



No. **S 244083**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND

**3000 HENRY STREET LIMITED PARTNERSHIP
and
0790857 B.C. LTD.**

RESPONDENTS

PETITION TO THE COURT

ON NOTICE TO:

3000 Henry Street Limited Partnership
#660 – 355 Burrard Street
Vancouver, BC V6C 2G8

0790857 B.C. Ltd.
#660 – 355 Burrard Street
Vancouver, BC V6C 2G8

Redpoint Law LLP
Attention: Falko Wong
#660 – 355 Burrard Street
Vancouver, BC V6C 2G8

(1)	The address of the registry is: 800 Smithe Street Vancouver, BC V6Z 2E1
-----	---

The Petitioner estimates that the hearing of the Petition will take 45 minutes.

This matter is an application for judicial review.

[x] This matter is not an application for judicial review.

This proceeding is brought for the relief set out in Part 1 below by KingSett Mortgage Corporation, named as petitioner in the style of proceedings above.

If you intend to respond to this petition, you or your lawyer must

- a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- b) serve on the petitioner(s)
 - i. 2 copies of the filed response to petition, and
 - ii. 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the Response to Petition within the time for response.

Time for Response to Petition

A Response to Petition must be filed and served on the Petitioner,

- (a) if you were served with the Petition anywhere in Canada, within 21 days after that service,
- (b) if you were served with the Petition anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the Petition anywhere else, within 49 days after that service, or
- (d) if the time for response has been set by order of the court, within that time.

(1)	The ADDRESS FOR SERVICE of the Petitioner is: Osler, Hoskin & Harcourt LLP Bentall Four, 1055 Dunsmuir Street, Suite 3000 Vancouver, BC V7X 1K8 Attention: Mary Buttery, K.C., Elie Laskin, Lucas Hodgson The EMAIL ADDRESS FOR SERVICE of the Petitioner is: mbuttery@osler.com elaskin@osler.com lhodgson@osler.com
(2)	The name and office address of the Petitioner's lawyer is: Osler, Hoskin & Harcourt LLP Bentall Four, 1055 Dunsmuir Street, Suite 3000

Vancouver, BC V7X 1K8 Attention: Mary Buttery, K.C., Elie Laskin, Lucas Hodgson
--

CLAIM OF THE PETITIONER

Part 1: ORDER SOUGHT

1. An order (the “**Receivership Order**”) substantially in the form attached as **Schedule “A”**:
 - (a) appointing KSV Restructuring Inc. (“**KSV**”) as receiver of the property, assets, and undertakings of 3000 Henry Street Limited Partnership and its nominee, 0790857 B.C. Ltd. (collectively, the “**Borrowers**”) for the purpose of the sale of the Borrowers’ assets and distribution of proceeds thereof, pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC, 1985 c. B-5 (the “**BIA**”) and section 39 of the *Law and Equity Act*, RSBC, 1996, c. 253 (the “**LEA**”); and
 - (b) such further and other relief as counsel may advise and this Court deems to be just and convenient in the circumstances.

Part 2: FACTUAL BASIS

Introduction

2. The Petitioner, KingSett Mortgage Corporation (“**KingSett**”), is a corporation incorporated under the *Canada Business Corporations Act* with an address for service of Bentall Four, 1055 Dunsmuir Street, Suite 3000 Vancouver, BC V7X 1K8.
3. The Borrowers are debtors to KingSett with an address for service of #660 – 355 Burrard Street, Vancouver, BC V6C 2G8.
4. Pursuant to a commitment letter dated September 10, 2021, as amended by a first amendment dated October 17, 2022, and a second amendment dated October 16, 2023 (as so amended, the “**Commitment Letter**”), KingSett provided to the Borrowers:

- (a) a first mortgage loan in the amount of \$12,350,000; and
 - (b) a \$500,000 letter of credit security
(the “**Loan**”).
5. Pursuant to the Commitment Letter, the Loan is secured by the following:
- (a) General Security Agreement (in the form of a Location Specific Security Agreement), registered November 1, 2021 (the “**GSA**”);
 - (b) Mortgage and Assignment of Rents, dated November 4, 2021, as described below;
 - (c) Guarantee executed by Amin Eskooch, dated November 1, 2021;
 - (d) Guarantee executed by Navid Morawej, dated November 1, 2021;
 - (e) Assignment of Material Contracts, dated November 1, 2021;
 - (f) Assignment of Insurance, dated November 1, 2021;
 - (g) Fraud, Misrepresentation and Environmental Indemnity, dated November 1, 2021;
and
 - (h) Beneficial Security Agreement (in the form of an Equitable Mortgage and Estoppel Agreement), dated November 1, 2021
(collectively, the “**Security**”).
6. As noted above, both the Mortgage and Assignment of Rents form part of the Security. The Mortgage is a first ranking mortgage in the amount of \$12,350,000, and together with the Assignment of Rents, charges the lands owned by the Borrowers legally described as:
- (a) LOT 17 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618, PID 002-083-931
 - (b) LOT 18 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618, PID 002-083-957
 - (c) LOT 19 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618, PID 002-422-875; and

(d) LOT 20 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618, PID 002-422-891.

