



NO. H220369
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PLW INVESTMENT LTD.

PETITIONER

AND:

1025332 B.C. LTD., 1025334 B.C. LTD., 1025336 B.C. LTD., CHONGYE DEVELOPMENTS LTD., WASHINGTON PROPERTIES (POINT GREY) INC., WASHINGTON PROPERTIES (QEP) INC., LUCKY FIVE INVESTMENTS LTD., 1094321 B.C. LTD., PRARDA DEVELOPMENTS CORPORATION, 1256306 B.C. LTD., 1256319 B.C. LTD., AMY BARSHA WASHINGTON (A.K.A. FENGYUN SHAO), EDISON WASHINGTON (A.K.A. QIANG WANG), LINDA WASHINGTON, 35 PARK PARKING INC., EARLSTON MORTGAGE CORP., WASHINGTON PROPERTIES (WEST 27TH) INC. and WASHINGTON PROPERTIES (WEST 29TH) INC.

RESPONDENTS

NOTICE OF APPLICATION

Name of applicant: Alvarez & Marsal Canada Inc., in its capacity as court appointed receiver and manager (the "Receiver")

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

And To: the City of Vancouver

And to: 1434000 B.C. Ltd., 1434002 B.C. Ltd., and 1434003 B.C. Ltd.

TAKE NOTICE that an application will be made by the Petitioner to Justice Blake at the courthouse at 800 Smithe Street, Vancouver, British Columbia on 11 / OCT / 2024 at 9:00 a.m. for the order set out in Part 1 below.

The applicant(s) estimate(s) that the application will take 30 minutes.

☐ This matter is within the jurisdiction of a master.

☒ This matter is not within the jurisdiction of a master, scheduled through trial scheduling.

ORDER SOUGHT

1. An Order approving the sale of certain lands and premises which are the subject of this receivership proceeding, substantially in the form attached hereto as **Schedule "C"**.
2. An Order, substantially in the form attached hereto as **Schedule "D"**:
 - (a) removing the levy (the "**2022 Vacancy Tax Levy**") in respect for a 2022 Vacancy Tax Assessment (the "**2022 Vacancy Tax Assessment**") from the real property tax roll in respect of the Belmont Lands (as defined herein), and discharging and releasing any charge or lien securing the 2022 Vacancy Tax Assessment;
 - (b) declaring the 2022 Vacancy Tax Levy attaches to funds in the amount of \$1,800,000 (the "**Vacancy Tax Holdback Funds**"), representing a portion of the proceeds of sale from the Belmont Lands, currently held in trust by Dentons Canada LLP ("**Dentons**"); and
 - (c) directing Dentons to transfer the Vacancy Tax Holdback, as subject to the Tax Lien, to Fasken Martineau DuMoulin LLP, and that the Petitioner shall have conduct of the notice of complaint in respect of the 2022 Vacancy Tax Assessment for and in place of the Receiver.

FACTUAL BASIS

A. The Receivership

1. On October 27, 2022, on application of PLW Investment Ltd. (the "**Secured Creditor**"), the Receiver was appointed as court-appointed receiver over twenty-one (21) parcels of land, and certain related personal property, of the Respondents pursuant to an order of this Court (as subsequently amended on November 7, 2022, the "**Receivership Order**").
2. The Receivership Order was subsequently stayed in its entirety by consent of all parties, which stay expired on April 7, 2023. The Receiver's appointment resumed on April 8, 2023. However, the stay in respect of two parcels of land was subsequently re-instated by a consent order made April 26, 2023.

3. In addition, since the stay of the Receivership Order expired, this Court has approved the sale of several parcels of land which were subject to the Receivership Order, and has ordered removal of certain parcels from time to time.
4. As a result of the foregoing, there are six (6) parcels which remain subject to the Receivership Order. A consolidated list of the remaining lands which are subject to the Receivership Order is attached hereto as **Schedule "B"**.
5. The Secured Creditor advanced two loans to certain of the respondents, which are secured by various mortgages registered against the subject lands. The Secured Creditor holds the first priority mortgage on all but two of those lands.
6. Pursuant to the Receivership Order, the Secured Creditor was granted judgment against certain respondents, including judgments in excess of \$73,000,000 against the respondents Amy Washington, 1025332 B.C. Ltd., 1025334 B.C. Ltd., 1025336 B.C. Ltd., Chongye Developments Ltd., Washington Properties (Point Grey) Inc., and Edison Washington.
7. The Receiver brings this application to approve the sale of certain property subject to the Receivership Order.

