



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

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

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 30/OCT/2023 at 9:00 a.m. for the order set out in Part 1 below.

Part 1: ORDER SOUGHT

1. An Order authorizing and directing the Receiver to distribute the net sale proceeds of certain Sold Properties and the Remaining Properties (as defined below), from time to time and in such amounts as the Receiver may deem appropriate PLW Investment Ltd. ("PLW"), up to the amount owed to each such creditor, substantially in the form attached hereto as **Schedule "A"**.

Part 2: FACTUAL BASIS

1. By way of overview, this is an application by the Receiver seeking to confirm the priority between various registered mortgages held by PLW, on the one hand, and a GST liability of one of the Debtors and a potential deemed trust arising therefrom, on the other.
2. For the reasons set out below, the Receiver seeks an order directing the distribution of certain sale proceeds to PLW.

A. The Receivership and Registered Mortgage Security

3. On or about October 27, 2022, on application of PLW, 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**").
4. PLW is a secured creditor of the "**Debtors**" (being 1025332 B.C. Ltd. ("**332**"), 1025334 B.C. Ltd. ("**334**"), 1025336 B.C. Ltd. ("**336**"), Chongye Developments Ltd. ("**Developments**"), Washington Properties (Point Grey) Inc. ("**Properties Point Grey**"), Washington Properties (QEP) Inc. ("**QEP**"), Lucky Five Investments Ltd. ("**Lucky Five**"), 1094321 B.C. Ltd. ("**321**"), Prarda Developments Corporation ("**Prarda**"), 1256306 B.C. Ltd. ("**306**"), 1256319 B.C. Ltd. ("**319**"), Amy Barsha Washington (a.k.a. Fengyun shao) ("**Amy**"), Edison Washington (a.k.a. Qiang Wang) ("**Edison**"), and Linda Washington ("**Linda**").
5. In particular, PLW entered into three loan agreements with various Respondents, which loans are secured by (*inter alia*) various mortgages on the lands which are subject to the Receivership Order:
 - (a) Loan Agreement dated December 18, 2018 between Amy, 332, 334, 336, Developments, and Properties Point Grey, as borrowers (collectively, the "**2018 Borrowers**"), Edison as guarantor, and PLW as lender ("**2018 Loan Agreement**");
 - (b) Loan Agreement dated July 26, 2019 between Amy, 332, 334, 336, Properties Point Grey, QEP, Lucky Five, 321, and Prarda, as borrowers (the "**2019 Borrowers**"), Edison and Linda, as guarantors, and PLW as lender ("**2019 Loan Agreement**").
 - (c) Loan Agreement dated August 17, 2020 (which superseded and replaced the 2019 Loan Agreement) between Amy, Edison, 332, 334, 336, Properties Point Grey, QEP, Lucky Five, 321, Prarda and Developments, as borrowers (the "**2020**

Borrowers”), Lucy Washington, as guarantor, and PLW as lender (“**2020 Loan Agreement**”, together with the 2018 Loan Agreement, the “**Loan Agreements**”).

6. 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.
7. In addition, since the stay of the Receivership Order expired, this Court has approved the sale of seven parcels of land which were subject to the Receivership Order, six of which have completed and the other of which is scheduled to complete in December, 2023. The sold properties (described as at the date of the Receivership Order) are as follows (collectively, the “**Sold Properties**”):

	<u>CIVIC ADDRESS</u>	<u>PID</u>	<u>REGISTERED OWNER</u>	<u>DEFINED TERM</u>
1.	4899 Belmont Ave, Vancouver	010-858-288	1025332 B.C. Ltd.,	“Belmont 1”
2.	4889 Belmont Ave Vancouver	010-858-296	1025334 B.C. Ltd.,	“Belmont 2”
3.	4883 Belmont Ave Vancouver	010-858-300	1025336 B.C. Ltd.	“Belmont 3” together with items 1 and 2, “Belmont”
4.	835 Eyremount Dr, West Vancouver	010-577-441	Amy Washington	“Eyremount”
5.	504 – 4963 Cambie Street, Vancouver	030-879-451	1256306 B.C. Ltd.	“Cambie Lot 54”
6.	505 – 5033 Cambie Street, Vancouver	030-880-076	1256306 B.C. Ltd.	“Cambie Lot 116”
7.	605 – 5077 Cambie Street, Vancouver	030-880-122	1256306 B.C. Ltd.	“Cambie Lot 121” , together with items 5 and 6, the “Sold Cambie Lots”

8. Other than in respect of the Belmont lands, the Receiver holds (or will hold) the net sale proceeds realized from the Sold Properties pending further order of the Court.

