

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

3000 HENRY STREET LIMITED PARTNERSHIP

and

0790857 B.C. LTD.

RESPONDENTS

NOTICE OF APPLICATION

NAME OF APPLICANT: KSV Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of the assets, undertakings, and property of 3000 Henry Street Limited Partnership and 0790857 B.C. Ltd.

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

TAKE NOTICE that an application will be made by the applicant to the Honourable Justice Stephens at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on Friday, October 25, 2024, at 9:00 a.m. for the orders set out in Part 1 below.

The applicant estimates that the Application will take 1 hour.

This matter is not within the jurisdiction of an Associate Justice.

Part 1: ORDER(S) SOUGHT

1. An order, substantially in the form attached hereto as **Schedule “B”**,
 - (a) approving the Receiver’s proposed sale process in respect of the marketing and sale of the Property (the “**Sale Procedure**”), including the sale solicitation procedures in respect of the Sale Procedure and the listing agreement (the “**Listing Agreement**”) between the Receiver and Colliers Macaulay Nicolls Inc., to be executed (the “**Sales Agent**”);

- (b) approving the agreement of purchase and sale between 1496619 B.C. Ltd. (the “**Stalking Horse Purchaser**”) and the Receiver, dated October 3, 2024 (the “**Stalking Horse APS**”) to serve as the “stalking horse bid” pursuant to the proposed Sale Procedure; and
 - (c) approving the Expense Reimbursement (as defined below) and authorizing the Receiver to pay the Expense Reimbursement to the Stalking Horse Purchaser in the manner and circumstances described in the Stalking Horse APS.
2. Such further and other relief as the circumstances may require and as this Honourable Court deems appropriate.

Part 2: FACTUAL BASIS

Background

3. All capitalized terms not otherwise defined herein have the meanings given to them in the Stalking Horse APS, the First Report of the Receiver dated October 11, 2024 (the “**First Report**”), or the Receivership Order (as defined below).
4. 3000 Henry Street Limited Partnership (“**Henry Street**”) is a limited partnership formed pursuant to the laws of the Province of British Columbia. 0790857 B.C. Ltd. (“**079 BC**”, and together with Henry Street, the “**Debtors**”) is a company incorporated pursuant to the laws of the Province of British Columbia.
5. On July 29, 2024, this Court granted an Order (the “**Receivership Order**”) appointing the Receiver as receiver of all of the assets, undertakings and property of the Debtors including all proceeds, acquired for, or used in relation to the business carried on by the Debtors (collectively, the “**Property**”).
6. The Debtors’ principal asset is the real property municipally known as 3000 Henry Street, Port Moody, British Columbia (the “**Real Property**”). The Real Property is a 4.34 acre plot of vacant land near several major roadways and public transit hubs. The land has been designated for the future development of a multi-residential property. Prior the Receivership Order being granted, the Debtors obtained the development permits required for this development.
7. Henry Street is a single-purpose entity that is the beneficial owner of the Real Property and the sole shareholder of 079 BC. 079 BC is Henry Street’s designated nominee and the registered owner of the Real Property.

First Report at 2.0.

Pre-filing Sales Process by Colliers

8. Prior to the granting of the Receivership Order, progress on developing the Real Property had been slow. As a result, the Debtors’ stakeholders requested that the Debtors initiate a sales process for the Real Property.

First Report at 4.1.

9. The Debtors engaged Colliers in late 2021, and initiated a full marketing campaign in January 2022, contacting 2,418 database contacts. This outreach resulted in 15 parties signing confidentiality agreements and being granted access to a data room, and four offers being received. The Debtors entered into an agreement with the successful bidder; however, the deal collapsed in September 2022.

First Report at 4.1.

10. In January 2024, the Debtors re-engaged Colliers to conduct a sale process (the “**Pre-filing Sales Process**”). Colliers marketed the Property between January 2024 and June 2024. These marketing efforts included:

- (a) preparing a teaser summarizing the details of the Real Property;
- (b) distributing a teaser to 18 top tier developers operating in the greater Vancouver area and inviting them to submit bids, and engaging in active discussions with 15 of these developers; and
- (c) providing various parties access to a data centre containing certain due diligence material on the opportunity.

First Report at 4.1.

