/bar portion of the Hotel Versante that was formerly subleased by Club Versante from the sub-landlord, Hotel Versante Ltd.

3. In support of its claim to the F&B Assets, Club Versante submitted, among other things, (i) the PCMA, which purports to allow ITCP to act as agent for Club Versante and Bygenteel in respect of the construction and build-out of the Sublet Premises, and (ii) a large bundle of invoices relating to the construction of the Sublet Premises and the purchase of various equipment for the kitchen and restaurant located in the Sublet

4. Notably absent, however, is any evidence that Club Versante actually paid for the F&B Assets (subject to a narrow exception in respect of the LIV Assets, defined and discussed below). Instead, the evidence proffered by Club Versante demonstrates that Club Versante, Bygenteel, ITCP and other entities controlled by Linda Ching or Michael Ching regularly comingled funds, payments and operations. No clear reconciliation of these entities' accounts has been provided. As a result, Club Versante has not proven that it actually paid for the F&B Assets. This is of particular importance given that the evidence provided by Club Versante shows that the F&B Assets were sold to, and directly paid for by, several judgment debtors of the Petitioners.

5. Club Versante also asserts that it should be entitled to the F&B Assets because no one else submitted a claim for them. This argument distorts the test for determining ownership of property in an insolvency. The onus of establishing a property claim in an insolvency proceeding is on the claimant. Club Versante's evidence has fallen well short of

establishing that it owns the F&B Assets, irrespective of the absence of any competing claims.

6. In addition, many of the F&B Assets have been permanently installed in the Sublet Premises and cannot be removed without causing material harm to the premises itself. As a result, those assets have become fixtures to the real property and cannot be removed.

7. The Petitioners respectfully request that this Honourable Court dismiss Club Versante's application in its entirety, and award costs against Club Versante in favour of the Petitioners.

The Hotel and Sublease

8. Hotel Versante Ltd. leased the property known as the Hotel Versante from ITCP.[1] Hotel Versante Ltd., in turn, subleased the Sublet Premises within the Hotel Versante to Club Versante pursuant to the Sublease, which is dated August 1, 2021.[2]

9. ITCP and Hotel Versante Ltd. were owned by Mo Yeung Ching, also known as Michael Ching ("**Mr. Ching**").[3] Chung-Lin Ching, also known as Linda Ching ("**Ms. Ching**"), who is Mr. Ching's daughter, is an officer and director of Club Versante, as well as Bygenteel Capital Inc., which is the parent company of Club Versante.[4]

10. The Petitioners are the secured lender to ITCP and Hotel Versante Ltd.. The Petitioners obtained Order Nisi and summary judgment against ITCP, Hotel Versante Ltd., several other entities controlled by Mr. Ching, and Mr. Ching personally, pursuant to an Order granted by the Supreme Court of British Columbia dated February 29, 2024.

11. A nominee of the Petitioners purchased the Hotel Versante pursuant to a sale approval and vesting order granted on December 17, 2025 in respect of a back-up credit bid submitted by the Petitioners. A deficiency of more than $70,000,000 remains owing to the Petitioners under the Order Nisi, after deducting the amount paid the Petitioners' nominee by way of the credit-bid.

[1] Ching Affidavit at para 2.
[2] Ching Affidavit at para 3, Exhibit A.
[3] Fourth Report of the Receiver dated December 12, 2025 at paras 27-28.
[4] Ching Affidavit at paras 1, 16.

Construction of the Sublet Premises

12. The Hotel Versante was built in 2020 and 2021. Pursuant to the PCMA, which is dated February 18, 2020 (approximately 18 months prior to the Sublease) Club Versante and Bygenteel purportedly retained ITCP to act as construction manager and agent in respect of the construction of the restaurant located in the Sublet Premises. Based upon the terms of the PCMA, Club Versante and Bygenteel were fully responsible for funding the costs associated with the interior improvements to the Sublet Premises.[5]

13. ITCP retained Scott Construction to build the Hotel Versante. Accordingly, Scott Construction also performed the construction work for the restaurant and bar in the Sublet Premises.

14. According to Ms. Ching, the construction work conducted on the Sublet Premises was tracked by Scott Construction and included under a separate project number, being "Project 1834" also described as "Project – Out of Scope".[6] Work specifically relating to the Sublet Premises is allegedly captured in Scott Construction's job cost reports under the heading "Level 12 Bar".[7]

15. The total amount invoiced by Scott Construction under Project 1834 was $10,191,646.09,[8] and the total cost associated with the Level 12 Bar was $3,874,910.24.[9]

16. It is unclear what other work or projects were included within Project 1834.

17. Ms. Ching created a table at Exhibit Y to her Affidavit which summarizes the amount of each draw request by Scott Construction with respect to the Level 12 Bar, and the amount and date of each payment purportedly made with respect to those draw requests. However, no evidence was provided demonstrating that Club Versante or Bygenteel actually made the payments to ITCP or to Scott Construction in respect of these draw requests.

---

[5] Ching Affidavit at Exhibit B, Recital 2D.
[6] Ching Affidavit at para 10.
[7] Ching Affidavit at para 11.
[8] Ching Affidavit at Exhibit C, p 52.
[9] Ching Affidavit at Exhibit Y.

18. Rather, Club Versante's evidence shows that ITCP paid all of the invoices for the work done on Project 1834 (which includes the work done on the Sublet Premises).[10] Club Versante appears to imply that it reimbursed ITCP for the costs of, but has provided no evidence that it actually did.

19. Instead, Club Versante adduced the deposit books for one of ITCP's bank accounts[11] notwithstanding that Ms. Ching does not claim to have had any role within ITCP. The deposit books include numerous deposit records dating back to 2016 (some of which are completely illegible). The entries in the deposit books set out the date, name of payor, and the amount deposited by the payor. None of the entries provide any explanation as to purpose or use for the deposited funds, nor do any refer to Club Versante, Bygenteel, Hotel Versante, or the construction of any restaurant or bar.

20. At Exhibit BB to the Ching Affidavit, Ms. Ching provides a table that summarizes certain of these deposits that were made by various entities that are purportedly related to Bygenteel and Club Versante. Ms. Ching asserts that these funds were used to pay the amounts owing to Scott Construction for the construction work on the Sublet Premises, but provides no documentation to support that claim. Aside from Ms. Ching's bare assertions, no evidence has been adduced to support that:

(a) the payors identified in the chart at Exhibit BB in the Ching Affidavit are, in fact, related to Bygenteel or Club Versante;

(b) the funds deposited by those payors were intended to be used to pay for the work done by Scott Construction of the Sublet Premises. To the contrary, Ms. Ching's summary chart suggests that certain of the deposits relate to the sale of units in ITC's 1st Phase, or relate to investments in other projects owned or spearheaded by one or more of the Chings; or

(c) ITCP actually used the funds deposited by those payors to pay for the work done by Scott Construction of the Sublet Premises.

21. The evidence submitted by Club Versante clearly demonstrates that neither Club Versante nor Bygenteel directly contributed to the construction of, or the improvements to, the

[10] Ching Affidavit at Exhibit C, p 50.
[11] Ching Affidavit at Exhibits Z and AA.

Sublet Premises. Further, absolutely no documentation has been provided that could demonstrate that the funds deposited into ITCP's account indirectly originated from either Club Versante or Bygenteel. Accordingly, Club Versante has failed to demonstrate that it paid for, and therefore owns, the F&B Assets.

22. In addition, it is unclear what interest Club Versante could have had in the F&B Assets at the time they were purchased or installed in the Sublet Premises, pursuant to the terms of the PCMA.

