



No. S-229607

VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

mitsubishi hc capital canada inc.

PETITIONER

AND:

vic van isle construction ltd., vvi construction ltd., and lortap enterprises ltd.

RESPONDENT

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND
LORTAP ENTERPRISES LTD.**

ORDER MADE AFTER APPLICATION

APPROVAL OF AUCTION SERVICES AGREEMENT

BEFORE THE HONOURABLE

Justice Tammen)

June 6, 2023

THE APPLICATION of BDO Canada Limited, in its capacity as Court-appointed receiver (the "Receiver") of the assets, undertakings and properties of Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd. (collectively, the "Debtors") coming on for hearing at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on the 6th day of June, 2023;

AND ON HEARING James W. Reid, 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 May 24, 2023;

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transactions (the "**Transactions**") contemplated by the Auction Services Agreement dated for reference May 18, 2023 (the "**Auction Agreement**") between the Receiver and McDougall Auctioneers Ltd. (the "**Auctioneer**"), a redacted copy of which

is attached as **Schedule "B"** to this Order, is hereby approved, and the Auction Agreement is commercially reasonable. The execution of the Auction 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 Transactions and for the conveyance to the Auctioneer or any Purchaser (as defined herein) of the assets described in the Auction Agreement (the "**Assets**").

2. The Receiver is authorized to engage the Auctioneer to sell, on a commission basis, certain assets of the Debtors currently being seized and returned to the Debtors' former business premise that do not form part of the Assets, separate from the Auction Agreement.
3. The compensation payable to the Auctioneer pursuant to the Auction Agreement is hereby approved. The Auctioneer is authorized to market and sell the Assets in accordance with the terms of the Auction Agreement.
4. Upon the sale of the Assets by the Auctioneer pursuant to the Auction Agreement, the net proceeds of such sale, which are to be paid to the Receiver in accordance with the terms of the Auction Agreement (the "**Net Sale Proceeds**"), shall be impressed with a charge in favour of the Receiver and shall be held in trust by the Auctioneer for the benefit of the Receiver until such time as the Net Sale Proceeds are paid to the Receiver.
5. Upon the completion of the Transactions contemplated by the Auction Agreement and the payment of the Net Sale Proceeds to the Receiver in accordance with the Auction Agreement, the Receiver shall deliver to the Auctioneer a certificate substantially in the form attached as **Schedule "C"** hereto certifying that the Transactions have been completed to the satisfaction of the Receiver (the "**Receiver's Certificate**").
6. Upon delivery of the Receiver's Certificate to the Auctioneer, all of the applicable Debtors' right, title and interest in and to the Assets described in the Auction Agreement that have been sold by the Auctioneer pursuant to the auction process contemplated by the terms of the Auction Agreement (the "**Purchased Assets**") shall vest absolutely in such person or persons as the Purchased Assets have been sold to (collectively the "**Purchasers**", and each a "**Purchaser**") in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated April 11, 2022, in these proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Purchased Assets.
7. For the purposes of determining the nature and priority of Claims, the Net Sale Proceeds from the sale of the Purchased Assets shall (a) 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 Sale Proceeds from the sale of the Purchased Assets with

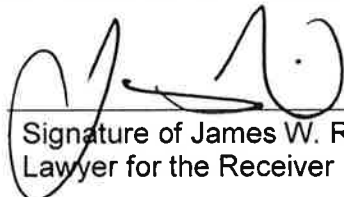
the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale; and (b) be distributed pursuant to further Order of the Court.

8. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
9. Upon the filing of the Receiver's Certificate, the Receiver or the Auctioneer are authorized to, and to the extent necessary the Registrar of the British Columbia Personal Property Registry is upon receipt of a request from the Receiver and a filed copy of this Order together with a filed copy of the Receiver's Certificate directed to, cancel and discharge any registrations in the British Columbia Personal Property Registry (whether made before or after the date of this Order) claiming security interests in the Purchased Assets.
10. Upon the filing of the Receiver's Certificate, the Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, shall stand absolutely and forever barred, estopped, foreclosed from and permanently enjoined from pursuing, asserting, or claiming any right, title, interest or other Claims whatsoever in respect of or to the Purchased Assets and to the extent that any such persons or entities remain in possession or control of any of the Purchased Assets, certificates, instruments, or other indicia of title representing or evidencing any right, title, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchasers (or their respective nominees) upon request.
11. The Purchasers shall, by virtue of the completion of the Transactions contemplated by this Order and the Auction Agreement, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
12. The Purchasers (or their respective nominees) shall be entitled to hold and enjoy the Assets for their own use and benefit without any interference of or by the Debtor or any person claiming by or through or against the Debtors.
13. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtors 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 Debtors,

the vesting of the Purchased Assets in Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, 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.

- 14. **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.
- 15. 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 James W. Reid
Lawyer for the Receiver

BY THE COURT


Registrar

FORM
CHECKED
NR

**SCHEDULE A
TO APPROVAL OF AUCTION SERVICES AGREEMENT**

COUNSEL LIST

Counsel Name	Party Represented

**SCHEDULE B
TO APPROVAL OF AUCTION SERVICES AGREEMENT**

AUCTION SERVICES AGREEMENT

THIS Auction Services Agreement dated for reference the 18 day of May, 2023 (the "**Agreement**")

MADE BETWEEN:

BDO CANADA LIMITED, in its capacity as receiver and manager of all the assets, undertakings, and properties of Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd., and not in its personal capacity.