11. The Pre-filing Sales Process did generate an offer that was accepted but did not lead to a transaction, and the offer expired at the end of February 2024.

First Report at 4.1.

12. Following the Receiver’s appointment, the Receiver was introduced to the Purchaser by Amin Eskooch, principal of Aultrust Financial Ltd. (“**Aultrust**”). Aultrust is an unsecured creditor of the Debtors, holding a claim of \$721,000 in respect of unpaid development management fees. The Receiver understands that Mr. Eskooch held an equity interest in Henry Street through a numbered company and is a guarantor of the KingSett Indebtedness.

First Report at 4.2.

Proposed Sale Procedure and Stalking Horse APS

13. The proposed Sale Procedure contemplates a stalking horse bid process pursuant to which, among other things:
- (a) the Receiver is authorized to (i) solicit binding bids from interested parties for purchase and sale transactions involving the business and/or assets of, or the equity interests in, the Debtors; and (ii) evaluate such bids and select a successful bid; and
 - (b) the Stalking Horse APS will serve as the “stalking horse bid” in the Sale Procedure.

The Proposed Sale Procedure

14. The proposed Sale Procedure is summarized below:
- (a) the Receiver will (subject to Court approval) engage Colliers pursuant to the Listing Agreement. If approved, the Listing Agreement will entitle Colliers to a work fee of \$60,000 and a commission on any sale proceeds that exceed \$15.2 million;
 - (b) the Receiver, with assistance from the Sales Agent, will prepare and disseminate marketing materials and solicit interest from parties who may be interested in pursuing a transaction (each a “**Potential Bidder**”);
 - (c) the Receiver will cause a notice of the Sale Procedure to be published in applicable industry publications, websites and/or forums;
 - (d) in consultation with the Sales Agent, the Receiver will prepare a summary for distribution to Potential Bidders describing the opportunity, outlining the SSP Procedures and inviting recipients to express their interest in making a Qualified Bid;
 - (e) the Receiver will provide access to a data room providing diligence information to Potential Bidders, subject to execution of a non-disclosure agreement (“**NDA**”);
 - (f) the Receiver will request that Potential Bidders (other than the Stalking Horse Purchaser) submit LOIs and Qualified Bids by the LOI Deadline and the Qualified Bid Deadline (as applicable);
 - (g) a potential bidder that has executed an NDA and that the Receiver determines has a reasonable prospect of completing a transaction for the purchase and sale of the Property will be deemed a “**Qualified Bidder**”;
 - (h) the Sale Procedure contemplates a phased bid deadline, starting with a 30-day window for submitting a letter of intent (each an “**LOI**”), which should (a) identify the Potential Bidder and include a general description of the Property that is the subject of the bid, (b) set out the proposed consideration, and (c) demonstrate a reasonable likelihood of resulting in a Qualified Bid. Qualified Bidders then have an additional 15 days from the LOI Deadline to finalize and submit their Qualified Bids.
 - (i) to constitute a “Qualified Bid”, a bid must, among other things: (i) provide sufficient cash consideration to satisfy in full at least the purchase price provided for in the Stalking Horse APS plus the Expense Reimbursement, and (ii) be accompanied by a refundable deposit in the amount \$250,000.00;
 - (j) a Qualified Bidder that wants to make a bid for the Property must submit by the Qualified Bid Deadline:
 - (i) a final, written, binding offer (each, a “**Final Bid**”) in the form of a fully executed purchase and sale agreement; or
 - (ii) an executed letter confirming that the Qualified Bidder wants to assume and perform the obligations of the Stalking Horse Bidder pursuant to the

Stalking Horse APS, subject to certain adjustments including payment of the Expense Reimbursement;

- (k) the Stalking Horse APS, which is deemed to be a Qualified Bid, will be automatically accepted by the Receiver if the Receiver:
 - (i) does not receive any Qualified Bids (other than the Stalking Horse APS) before the Qualified Bid Deadline; or
 - (ii) the Receiver determines that the transactions contemplated by the Qualified Bid(s) that it received before the Qualified Bid Deadline are unlikely to be closed;
- (l) if one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process to determine the successful bid(s); and
- (m) the Receiver will seek this Court's approval of any Successful Bid, including the Stalking Horse APS.

First Report at 4.3.