23. The PCMA is dated February 18, 2020, and lists Club Versante and Bygenteel as "the Owner", collectively.[12] At the time the PCMA was executed with ITCP, neither Club Versante nor Bygenteel had any interest in the Versante Hotel or the Sublet Premises, since the Sublease wasn't signed until August 1, 2021 (approximately a year and a half later), and Hotel Versante Ltd. is the sub-landlord under the Sublease, not ITCP.[13]

24. Further, most of the draw requests issued by Scott Construction for the Sublet Premises were issued prior to Club Versante entering into the Sublease. According to the summary table provided in the Ching Affidavit, only Draw Requests 34-41 were issued after the Effective Date in the Sublease, and the total amount paid under those draw requests was $333,089.05, which is less than 10% of the total amount that Club Versante claims to have paid. [14]

25. No explanation has been provided regarding how Club Versante could obtain an interest in assets that were installed in the Sublet Premises prior to Club Versante ever obtaining any interest in the Sublet Premises. This is a further reason as to why Club Versante has failed to demonstrate that it owns the F&B Assets.

Work done by Scott Construction is not removable

26. Even if it is assumed that Club Versante ultimately paid for the work done by Scott Construction on the Sublet Premises (which is not admitted, but is expressly denied by the Petitioners), Club Versante would not be permitted to remove the components that were installed. The Project 1834 job cost reports for the Sublet Premises (described as

[12] Ching Affidavit at Exhibit B.
[13] Ching Affidavit at Exhibit A.
[14] See Ching Affidavit at Exhibit Y.

the "Level 12 Bar") include significant expenditures for mechanical work, electrical work, wall and ceiling construction, flooring installation and painting.[15] Each of these types of work interface with HVAC, electrical, or structure that the Sublease deems non-removable irrespective of who paid for it.[16]

27. Club Versante asserts at paragraph 23 that "the Out of Scope work [described under the Project 1834 job cost reports] does not include the purchase of furniture and equipment used in the Sublet Premises" and that "that personal property was acquired by or on behalf of Club Versante;" however, the Project 1834 Level 12 Bar ledger contains a line item for the supply and install of kitchen equipment from Canadian Restaurant Supply Ltd. ("**CRS**") for a cost of $883,809,[17] and the summary of payments made on the Project 1834 invoice from Scott Construction provides that ITCP made all payments, including all payments for invoices from CRS.

28. At a minimum this inconsistency undermines the reliability of Club Versante's assertion that the Scott Construction job cost reports do not include the purchase of furniture an equipment, since the invoices from CRS clearly relate to the purchase of commercial kitchen equipment.

29. Club Versante and the Chings have had ample opportunity to provide the Receiver with adequate proof to substantiate Club Versante's claim to the F&B Assets. The Receiver had asked Mr. Ching at the commencement of these receivership proceedings to provide information regarding Club Versante, including its ownership, employees, assets, operations and finances. In addition, at that time, the Receiver specifically requested information regarding the F&B Assets so the Receiver could determine what assets could be purchased as part of the sale of the hotel.[18]

30. The Receiver made these inquiries of Mr. Ching because he was listed as a director of Club Versante.[19]

---

[15] See e.g. Ching Affidavit at Exhibit T, "Level 12 Bar".
[16] Ching Affidavit at para. 11; Exhibits "D"–"X".
[17] See e.g. Ching Affidavit at Exhibit T, "Level 12 Bar"..
[18] First Supplement to the Fourth Report of the Receiver, dated December 15, 2025 at para 21 [***First Supplement***].
[19] First Supplement at para 14.

31. Mr. Ching ultimately provided information to the Receiver regarding the F&B Assets in April of 2025 (the "**April 2025 F&B Information**"), including several different listing of the F&B Assets, and various ledgers, invoices, purchase orders and cheques supporting payment for certain of the F&B Assets; however that information was not well organized and the Receiver was not able to reconcile the F&B Asset listings with the payment support provided by Mr. Ching.[20]

32. The April 2025 F&B Information contains many of the same deficiencies as Club Versante's proof of claim submitted to the Receiver on February 23, 2026 (the "**Proof of Claim**") and the Ching Affidavit. That is:

    (a) Item descriptions on the invoices and purchase orders do not consistently align with the descriptions in the F&B Asset listings;

    (b) The F&B Asset listings do not contain unique identifiers that would allow the Receiver to perform item-by-item verification;

    (c) The information relating to payment for the F&B Assets does not clearly account for all items appearing in the F&B Asset listing;

    (d) The information relating to payment for the F&B Assets often only provides for partial payment or payment by installment for various invoices;

    (e) Many payments were made by parties other than Club Versante;

    (f) Much of the supporting information relates to expenditures for labour, design, or other non-physical assets.[21]

33. The Receiver faced the same challenges in reviewing the Proof of Claim as it did when reviewing the April 2025 F&B Information. The Receiver was correct to refuse Club Versante's claim for the F&B Assets.

Distinction between Club Versante and Mr. Ching's companies is illusory

34. As noted above, the Petitioners are secured creditors of ITCP and Hotel Versante Ltd.. They are also judgment creditors of those two companies along with several other entities

[20] First Supplement at para 22.
[21] First Supplement at para 22.

owned by Mr. Ching, including Sunwins Enterprise Ltd. ("**Sunwins**"), which was formerly known as Mo Yeung International Enterprise Ltd. ("**MYIE**"). MYIE changed its name to Sunwins on January 29, 2020.

35. The Petitioners are also a judgment creditor of Mr. Ching, personally.

36. The Ching Affidavit clearly demonstrates that Club Versante's finances and operations were closely intertwined with those of Mr. Ching and his various companies. For example:

(a) Club Versante allegedly entered into the PCMA with ITCP to allow ITCP to act as agent for the construction of the restaurant in the Sublet Premises;[22]

(b) Club Versante relies on amounts paid by third parties into ITCP's bank account to support its claim to the F&B Assets;[23]

(c) The list of items provided by CRS does not mention Club Versante as its customer, but rather describes the customer as "International Trade Center Hotel – Richmond" or "OPUS Hotel, Richmond";[24]

(d) CRS' invoices are issued to ITCP c/o Scott Construction, not Club Versante;[25]

(e) Change Orders from CRS were not sent to Club Versante, or even ITCP, but rather, they were sent to MYIE, with attention to Mr. Ching[26]

(f) A dishwasher was leased from CRS by MYIE. A hand-written note indicates that Club Versante was to be billed for the lease, however, no documentation indicates that Club Versante actually was billed or paid;[27]

(g) Another dishwasher was leased from VendorLender Funding Corp. by Hotel Versante Ltd. and Mr. Ching;[28]

---

[22] Ching Affidavit at Exhibit B.
[23] Ching Affidavit at para 14.
[24] Ching Affidavit at Exhibit HH, pp 251-285.
[25] Ching Affidavit at Exhibit HH, pp 288, 291, 293, 295 and 300.
[26] Ching Affidavit at Exhibit HH, pp 261, 269, 270, 273, 278 and 280.
[27] Ching Affidavit at Exhibit HH, pp 296-297.
[28] Ching Affidavit at Exhibit HH, p 298.

(h) Emails from GHY International relating to certain F&B Assets claimed by Club Versante, were sent to "wendy@**myie**group.com" and "anita@**myie**group.com" notwithstanding the invoice itself was issued to Club Versante.[29] . Presumably "myie" is an acronym for "Mo Yeung International Enterprise." In addition, in an email exchange with another vendor, LIV and Company Investments Ltd. ("**LIV**"), there is a hand-written note on one email stating "Communications between factory rep and Club's Managing Director." The recipients on the subject email have email addresses with "@**myie**group.com."[30]

(i) Many emails were sent to Club Versante Attn: Rita Zhang, with Rita's email address being rita@sunwins.ca;[31]

(j) Mr. Ching paid for certain of the F&B Assets on his personal credit card;[32]

(k) Rita Zhang paid for certain of the F&B Assets on her personal credit card;[33]

(l) Certain of the F&B Assets claimed by Club Versante were apparently sold to Sunwins, not Club Versante or even ITCP;[34] and

(m) Ms. Ching corresponds with others regarding Club Versante and the F&B Assets from a Sunwins email account.[35] In fact, the Receiver's Notice of Disallowance was sent to Ms. Ching at linda@sunwins.ca.

