



FORM 32 (RULE 8-1(4))

No. H190678
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

AND:

Petitioner

1150165 B.C. LTD.
FATEMEH MIRZAEI
GHOLAMREZA GHASSEMI GANGAN
THE ATTORNEY GENERAL OF CANADA on behalf of HER
MAJESTY THE QUEEN IN RIGHT OF CANADA
DULAY ROOFING LTD.

Respondents

NOTICE OF APPLICATION

Name of applicant: D. Manning & Associates Inc., the Court Appointed Receiver and Manager ("**Receiver**") of 1150165 B.C. Ltd., Fatemeh Mirzaei and Gholamreza Gangan (the "**Debtors**").

To: THE SERVICE LIST

TAKE NOTICE that an application will be made by the applicant to the presiding judge at the courthouse at 800 Smithe Street, Vancouver, BC V6Z 2E1 on Thursday October 6, 2022 at 9:45 a.m., for the order set out in Part 1 below.

Part 1: ORDER(S) SOUGHT

1. An approval and vesting order substantially in the form attached as **Schedule "A"**, or as the court may otherwise order, approving the sale of the following lands:

PID: 002-885-018

Lot 8 Block 54 Capilano Estates Extension No. 15 Plan 13758

(the "**Lands**").

Part 2: FACTUAL BASIS

The Lands and Receivership History

1. By Order of the Court made December 19, 2019, D. Manning & Associates Inc. (the “**Receiver**”) was appointed as Receiver and Manager of all of the assets, undertakings and property of the Respondents, 1150165 B.C. Ltd., Fatemeh Mirzaei and Gholamreza Gangan (the “**Debtors**”), acquired for, or used in relation to a business carried on by the Debtors in constructing a home at 1437 Chartwell Drive, West Vancouver B.C. (the “**Receivership Order**”).
2. The Lands are a newly constructed residential home with a municipal address of 1437 Chartwell Drive and is located in West Vancouver, British Columbia.
3. The Respondents, Fatemeh Mirzaei and Gholamreza Gangan are the registered owners on title to the Lands.
4. At the time the Receivership Order was granted the Lands had not been fully constructed and did not give the Receiver the power to complete the construction of the Lands or to market or sell the Lands. However by Order of the Court made March 30, 2020, the Receiver was granted these additional powers (the “**Enhanced Receivership Order**”).
5. The Enhanced Receivership Order authorizes the Receiver to, *inter alia*, market the Lands and negotiate such terms and conditions of sale as the Receiver considers appropriate, to sell the Property as directed by and with approval of the Court, and to apply for any vesting order required to convey the Property free and clear of any liens or encumbrances.

History of Offers on the Lands

6. Once construction of the Lands was complete, the Receiver entered into a Multiple Listing Agreement with Virani Real Estate Advisors (“**Virani**”) on June 16, 2021 and listed the Lands for sale for \$8,888,000 plus GST.
7. On June 17, 2021 an offer was received from Li Xin Zhou (“**Zhou**”) for \$6,830,000 plus GST, which offer was rejected by the Receiver.

8. On July 20, 2021 a new offer was received from Zhou for \$7,380,000 plus GST. That offer was countered by the Receiver at \$8,638,000 plus GST, which counter offer was rejected by the purchaser.
9. On September 29, 2021 an additional offer was made by Zhou in the amount of \$7,500,000 including GST. That offer was countered several times with a final offer of \$7,838,000 including GST from the purchaser, which offer was allowed to lapse by the Receiver.
10. On October 21, 2021 an offer was received from Mark Matthews for \$8,000,000 including GST. The Receiver countered at \$8,100,000 plus GST and the purchaser countered at \$8,150,000 including GST (\$7,761,904, plus GST). The Receiver rejected this offer which was allowed to lapse by the purchaser.
11. On July 27, 2022 an offer was received from Mehrdad Adeshi for \$6,000,000 plus GST which was rejected by the Receiver.
12. The listing price was subsequently reduced as follows:
 - a.) On October 13, 2021 the listing price was reduced to \$8,588,000 plus GST;
 - b.) On March 21, 2022 the listing price was reduced to \$8,338,000 plus GST;
 - c.) On July 5, 2022 the listing price was reduced to \$7,998,000 plus GST; and
 - d.) In September, 2022 after conditions lifted on the subject CPS (as defined below) the listing price was reduced to \$7,588,888 plus GST to solicit as many competitive bids as possible.

