

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

NOTICE OF APPLICATION

Name of applicant: Deloitte Restructuring Inc. (the "Receiver" or the "Applicant")

To: Service List, attached hereto as **Schedule "A"**

TAKE NOTICE that an application will be made by the applicant to the Honourable Justice Fitzpatrick at the courthouse at 800 Smithe Street, Vancouver, British Columbia on **April 2, 2025 at 3:00 p.m.** for the orders set out in Part 1 below.

The applicant estimates that the application will take one hour.

☐ This matter is within the jurisdiction of an associate judge.

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

Part 1: ORDERS SOUGHT

1. An Order (the “**Amended and Restated Receivership Order**”) substantially in the form attached hereto as **Schedule “B”** which amends and restates the receivership order of Justice Fitzpatrick made on March 4, 2025 in this proceeding (the “**Receivership Order**”) in its entirety to:
 - (i) include RCC Holdings Ltd. (“**RCC**”) 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 known as the “Versante Hotel”;
 - (ii) appoint the Receiver as an investigator with investigatory powers over Club Versante Management Ltd. (“**Club Versante**”);
 - (iii) increase the borrowing powers of the Receiver from \$200,000 to \$750,000; and
 - (iv) authorize the Receiver, to make certain pre-filing payments to critical suppliers (the “**Critical Supplier Payments**”).
2. An Order (the “**Additional Order**”), substantially in the form attached hereto as **Schedule “C”** which, among other things:
 - (a) adds Club Versante and RCC as named respondents to these proceedings;
 - (b) dispenses with the requirement for the creation and service of an amended petition; and
 - (c) dispenses with the terms and requirements of Rule 6-2 (8) of the BC Supreme Court Civil Rules.
3. Such other relief as this Honourable Court may deem just.

Part 2: FACTUAL BASIS

1. The Applicant, Deloitte Restructuring Inc. (“**Deloitte**”), is a licensed insolvency trustee having an address for service in this proceeding care of its solicitors, Dentons Canada LLP, 20th Floor, 250 Howe Street, Vancouver, British Columbia, V6C 3R8.
2. On March 4, 2025, this Court granted the Receivership Order in these proceedings. Deloitte was appointed as Receiver over, among other things, all of the current assets, undertakings, and hotel property of International Trade Center Properties Ltd. (“**ITCP**”) and Hotel Versante Ltd. (“**Hotel Versante**”, together with ITCP, the “**Debtors**”) acquired for, or used in relation to the business and operation carried on by the Debtors known as

the "Versante Hotel" (the "**Hotel**"), with a civic address of 8499 Bridgeport Road, Richmond, B.C. and with the following legal descriptions:

PID: 030-795-851

Air Space Parcel 2 Section 21 Block 5 North Range 6 West New Westminster
District Air Space Plan EPP73985 ("**ASP2**")

PID: 029-611-598

Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan
EPP37734 Except Air Space Plan EPP73985 ("**Remainder Parcel**")

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

3. The application for the Receivership Order was brought by the Petitioners, Fox Island Development Ltd. and Advanced Holding Venture Co., Ltd. (together, the "**Lenders**") 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 (the "**Foreclosure Proceedings**").
4. Since being appointed pursuant to the Receivership Order, the Receiver has, among other things: (i) continued to operate the Hotel as a going concern; (ii) undertaken a preliminary review of the Hotel operations and cashflow; (iii) commenced preparations to market the Hotel Property for sale; and (iv) commenced review of secured and unsecured claims against the Hotel Property.
5. In undertaking the aforementioned activities, the Receiver has determined that in order to properly proceed with its mandate and exercise its powers under the Receivership Order, the following matters need to be addressed as soon as possible:
 - (a) clarify the ownership structure of the Hotel Property, as further described below; and
 - (b) review and payment of certain pre-filing expenses which will minimize disruption, protect and preserve the Hotel Property, and allow for operations to continue as smoothly as possible on a going concern basis.
6. As such, the Receiver requires the relief sought herein to enable it to continue operating the Hotel and ultimately market and sell the Hotel Property.
7. The Receiver sets out its reasons for seeking such relief in the First Report of the Receiver, dated March 31, 2025 (the "**First Report**").

Additions to the Receivership Order

8. Part of the relief sought in the Amended and Restated Receivership Order is to extend the Receiver's powers over two additional entities, Club Versante and RCC, as follows:
 - (a) to extend the Receiver's appointment to also include the property, assets and undertakings of RCC, acquired for and used in connection with the Hotel. As was the case with the initial application, the Receiver's appointment is intended to be limited to the assets, property and undertaking in regard to RCC's interest in the Hotel Property and not all assets, property and undertaking of RCC; and
 - (b) to appoint the Receiver as investigator over Club Versante.
9. The Receiver seeks to add RCC and Club Versante, respectively, for the following reasons:

RCC

10. Prior to its appointment, the Receiver was advised by counsel to the Lenders that there may be issues related to the use and availability of the parking stalls for the Hotel. Upon its appointment, this was reaffirmed to the Receiver by the principal of the Debtors, Michael Ching.
11. As set out in detail in the Receiver's First Report, the Receiver took steps after its appointment to investigate such issues, and it has determined, on a preliminary basis, that through a series of transactions involving, among other things, leasehold interests and asset purchase agreements between ITCP, Hotel Versante, and RCC that:
 - (a) there are certain parking stalls allocated to the legal title for ASP2 which are located on the Remainder Parcel;
 - (b) on or around August 1, 2021, ITCP leased, as landlord, to Hotel Versante, as tenant, (until July 1, 2050) all of ASP2 (the "**Hotel Lease**"). The Hotel Lease includes an exclusive license to use all the parking stalls located on P5 of the parking structure which is part of the Remainder Parcel;
 - (c) on or about September 29, 2021, ITCP sold the beneficial interest in the Hotel (being ASP2, all associated buildings on ASP2 and all personal property), and the Hotel Lease to RCC (the "**Purported Sale**");
 - (i) the purchase price for the Purported Sale is stated as being \$73,000,000 and was to be paid by the issuance of a promissory note for the full amount of the purchase price (the "**Prom Note**");

