

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.**

RESPONDENTS

**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.**

**THIRD REPORT OF THE RECEIVER**

**January 18, 2024**

**BDO Canada Limited, Receiver of  
Vic Van Isle Construction Ltd.,  
VVI Construction Ltd., and  
Lortap Enterprises Ltd.**

Royal Centre  
Unit 1100 – 1055 W Georgia Street  
Vancouver, BC V6E 3P3

**THIRD REPORT OF THE RECEIVER  
BDO CANADA LIMITED  
January 18, 2024**

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## I. PURPOSE OF THE REPORT

1. The purpose of this report is to:
  - i. Update the Court with respect to the receivership; and,
  - ii. Request that this Honourable Court approve the:
    - a) assignment of the accounts receivable of the Companies (defined below) to VVI Construction (2020) Ltd. (the "**Purchaser**") for \$25,000;
    - b) distribution to the Debtor's senior secured creditor, Mitsubishi HC Capital Canada Inc. ("**Mitsubishi**"), in an amount not to exceed \$25,000.00;
    - c) distribution to James Gordon Hampton ("**Hampton**") of the remainder of the funds held by the Receiver in an amount estimated to be \$166,000.
    - d) Receiver's activities and fees incurred to date, plus the estimated fees, disbursements and taxes to a maximum of \$15,000 to complete the administration of the Receivership;
    - e) accounts of the Receiver's legal counsel to date plus the estimated fees, disbursements and taxes to a maximum of \$20,000 to complete the administration of the receivership and,
    - f) discharge of the Receiver, subject to the distribution of funds on hand in accordance with an Order of the Court.
2. This is our Third Report to Court and should be read in conjunction with the First Report to Court dated May 24, 2023 (the "**First Report**"), and the Second Report to the Court dated August 15, 2023 (the "**Second Report**").

## II. BACKGROUND

3. On December 2, 2022, the BDO Canada Limited was appointed as receiver of certain assets (the "**Limited Receiver**") owned by Vic Van Isle Construction Ltd. ("**Vic Van**") consisting of: (i) a 2012 Caterpillar TL1255 4X4 (Serial No. TBN01026); (ii) a 2014 John Deere 624K Front End Loader (Serial No. 1DW624KTVEF661885); and (iii) a 2013 Genie Lift 45/25 (Serial No. Z452513A-47333) (the "**Limited Receivership**").
4. BDO Canada Limited was appointed as Receiver (the "**Receiver**") of all the assets, undertakings and properties (the "**Assets**") of Vic Van, VVI Construction Ltd. ("**VVI**"), and Lortap Enterprises Ltd. ("**Lortap**") and together with Vic Van and VVI, collectively, the "**Companies**") pursuant to the Order of the Honourable Justice Fleming pronounced on April 11, 2023 (the "**Receivership Order**").
5. Pursuant to the Receivership Order, the Limited Receivership was terminated.
6. In the First Report, the Receiver outlined its process for realizing on the assets and properties of the Companies, and provided a summary of the liquidation proposals received.
7. As set out in the First Report, the Receiver accepted an offer from Woody's Projects for the sale of certain equipment, as well as the Receiver having determined that an Auction Services Agreement with McDougall Auctioneers Ltd. was the highest and best offer for the remainder of the Companies' property (the "**Assets**").
8. The Receiver applied to the Court for approval of these transactions, and both transactions were approved by the Court on June 6, 2023.
9. On July 19, 2023, the Receiver assigned Vic Van and Lortap into bankruptcy pursuant to its powers granted by the Receivership Order at paragraph 3.
10. In the Second Report, the Receiver outlined the results of the auction that took place pursuant to the Auction Services Agreement with McDougall

Auctioneers, and requested the Court's approval to distribute up to \$1.2 million to Mitsubishi as the senior secured creditor of the Companies. The Court approved this interim distribution pursuant to an Order of the Honourable Justice Douglas pronounced September 19, 2023 (the "**Interim Distribution Order**").

11. On September 20, 2023, the Receiver distributed \$1 million to Mitsubishi in partial satisfaction of its secured claim, and in accordance with the Interim Distribution Order.
12. In addition to the interim distribution to Mitsubishi, the Receiver made certain distributions to Service Canada and Canada Revenue Agency ("**CRA**") in satisfaction of priority claims relating to the Wage Earner Protection Program ("**WEPP**") and deemed trust source deductions described further below.
13. All of the Assets of the Companies have been realized upon as part of the Receivership proceedings.

