



S=252591

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

**1069016 B.C. LTD., 1183011 B.C. LTD., MANOJ SIKKA,
MARK JOSEPH CATROPPA and SAMIRA PERERA**

RESPONDENTS

PETITION TO THE COURT

ON NOTICE TO:

1069016 B.C. Ltd.

Attention: Mark Joseph Catroppa and Samira
Perera
203 – 1688 152 Street
Surrey, BC V4A 4N2

Manoj Sikka

203 – 1688 152 Street
Surrey, BC V4A 4N2

Samira Perera

585 – 555 West 12th Avenue
Vancouver, BC V5Z 3X7

1183011 B.C. Ltd.

Attention: Mark Joseph Catroppa and Samira
Perera
203 – 1688 152 Street
Surrey, BC V4A 4N2

Mark Joseph Catroppa

203 – 1688 152 Street
Surrey, BC V4A 4N2

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.
- ☒ This matter is not an application for judicial review.

This proceeding is brought for the relief set out in Part 1 below, by

- ☒ the person named as petitioner in the style of proceedings above.
- ☐ [insert name of each petitioner] (the petitioner(s))

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
 - (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.

Order, including orders granting 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,

- (c) If you were served with the petition anywhere in Canada, within 21 days after that service,
- (d) If you were served with the petition anywhere in the United States of America, within 35 days after that service,
- (e) If you were served with the petition anywhere else, within 49 days after that service, or
- (f) 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
Suite 3000, Bentall Four
1055 Dunsmuir Street
Vancouver, BC V7X 1K8
- Fax number address for service (if any) of the petitioner: N/A
- E-mail address for service (if any) of the petitioner: mattery@osler.com
lhodgson@osler.com
cgarson@osler.com

- 2 The name and office address of the petitioner's lawyer is: Osler, Hoskin & Harcourt LLP
Suite 3000, Bentall Four
1055 Dunsmuir Street
Vancouver, BC V7X 1K8
ATTN: Mary Buttery, K.C., Lucas Hodgson,
and Christian Garton

PART 1: ORDER SOUGHT

1. An order (the "**Receivership Order**") substantially in the form attached as **Schedule "A"**, which provides:
- (a) an order appointing KSV Restructuring Inc. ("**KSV**") as receiver of the property, assets, and undertakings of 1069016 B.C. Ltd. and 1183011 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, each with an address for service of 203 – 1688 152 Street Surrey, BC V4A 4N2.

Loan Agreement and Loan Documents

4. Pursuant to a commitment letter dated June 9, 2020, as amended by the first amendment dated August 4, 2020, the second amendment dated August 11, 2023, the third amendment dated October 16, 2023, and the fourth amendment dated July 16, 2024 (as may be further

amended, restated, or supplemented from time to time, the “**Commitment Letter**”), KingSett provided to the Borrowers a first mortgage loan in the amount of \$4,160,000, by way of a non-revolving demand loan (the “**Loan**”).

5. Pursuant to the Commitment Letter, the Borrowers agreed:
 - (a) to make the regular monthly interest payments on the terms set out therein;
 - (b) to pay KingSett accrued interest at a rate of the Royal Bank of Canada’s “Prime Rate” plus 2.25% (with a floor rate of 9.45%) per annum, calculated on the daily outstanding balance, compounded and payable monthly;
 - (c) to pay KingSett all costs and expenses incurred by KingSett in connection with the Loan;
 - (d) that failure to make the regular interest payments when due would constitute an express event of default thereunder;
 - (e) that if a default occurs, KingSett has the right to demand repayment in full of all the principal and interest on the Loan and any other amount due under the Commitment Letter or the Security (as defined in the Commitment Letter), and may declare the principal and interest on the Loan, any other amount due under the Commitment Letter forthwith due and payable; and
 - (f) that if a default occurs, KingSett has the right to appoint a receiver over property of the Borrowers.
6. The Loan is secured by the following, among other things:
 - (a) a registered \$4,160,000 first mortgage (the “**Mortgage**”) executed by 1069016 B.C. Ltd. on June 17, 2020, and registered in the New Westminster Land Title Office (the “**LTO**”) against title to the real property legally described as: THE EAST 26 FEET OF LOT 14 BLOCK 2 OLD GRANVILLE TOWNSITE PLAN 168, PID 015-713-351 under charge number CA8252058 (the “**Lands**”);

