



No. H-240795  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

KOOTENAY SAVINGS CREDIT UNION

PETITIONER

AND:

KS PROPERTY MANAGEMENT INC., INC. NO. BC1281655  
also known as KS PROPERTY MANAGEMENT INC.  
MARWEST INDUSTRIES LTD.  
COLAS WESTERN CANADA INC.  
PENNCO ENGINEERING (BC) LTD.  
GEO STABILIZATION INTERNATIONAL INC.  
HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

**NOTICE OF APPLICATION**

**Name of applicant:** Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (the “**Receiver**” or the “**Applicant**”)

To: The Service List attached hereto as **Schedule “A”**

TAKE NOTICE that an application will be made by the Applicant to the presiding judge or associate judge at the courthouse at 800 Smithe Street, Vancouver, British Columbia on the 27th day of November, 2025, at 9:45 a.m. for the orders set out in Part 1 below.

The Applicant estimates that the application will take 30 minutes.

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. Orders substantially on the terms of the draft Orders Made After Application attached hereto as **Schedules “B”** and “**C**” including:

- (a) An approval and vesting order (the “**Lot 1 Vesting Order**”) approving the sale of the following lands:

PID: 028-270-428

Strata Lot 1 District Lot 2374 Kootenay District Plan EPS171

together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V

(“**Osprey Lot 1**”)

to Michael Thomas Jourdin and Anne Marie Jordin as joint tenants (the “**Lot 1 Purchasers**”) pursuant to the Contract of Purchase and Sale dated May 15, 2025;

- (b) An approval and vesting order (the “**Lot 4 Vesting Order**”) approving the sale of the following lands:

PID: 028-270-452

Strata Lot 4 District Lot 2374 Kootenay District Plan EPS171

together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V

(“**Osprey Lot 4**”)

to Erkin Atakhanox (the “**Lot 4 Purchaser**”) pursuant to the Contract of Purchase and Sale dated October 19, 2025;

2. An order:

- (a) amending the Order of this Honourable Court made October 28, 2024 (the “**Receivership Order**”) by deleting paragraph 2 (l) thereof and substituting in its place the following:

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

- i. in relation to the portion of the Lands listed in **Schedule “D”** hereto (the “**Osprey Landing Lots**”) without the approval of this Honourable Court at purchase prices that are approved by the Petitioner;
- ii. to execute as transferor Form A – Freehold Transfers to effect the transfer of Osprey Landing Lots; and
- iii. with the approval this Honourable Court in respect of some or all of the Lands listed in **Schedule “E”** hereto (the “**Twin River Lands**”);

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.

- (b) approving the activities of the Receiver, and the Receiver's statement of receipts and disbursements, as set out in the First Report of the Receiver dated November 7, 2025 (the "**First Report**").
  - (c) dispensing with the necessity of counsel other than counsel for the Receiver approving the form of order; and
  - (d) Such further and other relief as this Honourable Court deems just.
3. An Order substantially in the form attached hereto as **Schedule "F"** sealing the Confidential Supplement to the First Report of the Receiver to the Court dated November 10, 2025 (the "**Confidential Report**") in the Court file.

## **Part 2: FACTUAL BASIS**

### **RECEIVERSHIP ORDER**

1. Pursuant to the Receivership Order made October 28, 2024 (the "**Date of Receivership**"), Deloitte Restructuring Inc. was appointed as Receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and property of KS Property Management Inc. ("**KSPM**" or the "**Company**"), including all proceeds (the "**Property**"). The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**."
2. Pursuant to paragraph 2(k) and (1) of the Receivership Order, the Receiver is empowered to:
  2. ...
    - (k) to market any or all of the Property, including advertising and soliciting offers in respect of the 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 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 \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; 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;

## BACKGROUND

3. KSPM was incorporated in British Columbia (“**BC**”) on December 31, 2020, and its directors are Ms. Christianne Hossmann (“**Ms. Hossmann**”) and Mr. Isaac Hossmann. KSPM has no officers.
4. KSPM operated as a BC-based residential real estate developer. As of the Date of Receivership, its primary assets were two development projects:
  - (a) Twin River Estates (the “**Twin River Development**”), a partially completed residential subdivision located in Castlegar, BC which is intended to be subdivided into approximately 53 bare freehold lots. These lands have a civic address of 3805 Columbia Ave., Castlegar, BC and a legal description PID: 014-793-512 Lot 1 District Lot 4598 Kootenay District Plan 4520 Except Plans 7849, NEP87626 and EPP110967 (the “**Twin River Lands**”); and
  - (b) 16 remaining unsold completed strata lots located in Wardner, BC (the “**Osprey Landing Lots**”) with PIDs as set out in **Appendix “D”** to the First Report of the Receiver dated November \*\*\*, 2025 (the “**First Report**”), (the “**Osprey Lands**”, and together with the Twin River Lands, the “**Lands**”). The Osprey Landing Lots are located in the Osprey Landing development, a private, gated community which comprises a total of 81 strata lots, with 65 having been sold to date.

### Background on the financial difficulties faced by the Company

5. KSPM was a wholly-owned subsidiary of Kootenay Savings Credit Union (“**KSCU**”) until December 31, 2023, when the Company was sold to 0997677 BC Ltd. dba CDG Enterprises (“**CDG**”), who was the head contractor for the Twin River Development. As part of this transaction, KSCU acquired a 9% interest in CDG and advanced \$2.0 million in shareholder loans to CDG (the “**CDG Shareholder Loans**”).

### Real Property

6. KSPM’s primary asset is the Lands. As of October 31, 2024, the Lands had a combined net book value (inclusive of infrastructure upgrades) of approximately \$13.8 million.

### *The Osprey Landing Lands*

7. The Receiver understands that the 16 remaining unsold Osprey Landing Lots have been listed for sale over several years with two different realtors. Between December 31, 2023 and the Date of Receivership, the Company sold nine lots.

8. The Osprey Landing Lots include Strata Lots 1, 4, 5, 44, 45, 46, 47, 48, 55, 56, 57, 58, 59, 60, 61, and 62.
9. The direct holding costs associated with the Osprey Landing Lots total approximately \$4,525 per month and include, inter alia:
  - (a) Strata and utility fees of approximately \$3,200 per month;
  - (b) Property taxes of approximately \$525 per month;
  - (c) Insurance costs of approximately \$625 per month; and
  - (d) Costs of approximately \$175 per month for a representative retained by the Receiver to attend at strata council meetings.