(collectively, the “**Property**”).

7. The Mortgage and Assignment of Rents are registered in favour of KingSett, as mortgagee, against the Lands in the New Westminster Land Title Office having registration numbers: CA9486292 and CA9486293.

8. On February 1, 2024 and March 1, 2024, the Borrowers failed to make monthly interest installment payments to KingSett, as required pursuant to Article 12 of the Commitment Letter. Failure to make a monthly interest payments constitutes a default under the Commitment Letter and the Security (collectively, the “**Defaults**”, and each a Default).

9. Pursuant to the Security, KingSett is entitled to appoint a receiver on the occurrence of a default.

10. On March 8, 2024, KingSett exercised its right to demand payment of the Borrowers’ outstanding indebtedness as well its right to demand payment from the Borrowers’ guarantors, Amin Eskooch and Navid Morawej (together, the “**Guarantors**”), who are directors of the Borrowers. To date, the Borrowers and the Guarantors have failed to make payment in response to the demand.

11. The Borrowers remain indebted to KingSett under the Commitment Letter for \$13,501,453.28 (excluding accruing fees and costs including legal and financial advisor fees) as of June 6, 2024.

12. Around April 2024, however, the Borrowers, through the Guarantors, confirmed that they would agree to the appointment of a receiver to manage the Property and associated Collateral as defined in the GSA, and, if necessary, sell the Property, to remedy the Defaults. The Borrowers have confirmed they will cooperate with a sale and investment solicitation process and stalking horse bid process.

13. As a result of the Borrowers' failure to meet their financial obligations, and their agreement to cooperate with the appointment of a receiver and resulting sales process, KingSett has determined to take enforcement steps through the appointment of a receiver.

The Credit Facilities

14. As outlined above, the Loan is composed of the following credit facilities:

- (a) a first mortgage loan in the amount of \$12,350,000; and
- (b) a \$500,000 letter of credit security.

15. Pursuant to the Commitment Letter, the Borrowers are required to make interest only monthly payments on the Loan on the first calendar day of every month at an agreed upon interest rate. Pursuant to the Commitment Letter, any portion of the Loan outstanding at any time is repayable on demand by KingSett.

Security for the Credit Facilities

16. As noted above, the Loan is secured by the Security, including a GSA and the Mortgage and Assignment of Rents.

The Borrowers' Defaults and KingSett's Efforts

17. The Borrowers have been in default of their obligations under the Commitment Letter since February 1, 2024.

18. Pursuant to the Commitment Letter, the Borrowers agreed to make interest only monthly payments on the Loan on the first calendar day of every month. However, since February 1, 2024, the Borrowers have failed to make any payments on the Loan. As of this date, the Borrowers have failed to make a monthly payment for four (4) payment dates (since February 1, 2024).

19. Since February 1, 2024 to the present, KingSett has made efforts in an attempt to work with the Borrowers to resolve payment difficulties, remedy the Defaults, and to obtain further

information from the Borrowers that would allow the KingSett to, among other matters, assess whether its security is in jeopardy.

20. On March 8, 2024, KingSett through counsel, delivered a letter to the Borrowers advising of the Defaults and:

- (a) demanding payment of the outstanding amount owing under the Loan, inclusive of interest, which at that time amounted to \$13,117,824.05; and
- (b) reserving all rights and remedies including under the Mortgage and Assignment of Rents, the GSA, and all additional Security for the Loan.

21. Notwithstanding the demands for payment, the Borrowers have failed to pay the outstanding obligations to KingSett.

22. The Borrowers have, however, through the Guarantors, agreed to cooperate with the appointment of a receiver in the circumstances.

23. KingSett has therefore determined that the appointment of the Receiver is necessary to pursue and implement a transparent, orderly, and timely sale process for the Property under the supervision of this Court.

24. KingSett has delivered to the Borrowers notices of intention to enforce security as required by section 244 of the *BIA*.