### III. **SUMMARY OF RECEIVER'S ACTIVITIES**

14. Since the date of the Receivership Order, the Receiver's activities have included:
  - i. performing its statutory duties as required pursuant to subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") in relation to creditor and Official Receiver notification;
  - ii. attending the Companies' premises located at 96 Cartier Street, Revelstoke, British Columbia (the "**Premises**");
  - iii. retaining the services of Accurate Effective Bailiffs to assist the Receiver with securing the Premises and Assets;
  - iv. arranging for a daily custodian to monitor the Premises and Assets;
  - v. working with the former accountant and principals to obtain additional information with respect to the Assets;

- vi. facilitating and administering the WEPP claims of forty-four (44) former employees of the Companies;
- vii. obtaining new insurance coverage;
- viii. working with CRA to facilitate a payroll and GST trust audit;
- ix. working with the former accountant of the Companies to file employee T4s;
- x. coordinating the removal of books and records from the Premises;
- xi. preparing a complete list of equipment available for sale;
- xii. conducting a sales process to obtain offers to purchase the Assets;
- xiii. obtaining Court approval for the sale of the Assets by way of auction;
- xiv. working with the auctioneer, McDougall Auctioneers Ltd., to prepare and facilitate the auction for the sale of the Assets;
- xv. pursuing collection of the Companies' accounts receivable;
- xvi. engaging a collection agency to pursue collection of the accounts receivable;
- xvii. liaising with numerous creditors;
- xviii. attending to discussions and correspondence with legal counsel and various stakeholders;
- xix. providing updates to Mitsubishi and other stakeholders;
- xx. disclaiming the lease for the Premises on July 21, 2023; and,
- xxi. preparing three reports to Court.

**IV. ACCOUNTS RECEIVABLE**

15. To date, the Receiver has collected:
  - i. \$28,346 in accounts receivable for Lortap;
  - ii. \$35,571 in accounts receivable for Vic Van; and,
  - iii. \$11,126 in accounts receivable for VVI.
16. The Receiver has made numerous attempts to collect the remainder of the accounts receivable for the Companies with minimal success. The efforts of the Receiver have included engaging Collections Group of Canada Inc. as a collections agent.
17. In addition, counsel to the Receiver has sent several demand letters in an effort to collect, however most, if not all, customers are alleging substantial set-off claims, well in excess of the Companies' accounts receivable claims.
18. The Receiver has exhausted all efforts to collect the accounts receivable owing to the Companies and does not believe that future collection efforts will result in any material recoveries without significant costs and risk.
19. As a result of the Receiver having exhausted its efforts to collect on accounts receivable, on or around January 17, 2024, the Receiver accepted an offer from the Purchaser to assign the Receiver's right, title and interest in the Companies' remaining accounts receivable for \$25,000, which is subject to approval of this Court.
20. The purchase price for the remaining accounts receivable is to be allocated as follows:
  - i. \$10,000 to Vic Van;
  - ii. \$10,000 to Lortap; and,
  - iii. \$5,000 to VVI.
21. The Receiver requests that the Court approve the assignment of the remaining accounts receivable to the Purchaser.

22. A copy of the assignment agreement is attached as **Appendix A**.

## V. DISTRIBUTION TO CREDITORS

23. CRA conducted a payroll trust examination. The result of the examination was a property claim by CRA for unremitted source deductions of:
- i. \$214,000 on VVI;
  - ii. \$15,000 on Vic Van; and
  - iii. \$119,000 on Lortap.
24. VVI had insufficient assets to cover the full balance owing to CRA for the property claim after administration costs. Vic Van and Lortap's balances owing to CRA for payroll source deductions were paid from the proceeds of the sale of the Assets as described above.
25. The Receiver entered into an administration agreement with CRA dated May 24, 2023, which allowed for receivership costs of \$159,000 to rank in priority to CRA. All distributions for priority claims owing to CRA have been paid out by the Receiver.
26. The Receiver assisted former employees with their WEPP claims. There are the following approximate employee priority claims:
- i. \$26,000 in Lortap;
  - ii. \$8,000 in Vic Van; and
  - iii. \$26,000 in VVI.
27. The Receiver has paid out the priority claim of \$7,983 for Vic Van and \$22,822 for Lortap.
28. No payment will be made in respect of VVI for the employee priority claims, as the claims rank behind payroll source deductions, of which there were insufficient proceeds realized from the sale of VVI's assets to satisfy CRA's priority claim.