- (b) a general assignment of rents executed by 1069016 B.C. Ltd. on June 17, 2020, and registered in the LTO against title to the Lands under charge number CA8252059;
- (c) a general security agreement (the “GSA”), in the form of a project specific security agreement, executed by the Borrowers on June 17, 2020, registered against the Borrowers at the British Columbia Personal Property Registry on June 18, 2020, under base registration number 284957M;
- (d) an unlimited, personal, joint and several guarantee and postponement of claims executed by the respondents, Manoj Sikka, Mark Joseph Catroppa and Samira Perera (collectively, the “Guarantors”) on June 17, 2020, guaranteeing all of the Borrowers’ indebtedness to KingSett (the “Guarantee”). The Guarantee was registered against the Guarantors at the British Columbia Personal Property Registry on June 18, 2020 under base registration number 285012M;
- (e) an assignment and postponement of claims dated June 17, 2020, granted by the Guarantors in favour of KingSett;
- (f) a general assignment of construction contracts, plans, and permits with respect to the Lands dated June 17, 2020, granted by the Borrowers in favour of KingSett;
- (g) a general assignment of material contracts, plans, permits with respect to the Lands dated June 17, 2020, granted by the Borrowers in favour of KingSett;
- (h) an assignment of insurance with respect to the Lands dated June 17, 2020, granted by the Borrowers to KingSett;
- (i) an indemnity agreement with respect to the Loan dated June 17, 2020, granted by the Borrowers and the Guarantors in favour of KingSett;
- (j) an environmental agreement and indemnity with respect to the Lands dated June 17, 2020, granted by the Borrowers and the Guarantors in favour of KingSett;
- (k) a negative pledge by the Borrowers and the Guarantors dated June 17, 2020, not to repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Lands sponsors and other non-arms length parties until such time

as the Loan has been repaid in full, save and except for those development, marketing, and/or leasing fees specifically approved in writing by KingSett;

- (l) a beneficial mortgage and direction to charge dated June 17, 2020, whereby the beneficial owner of the Lands, 1183011 B.C. Ltd., acknowledges, consents to and directs the registered owner of the Lands, 1069016 B.C. Ltd., to provide all of the security to KingSett;
- (m) pledges of securities dated June 17, 2020, pledging any and all issued and outstanding common shares, preferred shares and limited partnership units of the Borrowers (and any and all shares of a general partner for the Lands), as applicable;
- (n) a deposit agreement dated June 17, 2020, granted by the Borrowers in favour of KingSett, providing KingSett with security in respect of certain deposit monies; and
- (o) a favourable corporate and enforceability opinion from the Borrowers' legal counsel.

(collectively, the "**Security**").

The Default and Demand

- 7. Commencing on December 1, 2024, the Borrowers have failed to make all monthly interest installment payments to KingSett, as required pursuant to the Commitment Letter (the "**Default**").
- 8. Since the Default, which remains ongoing, KingSett has attempted to work with the Borrowers to resolve payment difficulties and remedy the Default. KingSett understands the Borrowers intended on selling the Lands to remedy the Default, but the expected sale did not proceed. KingSett also understands the commercial tenant who occupied the Lands has vacated the property.
- 9. On February 10, 2025, KingSett delivered a letter to the Borrowers (the "**Notice**"), formally noting the Default and the Borrowers' continued failure to make payments as required pursuant to the Commitment Letter.