### ***Twin River Lands***

10. The Twin River Development is substantially completed with paved road, streetlamps, junction boxes, and other subdivision works completed. However, there remain a number of deficiencies to be completed before the City of Castlegar will approve the subdivision and the lots can be legally subdivided. The deficiencies include, among other items, testing of sanitary pumps, relocating utility infrastructure, certain earthworks and erosion control, and finalizing site servicing and testing (the “**Twin River Deficiencies**”).
11. The direct holding costs associated with the Twin River Lands total approximately \$1,307 per month and include, inter alia:
  - (a) Utility fees of approximately \$45 per month;
  - (b) Property taxes of approximately \$637 per month; and
  - (c) Insurance costs of approximately \$625 per month.

### **ACTIVITIES OF THE RECEIVER**

12. The Receiver has undertaken the following activities in relation to the Receivership, for the most part since the Date of Receivership:
  - (a) Reviewed KSCU’s receivership application materials and the draft Receivership Order;
  - (b) Held discussions with Ms. Hossmann to obtain information on the Lands, and to gain access to the Company’s books and records;
  - (c) Arranged to freeze the Company’s bank account with Bank of Montreal and transfer the balance of funds to the Receiver’s trust account.
  - (d) Set up a trust account for KSPM and completed various estate accounting;
  - (e) Advised the Company’s insurance broker of the Receivership Proceedings and arranged for replacement coverage with a new broker;
  - (f) Prepared and issued notices required under the BIA, including:

- i) Preparing and mailing the Notice to Creditors;
  - ii) Submitting the Notice to Creditors to the Office of Superintendent of Bankruptcy;  
and
  - iii) Establishing the Receiver's Website for stakeholders to access Court Orders and other materials;
- (g) Advised the local utility companies and the Osprey Landing Development strata corporation of the Receivership Proceedings, and arranged to have the utility and strata accounts for the Lands placed in the Receiver's name;
  - (h) Arranged for a locksmith to attend to the Twin Rivers Development to secure the infrastructure on site;
  - (i) Retained Nathanson, Schachter, & Thompson LLP ("NST") to act as independent legal counsel to the Receiver and corresponded with them regarding all aspects of the Receivership Proceedings;
  - (j) Participated in telephone calls with various stakeholders, including KSCU and its legal counsel;
  - (k) Reviewed the ongoing hold costs associated with the Lands, prepared cash flow forecasts and arranged to obtain borrowings from KSCU to fund the Receivership Proceedings;
  - (l) Retained the existing representative on the Osprey Landing Development strata council and held discussions with them regarding various matters and voting decisions;
  - (m) Contacted Canada Revenue Agency ("CRA") to review the Company's goods and services tax ("GST") account and to facilitate filings for the post-receivership period;
  - (n) Conducted a preliminary review of KSPM's accounting records to ascertain sources and uses of cash, including the funds associated with the CDG Shareholder Loan, and the extent of intercompany transactions between KSPM and CDG in the months leading up to the Date of Receivership;
  - (o) Prepared a request for proposals to select a realtor and negotiated a listing agreement with Colliers Macaulay Nicolls Inc. ("Colliers"), as further described herein;
  - (p) Undertook various discussions with the engineer of record for the Twin River Development, Pennco Engineering (BC) Ltd., the City of Castlegar (the "City"), and general contractors in the region to ascertain the status of the development and work required to complete it, as detailed later in this Report;
  - (q) Liaised with NST to discuss various legal matters relating to, *inter alia*, the Sale Process and lienholders;

- (r) Conducted the Sale Process and negotiated the Purchase Agreements (as further described herein); and
- (s) Attended to other matters pertaining to the administration of the Receivership Proceedings.

## SALE PROCESS

### Background and engagement of Colliers

- 13. On November 12, 2024, the Receiver issued a request for proposals to seven different commercial and residential real estate brokerages. The Receiver requested that each realtor provide background information regarding each firm's experience, knowledge of the local and BC market, a marketing plan for the Lands, an estimate of the value of the Lands, and the realtor's proposed commission structure.
- 14. On November 25, 2024, the Receiver obtained proposals from four of these brokerages (the "**Proposals**").
- 15. The Receiver reviewed the Proposals, engaged in discussions with the realtors, and consulted with KSCU to select the most suitable proposal.
- 16. On January 17, 2025, the Receiver entered into a listing agreement with Colliers in respect of the Twin River Lands and entered into a further co-listing agreement with Colliers and RE/MAX Blue Sky Realty, Cranbrook ("**RE/MAX**") on April 30, 2025 with respect to the Osprey Landing Lots. In making its decision, the Receiver considered, among other things, Collier's and RE/MAX's recent experience with similar development lands, transactions undertaken in the Vancouver and Kootenay regions, their knowledge of potential buyers, and the commission rates. KSCU supported the engagement of Colliers.

### Marketing of the Osprey Landing Lots

- 17. Colliers provided the Receiver with a proposed marketing plan and list prices for each of the Osprey Landing Lots (the "**Osprey List Prices**"), giving consideration to the previous list prices of the lots, the current market conditions and the recent appraised values. KSCU supported the proposed Osprey List Prices. An analysis of the Osprey List Prices as compared to the Osprey Appraisal and BC Assessed Values is attached as an appendix to the Confidential Supplement.
- 18. Colliers has undertaken the following marketing activities with respect to the Osprey Landing Lots:
  - (a) On May 14, 2025, Colliers commenced marketing of the Osprey Landing Lots. The launch date was determined following discussions between the Receiver, Colliers, and local real estate agents regarding the optimal launch time for recreational property over the summer months. Marketing activities included listing the lots on the Multiple Listing

Service, publishing the listings on collierscanada.com (110 exclusive views to September 5, 2025), installing signage on the lots, and providing pertinent due diligence documents to interested parties and their agents.