9. As a result of the foregoing, and upon completion of the above noted sale, there are twelve (12) parcels which remain subject to the Receivership Order. The remaining properties are as follows (collectively, the “**Remaining Properties**”):

	<u>CIVIC ADDRESS</u>	<u>PID</u>	<u>REGISTERED OWNER</u>	<u>DEFINED TERM</u>
1.	4215 Cambie Street, Vancouver	009-467-904	Edison Washington	“ 4215 Cambie ”
2.	4491 Cambie Street, Vancouver	008-116-059	Amy Washington	“ 4491 Cambie ”
3.	4403 W 3 rd Avenue, Vancouver	013-255-495	Amy Washington	“ West 3rd ”
4.	505 – 4963 Cambie Street, Vancouver	030-879-469	1256306 B.C. Ltd.	“ Cambie Lot 55 ”
5.	501 – 5033 Cambie Street, Vancouver	030-880-033	1256306 B.C. Ltd.	“ Cambie Lot 112 ”
6.	504 – 5033 Cambie Street, Vancouver	030-880-068	1256306 B.C. Ltd.	“ Cambie Lot 115 ”
7.	601 – 5033 Cambie Street, Vancouver	030-880-084	1256306 B.C. Ltd.	“ Cambie Lot 117 ”
8.	604 – 5033 Cambie Street, Vancouver	030-880-114	1256306 B.C. Ltd.	“ Cambie Lot 120 ”
9.	501 – 5077 Cambie Street, Vancouver	030-880-696	1256306 B.C. Ltd.	“ Cambie Lot 178 ”
10.	502 – 5077 Cambie Street, Vancouver	030-880-645	1256306 B.C. Ltd.	“ Cambie Lot 173 ”
11.	602 – 5077 Cambie Street, Vancouver	030-880-700	1256306 B.C. Ltd.	“ Cambie Lot 179 ”, together with items 4-10, the “ Remaining Cambie Stata Lots ”, together with the Sold Cambie Strata Lots, the “ Cambie Strata Lots ”
12.	1203 – 535 Nicola Street, Vancouver	024-010-499	Linda Washington	“ Nicola Strata Lot ”

B. PLW Loans and Security

10. The PLW loans and security reflect a complicated series of transactions, which are summarized below.
11. The mortgages in favour of PLW (described below) are registered first in priority against all of the Sold Lands and the Remaining Lands, except that:
 - (a) two mortgages (the “**Pacifica Mortgages**”) in favour of Pacifica Mortgage Investment Corporation were registered against Eyremount in priority to the mortgage in favour of PLW. These mortgages were paid out and discharged on closing of the sale of Eyremount in accordance with the order approving sale made April 28, 2023;
 - (b) a mortgage in favour of Earlston Mortgage Corp. is registered against West 3rd in priority to the mortgage in favour of PLW; and
 - (c) separate mortgages in favour of Pacifica Mortgage Corporation and CTJ Investments Inc. (respectively) are registered against the Nicola Strata Lot in priority to the mortgage in favour of PLW.

2018 Loan Agreement

12. The transactions under the 2018 Loan are relatively straightforward.
13. Pursuant to the 2018 Loan Agreement, PLW agreed to advanced up to \$24,800,000 to the 2018 Borrowers.
14. The loan advanced under the 2018 Loan Agreement is secured by a mortgage (the “**2018 Mortgage**”) over the Belmont lands and Eyremount. At the time of the Receivership Order, the 2018 Mortgage was registered in first priority as against the Belmont lands, and in third priority against West 3rd (behind the Pacifica Mortgages, as noted above).
15. Pursuant to the Receivership Order, PLW was granted judgment against the 2018 Borrowers in the amount of \$35,023,312.14.