- (ii) the Receiver has been provided with a copy of the Prom Note which is due on demand;
 - (d) In furtherance of the Purported Sale and transfer of the beneficial interest in the Hotel from ITCP to RCC, the two parties entered into the following agreements:
 - (i) a Transfer of Beneficial Interest dated September 29, 2021 transferring all of the beneficial interest in the Hotel to RCC;
 - (ii) a Nominee Agreement (the "**Nominee Agreement**") dated September 29, 2021 appointing ITCP as bare agent and trustee for RCC. ITCP, as bare agent and trustee for RCC, is restricted from dealing with ASP2 and can only do so at the direction and instruction of RCC; and
 - (iii) a Bill of Sale dated September 29, 2021 that transfers all right, title and interest in all fixtures, furniture, furnishings, fittings, equipment and machinery owned by ITCP located on and used exclusively in connection with the Hotel to RCC.
 - (e) Concurrently with the Purported Sale of the beneficial interest in the Hotel from ITCP to RCC:
 - (i) on or around September 29, 2021, ITCP, as landlord, leased to RCC all those certain parking stalls located on level 5 of the parkade building on the Remainder Parcel until August 31, 2050;
 - (ii) on or around September 29, 2021, RCC subleased to Hotel Versante all those certain parking stalls located on level 5 of the parkade building on the Remainder Parcel until July 31, 2050;
 - (iii) on or around September 29, 2021, ITCP assigned to, and RCC assumed, all those rights and obligations under the Hotel Lease of ITCP as landlord, pursuant to an Assignment and Assumption Agreement.
12. As a result of the foregoing transfer of beneficial interest in the Hotel to RCC and appointment of ITCP as its title nominee, the parties were required to file a Land Owner Transparency Report in the British Columbia Land Owner Transparency Registry disclosing all interest holders of RCC. These individuals are named as Stanley Wong, Raymond Qu and Xiaohui Sun. On the Land Owner Transparency Registry search, RCC is noted as the settlor of the associated trust agreement, being the Nominee Agreement, and ITCP is noted as the trustee.

13. RCC does not appear to have any known secured creditors.
14. Given the foregoing, further investigation and review is required by the Receiver in order to confirm RCC's previously unknown beneficial interest in the Hotel Property, and to carry out the Receiver's mandate under the Receivership Order. In order to do so in an effective and responsible manner, RCC needs to be added to the Receivership Order.
15. Furthermore, the Receiver, through counsel, has undertaken a preliminary review of the various loan agreements (the "**Loan Agreements**") entered into by the Debtors and Lenders, which are exhibited to the First Affidavit of Wen Yong Wang, filed January 24, 2025 (the "**Lender Affidavit**") in support of the Lenders' application to commence the Foreclosure Proceedings. Based on that review, it appears that the Purported Sale may constitute a breach of certain aspects of the Debtors' agreements with the Lenders. Preliminary observations are discussed below.
16. Exhibit "A" of the Lender Affidavit includes what appears to be the original Loan Agreement dated June 14, 2021, among, *inter alia*, the Debtors and the Lenders (the "**Original Loan Agreement**"). Section 5.1(a) of the Original Loan Agreement includes a representation that ITC is the sole legal and beneficial owner of the Hotel Property, and section 5.8 of the same includes a representation that the sole shareholder of ITCP and Hotel Versante is Michael Ching.

Lender Affidavit, Exhibit A, pages 24 and 30.

17. The Original Loan Agreement also includes a covenant at section 7.1(cc) which is copied below:

"except with the Lenders' prior written consent (which consent shall not be unreasonably withheld or delayed), not cause or permit (i) any merger, amalgamation, arrangement, liquidation, dissolution, consolidation or other reorganization of any of the corporate Obligants, (ii) any issuance, transfer or other disposition of any shares or other securities (whether legal or beneficial interest therein) in the capital of any corporate Obligant, or (iii) other transaction that would result in the change of control in any corporate Obligant, or the combination of any corporate Obligant with or into another person."

Lender Affidavit, Exhibit A, pages 40–41.

18. The documents relating to the Purported Sale were executed after the Original Loan Agreement. Thus, the expected transfer of beneficial ownership of the Hotel Property from ITCP to RCC may constitute a breach of the Original Loan Agreement with respect to the aforementioned representations and warranties.

19. Exhibit "A" of the Lender Affidavit also includes two amending agreements, the first dated March 7, 2022 (the "**First Amending Agreement**") and the second September 7, 2022 (the "**Second Amending Agreement**").

20. Section 2.2 of the First Amending Agreement includes a representation that those representations from section 5 of the Original Loan Agreement remain true.

Lender Affidavit, Exhibit A, page 60.

21. Section 2.1 of the Second Amending Agreement appears to make reference to the Purported Sale, indicating that the Lenders may have been aware of the same at the time of executing the Second Amending Agreement. However, section 2.1(b) indicated that the transfer of beneficial interest "has not been fully consummated" and section 2.1(e) requires the Debtors to:

- (a) promptly and from time to time advise the Lenders of the status of the Hotel Property Beneficial Transfer in sufficient details to the satisfaction of the Lenders; and
- (b) upon the Lenders' request from time to time, (i) provide confirmation (in form and substance satisfactory to the Lenders) that the ITCP Borrower remains the sole owner of all of the beneficial interest in the Hotel Property, and (ii) deliver to the Lenders a certified copy of the Hotel Property Beneficial Transfer Agreement.

Lender Affidavit, Exhibit A, page 74.

22. Exhibit "J" of the Lender Affidavit includes a Forbearance and Third Amending Agreement dated February 28, 2023 (the "**Third Amending Agreement**"), which includes additional references presumably relating to the Purported Sale.

23. Specifically, recital (B) in the Third Amending Agreement notes that ITCP has entered into an agreement to transfer all or part of the beneficial interest of the Hotel Property to a separate entity, thus constituting a material change in ownership of the Hotel Property requiring the Lenders' approval. Recital (C) notes that the Lenders have not approved the same.

Lender Affidavit, Exhibit J, pages 251–252.

24. Section 2.1(b) of the Third Amending Agreement also notes that the transfer of beneficial interest "has not been fully consummated" and section 2.1(c) includes a specific representation that as of March 7, 2023, ITCP remained the sole owner of all beneficial interests of the Hotel Property.

Lender Affidavit, Exhibit J, page 253.

25. Finally, the most recent forbearance extension agreement dated September 30, 2023 included in Exhibit “K” of the Lender Affidavit includes the same recitals and representations highlighted above from the Third Amending Agreement.

Lender Affidavit, Exhibit K, pages 279–280, 283.