- (b) Between August 6 and 30, 2025, Colliers ran a social media campaign which generated 65 direct leads, whereby prospective purchasers provided their consent to be contacted regarding the Osprey Landing Lots.
- (c) Between May 14 and September 5, 2025, Colliers conducted site tours with 15 parties and fielded over 100 inquiries from realtors and influencers in the Kootenay region.

### **The Lot 1 Transaction**

- 19. The offers received in respect of the Osprey Landing Lots which were not accepted and subsequent negotiations with interested parties are more fully outlined in the Confidential Report.
- 20. On May 15, 2025, the Receiver entered into the Lot 1 Purchase Agreement with the Lot 1 Purchasers. Unless otherwise provided, all capitalized terms not defined in the Report are as defined in the Lot 1 Purchase Agreement. A copy of the Purchase Agreement, with the Purchase Price and Deposit amount redacted, is attached as **Appendix “B”** to the Report.
- 21. Pursuant to the Lot 1 Purchase Agreement, the Lot 1 Purchasers have agreed to purchase, and the Receiver has agreed to sell, all of the Company’s right, title and interest in and to Osprey Lot 1, free and clear of all claims and encumbrances (other than certain permitted encumbrances).
- 22. The material terms of the Transaction include:
  - (a) **Purchase Price and Deposit:** Disclosed in the Confidential Report;
  - (b) **Representations and warranties:** Consistent with the standard terms of an insolvency transaction, Osprey Lot 1 is being acquired on an ‘as-is, where-is’ basis with no representations or warranties provided by the Receiver.
  - (c) **Conditions:** Completion is subject to receiving Court Approval of the Transaction, and Osprey Lot 1 being in substantially the same condition at the Possession Date as when viewed by the Purchaser on October 1, 2024.
  - (d) **Completion Date:** The Completion Date and Possession Date is 10 business days following Court approval of the Transaction.

### **The Lot 4 Transaction**

- 23. On October 19, 2025, the Receiver entered into the Lot 4 Purchase Agreement with the Lot 4 Purchaser. Unless otherwise provided, all capitalized terms not defined in this section of this



Report are as defined in the Lot 4 Purchase Agreement. A copy of the Lot 4 Purchase Agreement, with the Purchase Price and Deposit amount redacted, is attached as **Appendix “C”** to the Report.

24. Pursuant to the Lot 4 Purchase Agreement, the Lot 4 Purchaser has agreed to purchase, and the Receiver has agreed to sell, all of the Company’s right, title and interest in and to Osprey Lot 4, free and clear of all claims and encumbrances (other than certain permitted encumbrances).
25. The material terms of the Transaction include;
  - (a) **Purchase Price and Deposit:** Disclosed in the Confidential Report;
  - (b) **Representations and warranties:** Consistent with the standard terms of an insolvency transaction, Osprey Lot 4 is being acquired on an ‘as-is, where-is’ basis with no representations or warranties provided by the Receiver.
  - (c) **Conditions:** Completion is subject to receiving Court Approval of the Transaction.
  - (d) **Completion Date:** The Completion Date and Possession Date is 10 business days following Court approval of the Transaction.

#### **The Receiver’s Recommendation**

26. The Receiver respectfully recommends that the Court approve the Lot 1 Transaction and the Lot 4 Transaction (together, the “**Transactions**”) for the following reasons:
  - (a) The market has been widely canvassed by Colliers and RE/MAX, experienced realtors, using strategies commonly used to sell real property, including, but not limited to, direct solicitation of investors and developers. In the Receiver’s view, the listing brokers have undertaken a thorough and commercially reasonable marketing of Osprey Lot 1 and Osprey Lot 4 (together, the “**Sold Lots**”) and the Sale Process was conducted in a fair and transparent manner. In addition, the Osprey Landing Lots have been exposed to the market for several months prior to the Date of Receivership;
  - (b) The Purchase Price is fair and reasonable in the circumstances, taking into account the market value of the Sold Lots, other offers received, and feedback received on the status of the Kootenay real estate market for similar development lots; and
  - (c) The Receiver believes that the terms of the Transactions are reasonable and appropriate in the circumstances, represent the best outcome for stakeholders and will maximize the value of the Sold Lots for the benefit of the Company’s creditors.
27. KSCU, as the primary secured creditor of KSPM, is supportive of the Transactions.
28. Based on the forgoing, the Receiver supports the approval of the Transactions and the relief sought in the Lot 1 Vesting Order and the Lot 4 Vesting Order (together, the “**Vesting Orders**”).

### **Future Sales of the Osprey Landing Lots**

29. Given there will remain 14 Osprey Landing Lots (each an “**Unsold Lot**” and collectively, the “**Unsold Lots**”) to sell, the Receiver suggests a mechanism to market and complete the sale of the Unsold Lots on an ongoing basis without having to seek court approval of each sale. In the Receiver’s view, not having to seek Court approval in each case would avoid significant and unnecessary costs.
30. Accordingly, the Receiver is seeking an amendment to the Receivership Order to simplify the sale process, allowing the Receiver to sell an Unsold Lot without the need to bring a separate application for approval, subject to certain conditions (the “**Permitted Transaction**”).
31. The amendment to the Receivership Order sought by the Receiver would allow the Receiver to sell the remaining Osprey Landing Lots without court approval but at prices approved by KSCU. The Receivership Order would be further amended to specifically provide the Receiver with the power to execute Form A – Freehold Transfers of the Osprey Landing Lots being sold as Transferor. As the only holder of financial encumbrances charging the Osprey Landing Lots, KSCU would provide discharges of those encumbrances on closing as would be done in normal conveyances. The sale of Twin River Lands would require court approval.
32. KSCU has agreed with the proposed amendment to the Receivership Order.
33. The Receiver is of the view that this proposed approach will offer the following advantages:
  - (a) It will materially reduce the Receiver’s and the Receiver’s legal counsel fees, thereby maximizing net proceeds to the Company’s creditors;
  - (b) It will allow for an accelerated closing for the sale of the Unsold Lots, thereby providing more certainty to potential purchasers of the lots on their possession date; and
  - (c) It will simplify and streamline the closing of the Unsold Lots, which will help improve their marketability, particularly to parties that are unfamiliar with acquiring properties from an insolvency process.
34. Based on the forgoing, the Receiver supports the approval of the Amended Receivership Order.