(hereinafter referred to as the "**Receiver**")

OF THE FIRST PART

AND:

MCDUGALL AUCTIONEERS LTD.

(hereinafter referred to as the "**Auctioneer**")

OF THE SECOND PART

WHEREAS:

- A. Pursuant to an Order of the Supreme Court of British Columbia granted on April 11, 2023, the Receiver was appointed as receiver and manager of all the assets, undertakings, and properties of Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd. (each a "**Company**") including the "**Assets**" listed in Schedule A hereto; and
- B. The Receiver wishes to retain the Auctioneer to sell the Assets, subject to the terms and conditions hereof, and the Auctioneer is willing to provide auction services to the Receiver, subject to the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESS that the Receiver and the Auctioneer agree as follows:

1. RETENTION OF THE AUCTIONEER

- 1.1 The Receiver hereby retains the Auctioneer to carry out, and the Auctioneer hereby agrees to carry out, a sales program and run a liquidation and auction with respect to the Assets on the terms and conditions set forth in this Agreement. The Auctioneer will determine the best way of selling the Assets with a view to maximizing the Receiver's realization on the Assets. For greater certainty, the term "**Auction**" used in this Agreement shall mean the sale of the Assets to be conducted by the Auctioneer on behalf of the Receiver, which may include an auction of the Assets conducted at the Premises (as defined below) or any combination of a private or public sale prior to or in place of an auction at the Premises (as defined below) or on the Internet.
- 1.2 The Auctioneer is acting only in its capacity as an independent contractor dealing with the Receiver and is otherwise not the Receiver's employee or assign, nor is it assuming the legal responsibilities, duties, or obligations of the Receiver or of a secured party. All sales of Assets shall be made by the Auctioneer as agent in fact for the Receiver. Title to the Assets shall remain with the applicable Company through to the completion of the Auction

contemplated by this Agreement, The Auctioneer will not, and has no authority to, incur any liability or obligation on behalf of the Receiver, unless otherwise specifically authorized and approved by the Receiver.

2. PAYMENT OF NET MINIMUM GUARANTEE, DISTRIBUTION OF SALE PROCEEDS, AND BUYER'S PREMIUM

- 2.1 The Auctioneer shall pay to the Receiver by certified cheque, bank draft or wire transfer, as directed by the Receiver in its sole discretion, a non-refundable net minimum guarantee in the amount of \$ [REDACTED] (the "**Net Minimum Guarantee**"), which amount shall be net of all provincial and federal sales taxes which for greater certainty shall be collected and remitted by the Auctioneer, for the right to sell the Assets. For greater certainty, if the Assets are not sold through the Auction for any reason other than a termination under section 9.1(c) of this Agreement, or Sale Proceeds (as defined below) are less than the Net Minimum Guarantee, the Net Minimum Guarantee shall nonetheless be payable by the Auctioneer to the Receiver without prejudice to any rights or remedies the Receiver may have in law or under this Agreement in connection with any default of the Auctioneer.
- 2.2 The Auctioneer shall track and manage all proceeds of the sale of the Assets (the "**Sale Proceeds**"). After sufficient Sale Proceeds have been collected from the sale of the Assets to first pay the Net Minimum Guarantee (or to reimburse Auctioneer for the payment of the Net Minimum Guarantee), for each dollar of Sale Proceeds above the Net Minimum Guarantee the Auctioneer shall be entitled to be paid each dollar of Sale Proceeds in an amount not to exceed \$ [REDACTED] (the "**Auctioneer's Fee**").
- 2.3 Any additional Sale Proceeds above the Net Minimum Guarantee and the Auctioneer's Fee (the "**Overage**") shall be allocated and paid out as follows:
- (a) 98% of the Overage to the Receiver (the "**Receiver's Overage**"); and
 - (b) 2% of the Overage to the Auctioneer.
- 2.4 The Net Minimum Guarantee and the Receiver's Overage shall be payable as follows:
- (a) The Auctioneer shall pay a non-refundable deposit of 25% on account of the Net Minimum Guarantee within three (3) business days of the Receiver's acceptance of this Agreement;
 - (b) Unless otherwise agreed to in writing by the Receiver and the Auctioneer, the Auctioneer shall pay to the Receiver the balance of the Net Minimum Guarantee on the earlier of i) four (4) business days prior to the Auction, or ii) June 23, 2023; and
 - (c) The Auctioneer shall pay to the Receiver the Receiver's Overage within fourteen (14) days of the completion of the Auction.
- 2.5 The Auctioneer shall be entitled to charge and retain for its own account a reasonable and customary buyer's premium (the "**Buyer's Premium**") on all purchased Assets, which Buyer's Premium shall not exceed fifteen (15%) percent. Any such Buyer's Premium shall not be considered Sale Proceeds and shall not be subject to the terms of section 2.2 of this Agreement.
- 2.6 The Auctioneer shall be responsible for the payment of all direct and indirect costs and expenses incurred by the Auctioneer and/or the Auctioneer's agents or employees in

connection with the exercise of its rights and obligations under this Agreement including, without limitation, the sale of the Assets and the conduct of the Auction, including, without limitation, all costs and expenses associated with the advertising and sale of the Assets, refurbishing and cleaning of the Assets, and set up and checkout at the Auction.