26. Based on the aforementioned components of the Loan Agreements, the Purported Sale may constitute a breach of the Debtors’ obligations to the Lenders, assuming that there was a valid transfer of beneficial interest in the Hotel Property to RCC. Additionally, the Loan Agreements contain indications that the transfer of beneficial interest in the Hotel Property was “not consummated”, thus creating uncertainty as to the validity of RCC’s beneficial interest in the Hotel Property.
27. As such, the Receiver requires an extension of its powers over RCC to further investigate the interest of RCC in the Hotel Property and address RCC’s presumed beneficial interest in the Hotel Property in order to run an effective sales process in the receivership proceedings.

Club Versante

28. Upon appointment, the management of the Hotel advised the Receiver that the food and beverage services associated with the operation of the Hotel (the “**F&B Services**”) had been leased to Club Versante, which is not currently subject to the Receivership Order, and as such, the sale of the Hotel Property could not be undertaken without a review and understanding of that arrangement.
29. In relation to the F&B Services, the Receiver has discovered that:
- (a) On or around August 1, 2021, Hotel Versante, subleased portions of the Hotel, on the ground floor and the 12th and 13th floors for the exclusive use as a restaurant, or any other lawful use including, the sale of beer, wine and spirits to Club Versante (the “**Sublease**”), specifically:
 - (i) the sublet premises include the Bruno Restaurant (ground floor) and the Alaia penthouse event space on the 12th and 13th floors;
 - (ii) the Sublease expires on July 31, 2031 with base rent of \$20,000 per month plus Additional Rent (as required and defined under the Sublease);
 - (iii) Club Versante has options to extend the Sublease for further periods up to July 30, 2050;

- (iv) the Sublease purports to grant to Club Versante an irrevocable and exclusive royalty-free licence for the duration of the Term (being 10 years less a day commencing on August 1, 2021 plus any exercised option to extend up to July 30, 2050) to provide to the Hotel Project (being the Hotel, the Sublet Premises and the Common Areas associated therewith) with the supply of food and beverage services and products and services ancillary thereto;
- 30. As Club Versante is not a party to the Receivership Order, it has been difficult to obtain information and verify who the holder to the necessary licenses for the F&B Services is and when and how those licenses may have been transferred to Club Versante.
- 31. In any event, in order for the Receiver to be able to properly carry out its mandate and sell the Hotel as a going concern, along with the Hotel Property, it needs to fully understand the F&B Services and the interplay between Club Versante, Hotel Versante, and ITCP.
- 32. Club Versante appears to have only two secured creditors, Gould Leasing Ltd., having registered in the BC PPR over listed kitchen equipment as well as the Crown which has filed a charge pursuant to the Provincial Sales Tax Act.
- 33. Given the foregoing, further investigation and review is required by the Receiver in order to confirm the state of the F&B Services, as such arrangement was previously unknown, and to carry out the Receiver's mandate under the Receivership Order. Accordingly, the Receiver requires a mandate in order to request and review information from Club Versante and its officers, directors, employees, shareholders, and third parties (as necessary). The best, and minimally intrusive way to do that, is for the Receiver to be appointed as an investigator over Club Versante.

Additional Agreements:

- 34. The Receiver has also become aware of two additional agreements that materially impact the business of the Hotel. Such agreements are described in further detail below.

Trademark Agreement:

- 35. The Receiver has become aware of a trademark licences agreement dated August 1, 2021 the ("**Trademark Agreement**") between 1036524 B.C. Ltd., ("**103 BC**") and Hotel Versante with respect to the use of the name "Versante Hotel".
- 36. Pursuant to the Trademark Agreement, 103 BC licensed to Hotel Versante a non-exclusive license the Licensed Marks being "Versante Hotel" for the hotel located at 8499 Bridgeport Road, Richmond, BC in Canada for a period of 10 years (the "**Licensed**

Marks”). Under the terms of the Trademark Agreement, 103 BC may terminate the agreement with 60 days’ notice in the event of insolvency of Hotel Versante. Separately, Hotel Versante may terminate the Trademark Agreement on 30 days’ notice to 103 BC. Upon termination by either party, Hotel Versante would be obliged to cease using the Licensed Marks.

Monitoring Agreement

37. The Receiver has also become aware of a monitoring agreement dated August 1, 2021 (the **“Monitoring Agreement”**) between 103 BC, Hotel Versante, and RCC.
38. Pursuant to the Monitoring Agreement, Hotel Versante and RCC have agreed to allow 103 BC to monitor their financial affairs and operations, for a 12 year term, by providing 103 BC with all financial and operational records as reasonably requested by 103 BC.
39. In addition, the Monitoring Agreement requires Hotel Versante and RCC to obtain prior approval from 103 BC before undertaking various actions including, *inter alia*:
 - (a) changing the name of the “Versante Hotel” to a new name that does not include “Versante” in the new name;
 - (b) making changes to the appointment, engagement, salary, benefits or compensation to the chief executive officer or the financial officer of Hotel Versante;
 - (c) entering into, executing, amending, supplementing, canceling, or terminating any “Material Contracts” including the following:
 - (i) the lease between Hotel Versante and ITCP, dated August 1, 2021, with respect to the premises where Hotel Versante operates the Hotel, which is presumably the aforementioned Hotel Lease;
 - (ii) the Lease and Food & Beverage Services Agreement with Club Versante, dated August 1, 2021 , which is presumably the aforementioned Sublease, though this is unconfirmed;
 - (iii) any contract which obligates either Hotel Versante or RCC to pay, in aggregate over the term of the contract, \$100,000;
 - (iv) the management or operation agreement with respect to the Versante Hotel; and

- (v) any other contract, agreement, or other instrument which is material to the business (financial or otherwise) of Hotel Versante, RCC, and Versante Hotel.
- 40. Although certain aspects of the Trademark Agreement and the Monitoring Agreement are likely now unenforceable given the stay of proceedings and the terms of the Receivership Order, they nonetheless create additional confusion surrounding the Hotel and the various agreements that would apply, or not, to a potential purchaser. Moreover, it is unclear to the Receiver what consideration was received by ITCP, Hotel Versante or RCC for the Monitoring Agreement and what its purpose is. Finally, although there may be a reasonable justification, it is unclear to the Receiver why 103 BC would own the Licensed Marks in the first place. As noted below, Mo Yeung Ching is the sole director and officer of 103 BC.