The Subject CPS

13. On August 22, 2022 an offer was made by Pei Hong Nie (the “**Proposed Purchaser**”) for \$7,200,000 plus GST which was ultimately accepted by the Receiver (the “**CPS**”).
14. The CPS is now subject only to Court approval within twenty (20) business days of subjects having been removed. Subjects were removed on September 14, 2022.

15. The deposit totalling \$350,000 is held in trust. The completion date contemplated in the CPS is ten (10) business days following Court approval of the CPS.
16. The CPS contains an eight (8) page addendum dated September 9, 2022 and executed by the Proposed Purchaser and the Receiver, in which the Receiver has agreed to remediate certain items on the Lands (the “**Remediation Addendum**”).
17. The Lands are being sold “as is where is” with the exception of the items specifically listed in the Remediation Addendum.
18. The Receiver estimates that the costs to remediate the items listed in the Remediation Addendum to be between \$20,000 and \$25,000 in costs to the Receiver and estimated \$3,500 in professional fees.

Value of the Lands and Marketing Efforts

19. The Lands were marketed widely online through various websites, including the Virani Real Estate website, Real Estate Weekly and social media as well as in print through local newspapers and the V List Magazine (8 times with a distribution of over 45,000).
20. Virani Real Estate sent out an information package on the subject Lands to its list of core clients (approximately 2000 people) on several occasions, as well as to all realtors in the Real Estate Board of Greater Vancouver (approximately 15,000 realtors) on several occasions as well as to Virani Real Estate’s international contacts and offices on several occasions.
21. Since the Lands’ listing with Virani Real Estate, there have been over 20 broker’s opens and approximately 50 public open houses with over 400 potential purchasers attending and 87 private showings, resulting in 6 offers, including the current offer under contract.
22. The Lands have been listed on the open market since June 16, 2021 providing a long listing period and sufficient exposure to the market and opportunity for prospective purchasers to make offers.

Secured Creditors

23. The following are secured creditors of the Lands, as identified in the Receiver's First, Second and Third Reports:

Vancouver City Savings Credit Union	1 st Mortgage, Assignment of Rents and Judgment	\$8,559,260.84 as of Sept. 20, 2022
Her Majesty the Queen in Right of Canada	Judgment x2	\$189,226.43, plus interest as of June 26, 2019 and Amount unknown to the Receiver
Dulay Roofing Ltd.	Claim of Builders Lien	\$21,741.72 as of January 8, 2020
Arona Framing & Construction Inc.	Claim of Builders Lien	\$99,750.00 as of January 8, 2020
Aloha Pools Ltd.	Claim of Builders Lien	\$42,000.00 as of January 8, 2020

Part 3: LEGAL BASIS

1. The factors that the court ought to consider in determining whether to approve a sale of assets by a receiver include:
 - a. Whether the receiver made sufficient efforts to obtain the best price and did not act improvidently.
 - b. The interests of all parties and, in particular, the interests of any secured creditors.
 - c. The efficacy and integrity of the process by which offers were obtained.

d. Whether there has been unfairness in the process.

Royal Bank v. Soundair Corp. (1991), 7 C.B.R. (3d) 1 (O.N.C.A.) [“*Soundair*”] at para 16

2. In order to protect the integrity of the sale process, the court generally gives deference to the Receiver.

Soundair at para 14

Re Regal Constellation Hotel Ltd. (2004), 50 C.B.R. (4th) 258 (O.N.C.A.) at para 23

Corpfinance International Ltd. v. Earth Energy Utility Corp., 2006 BCSC 1994 at para 28

B.C. v. A & A Estates Ltd., 2000 BCCA 317 at para 40

3. The Lands have been extensively marketed and have been on the open market since June, 2021. This listing period has provided ample exposure to the market and opportunity for prospective purchasers to make offers.

4. The Receiver will continue to market the Lands until the Court has approved a sale. Interested parties have been informed of the opportunity to submit competing bids in accordance with the court implemented bid process.

5. The purchase price for the Lands represents a fair and reasonable price.

6. The Receiver relies on the terms of the Receivership Order, sections 15 and 37 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253, Rules 8-1, 13-2, 13-5, 14-1, and 21-7 of the Supreme Court Civil Rules and the inherent jurisdiction of this court.