B. Sale of 601-5033 Cambie Street

8. The Receiver is seeking an order approving the sale of a residence located at the civic address #601-5033 Cambie Street, Vancouver, and legally described as

PID: 030-880-084

Strata Lot 117 Block 839 District Lot 526 Group 1 New Westminster District
Strata Plan EPS4950

(the "**Lands**").

9. 1256306 B.C. Ltd ("**306 BC Ltd.**") is the registered owner of the Lands and is a Respondent in these receivership proceedings.
10. The Lands are a condominium unit located in a large strata complex. Originally, eleven (11) units in this complex were subject to Receivership Order (collectively, the "**Cambie Strata Lots**"). To date, the Receiver has sold and completed the sale of seven (7) units.

11. On or about August 7, 2024, Wendy Valerie Norman and Olaf Zepper (the "**Purchasers**") and the Receiver entered into an contract of Purchase and Sale (the "**Purchase Agreement**") to purchase the Lands for \$1,750,000.00 (the "**Purchase Price**"). The sale is set to close on the later of October 23, 2024, or ten (10) days after court approval. The possession and adjustment dates are to be 12:00 o'clock noon on the day following completion.
12. The following entities hold secured charges against the Lands:
 - (a) the Secured Creditor holds a first ranking mortgage and assignment of rents under charge numbers CA703705 and CA7037306;
 - (b) the Secured Creditor holds a second ranking mortgage and assignment of rents under charge numbers CA7037322 and CA7037323;
 - (c) the Secured Creditor holds a third ranking mortgage and assignment of rents under charge numbers CA7787470 and CA7787471;
 - (d) the Secured Creditor holds a fourth ranking mortgage under charge number CA8202887;
 - (e) the Secured Creditor holds a subsequently registered certificate of pending litigation under charge number CB224804.
13. The Receiver understands that the Secured Creditor is satisfied with the transaction contemplated by the Purchase Agreement.
14. The Receiver has engaged Exclusive Vancouver Real Estate Group (the "**Sales Agent**") as listing agent in respect of all of the Cambie Strata Lots, and has developed a marketing strategy with the Sales Agent to stagger the release of these units so as to avoid flooding the market.
15. The Lands, in particular, have been listed with the Sales Agent since April 4, 2024. During that time, the Sales Agent has coordinated private appointments to view the Lands.
16. Since the execution of the Purchase Agreement, the sales agent has continue to market the property and seek competing bids pursuant to Practice Direction #62.
17. The proposed sale is a prudent sale because the subject property was properly exposed to the public market and on the evidence the purchase price proposed reasonably reflects the Lands' current market value.

18. The Receiver therefore seeks approval of the sale of the Lands for \$1,750,000.00.

C. Vacancy Tax Issue

19. The Respondents, 1025334 B.C. Ltd, 1025332 B.C. Ltd, and 1025336 B.C. Ltd were the previous owners of three vacant lots in Vancouver, BC with civic addresses of 4889 Belmont Ave, 4883 Belmont Ave and 4899 Belmont Ave (collectively, the "**Belmont Properties**").
20. On July 20, 2023, this Court granted an order (as amended August 28, 2023, the "**Approval and Vesting Order**") approving the sale of the Belmont Properties to 1434000 B.C. Ltd., 1434002 B.C. Ltd., and 1434003 B.C. Ltd. (collectively, the "**Purchasers**").
21. On September 1, 2023, the Receiver filed a certificate in accordance with the Approval and Vesting Order confirming the sale of the Belmont Properties completed on August 31, 2024 (the "**Closing Date**").
22. Ahead of the Closing Date, the Receiver became aware that the Belmont Properties were under audit (the "**Audit**") by the City of Vancouver (the "**City**") for amounts owed under the *City of Vancouver Vacancy Tax (Empty Homes Tax) By-Law No. 11674* (the "**Vacancy Tax Bylaw**") for the years 2021 and 2022.
23. Counsel for the Receiver was subsequently informed by the City that the City had determined no vacancy tax was owed for the year 2021, but that 2022 was still under Audit. The City further advised that it expected assess vacancy tax for 2022 in respect of the Belmont Properties in the amount of \$1,761,741, specifically:
- (a) \$217,710.00 for 4899 Belmont Ave;
 - (b) \$641,730.00 for 4889 Belmont Ave; and
 - (c) \$902,301.00 for 4883 Belmont Ave.
24. Based on the potential vacancy tax owed, the Receiver held back \$1,800,000 from the proceeds of sale of the Belmont Properties (the "**Vacancy Tax Holdback Funds**").
25. Counsel for the Receiver, Dentons Canada LLP, currently holds the Vacancy Tax Holdback Funds in its trust account.