29. After the payment of employee priority claims and deemed trust claims for payroll source deductions, the Receiver anticipates having approximately \$166,000 remaining for distribution.
30. Following the interim distribution pursuant to the Interim Distribution Order, Mitsubishi was still owed approximately \$900,000 on its secured loan to the Companies.
31. On January 12, 2024, a personal guarantor of the Mitsubishi loan, Hampton, sold his personal residence, which satisfied the balance owing by the Companies to Mitsubishi, less the Landlord Fee discussed below.
32. If not for Hampton fully satisfying the secured claim of Mitsubishi, Mitsubishi would have experienced a significant shortfall on its secured claim exceeding \$700,000 as set out in the chart below.

	(\$000s)
Mitsubishi loan balance	1,900
Payment to Mitsubishi to date	(1,000)
Current balance owing to Mitsubishi	<u>900</u>
 Estimated remaining cash flow	
Assignment of A/R	25
Cash held in Receiver's accounts	314
Less:	
Deemed Trust claim for payroll source deductions (VVI)	(113)
Receiver's fees	(15)
Receiver's legal fees	<u>(20)</u>
Estimated future distribution	<u>191</u>
 <b>Estimated shortfall</b>	 <b><u>709</u></b>

33. Pursuant to a Settlement Agreement between the landlord of the Premises (the "**Landlord**") and Mitsubishi dated December 15, 2022, the Landlord agreed, among other things, to permit the Companies to continue using the Premises while it sought refinancing or liquidated their Assets. Pursuant to the Settlement Agreement, Mitsubishi was required to pay the landlord a \$25,000 fee (the "**Landlord Fee**") upon receipt of the funds from the sale of

Hampton's personal residence, which has been added to Mitsubishi's secured loan with the Companies.

34. The Landlord Fee is the only amount that remains owing on Mitsubishi's secured claim from the Companies.
35. After the payment of the Landlord Fee, the Receiver proposes to pay any remaining funds after the administration of these proceedings is complete to Hampton, who, the Receiver is advised by counsel, stands in the place of Mitsubishi pursuant to the laws of subrogation.
36. The Receiver anticipates that there may be additional GST refunds of approximately \$1,000. The Receiver will remit any additional GST refunds to Hampton upon receipt.
37. After the payment of the Receiver's fees and the fees of its legal counsel, the Receiver requests the Court approve a final distribution to pay the following amounts upon its discharge:
  - i. \$25,000 to Mitsubishi for the Landlord Fee; and,
  - ii. Any and all remaining funds to Hampton.

**VI. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

38. A summary of the Interim Statement of Receipts and Disbursements of the Receiver for the period April 11, 2023 to January 16, 2024, is summarized below.

<b>Interim Statement of Receipts and Disbursements for the period April 11 to January 16, 2024 (\$000's)</b>				
	<b>Vic Van</b>	<b>VVI</b>	<b>Lortap</b>	<b>Total</b>
<b>Receipts</b>				
Sale of equipment	1,306	241	430	1,977
Collection of AR and other income	58	12	32	102
Receiver's borrowings	76	-	-	76
GST refunded	14	3	3	20
Cash on hand	3	-	-	3
PST collected	3	-	-	3
GST collected	2	-	-	2
	<b>1,462</b>	<b>256</b>	<b>465</b>	<b>2,183</b>
<b>Disbursements</b>				
Receiver's fees	142	69	87	298
CRA deemed trust claim	15	-	119	134
Rent	36	36	36	108
Repayment of Receiver's borrowings	76	-	-	76
Contractors, bailiff and security	25	25	25	75
Utilities and Insurance	20	13	13	46
WEPPA priority payment	8	-	23	31
Transfer to bankruptcy estate	15	-	15	30
GST / PST paid	20	3	6	29
Equipment lease buyouts	24	-	-	24
Other costs	8	2	1	11
Legal fees	-	-	7	7
	<b>389</b>	<b>148</b>	<b>332</b>	<b>869</b>
<b>Excess receipts over disbursements</b>	<b>1,073</b>	<b>108</b>	<b>133</b>	<b>1,314</b>
Less: Payment to secured creditor	1,000	-	-	1,000
<b>Cash in Receiver's account</b>	<b>73</b>	<b>108</b>	<b>133</b>	<b>314</b>