Part 4: MATERIAL TO BE RELIED ON

1. The Receivership Order, pronounced December 19, 2019;
2. The Enhanced Receivership Order, pronounced March 30, 2020;
3. The Receiver’s First Report to the Court, dated March 13, 2020;
4. The Receiver’s Second Report to the Court, dated July 14, 2022;
5. The Receiver’s Third Report to the Court, dated September 21, 2022; and

6. Affidavit #1 of H. Virani, made September 21, 2022.

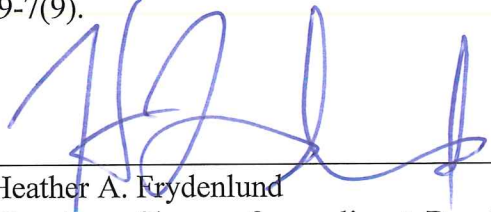
The applicant estimates that the application will take 5 minutes.

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 after 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 proceedings, 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: September 21, 2022



Heather A. Frydenlund
Signature of lawyer for applicant, Receiver and
Manager, D. MANNING & ASSOCIATES INC.

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this notice of application

with the following variations and additional terms:

Date: _____

Signature of Judge 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.

SCHEDULE "A"

No. H190678
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

PETITIONER

AND:

1150165 B.C. LTD.
FATEMEH MIRZAEI
GHOLAMREZA GHASSEMI GANGAN
THE ATTORNEY GENERAL OF CANADA on behalf of HER MAJESTY THE
QUEEN IN RIGHT OF CANADA
DULAY ROOFING LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE)
JUSTICE _____) 06/10/2022
)

THE APPLICATION of D. MANNING & ASSOCIATES INC., in its capacity as Court-appointed Receiver (the "Receiver") of the assets, undertakings and property of 1150165 B.C. Ltd., Fatemeh Mirzaei and Gholamreza Gangan coming on for hearing at Vancouver, British Columbia, on the 6th day of October, 2022; AND ON HEARING Heather A. Frydenlund, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, and no one else appearing; AND UPON READING the material filed, including the First Report of the Receiver dated March 30, 2020 (the "First Report"), the Second Report of the Receiver dated July 14, 2022 (the "Second Report") and the Third Report of the Receiver dated September 21, 2022 (the "Third Report");

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "Transaction") contemplated by the Contract of Purchase and Sale dated August 22, 2022 (the "Sale Agreement") between the Receiver and Pei Hong

Nie (the "Purchaser"), a copy of which is attached as Schedule "B" to the Third Report is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement 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 Sale Agreement (the "Purchased Assets").

2. The Sale Agreement includes an eight (8) page addendum dated September 9, 2022 wherein the Receiver agreed to repair a specific list of items as listed therein (the "Remediation Addendum").
3. The Purchased Assets are being sold on an "as is where is" basis pursuant to section 2 of Schedule "A" of the Contract of Purchase and Sale (the "As Is Where Is Clause"), with the sole exception of the items specifically listed in the Remediation Addendum.
4. For clarity and without restricting or limiting paragraph 3 of this Order, the items specifically listed in the Remediation Addendum are the only items of the Purchased Assets that are not subject to the As Is Where Is Clause.
5. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "B" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement [and listed on Schedule "C" hereto] 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) 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; and (ii) those Claims listed on Schedule "D" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "E" hereto), 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.
5. Upon presentation for registration in the Land Title Office for the Land Title District of Vancouver of a certified copy of this Order, together with a letter from Owen Bird Law Corporation, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
 - (a) enter the Purchaser as the owner of the Lands, as identified in Schedule "F" hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights,

easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule "E".
6. The net purchase price after adjustments shall be paid to OWEN BIRD LAW CORPORATION, in trust, and shall be paid out in accordance with the following priorities without further order:
 - a) in payment of any outstanding property taxes, water and sewer rates;
 - b) in payment of real estate commission;
 - c) GST;
 - d) in payment of any monies owing to Canada Revenue Agency for a deemed trust claim, if payable;
 7. to the Receiver to the credit of this proceeding.
 8. 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.
 9. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
 10. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule "E".
 11. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
 12. Notwithstanding:
 - (a) these proceedings;