Corporate Searches of Debtors:

- 41. The Receiver also reviewed corporate searches of the Debtors, RCC, Club Versante, and 103 BC. In doing so, although it is not yet clear whether the various entities are “related parties” as a matter of law, the Receiver has identified overlapping registered and records offices, directors, and officers among these entities, as summarized below.
- 42. Club Versante was incorporated on December 3, 2013 and has a registered and records office at #1205 – 8400 West Road, Richmond, BC V6X 0S7. Its directors are Chung Lin Ching and Mo Yeung Ching, with an address of #1205 – 8400 West Road, Richmond, BC V6X 0S7. There was no officer information available for this entity as of December 3, 2024.
- 43. RCC was incorporated on October 5, 2016, and has a registered and records office at 2900 – 550 Burrard Street, Vancouver, BC V6C 0A3. Its directors and officers are as follows:
 - (a) **Directors:**
 - (i) Man Chun (Jason) Chiu, 23-25/F, Nexxus Building 41 Connaught Road Central, Hong Kong;
 - (ii) Feridun Hamdullahpur, 694 Meadowsweet Avenue, Waterloo, ON N2V 0A6;
 - (iii) Chi Hang (Mark) Lo, 23/F, Block 26, Celestial Heights 80 Sheung Shing Street, Homantin, Hong Kong;
 - (iv) Stanley Wong, #606 – 1055 West Broadway, Vancouver, BC V6H 1E2; and

- (v) Rita Zhang, #1205 – 8400 West Road, Richmond, BC V6X 0S7.
- (b) **Officers:**
- (i) CEO: Chung Lin Ching, #1205 – 8400 West Road, Richmond, BC V6X 0S7; and
 - (ii) President: Chi Hang (Mark) Lo, 23/F, Block 26, Celestial Heights 80 Sheung Shing Street, Homantin, Hong Kong.
44. Hotel Versante was incorporated on October 15, 2013 and has a registered and records office at #1205 – 8400 West Road, Richmond, BC V6X 0S7. It has no officer information as at December 3, 2024, and its directors are as follows:
- (a) Man Chun (Jason) Chiu, 23-25/F, Nexxus Building 41 Connaught Road Central, Hong Kong;
 - (b) Feridun Hamdullahpur, 694 Meadowsweet Avenue, Waterloo, ON N2V 0A6;
 - (c) Chi Hang (Mark) Lo, 23/F, Block 26, Celestial Heights 80 Sheung Shing Street, Homantin, Hong Kong;
 - (d) Stanley Wong, #606 – 1055 West Broadway, Vancouver, BC V6H 1E2; and
 - (e) Rita Zhang, #1205 – 8400 West Road, Richmond, BC V6X 0S7.
45. ITCP was incorporated on May 2, 2011, and has a registered and records office at Suite 500 – North Tower 5811 Cooney Road Richmond, BC V6X 3M1. Its director and officer information is as follows:
- (a) **Directors:**
- (i) Mo Yeung Ching, #1205-8400 West Road, Richmond, BC V6X 0S7.
- (b) **Officers:**
- (i) President and Secretary: Mo Yeung Ching, #1205-8400 West Road, Richmond, BC V6X 0S7.
46. 103 BC was incorporated on May 14, 2015 and has a registered and records office at Suite 2600 – 1090 West Pender Street, Vancouver, BC V6E 0E3. Mo Yeung Ching, with an address of 1083 West 51st Avenue, Vancouver, BC V6P 1C2, is the sole director and officer (president).

47. For ease of review, the following table may be of assistance:

<u>Entity</u>	<u>Officers</u>	<u>Directors</u>
RCC	Chung Lin Ching (CEO) Chi Hang (Mark) Lo (President)	Man Chun (Jason) Chui Feridun Hamdullahpur Chi Hang (Mark) Lo Stanley Wong Rita Zhang
Hotel Versante	Information unavailable	Man Chun (Jason) Chui Feridun Hamdullahpur Chi Hang (Mark) Lo Stanley Wong Rita Zhang
ITCP	Mo Yeung Ching (President & Secretary)	Mo Yeung Ching
Club Versante	Information unavailable	Mo Yeung Ching Chung Lin Ching
103 BC	Mo Yeung Ching (President)	Mo Yeung Ching

Increased Borrowing Charge:

48. The Receiver has completed a preliminary cash flow projection to June 30, 2025 and:

- (a) based on the nature and extent of the work in the receivership proceedings to date;
- (b) the breakeven results from the Hotel during March and the slowness in the hospitality market at this time of the year;
- (c) and the unknown timing of the sales process,

an increase in the Receivers' borrowing limit from \$200,000 to \$750,000 will be required in order to continue operating the Hotel as a going concern. The Receiver has discussed this with the Lenders who are in agreement with this increase.

Critical Supplier Pre-filing Payments :

49. The Receiver also seeks to include authorization, in the Amended and Restated Receivership Order, to make certain payments for amounts owing for goods and services provided prior to the date of the commencement of these receivership proceedings.

50. As set out in the First Report, in order to operate the Hotel on a going concern basis, the cooperation of certain critical suppliers is required for the Receiver, to carry out its powers under the Receivership Order.
51. Many of the payments to critical suppliers the Receiver may be required make are those located in the United States, where commercially reasonable alternative arrangements cannot be made in Canada on a go forward basis, and where those suppliers are refusing to continue until certain pre-filing debts are addressed. Enforcement of the Receivership Order against those suppliers will quickly outweigh the cost of same, thereby making it difficult to operate on a going concern basis and preserve value. As such, the Receiver seeks authorization to pay pre-receivership amounts to arms' length third parties, if, in the opinion of the Receiver, such third party is critical to the operations of the Versante Hotel and necessary to ensure ongoing supply.
52. As set out in further detail in the First Report, the Critical Supplier Payments of concern to the Receiver relate to, *inter alia*, software important for guest bookings, sales, operations, payment processing, guest communications, management bonuses, food and beverage service payments, payments to the laundry service providers for the Hotel, and various additional employee benefits and expense payments.

Part 3: LEGAL BASIS

1. The Receiver relies on:
 - (a) *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**");
 - (b) *Supreme Court Civil Rules*, B.C. Reg. 168/2009 ("**BC Rules**");
 - (c) *Law and Equity Act*, RSBC 1996, c 253 (the "**LEA**");
 - (d) The inherent jurisdiction of this Honourable Court; and
 - (e) Such further and other legal bases and authorities as counsel may advise and this Court may permit.

Receivership Order

2. Any interested party may apply to this Court to vary or amend this [Receivership] Order.

Receivership Order at para. 34.