15. A summary of the deadlines applicable to the proposed Sale Procedure is below. The specific dates referenced below are based on the assumption that the Sale Procedure Order is granted on October 25, 2024:

SISP Process	Deadline
Commence solicitation	As soon as practicable after the granting of the Sale Procedure Order
LOI Deadline	30 calendar days (November 25, 2024) at 5:00 p.m. PT
Final Bid Deadline	45 calendar days (December 9, 2024) at 5:00 p.m. PT
Deadline for Qualified Bid determination and notification of Auction (if necessary)	45 calendar days (December 12, 2024) at 5:00 p.m. PT
Auction (if necessary)	within 3 business days of the Receiver determining that the Auction will take place (December 12, 2024)
Approval of Successful Bid	no later than 15 business days following the selection (or deemed selection) of the Successful Bid
Closing of Successful Bid	3 business days following: (i) the expiry of applicable appeal periods in respect of the order approving the transaction, or (ii) in the

	event of an appeal or application for leave to appeal, final determination of such appeal or application
--	--

First Report at 4.3.1.

Stalking Horse APS

16. The Receiver seeks approval of the Stalking Horse APS to serve as the Stalking Horse Bid pursuant to the Sale Procedure, providing stakeholders with the certainty of a “floor” transaction. If selected as the Successful Bidder in the Sale Procedure, the Stalking Horse Purchaser will purchase Purchased Assets (subject to the Court granting the RVO).

17. The key terms and conditions of the Stalking Horse APS are summarized below:
 - (a) Purchased Assets. The Purchased Assets include all the right, title and interest of the Debtors in the Real Property, development rights related to the Real Property, certain intellectual property, the Debtors’ Accounts Receivable as of the Closing Date, and all of the shares of 079 BC.

 - (b) Purchase Price. The Purchase Price equals the aggregate of: (i) all amounts payable in priority to amounts owing by the Debtors to KingSett, including the fees of the Receiver and its counsel, and (ii) the KingSett Secured Indebtedness, plus any applicable Transfer Taxes.

 - (c) Payment of Purchase Price. A cash deposit of \$500,000 payable upon execution of the Stalking Horse APS, with the balance of the Estimated Purchase Price payable in cash on the Closing Date.

 - (d) Representations and Warranties. The Stalking Horse APS includes very limited representations and warranties on the part of the Receiver.

 - (e) Structure. The Stalking Horse APS contemplates implementation of the transaction by way of a reverse vesting order (the “RVO”) approving, among other things, the vesting out of the liabilities of the Debtors.

 - (f) No Break Fee. The Stalking Horse APS does not provide for a break fee in favour of the Stalking Horse Purchaser.

 - (g) Termination and Outside Date. The Stalking Horse APS is terminated if, among other things: (i) the Receiver selects a Successful Bid and the Stalking Horse APS is neither the Successful Bid nor the Back-Up Bid and (ii) the closing of the Stalking Horse APS does not occur on or before March 28, 2025 or such other date agreed to by the parties in writing.

 - (h) Conditions. The closing of the Stalking Horse APS is conditional on, among other things: (i) the granting of the Sale Procedure Order, (ii) the Stalking Horse APS being the Successful Bid in the Sale Procedure, and (iii) the granting of the RVO.

First Report at 4.2.6 and Appendix “B”.

18. The Stalking Horse APS includes provision for payment of the Purchaser's Expenses of up to \$150,000, representing approximately 1% of the Purchase Price, if the Stalking Horse APS is terminated a result of the Receiver selecting another bid as the Successful Bidder (if the Stalking Horse APS is not the Backup Bid) or closing of a transaction with another bidder (if the Stalking Horse APS is the Backup Bidder) (the "**Expense Reimbursement**").

First Report at 4.2.1.1.

19. The Expense Reimbursement is intended to compensate the Stalking Horse Purchaser for its expenditures of time and money, including in connection with the preparation of the Stalking Horse APS and in performing due diligence, and its agreement to act as the stalking horse bidder. The Stalking Horse APS does not contemplate a break fee separate from the Expense Reimbursement.

First Report at 4.2.1.2.

20. Based on a comparative analysis of the Expense Reimbursement against other bid protections approved by Canadian courts in insolvency proceedings between 2021 and 2024, the Receiver is of the opinion that the Expense Reimbursement falls below the lower end of the range of reasonable bid protections.