- (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

- 13. 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.
- 14. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

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
Lawyer for the applicant, D. Manning &
Associates Inc., in its capacity as Receiver of
1150165 B.C. Ltd., Fatemah Mirzaei and
Gholamreza Gangan

BY THE COURT

REGISTRAR

SCHEDULE "A"

Schedule A – List of Counsel

COUNSEL	NAME OF PARTY(IES) REPRESENTED

Schedule B – Receiver’s Certificate

No. H190678
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

AND:

1150165 B.C. LTD.
FATEMEH MIRZAEI
GHOLAMREZA GHASSEMI GANGAN
THE ATTORNEY GENERAL OF CANADA on behalf of HER MAJESTY
THE QUEEN IN RIGHT OF CANADA
DULAY ROOFING LTD.

Respondents

RECEIVER’S CERTIFICATE

PURSUANT TO THE APPROVAL AND VESTING ORDER pronounced _____, 2022, D. Manning & Associates Inc., in its capacity as the Receiver of 1150165 B.C. Ltd., Fatemeh Mirzaei and Gholamreza Gangan (the “Receiver”) hereby certifies as follows:

1. The Receiver confirms that Pei Hong Nie has paid the purchase price to the Receiver and the Transaction has completed.

DATED at the City of Vancouver, in the Province of British Columbia, this ___ day of _____, 2022.

D. MANNING & ASSOCIATES INC., in its capacity as court appointed Receiver of 1150165 B.C. Ltd., Fatemeh Mirzaei and Gholamreza Gangan, and not in its personal capacity

By: _____

Name:

Position:

SCHEDULE "A"

Schedule C – List of Purchased Assets

Real property located in West Vancouver, B.C. legally described as follows:

PID: 002-885-018

Lot 8 Block 54

Capilano Estates Extension No. 15 Plan 13758

Schedule D – Claims to be Deleted/Expunged from Title to Lands

CLAIMS TO BE DELETED/EXPUNGED FROM TITLE TO REAL PROPERTY:

the Charges, Liens and Interests to be deleted are as follows:

1. Nature: Mortgage, Assignment of Rents, Judgment and Certificate of Pending Litigation
Registration Numbers: CA6625303, CA6625304, CA8782085 and CA7768402
Registration Dates: February 14, 2018, February 18, 2021 and September 25, 2019
Registered Owner: Vancouver City Savings Credit Union

2. Nature: Judgments
Registration Numbers: CA7729190 and CA9383153
Registration Dates: September 4, 2019 and September 24, 2021
Registered Owner: Her Majesty the Queen in Right of Canada

3. Nature: Claim of Builders Lien and Certificate of Pending Litigation
Registration Numbers: CA7735482 and CA8275728
Registration Dates: September 7, 2019 and June 30, 2020
Registered Owner: Dulay Roofing Ltd.

4. Nature: Claim of Builders Lien and Claim of Builders Lien
Registration Numbers: CA7784782 and CA8305935
Registration Dates: October 1, 2019 and July 16, 2020
Registered Owner: Arona Framing & Construction Inc.

5. Nature: Claim of Builders Lien

Registration Number: BB1535927

Registration Date: November 20, 2019

Registered Owner: Aloha Pools Ltd.

Schedule E – Permitted Encumbrances

ENCUMBRANCES PERMITTED TO REMAIN ON TITLE TO REAL PROPERTY:

the encumbrances to remain on title are as follows:

1. Nature: Right of Way

Registration Number: 515357M

Registration Date: September 17, 1970

Registered Owner: The Corporation of the District of West Vancouver

2. Nature: Restrictive Covenant

Registration Number: 567486M

Registration Date: October 6, 1972

Registered Owner: N/A

Action No. H190678

IN THE SUPREME COURT OF BRITISH
COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION
Petitioner

- and -

1150165 B.C. LTD.
FATEMEH MIRZAEI
GHOLAMREZA GHASSEMI GANGAN
THE ATTORNEY GENERAL OF CANADA on behalf
of HER MAJESTY THE QUEEN IN RIGHT OF
CANADA
DULAY ROOFING LTD.
Respondents