37. The clear conclusion to be drawn from Club Versante's evidence is that, at the time the Sublet Premises was being constructed, it was essentially indistinguishable from Mr. Ching and his various companies, including ITCP and Sunwins. On the evidence presented, it appears that no funds used to construct the Sublet Premises ever originated from or passed through Club Versante's bank account, and the vast majority of the equipment purchased and work performed on Sublet Premises was invoiced to either ITCP or MYIE.

---

[29] Ching Affidavit at Exhibit II, pp 309, 310, 312.
[30] Ching Affidavit at Exhibit GG, p 239.
[31] Ching Affidavit at Exhibit JJ, pp 331, 334, 336 and 347.
[32] Ching Affidavit at Exhibit JJ, pp 333 and 338.
[33] Ching Affidavit at Exhibit JJ, p 340.
[34] Ching Affidavit at Exhibit KK, pp 341, 342, 344 and 345.
[35] Ching Affidavit at Exhibits LL & NN, pp 354 & 367.

38. There is no evidence other than Ms. Ching's bare assertion that Club Versante installed, caused to be installed, or paid to have installed, any of the property, furnishings, machinery, trade fixtures, equipment and improvements (trade or otherwise) that exist in the Sublet Premises. Accordingly, there is no basis upon which Club Versante can claim any interest in the F&B Assets, pursuant to the terms of the Sublease.

The LIV Assets

39. At Exhibit GG to the Ching Affidavit, Club Versante appends seven cheques that it issued to LIV for a total amount of $100,453.14, along with a number of invoices, purportedly for lighting installation, fabrics and certain tables and chairs. Certain of the invoices were issued to Club Versante,[36] whereas others were issued to Hotel Versante Ltd.[37] or Sunwins.[38]

40. To the extent that Club Versante is able to identify specific F&B Assets that were purchased from LIV by Club Versante with Club Versante's cheques included at Exhibit GG to the Ching Affidavit, the Petitioners concede that those assets are Club Versante's property (the "**LIV Assets**").

PART 5 LEGAL BASIS

Club Versante has not proven that it owns the F&B Assets

41. The onus of proving a claim in any insolvency proceeding is on the claimant.[39] The claimant must prove its claim on a balance of probabilities,[40] and claims made by related parties are typically subject to closer scrutiny by the court officer. The proof of claim submitted by the claimant must be sufficient to enable the court office to make an informed decision on the merits.[41]

42. The Proof of Claim and the evidence submitted in the Ching Affidavit fail to satisfy the evidentiary onus that it bears.

---

[36] See Ching Affidavit at Exhibit GG, pp 187, 191 – 196, 208, 213-216, 218-221, 223-224, 226, 236-238
[37] See Ching Affidavit at Exhibit GG, pp 197-201, 209.
[38] See Ching Affidavit at Exhibit GG, p 227, 234.
[39] See e.g. BIA s. 81(3), s. 124, *Bank of Montreal v. Scott*, 2013 SKQB 64 at para 18.
[40] *Polar Products Inc. v. Hongkong Bank of Canada*, 1992 CarswellBC 514, [1992] B.C.W.L.D. 2147 at para 8.
[41] *Conian Developments Inc. (Re)*, 2025 BCSC 2674 at 35.

43. The Proof of Claim is a 700+ page document dump that does not clearly or cogently demonstrate that Club Versante owns the F&B Assets. The Receiver correctly denied the Proof of Claim. Similarly, the evidence submitted in the Ching Affidavit on this appeal, which is nearly 400 pages in length, is also deficient.

44. The PCMA provides that ITCP will act as agent for Club Versante and Bygenteel in respect of the construction and build-out of the Sublet Premises, and that ITCP will "not be deemed the owner of FFE or interior improvements." Club Versante and Bygenteel agreed to fund and be solely responsible for the funding of the construction costs for the Sublet Premises; however, no evidence has been submitted demonstrating that Club Versante actually paid for the construction work done on the Sublet Premises, which includes any removable tenant improvements.

45. While the PCMA provides that ITCP will not be *deemed* to be the owner of FFE or interior improvements, the evidence proffered by Club Versante demonstrates that (a) ITCP was the contractual counterparty with Scott Construction for the work on the Sublet Premises, which includes provision of the kitchen equipment purchased from CRS, (b) ITCP paid all of Scott Construction's invoices;[42] and (c) Club Versante had no interest in the Sublet Premises at the time the PCMA was executed and during the majority of the buildout of the Sublet Premises because the Sublease wasn't executed until August 1, 2021.[43]

46. In other words, ITCP is the *actual* owner of the FFE and improvements provided under the PCMA. As noted above, the Petitioners hold valid and enforceable security against ITCP. The mortgage granted by ITCP in respect of the hotel property includes all fixtures attached to the lands.[44] Furthermore, the Petitioners are judgment creditors of ITCP, Hotel Versante Ltd., Sunwins/MYIE and Mr. Ching.

47. The PCMA specifically provides that "[ITCP] acknowledges that funds received for trade payments are administered on behalf of [Club Versante and Bygenteel] and shall not be comingled for unrelated purposes."[45] In light of this restriction on co-mingling of funds, it should be a simple exercise to obtain records demonstrating the flow of funds from Club

---

[42] Ching Affidavit at pp 51-52.
[43] Ching Affidavit at Exhibit A.
[44] Affidavit #1 of Wen Yong Wang, affirmed January 22, 2024 at Exhibit C, see definitions of "ITC ASP2", "ITC Bar" and "ITC Remainder", Exhibit D s. 1.1(b).
[45] Ching Affidavit at Exhibit B, at para 8.

Versante or Bygenteel to ITCP and, in turn, to Scott Construction, to pay for the construction work done on the Sublet Premises on Club Versante's behalf. Absolutely no such evidence has been provided, and accordingly, Club Versante has not met its burden to establish a right remove any of the F&B Assets that were allegedly obtained under the PCMA. Club Versante's claim to the F&B Assets must fail.

48. At paragraph 34 of its Notice of Application, Club Versante boldly states:

> Other parties related to Club Versante may have advanced funds directly to suppliers of the food and beverage assets to Club Versante. Club Versante may continue to owe money to those parties, including Bygenteel. However, none of those parties have claimed any interest in the F&B Assets.

49. Mr. Ching is or was a director of Club Versante, ITCP, Hotel Versante Ltd., and Sunwings/MYIE.[46] Ms. Ching is a director and officer of Club Versante and Bygenteel.[47] No party is better situated than Club Versante to advise whether any related parties paid for the F&B Assets, and whether Club Versante continues to owe any such party any money

50. The Petitioners respectfully submit that this paragraph in the Notice of Application is an implied admission from Club Versante that it has never paid for the F&B Assets that it now claims that it owns, particularly given the complete absence of any evidence suggesting otherwise.

51. The fact that no other party has claimed an interest in the F&B Assets is irrelevant. The most likely parties that would claim an interest in the F&B Assets are all entities that are controlled by Mr. Ching and are significant judgment debtors to the Petitioners.

Work done on the Sublet Premises is not removable without causing material damage

52. Even if it is accepted that Club Versante paid for the F&B Assets (which the Petitioners expressly deny), a significant amount of the improvements installed in the Sublet Premises are not removable, but rather, are fixtures that are affixed to premises for the better use

[46] Fourth Report at paras 27-28; First Supplement at para 14.
[47] Ching Affidavit at para 1.

of the building as part of the freehold, and could not be removed from the Sublet Premises without causing significant damage. The Sublease expressly requires Club Versante to repair any damage caused by removing its property from the Sublet premises.[48]

53. The Scott Construction records document precisely the kind of plumbed, wired, and structurally integrated systems that British Columbia courts have consistently treated as fixtures.