First Report at 4.2.1.3 and Appendix "C".

21. The Receiver recommends that this Court issue the proposed Sale Procedure Order for the reasons below:

- (a) the Sale Procedure Order facilitates broad marketing of the property;
- (b) the SSP Procedures optimize the chances of securing the best possible price for the Property, while providing protection against the risk that a superior transaction is not identified;
- (c) the duration of the Sale Procedure is sufficient to allow interested parties to perform diligence and submit offers;
- (d) Colliers is already familiar with the Property, which will expedite the marketing and sale process;
- (e) the phased approach to the bidding and Auction process minimizes the risk of prolonged legal proceedings, which helps to reduce costs;
- (f) KingSett, the major financial stakeholder of the Debtors, is supportive of the Sale Procedure Order; and
- (g) the Expense Reimbursement is fair and reasonable in the circumstances and will not discourage interested parties from submitting offers in the Sale Procedure.

First Report at 4.3.4.

Part 3: LEGAL BASIS

Listing Agreement

22. Section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) grants this Court authority to appoint a receiver to “take any other action that the court considers advisable” if it is “just or convenient to do so”.

BIA, s 243(1)(c).

23. In addition, the Receivership Order expressly provides that the Receiver is empowered and authorized, among other things:

(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;

...

(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;

Receivership Order, s 2(d), (k)

24. Approval of the Listing Agreement is appropriate and necessary in the circumstances because such approval ensures certainty regarding the terms upon which the Sales Agent is to be engaged and remunerated, allowing the Receiver and the Sales Agent to move forward with confidence to implement the Sale Procedure, if approved.
25. In the Receiver’s experience, the commission rate charged by the Sales Agent is consistent with market rates and the commission structure provides an incentive to the Sales Agent to secure an offer higher than the Stalking Horse Bid. In addition, the Sales Agent is familiar with the Property given its involvement in the Pre-filing Sales Process.

The Proposed Sale Procedure

26. The Receivership Order grants the Receiver the power to, among other things, “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”.

Receivership Order at para 2(k).

27. Although the decision to approve a particular form of sales process is distinct from the approval of a proposed sale, the reasonableness and adequacy of any sales process proposed by a court-appointed receiver must be assessed in light of the factors which a court will take into account when considering the approval of a proposed sale.

*CCM Master Qualified Fund v. blutip
Power Technologies, 2012 ONSC 1750 (“CCM
Master”) at para 6.*

28. Determining whether to approve a sale and marketing process proposed by a court-appointed receiver requires a consideration of the factors below, all of which when applied to the facts of this case support the approval of the Sale Procedure:

- (a) **the fairness, transparency, and integrity of the proposed process.** The proposed Sale Procedure, including the SSP Procedures, are fair, transparent and objective. In developing the timelines and process for the Sale Procedure, the Receiver considered a number of factors, including that: (i) the prospective bidders have reasonable time to perform the required due diligence to submit their bids, and (ii) pursuant to the Pre-Filing Sale Process, the Property has already been exposed to the market. In addition, the phased approach to the bidding and Auction process minimizes the risk of prolonged legal proceedings, which helps to reduce costs.
- (b) **the commercial efficacy of the proposed process in light of the specific circumstances facing the receiver.** The proposed Sale Procedure is commercially efficacious, as it contemplates broad exposure of the opportunity to the market. The Receiver will be assisted by the Sales Agent, who is familiar with the Property, and interested parties will have time to conduct due diligence, and (if they are designated as Qualified Bidders) further additional time to finalize and put forward their binding offers.
- (c) **whether the sales process will optimize the chances, in the particular circumstances, of securing the best possible price for the assets up for sale.** The Sale Procedure facilitates comprehensive marketing of the Property, and provides adequate time and information for interested parties to put forward their best possible bids. Further, the Sales Agent is incentivized (by the terms of the Listing Agreement) to seek the best possible price for the Property. The Stalking Horse APS provides protection against the risk that a superior transaction is not identified, but should not have a chilling effect on those potential purchasers that legitimately have the capital and interest necessary to consummate a transaction of this nature.