39. Not included in the Statement of Receipts and Disbursements are the sale proceeds of \$25,000 from the Purchaser which they are in the process of remitting to the Receiver.
40. Attached as **Appendix B** is the Interim Statement of Receipts and Disbursements for the period April 11, 2023, to January 16, 2024.

## VII. PROFESSIONAL FEES

### Summary of Receiver's Fees

41. For the period of January 3, 2023, to November 17, 2023, a summary of the Receiver's fees and disbursements were:

	Vic Van \$	VVI \$	Lortap \$	Total \$
Fees	141,826	69,079	86,513	297,418
Disbursements	16,704	398	309	17,411
GST	7,823	3,474	4,341	15,638
<b>Total</b>	<b>166,354</b>	<b>72,950</b>	<b>91,163</b>	<b>330,466</b>

42. The Receiver has paid all of its invoices as of the date of this report. A summary of the Receiver's fees and invoices are attached as **Appendix C**.
43. Copies of the Receiver's invoices referenced above are provided in Affidavit #1 of Chris Bowra sworn on January 18, 2024.

### Receiver's Staffing and Hours

44. Chris Bowra had primary responsibility for the work carried out by the Receiver. Where appropriate, this work was delegated to other staff. A summary of the time spent on this assignment by members of BDO Canada Limited for the period January 3, 2023, to November 17, 2023 is summarized below.

Name	Title	Average Hourly Rate (\$)	Vic Van Hours	VVI Hours	Lortap Hours	Total Hours
Jervis Rodrigues	Partner	660	18.60	5.10	-	23.70
Chris Bowra	Vice President	495	114.70	60.90	77.00	252.60
Martin Chan	Manager	400	81.55	58.00	71.95	211.50
Troy Chesley	Senior Analyst	275	119.90	30.95	47.20	198.05
Jessie Hue	Senior Analyst	275	8.30	9.80	18.90	37.00
Administration		180	27.75	6.45	8.00	42.20
		389	370.80	171.20	223.05	765.05

45. In the Receiver's opinion, the time and disbursements incurred in the course of its duties were:
- i. comparable to receivership proceedings of similar scale and complexity; and
  - ii. necessary in order for the Receiver to fulfil its obligations.
46. The hourly rates charged by the Receiver are:
- i. consistent with the hourly rates billed by the Receiver on other engagements; and,
  - ii. consistent with other insolvency firms of comparable size engaged on similar receivership matters to the Receiver's knowledge in the Province of British Columbia.
47. The Receiver requests that the Court approve the Receiver's fees and costs incurred to date of \$330,000 and additional fees and costs to a maximum of \$15,000 to complete the administration of the Receivership.

### **Summary of Legal Fees**

48. The Receiver engaged Miller Thomson LLP ("**Miller Thomson**") as its legal counsel. The total fees for Miller Thomson were \$7,285 and disbursements of \$21 as summarized below.

	\$
Fees	7,285
Disbursements	21
HST	949
<b>Total</b>	<b>8,255</b>

49. Details of Miller Thomson's legal fees, disbursements, and GST by invoice is attached as **Appendix D**.
50. Prior to November 8, 2023, the fees of legal counsel to the Receiver were paid for directly by Mitsubishi as senior secured creditor.
51. The full particulars of Miller Thomson's fees and disbursements will be outlined in an Affidavit of James W. Reid to be sworn.
52. The Receiver has reviewed the invoices of Miller Thomson and believes them to be proper and reasonable. The legal services provided were necessary for the Receiver to fulfil its obligations.
53. The Receiver requests that the Court summarily approve the legal fees of Miller Thomson incurred to date and approve additional fees, disbursements, and taxes for Miller Thomson to a maximum of \$20,000 to complete the administration of the receivership.