54. Fixtures are chattels that become attached to real property and pass with the transfer of title to real property.[49] The Petitioners accept that certain fixtures that are installed by a tenant in a leased premises can be classified as "trade fixtures", and in such cases, the trade fixtures can be removed from the leased premises at the end of the term of the lease.

55. The test for determining whether an asset is a trade fixture is as follows:[50]

(a) whether the asset is affixed to the ground by the tenant;

(b) whether the asset is used for the purpose of a trade or commerce; and

(c) whether the asset can be removed without material damage to the premises.

56. First, any assets that are affixed to the leased premises were affixed by ITCP, not Club Versante. As a result, any such affixed assets fail the first branch of the trade fixture test.

57. In addition, and in any event, much of the work performed by Scott Construction, and many of the F&B Assets listed at Exhibit FF to the Ching Affidavit appear to be assets that cannot be removed from the Sublet Premises without causing significant damage to the premises itself. Any such assets fail the third branch of the trade fixture test.

58. For example, and as noted above, the Project 1834 job cost reports for the Sublet Premises (described as the "Level 12 Bar") include significant expenditures for mechanical work, electrical work, wall and ceiling construction, flooring installation and painting.[51]

---

[48] Ching Affidavit at Exhibit A, section 6.6.1.
[49] *P.S. Sidhu Trucking Ltd. v Elima Enterprises Ltd.*, 2020 BCSC 1062 at para 78.
[50] *2105582 Ontario Ltd. (Performance Plus Golf Academy) v. 375445 Ontario Limited (Hydeaway Golf Club)*, 2017 ONCA 980 at para 38.
[51] See e.g. Ching Affidavit at Exhibit T, "Level 12 Bar".

Each of these types of work interface with HVAC, electrical, or structure that would cause significant damage to the Sublet Premises if removed.[52]

59. The asset list at Exhibit FF lists items such as custom stainless steel cladding, a ventless exhaust system, shelving, sinks and faucets, and a mop closet among other assets that cannot be removed from the Sublet Premises without causing material damage to the premises itself.[53] As a result, they are fixtures, not trade fixtures, and therefore form part of the real property.

60. To the extent that any assets listed at Exhibit FF to the Ching Affidavit are chattels or are trade fixtures that can be removed from the Sublet Premises without causing material damage, the Petitioners maintain that Club Versante has failed to prove ownership of those assets for the reasons provided above (with the exception of the LIV Assets).

The Chings' companies are suspiciously intertwined

61. The Chings have a long history of contesting the Petitioner's enforcement efforts in these receivership proceedings.

62. An earlier dispute related to the entitlement of the allocation of sale proceeds arising from the sale of parking stalls that had been assigned to the hotel (the "**P5 Parking Stalls**", and such proceeds being the "**Parking Proceeds**").

63. On December 9th and 11th 2025, the Petitioners appeared before Fitzpatrick, J. seeking an Order declaring that they were entitled to the Parking Proceeds. Bygenteel and Mr. Ching opposed the relief sought by the Petitioners, and sought a declaration that an unregistered sublease granted in favour of Bygenteel enjoyed priority over the Petitioners' registered mortgage.

64. Fitzpatrick, J. granted the Petitioners' application (reasons indexed as 2026 BCSC 294), and made several observations regarding the relationship between the various entities controlled by Mr. and Ms. Ching. For example:

---

52 Ching Affidavit, para. 11; Exhibits D-X.

53 For example, in *James Hastings Ltd. v. Canadian Imperial Bank of Commerce*, 1985 CarswellBC 2583, [1986] B.C.W.L.D. 366 (BC Co. Ct.); aff'd , the court held that removal of sinks, stoves and fridge units in kitchenette areas in motel rooms would leave a "gaping area".

(a) Despite evidence that Bygenteel had assigned its interest in the P5 Parking Stalls to Club Versante, for unknown reasons, Club Versante did not appear at the application, or assert that it holds any interest in the P5 Parking Stalls under the its sublease;[54]

(b) It was curious as to why Bygenteel would be entitled to an assignment of 84 parking stalls (being the P5 Parking Stalls) used by Hotel Versante as a result of its purchase of one strata lot in another part of the hotel complex development;[55]

(c) Mr. and Ms. Ching had not provided any evidence as to the circumstances leading to the Bygenteel Assignment or the Club Versante Lease (as defined in Fitzpatrick, J.'s reasons) beyond the fact that those agreements were entered into;[56]

(d) Mr. Ching and Ms. Ching opposed the relief sought by the Petitioners, acting in concert through their companies to benefit Bygenteel only,[57] despite the fact that Mr. Ching was a guarantor for the loans owing to the Petitioners, for which there would be a significant shortfall;

(e) There were serious questions in respect of the lack of any substantial consideration being paid by either Bygenteel or Club Versante for their rights to the P5 Parking Stalls;[58] and

(f) There were serious questions as to whether Mr. Ching and Ms. Ching enter into and assign various agreements at will depending on the circumstances and what interests are being served at any one time.[59]

65. Fitzpatrick, J. made no findings with respect to the above-noted observations; however, she concluded her thoughts on the matter as follows:

> [92] There are many questions that arise in relation to the Bygenteel Agreements, however, no clear answers emerge.

---

[54] *Fox Island Development Ltd. v Kensington Union Bay Properties Nominee Ltd.*, 2026 BCSC 294 at para 66 [***Fox Island***]
[55] Fox Island at para 57.
[56] Fox Island at para 74.
[57] Fox Island at para 77.
[58] Fox Island at para 78
[59] Fox Island at para 76.

> [93] All that remains to be said about the Bygenteel Agreements is that they raise more questions than they provide answers as to their business purpose and efficacy and their validity.

66. Similarly, the documentation provided by Club Versante and the Chings regarding the F&B Assets raise their own questions. In particular, the Receiver was first alerted to the possibility that Club Versante may not assert ownership to the F&B Assets when Ms. Ching's #1 Affidavit contained a letter of intent between Bygenteel and Citation Property Holdings Inc. in relation to a sale of the F&B Assets to Citation for $1,000,000 (the "**Citation LOI**").[60]

67. The assets included in the Citation LOI appeared to substantially correspond with the asset listings provided by Mr. Ching in the April 2025 F&B Information.[61] The Citation LOI listed Bygenteel as vendor, not Club Versante.[62]

68. Bygenteel (like Club Versante in the P5 Parking dispute) has not asserted any interest in the F&B Assets despite being listed as one of the "Owners" under the PCMA, and despite Club Versante purportedly being owed approximately $5.3 million from Club Versante as at December 31, 2024.[63]

69. Further, Ms. Ching provided copies of ITCP's deposit books to support Club Versante's claim to the F&B Assets,[64] and purports to have knowledge of how ITCP used funds advanced by the Petitioners,[65] despite not providing any evidence that she ever had any involvement in ITCP's business or operations.

70. The evidence provided by Club Versante gives rise to more questions than answers. The Receiver correctly disallowed the Proof of Claim. Club Versante's appeal should be dismissed in its entirety.

PART 6 MATERIAL TO BE RELIED ON

71. Affidavit #2 of Linda Ching-Lin (Linda) Ching, made March 16, 2026;

---

[60] First Supplement at para 19.
[61] First Supplement at para 20.
[62] First Supplement at para 20.
[63] Ching Affidavit at para 16, Exhibit DD.
[64] Ching Affidavit at Exhibits Z, AA.
[65] Ching Affidavit at para 17.