Part 3: LEGAL BASIS

Jurisdiction to Grant the Requested Relief

25. The jurisdiction of this Court to grant the Receivership Order is found in subsection 39(1) of the *LEA* and section 243 of the *BIA*, among other statutes.

The Test for Appointing a Receiver

26. Subsection 39(1) of the *LEA* allows for the appointment of a receiver where it is “just or convenient” to do so.

27. Section 243 of the *BIA* provides that this Court may appoint a receiver to do any or all of the following if it considers it to be “just or convenient” to do so:

- (a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
- (b) exercise any control that the court considers advisable over that property and over the insolvent person’s or bankrupt’s business; or
- (c) take any other action that the court considers advisable.

28. In *Maple Trade Finance Inc. v. CY Oriental Holdings Ltd.*, 2009 BCSC 1527, this Court identified several factors that may inform a holistic determination of whether it is “just and convenient” to appoint a receiver, including:

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

- (i) the principle that the appointment of a receiver is extraordinary relief which should be granted cautiously and sparingly;
- (j) the consideration of whether a court appointment is necessary to enable the receiver to carry out its duties more efficiently;
- (k) the effect of the order upon the parties;
- (l) the conduct of the parties;
- (m) the length of time that a receiver may be in place;
- (n) the cost to the parties;
- (o) the likelihood of maximizing return to the parties; and
- (p) the goal of facilitating the duties of the receiver.

Maple Trade Finance Inc. v. CY Oriental Holdings Ltd., 2009 BCSC 1527 at para. 25, cited recently in Bank of Montreal v Haro-Thurlow Street Project Limited Partnership, 2024 BCSC 57 at paras 72-73.

29. In applying these factors, this Court has held that the contractual right of a secured creditor to apply for a receiver under a security agreement is a ‘strong factor’ in support of the imposition of a receiver and that ‘considerable weight’ can be placed on that contractual right.

Maple Trade Finance Inc. v. CY Oriental Holdings Ltd., 2009 BCSC 1527 at para. 26; see also See also Canadian Imperial Bank of Commerce v. Can-Pacific Farms Inc. 2012 BCSC 437 at para. 16; Bank of Montreal v. Gian’s Business Centre Inc., 2016 BCSC 2348 at paras. 22 – 23 and Ward Western Holdings Corp. v. Brosseuk, 2022 BCCA 32, paras. 65-66

It is Just and Convenient to Appoint a Receiver in the Circumstances

30. The Loan has been in default since February 1, 2024. The Borrowers have not remedied their default, but have since agreed that they would cooperate with the appointment of a receiver which KingSett is entitled to do under the Commitment Letter.

31. KingSett is entitled to the appointment of a receiver over the property, assets, and undertakings of the Borrowers, pursuant to the Commitment Letter. The Borrowers provided an express covenant agreeing to the appointment of a receiver in the event of default. Courts should not interfere with a contract between parties in ordinary circumstances.

32. In light of the Commitment Letter and later agreement by the Borrowers to cooperate, there is no compelling commercial or other reason why the Receivership Order ought not to be made.

33. Appointment is also justified under the *BIA* and *LEA*. It is just and convenient in the present circumstances to appoint a receiver over the Borrowers' assets, undertakings, and property on the terms sought by KingSett for, among others, the following reasons:

- (a) the Borrowers are indebted to KingSett for approximately \$13,117,824.05 as of March 8, 2024 and have defaulted on their obligations to KingSett under the terms of the Commitment Letter;
- (b) since their initial non-payment and default on February 1, 2024, the Borrowers have not remedied the Defaults;
- (c) KingSett has lost confidence in the Borrowers' ability to satisfy their obligations;
- (d) the Mortgage and the GSA grant KingSett the contractual right to appoint a receiver with the powers sought in the Receivership Order;
- (e) it is necessary and expedient that the Property be sold and that any marketing and sale process with respect to the Property be transparent, orderly, timely, and undertaken under the supervision of this Court;
- (f) the appointment of a receiver will protect the interests of all stakeholders; and
- (g) the balance of convenience favours the appointment of a receiver in these circumstances.

34. For the above reasons, KingSett submits that it is just and convenient that this Court appoint KSV as receiver of all the Borrowers' assets, undertakings, and property on the terms set out in the proposed Receivership Order.

35. KingSett further relies on Rules 10-2 (Receivers) and 13-5 (Sales by Court) of the *Supreme Court Civil Rules*, BC Reg 168/2009 as well as section 282 of the *Business Corporations Act*, SBC 2002, C. 57.