10. On March 7, 2025, KingSett, through counsel, delivered letters to the Borrowers and the Guarantors (the “**Demand**”):
 - (a) advising of the Default;
 - (b) attaching notices to enforce security as required by section 244 of the *BIA*;
 - (c) demanding payment of the outstanding amount owing under the Loan, inclusive of interest, which at March 6, 2025, amounted to \$4,297,312.16; and
 - (d) reserving all rights and remedies, including under the Security.
11. To date, the Borrowers and the Guarantors have failed to make payment in response to the Notice and the Demand.
12. As a result of the continued default and the Borrowers’ failure to meet their financial obligations, KingSett has decided to exercise its contractual rights provided for in the Commitment Letter to take enforcement steps through the appointment of a receiver.

Borrowers’ Indebtedness and Property Tax Arrears

13. To date, the Borrowers have failed to make payment in response to the Demand. The Borrowers remain indebted to KingSett as of April 2, 2025, of \$4,339,747.24 (the “**Indebtedness**”) is as follows:
 - (a) \$4,160,000 with respect to the principal amount due and owing with respect to the Loan;
 - (b) \$163,710.23 with respect to accrued and unpaid interest;
 - (c) \$3,604.99 with respect to costs and charges incurred and unpaid in connection with the Loan; and
 - (d) \$12,432.00 in legal fees incurred in connection with the Loan, with these fees continuing to accrue
14. The Indebtedness is incurring interest at a rate of \$1,119.81 a day and professional fees continue to be incurred.

15. The Indebtedness is fully due and owing and payable to KingSett, and the Borrowers have failed or neglected, and continue to fail or neglect, to pay.
16. In addition to the Indebtedness, the Borrowers have property tax arrears from 2023 and 2024 with respect to the Lands totalling \$67,694.94, inclusive of interest, which continues to accrue.

Guarantors' Obligations

17. The Guarantee encompasses all due payment, observance, and performance of all of the Borrowers' Obligations and Liabilities owed to KingSett and is registered at the British Columbia Personal Property Registry under base registration number 285012M.
18. Pursuant to Section 2.5(b)(ii) of the Guarantee, the Guarantors unconditionally waive any right to require KingSett to proceed against or exhaust any security furnished to it by the Borrowers.

PART 3: LEGAL BASIS

Jurisdiction to Appoint the Receiver

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

Test for Appointing a Receiver

20. Subsection 39(1) of the *LEA* allows for the appointment of a receiver where it is "just or convenient" to do so.
21. 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.

22. In *Maple Trade Finance Inc. v. CY Oriental Holdings Ltd.*, 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

Bank of Montreal v Haro-Thurlow Street Project Limited Partnership, 2024 BCSC 57 at paras 72-73

23. 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

Bank of Montreal v Haro-Thurlow Street Project Limited Partnership, 2024 BCSC 57 at paras 72-73

It is Just and Convenient to Appoint a Receiver

24. The Loan has been in default since December 1, 2024. The Borrowers have not remedied the Default, which remains ongoing.
25. KingSett is entitled to the appointment of a receiver over the property, assets, and undertakings of the Borrowers, pursuant to the respective terms of the Commitment Letter, the Mortgage, and the GSA. The Borrowers provided an express covenant agreeing to the appointment of a receiver in the event of a default.
26. Courts should not interfere with a contract between parties in ordinary circumstances.