- 2.7 Notwithstanding section 2.6 of this Agreement, the Auctioneer will not be responsible for the following costs, claims, or liabilities, even if such are payable;
- (a) lease payments to third parties under any leases of the Assets;
 - (b) any pre-existing environmental costs;
 - (c) any payments to third parties or legal costs associated with dealing with liens against the Assets; and,
 - (d) any product warranties, conditions, or liabilities, including without limitation those set forth in the *International Sale of Goods Contracts Convention Act (Canada)*.
- 2.8 Upon receipt of an order of the Court referenced in section 8.1 herein, the Receiver shall be entitled to release the deposit referenced in 2.4(a) from trust and use such proceeds to fund the costs and expenses of the receivership proceedings as the Receiver sees fit.

3. THE AUCTION

- 3.1 The Receiver shall deliver to the Auctioneer a copy of all reasonably requested pertinent documents that are in the possession of the Receiver, if any, relating to the Assets, including, without limitation, any documents of title, operating manuals, warranties, and all documents respecting registrations to the extent they are in the Receiver's possession.
- 3.2 The Receiver shall provide, or make commercially reasonable efforts to provide, to the Auctioneer and its agents, employees and representatives, reasonable access to the Assets located at 96 Cartier St., Revelstoke, BC V0E 2S0 and 1300 Powerhouse Road, Revelstoke, BC, V0E 2S1 (the "**Premises**") for the purpose of conducting an Auction until July 15, 2023, or such later date as agreed by the parties hereto (the "**General Deadline**"), for the purposes of showing the Assets to prospective purchasers, preparing for and conducting the Auction, completing all sales, removing the sold Assets upon their sale, and cleaning up the Premises to a reasonable neat and tidy condition for re-leasing. The Auctioneer shall not be responsible for the cost, applicable rent, or the supply of utilities to the Premises including, without limitation, gas, water, heat, and hydro, and for the maintenance of insurance coverage on the Premises and Assets.
- 3.3 The Auctioneer shall sell the Assets on an "as is, where is" and "all sales are final" basis to the highest bidder, without any representations of any kind or nature whatsoever, including as to merchantability or fitness, and without warranty or agreement as to the condition of such Assets. Neither the Receiver, nor the Auctioneer, have made nor shall make, vis-a-vis any third-party purchasers, any representations, conditions, or warranties, with respect to the Assets. For greater certainty, the Receiver and Auctioneer agree that there are no terms or conditions whatsoever, whether expressed, implied, statutory, or otherwise with respect to the Assets, or any of them, or any other matters whatsoever in any way related to the subject matter of this Agreement, other than as expressly provided for in this Agreement. The Receiver specifically acknowledges that the Auctioneer is acting solely in the capacity of Auctioneer for the Receiver and has no knowledge with respect to the fitness or usability of the Assets.

- 3.4 The Auctioneer is authorized to accept any reasonable means of payment for the Assets sold provided it is in immediately available funds,
- 3.5 Upon completion of the Auction contemplated hereby, the Auctioneer shall oversee the removal or preparation of the removal of the Assets from the Premises in an orderly and professional manner in accordance with industry practices. Any third-party costs or expenses incurred in connection with the storage of the Assets on the Premises shall not be the responsibility of the Auctioneer. The Auctioneer shall be responsible for the clean-up of the Premises upon the removal of the Assets from the Premises unless any costs of clean-up are required to be incurred because of pre-existing conditions revealed by the removal of the Assets from the Premises. The Auctioneer shall assist the Receiver with the removal and disposal of any toxic or hazardous waste, or environmental pollutants found on or about the Assets or the Premises at the expense of the Receiver.

4. DUTIES OF AUCTIONEER

- 4.1 The Auctioneer shall at its own cost and expense carry out the Auction in an orderly and professional manner, in accordance with industry practices, including by, without limitation:
- (a) overseeing the liquidation and disposal of the Assets, including, without limitation, the carrying out of and the managing of all aspects of the on-site preparation and organization of the Assets for sale, obtaining any permits or licenses necessary to carry out the Auction, and mobilizing a team of personnel, including certified professional tradespeople where necessary, to carry out the foregoing tasks;
 - (b) repairing or causing the repair, by certified professional tradespeople and workers, of any fixtures, improvements, or ancillary structures located on the Premises that may become damaged through preparation and organization of the Assets for sale, and the remediation of the Premises to a condition substantially similar as it had been prior to the Auction;
 - (c) organizing and managing site visits and inspections of the Assets by potential bidders;
 - (d) enabling on-site and real-time online bidding on the day of the Auction;
 - (e) providing and supervising fully qualified and experienced personnel, including without limitation all managerial, labour, accounting and Auction day personnel, who will prepare for and sell the Assets in accordance with the terms of this Agreement;
 - (f) selling the Assets for cash or other immediately available funds to the highest bidder(s) on an "as is, where is" and "all sales are final" basis and in accordance with the terms of this Agreement;
 - (g) charging and collecting from all purchasers any purchase price together with all applicable taxes in connection therewith;
 - (h) promptly paying to the applicable authority all provincial sales tax (if applicable), goods and services tax, and any other tax resulting from any sale transaction entered into by the Auctioneer with respect to any of the Assets and confirming such payment to the Receiver;

- (i) preparing any reporting forms, certificates, reports and other documentation required in connection with the payment of applicable sales taxes to the appropriate taxing authorities and processing all of the foregoing on behalf of the Receiver;
- (j) providing the Receiver within thirty (30) days of the completion of the Auction with reporting and reconciliation of accounting information and detailed post-Auction settlement in a form satisfactory to the Receiver acting reasonably. With such accounting, the Auctioneer shall also deliver any funds due and payable to the Receiver under this Agreement;
- (k) removing sold Assets from the Premises within fourteen (14) days of the completion of the Auction unless otherwise agreed in writing by the Receiver; and
- (l) providing such other related service deemed necessary or prudent by Receiver and Auctioneer under the circumstances presented.