#### **VIII. CONCLUSION AND RECOMMENDATIONS**


54. The Court approved the sale of the Assets on June 6, 2023.
55. The Court approved an interim distribution of up to \$1.2M to Mitsubishi on September 19, 2023, pursuant to the Interim Distribution Order. The Receiver distributed \$1M to Mitsubishi on September 20, 2023, in partial satisfaction of Mitsubishi's secured claim.
56. The Receiver accepted an offer to assign the accounts receivable to the Purchaser on January 17, 2024, for \$25,000.

57. Mitsubishi would have suffered a substantial shortfall from the realization of Assets of the Companies, however Mitsubishi has had their loan satisfied by Hampton, less the Landlord Fee.
58. Hampton, now stands in place of Mitsubishi as the senior secured creditor. There will be no recovery for unsecured creditors.
59. The Receiver respectfully requests the Court approve the:
  - i. Assignment Agreement to assign the accounts receivable to the Purchaser for \$25,000.
  - ii. payment of \$25,000 to Mitsubishi in full satisfaction of its secured claim;
  - iii. payment of the balance of funds remaining in the estate after satisfying professional fees to Hampton, which is estimated to be \$166,000;
  - iv. activities and the accounts of the Receiver and its legal counsel;
  - v. additional Receiver's fees, disbursements and taxes to a maximum of \$15,000 to complete the administration of the estate;
  - vi. additional fees, disbursements and taxes of the Receiver's legal counsel to a maximum of \$20,000 to complete the administration of the estate; and,
  - vii. discharge of the Receiver on the terms set out in the proposed form of Discharge Order appended to the Receiver's Notice of Application filed concurrently with this report.

All of which is respectfully submitted this 18<sup>th</sup> day of January, 2024.

**BDO Canada Limited**

in its capacity as the Receiver of Vic Van Isle Construction Ltd., VVI Construction Ltd, and Lortap Enterprises Ltd. and not in its personal or corporate capacity

Per:   
Chris Bowra, CPA, CA, CIRP, LIT  
Vice President



## **APPENDIX A**

Assignment of Accounts Receivable to VVI Construction (2020) Ltd.  
dated January 9, 2024

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT is made effective as of January 9, 2024 (the “Effective Date”)

BETWEEN:

**BDO CANADA LIMITED**, in its capacity as court-appointed receiver of all of the assets, undertakings and property of Vic Van Isle Construction Ltd., VVI Construction Ltd. and Lortap Enterprises Ltd.

1100 -1055 West Georgia Street,  
Vancouver, B.C. V6E 3P3

(the “Assignor”)

AND:

**VVI CONSTRUCTION (2020) LTD.**

c/o Lawson Lundell LLP

403 – 460 Doyle Avenue,  
Kelowna, B.C. V1Y 0C2

(collectively, the “Assignee”)

WHEREAS:

- A. The Assignor is the court-appointed receiver of all of the assets, undertakings and property of Vic Van Isle Construction Ltd. (“Vic”), VVI Construction Ltd. (“VVI”) and Lortap Enterprises Ltd. (“Lortap” and together with VVI and Vic, the “Debtors”) pursuant to an Order of the Supreme Court of British Columbia (the “Court”) dated April 11, 2023 (the “Receivership Order”).
- B. It is a term of the Receivership Order that the Receiver is empowered and authorized to, among other things:
  - (i) receive and collect all monies and accounts owing to the Debtors (the “Receivables”) and to exercise all remedies of the Debtors in collecting same; and
  - (ii) initiate, manage and direct all legal proceedings in respect of the Debtors or their property including initiating, prosecuting, continuing, defending, settling or compromising same (the “Choses in Action” and together with the Receivables the “Assigned Assets”)
- C. The Assignor does not intend to proceed with the collection of the Receivables and, without limiting the generality of the foregoing, the Assignor does not intend to

commence or continue any legal proceedings against any of the persons who are indebted to one or more of the Debtors pursuant to the Receivables.

- D. The Assignor has agreed to assign to the Assignee all of the right, title and interest of the Assignor in the Receivables, the contracts from which the Receivables arise, and the Choses in Action (together, the "**Assigned Assets**") to the Assignee on the terms set out herein.
- E. As a result of the failure by one or more of the Debtors to remit source deductions to Canada Revenue Agency ("**CRA**"), a statutory deemed trust (the "**Deemed Trust**") in favour of CRA has attached to the Assigned Assets.