26. On November 14, 2023, the City issued three Supplementary Vacancy Tax Notices (the "**Tax Notices**"), against each of the Belmont Properties, assessing the Purchasers for tax under the Vacancy Tax Bylaw, for the 2022 vacancy reference period, in the amounts specified above.
27. On or about February 12, 2024, the Receiver filed a Combined Notice of Complaint (the "**Complaint**"), on behalf of the Purchasers, to appeal the Tax Notices.
28. On or about February 15, 2024, the City responded to the Complaint and advised that on the basis of the information provided to it thus far, vacancy tax is payable in respect of the Belmont Properties for the 2022 vacancy reference period, under the Vacancy Tax Bylaw.
29. The Receiver has filed a further complaint on behalf of the Purchasers for a further review of the issue with the Vacancy Tax Review Officer. The Receiver has yet to receive a response from the Vacancy Tax Review Officer.
30. While the foregoing appeal process is underway, the tax certificates for the Belmont Properties continue to show 2022 Vacancy Tax Assessment as owing for each of the Belmont Properties, and the Purchasers have requested these be removed in accordance with the Approval and Vesting Order.
31. In addition, the Receiver intends to seek its discharge in the near future, and understands that the Secured Creditor intends to continue the Vacancy Tax appeal process (to the extent any further steps are required) once it receives a response from the Vacancy Tax Review Officer.
32. It is anticipated the Secured Creditor will suffer a shortfall on its debt, and accordingly it is the only economic stakeholder in the outcome of those appeals.

LEGAL BASIS

1. The Petitioner will rely on:
 - (a) the Receivership Order;
 - (b) Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (as may be amended from time to time, the "**BIA**");
 - (c) Rule 13-5 of the *Supreme Court Civil Rules*; and
 - (d) Section 15 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253.

Approval of Sale

2. Pursuant to paragraphs 2(l)(ii) and 2(m) of the Receivership Order, the Receiver was granted the power to sell the Lands, subject to approval of this Court, and to apply for a vesting order in connection with the same.
3. *Royal Bank v. Soundair Corp.* is the leading authority on the factors a court may consider when approving a sale proposed by a receiver, which are:
 - (a) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;
 - (b) the interests of all parties;
 - (c) the efficacy and integrity of the process by which offers are obtained; and
 - (d) whether there has been unfairness in the working out of the process.

Royal Bank v. Soundair Corp., 1991
CarswellOnt 205 (Ont. C.A.) ("*Soundair*")
at para. 16.

4. In this case the Receiver submits all of the *Soundair* factors have been met and the Court should approve the sales proposed herein. The Receiver submits that an order approving the sale of the Lands to the relevant purchasers is appropriate for the following reasons:
 - (a) the Receiver and the Sales Agent have made a sufficient effort to get the best price for the Lands and have not acted improvidently, and the purchase price reflects the fair market value for the Lands;
 - (b) the sale is supported by the Secured Creditor;
 - (c) the process used to market and sell the land has efficacy and integrity; the Receiver and Sales Agent subjected the Lands to a reasonable exposure to market, as part of an overall strategy to market and sell multiple units in the same building; and
 - (d) the process used to market and sell the Lands was fair and reasonable.

Vacancy Tax Issue

5. Section 243(1) of the Bankruptcy and Insolvency Act (the “BIA”) provides the court with jurisdiction to authorize the receiver to take any action that the Court considers advisable:

243 (1) Subject to subsection (1.1), on application by a secured creditor, a 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 the 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 or that property and over the insolvent person's or bankrupt's business; or
- (c) take any other action that the court considers advisable.

Bankruptcy and Insolvency Act, s.243(1)

6. The purpose and object of a receivership authorized by the BIA is to facilitate and enhance the preservation and realization of the assets of an insolvent debtor for the benefit of creditors in accordance with their priority rankings.

British Columbia v. Peakhill Capital Inc.,
2024 BCCA 246 at para 21

7. This necessarily involves the receiver being endowed with the power to liquidate assets, and being charged with a principal responsibility to ensure the liquidation of assets results in the maximum return to creditors.

Ibid. at para 21

8. While jurisdiction under 243(1)(c) is not unbounded, orders granted under a statutory regime will be legitimate to the extent they are consistent with, and further the purposes and objects of, the statute.