5. REPRESENTATIONS, WARRANTIES, AND CONDITIONS

- 5.1 The Receiver represents and warrants to the Auctioneer that, subject to the granting of the Approval Order (as defined below), it has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement.
- 5.2 The Auctioneer represents, warrants, and acknowledges to the Receiver that:
- (a) the Auctioneer is a corporation duly incorporated, organized and subsisting under the laws of the Province of Saskatchewan;
 - (b) the Auctioneer has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement;
 - (c) this Agreement constitutes a valid and legally binding obligation of the Auctioneer, enforceable against the Auctioneer in accordance with its terms;
 - (d) the Auctioneer has conducted its own due diligence, independent inspection, and investigation respecting the Assets and is satisfied with the Assets in all respects.
 - (e) the Auctioneer will, prior to conducting any sales pursuant to this agreement, be registered under Part IX of the *Excise Tax Act* (Canada) and shall have all necessary registrations and authority to collect, report and remit any applicable taxes on or with respect to any sale of any Assets by the Auctioneer pursuant to this agreement, in all applicable jurisdictions; and
 - (f) the Auctioneer has not jointly elected with the Receiver pursuant to section 177(1.3) of the *Excise Tax Act* (Canada); and
 - (g) the Auctioneer holds all required permits and licenses required to perform its obligations under this Agreement, including registration as an extra-provincial company pursuant to the laws of British Columbia.

6. RISK OF LOSS, INSURANCE

- 6.1 The Receiver shall be responsible for loss or damage to the Assets, other than loss or damage arising because of the negligence of the Auctioneer, its agents or employees, until the earlier of (a) the removal of the Assets from the Premises by a purchaser or (b) receipt by the Receiver of the Sale Proceeds attributable to the applicable Assets (the "Transfer Date").
- 6.2 In the event of material damage to, or destruction of, the Assets or any part thereof, prior to the Transfer Date, the Auctioneer may reduce the Net Minimum Guarantee, by notice to the Receiver, by an amount equal to the cost of repair, or, if the relevant assets are destroyed or damaged beyond repair, by an amount equal to the replacement cost of the assets forming part of the Assets that have been materially damaged or destroyed, and complete the transaction contemplated under this Agreement, provided that the Receiver must agree to the amount of any reduction to the Net Minimum Guarantee.
- 6.3 Any insurance proceeds or other compensation proceeds paid or payable with respect to Assets that have been damaged but not materially damaged and/or destroyed, prior to the Transfer Date, will be assigned or paid by the Receiver to the Auctioneer, and the Net Minimum Guarantee will be reduced by the cost of repair or replacement to the extent that any such insurance or other proceeds do not compensate for the repair or replacement costs of the damaged Assets, provided that the Receiver must agree in writing to the amount of any reduction to the Net Minimum Guarantee.
- 6.4 The Auctioneer will maintain insurance, and will provide to the Receiver with proof of insurance, with respect to any liability which could flow from the activities of the Auctioneer, its agents, or employees, naming the Receiver as beneficiary of such insurance, providing for coverage of not less than \$5,000,000 per occurrence and otherwise in a form satisfactory to the Receiver acting reasonably.

7. INDEMNITY

- 7.1 The Auctioneer shall and hereby agrees to defend, indemnify, and hold harmless the Receiver and its officers, directors, agents, employees and principals from and against any and all known or unknown losses, damages, liabilities, claims, actions, judgments, penalties, fines, court costs and legal or other expenses, on a solicitor and own client basis, which the Receiver may incur as a direct or indirect consequence of: (a) negligent or intentional acts or omissions of Auctioneer or its agents, employees, representatives and principals in connection with the sale or the removal of the Assets from the Premises; and/or (b) the material breach by Auctioneer of any of its representations, warranties or other obligations under this Agreement and/or (c) any claims asserted by Auctioneer's supervisors, employees, or agents, including Auctioneer's employees' or agents' payroll claims (wage claims, claims for taxes required to be withheld from wages, social security, etc.), or unemployment compensation claims.
- 7.2 The Auctioneer shall indemnify and hold the Receiver harmless, on a solicitor and own client basis, from any and all demands, liabilities or claims, including, but not limited to, fines, penalties, losses, costs and expenses, which the Receiver may sustain, incur or be subject to, arising out of, or by reason of, any failure by the Auctioneer to collect, pay or remit any applicable taxes under, or in accordance with, the provisions of the *Excise Tax Act* (Canada) in relation to the sale of the Assets in accordance with the Auction (including without limiting the generality of the foregoing in respect of the Buyer's Premium described in Section 2.5 of this Agreement).