**NOW THIS ASSIGNMENT WITNESSES THAT** in consideration of the premises and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:

#### **Assignment**

- 1. The Assignor represents and warrants that it has not previously transferred, assigned, mortgaged, charged or encumbered, in whole or in part, any of its right, title or interest in or to the Assigned Assets and has the necessary power to make the assignment contemplated herein.
- 2. The Assignor hereby grants, assigns, transfers and sets over absolutely to the Assignee all of the Assignor's right, title and interest in, to and arising under the Assigned Assets, including all associated contractual rights and claims.
- 3. The Assignor will, upon request of the Assignee, do and perform all such further acts and execute and deliver or provide access to such further documents as may reasonably be required by the Assignee to give effect to this Assignment and in particular, but not limited to, to permit the Assignee to proceed with initiating, prosecuting, managing or directing any Choses in Action.
- 4. The Assignee acknowledges and agrees that:
  - (a) subject to the representations and warranties in paragraph 1 above, the Assignor makes no representation or warranty of any kind whatsoever with respect to the Assigned Assets. Without limitation to the foregoing, the Assignor makes no representation or warranty of any kind whatsoever with respect to the validity, enforceability, existence, assignability, collectability, or value of the Assigned Assets; and
  - (b) it will not sue in the name of the Assignor and any steps that may be taken to collect the Receivables will be taken in the Assignee's own name.

### **Court Approval**

5. The Assignor and Assignee acknowledge and agree that the assignment herein is subject to the Assignor obtaining an Approval and Vesting Order (the "**Vesting Order**") from the Court transferring and vesting title in the Assigned Assets to the Assignee free and clear of all security interests, liens, claims and other encumbrances, including the Deemed Trust.
6. As a term of the Vesting Order, the Court will declare that the Assignor can remedy any deficiencies or complete any outstanding work in respect of the assigned contracts and confirm that the assignment is binding notwithstanding any contractual provision that would otherwise have required the written consent of the counterparty.

### **Consideration**

7. In consideration for the purchase of the Assigned Assets, on the Effective Date the Assignee shall pay (the "**Purchase Price**") to the Assignor the following amounts:
  - (a) \$5,000 on account of the Assigned Assets in the name of VVI;
  - (b) \$10,000 on account of the Assigned Assets in the name of Vic; and
  - (c) \$10,000 on account of the Assigned Assets in the name of Lortap.
8. Within 5 business days of execution of this Agreement, the Assignee shall pay to the Assignor a deposit in the amount of \$10,000 (the "**Deposit**"). In the event that the Vesting Order is not obtained within 60 days of execution of this Agreement or the assignment does not otherwise complete through no fault of the Assignee, the Assignor will return the Deposit to the Assignee. In the event that the Vesting Order is obtained but the Assignment does not complete through no fault of the Assignor, the Deposit shall be forfeited by the Assignee as liquidated damages. In the event the Assignment completes, the Deposit will be applied towards the amount of the Purchase Price payable herein.
9. The Assignee hereby agrees to fully indemnify the Assignor and Debtors and their respective representatives, and saves them fully harmless against, and will reimburse or compensate them for any taxes payable (including but not limited to GST, PST, HST, penalties and interest) which may be assessed by any governmental authority against any of the Assignor or Debtors arising from the transfer that is the subject of this Agreement. For greater certainty, this provision does require the Assignee to pay any amount in respect of the Deemed Trust.

### **Closing Date, Payment and the Assignor's Deliverables**

10. The Assignor and Assignee acknowledge and agree that the closing date (the "**Closing Date**") for the assignment contemplated herein shall be 10 business days following the Court granting the Vesting Order to the Assignor.

11. On the Closing Date:

- (a) the Assignee shall pay the balance of the Purchase Price to the Assignor by way of electronic funds transfer to the Assignor's solicitors, in trust; and
- (b) the Assignor shall provide to the Assignee all books, records, communications or other documents in the Assignor's possession, whether in physical or electronic form that, in the Assignee's opinion, will assist the Assignee in initiating, prosecuting, managing or directing any Choses in Action; and
- (c) without limiting the generality of paragraph 9(b) above, the Assignor will grant access to the emails sent or received by [bruce@vvi-ltd.com](mailto:bruce@vvi-ltd.com), [bruce.walker@vicvanislegroup.com](mailto:bruce.walker@vicvanislegroup.com), or [jamie@vvi-ltd.com](mailto:jamie@vvi-ltd.com) so that such documents can be retrieved and printed.