*CCM Master at para 6, cited in Freshlocal
Solutions Inc. (Re), 2022 BCSC 1616 at para 28.*

29. KingSett, the senior secured creditor of the Debtors, supports the proposed Sale Procedure.
30. Accordingly, the Receiver submits that the Sale Procedure should be approved.

Stalking Horse APS

31. A stalking horse bid is a legitimate means to maximize recovery in receivership proceedings. As a result, Canadian courts frequently approve the inclusion of stalking horse bids in sale and marketing processes.

Farm Credit Canada v. Gidda, 2015 BCSC 2188 at para 36; *P218 Enterprises Ltd.*, 2014 BCSC 1855 (“**P218**”) at para 20; *CCM Master* at para 7.

32. This Court held that the factors below must be considered when determining the reasonableness of a stalking horse bid, all of which support the approval of the Stalking Horse APS as the stalking horse bid in the Sale Procedure:

(i) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently. The Receiver has not acted improvidently. The lack of viable offers from the Pre-filing Sales Process suggests that the Stalking Horse APS is fair and reasonable in the circumstances, and appropriate to act as a stalking horse bid;

(ii) the efficacy and integrity of the receiver’s proposed sale process by which offers were obtained. The Stalking Horse APS sets a floor price that will be sufficient to pay, in a reasonable period of time, the KingSett Secured Indebtedness and all prior-ranking amounts. This provides certainty for the Debtors’ key stakeholders, while allowing for the possibility of recovery for subsequent-ranking creditors. Further, the Stalking Horse APS does not contemplate a break fee, and the Expense Reimbursement is below market for bid protections approved in comparable insolvency cases. As such, the Stalking Horse APS should not have a chilling effect on the market. Interested parties have sufficient time to conduct due diligence, and further time to finalize and submit binding offers;

(iii) whether there has been unfairness in the working out of the process. There has been no unfairness in the process leading up to the execution of the Stalking Horse APS. In addition, as discussed above, the proposed Sale Procedure is fair and transparent; and

(iv) the interests of all parties. KingSett, the senior secured creditor of the Debtors, supports the approval of the Stalking Horse APS. Further, the proposed Sale Procedure provides for the possibility of recovery for the Debtors’ subsequent ranking creditors.

P218 at para 21.

33. Bid protections in the form of expense reimbursement provisions, together with break fees, are frequently approved in the context of stalking horse bids. The Ontario Superior Court of Justice held that:

[41] Break fees and expense and costs reimbursements in favour of a stalking horse bidder are frequently approved in insolvency proceedings. Break fees do not merely reflect the cost to the purchaser of putting together the stalking horse

bid. A break fee may be the price of stability, and thus some premium over simply providing for out of pocket expenses may be expected, Daniel R. Dowdall & Jane O. Dietrich, “Do Stalking Horses Have a Place in Intra-Canadian Insolvencies”, 2005 ANNREVINSOLV 1 at 4.

Danier Leather Inc. (Re), 2016 ONSC (“**Danier Leather**”) 1044 at para 41.

In the matter of Black Press Ltd., No. S-240259 Vancouver Registry, Order of the Supreme Court of British Columbia dated January 25, 2024.

34. Expense reimbursements in the range of 2% have been frequently approved by Canadian courts.

Danier Leather at para 42.

Kruger v. Wild Goose Vintners Inc., 2021 BCSC 1406.

Validus Power Corp. et al. and Macquarie Equipment Finance Limited, 2023 ONSC 6367 at para 111, citing *CCM Master* at para 13.

35. The Stalking Horse APS does not provide for a break fee. Instead, it only provides for the Expense Reimbursement. The Expense Reimbursement is capped at \$150,000, which is approximately 1% of the Purchase Price.
36. As a result, the bid protections provided for in the Stalking Horse APS are, proportionately, significantly less than the quantum of bid protections provided for in comparable transactions.
37. Given this, the Expense Reimbursement is unlikely to discourage a third party from submitting an offer in the Sale Procedure. In addition, without the Expense Reimbursement protection, the Stalking Horse Purchaser would have little incentive to act as a stalking horse bidder.
38. Accordingly, the Receiver submits that the Expense Reimbursement is reasonable and appropriate in the circumstances.
39. Given all of this, the Receiver recommends this Honourable Court approve the Stalking Horse APS as the stalking horse bid in the proposed Sale Procedure, including the Expense Reimbursement.
40. In further support of the relief sought in this application, the Receiver relies on the following:
- (a) the *Bankruptcy and Insolvency Act*, including section 247;
 - (b) the inherent and equitable jurisdiction of this Honourable Court; and

- (c) such further and other grounds as counsel may advise and this Honourable Court may deem just.