8. CONDITION PRECEDENT

- 8.1 It is a condition precedent of this Agreement that the Court will have issued prior to the Auction an order authorizing the Receiver to (a) retain the Auctioneer on the terms set forth herein; (b) pay the Auctioneer its compensation on the terms set forth herein without further order of this Court; (c) enter into and consummate the transactions set forth herein, and (d) transfer title to the Assets to any purchasers free and clear of liens, claims, and encumbrances.

9. TERMINATION

- 9.1 This Agreement may only be terminated:

- (a) by the mutual written consent of the Receiver and the Auctioneer;
- (b) by the Receiver by written notice to the Auctioneer:
 - (i) if there: has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Auctioneer under this Agreement, which breach, inaccuracy in or failure to perform shall continue uncured seven (7) days after receipt of written notice thereof to the defaulting party; or
 - (ii) if there has been a failure by the Auctioneer to pay to the Receiver the balance of the Net Minimum Guarantee referenced in section 2.4(b) herein, and such failure to perform continues uncured for one (1) business day; or
 - (iii) if any representation made by Auctioneer proves untrue in any material respect; or
 - (iv) the Auction is not completed by the General Deadline, or such other deadline as agreed the Receiver agrees to in writing.
- (c) by the Auctioneer by written notice to the Receiver:
 - (i) if there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Receiver under this Agreement, which breach, inaccuracy in or failure to perform shall continue uncured seven (7) days after receipt of written notice thereof to the defaulting party; or
 - (ii) if any representation made by the Receiver proves untrue in any material respect.

(each a "Termination Event")

- 9.2 In the event of termination of this Agreement in accordance with Section 9.1(b), this Agreement shall forthwith become of no further force or effect, and there shall be no liability on the part of any party hereto except: (a) as set for in Article 2, Section 3.5, Article 7, and this Article 9; and (b) that nothing herein shall relieve any party hereto from liability for any intentional breach of any provision hereof.
- 9.3 In the event of termination of this Agreement in accordance with Section 9.1(a) or (c), this Agreement shall forthwith become of no further force or effect, and there shall be no

liability on the part of any party hereto except: (a) as set forth in Article 2, Section 3.5, Article 7, and this Article 9; and (b) that nothing herein shall relieve any party hereto from liability for any intentional breach of any provision hereof.

10. FORCE MAJEURE

- 10.1 Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected party, including but not limited to fires, strikes, floods, adverse weather that has the potential to injure persons or damage property, acts of war, terrorism, riot, or public disorder, acts of God, lawful acts of public authorities, or electronic failures and internet service provider disruptions.

11. MISCELLANEOUS

- 11.1 All references to currency in this Agreement are to lawful currency of Canada.
- 11.2 If the doing of any act pursuant to this Agreement falls on a day on a bank holiday or weekend, then the time for the doing of such act shall be deemed to be the next day that is not a bank holiday or weekend.
- 11.3 Any notice, request, instruction, or other communication to be given hereunder by any party to the other shall be in writing and effective when delivered by courier, registered mail, or electronic mail to the addresses set forth as follows:

To the Receiver:

BDO Canada Limited
1100 Royal Centre
1055 West Georgia Street
Vancouver, BC
V6E 3P3
Attention: Chris Bowra
Email: cbowra@bdo.ca

With a copy to:

Miller Thomson LLP
700 – 9th Avenue S.W.
Suite 3000
Calgary, AB T2P 3V4
Attention: James W. Reid
Email: jwreid@millertomson.com

The Auctioneer:

McDougall Auctioneers Ltd.
610 North Service Rd.
Emerald Park, SK S4L 3G7
Attention: Chad Guay
Email: chad.g@mcdauction.com

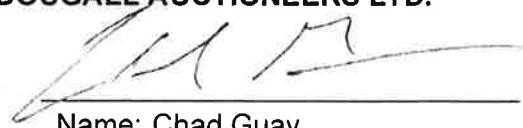
A party may from time to time change its address for notice by giving written notice of such change to the other party.

- 11.4 No waiver by either party of any of the conditions contained in this Agreement or of any breach of any of the covenants contained in this Agreement shall have effect or be binding upon that party unless expressed in writing and any waiver so given shall extend only to the particular condition or breach so waived and shall not limit or affect any rights with respect to any other condition or breach or any future breach.
- 11.5 This Agreement and the attached schedules constitute the entire agreement between the parties relating to the subject matter hereof and supersedes all prior proposals, communications, and agreements, whether written or oral.
- 11.6 This Agreement may be amended or modified only by an instrument in writing executed and delivered by the parties hereto subsequent to the date hereof.
- 11.7 The parties covenant to execute such further documents and do such further acts as may be required to implement the terms of this Agreement.
- 11.8 All stipulations in this Agreement as to time are strictly of the essence.
- 11.9 Neither the Receiver nor the Auctioneer shall assign this Agreement without the express written consent of the other. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, and assigns.
- 11.10 This Agreement shall be governed by the laws in effect in the Province of British Columbia and the parties hereby attorn to the jurisdiction of the Courts of that Province,
- 11.11 This Agreement may be executed in counterparts by the parties hereto and executed counterparts may be delivered by electronic mail and such execution and delivery shall be valid for all intents and purposes and the executed counterparts shall together form one document.