72. Affidavit #1 of Wen Yong Wang, made January 22, 2024;

73. Fourth Report of the Receiver dated December 12, 2025; and

74. First Supplement to the Fourth Report of the Receiver, dated December 15, 2025.

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

☐ The application respondent has not filed in this proceeding a document that contains an address for service. The application respondent's ADDRESS FOR SERVICE is: set out the application respondent's address(es) for service in compliance with Rule 4 1 (1) of the Supreme Court Civil Rules and any additional address(es) under Rule 4 1 (2) that the application respondent wishes to include.

April 23, 2026
Dated

Articled Student

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

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 LIMTED 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 IU, 1307510 B.C. LTD., JEFFREY RAUCH, HEUNG KEI SUNG, AND RCC HOLDINGS LTD.

RESPONDENTS

APPLICATION RESPONSE

DLA Piper (Canada) LLP
Barristers & Solicitors
Suite 2700
1133 Melville Street
Vancouver, BC V6E 4E5

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No.: 117708-00001 ak

Appendix "D"

Related Party Collection Letters

Deloitte.

Deloitte Restructuring Inc.
410 West Georgia Street
Vancouver, BC V6B 0S7
Canada
Tel: 604 235 4197

VIA Email: michael@sunwins.ca; linda@sunwins.ca

Date: April 9, 2026

Private & Confidential

Club Versante Management Ltd.
Attention: Mr. Mo Yeung (Michael) Ching and Chung Lin (Linda) Ching

Dear Mr. Ching and Ms. Ching,

Re: Demand for Payment – Amount owing from Club Versante Management Ltd.

As you are aware, Deloitte Restructuring Inc. was appointed as receiver and manager (in such capacity, the "**Receiver**") of all assets, undertakings, and hotel property of International Trade Center Properties Ltd., Hotel Versante Ltd. ("**Hotel Versante**"), and RCC Holdings Ltd. that were acquired for, or used in relation to, the business and operation of the hotel known as the Versante Hotel, located at 8499 Bridgeport Road, Richmond, British Columbia pursuant to an order of the Supreme Court of British Columbia dated March 4, 2025, as subsequently amended on April 3, 2025 (the "**Receivership Order**").

Enclosed is a reconciliation of amounts between Club Versante Management Ltd. ("**CV**") and Hotel Versante (the "**March 2026 Reconciliation**"). The March 2026 Reconciliation summarizes amounts owing between the parties, including amounts owing to Hotel Versante for room bookings related to a September 2025 golf event (the "**Golf Event Booking**"), as well as amounts owing to CV for the Level 6 event space rental in connection with a conference held between February 3-6, 2026 (the "**Level 6 Rental**") and monthly offset adjustments for the period from November 2025 through February 2026 (the "**Monthly Offset Adjustments**").

As outlined in the March 2026 Reconciliation:

- Hotel Versante's system shows an amount owing of $75,605.58 for the Golf Event Booking, while CV's calculation reflects $48,750.28, resulting in an unconfirmed variance of $26,855.30 which remains under review.

- After applying confirmed offsets relating to Level 6 Rental and Monthly Offset Adjustments, the total amount owing to CV is $41,028.73.

- Using Hotel Versante's calculated Golf Event Booking amount of $75,605.58, the net balance remaining owing to Hotel Versante is $34,576.85

The Receiver relies on Hotel Versante's books and records in carrying out its statutory and court-mandated duties. The March 2026 Reconciliation reflects amounts the Receiver considers to be confirmed and presently owing. Pursuant to the Receivership Order, the Receiver is expressly authorized to receive and collect all monies owing to Hotel Versante and to exercise all remedies available in respect thereof.

Accordingly, demand is hereby made for payment of CAD $34,576.85, payable to Deloitte Restructuring Inc., in trust, no later than 10 days from the date of this letter. Payment instructions will be provided upon request. If you dispute this amount, please provide a written response together with supporting documentation within the timeframe noted above. Failing receipt of payment or a substantive response, the Receiver reserves all rights and remedies available to it, without further notice.

Nothing herein constitutes a waiver of any rights or remedies, all of which are expressly reserved.

Yours truly,

DELOITTE RESTRUCTURING INC.,
Deloitte Restructuring Inc., in its capacity as court appointed receiver and manager of International Trade Center Properties Ltd., Hotel Versante Ltd. and RCC Holdings Ltd. and not in its personal capacity.

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice President

Enclosure: March 2026 Reconciliation

Hotel Versante Ltd. in Receivership
March 2026 Reconciliation

Amounts Owing to Hotel Versante		
Description	**Amount (CAD)**	**Notes**
September Event (Hotel Versante)	75,605.58	1
September Event (CV)	48,750.28	1
Variance (Unconfirmed)	**26,855.30**	

Amounts Owing to CV		
Description	**Amount (CAD)**	**Notes**
Rent – Level 6	13,721.40	2
November Offset	(2,146.02)	3
December Offset	257.62	3
January Offset	20,093.39	3
February Offset	9,102.34	3
Total Owing to CV	**41,028.73**	

Net Position		
Description	**Amount (CAD)**	**Notes**
Total owing to Hotel Versante	75,605.58	
Less: Amounts Owing to CV	(41,028.73)	
Net Amount Owing to Hotel Versante	**34,576.85**	4

Notes

1. In September 2025 Club Versante Management Ltd. ("**CV**") booked rooms at the Versante Hotel for a golf event and did not remit payment for the use of the rooms ("**Golf Event Booking**"). Hotel Versante Ltd.'s ("**Hotel Versante**") system reflected a total of $75,605.58 owing, while CV's calculation for the same event was $48,750.28, resulting in an unconfirmed variance of $26,855.30, which remains under review.

2. Hotel Versante rented the level 6 conference space from CV for the period February 3-6, 2026.

3. Amounts relates to monthly offset adjustments from November 2025 through February 2026.

4. Using Hotel Versante's Golf Event Booking amount of $75,605.58, the net balance that remains owing to Hotel Versante is $34,576.85.

Deloitte.

Deloitte Restructuring Inc.
410 West Georgia Street
Vancouver, BC V6B 0S7
Canada
Tel: 604 235 4197

Via Email: michael@sunwins.ca

Date: April 9, 2026

Private & Confidential

International Trade Center Properties Ltd.
Attention: Mr. Mo Yeung (Michael) Ching

Dear Mr. Ching

Re: Demand for Payment of Related Party Indebtedness to Hotel Versante Ltd.

As you are aware, Deloitte Restructuring Inc. was appointed as receiver and manager (in such capacity, the "**Receiver**") of all assets, undertakings, and hotel property of International Trade Center Properties Ltd., Hotel Versante Ltd. ("**Hotel Versante**"), and RCC Holdings Ltd. that were acquired for, or used in relation to, the business and operation of the hotel known as the Versante Hotel, located at 8499 Bridgeport Road, Richmond, British Columbia pursuant to an order of the Supreme Court of British Columbia dated March 4, 2025, as subsequently amended on April 3, 2025 (the "**Receivership Order**").

Based on the books and records of Hotel Versante, including the general ledger maintained in Hotel Versante's accounting system, the Receiver's review indicates that amounts are owing by you or entities under your control to Hotel Versante in connection with related party balances. A summary of the related party balances is enclosed for your reference (the "**Summary**"). The Summary reflects an amount owing of CAD $5,764,247 (the "**Related Party Indebtedness**") without prejudice to the Receiver's right to assert additional amounts that may be identified through further review.

The Summary has been prepared from Hotel Versante's accounting records and while the Receiver has not audited or verified the information for assurance purposes, the Receiver relies on these records in carrying out its statutory and court-mandated duties. Pursuant to the Receivership Order, the Receiver is expressly authorized to receive and collect all monies owing to Hotel Versante and to exercise all remedies available in respect thereof.

Accordingly, demand is hereby made for payment in full of the Related Party Indebtedness, payable to Deloitte Restructuring Inc., in trust, no later than 10 days from the date of this letter. Payment instructions will be provided upon request. If you dispute this amount, please provide a written response together with supporting documentation within the timeframe noted above. Failing receipt of payment or response, the Receiver reserves all rights and remedies available without further notice

Nothing herein constitutes a waiver of any rights or remedies, all of which are expressly reserved.