Part 4: MATERIALS TO BE RELIED ON

35. Affidavit #1 of Daniel Pollack, made on June 5, 2024; and

36. Such other materials as counsel may advise and this Court allows.

Date: June 19, 2024



Signature of Mary Buttery, K.C. / Elie Laskin /
Lucas Hodgson, Lawyer for Petitioner

To be completed by the court only:

Order made

in the terms requested in paragraphs of Part 1 of this petition

with the following variations and additional terms:

.....
.....
.....

Date:[dd/mmm/yyyy].....

.....

Signature of Judge Master

Schedule "A"

No.
Vancouver Registry

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 SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
3000 HENRY STRET LIMITED PARTNERSHIP
AND 0790857 B.C. LTD.**

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE

)
)
)
)

, 2024

ON THE APPLICATION of the Petitioner for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "**LEA**") appointing KSV Restructuring Inc. ("**KSV**") as Receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and property of 3000 Henry Street Limited Partnership and 0790857 B.C. Ltd. (the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, coming on for hearing this day at 800 Smithe Street, Vancouver, British Columbia.

AND ON READING Affidavit #1 of Daniel Pollack made June 5, 2024, and the consent of KSV to act as the Receiver; AND ON HEARING Mary Buttery, K.C. and Elie Laskin, counsel for KingSett Mortgage Corporation; Vicki Tickle, counsel for KSV, and no one else appearing.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA, KSV is appointed Receiver, without security, of all of the assets, undertakings and property of the Debtors, including all proceeds (the "**Property**").

RECEIVER'S POWERS

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
 - (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
 - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the Debtors;
 - (g) to settle, extend or compromise any indebtedness owing to the Debtors;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
 - (j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the

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

- (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 \$500,000 provided that the aggregate consideration for all such transactions does not exceed \$1,000,000, and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

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

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) to apply for remedies available under the BIA, including to declare or make an assignment into bankruptcy in respect of the Debtors; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtors; (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5, or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtors and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PERSONAL INFORMATION

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a

contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

16. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.
17. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Receiver's appointment; or,
 - (b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
18. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
 - (a) any gross negligence or wilful misconduct on its part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

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

RECEIVER'S ACCOUNTS

20. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
24. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
25. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

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

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: <https://www.ksvadvisory.com/experience/case/Henrystreet> (the "**Website**") and shall post there as soon as practicable:

- (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Applicant a demand for notice in the form attached as Schedule B (the "**Demand for Notice**"). The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.
30. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the "**Service List**"). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
32. Notwithstanding paragraph 31 of this Order, service of the Petition and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL

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

35. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
36. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
37. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
38. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
39. The Petitioner shall have its costs of this petition, up to and including entry and service of this Order, as provided for by the terms of the Petitioner's security or, if not so provided by the Petitioner's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
40. Endorsement of this Order by counsel appearing on this application other than the Petitioner is dispensed with.

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

APPROVED BY:

Signature of Mary Buttery, K.C., Elie Laskin,
Lucas Hodgson, lawyer for the Petitioner

BY THE COURT

DISTRICT REGISTRAR

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____
AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the Receiver (the "**Receiver**") of all of the assets, undertakings and properties of 3000 HENRY STREET LIMITED PARTNERSHIP and 0790857 B.C. Ltd. acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia (the "**Court**") dated the _____ day of _____, 2024 (the "**Order**") made in SCBC Action No. _____, Vancouver Registry has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the legal office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2024.

KSV Advisory Inc., solely in its capacity as
Receiver of the Property, and not in its
personal capacity

Per:
Name:
Title:

SCHEDULE "B"

Demand for Notice

TO: **KingSett Mortgage Corporation**
c/o Osler, Hoskin & Harcourt LLP
Attention: Mary Buttery, K.C., Elie Laskin, Lucas Hodgson
Email: mbuttery@Oosler.com, elaskin@osler.com, lhodgson@osler.com

AND TO: **KSV Advisory Inc.**
c/o Cassels Brock & Blackwell LLP
Attention: Vicki Tickle
Email: vtickle@cassels.com

**Re: In the matter of the Receivership of 3000 HENRY STREET LIMITED PARTNERSHIP
and 0790857 B.C. LTD.**

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

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

OR

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

OR

3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____

Action No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION Petitioner

- and -

3000 HENRY STREET LIMITED PARTNERSHIP
and
0790857 B.C. LTD. Respondents

RECEIVERSHIP ORDER

OSLER, HOSKIN & HARCOURT LLP
2600, 595 Burrard Street
Bentall Four, 1055 Dunsmuir Street, Suite 3000
Vancouver, BC V7X 1K8

Counsel: Mary Buttery, K.C., Elie Laskin, Lucas Hodgson
Matter No. 1254250