3. As such, the Receiver may bring this application for the Amended and Restated Receivership Order.

Addition of Debtors to Receivership Order

4. The Receiver was appointed by this Court, in part, pursuant to section 39 of the LEA which provides that a receiver may be appointed “in all cases in which it appears to the court to be just or convenient that the order should be made”.

LEA, section 39(1).

5. The central question for the appointment of a receiver is whether it is just or convenient to do so in the circumstances.

Ward Western Holdings Corp. v. Brosseuk, 2022 BCCA 32 (Brosseuk) at para 48.

6. This Court has held that the factors to consider on whether it is just or convenient to appoint a receiver are as follows:

- a) whether irreparable harm might be caused if no order were made, although it is not essential for a creditor to establish irreparable harm if a receiver is not appointed, particularly where the appointment of a receiver is authorized by the security documentation;
- b) the risk to the security holder taking into consideration the size of the debtor's equity in the assets and the need for protection or safeguarding of the assets while litigation takes place;
- c) the nature of the property;
- d) the apprehended or actual waste of the debtor's assets;
- e) the preservation and protection of the property pending judicial resolution;
- f) the balance of convenience to the parties;
- g) the fact that the creditor has the right to appoint a receiver under the documentation provided for the loan;
- h) the enforcement of rights under a security instrument where the security-holder encounters or expects to encounter difficulty with the debtor and others;
- i) the principle that the appointment of a receiver is extraordinary relief which should be granted cautiously and sparingly;
- j) the consideration of whether a court appointment is necessary to enable the receiver to carry out its' duties more efficiently;

- k) the effect of the order upon the parties;
- l) the conduct of the parties;
- m) the length of time that a receiver may be in place;
- n) the cost to the parties;
- o) the likelihood of maximizing return to the parties;
- p) the goal of facilitating the duties of the receiver.

Maple Trade Finance Inc. v. CY Oriental Holdings Ltd., 2009 BCSC 1527 at para 25.

Brosseuk at para 49.

7. The Receiver submits that the Court should exercise its jurisdiction to appoint the Receiver over RCC and grant it investigatory powers over Club Versante pursuant to the Amended and Restated Receivership Order because:
- (a) including these entities will permit the Receiver to carry out its duties and powers to, among other things, market any or all of the Hotel Property, and sell, convey, transfer, lease or assign the Hotel Property outside the ordinary course of business;
 - (b) adding such entities into these proceedings prior to advancing a sales process will avoid future delays for the Receiver when negotiating with and marketing to prospective buyers;
 - (c) the Amended and Restated Receivership Order, like the Receivership Order, only appoints the Receiver over the property, assets, and undertakings of RCC to the extent such property is acquired for or used in connection with the Hotel, rather than over all of RCC's assets;
 - (d) the Amended and Restated Receivership Order limits the Receiver's appointment over Club Versante to only investigatory powers; and
 - (e) there appears to be several intertwined contractual relationships and obligations as between the Debtors, RCC and Club Versante that will potentially have an impact upon the ability of the Receiver to carry out its mandate under the Receivership Order. RCC and Club Versante appear to be intricately involved with the operations of the Hotel.

8. The interests of RCC and Club Versante in the Hotel Property were not known to the Receiver upon its appointment, but should have been adjudicated on previously. As such, the Receiver submits that this Court should exercise its jurisdiction to amend the Receivership Order.
9. Courts have exercised their jurisdiction to amend receivership orders to add additional debtor entities, on the application of a receiver, following post-appointment discoveries about the debtors' ownership structures and contractual relationships, specifically in the context of receiverships over hotel properties. Two of such cases are summarized below.

i. Toronto Branch v. The Rosseau Resort Developments Inc., 2009 CarswellOnt 6182:

10. In *Toronto Branch v. The Rosseau Resort Developments Inc.*, 2009 CarswellOnt 6182 (***Rosseau Resort***), a receiver previously appointed over Rosseau Resort Developments Inc. ("**RRDI**"), in conjunction with owners of units on RRDI's hotel property, brought an application to extend the receiver's appointment over an additional entity, Rosseau Resort Management Services Inc. ("**RRMSI**").

***Rosseau Resort*, at para 1.**

11. RRDI was the registered owner of the hotel property subject to the receivership. Both RRDI and RRMSI were parties to a hotel management agreement ("**HMA**") with Marriot Hotels of Canada Ltd., which governed the management and operations of the hotel.

***Rosseau Resort*, at paras 2–4.**

12. RRMSI was a shell corporation related to and owned by the same shareholder group as RRDI. Prior to the receivership, RRMSI had no employees and RRDI's employees performed its functions under its agreements. RRMSI was also party to and named as the exclusive rental pool manager in the Rental Pool Management Agreement ("**RPMA**"), the standard agreement with the current and prospective unit owners on the hotel property. RRDI was not party to the RPMA.

***Rosseau Resort*, at paras 5–8.**

13. After being appointed over RRDI, the receiver identified various issues with the provisions of the HMA and RPMA and that the financial and legal structure of the hotel's rental pool rendered the agreements unworkable and restricted the receiver's ability to deal with the hotel property without further authorizations from the court to repudiate the relevant agreements.

***Rosseau Resort*, at paras 15–18.**

14. As justification for their application to extend the receivership over RRMSI, the receiver and representatives for the unit holders argued, among other things, the following:

... it is just and convenient for the RRMSI Receiver to be appointed given the intertwined contractual relationships and obligations of RRDI and RRMSI. The moving parties submit that RRDI and RRMSI are inextricably linked and the position of RRMSI creates a deadlock stranding unit owners in RPMAs that RRMSI cannot perform and stalling the ability of the Receiver to regularize the rental pool arrangements, complete a new HMA with Marriott Hotels, and close transactions with existing and new unit purchasers. A receivership addresses this deadlock. There is no real prejudice to RRMSI. It has no ownership interest in the Hotel and has paid no consideration or contribution for the value it now seeks to obtain. Both RRDI and RRMSI are owned primarily by Mr. Fowler. RRMSI is holding the unit holders hostage in circumstances where RRDI was unable to complete construction of the Hotel, unable to fund operating expenses to Marriott Hotels, did not maintain the construction holdbacks required by the Construction Lien Act, owes approximately \$5 million to its construction trades who built the Hotel, and is unable to meet the payments under incentives it offered to purchasers to induce them to buy units. The requested receivership is just and convenient in these circumstances.