Yours truly,

DELOITTE RESTRUCTURING INC.,
Deloitte Restructuring Inc., in its capacity as court appointed receiver and manager of International Trade Center Properties Ltd., Hotel Versante Ltd. and RCC Holdings Ltd. and not in its personal capacity.

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice President

Enclosure: Summary of Related Party Balances

Hotel Versante Ltd. in Receivership
Summary of Related Party Balances

Related Party		Balance at April 6, 2026
International Trade Center Properties Ltd.	$	5,574,247
Mr. Mo Yeung (Michael) Ching		190,000
Net amount owing to the Hotel	**$**	**5,764,247**

Disclaimer:

The financial data summarized herein has been extracted from the Hotel Versante general ledger as at April 6,2026. The general ledger records were obtained from the Sage accounting system. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of this information.

Appendix "E"

MoF Appeal

Deloitte.

Deloitte Restructuring Inc.
19th Floor - 410 West Georgia Street
Vancouver, BC V6B 0S7
Canada

Tel: 604 235 4197

December 15, 2025

Ministry of Finance
Tax Appeals and Litigation Branch
1810 Blanshard Street
Victoria, BC V8T 4J1

Attn. Tax Appeals and Litigation Branch

Subject: Request to cancel late-filing / late-payment penalties and related interest — PST/MRDT (Registration Number: PST-1497-1490)

Dear Sirs/Mesdames,

On March 4, 2025, Deloitte Restructuring Inc. was appointed by the Supreme Court of British Columbia as the Receiver and Manager (in such capacity, the "**Receiver**") of Hotel Versante Ltd. ("**Hotel Versante**"). A copy of the Court order is attached to this letter as **Appendix "A"** (the "**Receivership Order**"). In this capacity, the Receiver is an officer of the Court and operates Hotel Versante under Court supervision.

During the Receivership proceedings, the Receiver has continued to operate and carry on the business of Hotel Versante, including reporting and remitting Provincial Sales Tax ("**PST**") and Municipal and Regional District Tax ("**MRDT**") from the date of appointment onward.

We respectfully request cancellation of the late-filing and late-payment penalties and related interest assessed on PST and MRDT, as reflected in the statement of account dated November 25, 2025 (Letter ID: L0328021792). This request relates to the post-receivership periods from March 4, 2025 to October 31, 2025.

This request is made pursuant to the Ministry's administrative guidance in Tax Bulletin CTB 005 – Penalties and Interest, in light of the good-faith compliance efforts and transitional receivership circumstances described below.

1. **Transition to a new PST/MRDT account and Court-supervised payment processes**

   Following our appointment, the Receiver was required to register a new PST/MRDT account for the post-receivership period, separate from the pre-receivership obligations of Hotel Versante. The Receiver understood it would be inappropriate to remit post-receivership trust funds into the pre-receivership account, as that could commingle post-appointment remittances with pre-appointment liabilities.

   The initial months after appointment (March, April and May 2025) were a transitional period during which the Receiver was:

   a. completing the registration of the new PST/MRDT account and obtaining the new account details. The new account was set up on June 20, 2025 (the registry confirmation letter is attached as **Appendix "B"**);

   b. retaining the Third-Party Accountant (as defined and discussed later herein) to complete the PST and MRDT filings as the Hotel Versante's internal accounting resources were limited and stretched;

   c. transitioning banking arrangements to the Receiver's trust accounts; and

d. implementing internal approval and payment processes under the Receivership Order.

For control and audit purposes in receivership proceedings, PST and MRDT have been remitted by cheque from the Receiver's trust account. Even when cheques were issued promptly after the monthly figures were available, there is an inherent mailing and processing delay before a cheque is received and posted by the Ministry of Finance (the "**Ministry**").

To assist the Ministry, we have prepared a summary table below setting out, for each reporting period, among other things, the payment due date, the date the Receiver's cheque was issued and mailed, and the corresponding cheque number.

Filing Period	Filing Completed	Filing and Payment Due date	Receiver Cheques Issued Date	Receiver Cheques Mailed Date	Cheque #
March 2025	2025-07-03	2025-04-30	2025-07-08	2025-07-08	177 and 178
April 2025	2025-06-27	2025-05-31	2025-07-08	2025-07-08	173 and 175
May 2025	2025-06-27	2025-06-30	2025-07-08	2025-07-08	174 and 176
June 2025	2025-07-29	2025-07-31	2025-07-31	2025-08-14	211 and 214
July 2025	2025-08-26	2025-08-31	2025-09-02	2025-09-02	268 and 269
August 2025	2025-09-26	2025-09-30	2025-10-01	2025-10-09	313 and 314
Septemebr 2025	2025-10-29	2025-10-31	2025-11-04	2025-11-06	389 and 390
October 2025	2025-11-26	2025-11-30	2025-11-27	2025-12-02	429 and 430

The table shows that the first three post-receivership periods (from March to May 2025) were significantly affected by the timing of the new account registration, with payments being remitted well after the due dates. Those delays were driven primarily by the time required to establish the new account and transition to Court-supervised payment processes, rather than any delay in calculating the underlying tax.

In subsequent periods, cheques were consistently issued only a few days after the statutory deadline. This reflects the Receiver's efforts, within Court-supervised approval processes and a cheque-based remittance method, to remain as close to timely compliance as possible. In several of these periods, the remittances were issued promptly once the monthly figures were finalized and approved but were not posted until after the due date due to mailing and processing time.

The Receiver wishes to emphasize that:

a. for all post-receivership reporting periods from March 4, 2025 to October 31, 2025, PST and MRDT have been fully calculated and remitted (there has been no attempt to under-report or under-remit tax); and

b. the late filing and late payment issues arose from the combination of new account setup, cheque-based remittances and the timing of when figures became available for payment, rather than from any intention to delay or avoid payment. There has been no willful default and no attempt to withhold trust amounts.

2. Receiver's role and good-faith compliance efforts

As Receiver, our primary responsibilities are to preserve and realize the value of Hotel Versante's assets for the benefit of the creditors of the estate, including by keeping Hotel Versante operating as a going concern under Court supervision. Throughout the receivership, a significant amount of time and attention has been required to stabilize hotel operations, manage cash flows and conduct the sale process for Hotel Versante, while also meeting the reporting and oversight requirements of the Court and stakeholders.

In this context, the Receiver considered it important that the Hotel's PST and MRDT obligations continue to be met accurately and in accordance with Ministry requirements.

Because the Receiver's internal resources are primarily devoted to running the hotel and managing the receivership, and the hotel's internal accounting group had limited capacity, the Receiver engaged an independent accounting firm (the "**Third-Party Accountant**") to prepare and file the monthly PST and MRDT returns. Under this arrangement, the Third-Party Accountant prepared the monthly calculations and filed the returns in eTaxBC and provided the Receiver with the amounts owing so that payment could be remitted from the Receiver's trust account. In several periods, the monthly figures were only finalized close to the statutory due date, and, when combined with the mailing and processing time for cheque payments, this resulted in payments being posted after the due dates.

We understand that these circumstances do not excuse the late payments; however, we mention them only to explain how the issue arose and to confirm that steps have been taken to prevent it from recurring. To support more timely compliance going forward, the Receiver has discussed with the Third-Party Accountant the need for earlier provision of monthly figures and has adjusted its internal procedures so that payments can be initiated more promptly from the Receiver's trust account.

3. Request for discretionary relief under Tax Bulletin CTB 005

The Receiver understands from Tax Bulletin CTB 005 – Penalties and Interest that the Ministry has discretion, in appropriate circumstances, to reduce or not apply penalties and show leniency for inadvertent late filings or payments, particularly where there is a good history of voluntary compliance, and the taxpayer has acted in good faith to meet its obligations.