**General**

- 12. This Assignment shall enure to the benefit of and be binding upon the parties and their respective legal representatives, successors and assigns.
- 13. This Assignment may be executed in any number of counterparts, and delivered electronically, and each counterpart when delivered shall be deemed to be an original and all of which shall together constitute one and the same document.
- 14. This Assignment shall be governed by the law of British Columbia and applicable laws of Canada, and the courts of British Columbia shall have exclusive jurisdiction with respect to any disputes arising under or pursuant to this Assignment.

IN WITNESS WHEREOF the Parties have executed this Assignment as of the Effective Date.

**BDO CANADA LIMITED, in its capacity as  
court-appointed receiver of all of the assets,  
undertakings and property of Vic Van Isle  
Construction Ltd., VVI Construction Ltd.  
and Lortap Enterprises Ltd.**  
by its authorized signatory:



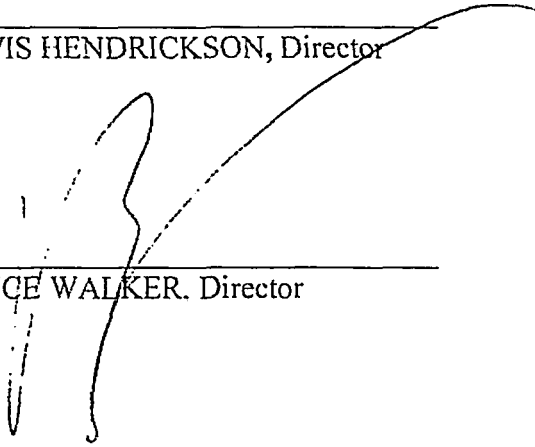
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Name: Chris Bowra, CA, CAIRP  
Title: Vice President


**VVI CONSTRUCTION (2020) LTD.**  
by its authorized signatories:

\_\_\_\_\_  
LEWIS HENDRICKSON, Director

\_\_\_\_\_  
BRUCE WALKER, Director

A handwritten signature in black ink, appearing to be 'B. Walker', is written over the signature line for Bruce Walker. The signature is stylized and overlaps the line.

VVI CONSTRUCTION (2020) LTD.  
by its authorized signatories:



LEWIS HENDRICKSON, Director

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BRUCE WALKER, Director

## **APPENDIX B**

Interim Statement of Receipts and Disbursements  
for the period April 11, 2023 to January 16, 2024



**IN THE MATTER OF THE RECEIVERSHIP OF**  
**Vic Van Isle Construction Ltd., VVI Construction Ltd. and Lortap Enterprises Ltd.**  
**Interim Statement of Receipts and Disbursements**  
**for the Period April 11, 2023 to January 16, 2024**