27. In light of the express consent of by the Borrowers in the Commitment Letter, the Mortgages, and the GSA, there is no compelling commercial or other reason why the Receivership Order ought not to be made.
28. 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 as of April 2, 2025, in the amount of \$4,339,747.24, with interest and fees continuing to accrue, and have defaulted on their obligations to KingSett under the terms of the Commitment Letter;
 - (b) since their initial non-payment and default on December 1, 2024, the Borrowers have not remedied the Default;
 - (c) KingSett has lost confidence in the Borrowers' ability to satisfy their obligations;
 - (d) the Commitment Letter, the Mortgages, 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 Lands be sold and that any marketing and sale process with respect to the Lands be transparent, orderly, timely, and undertaken under the supervision of this Court;
 - (f) the Lands is a commercial property that requires specialize marketing and cannot be sold in the same manner as a residential property;
 - (g) the appointment of a receiver will protect the interests of all stakeholders; and
 - (h) the balance of convenience favours the appointment of a receiver in these circumstances.
29. For the above reasons, KingSett submits that it is just and convenient for this Court to appoint KSV as receiver of all the Borrowers' assets, undertakings, and property on the terms set out in the proposed Receivership Order.

PART 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Daniel Pollack made April 4, 2025; and
2. Such other materials as counsel may advise and this Court may permit.

Dated: April 4, 2025

For: 

Signature of ☐ Petitioner
☒ Lawyer for petitioner
Mary Buttery, K.C.

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 ☐ Associate
Judge

Schedule A
Draft Order
(see attached)

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

**1069016 B.C. LTD., 1183011 B.C. LTD., MANOJ SIKKA,
MARK JOSEPH CATROPPA and SAMIRA PERERA**

RESPONDENTS

ORDER MADE AFTER APPLICATION

BEFORE } THE HONOURABLE JUSTICE ● } 2025/●/●

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 1069016 B.C. Ltd. and 1183011 B.C. Ltd. (collectively, the “*Debtors*”) including the lands described as THE EAST 26 FEET OF LOT 14 BLOCK 2 OLD GRANVILLE TOWNSITE PLAN 168, PID 015-713-351 (the “*Lands*”) and all proceeds, coming on for hearing this day at 800 Smithe Street, Vancouver, British Columbia.

AND ON READING Affidavit #1 of Daniel Pollack made April 4, 2025, and the consent of KSV to act as the Receiver; AND ON HEARING Mary Buttery, K.C., counsel for KingSett Mortgage Corporation and those other counsel listed on Schedule “A” hereto.

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 the Lands and all proceeds (together with the Lands, 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 \$250,000 provided that the aggregate consideration for all such transactions does not exceed \$500,000, 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 "B" 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: ● (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 "C" (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. 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., lawyer for
the Petitioner

BY THE COURT

DISTRICT REGISTRAR

SCHEDULE "A"
Appearance List

NAME	APPEARING FOR

SCHEDULE "B"
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 property of 1069016 B.C. Ltd. and 1183011 B.C. Ltd. (collectively, the "**Debtors**") including the lands described as THE EAST 26 FEET OF LOT 14 BLOCK 2 OLD GRANVILLE TOWNSITE PLAN 168, PID 015-713-351 (the "**Lands**") and all proceeds (collectively, with the Lands, the "**Property**"), appointed by Order of the Supreme Court of British Columbia (the "**Court**") dated the _____ day of _____, 2025 (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 , 2025.

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

Per:
Name:
Title:

SCHEDULE "C"

Demand for Notice

TO: KingSett Mortgage Corporation
c/o Osler, Hoskin & Harcourt LLP
Attention: Mary Buttery, K.C., Lucas Hodgson, Christian Garton
Email: mbuttery@osler.com, lhodgson@osler.com, cgarton@osler.com

AND TO: KSV Restructuring Inc.
c/o Fasken Martineau DuMoulin LLP
Attention: Kibben Jackson, Mishaal Gill
Email: kjackson@fasken.com, mgill@fasken.com

Re: In the matter of the Receivership of 1069016 B.C. Ltd. and 1183011 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 -

**1069016 B.C. Ltd., 1183011 B.C. Ltd., MANOJ SIKKA,
MARK JOSEPH CATROPPA and SAMIRA PERERRA**
Respondents

RECEIVERSHIP ORDER

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

Counsel: Mary Buttery, K.C., Lucas Hodgson, Christian
Garton
Matter No. 1266656