2019 Loan Agreement and 2020 Loan Agreement

16. The Transactions under the 2019 and 2020 Loan Agreement are more complex.
17. Pursuant to the 2019 Loan Agreement, PLW agreed to advance up to \$8,000,000 to the 2019 Borrowers.
18. Pursuant to the 2020 Loan Agreement, PLW agreed to advance up to \$50,000,000 to the 2020 Borrowers. By its terms, the 2020 Loan Agreement “replace[d] and supersede[d] the 2019 Loan Agreement”. In addition, advances under the 2020 Loan Agreement were used to:
 - (a) fund an assignment of the “**Laurentian Loan**” and related security to PLW, which had a balance of approximately \$4.1 million;
 - (b) fund an assignment of two separate “**Kingsett Loans**” and related security to PLW, which had a balances of approximately \$25.7 million and \$6 million, respectively;
 - (c) pay certain outstanding strata fees, property taxes, and transaction costs associated with the transfer of the Cambie Strata Lots.
19. At the time of the Receivership Order, advances under the 2020 Loan Agreement were secured, in part, by various mortgages registered against each of the Applicable Lands. In respect of the Cambie Strata Lots, the mortgages registered at that time were:
 - (a) the “**Laurentian Mortgage**” registered August 30, 2018, as security for the Laurentian Loan, which had been assigned to PLW and was a first-ranking charge with respect to the Cambie Strata Lots;
 - (b) the “**First Kingsett Mortgage**” registered August 30, 2018, as security for the first Kingsett Loan, which had been assigned to PLW and was a second-ranking charge with respect to the Cambie Strata Lots, subject to the Second Laurentian Mortgage;
 - (c) the “**Second Kingsett Mortgage**” registered October 2, 2019, as security for the second Kingsett Loan, which had been assigned to PLW and was a third-ranking charge with respect to the Cambie Strata Lots, subject to the Second Laurentian Mortgage and the First Kingsett Mortgage; and
 - (d) the “**2019 Strata Mortgage**” registered May 22, 2020 (as modified September 3, 2020), as security for the loan advanced pursuant to the 2020 Loan Agreement,

up to the principal amount of \$15,000,000, which was a fourth-ranking charge with respect to the Cambie Strata Lots.

20. In respect of the remaining Applicable Lands, the mortgages registered at that time were:
- (a) the “**2020 Eyremount Mortgage**”, as security for the loan advanced pursuant to the 2020 Loan Agreement, up to the principal amount of \$15,000,000, which was a fourth-ranking charge with respect to Eyremount, subject only to the Pacifica Mortgages and the 2018 Mortgage in favour of PLW; and
 - (b) the “**2020 Group B Mortgage**”, as security for the loan advanced pursuant to the 2020 Loan Agreement, up to the principal amount of \$15,000,000, which was a first-ranking charge with respect to 4215 Cambie and 4491 Cambie.
21. Pursuant to the Receivership Order, PLW was granted judgment against the 2020 Borrowers in the amount of \$38,714,573.58.

C. Ownership of the Cambie Strata Lots and GST Liability

22. At or around the time of the 2020 Loan Agreement, the Cambie Strata Lots were legally owned by Amy, and beneficially owned by QEP.
23. It was a term of the 2020 Loan Agreement that legal title to the Cambie Strata Lots be transferred to the respondent, 306, and beneficial title to the Cambie Strata Lots be transferred to the respondent, 319. The transfer occurred on or about September 4, 2020.
24. 306 and 319 are entities affiliated with or controlled by PLW. The Receiver understands the purpose of the transfer was to give PLW greater control over the sale of the Cambie Strata Lots if the loans provided under the 2020 Loan Agreement were not repaid.
25. QEP has an outstanding GST liability of approximately \$7,500,000. The liability is made up of the following assessments:
- | | | |
|-----|-------------------|----------------|
| (a) | December 31, 2019 | \$1,996,589.86 |
| (b) | December 31, 2020 | \$4,883,097.01 |
| (c) | February 28, 2021 | \$107,415.41 |
| (d) | March 31, 2021 | \$199,620.08 |
| (e) | April 30, 2021 | \$99,003.67 |
| (f) | June 30, 2021 | \$95,672.88 |
| (g) | June 30, 2022 | \$69,005.17 |
26. To the Receiver’s knowledge, there is no outstanding GST assessment against Amy, or against any current legal or beneficial owner of the Applicable Lands (as defined below).