### **Marketing of the Twin River Development**

35. In January and February 2025, the Receiver engaged Colliers to explore a sale of the Twin River Lands in their current state, without the completion of the Twin River Deficiencies.
36. Colliers canvassed the market and spoke to a number of potentially interested parties, including several local developers.

37. Ultimately, no offers were received to purchase the Twin River Lands in their current state. Interested parties cited concerns regarding the cost and availability of trade workers in the Kootenay region and uncertainty over the scope of the Twin River Deficiencies to obtain approval of the subdivision from the City.
38. An informal, non-binding offer was received from a developer in late January 2025, but closing was conditional on the approval of the subdivision by the City.
39. In response to the market feedback received by Colliers, and following discussions with KSCU, the Receiver opted to cease marketing the Twin River Lands in March 2025.
40. The Receiver is currently investigating options to engage a general contractor or other parties to complete the Twin River Deficiencies, with the intent of subdividing the property in mid-2026 and re-engaging a realtor to sell lots individually, or en-bloc.
41. The Receiver has undertaken discussions with engineers and the City to assess the scope of work involved. However as of the date of this Report only one construction firm has provided a quote for this work, with several others declining to consider it. The Receiver's efforts to procure a contractor to complete the Twin River Deficiencies are ongoing.

### **Part 3:LEGAL BASIS**

#### **Sealing Order**

1. The Receiver seeks to file the Confidential Report under seal.
2. The test for a sealing order is set out in the Supreme Court of Canada decision in *Sherman Estate v. Donovan*, which reframed the two-step inquiry in the *Sierra Club* test into three-steps, requiring an applicant for a sealing order to establish that:
  - (a) court openness poses a serious risk to an important public interest;
  - (b) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and
  - (c) as a matter of proportionality, the benefits of the order outweigh its negative effects.

*Sherman Estate v. Donovan*, 2021 SCC 25 at para. 38

3. The disclosure of information in the Confidential Report relating to other offers for the Osprey Landing Lots would be prejudicial in the event the Lot 1 Transaction and/or the Lot 4 Transaction do not close and for the future marketing of the Unsold Lots. Such disclosure could negatively impact values in such a future process. The information will only have to be sealed until the Unsold Lots have been sold or further court order. There are no other

alternatives to protect the interests of the stakeholders in obtaining the best price for the Unsold Lots and the benefits outweigh any negative effects.

## **APPROVAL OF THE TRANSACTIONS**

1. The factors that the court ought to consider in determining whether to approve a sale of assets by a receiver include:
  - (a) Whether the receiver made sufficient efforts to obtain the best price and did not act improvidently.
  - (b) The interests of all parties and, in particular, the interests of any secured creditors.
  - (c) The efficacy and integrity of the process by which offers were obtained.
  - (d) Whether there has been unfairness in the process.

*Royal Bank v. Soundair Corp.* (1991), 7 C.B.R. (3d) 1 (O.N.C.A.) [“*Soundair*”] at para 16

2. In order to protect the integrity of the sale process, the court generally gives deference to the Receiver.

*Soundair* at para 14

*Re Regal Constellation Hotel Ltd.* (2004), 50 C.B.R. (4<sup>th</sup>) 258 (O.N.C.A.) at para 23

3. The Lands, particularly the Osprey Landing Lots, have been extensively marketed and have been on the open market since June, 2020. This listing period has provided ample exposure to the market and opportunity for prospective purchasers to make offers.
4. The sale process undertaken by the Receiver with Colliers as agent has been robust, transparent and fair. The Transactions represents the highest and best resulting offer.
5. This Honourable Court has found that the weight to be given to the factor of creditor consultation is dependent on “the degree to which there was ever a realistic prospect of any recovery for them”.

*Re Feronia Inc.*, 2020 BCSC 1372 at para 62.

6. The secured creditor who will benefit from the sale of the Lands is KSCU. The Receiver has consulted with KSCU which has approved the sale of Osprey Lot 1 and Osprey Lot 4 and the future marketing plan proposed by the Receiver.
7. For the reasons set out herein, the Transactions satisfy the *Soundair* factors, and are commercially reasonable in the circumstances.

## **PROPOSED FUTURE MARKETING PLAN FOR THE OSPREY LANDING LOTS**

8. To date, the Receiver has received two acceptable offers for Osprey Landing Lots leaving 14 lots unsold. The Receiver's proposal for the future sale of Osprey Land Lots makes sense given the cost of applying for approval of individual lot sales in the future.
9. KSCU approves of the proposed amendment of the Receivership Order. The cost saving of not having to apply to court for approval of the sale of each of the 14 remaining Osprey Landing Lots is directly benefitting KSVU.

#### **APPROVAL OF ACTIVITIES AND STATEMENT OF RECEIPTS AND DISBURSEMENTS**

10. Approval of the Receiver's activities is appropriate in these circumstances because such approval will:
  - (a) allow the Receiver and other stakeholders to move forward confidently with the next steps in the Receivership Proceedings;
  - (b) bring the Receiver's activities in issue before this Court, providing an opportunity for the concerns of this Court and/or other stakeholders to be addressed, and any problems or concerns to be rectified in a timely way;
  - (c) provide certainty and finality in the receivership and activities undertaken by the Receiver to date, while providing an opportunity for the stakeholders to raise specific objections and concerns;
  - (d) enable this Court, tasked with supervising the Receivership Proceedings, to satisfy itself that the Receiver's court-mandated activities have been conducted in a prudent and diligent manner;
  - (e) provides protection for the Receiver, not otherwise provided by statute; and
  - (f) protects creditors from delay that would be caused by:
    - (i) re-litigation of steps taken to date; and
    - (ii) potential indemnity claims by the Receiver.

*Target Canada Co. (Re)*, 2015 ONSC 7574 at paras. 12 and 23

1. The court has inherent jurisdiction to approve the activities of a court appointed receiver. The applicable test is an objective one that the receiver has acted "reasonably, prudently and not arbitrarily".

*Leslie & Irene Dube Foundation Inc. v. P218 Enterprises Ltd.*,  
2014 BCSC 1855 at para. 54.