ORDER MADE AFTER APPLICATION
APPROVAL AND VESTING ORDER

MODEL APPROVAL AND VESTING ORDER

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~~current to August 1, 2015~~

No. H190678

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Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION ~~PLAINTIFF(S)/PETITIONER(S)~~

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~~PLAINTIFFS~~ ~~PETITIONERS~~

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AND:

1150165 B.C. LTD.
FATEMEH MIRZAEI
GHOLAMREZA GHASSEMI GANGAN
THE ATTORNEY GENERAL OF CANADA on behalf of HER MAJESTY THE
QUEEN IN RIGHT OF CANADA
DULAY ROOFING LTD. ~~DEPENDANT(S)/RESPONDENT(S)~~

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~~DEPENDANTS~~ ~~RESPONDENTS~~

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Action No. _____
Estate No. _____

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
~~NAME OF DEBTOR(S)~~

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE)
)
JUSTICE)
)
)

dd/mm/yyyy 06/10/2022

THE APPLICATION of D. MANNING & ASSOCIATES INC. [RECEIVER'S NAME], in its capacity as Court-appointed Receiver [Receiver or Receiver and Manager] (the "Receiver") of the assets, undertakings and properties of 1150165 B.C. Ltd., Fatemeh Mirzaei and Gholamreza Gangan [Name of Debtor] coming on for hearing at Vancouver, British Columbia, on the 6th day of October, 2022¹; AND ON HEARING Heather A. Frydenlund, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, and no one else appearing for [redacted], although duly served; AND UPON READING the material filed, including the First Report of the Receiver dated March 30, 2020 (the "First Report"), the Second Report of the Receiver dated July 14, 2022 (the "Second Report") and the Third Report of the Receiver dated September 21, 2022 (the "Third Report"); [redacted] (the "Report") [1];

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THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "Transaction") contemplated by the Contract of Purchase and Sale [Asset Purchase Agreement] dated August 22, 2022, [redacted] (the "Sale Agreement") between the Receiver and Pei Hong Nie [redacted] (the "Purchaser") [2], a copy of which is attached as Appendix Schedule "B" [redacted] to the Third Report is hereby approved, and the Sale Agreement is commercially reasonable. [3] The execution of the Sale Agreement by the Receiver [4] 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 Sale Agreement (the "Purchased Assets").
2. The Sale Agreement includes an eight (8) page addendum dated September 9, 2022 wherein the Receiver agreed to repair a specific list of items as listed therein (the "Remediation Addendum").
3. The Purchased Assets are being sold on an "as is where is" basis pursuant to section 2 of Schedule "A" of the Contract of Purchase and Sale (the "As Is Where Is Clause"), with the sole exception of the items specifically listed in the Remediation Addendum.
4. For clarity and without restricting or limiting paragraph 3 of this Order, the items specifically listed in the Remediation Addendum are the only items of the Purchased Assets that are not subject to the As Is Where Is Clause.
5. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "BB" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale

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Agreement [and listed on Schedule "C" hereto] ~~5~~ 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" ~~6~~) including, without limiting the generality of the foregoing: ~~(i) any encumbrances or charges created by the Order of this Court dated [Date];~~ (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; and (iii) those Claims listed on Schedule "~~DD~~" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "~~EE~~" hereto), 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. ~~7~~

~~3.5.~~ Upon presentation for registration in the Land Title Office for the Land Title District of Vancouver of a certified copy of this Order, together with a letter from Owen Bird Law Corporation ~~[Receiver's counsel]~~, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:

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- (a) enter the Purchaser as the owner of the Lands, as identified in Schedule "~~FF~~" hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and
- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule "~~EE~~". ~~8~~

6. The net purchase price after adjustments shall be paid to OWEN BIRD LAW CORPORATION, in trust, and shall be paid out in accordance with the following priorities without further order:

- a) in payment of any outstanding property taxes, water and sewer rates;
- b) in payment of real estate commission;
- c) GST;

d) in payment of any monies owing to Canada Revenue Agency for a deemed trust claim, if payable;

7. to the Receiver to the credit of this proceeding.

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~~4.8.~~ For the purposes of determining the nature and priority of Claims, the net proceeds ~~[9]~~ 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 ~~[10]~~, 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.

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~~5.9.~~ The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.