***Rosseau Resort*, at para 31.**

15. The Court in *Rosseau Resort* approved such relief, noting the following:

As noted by the Court of Appeal in *80 Wellesley St. East Ltd. v. Fundy Bay Builders Ltd.* 2, as a superior court of general jurisdiction, the Superior Court has all of the powers that are necessary to do justice between the parties. Specifically, the jurisdiction to appoint a receiver and manager is found in section 101 of the *Courts of Justice Act*. It provides that a receiver may be appointed where it appears to a judge to be just or convenient to do so. The order may include such terms as are considered just. A receiver has been appointed over companies in circumstances where they are intricately involved with companies already in receivership and where it was just and convenient to do so: *Ed Mirvish Enterprises Ltd. v. Stinson Hospitality Inc.* [2007 CarswellOnt 7332 (Ont. Gen. Div. [Commercial List])]. That said, the appointment of a receiver is an extraordinary remedy which should be granted sparingly: *O.W. Waste Inc. v. EX-L Sweeping & Flushing Ltd.*

***Rosseau Resort*, at para 37 (emphasis added).**

16. The Court also considered the following factors, among others, in approving the receiver's application:

- (a) RRMSI is owned by the same shareholder group of RRDI;
- (b) the parties' obligations and entitlements to the various agreements were intricately connected, intertwined, and inter-dependent;
- (c) RRMSI owed obligations to the unit holders which it was unable to perform;
- (d) there was a deadlock amongst the various stakeholders;
- (e) the unit holders were locked to the RPMA's that were incapable of performance and their investments were at risk; and
- (f) a receivership would aid the implementation of settlements with the unit holders, the continued operations of the hotel, and the establishment of new workable agreements to address the deadlock amongst the stakeholders.

Rosseau Resort, at paras 38–42.

17. As noted above, there are also commonalities in the directors and officers of the Debtors, RCC, and Club Versante. Additionally, the agreements among these parties create challenges for the Receiver in operating the Hotel as a going concern and will ultimately restrict the Receiver's ability to sell the Hotel Property, due to the previously unknown purported beneficial interest of RCC.

ii. Romspen Investment Corporation v Hargate Properties Inc., 2011 ABQB 759:

18. The Court in *Romspen Investment Corporation v Hargate Properties Inc.*, 2011 ABQB 759 (***Hargate***) also approved a receiver's application to extend its appointment over an additional debtor after being appointed over a related entity.
19. In *Hargate*, a receiver was first appointed over Hargate Properties Inc. and 1410973 Alberta Ltd., who had granted their lenders a secured interest in a hotel known as the Crown Plaza Chateau Lacombe Hotel. Thereafter, the receiver sought an amended order seeking to add into the proceedings Chateau Lacombe Capital Partners Ltd. ("**CLCPL**"), including to add CLCPL into the definition of "debtor" therein after discovering CLCPL for the first time. It determined that all of the 120 unionized employees, and all 60 to 70 non-union employees of the hotel were employed and contracted by CLCPL, allegedly contrary to the terms of the other debtors' loan agreements.

Hargate, at paras 10–13.

20. The Court approved the receiver's application, noting the following:

The creation and existence of CLCPL as a separate entity for the operation of the hotel business known as Crown Plaza Chateau Lacombe Hotel makes it central to the effective operation of that hotel in combination with the Hotel Lands, the property of Hargate, and the employees. CLCPL apparently receives all of the revenues from the Hotel's business operations, and employs all of the employees.

It is proposed that the Receiver/Manager have control over all of the property of both Hargate and CLCPL as Receiver/Manager. Given CLCPL's central role in operating the hotel business, that its existence may be in breach of the Loan Documents, and CLCPL appears to be in significant arrears to the CRA, I conclude that it is just and convenient that the Receiver/Manager have control of all of the property of both Hargate and CLCPL.

Hargate, at paras 16–17 (emphasis added).

21. As mentioned above, the Purported Sale may constitute a breach of certain aspects of the Loan Agreements.
22. Additionally, both RCC and Club Versante have significant interests, rights, and obligations in respect of aspects of the Hotel Property and the operations of the Hotel, pursuant to the various agreements summarized above.
23. As such, the Receiver submits that it is just and convenient for it to be appointed over RCC and have investigatory powers over Club Versante in the circumstances.

Investigatory Powers over Club Versante

24. With reference to *Rosseau Resort*, the Court in *General Electric Real Estate v. Liberty Assisted Living Inc.*, 2011 ONSC 4704 (**General Electric**) notes the following about the appointment of 'investigative receivers':

Appointment of an investigative receiver over a company has taken place in circumstances where the company is intricately involved with companies already in receivership, and it is necessary to review and ascertain the transactions that have taken place within the network of companies: *West Lbag v. Rosseau Resort Developments Inc.*, [2009] O.J. No. 4285 (S.C.J.).

General Electric, at para 10.

25. Moreover, the [Ontario] Divisional Court has pointed out that the remedy of an investigative receiver is not as intrusive or drastic as a receiver who is put in possession of assets.

***General Electric*, at para 11, citing *Stroh v. Millers Cove Resources Inc.* (1995), 85 OAC26 (Div Court).**

26. Additionally, Blair J.A. reviews various authorities on investigative receiverships in *Akagi v. Synergy Group (2000) Inc.*, 2015 ONCA 368, which is summarized as follows:

Some consistent themes emerge from these authorities:

- The appointment of the investigative receiver is necessary to alleviate a risk posed to the plaintiff's right to recovery: (citation omitted)
- The primary objective of investigative receivers is to gather information and "ascertain the true state of affairs" concerning the financial dealings and assets of a debtor, or of a debtor and a related network of individuals or corporations: *General Electric* (Div. Ct.), at para. 15. One authority characterized the investigative receiver as a tool to equalize the "informational imbalance" between debtors and creditors with respect to the debtor's financial dealings: (citation omitted)
- Generally, the investigative receiver does not control the debtor's assets or operate its business, leaving the debtor to continue to carry on its business in a manner consistent with the preservation of its business and property: (citations omitted)
- Finally, in all cases the investigative receivership must be carefully tailored to what is required to assist in the recovery of the claimant's judgment while at the same time protecting the defendant's interests, and to go no further than necessary to achieve these ends. (citation omitted)

***Akagi v. Synergy Group (2000) Inc.*, 2015 ONCA 368, at para 90.**

27. Pursuant to the Sublease, Club Versante has substantial control over the F&B Services at the Hotel and is intricately related to the Debtors. The Receiver does not currently see a need to be appointed with the full scope of powers of a receiver and manager over Club Versante, but requires investigative authority to access information about this entity and its relationship to the Debtor and interests in the Hotel Property.