	Vic Van Isle	VVI Construction	Lortap	Total
	\$'s			
<b>RECEIPTS</b>				
Sale of equipment	1,306,460	241,077	429,830	1,977,367
Receiver's borrowings from Mitsubishi	75,520	-	-	75,520
Accounts receivable collected	35,571	11,126	28,346	75,043
Interest income	16,975	1,230	3,432	21,637
GST refunded	13,581	3,481	2,980	20,043
Cash on hand	3,484	-	-	3,484
Sale of securities	2,987	-	-	2,987
PST collected	2,636	-	210	2,846
Equipment - rental income	2,400	-	-	2,400
GST collected	1,883	-	150	2,033
Misc. other income	193	-	-	193
<b>Total Receipts</b>	<b>1,461,688</b>	<b>256,914</b>	<b>464,948</b>	<b>2,183,551</b>
<b>DISBURSEMENTS TO DATE</b>				
Receiver's Fees	141,826	69,079	86,513	297,418
CRA Deemed Trust claim (payroll source deductions)	14,535	-	119,108	133,643
Rent	35,718	35,718	35,718	107,155
Repayment of Receiver's borrowings	75,520	-	-	75,520
Contractors - on site	13,738	13,738	13,738	41,215
Utilities	16,140	8,494	8,494	33,129
WEPPA priority payments	7,983	-	22,822	30,805
Transfer to bankruptcy estate	15,000	-	15,000	30,000
GST on disbursements	17,516	3,474	5,492	26,481
Bailiff	8,223	8,223	8,223	24,668
Equipment lease payout	23,705	-	-	23,705
Insurance	2,913	2,913	2,913	8,740
Legal fees	-	-	7,306	7,306
Security and change of locks	2,309	2,309	2,309	6,927
Travel	2,269	2,269	2,269	6,807
Auctioneer commission	3,770	-	-	3,770
Garbage removal	1,183	1,183	1,183	3,549
PST remitted	2,635	-	210	2,845
Interest on Receiver's borrowings	2,012	-	-	2,012
Courier and postage	1,302	398	309	2,009
Newspaper advertisement	268	268	268	803
Contractor - computer services	246	246	246	738
Filing fees	148	75	75	299
<b>Total Disbursements</b>	<b>388,959</b>	<b>148,387</b>	<b>332,197</b>	<b>869,543</b>
<b>Net Receipts over Disbursements</b>	<b>1,072,729</b>	<b>108,527</b>	<b>132,752</b>	<b>1,314,008</b>
Less: Distribution to Secured Creditors	1,000,000	-	-	1,000,000
<b>Cash in Receiver's Account</b>	<b>72,729</b>	<b>108,527</b>	<b>132,752</b>	<b>314,008</b>

## **APPENDIX C**

Summary of the Receiver's invoices  
for the period January 3, 2023 to November 17, 2023

IN THE MATTER OF THE RECEIVERSHIP OF  
 Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd.  
 Summary of BDO Canada Limited's Invoices  
 For the Period January 3, 2023 to November 17, 2023

Entity	Period	Invoice	Fees	Disbursements	GST	Total
Vic Van	January 3, 2023 to May 31, 2023	CINV2433726	\$ 70,473.50	\$ 9,792.28	\$ 3,909.74	\$ 84,175.52
Vic Van	June 1, 2023 to August 31, 2023	CINV2529180	\$ 62,635.00	\$ 6,912.19	\$ 3,477.36	\$ 73,024.55
Vic Van	September 1, 2023 to November 17, 2023	CINV2623829	\$ 8,717.75	\$ -	\$ 435.89	\$ 9,153.64
<b>Vic Van Total</b>			<b>\$ 141,826.25</b>	<b>\$ 16,704.47</b>	<b>\$ 7,822.99</b>	<b>\$ 166,353.71</b>
VVI	April 11, 2023 to May 31, 2023	CINV2433738	\$ 59,643.25	\$ 397.60	\$ 3,002.04	\$ 63,042.89
VVI	June 1, 2023 to August 31, 2023	CINV2529174	\$ 9,435.50	\$ -	\$ 471.78	\$ 9,907.28
<b>VVI Total</b>			<b>\$ 69,078.75</b>	<b>\$ 397.60</b>	<b>\$ 3,473.82</b>	<b>\$ 72,950.17</b>
Lortap	April 11, 2023 to May 31, 2023	CINV2432659	\$ 59,287.00	\$ 309.00	\$ 2,979.80	\$ 62,575.80
Lortap	June 1, 2023 to August 31, 2023	CINV2533113	\$ 27,225.50	\$ -	\$ 1,361.28	\$ 28,586.78
<b>Lotap Total</b>			<b>\$ 86,512.50</b>	<b>\$ 309.00</b>	<b>\$ 4,341.08</b>	<b>\$ 91,162.58</b>
<b>Total</b>			<b>\$ 297,417.50</b>	<b>\$ 17,411.07</b>	<b>\$ 15,637.89</b>	<b>\$ 330,466.46</b>

## **APPENDIX D**

Summary of Miller Thomson LLP's invoices  
for the period November 8, 2023 to December 14, 2023

IN THE MATTER OF THE RECEIVERSHIP OF  
Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd.  
Summary of Miller Thomson's Invoices  
For the Period November 8, 2023 to December 14, 2023

Period	Invoice	Fees	Disbursements	GST	Total
November 8, 2023 to December 14, 2023	3950262	\$ 7,285.00	\$ 21.30	\$ 949.17	\$ 8,255.47