11. The Receiver submits that based on the above, this Court should approve the Receiver's activities and the Statement of Receipts and Disbursements as outlined in the First Report.

*Enterprises Ltd.*, 2014 BCSC 1855 at paras. 51 and 52

12. The Receiver relies on the terms of the Receivership Order, sections 15 and 37 of the Law and Equity Act, R.S.B.C. 1996, c. 253, Rules 8-1, 13-2, 13-5, 14-1, and 21-7 of the Supreme Court Civil Rules and the inherent jurisdiction of this court.


**Part 4: MATERIAL TO BE RELIED ON**

1. First Report of the Receiver made November 7, 2025.
2. Confidential Supplement to the First Report of the Receiver made November 12, 2025.
3. Such further and other material as counsel may advise and this Honourable Court deems admissible.

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

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

Date: 13/11/2025

  
 \_\_\_\_\_  
 Signature of counsel for Applicant,  
 Peter J. Reardon

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

***To be completed by the court only:***

Order made

- ☐ in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this notice of application
- ☐ with the following variations and additional terms:

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Date: \_\_\_\_\_

Signature of \_\_\_\_\_

☐ Judge   ☐ Associate Judge

**APPENDIX**

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

**THIS APPLICATION INVOLVES THE FOLLOWING:**

*[Check the box(es) below for the application type(s) included in this application.]*

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



## SCHEDULE "A"

No. VLC-S-H-240795  
VANCOUVER REGISTRY

### IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KOOTENAY SAVINGS CREDIT UNION

PETITIONER

AND:

KS PROPERTY MANAGEMENT INC., INC. NO. BC1281655 ALSO  
KNOWN AS KS PROPERTY MANAGEMENT INC.  
MARWEST INDUSTRIES LTD.  
COLAS WESTERN CANADA INC.  
PENNCO ENGINEERING (BC) LTD.  
GEO STABILIZATION INTERNATIONAL INC.  
HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

### SERVICE LIST

As at October 31, 2024

<p>Nathanson, Schachter &amp; Thompson LLP</p> <p>Attention: <b>Peter J Reardon</b></p> <p>Email: <a href="mailto:preardon@nst.ca">preardon@nst.ca</a> <a href="mailto:rpearson@nst.ca">rpearson@nst.ca</a></p> <p><i>Counsel for the Receiver</i></p>	<p>Deloitte Restructuring Inc.</p> <p>Attention: <b>Paul Chambers</b> <b>Jeff Keeble</b></p> <p>Email: <a href="mailto:pachambers@deloitte.ca">pachambers@deloitte.ca</a> <a href="mailto:jkeeble@deloitte.ca">jkeeble@deloitte.ca</a></p> <p><i>The Receiver</i></p>
<p>MCM Law LLP</p> <p>Attention: Jennifer Cockbill</p> <p>Email: <a href="mailto:jennifer@mcmlaw.ca">jennifer@mcmlaw.ca</a> <a href="mailto:lisa@mcmlaw.ca">lisa@mcmlaw.ca</a> <a href="mailto:cherelle@mcmlaw.ca">cherelle@mcmlaw.ca</a></p> <p><i>Counsel for Kootenay Savings Credit Union</i></p>	<p>KS Property Management Inc.</p> <p>Attention: <b>Christianne Hossmann</b></p> <p>Email: <a href="mailto:christianne@kspm.ca">christianne@kspm.ca</a></p>

<p>Jenkins Marzban Logan LLP</p> <p>Attention: <b>Devon H. Lehrer</b></p> <p>Email: <a href="mailto:dlehrer@jml.ca">dlehrer@jml.ca</a>  <a href="mailto:ccarvalho@jml.ca">ccarvalho@jml.ca</a>  <a href="mailto:reception@jml.ca">reception@jml.ca</a></p> <p><i>Counsel for Marwest Industries Ltd.</i></p>	<p>McLean &amp; Armstrong LLP</p> <p>Attention: <b>Chris Moore</b></p> <p>Email: <a href="mailto:cmoore@mcleanarmstrong.com">cmoore@mcleanarmstrong.com</a>  <a href="mailto:msulentic@mcleanarmstrong.com">msulentic@mcleanarmstrong.com</a></p> <p><i>Counsel for Colas Western Canada Inc. &amp; Geo Stabilization International Inc.</i></p>
<p>Watson &amp; Company</p> <p>Attention: <b>Matthew Scheffelmaier</b></p> <p>Email: <a href="mailto:matt@nelsonlawyers.com">matt@nelsonlawyers.com</a></p> <p><i>Counsel for Pennco Engineering (BC) Ltd.</i></p>	<p>Department of Justice Canada British Columbia Regional Office</p> <p>Attention: <b>Aminollah Sabzevari</b></p> <p>Email: <a href="mailto:Aminollah.Sabzevari@justice.gc.ca">Aminollah.Sabzevari@justice.gc.ca</a></p> <p><i>His Majesty the King in Right of Canada</i></p>
<p>Pushor Mitchell Lawyers</p> <p>Attention: <b>Miranda J Wardman</b>  <b>Tyler Boettcher</b>  <b>Leanne Boettcher</b></p> <p>Email: <a href="mailto:wardman@pushormitchell.com">wardman@pushormitchell.com</a>  <a href="mailto:cowden@pushormitchell.com">cowden@pushormitchell.com</a>  <a href="mailto:tyler.boettcher@outlook.com">tyler.boettcher@outlook.com</a></p> <p><i>Counsel for Tyler Boettcher and Leanne Boettcher</i></p>	

### **E-Service List**

jennifer@mcmlaw.ca; lisa@mcmlaw.ca; cherelle@mcmlaw.ca; christianne@kspm.ca; dlehrer@jml.ca;  
ccarvalho@jml.ca; reception@jml.ca;  
cmoore@mcleanarmstrong.com; msulentic@mcleanarmstrong.com; matt@nelsonlawyers.com;  
preardon@nst.ca; rpearson@nst.ca; pachambers@deloitte.ca; jkeeble@deloitte.ca;  
Aminollah.Sabzevari@justice.gc.ca; wardman@pushormitchell.com; cowden@pushormitchell.com;  
tyler.boettcher@outlook.com

