

No. S-246994
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

DISTRICT NORTHWEST LIMITED PARTNERSHIP

AND

105 UNIVERSITY VIEW HOMES LTD.

AND

SURREY CENTRE DISTRICT NW GP LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION

INTERIM DISTRIBUTION & ANCILLARY ORDER

BEFORE THE HONOURABLE JUSTICE) 2025/June/24
MASUHARA)

ON THE APPLICATION of KSV Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of the property located at LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526, PID: 031-746-667 (the “**Lands**”) and all right, title and interest of 105 University View Homes Ltd., District Northwest Limited Partnership and Surrey Centre District NW GP Ltd. (collectively, the “**Debtors**”) in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands, including all proceeds thereof, coming on for hearing at Vancouver, British Columbia, on the 24th day of June, 2025; **AND ON HEARING** Joshua Foster, counsel for the Receiver, and those other counsel listed on Schedule “A” hereto; **AND UPON READING** the material filed, including the First Report of the Receiver dated January 21, 2025, the Second Report of the Receiver dated March 24, 2025, and the Third Report of the Receiver dated June 18, 2025 (the “**Third Report**” and collectively with the First Report and the Second Report, the “**Reports**”);

THIS COURT ORDERS AND DECLARES THAT:

NOTICE & DEFINITIONS

1. Capitalized terms used but not otherwise defined in this Order have the meaning given to them in the Third Report or the Amended and Restated Receivership Order of this Court dated April 2, 2025, as applicable.
2. The time for service of the Notice of Application and supporting materials for this Order is hereby abridged such that this Application is properly returnable today and service thereof on any interested party is hereby dispensed with.

INTERIM DISTRIBUTION

3. The Receiver is hereby authorized and directed to distribute by way of one or more distributions (collectively, the “**Distributions**” and each, a “**Distribution**”) to KingSett Mortgage Corporation (“**KingSett**”) all interest accrued (and that will continue to accrue prior to the applicable Distribution) on all of the deposits provided in connection with the Pre-Sale Contracts rescinded by Pre-Sale Purchasers in accordance with the *Real Estate Development Marketing Act*, S.B.C. 2004, c. 41, as amended and the *Real Estate Development Marketing Regulation*, B.C. Reg. 505/2004, as amended, subject to such holdbacks as the Receiver considers necessary or appropriate to fund these proceedings, including, without limitation, the Receiver’s fees and the fees of its counsel. Each Distribution shall be in respect of the indebtedness owing to KingSett under its first mortgage registered against the Lands.
4. The Receiver and its counsel and other agents are hereby authorized to take all reasonably necessary steps and actions to effect the Distributions in accordance with, and subject to, the terms of this Order.
5. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtors (or any of them) now or hereafter made pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtors (or any of them),

each Distribution shall be made 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 and shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors (or any of them) and shall not be void or voidable by creditors of the Debtors (or any of them), nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

6. The Receiver and any other person facilitating the Distributions pursuant to this Order shall be entitled to deduct and withhold from the Distributions such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.

ACTIVITY APPROVAL

7. The activities of the Receiver, as set out in the Reports, are hereby approved; provided however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

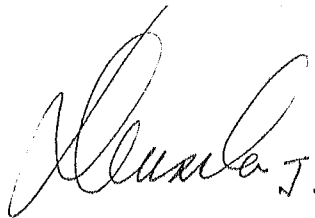
RELEASE OF ADMINISTRATION FEES


8. Richards Buell Sutton LLP is hereby authorized to release the Administration Fees currently held in trust by it, and to pay such Administration Fees to itself.

GENERAL

9. The Receiver may apply to this Court to amend, vary or supplement this Order or for advice and directions with respect to the discharge of its powers and duties under this Order or the interpretation or application of this Order at any time.
10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body, 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 courts, tribunals, regulatory and administrative bodies are hereby 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.
11. Endorsement of this Order by counsel appearing on this Application, other than counsel for the Receiver, is hereby 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:



BY THE COURT

REGISTRAR

TURN
CHECKED


ENDORSEMENTS ATTACHED

A. J. Froh

Signature of Andrew Froh

☐ Party ☒ Lawyer for the Receiver

BY THE COURT

REGISTRAR

Schedule "A" – List of Counsel

[illegible]

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Bennett Jones LLP
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Attention: Joshua Foster and Andrew Froh

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