In this case:

a. the post-receivership PST/MRDT account was newly established in the context of a receivership, and there was an unavoidable transitional period under these special circumstances while the new account was registered, and banking and payment processes were put in place.

b. the underlying PST and MRDT have been remitted in full, and the issue relates to timing of payment posting rather than unpaid tax.

c. the delays stemmed from process constraints, including the transitional new account setup, the receivership's cheque-based remittance process and the timing of when figures were finalized for payment, rather than from any deliberate non-compliance or attempt to defer tax.

d. the Receiver adjusted its filing and payment procedures (including internal timing and monitoring of remittances) with the intention of maintaining timely compliance on a go-forward basis.

In addition, the penalties and interest are material and directly reduce the funds available to creditors of the estate, who have no control over these administrative matters. Granting relief in these circumstances avoids disproportionate prejudice to stakeholders while preserving the Ministry's ability to enforce compliance in cases involving deliberate non-compliance.

Considering the above, the Receiver respectfully requests that the Ministry take these unique receivership-related circumstances into account and consider waiving the late payment penalties relating to the periods from March 4, 2025 to October 31, 2025 and, to the extent possible, the related interest. In the alternative, if the Ministry is not able to cancel interest in full, the Receiver requests that the Ministry consider reducing interest, including by limiting interest to periods not attributable to the initial account-set-up constraints and/or cheque mailing and processing time, as supported by the remittance chronology in table shown above. For ease of reference, a breakdown of the current penalties, downloaded from the eTaxBC account, is attached as **Appendix "C"**.

Thank you for your time and understanding. Should you have any questions or require further information or documentation, please contact Sally Bao at 778-327-1554 or sbao@deloitte.ca.

Yours truly,

DELOITTE RESTRUCTURING INC.,
in its capacity as Court-appointed Receiver of
Hotel Versante Ltd. and not in its personal capacity

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Enclosures:

Appendix A – Receivership Order
Appendix B – Registration Confirmation Letter Dated June 20, 2025
Appendix C – Breakdown of Penalties

Appendix A – Receivership Order

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, 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, and HEUNG KEI SUNG

Respondents

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE JUSTICE FITZPATRICK	)	March 4, 2025

1. ON THE APPLICATION of FOX ISLAND DEVELOPMENT LTD. and ADVANCED VENTURE HOLDING CO., LTD. for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "**LEA**") appointing Deloitte Restructuring Inc. as Receiver and Manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and hotel property of International Trade Center Properties Ltd. and Hotel Versante Ltd. (the "**Debtors**") acquired for, or used in relation to the business and operations, of the hotel known

as the "Versante 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
>
> PID: 029-611-598
> Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan EPP37734 Except Air Space Plan EPP73985

(collectively the "**Hotel Property**")

carried on by the Debtors, coming on for hearing this day at Vancouver, British Columbia.

AND ON READING the Affidavit #2 of Wen Yong Wang affirmed on February 25, 2025, and the consent of Deloitte Restructuring Inc. to act as the Receiver;

AND ON HEARING Colin Brousson, Counsel for Fox Island Development Ltd. and Advanced Venture Holding Co., Ltd. and other counsel as listed on **Schedule "A"** hereto, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA Deloitte Restructuring Inc. is appointed Receiver, without security, over all of the Debtors' Hotel Property.

RECEIVER'S POWERS

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Hotel Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

    (a) to take possession of and exercise control over the Hotel Property and any and all receipts and disbursements arising out of or from the Hotel Property;

(b) to receive, preserve and protect the Hotel Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Hotel Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;

(c) to manage, operate and carry on the business of the Debtors acquired for or related to the Hotel Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors, acquired for or related to the Hotel Property, or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors in relation to the Hotel Property, and to exercise all remedies of the Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the Debtors;

(g) to settle, extend or compromise any indebtedness owing to the Debtors in relation to the Hotel Property;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Hotel Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

(i) to undertake environmental or workers' health and safety assessments of the Hotel Property and operations of the Debtors;

(j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtors' Hotel

Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;

(k) to market any or all of the Hotel Property, including advertising and soliciting offers in respect of the Hotel Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;

(l) to sell, convey, transfer, lease or assign the Hotel Property or any part or parts thereof out of the ordinary course of business:

(i) without the approval of this Court in respect of a single transaction for consideration up to $100,000 provided that the aggregate consideration for all such transactions does not exceed $200,000; and

(ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

and in each such case notice under Section 59(10) of the Personal Property Security Act, R.S.B.C. 1996, c. 359 shall not be required.

(m) to apply for any vesting order or other orders necessary to convey the Hotel Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;

(n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Hotel Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;

(o) to register a copy of this Order and any other Orders in respect of the Hotel Property against title to any of the Hotel Property;

(p) to apply for any permits, licenses, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtors;

(q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any of the Hotel Property owned or leased by the Debtors;

(r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have in respect of the Hotel Property; and

(s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtors; (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Hotel Property in such Person's possession or control, shall grant immediate and continued access to the Hotel Property to the Receiver, and shall deliver all such property (excluding property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Hotel Property of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.

5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE HOTEL PROPERTY

8. No Proceeding against or in respect of the Debtors, except as to property not forming part of the Hotel Property, or the Hotel Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Hotel Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that

might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtors which related to the Hotel Property, the Receiver, or affecting the Hotel Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtors to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors in relation to the Hotel Property, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers,

facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Hotel Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to the employees' right to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtors, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Hotel Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Hotel Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Hotel Property shall be entitled to continue to use the personal information provided to it, and related to the Hotel Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Hotel Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

16. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Hotel Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

17. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:

(a) before the Receiver's appointment; or,

(b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

18. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Hotel Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:

(a) any gross negligence or wilful misconduct on its part; or

(b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Hotel Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Hotel

Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.

22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Hotel Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. The Receiver is authorized to issue certificates substantially in the form annexed as **Schedule "B"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

27. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Hotel Property.

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: *www.insolvencies.deloitte.ca/hotelversante* (the "**Website**") and shall post there as soon as practicable:

(a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,

(b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Applicant a demand for notice in the form attached as **Schedule "C"** (the "**Demand for Notice**"). The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to

provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

30. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the "**Service List**"). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.

31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.

32. Notwithstanding paragraph 31 of this Order, service of the Notice of Application and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the *Federal Crown and the Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.

33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations.*

GENERAL

34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.

35. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

36. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

37. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, 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 such courts, tribunals and regulatory and administrative bodies are 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.

38. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

39. The Applicants shall have their costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Applicants' security or, if not so provided by the Applicants' security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

40. Endorsement of this Order by counsel appearing on this application other than the Applicants is dispensed with.

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

APPROVED BY:

Signature of ☑ lawyer
DLA Piper (Canada) LLP (Colin D. Brousson)

BY THE COURT

REGISTRAR

CHECKED

SCHEDULE "A"

LIST OF COUNSEL

NAME OF COUNSEL	PARTY REPRESENTING
John Sandrelli	Proposed Receiver Deloitte Restructuring Inc.
Lance Williams	Kensington Union Bay entities, ITC & Hotel Versante Ltd
Annalise MacDonald	Beem Credit Union

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. ____________________

AMOUNT $ ____________________

1. THIS IS TO CERTIFY that **[RECEIVER'S NAME]**, the [Receiver and/or Receiver and Manager] (the "Receiver") of all of the assets, undertakings and properties of Hotel Versante Ltd. and International Trade Center Properties Ltd. (the "**Debtors**") acquired for, or used in relation to the business and operations, of the hotel known as the "Versante Hotel" including without limiting the foregoing all proceeds thereof, with a civic address of 8499 Bridgeport Road, Richmond, B.C (collectively, the "**Hotel Property**") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "**Court**") dated the _____ day of ____, 201_ (the "**Order**") made in SCBC Action No. ___________ and/or SCBC Action No. ___________/Estate No. __________ has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $____, being part of the total principal sum of $ ________ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded **[daily] [monthly]** not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Hotel Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of the Hotel Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____________.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate to permit the Receiver to deal with the Hotel Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _________________ , 201__.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Hotel Property, and not in its personal capacity