D. Ownership of the Cambie Strata Lots and GST Liability

27. As set out below, a GST liability gives rise to a statutory deemed trust which may take priority over certain security interests, including (in some cases) registered mortgages.
28. Given the ownership history and existing GST liability, the orders approving the sale of the Sold Properties (other than Belmont) provided that the net sale proceeds be held by the Receiver pending further order of the Court.
29. The Receiver has now completed its analysis of the PLW loans and security, and the GST liability of QEP, and seeks directions regarding the distribution of the sale proceeds arising from the sale of:
- (a) Eyremount;
 - (b) 4215 Cambie and 4491 Cambie; and
 - (c) the Cambie Strata Lots
- (the “**Applicable Lands**”).
30. In particular, the Receiver is of the view that the net sale proceeds (net of usual transaction costs) from the Applicable Lands should be paid to PLW, and it therefore seeks an order to that effect.
31. At this time, the Receiver is not seeking an order in respect of distribution of the net sale proceeds in respect of:
- (a) the Belmont lands, as distribution of those sale proceeds was determined by the order approving sale made July 20, 2023;
 - (b) West 3rd Avenue, as it may be premature to assess distribution in light of the first ranking mortgage held by Earlston; and
 - (c) the Nicola Strata Lot, as the Receiver is (concurrently with this application) applying to remove the Nicola Strata Lot from these receivership proceedings so it may be sold in separate foreclosure proceedings.

Part 3: LEGAL BASIS

1. PLW holds a first mortgage on the Applicable Lands¹, and so on its face would be entitled to receive the net sale proceeds in the ordinary course.
2. The only issue which causes some uncertainty is whether the GST owing by QEP take priority over PLW in respect of the Cambie Strata Lots, arising from QEP's historical beneficial ownership of those properties.
3. The Receiver's assessment is that GST liability does not take priority, for two reasons.

Mortgages Registered Prior to GST Assessment

4. Subsection 222(1) of the *ETA* states that every person who collects GST is deemed to hold the amount in trust for CRA, despite any security interest in the amount. This applies when, if it were not for the security interest, the assets would be owned by the debtor. Additionally, subsection 222(3) states that the property is deemed to be beneficially owned by the Crown, and any proceeds from the property must be paid to the Crown before any other security interests are satisfied.
5. However, subsection 222(4) of the *ETA* states that for the purposes of subsections 222(1) and 222(3), "a security interest does not include a prescribed security interest".
6. A prescribed security interest is defined in section 2 of the *Security Interest (GST/HST) Regulations*, SOR/2011-55 (the "**ETA Regulations**") as "a mortgage or hypothec... but only if [it] is registered to the appropriate land registration system before the time the amount is deemed under subsection 222(1) of the Act to be held in trust by the person."
7. Therefore, subsection 222(4) of the *ETA* provides that a mortgage over a debtors property takes priority over CRA's deemed trust provided by subsections 222(1) and (3) of the *ETA* in situations where a lender registers a mortgage on a debtor's real property before a deemed trust arises.
8. The 2020 Loan is secured, in part, by the following mortgages over the Cambie Strata Lots that were registered before the initial GST assessment made December 31, 2019:
 - (a) the Laurentian Mortgage registered August 30, 2018;
 - (b) the First Kingsett Mortgage registered August 30, 2018; and

¹ Excluding the Pacifica mortgages over Eyremount, which were paid out in accordance with the order approving sale made April 28, 2023.

(c) the Second Kingsett Mortgage registered October 2, 2019.

9. Therefore, the Receiver is of the view that these mortgages, as assigned to PLW, should be paid in full prior to CRA receiving any payments pursuant to its deemed trust.

Deemed Trust Operates as a Floating Charge

10. Caselaw establishes that the statutory deemed trust operates like a “floating charge” security interest, and as a result the disposition of property would remove that property from the scope of the deemed trust.
11. In this case, 306 and 319 do not have any GST liability. When the Cambie Strata Lots were transferred from Amy and QEP to 306 and 319, the result appears to be that the deemed trust no longer applied to those lands.
12. The Supreme Court of Canada described the statutory deemed trust in *First Vancouver Financing v. Minister of National Revenue*, 2002 SCC 49 (“**First Vancouver**”) as follows:

5. [...] it is clear that, as property comes into possession of the tax debtor, it is caught by the trust and becomes subject to Her Majesty's interest. Similarly, property which the tax debtor disposes of is thereby released from the deemed trust. This mutuality of treatment between incoming and outgoing property relating to the deemed trust is supported by both the plain language of the provisions as well as their purpose and intent. Most importantly, Her Majesty's interest in the tax debtor's property is protected because, while property which is sold to third party purchasers is released from the trust, at the same time, the proceeds of disposition of the alienated property are captured by the trust. Moreover, commercial certainty is promoted owing to the fact that third party purchasers are free to transact with tax debtors or suspected tax debtors without fearing that Her Majesty may subsequently assert an interest in the property so acquired.