Ibid. at para 23

9. Pursuant to the Vacancy Tax Bylaw, a vacancy tax is a "levy" which may be lawfully inserted in the real property tax roll and may be collected as real property taxes pursuant to Section 409(2) and (3) of the *Vancouver Charter*.

Vacancy Tax Bylaw, s.2.9

10. A levy that is lawfully inserted in the real-property tax roll is, *inter alia*, a charge or lien on the real property in respect of which it is imposed, has priority over any claim, lien, privilege or encumbrance of any person except the Crown, and does not require registration to preserve it.

Vancouver Charter, S.B.C. 1953, c. 55,
s.409

11. Pursuant to the Approval and Vesting Order:

3. Upon delivery by the Receiver to the Purchasers of a certificate confirming the Transaction has completed to the satisfaction of the Receiver ... all of the right, title and interest of 1025332 B.C. Ltd., 1025334 B.C. Ltd., 1025336 B.C. Ltd. and Washington Properties (Point Grey) Inc. ... in and to the [Belmont Properties] shall vest absolutely in the Purchasers 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 ... ("**Claims**") ...

...

5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the [Belmont Properties] shall stand in the place and stead of the [Belmont Properties], and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the [Belmont Properties] with the same priority as they had with respect to the [Belmont Properties] immediately prior to the sale ...

12. As a result, the effect of the Approval and Vesting Order was to discharge all levies (including the 2022 Vacancy Tax Levy) from title to the Belmont Properties, and attach those levies to the sale proceeds with the same priority they had prior to that order.

13. The orders sought by the Receiver will permit the City of Vancouver to implement that order by removing the 2022 Vacancy Tax Levy from the real-property tax roll, while preserving the City's claim to the Vacancy Tax Holdback Funds.
14. Given the foregoing, the Receiver submits the orders it seeks are, "consistent with, and further the purposes and objects of, the BIA."
15. Specifically, the orders will (a) confirm the effect of the Approval and Vesting Order and ensure the Purchasers enjoy clear title to the Belmont Properties; and (b) facilitate an efficient wind up of these Receivership proceeding by transferring conduct of the appeal of the 2022 Vacancy Tax Assessment to the Petitioner, who is the only economic stakeholder in the outcome of that appeal.

MATERIAL TO BE RELIED ON

1. Receivership Order made October 27, 2022;
2. Order (Slip Rule) Amending Receivership Order, made November 7, 2022;
3. Orders made November 7, 2022, December 7, 2022, February 7, 2023, and April 26, 2023;
4. Order made after application dated July 20, 2023;
5. Order made after application dated August 28, 2023;
6. Receiver's Certificate filed September 1, 2023;
7. Order (Distribution Order) made after application dated October 30, 2023;
8. Affidavit #1 of Miriam Dominguez, made 27/SEPT/2024; and
9. Receiver's Eighth Report to the Court, to be filed.

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

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

Date: 27/SEPT/2024


Signature of lawyer for filing party
Jordan Schultz

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

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

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

Schedule "A"

Service List

(See Attached)

SCHEDULE "A"

NO. H220369
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PLW INVESTMENT LTD.

PETITIONER

AND:

1025332 B.C. LTD., 1025334 B.C. LTD., 1025336 B.C. LTD.,
CHONGYE DEVELOPMENTS LTD., WASHINGTON PROPERTIES
(POINT GREY) INC., WASHINGTON PROPERTIES (QEP) INC.,
LUCKY FIVE INVESTMENTS LTD., 1094321 B.C. LTD., PRARDA
DEVELOPMENTS CORPORATION, 1256306 B.C. LTD., 1256319
B.C. LTD., AMY BARSHA WASHINGTON (A.K.A. FENGYUN
SHAO), EDISON WASHINGTON (A.K.A. QIANG WANG), LINDA
WASHINGTON, 35 PARK PARKING INC., EARLSTON MORTGAGE
CORP., WASHINGTON PROPERTIES (WEST 27TH) INC. AND
WASHINGTON PROPERTIES (WEST 29TH) INC.