Part 4: MATERIAL TO BE RELIED ON

1. First Report of the Receiver dated October 11, 2024.
2. Such further and other materials as counsel may advise and this Honourable 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 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: October 11, 2024



Signature of Lawyer for the Applicant
Cassels Brock & Blackwell LLP
(Vicki Tickle / Mihai Tomos)

To be completed by the Court only:

Order made

- in the terms requested in paragraphs _____ of Part 1 of this Notice of Application
- with the following variations and additional terms:

Date: _____

Signature of Judge Associate Judge

APPENDIX

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
- other

SCHEDULE "A"
SERVICE LIST
As at October 11, 2024

<p>Cassels Brock & Blackwell LLP Suite 2200, 885 West Georgia Street Vancouver, BC V6E 3E8</p> <p>Attention: Vicki Tickle Mihai Tomos</p> <p>Email: vtickle@cassels.com mtomos@cassels.com</p> <p><i>Counsel to the Receiver, KSV Restructuring Inc.</i></p>	<p>KSV Restructuring Inc. 220 Bay Street, 13th Floor, PO Box 20, Toronto, Ontario, M5J 2W4</p> <p>Attention: Noah Goldstein Ross Graham</p> <p>Email: ngoldstein@ksvadvisory.com rgraham@ksvadvisory.com</p> <p><i>Receiver</i></p>
<p>Osler, Hoskin & Harcourt LLP Bentall Four, 1055 Dunsmuir St Suite 3000, Vancouver, BC V7X 1K8</p> <p>Attention: Mary Buttery Emma Newbery</p> <p>Email: muttery@osler.com enewbery@osler.com</p> <p><i>Counsel to KingSett Mortgage Corporation</i></p>	<p>KingSett Mortgage Corporation Arthur Erickson Place 1075 West Georgia Street, Suite 2030, Vancouver, BC V6E 3C9.</p> <p>Attention: Daniel Pollack Justin Walton</p> <p>Email: dpollack@kingsettcapital.com jwalton@kingsettcapital.com</p> <p><i>Secured Creditor</i></p>
<p>Lawson Lundell LLP 1600 - 925 West Georgia Street Vancouver, BC V6C 3L2</p> <p>Attention: Jack Yong William Roberts Tim Law</p> <p>Email: jyong@lawsonlundell.com wroberts@lawsonlundell.com tlaw@lawsonlundell.com</p> <p><i>Counsel to the Stalking Horse Bidder, 1496619 B.C. LTD.</i></p>	<p>Aultrust Financial #1510 – 475 Howe Street Vancouver, BC, V6C 2B3 Phone: 604.757.2774</p> <p>Attention: Amin Eskooch</p> <p>Email: Amin@aultrust.com</p>

Owen Bird Law Corporation

P.O. Box 1 Vancouver Centre II 2900-733
Seymour Street Vancouver, BC V6B 086

Attention: Scott H. Stephens
Heather A Frydenlund

Email: sstephens@owenbird.com
hfrydenitund@owenbird.com
lgrillandini@owenbird.com

*Counsel to 1144001 B.C. Ltd., AP & Sons
Residential Holdings Ltd., BST Trading Ltd.,
1138768 B.C. Ltd., Concerto Development
Corporation 1061833 B.C. Ltd., and Veramax
Holding Ltd.*

E-SERVICE LIST

As at October 11, 2024

vtickle@cassels.com; mtomos@cassels.com; ngoldstein@ksv advisory.com;
rgraham@ksv advisory.com; muttery@osler.com; enewbery@osler.com;
dpollack@kingsettcapital.com; jwalton@kingsettcapital.com; sstephens@owenbird.com;
hfrydenitund@owenbird.com; lgrillandini@owenbird.com; tlaw@lawsonlundell.com;
jyong@lawsonlundell.com; wroberts@lawsonlundell.com; amin@alitrust.com

SCHEDULE "B"
SALE PROCEDURE APPROVAL ORDER

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

3000 HENRY STREET LIMITED PARTNERSHIP

and

0790857 B.C. LTD.

RESPONDENTS

IN THE MATTER OF RECEIERSHIP OF 3000 HENRY STREET LIMITED PARTNERSHIP
AND 0790857 B.C. LTD.