[...]

40. In my view, the scheme envisioned by Parliament in enacting ss. 227(4) and 227(4.1) is that the deemed trust is in principle similar to a floating charge over all the assets of the tax debtor in the amount of the default. As noted above, the trust has priority from the time the source deductions are made, and remains in existence as long as the default continues. However, the trust does not attach specifically to any particular assets of the tax debtor so as to prevent their sale. As such, the debtor is free to alienate its property in the ordinary course, in which case the trust property is replaced by the proceeds of sale of such property.

41 This interpretation finds support in both the words used in ss. 227(4) and 227(4.1) and the purpose of the deemed trust. In my opinion, s. 227(4.1) explicitly restricts the trust to property owned by the tax debtor by stating that the property of the tax debtor held in trust for Her Majesty “is property beneficially owned by Her Majesty ... and the proceeds of such property shall be paid to the Receiver General” (emphasis added). This reference to the proceeds of trust property is an acknowledgment in the very words of the ITA that Parliament contemplated that a tax debtor is free to alienate its property and that, when it does so, the trust releases the disposed-of property and attaches to the proceeds of sale. In addition,

as discussed above, the trust does not attach to any specific property. Instead, by s. 227(4.1), the trust attaches to "property of the [tax debtor] ... equal in value to the amount [of the tax debt]". This language indicates, first, that the subject matter of the trust is focussed solely on the tax debtor's property, and, second, that it is anticipated that the character of the tax debtor's property will change over time.

42 Indeed, it is the logical corollary to my conclusion on the first issue, namely that the deemed trust attaches to after-acquired property of the tax debtor, that the trust also releases property alienated by the tax debtor. In this way, when an asset is sold by the tax debtor, the deemed trust ceases to operate over that asset; however, the property received by the tax debtor in exchange becomes subject to the deemed trust. As such, the trust is neither depleted nor enhanced; it simply floats over the property belonging to the tax debtor at any given time, for as long as the default in remittances continues.

43 Although it would be open to Parliament to extend the trust to property alienated by the tax debtor, such an interpretation is simply not supported by the language of the ITA. It is significant in this regard that purchasers for value are not included in ss. 227(4) and 227(4.1) whereas secured creditors are. In *Pembina on the Red Development Corp.*, supra, Twaddle J.A. took note of the "long-established principle of law that, in the absence of clear language to the contrary, a tax on one person cannot be collected out of property belonging to another" (p. 46). In *Sparrow Electric Corp.*, supra, at para. 39, Gonthier J. also referred to this principle, stating that:

[T]his provision does not permit Her Majesty to attach Her beneficial interest to property which, at the time of liquidation, assignment, receivership or bankruptcy, in law belongs to a party other than the tax debtor. Section 227(4) and (5) are manifestly directed towards the property of the tax debtor, and it would be contrary to well-established authority to stretch the interpretation of s. 227(5) [now s. 227(4.1)] to permit the expropriation of the property of third parties who are not specifically mentioned in the statute. [Emphasis added.]

Thus, in the absence of an express reference to third party purchasers, there is no basis upon which to allow the Minister's interest in the tax debtor's property to continue once such property has been sold to third parties.

[emphasis added]

First Vancouver, at paras. 5 and 40-43.

13. The nature of the "proceeds" in this particular transaction is uncertain. Arguably it could be the loan proceeds advanced to secure the assignment of the Laurentian Loan, the Kingsett Loans, and the related security (though, for reasons set out above, that security appears to fall within the scope of a "prescribed security interest" in any event). Ultimately, however, it is not necessary to resolve that issue. For the purposes of the Receiver's application, the effect of the transfer of the Cambie Strata Lots to 306 and 319 is that these lands were no longer subject to the GST deemed trust.

Part 4: 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. Sale Approval Orders made April 28, June 21, July 20, September 8 and September 8, 2023;
5. Affidavit #1 of Peter Pu, filed September 15, 2022; and
6. Receiver's Fifth Report to the Court, to be filed.

The applicant(s) estimate(s) that the application will take 45 minutes.