RESPONDENTS

SERVICE LIST

[Updated: February 12, 2024]

Receiver's Website: <https://www.alvarezandmarsal.com/washingtonproperties>

<u>NAME OF COUNSEL:</u>	<u>PARTY(IES):</u>
Dentons Canada LLP Barristers & Solicitors 20 th Floor – 250 Howe Street Vancouver, BC V6C 3R8 Attention: Jordan Schultz / Valerie Cross Tel: (604) 691-6452 Email: jordan.schultz@dentons.com; valerie.cross@dentons.com; avic.arenas@dentons.com catherine.ewasiuk@dentons.com	<i>Counsel for Court-appointed Receiver (Alvarez & Marsal Canada Inc.)</i>

NAME OF COUNSEL:	PARTY(IES):
<p>Fasken Martineau DuMoulin LLP Barristers & Solicitors 2900 – 550 Burrard Street Vancouver, BC V6C 1A3</p> <p>Attention: Kibben Jackson / Mishaal Gill</p> <p>Tel: (604) 631-3131</p> <p>Email: kjackson@fasken.com; mgill@fasken.com; eluke@fasken.com; svolkow@fasken.com</p>	<p><i>Counsel for the Petitioners</i></p>
<p>Alvarez & Marsal Canada Inc. Cathedral Place Building 925 West Georgia Street, Suite 902 Vancouver, BC V6C 3L2</p> <p>Attention: Anthony Tillman / Pinky Law</p> <p>Tel : (604) 639-0849</p> <p>Email: atillman@alvarezandmarsal.com; pinky.law@alvarezandmarsal.com; nvirmani@alvarezandmarsal.com; Marianna.lee@alvarezandmarsal.com</p>	<p><i>Court-appointed Receiver</i></p>
<p>Kornfeld LLP 1100 One Bentall Centre 505 Burrard Street, Box 11 Vancouver, BC V7X 1M5</p> <p>Attention: Daniel S. Parlow / Neil Kornfeld Devin P. Lucas</p> <p>Tel: (604) 683-0570</p> <p>Email: dparlow@kornfeldllp.com; nkornfeld@kornfeldllp.com; tleung@kornfeldllp.com; dlucas@kornfeldllp.com; kapan@kornfeldllp.com</p>	<p><i>Counsel for: 1025332 B.C. Ltd., 1025334 B.C. Ltd., 1025336 B.C. Ltd., Chongye Developments Ltd., Washington Properties (Point Grey) Inc., Washington Properties (QEP) Inc., Lucky Five Investments Ltd., 1094321 B.C. Ltd., Prada Developments Corporation, 1256306 B.C. Ltd., 1256319 B.C. Ltd., Amy Barsha Washington (a.k.a. Fengyun Shao), Edison Washington (a.k.a. Qiang Wang), Linda Washington and 35 Park Parking Inc.</i></p>
<p>Dentons Canada LLP Barristers & Solicitors 20th Floor – 250 Howe Street Vancouver, BC V6C 3R8</p> <p>Attention: Eamonn Watson</p> <p>Tel: (604) 629-4997</p> <p>Email: eamonn.watson@dentons.com; chelsea.denton@dentons.com</p>	<p><i>Counsel for Earlston Mortgage Corp.</i></p>

<u>NAME OF COUNSEL:</u>	<u>PARTY(IES):</u>
<p>Clark Wilson 900-885 West Georgia Street Vancouver, BC V6C 3H</p> <p>Attention: Juan Pablo Mendez Campos Maria Di Paolo</p> <p>Tel: (604) 643-3912</p> <p>Emails: JPMendezCampos@cwilson.com; mdipaolo@cwilson.com</p>	<p><i>Counsel for The Owners, Strata Plan EPS 4950</i></p>
<p>Owen Bird Law Corporation 2900 – 733 Seymour Street, P.O. Box 1 Vancouver, B.C. V6B 0S6</p> <p>Attention: Alan Frydenlund, K.C.</p> <p>Tel: (604) 691-7511</p> <p>Emails: afrydenlund@owenbird.com hfrydenlund@owenbird.com</p>	<p><i>Counsel for Pacifica Mortgage Investment Corporation</i></p>
<p>Department of Justice Canada 900 - 840 Howe Street Vancouver, B.C. V6Z 2S9</p> <p>Attention: Christine Matthews</p> <p>Tel: (604) 666-5891</p> <p>Email: Christine.Matthews@justice.gc.ca</p>	<p><i>Counsel for His Majesty the King in right of Canada, as represented by the Minister of National Revenue (CRA)</i></p>
<p>Foundation Law Corporation 830 - 8477 Bridgeport Road Richmond, BC V6X 0S8</p> <p>Attention: Jerry Liu</p> <p>Tel: 604-242-2819</p> <p>Email: jliu@foundationlawyers.com; kjin@foundationlawyers.com</p>	<p><i>Counsel for 1419788 B.C. Ltd.</i></p>
<p>Avid Law Corporation 5811 Cooney Road Suite 602 North Tower Richmond, BC V6X 3M1</p> <p>Attention: Brent Desruisseaux</p> <p>Tel: 604-273-7565</p> <p>Email: bdesruisseaux@avid-law.com; civil@avid-law.com</p>	<p><i>Counsel for Ping Zhong and 2475651 Alberta Inc.</i></p>