~~6.~~ Pursuant to Section 7(3)(e) of the Canada Personal Information Protection and Electronic Documents Act or Section 18(10)(e) of the Personal Information Protection Act of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in Schedule "" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor. ~~[11]~~

~~7.10.~~ Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule "~~EE~~".

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~~8.11.~~ The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court ~~[provided that the Closing Date occurs by _____ or within _____ days of the date of this Order].~~

~~9.12.~~ Notwithstanding:

- (a) these proceedings;
- (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made by or in respect of the Debtor,

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the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

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~~10.~~ 13. 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.~~ 14. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

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
~~□ Party~~ Lawyer for the Petitioners applicant,
D. Manning & Associates Inc., in its capacity as
Receiver of 1150165 B.C. Ltd., Fatemah Mirzaei
and Gholamreza Gangan

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<Print Name>

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Signature of
 Party ~~□ Lawyer for <name of party(ies)>~~

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<Print Name>

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BY THE COURT

REGISTRAR

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Schedule A – List of Counsel – Purchased Assets

[Note: Specifically list legal titles if Real Property]

<u>COUNSEL</u>	<u>NAME OF PARTY(IES) REPRESENTED</u>

**Schedule B – ~~Claims to be deleted/expunged from title to Real Property~~ Receiver's
Certificate**

No. H190678
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

AND:

1150165 B.C. LTD.
FATEMEH MIRZAEI
GHOLAMREZA GHASSEMI GANGAN
THE ATTORNEY GENERAL OF CANADA on behalf of HER MAJESTY
THE QUEEN IN RIGHT OF CANADA
DULAY ROOFING LTD.

Respondents

RECEIVER'S CERTIFICATE

PURSUANT TO THE APPROVAL AND VESTING ORDER pronounced _____, 2022, D. Manning
& Associates Inc., in its capacity as the Receiver of 1150165 B.C. Ltd., Fatemeh Mirzaei and Gholamreza
Gangan (the "Receiver") hereby certifies as follows:

- I, _____ The Receiver confirms that Pei Hong Nie has paid the purchase price to the Receiver and the
Transaction has completed.

DATED at the City of Vancouver, in the Province of British Columbia, this _____ day of _____, 2022.

D. MANNING & ASSOCIATES INC., in its
capacity as court appointed Receiver of 1150165
B.C. Ltd., Fatemeh Mirzaei and Gholamreza
Gangan, and not in its personal capacity

By: _____
Name:
Position:

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**Schedule C – ~~Permitted Encumbrances, Easements and Restrictive Covenants~~
related to Real Property List of Purchased Assets**

Real property located in West Vancouver, B.C. legally described as follows:

PID: 002-885-018
Lot 8 Block 54
Capilano Estates Extension No. 15 Plan 13758

~~1. The reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown.~~

~~1. <*>~~

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Schedule D – Claims to be Deleted/Expunged from Title to Lands

CLAIMS TO BE DELETED/EXPUNGED FROM TITLE TO REAL PROPERTY:

the Charges, Liens and Interests to be deleted are as follows:

1. Nature: Mortgage, Assignment of Rents, Judgment and Certificate of Pending Litigation

Registration Numbers: CA6625303, CA6625304, CA8782085 and CA7768402

Registration Dates: February 14, 2018, February 18, 2021 and September 25, 2019

Registered Owner: Vancouver City Savings Credit Union

2. Nature: Judgments

Registration Numbers: CA7729190 and CA9383153

Registration Dates: September 4, 2019 and September 24, 2021

Registered Owner: Her Majesty the Queen in Right of Canada

3. Nature: Claim of Builders Lien and Certificate of Pending Litigation

Registration Numbers: CA7735482 and CA8275728

Registration Dates: September 7, 2019 and June 30, 2020

Registered Owner: Dulay Roofing Ltd.

4. Nature: Claim of Builders Lien and Claim of Builders Lien

Registration Numbers: CA7784782 and CA8305935

Registration Dates: October 1, 2019 and July 16, 2020

Registered Owner: Arona Framing & Construction Inc.

5. Nature: Claim of Builders Lien

Current to August 1, 2015

- 3 -

Registration Number: BB1535927

Registration Date: November 20, 2019

Registered Owner: Aloha Pools Ltd.