EXECUTED at Vancouver, BC, this 18 day of May, 2023.

MCDUGALL AUCTIONEERS LTD.

Per:



Name: Chad Guay

Title: Vice President

I have the authority to bind the corporation

BDO CANADA LIMITED, in its capacity as receiver and manager of all the assets, undertakings, and properties of Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd., and not in its personal capacity.

Per:



Name: Chris Bowra

Title: Vice President

I have the authority to bind the corporation

**SCHEDULE A
THE ASSETS**

Vic Van Isle Construction Ltd.
List of Equipment

Year	Make	Model	Serial Number	Description
1900	Baron	RB-32		Other Concrete Equipment
2014	Big Tex	140A-20	16VFX2020E4328106	Tag-Along Equipment Trailers
2014	Boscaro	C-99N	141511	Concrete Buckets
2012	Boscaro	C-99N	121350	Concrete Buckets
1900	Boscaro	A-80D	113188	Concrete Buckets
2010	Caterpillar	320D L	CAT0320DVDFB00535	45,000-74,999 Lb Excavators
2018	Caterpillar	GP25N	AT35A05918	0-19,999 Lb Pneumatic Tire Forklift Trucks
2003	Caterpillar	252 (Legacy)	CAT00252HFDG01573	1,100-2,999 Lb Skid Steer Loaders
2013	Chevrolet	Express 1500	1GNSHBF47D1147852	Passenger Vans
2006	Chevrolet	Silverado	2GCEK13T36127125	
2000	CLARK	CGP40	CGP460L-0073-9518FB	0-19,999 Lb Cushion Tire Forklift Trucks
2011	CLARK	TMX20	TMX250-2613-9597	Electric Forklift Trucks
2016	Dynapac	LG 504	BGF104184	Plate Compactors
2006	Dynapac	LG 500	35003876	Plate Compactors
2006	Dynapac	LG 500	35004227	Plate Compactors
2007	Dynapac	LG 500	35006085	Plate Compactors
2017	Dynapac	LG 504	BGF118759	Plate Compactors
2010	Dynapac	LT 6004	76109531	Tampers And Rammers
2010	Dynapac	LT 6004	76109521	Tampers And Rammers
	ESAB	EMP 235ic Welder		welder
2014	Ford	F-250 (Crew)	1FT7W2B68EEA36779	Pickup Trucks
2011	Ford	F-350 (Crew)	1FT8W3B63BEB34544	Pickup Trucks
2015	Ford	F-250 (Crew)	1FT7W2B61FEB97721	Pickup Trucks
2008	Ford	F-350 (Crew)	1FTWW31R48EB50151	Pickup Trucks
2003	Ford	F-250	1FTNX21L83EC19253	Flatbed And Stakebed Trucks
1998	Ford	E-150	1FTRE1425WHB75770	Passenger Vans
2011	Ford	F-150 (Crew Lariat)	1FTFW1ET2BFB74170	Pickup Trucks
1994	Ford	L9000	1FDYW90L2RVA31827	Flatbed And Stakebed Trucks
2015	Ford	F350	VIN ending In 43764	Platinum super duty
1900	Fred	Fume Extractor	522417-1	Welding Accessories
1900	Frost Fighter	IDF350 (LP/NG)	11120333PN	Heaters
1900	Frost Fighter	IDF350 (LP/NG)	11040083PN	Heaters
1900	Frost Fighter	IDF350 (LP/NG)	09010173PN	Heaters
1900	Frost Fighter	IDF350 (LP/NG)	11110173PN	Heaters
1900	Frost Fighter	IDF350-11 (Oil/Diesel)	11120333	Heaters
1900	Frost Fighter	IDF350-11 (Oil/Diesel)	11120343	Heaters
2001	Genie	S-125	S125-347	80-129 Ft Telescopic Booms
2007	Genie	GS-2032	GS3207-88219	19+ Ft Electric Scissor Lifts
2006	Genie	GS-2032	GS3206-81397	19+ Ft Electric Scissor Lifts
1900	Gensco	PFT38/30	10146	Other Equipment
2007	Gradall	544D-10	160032696	10,000-10,999 Lb Telehandlers
2008	Gradall	544D-10	160032663	10,000-10,999 Lb Telehandlers
2003	Gradall	544D	160002306	10,000-10,999 Lb Telehandlers
2013	Hino	338	2AYNF8JT8D3S13278	Van Trucks
	Hypertherm	Power Max 105 Plasma		
	Ingersoll Rand		358683UGP222	compressor
2008	IR Doosan	L6	393838UJRC45	Light Towers
2005	IR Doosan	P185 (T2/3)	4FVCBBAA45U358683	25-349 CFM Air Compressors
2000	IR Doosan	L6	309047UBK822	Light Towers
2005	John Deere	544J	DW544JP599132	110-189 HP Wheel Loaders