<u>NAME OF COUNSEL:</u>	<u>PARTY(IES):</u>
Richard Buell Sutton LLP 700 - 401 West Georgia Street Vancouver, BC, Canada V6B Attention: Tommy Chan Tel: 604-682-3664 Email: TChan@rbs.ca; sng@rbs.ca	<i>Counsel for CTJ Investments Inc.</i>

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bdesruisseaux@avid-law.com; civil@avid-law.com; TChan@rbs.ca; sng@rbs.ca

Schedule "B"

Remaining Lands which are subject to the Receivership Order

	<u>CIVIC ADDRESS</u>	<u>PID</u>	<u>REGISTERED OWNER</u>
1.	4215 Cambie Street, Vancouver	009-467-904	Edison Washington
2.	4491 Cambie Street, Vancouver	008-116-059	Amy Barsha Washington
3.	505 – 4963 Cambie Street, Vancouver	030-879-469	1256306 B.C. Ltd.
4.	601 – 5033 Cambie Street, Vancouver	030-880-084	1256306 B.C. Ltd.
5.	604 – 5033 Cambie Street, Vancouver	030-880-114	1256306 B.C. Ltd.
6.	501 – 5077 Cambie Street, Vancouver	030-880-696	1256306 B.C. Ltd.

Schedule "C"

Draft Approval and Vesting Order

(See Attached)

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PLW INVESTMENT LTD.

PETITIONER

AND:

1025332 B.C. LTD., 1025334 B.C. LTD., 1025336 B.C. LTD., CHONGYE
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PARKING INC., EARLSTON MORTGAGE CORP., WASHINGTON PROPERTIES
(WEST 27TH) INC. and WASHINGTON PROPERTIES (WEST 29TH) INC.

RESPONDENTS

ORDER MADE AFTER APPLICATION

)	THE HONOURABLE)	
BEFORE))	11 / OCT / 2024
)	JUSTICE BLAKE)	

ON THE APPLICATION of the Alvarez & Marsal Canada Inc., in its capacity as court appointed receiver and manager (the "**Receiver**"), coming on for hearing at Vancouver, British Columbia on this day, and on hearing Jordan Schultz and Catherine Ewasiuk, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, and no one else appearing, although duly served;

THIS COURT ORDERS AND DECLARES THAT:

1. The sale of the lands at 601 – 5033 Cambie Street, Vancouver, British Columbia, legally known and described as:

PID: 030-880-084

Strata Lot 117 Block 839 District Lot 526 Group 1 New Westminster District
Strata Plan EPS4950

(the "**Lands**")

to , Wendy Valerie Norman and Olaf Zeppe, (collectively, the "**Purchaser**"), as joint tenants, for the purchase price of \$1,750,000.00 and on the other terms and conditions set out in the contract of purchase and sale dated August 7, 2024, as subsequently amended from time to time (collectively, the "**Contract**"), is hereby approved.

2. The sale transaction (the "**Transaction**") contemplated by the Contract is hereby approved, and the Contract is commercially reasonable. The execution of the Contract 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 Contract (the "**Purchased Assets**").

3. Upon delivery by the Receiver to the Purchaser of a certificate confirming the Transaction has completed to the satisfaction of the Receiver (the "**Receiver's Certificate**"), all of the right, title and interest of the Respondents in and to the Purchased Assets described in the Contract 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 Order of this Court dated October 27, 2022; 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**") 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.

4. On filing a certified copy of this Order in the Vancouver Land Title Office together with a letter from the Receiver's solicitor authorizing the filing, the Lands be conveyed to and vest in the Purchaser as registered owners in fee simple, free and clear of any estate, right, title, interest, equity of redemption and other claims of the parties, together with any other charges, liens, encumbrances caveats, or certificates of pending litigation registered against the Lands subsequent to the Petitioner's Certificate of Pending Litigation, but subject to the reservations, provisos, exceptions, and conditions express in the original grants thereof from the Crown.

5. 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.

6. All persons claiming possession of the Lands, or any portion thereof, shall deliver vacant possession of the Lands to the Purchaser, or their agents, successors or assigns, on the Possession Date, as defined in the Contract (herein, the "**Possession Date**").

7. If any person fails to deliver vacant possession of the Lands to the Purchaser at the Possession Date, then the Receiver shall be at liberty to apply to the Registrar for a Writ of Possession, under Rule 13-2(13) and without further Order of the Court.