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Schedule E – Permitted Encumbrances

Current to August 1, 2015

- 4 -

ENCUMBRANCES PERMITTED TO REMAIN ON TITLE TO REAL PROPERTY:

the encumbrances to remain on title are as follows:

1. Nature: Right of Way

Registration Number: 515357M

Registration Date: September 17, 1970

Registered Owner: The Corporation of the District of West Vancouver

2. Nature: Restrictive Covenant

Registration Number: 567486M

Registration Date: October 6, 1972

Registered Owner: N/A

BRITISH COLUMBIA MODEL APPROVAL AND VESTING ORDER
EXPLANATORY NOTES

B.C. Model Insolvency Order Committee
Vancouver, British Columbia

These Notes are to be read together with the new Model Approval and Vesting Order developed by the B.C. Model Insolvency Order Committee (as described below):

[1] — This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. In the past, the Land Title Office has been unwilling to vest off interests without proof that certain parties have been served. Accordingly, it is recommended that the Order itself reflect service on all parties whose interests are to be removed from title.

[2] — If the Purchased Assets include real property, counsel will need to describe the Purchaser in accordance with how it wishes to be described on title — including Purchaser's full name, incorporation details if applicable, address, joint tenancy, etc.

[3] — Section 247 of the *Bankruptcy and Insolvency Act*, section 68(2) of the *British Columbia Personal Property Security Act* and the relevant case authorities provide that the Receiver has a duty to ensure that any sale of assets is commercially reasonable. Accordingly, it has become the practice of Receivers and their counsel to seek a declaration of the Court that a particular asset sale is commercially reasonable. The Receiver and its counsel should ensure that there is sufficient evidence to enable the Court to make a finding that the transaction to be approved is commercially reasonable, including without limitation evidence as to marketing and any appraisals.

[4] — In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

[5] — To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a schedule. Some judges prefer to have the Sale Agreement itself appended as a schedule to the Order.

[6] — The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised

what rights are being affected, and the appropriate persons are served. It is the BCMIOC's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

[7] — The Order is not intended to relieve the Debtor, the Receiver or any Purchaser of any applicable statutory or regulatory requirements arising on the transfer of the Purchased Assets (for example, complying with *Forest Act* requirements in respect of the transfer of a license such as a Forest License).

[8] — This provision is required if the Purchased Assets include real property. In addition, in some cases, it is appropriate to provide that the Petitioner or Plaintiff provide a release of its Certificate of Pending Litigation.

[9] — The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds". In some cases, it may be appropriate to direct the Receiver to pay certain claims, such as, for example, to secured creditors where there is no issue as to priority.

[10] — This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

[11] — The Receiver and Purchaser should take care to act under this provision with respect to the Purchased Assets only.

Action No.

H190678

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IN THE SUPREME COURT OF BRITISH
COLUMBIA

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BETWEEN:

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VANCOUVER CITY SAVINGS CREDIT
UNION ~~PLAINTIFF(S)/PETITIONER(S)~~

Plaintiff(s)/Petitioner(s)

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- and -

1150165 B.C. LTD.
EATEMEH MIRZAEI
GHOLAMREZA GHASSEMI GANGAN
THE ATTORNEY GENERAL OF CANADA on behalf
of HER MAJESTY THE QUEEN IN RIGHT OF
CANADA
DULAY ROOFING

LTD. ~~DEFENDANT(S)/RESPONDENT(S)~~

Defendant(s)/Respondent(s)

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AND:

Action No.

Estate No.

IN THE SUPREME COURT OF BRITISH
COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
~~THE DEBTOR(S)~~

ORDER MADE AFTER APPLICATION
APPROVAL AND VESTING ORDER

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B.C. MODEL APPROVAL AND VESTING ORDER

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No. H190678
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION
Petitioner

AND:

1150165 B.C. LTD.
FATEMEH MIRZAEI
GHOLAMREZA GHASSEMI GANGAN
THE ATTORNEY GENERAL OF CANADA on behalf of HER
MAJESTY THE QUEEN IN RIGHT OF CANADA
DULAY ROOFING LTD.
Respondents

NOTICE OF APPLICATION

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900-595 Burrard Street
Vancouver, B.C.
V7X 1J5
Tel: (604) 688-0401
Fax: (604) 632-4458

Attention: Heather A. Frydenlund
File No. 23024-0092