ORDER MADE AFTER APPLICATION

SALE PROCEDURE APPROVAL ORDER

BEFORE THE HONOURABLE
JUSTICE STEPHENS

)
)
)
)
)
)
)

October 25, 2024

THE APPLICATION of KSV Restructuring Inc. in its capacity as Court-appointed receiver (the "**Receiver**") of the assets, undertakings and properties of 3000 Henry Street Limited Partnership and 0790857 B.C. Ltd. coming on for hearing at Vancouver, British Columbia on the 25th day of October, 2024; AND ON HEARING from Vicki Tickle, counsel for the Receiver and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the Receiver's First Report to the Court dated October 11, 2024 (the "**First Report**"); AND UPON REVIEWING the Order of the Honourable Justice Stephens, granted July 29, 2024;

THIS COURT ORDERS AND DECLARES THAT:

DEFINITIONS

1. Capitalized terms used but not otherwise defined in this Order have the meanings given to them in the First Report.

LISTING AGREEMENT

2. The Receiver is hereby authorized and empowered to enter into the listing agreement dated ● between the Receiver and Colliers Macaulay Nicolls Inc. ("**Sales Agent**") in the form attached as Appendix "●" to the Supplement to the First Report dated ●, *nunc pro tunc*, and with such minor amendments as may be acceptable to the Receiver and the Sales Agent.

SALE PROCEDURE

3. The sale procedure attached as **Schedule "B"** hereto, subject to any amendments thereto that may be made in accordance therewith (the "**Sale Procedure**") be and is hereby approved.
4. The Receiver and its advisors (including the Sales Agent) are hereby authorized and directed to implement the Sale Procedure and do all things as are reasonably necessary to conduct and give full effect to the Sale Procedure and carry out the Receiver's obligations thereunder.

STALKING HORSE BID

5. The Receiver is hereby authorized and directed to execute and enter into the "stalking horse" agreement of purchase and sale dated October 3, 2024 (the "**APS**" and the transactions provided therein, the "**Stalking Horse Bid**") with 1496619 B.C. or its designated nominee, as purchaser (the "**Purchaser**"), substantially on the terms set out in the APS attached as **Schedule "C"** hereto, subject to such amendments, additions and/or deletions permitted by the APS and as may be negotiated between the Receiver and the Purchaser.
6. The Stalking Horse Bid submitted by the Purchaser is hereby approved as the Stalking Horse Bid pursuant to and for the purposes of the SSP Procedures, provided that nothing herein approves the sale to and the vesting of any assets or property in the Purchaser pursuant to the Stalking Horse Bid and that the approval of the sale and vesting of such assets and property shall be considered by this Court on a subsequent application made to this Court if the Purchaser is the Successful Bidder (as defined in the SSP Procedures) pursuant to the SSP Procedures.

EXPENSE REIMBURSEMENT

7. The Expense Reimbursement (as set out in the APS) is hereby approved and the Receiver is hereby authorized and directed to pay the Expense Reimbursement to the Purchaser in the manner and circumstances described in the APS.

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 Vicki Tickle / Mihai Tomos
Lawyer for the Receiver

BY THE COURT

REGISTRAR

SCHEDULE "A"
LIST OF COUNSEL

NAME	PARTY REPRESENTED

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

3000 HENRY STREET LIMITED PARTNERSHIP

and

0790857 B.C. LTD.

RESPONDENTS

IN THE MATTER OF RECEIERSHIP OF 3000 HENRY
STREET LIMITED PARTNERSHIP AND 0790857 B.C.
LTD.

ORDER

CASSELS BROCK & BLACKWELL LLP

2200 – 885 West Georgia Street
Vancouver BC V6E 3C8

Vicki Tickle / Mihai Tomos

Tel: 604 691 6100 / 778 309 7962

Fax: 604 691 6120

Email: vtickle@cassels.com

mtomos@cassels.com