- ☐ This matter is within the jurisdiction of a master.
- ☒ This matter is not within the jurisdiction of a master.

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: 20 /OCT/2023


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:
<hr/> <hr/> <hr/>	
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"

Draft 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
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

))	
BEFORE)	JUSTICE BLAKE)	30/OCT/2023
))	

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 Emma Newbery, 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. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Order of this Court made in these proceedings on October 27, 2022 (as amended from time to time, the "**Receivership Order**").
2. The Receiver is authorized to make payments of the net sale proceeds (being the proceeds of the sale net of any court approved closing costs set out in the respective approval and vesting orders and costs incurred by the Receiver in the administration of

this Receivership) held by the Receiver pursuant to the following approval and vesting orders to PLW Investment Ltd. without further Order:

- (a) Approval and Vesting Order made by Justice Kirchner on April 28, 2023, with respect to the lands municipally described as 835 Eyremount Dr, West Vancouver, and legally described as PID: 010-577-441, Lot 9, Block 19, Capilano Estates Plan 7525;
- (b) Approval and Vesting Order made by Justice Mayer on June 21, 2023, with respect to the lands municipally described as 605 – 5077 Cambie Street, Vancouver, and legally described as PID: 030-880-122, Strata Lot 121 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950;
- (c) Approval and Vesting Order made by Justice Blake on September 8, 2023, with respect to the lands municipally described 504 – 4963 Cambie Street, Vancouver, and legally described as PID: 030-879-451, Strata Lot 54 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950; and
- (d) Approval and Vesting Order made by Justice Blake on September 8, 2023, with respect to the lands municipally described 505 – 5033 Cambie Street, Vancouver, and legally described as 030-880-076, Strata Lot 55 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950.

3. The Receiver is authorized to make payments of the net sale proceeds (being the proceeds of the sale net of any court approved closing costs and cost incurred by the Receiver in the administration of this receivership) received upon the sale of the following lands to PLW Investment Ltd. without further Order:

- (a) Municipally described as: 4215 Cambie Street, Vancouver
Legally described as PID: 009-467-904, Lot 8, Block 700, District Lot 526, Plan 6539;
- (b) Municipally described as: 4491 Cambie Street, Vancouver
Legally described as: PID: 008-116-059, Lot 11, Block 740, District Lot 526, Plan 6539;
- (c) Municipally described as: 505 – 4963 Cambie Street, Vancouver
Legally described as: PID: 030-879-469, Strata Lot 55 Block 839 District Lot 526 Group 1 New Westminster District Strata Plan EPS4950

- (d) Municipally described as: 501 – 5033 Cambie Street, Vancouver
Legally described as: PID: 030-880-033, Strata Lot 112 Block 839 District
Lot 526 Group 1 New Westminster District Strata Plan EPS4950;
 - (e) Municipally described as: 504 – 5033 Cambie Street, Vancouver
Legally described as: PID: 030-880-068, Strata Lot 115 Block 839 District
Lot 526 Group 1 New Westminster District Strata Plan EPS4950;
 - (f) Municipally described as: 601 – 5033 Cambie Street, Vancouver
Legally described as: PID: 030-880-084, Strata Lot 117 Block 839 District
Lot 526 Group 1 New Westminster District Strata Plan EPS4950;
 - (g) Municipally described as: 604 – 5033 Cambie Street, Vancouver
Legally described as: PID: 030-880-114, Strata Lot 120 Block 839 District
Lot 526 Group 1 New Westminster District Strata Plan EPS4950;
 - (h) Municipally described as: 501 – 5077 Cambie Street, Vancouver
Legally described as: PID: 030-880-696, Strata Lot 178 Block 839 District
Lot 526 Group 1 New Westminster District Strata Plan EPS4950;
 - (i) Municipally described as: 502 – 5077 Cambie Street, Vancouver
Legally described as: PID: 030-880-645, Strata Lot 173 Block 839 District
Lot 526 Group 1 New Westminster District Strata Plan EPS4950; and
 - (j) Municipally described as: 602 – 5077 Cambie Street, Vancouver
Legally described as: PID: 030-880-700, Strata Lot 179 Block 839 District
Lot 526 Group 1 New Westminster District Strata Plan EPS4950
4. Notwithstanding any other provision of this Order, the Receiver shall have no obligation to make any payment set out in paragraph 2 or 3.

5. 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

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