Vic Van Isle Construction Ltd.
List of Equipment

Year	Make	Model	Serial Number	Description
2014	John Deere	624K	1DW624KTVEF661885	110-189 HP Wheel Loaders
1900	Karcher	HDS 4.0/20-4M		Pressure Washers
1900	L.B. White	TS080		8x Heaters
	Lincoln Electric	Stick Welder		welder
2016	Lode King	53 Ft TriA	2LDS5337GE061689	Dropdeck (Stepdeck) Trailers
	Magnum	MMG75	931278	75 kwh Generator
2013	Magnum (Generac)	MMG35 F4	1308164	5-39 kW Diesel Generators
2016	Magnum Attachments	RHB-304	304H-H442	Breakers And Hammers
2005	Mantis (Tadano)	6010	60-154	Telescopic Crawler Cranes
	MOD U Blast	MBA-6-SPR	2575	
2009	Peterbilt	387	1XP7D49X29D784745	TA Truck Tractors
2001	Power Curber	5700B	120291	Concrete Paving Equipment
1900	Ridgid	535	351732	Other Equipment
1900	Shindaiwa	kWiet Power DGM60MK	D14101000169	40-149 kW Diesel Generators
1900	Shindaiwa	kWiet Power DGM60MK	D14101000189	40-149 kW Diesel Generators
1900	Sommers	SMGDP30	SP561018-169	5-39 kW Diesel Generators
1900	Stanley	HP-1 Pump	6311	Other Hydraulic Tools - Pump (x2)
1900	Star Industries	1360B		Forklift Truck Attachments
2006	Sterling	L9500	2FZHAZCV36AV32550	Flatbed Dump Trucks
2005	Sunrise	IW-88SD	359304	Machine Tools
2011	Terex	RL4000	RL411-2476	Light Towers
2011	Terex	RL4000	RL411-2461	Light Towers
2008	Terex	T120	T12008-000202	40-149 kW Diesel Generators
1900	Various	20 Ft Storage Container Of	BSBU2077596	0-39 Ft Storage Containers
2005	Various	8X20	CHAU101810-0	Static Office, Accommodation, Welfare Units
1900	Various	20 Ft Storage Container	FBXV1314048	0-39 Ft Storage Containers
1996	Various	20 Ft Storage Container	YMLU2535129	0-39 Ft Storage Containers
1900	Various	20 Ft Storage Container	POCU0024637	0-39 Ft Storage Containers
1900	Various	20 Ft Storage Container with various plumbing materials inside	CELU00000368	0-39 Ft Storage Containers
1900	Various	8 Ft Storage Container - sandblasters inside	CPIU 1765044	0-39 Ft Storage Containers
2005	Various	8X20	CIU2057641	Static Office Accommodation Welfare Units
1900	Victor	Thermal Arc Fabricator 211	L12210047AW1004200	Electric Welders
2005	Wabash	53 Ft TA	1JJV532W75L932445	Van Trailers
2012	Wacker Neuson	E 3000	20118169	Ground Heaters
2011	Wacker Neuson	DPU 6555HE	10092736	Plate Compactors
2013	Wacker Neuson	DPU 6555H	10252434	Plate Compactors
2017	Wacker Neuson	WP 1540A	10680671	Plate Compactors
				garbage bins
			GSTU6253948	40 ft. seacan
			BB4310	40 ft. seacan
				miscellenous wheelbarrows
				miscellenous fencing
				Miscellaneous items in seacans
		PY53-25		53 ft. trailer
			JLU204259	Seacan
				Miscellenous plywood
				4 big tires
				insulated panels

Vic Van Isle Construction Ltd.
List of Equipment

Year	Make	Model	Serial Number	Description
				miscellaneous inventory
				miscellaneous heaters
				miscellaneous wood inventory
				miscellaneous doors
				miscellaneous scaffolding

Lortap Enterprises Ltd.
List of Equipment

Year	Make	Model	Serial Number	Description
	Accu-Systems	HPJ4		CNC Dowel Machine
	Atlas Equipment	Kwik Bay	3612480300370	Hydraulic Scissor Lift
	Blum	M53.1053.CA	JP 00337	Hinge Boring Machine
2004	Blum	M51P1053.CAMI	GA 00291	Hinge Boring Machine
1986	Blum	M51.1053 CA	AD1674	Hinge Boring Machine
2001	Cantek	HB-900HA	11229	Band Resaw
2011	Cantek	J-168LH 16"	J16800161-10	Spiral Head Jointer
2002	Cantek	C12RS 12"	40221011	Glue Line Ripsaw
	Cantek	CM-626 26"	07B2057	Thickness Planer
2014	Cantek	CANJDT75	1405054	Automatic Dovetailer
2010	CaptiveAire	A5-D.2000-95		Make Up Air System
	Chinook	SDO-560	140	Horizontal Air Compressor
	Dayton	300 lbs		Air Beam Hoist
	Dayton	5PKF4		Metal Waste Bin
2004	DMC	Technosand K TCK 1350 M	SA/005088	Automatic Belt Sander
2006	Doosan	G25E	CX-06960	Forklift
2014	Doucet	DWM-36	2014-06-181	Drawer Clamp
1991	Doucet Machineries	SRH-30-8.5-72-36	91-06-130	Rotary Clamp Carrier
1991	Eagle	5360V2	PY9114272	Vertical Air Compressor
1991	Eagle	5360H2	PY 9114286	Horizontal Air Compressor
2006	Felder	F900	430.07.061.06	Tilting Spindle Shaper
1998	Felder	FD-250	40-10/035-98	Horizontal Mortiser
	Fleming Gray	C-2	524	Paint Shaker
2018	Ford	Transit 250	1FTYR2CM1JKB39143	Cargo Van
2017	Gannomat	Index 471L130	770.731	CNC Dowel Machine
	Gannomat	Injecta		Electronic Glue Injection App
2018	Gannomat	Concept 70 Eco	711.823	Case Clamp
	Garss			Hinge Boring Machine
	General	350	L2470	Table Saw
	General			Bandsaw
	General International	40-250M1	40256005	Spindle Shaper
	Grass			Boring machine
2006	Hofer	Koptronik	998	Case Clamp
	Holzher	6210 Cut 85	425/0-507 5004192	CNC Panel Saw
	Ingersoll Rand	SSR-EP25SE	KE1414U95186	Rotary Screw Air Compressor
2012	International	Terrastar	1HTJSSKKXCH614247	Flatbed And Stakebed Trucks
2008	Interstate Trailers	20 Ft TA	4RACS20288N061533	Tag-Along Utility Trailers
1999	Italpresse	Ideal		Cold Press
2004	Italpresse	R3/130	139650104	Glue Spreader
2000	Kaeser	TC31	1082	Compressed Air Dryer
2004	King	KC-40HC 21"	23D0414	Gearhead Milling Drilling Ma