8. The net sale proceeds after adjustments shall be paid to Dentons Canada LLP, in trust, or otherwise in accordance with the written direction of Dentons Canada LLP, and then disbursed in accordance with the following priorities without further Order:

- (a) first, payment of water and sewer rates, property taxes, arrears of property taxes, interest and penalties on arrears of property taxes, owing in respect of the Lands;
- (b) second, in payment of real estate commission in an amount not exceeding 7% of the first \$100,000 of the gross selling price and 2.5% of the remainder, plus applicable taxes thereon;
- (c) third, to The Owners, Strata Plan EPS4950, or its solicitors, the total amounts owing under Certificate of Lien Nos. CA9094530 and CB134962 having priority over the Petitioner's mortgage registered against title to the Lands under No. CA7037305; and
- (d) fourth, the balance to the Receiver to be held pending further Order of this Honourable Court.

9. For the purpose of issuing title and in respect of the Lands, the following charges, liens, encumbrances, caveats, mortgages, and certificates of pending litigation be cancelled insofar as they apply to the Lands:

	Party	Nature of Charge	Registration No.
(a)	PLW Ltd.	Investment Mortgage	CA7037305
(b)	PLW Ltd.	Investment Assignment of Rents	CA7037306

(c)	PLW Ltd.	Investment	Mortgage	CA7037322
(d)	PLW Ltd.	Investment	Assignment of Rents	CA7037323
(e)	35 Park Parking Inc.	Option to Lease		CA7614154
(f)	PLW Ltd.	Investment	Mortgage	CA7787470
(g)	PLW Ltd.	Investment	Assignment of Rents	CA7787471
(h)	PLW Ltd.	Investment	Mortgage	CA8202887
(i)	PLW Ltd.	Investment	Certificate of Pending Litigation	CB224804

together with any other charges, liens, encumbrances, caveats, or certificates of pending litigation registered against the Lands subsequent to the Petitioner's Certificate of Pending Litigation.

10. The Parties hereto and the Purchaser be at liberty to apply for such further and other direction as may be necessary to carry out the full purport and effect of this Order.

11. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is 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 Jordan Schultz
Lawyer for the Receiver

By the Court.

Registrar

SCHEDULE "A"

LIST OF COUNSEL

Name	Appearing for
Mishaal Gill	PLW Investments Ltd.

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PLW INVESTMENT LTD.

PETITIONER

AND:

1025332 B.C. LTD., 1025334 B.C. LTD., 1025336 B.C. LTD., CHONGYE DEVELOPMENTS LTD., WASHINGTON PROPERTIES (POINT GREY) INC., WASHINGTON PROPERTIES (QEP) INC., LUCKY FIVE INVESTMENTS LTD., 1094321 B.C. LTD., PRARDA DEVELOPMENTS CORPORATION, 1256306 B.C. LTD., 1256319 B.C. LTD., AMY BARSHA WASHINGTON (A.K.A. FENGYUN SHAO), EDISON WASHINGTON (A.K.A. QIANG WANG), LINDA WASHINGTON, 35 PARK PARKING INC. AND EARLSTON MORTGAGE CORP.

RESPONDENTS

**ORDER MADE AFTER APPLICATION
[APPROVAL OF SALE AND VESTING OF TITLE ORDER]
[601-5033 CAMBIE STREET]**

DENTONS CANADA LLP
BARRISTERS & SOLICITORS
250 Howe Street, 20th Floor
Vancouver, BC V6C 3R8
Phone No.: (604) 687-4460
Attention: Jordan Schultz

File No. 529227-23

NATDOCS\529227\23\80919641\W-1

Schedule "D"

Draft Order re: Vacancy Tax Issues

(See Attached)

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PLW INVESTMENT LTD.

PETITIONER

AND:

1025332 B.C. LTD., 1025334 B.C. LTD., 1025336 B.C. LTD., CHONGYE DEVELOPMENTS LTD., WASHINGTON PROPERTIES (POINT GREY) INC., WASHINGTON PROPERTIES (QEP) INC., LUCKY FIVE INVESTMENTS LTD., 1094321 B.C. LTD., PRARDA DEVELOPMENTS CORPORATION, 1256306 B.C. LTD., 1256319 B.C. LTD., AMY BARSHA WASHINGTON (A.K.A. FENGYUN SHAO), EDISON WASHINGTON (A.K.A. QIANG WANG), LINDA WASHINGTON, 35 PARK PARKING INC. AND EARLSTON MORTGAGE CORP. WASHINGTON PROPERTIES (WEST 27TH) INC. AND WASHINGTON PROPERTIES (WEST 29TH) INC.