Addition of RCC and Club Versante as Respondents

28. The BC Rules also permit this Court to exercise its jurisdiction to grant the Additional Order.

29. Rule 6-2 (7)(b) permits this Court at any time in a proceeding to:

order that a person be added or substituted as a party if

(i) that person ought to have been joined as a party, or

(ii) that person's participation in the proceeding is necessary to ensure that all matters in the proceeding may be effectually adjudicated on

BC Rules, R. 6-2(7) (b).

30. The Receiver submits that RCC and Club Versante's participation in these proceedings is necessary because both have an interest in the Hotel Property that is subject to these proceedings.

31. Rule 6-2 (8) requires certain procedural steps if an order is made under subrule (7) "Unless the court otherwise orders".

BC Rules, R. 6-2(8).

32. The Receiver requests that this Honourable Court dispense with the requirements under Rule 6-2(8) because it is important that the Receiver obtains the relief sought herein on an urgent basis, in order to allow it to continue working towards a sale of the Hotel Property and to efficiently operate the Hotel on a going concern basis.

Increase of Borrowing Charge

33. The Receivership Order provides that "[t]he 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)"

Receivership Order at para. 23 (emphasis added).

34. As such, the Court is authorized to permit a higher borrowing limit by further Order.

35. Courts have granted receivers with increases to their borrowing charges and limits if they are satisfied that such an increase is necessary in the circumstances and that creditors are not prejudiced.

***Leslie & Irene Dube Foundation Inc. v. P218 Enterprises Ltd.*, 2014 BCSC 1855, at paras 48–49.**

36. The Receiver submits that the increase in the Receiver's Charge and borrowing limit sought in the Amended and Restated Receivership Order is necessary in the circumstances, in order to allow it to continue to operate the Hotel on a going concern.
37. The Lenders also do not oppose the increase to the Receiver's borrowing power and associated Receiver's Charge.

Critical Suppliers Payments

38. Pursuant to section 243(1)(c) of the BIA, the Court has broad jurisdiction to appoint a receiver to take any other action that the court considers advisable if it considers it to be just or convenient to do so.

BIA, section 243(1)(c) .

39. Courts have exercised their jurisdiction under the BIA to approve certain pre-filing payments in the context of proceedings under the BIA. For example, Rouleau, Roberts and Harvison Young JJ.A. in *1732427 Ontario Inc. v. 1787930 Ontario Inc.*, 2019 ONCA 947 note the following:

13. We do not agree with the respondent's submissions that the parties could not enter into an agreement for the payment of past debts in order to secure future fuel supplies. This would undermine the first stage of the BIA process that serves to encourage a debtor's successful reorganization as a going concern. Creditors and debtors alike benefit from the latter's continued operation. The goal of the stay and preference provisions under ss. 69, 95, 96 and 97 of the BIA is to give the debtor some breathing room to reorganize. Legitimate agreements with key suppliers also form a vital part of that process.

***1732427 Ontario Inc. v. 1787930 Ontario Inc.*,
2019 ONCA 947, at para 13.**

40. The Receiver submits that the Critical Supplier Payments are necessary at this time for the continued operations of the Hotel on a going concern basis and the ultimate restructuring of the Hotel.

Part 4: MATERIAL TO BE RELIED ON


1. Affidavit #1 of Avic Arenas, sworn 31/March/2025;
2. First Report of the Receiver, filed March 31, 2025;
3. Affidavit #1 of Wen Yong Wang, filed January 24, 2025;

4. Receivership Order, granted March 5, 2025; and
5. Such further and other materials as counsel may advise and this Court may permit.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days of service of this Notice of Application,

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

Date: 31/March/2025


 for: Signature of lawyer for applicant
 John Sandrelli

<i>To be completed by the court only:</i>	
Order made	in the terms requested in paragraphs _____ of Part 1 of this Notice of Application
<input type="checkbox"/>	with the following variations and additional terms:
Date:	Signature of <input type="checkbox"/> Judge <input type="checkbox"/> Associate Judge

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

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

SCHEDULE "A"

NO. 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, and HEUNG KEI SUNG

RESPONDENTS

SERVICE LIST

As at March 28, 2025

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

<p>DLA Piper (Canada) LLP Barristers & Solicitors Suite 2700 - 1133 Melville Street Vancouver, BC V6E 4E5</p> <p>Tel. No. 604-687-9444 Attention: Colin Brousson</p> <p>Email: colin.brousson@dlapiper.com;</p> <p><i>Counsel for Petitioners, Fox Island Development Ltd. and Advanced Venture Holding CO., Ltd.</i></p>	<p>Deloitte Restructuring Inc. 410 West Georgia Street, Vancouver, British Columbia, V6B 0S7, Canada</p> <p>Tel. No. 604-235-4197</p> <p>Attention: Jeff Keeble Aveshin Govender Sally Bao</p> <p>E-mail: jkeeble@deloitte.ca avegovender@deloitte.ca sbao@deloitte.ca</p> <p><i>Court Appointed Receiver and Manager</i></p>
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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 chelsea.denton@dentons.com <i>Counsel to the Receiver, Deloitte Restructuring Inc.</i>	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 Roanne Heinecke Email : rclark@bridgehouselaw.ca blaborie@bridgehouselaw.ca rheinecke@bridgehouselaw.ca
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 Anna Liguori Email: afrydenlund@owenbird.com sstephens@owenbird.com aliguori@owenbird.com <i>Counsel for Beem Credit Union</i>
Fasken Martineau DuMoulin LLP 550 Burrard Street, Suite 2900 Vancouver, BC V6C 0A3. Attention: Edmond Luke Kibben Jackson Email: eluke@fasken.com kjackson@fasken.com	McCarthy Tétrault LLP Suite 2400, 745 Thurlow Street Vancouver BC V6E 0C5 Attention: Lance Williams Email: lwilliams@mccarthy.ca
Michael Ching: #1205 - 8400 WEST ROAD RICHMOND BC V6X 0S7 Email: michael@sunwins.ca	Rita Zhang: #1205 - 8400 WEST ROAD RICHMOND BC V6X 0S7 Email: rita@versantehotel.com

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Schedule "B"

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, HEUNG KEI SUNG, RCC HOLDINGS
LTD., AND CLUB VERSANTE MANAGEMENT LTD.