**SCHEDULE "B"**

No. H-240795  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

KOOTENAY SAVINGS CREDIT UNION

PETITIONER

AND:

KS PROPERTY MANAGEMENT INC., INC. NO. BC1281655  
also known as KS PROPERTY MANAGEMENT INC.  
MARWEST INDUSTRIES LTD.  
COLAS WESTERN CANADA INC.  
PENNCO ENGINEERING (BC) LTD.  
GEO STABILIZATION INTERNATIONAL INC.  
HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

**ORDER MADE AFTER APPLICATION**

**APPROVAL AND VESTING ORDER**

BEFORE THE HONOURABLE

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)  
)

\*/11/2025

THE APPLICATION of Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (the "**Receiver**") of the assets, undertakings and properties of KS Property Management Inc. coming on for hearing at Vancouver, British Columbia, on the        day of November, 2025;

AND ON HEARING Peter J. Reardon, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, and no one appearing for any other parties, although duly served;

AND UPON READING the material filed, including the First Report of the Receiver dated November 7, 2025 (the "**Report**");

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the “**Transaction**”) contemplated by the Contract of Purchase and Sale dated May 15, 2025 (the “**Sale Agreement**”) between the Receiver and Michael Thomas Jourdin and Anne Marie Jourdin, as joint tenants (the “**Purchaser**”), a copy of which is attached as Appendix “B” to the Report is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the “**Purchased Assets**”).
2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule “B” hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Orders of this Court made herein October 28, 2024 and November \*\*\*, 2025; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “C” hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. Upon presentation for registration in the Land Title Office for the Land Title District of Nelson of a certified copy of this Order, together with a letter from Nathanson Schachter & Thompson LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles (the “**BC Registrar**”) is hereby directed to:
  - (a) enter the Purchaser as the owner of the Lands, as identified in Schedule “D” hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all the registered Encumbrances except for those listed in Schedule "C".
- 4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
- 5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
- 6. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in Schedule "F" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
- 7. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule "C".
- 8. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
- 9. Notwithstanding:
  - (a) these proceedings;
  - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
  - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and

shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
11. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
12. The necessity of counsel other than counsel for the Receiver approving this form of order 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 Peter J. Reardon

☐ Party ☒ Lawyer for the Deloitte Restructuring Inc.

\_\_\_\_\_  
  
\_\_\_\_\_

BY THE COURT

\_\_\_\_\_  
REGISTRAR

**Schedule A – List of Counsel Appearing**

<b>Counsel/Party</b>	<b>Party(ies) Represented</b>
Peter J. Reardon Counsel for the Receiver	Deloitte Restructuring Inc.



**Schedule B – Receiver’s Certificate**

No. H-240795  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

KOOTENAY SAVINGS CREDIT UNION

PETITIONER

AND:

KS PROPERTY MANAGEMENT INC., INC. NO. BC1281655  
also known as KS PROPERTY MANAGEMENT INC.  
MARWEST INDUSTRIES LTD.  
COLAS WESTERN CANADA INC.  
PENNCO ENGINEERING (BC) LTD.  
GEO STABILIZATION INTERNATIONAL INC.  
HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

**RECEIVER'S CERTIFICATE**

- A. Pursuant to an Order of the Court made November \_\_, 2025, (the “**Approval and Vesting Order**”), the Court approved the Contract of Purchase and Sale dated May 15, 2025 (the “**Agreement**”) between the Receiver and Michael Thomas Jourdin and Anne Marie Jourdin, as joint tenants (the “**Purchaser**”) providing for the sale and other transactions and for the conveyance to the Purchaser of Assets purchased by it in the Agreement (the “**Purchased Assets**”) free and clear of and from all Claims which vesting is to be effective with respect to the Purchased Assets upon delivery by the Receiver to the Purchaser of a certificate confirming the payment by the Purchaser to the Receiver of the Purchase Price in accordance with the Agreement.
- B. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price pursuant to the Agreement.
2. The Agreement has been performed to the satisfaction of the Receiver.

3. This Certificate was delivered by the Receiver to the Purchaser on [date], 2025.

**DELOITTE RESTRUCTURING  
INC., in its capacity as Receiver of  
KS Property Management Inc., and  
not in its personal capacity**

Per: \_\_\_\_\_  
Name: Paul Chambers  
Title: Senior Vice President

**Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants  
related to Real Property**

**For Strata Lot 1**

1. The reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown.
2. EASEMENT  
59232D  
1961-12-01 11:01  
INTER ALIA  
APPURTENANT TO LANDS AS THEREIN SET OUT  
  
RIGHT OF WAY  
D3537  
1970-04-22 16:05  
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY INTER ALIA  
  
RENT CHARGE  
LB300161  
2009-04-09 14:10  
KOOCANUSA UTILITY COMPANY LTD.  
INCORPORATION NO. BC0808793  
INTER ALIA  
  
STATUTORY BUILDING SCHEME  
CA1640753  
2010-07-02 10:47  
INTER ALIA  
  
COVENANT  
CA1640760  
2010-07-02 10:47  
THE CROWN IN RIGHT OF BRITISH COLUMBIA  
THE REGIONAL DISTRICT OF EAST KOOTENAY  
INTER ALIA  
  
UNDERSURFACE RIGHTS  
LB454311  
2011-03-11 13:13  
INTER ALIA  
PURSUANT TO MINERAL LAND TAX ACT - MINERALS HEREIN FORFEITED  
AND VESTED IN THE CROWN

**Schedule D - Purchased Assets**

PID: 028-270-428

Strata Lot 1 District Lot 2374 Kootenay District Strata Plan EPS171 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V

**Schedule E – Claims to be deleted/expunged from title to Real Property**

MORTGAGE  
CA7263582  
2018-12-20 11:05  
KOOTENAY SAVINGS CREDIT UNION  
INCORPORATION NO. FI36  
INTER ALIA

ASSIGNMENT OF RENTS  
CA7263583  
2018-12-20 11:05  
KOOTENAY SAVINGS CREDIT UNION  
INCORPORATION NO. FI36  
INTER ALIA

CERTIFICATE OF PENDING LITIGATION CB1586442  
2024-09-10 10:58  
KOOTENAY SAVINGS CREDIT UNION INTER ALIA

No. H-240795  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

KOOTENAY SAVINGS CREDIT UNION

PETITIONER

AND:

KS PROPERTY MANAGEMENT INC., INC. NO. BC1281655  
also known as KS PROPERTY MANAGEMENT INC.  
MARWEST INDUSTRIES LTD.  
COLAS WESTERN CANADA INC.  
PENNCO ENGINEERING (BC) LTD.  
GEO STABILIZATION INTERNATIONAL INC.  
HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

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**ORDER MADE AFTER APPLICATION**

**APPROVAL AND VESTING ORDER**

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Peter J. Reardon  
**Nathanson, Schachter & Thompson LLP**  
750 – 900 Howe Street  
Vancouver, BC V6Z 2M4  
Telephone: (604) 662-8840  
Email: preardon@nst.ca

**SCHEDULE “C”**

No. H-240795  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

KOOTENAY SAVINGS CREDIT UNION

PETITIONER

AND:

KS PROPERTY MANAGEMENT INC., INC. NO. BC1281655  
also known as KS PROPERTY MANAGEMENT INC.  
MARWEST INDUSTRIES LTD.  
COLAS WESTERN CANADA INC.  
PENNCO ENGINEERING (BC) LTD.  
GEO STABILIZATION INTERNATIONAL INC.  
HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

**ORDER MADE AFTER APPLICATION**

**APPROVAL AND VESTING ORDER**

BEFORE THE HONOURABLE



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)  
)

\*/11/2025

THE APPLICATION of Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (the “**Receiver**”) of the assets, undertakings and properties of KS Property Management Inc. coming on for hearing at Vancouver, British Columbia, on the \*\*\* day of November, 2025;

AND ON HEARING Peter J. Reardon, counsel for the Receiver, and those other counsel listed on Schedule “A” hereto, and no one appearing for any other parties, although duly served;

AND UPON READING the material filed, including the First Report of the Receiver dated November 7, 2025 (the “**Report**”);

THIS COURT ORDERS AND DECLARES THAT:



1. The sale transaction (the “**Transaction**”) contemplated by the Contract of Purchase and Sale dated October 19, 2025 (the “**Sale Agreement**”) between the Receiver and Erkin Atakhanox (the “**Purchaser**”), a copy of which is attached as Appendix “C” to the Report is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the “**Purchased Assets**”).
2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule “B” hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Orders of this Court made herein October 28, 2024 and November \*\*\*, 2025; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “C” hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. Upon presentation for registration in the Land Title Office for the Land Title District of Nelson of a certified copy of this Order, together with a letter from Nathanson Schachter & Thompson LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles (the “**BC Registrar**”) is hereby directed to:
  - (a) enter the Purchaser as the owner of the Lands, as identified in Schedule “D” hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all the registered Encumbrances except for those listed in Schedule "C".
- 4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
- 5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
- 6. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in Schedule "F" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
- 7. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule "C".
- 8. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
- 9. Notwithstanding:
  - (a) these proceedings;
  - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
  - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and

shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
11. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
12. The necessity of counsel other than counsel for the Receiver approving this form of order 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 Peter J. Reardon

☐ Party ☒ Lawyer for the Deloitte Restructuring Inc.

BY THE COURT

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REGISTRAR

**Schedule A – List of Counsel Appearing**

<b>Counsel/Party</b>	<b>Party(ies) Represented</b>
Peter J. Reardon Counsel for the Receiver	Deloitte Restructuring Inc.

**Schedule B – Receiver’s Certificate**

No. H-240795  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

KOOTENAY SAVINGS CREDIT UNION

PETITIONER

AND:

KS PROPERTY MANAGEMENT INC., INC. NO. BC1281655  
also known as KS PROPERTY MANAGEMENT INC.  
MARWEST INDUSTRIES LTD.  
COLAS WESTERN CANADA INC.  
PENNCO ENGINEERING (BC) LTD.  
GEO STABILIZATION INTERNATIONAL INC.  
HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

**RECEIVER'S CERTIFICATE**

- A. Pursuant to an Order of the Court made November \_\_\_, 2025, (the “**Approval and Vesting Order**”), the Court approved the Contract of Purchase and Sale dated October 19, 2025 (the “**Agreement**”) between the Receiver and Erkin Atakhanox (the “**Purchaser**”) providing for the sale and other transactions and for the conveyance to the Purchaser of Assets purchased by it in the Agreement (the “**Purchased Assets**”) free and clear of and from all Claims which vesting is to be effective with respect to the Purchased Assets upon delivery by the Receiver to the Purchaser of a certificate confirming the payment by the Purchaser to the Receiver of the Purchase Price in accordance with the Agreement.
- B. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price pursuant to the Agreement.
2. The Agreement has been performed to the satisfaction of the Receiver.

3. This Certificate was delivered by the Receiver to the Purchaser on [date], 2025.

**DELOITTE RESTRUCTURING  
INC., in its capacity as Receiver of  
KS Property Management Inc., and  
not in its personal capacity**

Per: \_\_\_\_\_  
Name: Paul Chambers  
Title: Senior Vice President

**Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants**  
**related to Real Property**

**For Strata Lot 4**

1. The reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown.
2. EASEMENT  
59232D  
1961-12-01 11:01  
INTER ALIA  
APPURTENANT TO LANDS AS THEREIN SET OUT  
  
RIGHT OF WAY  
D3537  
1970-04-22 16:05  
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY INTER ALIA  
  
RENT CHARGE  
LB300161  
2009-04-09 14:10  
KOOCANUSA UTILITY COMPANY LTD.  
INCORPORATION NO. BC0808793  
INTER ALIA  
  
STATUTORY BUILDING SCHEME  
CA1640753  
2010-07-02 10:47  
INTER ALIA  
  
COVENANT  
CA1640760  
2010-07-02 10:47  
THE CROWN IN RIGHT OF BRITISH COLUMBIA  
THE REGIONAL DISTRICT OF EAST KOOTENAY  
INTER ALIA  
  
UNDERSURFACE RIGHTS  
LB454311  
2011-03-11 13:13  
INTER ALIA  
PURSUANT TO MINERAL LAND TAX ACT - MINERALS HEREIN FORFEITED  
AND VESTED IN THE CROWN