RESPONDENTS

ORDER MADE AFTER APPLICATION

)	THE HONOURABLE)	
BEFORE))	October 11, 2024
)	JUSTICE BLAKE)	

ON THE APPLICATION of Alvarez & Marsal Canada Inc., in its capacity as court appointed receiver and manager (the "**Receiver**"), coming on for hearing at Vancouver, British Columbia on this day, and on hearing Jordan Schultz and Catherine Ewasiuk, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, and no one else appearing, although duly served;

THIS COURT ORDERS THAT:

1. the City of Vancouver forthwith remove the levy in respect of the vacancy tax assessed under *City of Vancouver By-law 11674* (the "**Bylaw**") for the 2022 calendar year (the "**2022 Vacancy Tax Assessment**"), together with all penalties levied for failure to pay such tax (collectively, the "**2022 Vacancy Tax Levy**"), from the real property tax roll in respect of the real property legally described as:

(a) PID: 010-858-300, Lot 3 Block 1 District Lot 140 Plan 6583;

- (b) PID: 010-858-296, Lot 2 Block 1 District Lot 140 Plan 6583; and
- (c) PID: 010-858-288, Lot 1, Except Part in Explanatory Plan 3376 Block 1 District Lot 140 Plan 6583

(collectively, the "**Belmont Properties**");

2. without limiting the foregoing, any charge or lien securing the 2022 Vacancy Tax Levy is hereby discharged and released from the Belmont Properties, in accordance with paragraph 3 of the Order made July 20, 2023 in these proceedings (the "**Approval and Vesting Order**");

3. the 2022 Vacancy Tax Levy hereby is attached to funds in the amount of **[\$1,800,000]** currently held in trust by Dentons Canada LLP (the "**Vacancy Tax Holdback Funds**"), representing a portion of the proceeds from the sale of the Belmont Properties, in accordance with paragraph 5 of the Approval and Vesting Order;

4. Dentons Canada LLP shall forthwith transfers the Vacancy Tax Holdback Funds to Fasken Martineau DuMoulin LLP, in trust, which funds shall remain subject to the Vacancy Tax Lien;

5. the Petitioner shall forthwith assume conduct of the notice of complaint (the "**Complaint**") submitted by the Receiver in respect of the 2022 Vacancy Tax Assessment, and notwithstanding anything to the contrary in the Bylaw:

- (a) any notice or request for information in respect of the 2022 Vacancy Tax Assessment shall be delivered to the Petitioner care of:

Fasken Martineau DuMoulin LLP
550 Burrard Street, Suite 2900
Vancouver, BC V6C 0A3
Attention: Kibben Jackson

- (b) the Petitioner shall, for all purposes in relation to the 2022 Vacancy Tax Assessment, be deemed to be the "registered owner" of the Belmont Properties, and without limitation the Petitioner shall have the right to request a review by the Tax Review Panel or apply for judicial review or take such other remedies as would otherwise be available of or in respect of any determination made in respect of the Complaint.

6. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is 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:A

Signature of Jordan Schultz
Lawyer for the Receiver

By the Court.

Registrar

SCHEDULE "A"

LIST OF COUNSEL

Name	Appearing for

NO. H220369
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PLW INVESTMENT LTD.

PETITIONER

AND:

1025332 B.C. LTD., 1025334 B.C. LTD., 1025336 B.C. LTD., CHONGYE
DEVELOPMENTS LTD., WASHINGTON PROPERTIES (POINT GREY)
INC., WASHINGTON PROPERTIES (QEP) INC., LUCKY FIVE
INVESTMENTS LTD., 1094321 B.C. LTD., PRARDA DEVELOPMENTS
CORPORATION, 1256306 B.C. LTD., 1256319 B.C. LTD., AMY BARSHA
WASHINGTON (A.K.A. FENGYUN SHAO), EDISON WASHINGTON
(A.K.A. QIANG WANG), LINDA WASHINGTON, 35 PARK PARKING INC.
AND EARLSTON MORTGAGE CORP.

RESPONDENTS

ORDER MADE AFTER APPLICATION

DENTONS CANADA LLP
BARRISTERS & SOLICITORS
250 Howe Street, 20th Floor
Vancouver, BC V6C 3R8
Phone No.: (604) 687-4460
Attention: Jordan Schultz

File No. 529227-23