Per:
Name:
Title:

SCHEDULE "C"

Demand for Notice

TO: **[Name of Applicant]**
c/o **[Name of Counsel to the Applicant]**
Attention:
Email:

AND TO: **[Name of Receiver]**
c/o **[Name of Counsel to the Receiver]**
Attention:
Email:

Re: In the matter of the Receivership of [DEBTOR]

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

____

OR

2. By facsimile, at the following facsimile number (or numbers):

____

OR

3. By mail, at the following address:

____

Name of Creditor: ______________________

Name of Counsel (if any): ______________________

Creditor's Contact Address: ______________________

Creditor's Contact Phone Number: ______________________

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.) and others

Respondents

ORDER MADE AFTER APPLICATION

DLA Piper (Canada) LLP
Barristers & Solicitors
Suite 2700
1133 Melville Street
Vancouver, BC V6E 4E5

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No.: 117708-00001 CDB/nk7621

Appendix B - Registration Confirmation Letter Dated June 20, 2025

BRITISH COLUMBIA

June 20, 2025

Reference Number: 12289 3605
Registration Number: PST-1497-1490
Letter Id: L1873185568

000035

DELOITTE RESTRUCTURING INC.
RESTRUCTURATION DELOITTE INC.
410 W GEORGIA ST
VANCOUVER BC V6B 1Z3

Dear Recipient:

Re: Registration Confirmation RECEIVER/MANAGER FOR HOTEL VERSANTE LTD. IN RECEIVERSHI

This confirms your registration under the *Provincial Sales Tax Act* and includes your unique Provincial Sales Tax (PST) Registration number. This number may be used to receive an exemption from PST in certain circumstances (e.g. purchases of goods for resale or lease). Misuse of your PST Registration number can result in the suspension or cancellation of your registration and is an offence under the Act. Your business is also required to collect and remit Municipal and Regional District Tax (MRDT) for Richmond. For more information please review *Bulletin PST 120 - Accommodation.*

You have been placed on a **monthly** filing schedule. Your tax returns and payments are due no later than the last day of the month following the end of each **monthly** reporting period. Tax returns must be filed for each reporting period even if you have not collected any tax. To avoid penalty and interest, your payment must be received on or before the due date.

You may use any of the following options to file and pay tax electronically:

- Online through the eTaxBC site: gov.bc.ca/etaxbc/myaccount
- Through your financial institution's payment and filing service
- Using the online banking service
- Using electronic funds transfer and wire payments through your financial institution.

As your total annual Canadian sales are estimated to be at least $1.5 million, you are required to file and pay your tax electronically. Your payments must be received on or before the due date, and be filed and paid electronically. Please note, due to this requirement, a paper return will not be sent to you, but an email notification will be sent at the beginning of each month if you are enrolled in eTaxBC.

In your application to register, you indicated that your business started making taxable sales or leases on March 04, 2025, and we have issued a PST return for any reporting period(s) that has passed. These returns may already be overdue or may be due in the very near future. Please ensure you file and pay any outstanding returns for tax owing immediately.

Overdue PST amounts, including amounts that are overdue as a result of a late registration, are generally subject to interest, and penalties. If your returns and payments are significantly overdue or are otherwise not received in a timely manner, a Notice of Assessment may be

Ministry of Finance

Registration and Closure Section
Consumer Taxation Programs Branch
gov.bc.ca/salestaxes

Mailing Address:
PO Box 9435 Stn Prov Govt
Victoria BC V8W 9V3

Telephone: 1 877 388-4440
Fax: 250 356-2195
Email: REVREGCL@Victoria1.gov.bc.ca

issued for the estimated tax collected, penalty, and interest.

If you have not already signed up for eTaxBC, please visit gov.bc.ca/etaxbc/myaccount. Enrolling for eTaxBC allows you to file and pay tax electronically, communicate with the Ministry of Finance, maintain your profile, and access your records and correspondence using a secure, web-based system.

If you have already signed up for eTaxBC, thank you.
For more information about the PST and access to videos, webinars, and Outreach services, please visit gov.bc.ca/pst.

Sent on behalf of,

Michelle Lee
Director
Provincial Sales Tax Act

Appendix C – Breakdown of Penalties

eTaxBC - Province of BC

DELOITTE RESTRUCTURING INC. RESTRUCTURATION DELOITTE INC.

Returns

Provincial Sales Tax

PST-1497-1490

RECEIVER/MANAGER FOR HOTEL VERSANTE LTD. IN RECEIVERSHIP

Balance

$45,324.12

- Add or Update Locations
- View a Summary of All Periods
- Change PST Filing Frequency
- Make a Payment
- Contact the Ministry
- Close this Account

Returns | Periods | Site Locations

Periods

Period	Balance	
31-Dec-2025	$0.00	
30-Nov-2025	$0.00	File Return
31-Oct-2025	$5,385.99	Make Payment
30-Sep-2025	$7,085.94	Make Payment
31-Aug-2025	$7,352.73	Make Payment
31-Jul-2025	$6,384.83	Make Payment
30-Jun-2025	$6,761.98	Make Payment
31-May-2025	$6,753.90	Make Payment
30-Apr-2025	$5,212.43	Make Payment
31-Mar-2025	$386.32	Make Payment

Appendix "F"

Statement of Receipts and Disbursements

In the Matter of the Receivership of
International Trade Center Properties Ltd.,
Hotel Versante Ltd. and RCC Holdings Ltd.

Receiver's Interim Statement of Receipts and Disbursements
For the Period of March 4, 2025 to June 22, 2026

Description	Notes	Actuals (CAD)	Est. to Complete	Final
Receipts				
Operating receipts		$ 9,839,343	$ 35,000	$ 9,874,343
Forfeited sale deposits and extension fees		3,575,000		3,575,000
Receiver borrowings	1	750,000		750,000
Cash in bank		329		329
Miscellaneous refunds		27,098		27,098
Total receipts		**14,191,771**	**35,000**	**14,226,771**
Disbursements				
Payroll and payroll source deductions		3,119,671		3,119,671
Receiver's fees and costs		1,453,772	30,000	1,483,772
GST, PST and MRTD taxes paid		1,344,152	48,000	1,392,152
Hotel operating costs		1,078,266		1,078,266
Receiver's legal fees and costs		871,115	60,000	931,115
Hotel property taxes		605,746		605,746
Room booking commissions		521,937		521,937
Food and beverage services and costs		409,483		409,483
Broker commissions		390,503		390,503
Software and platform fees		383,089		383,089
Utilities		372,374		372,374
Leases, rent, and strata fees		338,757		338,757
Fortis Alternative Energy Services pre-receivership costs		257,338		257,338
Insurance		248,509		248,509
Consultant services		201,365	2,000	203,365
Employee benefits		145,269		145,269
Key Employee Retention Plan payment		68,750		68,750
Guest supplies		63,577		63,577
Remainder parcel strata fees and property taxes		57,196		57,196
Bankruptcy funding		50,000		50,000
Cleaning supplies		36,842		36,842
Bank charges		5,299		5,299
Fox Island distributions		2,000,000	63,759	2,063,759
Total disbursements		**14,023,012**	**203,759**	**14,226,771**
Excess of receipts over disbursements		**$ 168,759**	**$ (168,759)**	**$ 0**

Notes:

1. The Receiver Borrowings in the amount of $750,000, together with accrued interest of $86,027, were repaid as part of the Credit Bid Transaction which closed on February 25, 2026. As a result, no amounts remain outstanding.