Respondents

ORDER MADE AFTER APPLICATION

[Amended and Restated Receivership Order]

BEFORE THE HONOURABLE JUSTICE

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)
)
)
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April ____, 2025

ON THE APPLICATION of Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as receiver and manager in relation to International Trade Center Properties Ltd. ("**ITCP**") and Hotel Versante Ltd. ("**Hotel Versante**"), (in such capacity, the "**Receiver**"), without security, 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**") expanding the scope of the receivership to include: (i) RCC Holdings Ltd. ("**RCC**" together with

ITCP, Hotel Versante, the "**Debtors**"; and (ii) Club Club Versante Management Ltd. ("**Club Versante**").

AND ON READING the Affidavit #1 of Wen Yong Wang, affirmed January 22, 2024, Affidavit #2 of Wen Yong Wang affirmed on February 25, 2025, Affidavit #1 of Avic Arenas sworn March 31, 2025 each consent of Deloitte to act as Receiver, and the First Report of the Receiver, dated March 31, 2025;

AND ON HEARING John Sandrelli, counsel for the Receiver, 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:

SERVICE

1. The time for service of the Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today and service thereof upon any interested party other than those parties on Schedule "A", hereto, is hereby dispensed with.

DEFINITION

- 1B. In this Order:

- (a) "**Hotel Property**" shall mean of all of the assets undertakings and hotel property of the Debtors, acquired for, or used in relation to the business and operation carried on by the Debtors known as the "Versante Hotel", 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

PI D: 029-611-598

Lot 1 Section 21 Block 5 North Range 6 West New Westminster District Plan
EPP37734 Except Air Space Plan EPP73985

including without limiting the foregoing, all proceeds thereof;

- (b) **"Investigatory Power"** shall have the meaning set out in paragraph 8 of this Order.

APPOINTMENT

2. 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"**), Deloitte is appointed, without security:
- (a) as Receiver over all of the Debtors' Hotel Property; and
 - (b) as investigator with Investigatory Power over Club Versante. For greater certainty, the Receiver shall not be deemed to have taken possession of or to have exercised control over the business or assets of Club Versante or have managed the business of Club Versante, without further Order of this Court.

RECEIVER'S POWERS

3. 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;
- (s) to make payments for amounts owing for goods and services actually provided to the Debtors prior to the date of the commencement of these receivership proceedings by arms' length third parties, if, in the opinion of the Receiver, such

third party is critical to the operations of the Versante Hotel and necessary to ensure ongoing supply;

- (t) 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

4. 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.
5. 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.
6. 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 5, 6 or 7 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.

7. 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.

INVESTIGATORY POWERS AND REPORTING

8. In addition to the powers, duties, and authorizations set out in paragraphs 3–7 of this Order, the Receiver is hereby authorized and empowered to:
 - (a) investigate the operations of Club Versante as they relate to the Hotel Property;
 - (b) enter into Club Versante's business premises during regular business hours and to examine or make copies of any document or record, in paper or electronic format, found on the premises;
 - (c) to review the books, records and financial affairs of Club Versante;
 - (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 take any steps reasonably incidental to the exercise of those powers of the performance of any statutory obligations.

NO PROCEEDINGS AGAINST THE RECEIVER

9. 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

10. 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

11. 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

12. 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

13. 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

14. 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

15. 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

16. 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

17. 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.

18. 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.
19. 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.
20. Notwithstanding anything in federal or provincial law, but subject to paragraph 18 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

21. 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

22. 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 subordinate in priority to the security interest of Gould Leasing Ltd. ("**Gould**") in respect of the Hotel Property over which Gould holds a first charge, and subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
23. 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.
24. 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

25. 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 \$750,000 (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 security interest of Gould in respect of the Hotel Property over which Gould holds a

- first charge, 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.
26. 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.
27. 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.
28. 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

29. 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

30. 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.
31. 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.

32. 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.
33. 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.
34. Notwithstanding paragraph 32 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.
35. 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

36. 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.
37. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
38. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
39. 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.
40. 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.
41. 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.

42. Endorsement of this Order by counsel appearing on this application other than the Receiver 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 for Receiver
Dentons Canada LLP (John Sandrelli)

BY THE COURT

REGISTRAR

SCHEDULE "A"

LIST OF COUNSEL

NAME OF COUNSEL	PARTY REPRESENTING

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 International Trade Center Properties Ltd. ("ITCP"), Hotel Versante Ltd. ("**Hotel Versante**") and RCC Holdings Ltd. ("**RCC**", together with ITCP and Hotel Versante, the "**Debtors**") acquired for, or used in relation to the business and operations, of the hotel known as the "Versante Hotel", 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 _____, 202_ (the "**Order**") made 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 _____, 202_____

[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.), 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., AND
CLUB VERSANTE MANAGEMENT LTD

Respondents

ORDER MADE AFTER APPLICATION

Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

Phone No.: 604.687.4460
Attention: John Sandrelli

File No.: 131048-000106

Schedule "C"

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
TO ADD RESPONDENTS TO THE PROCEEDING

BEFORE) THE HONOURABLE JUSTICE)
))
)) ___/April/2025

1. ON THE APPLICATION of Deloitte Restructuring Inc., in its capacity as court appointed receiver (in such capacity, the "**Receiver**") 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 HEARING John Sandrelli, Counsel for the Receiver and other counsel as listed on **Schedule "A"** hereto, and no one else appearing, although duly served.

AND ON READING the materials filed, including the First Report of the Receiver, filed [March x, 2025].

THIS COURT ORDERS AND DECLARES that:

1. The time for service of the Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today and service thereof upon the Service List as defined in the Order of this Court granted by the Honourable Justice Fitzpatrick on March 4, 2025 is hereby dispensed with.
2. Club Versante Management Ltd. and RCC Holdings Ltd. be added as named Respondents to these proceedings.
3. The style of cause in these proceedings be amended as follows:

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, HEUNG KEI
SUNG, CLUB VERSANTE MANAGEMENT LTD., AND RCC HOLDINGS
LTD.

Respondents

4. Preparation and service of an Amended Petition on all parties be dispensed with.
5. The terms of Rule 6-2(8) of the *Supreme Court Civil Rules* be dispensed with.

6. Endorsement of this Order, other than by counsel for the Receiver, is hereby dispensed with.

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

Signature of John Sandrelli
Lawyer for the Receiver

By the Court.

Registrar

SCHEDULE "A"

Counsel Appearing

Counsel	Party Represented

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
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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

Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

Phone No.: 604.687.4460
Attention: John Sandrelli

File No.: 131048-000106