**Schedule D - Purchased Assets**

PID: 028-270-452

Strata Lot 4 District Lot 2374 Kootenay District Plan EPS171 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V:

**Schedule E – Claims to be deleted/expunged from title to Real Property**

MORTGAGE

CA7263582

2018-12-20 11:05

KOOTENAY SAVINGS CREDIT UNION

INCORPORATION NO. FI36

INTER ALIA

ASSIGNMENT OF RENTS CA7263583

2018-12-20 11:05

KOOTENAY SAVINGS CREDIT UNION INCORPORATION NO. FI36

INTER ALIA

No. H-240795  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

KOOTENAY SAVINGS CREDIT UNION

PETITIONER

AND:

KS PROPERTY MANAGEMENT INC., INC. NO. BC1281655  
also known as KS PROPERTY MANAGEMENT INC.  
MARWEST INDUSTRIES LTD.  
COLAS WESTERN CANADA INC.  
PENNCO ENGINEERING (BC) LTD.  
GEO STABILIZATION INTERNATIONAL INC.  
HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

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**ORDER MADE AFTER APPLICATION**

**APPROVAL AND VESTING ORDER**

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Peter J. Reardon  
**Nathanson, Schachter & Thompson LLP**  
750 – 900 Howe Street  
Vancouver, BC V6Z 2M4  
Telephone: (604) 662-8840  
Email: preardon@nst.ca

## **SCHEDULE “D”**

### **OSPREY LANDS**

- a. PID: 028-270-428 Strata Lot 1 District Lot 2374 Kootenay District Strata Plan EPS171;
- b. PID: 028-270-452 Strata Lot 4 District Lot 2374 Kootenay District Strata Plan EPS171;
- c. PID: 028-270-461 Strata Lot 5 District Lot 2374 Kootenay District Strata Plan EPS171;
- d. PID: 028-270-860 Strata Lot 44 District Lot 2374 Kootenay District Strata Plan EPS171;
- e. PID: 028-270-878 Strata Lot 45 District Lot 2374 Kootenay District Strata Plan EPS171;
- f. PID: 028-270-886 Strata Lot 46 District Lot 2374 Kootenay District Strata Plan EPS171;
- g. PID: 028-270-894 Strata Lot 47 District Lot 2374 Kootenay District Strata Plan EPS171;
- h. PID: 028-270-908 Strata Lot 48 District Lot 2374 Kootenay District Strata Plan EPS171;
- i. PID: 028-270-975 Strata Lot 55 District Lot 2374 Kootenay District Strata Plan EPS171;
- j. PID: 028-270-983 Strata Lot 56 District Lot 2374 Kootenay District Strata Plan EPS171;
- k. PID: 028-270-991 Strata Lot 57 District Lot 2374 Kootenay District Strata Plan EPS171;
- l. PID: 028-271-009 Strata Lot 58 District Lot 2374 Kootenay District Strata Plan EPS171;
- m. PID: 028-271-017 Strata Lot 59 District Lot 2374 Kootenay District Strata Plan EPS171;
- n. PID: 028-271-025 Strata Lot 60 District Lot 2374 Kootenay District Strata Plan EPS171;
- o. PID: 028-271-033 Strata Lot 61 District Lot 2374 Kootenay District Strata Plan EPS171; and
- p. PID: 028-271-041 Strata Lot 62 District Lot 2374 Kootenay District Strata Plan EPS171

## **SCHEDULE “E”**

### **TWIN RIVER LANDS**

PID: 014-793-512 Lot 1 District Lot 4598 Kootenay District Plan 4520 Except Plans 7849, NEP87626 and EPP110967

## SCHEDULE "F"

No. H-240795  
Vancouver Registry

### IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KOOTENAY SAVINGS CREDIT UNION

PETITIONER

AND:

KS PROPERTY MANAGEMENT INC., INC. NO. BC1281655  
also known as KS PROPERTY MANAGEMENT INC.  
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HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

### SEALING ORDER

BEFORE THE HONOURABLE JUSTICE _____	) ) )	_____/11/2025
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ON THE APPLICATION of Deloitte Restructuring Inc. in its capacity as Court-appointed receiver of KS Property Management Inc. (the "**Receiver**") coming on for hearing at Vancouver, B.C. on \*\*\*/11/2025 and on hearing Peter J. Reardon, counsel for the receiver.

THIS COURT ORDERS that:

1. The Confidential Supplement to the First Report of the Receiver made November \*\*\*, 2025 be sealed by the Registrar of this Honourable Court for the duration noted:

Description	Date filed, if applicable	Number of copies filed, including any extra copies for the judge	Duration of sealing order [until further order of the Court; until the first day of trial; or until a specific date]	Sought	Granted	
					YES	NO
1a)  Confidential Supplement to the First Report of the	To be filed	1	Until completion of sale of the Lands or until further court order	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Receiver made November ***, 2025						
1b) Entire court file				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Other court records stored by the court [e.g. <i>court clerk's log notes, court audio recording</i> ]				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Orders [ <i>please specify</i> ]				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Reasons for Judgment				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Access to the sealed items is restricted to the following persons: [*Select all that apply*]

- a. ☐ Parties
- b. ☒ Counsel for the Receiver
- c. ☐ Others [*Specify*]

3. Endorsement of this order by counsel appearing on this application, other than 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:

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Signature of lawyer for the Receiver  
Nathanson Schachter & Thompson LLP  
Peter J. Reardon

By the Court

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Registrar

**Schedule A – List of Counsel Appearing**

<b>Counsel/Party</b>	<b>Party(ies) Represented</b>
Peter J. Reardon Counsel for the Receiver	Deloitte Restructuring Inc.



No. H-240795  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

KOOTENAY SAVINGS CREDIT UNION

PETITIONER

AND:

KS PROPERTY MANAGEMENT INC., INC. NO. BC1281655  
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RESPONDENTS

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**NOTICE OF APPLICATION**

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**Peter J. Reardon**  
NATHANSON, SCHACHTER & THOMPSON LLP  
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Vancouver, BC V6Z 2M4  
Tel.: (604) 662-8840  
Email: preardon@nst.ca