Lortap Enterprises Ltd.
List of Equipment

Year	Make	Model	Serial Number	Description
1993	King	KC-30PC 3/4"	115303	Gear Head Drill Press
	King Industrial	PDM-30	63H00274	drill press
	Mepla Mat	MM1500	13236/503	Hinge Boring Machine
	Miscellaneous wood			
2016	Morbidelli	Author M400 Cell	AA2/003780	CNC Machining Center
2004	Morbidelli	Author 430S	AL/007336	CNC Machining Center
2016	Nederman	NFP-S1000		Dust Collector
2016	Nederman	NFP-S1000		Dust Collector
	Progress	PMC-150	394	Edgesander
2016	SCM	Stefani MD AM	AH/006381	CNC Edgebander
2007	SCM	SI 350 E	AB/188918	Sliding Table Saw
2005	SCM	SI 300N	AB/172384	Sliding Table Saw
	SCM	SI16 SW	AB.42292	Sliding Table Saw
	SCM	T130 N	AB.12615	Spindle Moulder
2013	SCM	Olimpic K230	AB217085	Edgebander
2002	Trailmobile	53 Ft TA	2MN01JAH821000728	Van Trailers
	Various rolling racks			
	Velox		1300	
1983	Weinig	U 17 A	1383-2892	Moulder
1982	Weinig	R 930	912/1212	Profile Tool Grinder
2007	WorkRite	4000	4K586	Electronic Glue Welder
		Dust Collector		Lortap
		Extractor Fan		Lortap
				miscellenous plywood

VVI Construction Ltd.**List of Equipment**

Year	Make	Model	Serial Number	Description
2019	Caterpillar	262D	CAT0262DTDTB09575	1,100-2,999 Lb Skid Steer Loaders
2013	Genie	Z-45/25J	Z452513A-47333	40+ Ft Electric Articulating Booms
2011	Genie	Z-45/25J	Z452511A-40109	40+ Ft Electric Articulating Booms
2007	Hitachi	ZX200LC-3	HCM1U100A00219369	45,000-74,999 Lb Excavators
2019	Load Trail	16 Ft TriA	4ZEDT1632K1178887	End And Side Dump Trailers
2018	Load Trail	14 FT TA	4ZEDT1422J1149737	End And Side Dump Trailers
	HP	Designjet T3500		Plotter printer
	KIP	3000	Q106X13B(?)	Plotter printer
	Forest River	Cargo Mate Trailer	5NHUBLV27LB477635	Enclosed trailer
2007	Wells Cargo	16 FT TA	1W4200G2974065201	Tag-Along Utility Trailers

**SCHEDULE C
TO APPROVAL OF AUCTION SERVICES AGREEMENT**

RECEIVER'S CERTIFICATE

No. S-229607
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND
LORTAP ENTERPRISES LTD.

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Supreme Court of British Columbia (the "**Court**") dated April 11, 2023, BDO Canada Limited was appointed as the receiver (in such capacity, the "**Receiver**") of the assets, undertakings, properties of Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd.

B. Pursuant to an Order of the Court dated _____, 2023, the Court approved the auction services agreement made as of May 18, 2023 (the "**Auction Agreement**") between the Receiver and McDougall Auctioneers Ltd. pursuant to which one or more auction transactions were authorized to be completed in accordance with the terms of the Auction Agreement (the "**Auction Transactions**").

THE RECEIVER CERTIFIES the following:

1. The Auction Transactions have been completed to the satisfaction of the Receiver.
2. The Certificate was delivered by the Receiver at _____ on _____.

BDO CANADA LIMITED, in its capacity as receiver and manager of all the assets, undertakings, and properties of Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd. and not in its personal capacity.

Per: _____

Name: Chris Bowra

Title: Vice President

I have the authority to bind the corporation

No. S-229607

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
VIC VAN ISLE CONSTRUCTION LTD., VVI
CONSTRUCTION LTD., AND LORTAP
ENTERPRISES LTD.

ORDER MADE AFTER APPLICATION

MILLER THOMSON LLP
Barristers and Solicitors
700 – 9th Avenue S.W.
Suite 3000
Calgary, Alberta T2P 3V4

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File No.: 0267850.0001