

FORCE FILED

No. VLC-S-S-244399
Vancouver Registry



IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. AND
1390951 B.C. LTD.

Between:

ROYAL BANK OF CANADA

PETITIONER

And:

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD., 13090951 B.C.
LTD., DOUGLAS ROBERT THIBAUT, MICHAEL ROY GOODWIN AND MURRAY BLAIR
SULLIVAN

RESPONDENTS

NOTICE OF APPLICATION

Name of applicant: BDO Canada Limited, in its capacity as Court-appointed Receiver and Manager (the "**Receiver**") of all of the assets, undertakings, and properties of Vernon Recreational Products (VRP) Sales and Service Ltd. ("**VRP**") and 1390951 B.C. Ltd. ("**139**", and together with VRP, the "**Debtors**").

To: The Service List attached hereto as **Schedule "A"**

TAKE NOTICE that an application will be made by the applicant to the presiding judge or associate judge at the courthouse at 800 Smithe Street, Vancouver, BC, on 17 / SEP / 2024 at 9:45 a.m. for the orders set out in Part 1 below.

The applicant estimates that the application will take 20 minutes.

- ☐ This matter is within the jurisdiction of an associate judge.
- ☒ This matter is not within the jurisdiction of an associate judge.

Part 1: ORDERS SOUGHT

1. An Order substantially in the form attached hereto as **Schedule "B"** sealing the Confidential Supplement to the Receiver's First Report to the Court (the "**Confidential Report**") in the Court file.
2. An Order substantially in the form attached hereto as **Schedule "C"** approving the sale of and vesting title to certain assets and real property of VRP (the "**VRP Transaction**") to 1495213 B.C. Ltd. pursuant to an asset purchase agreement dated September 4, 2024 (the "**VRP APA**") and other ancillary relief.
3. An Order substantially in the form attached hereto as **Schedule "D"** approving the sale of and vesting title in certain assets of 139 (the "**139 Transaction**") to 1494072 B.C. Ltd. pursuant to an asset purchase agreement dated September 3, 2024 (the "**139 APA**") and other ancillary relief.
4. An order:
 - (a) amending the Receivership Order made July 18, 2024, to authorize the Receiver to assign the Debtors into bankruptcy by adding the following as paragraph 2(t) thereto:

"without limiting paragraph 2(q) hereof, take such steps and execute, issue and endorse such documents as may be necessary or desirable to cause the Debtors, or any of them, to make an assignment of all their property for the general benefit of their creditors pursuant to Section 49 of the BIA"; and
 - (b) upon the Receiver assigning the Debtors into bankruptcy, authorizing and directing the Receiver to make an interim distribution to Royal Bank of Canada in the amount up to \$8,000,000.

Part 2: FACTUAL BASIS

1. On or about July 18, 2024, on application by the Royal Bank of Canada ("**RBC**"), the Receiver was appointed as court-appointed receiver over all assets, undertakings, and property of 139 and VRP (together, the "**Debtors**") acquired for, or used in relation to, a business carried on by the Debtors.
2. VRP carried on business in Vernon, British Columbia as a full-service RV dealership specializing in sales and service. 139 carried on a similar business in Kamloops, British Columbia.
3. The key assets of the Debtors are comprised of:

- (a) VRP owns land (the "**Real Property**") from which it carries on business;
 - (b) 139 leases from a related party the premises (the "**Leased Premises**") from which it carries on business;
 - (c) each of the debtors owns various equipment and tools related to their respective businesses (the "**Equipment**"); and
 - (d) each of the debtors owns inventory of recreational vehicles, including both new and used inventory (the "**Inventory**").
4. Royal Bank of Canada ("**RBC**") is the primary secured creditor, and holds:
- (a) a first and second priority mortgage of the Real Property, which were registered in the land title office on March 15, 2021 and February 2, 2024, respectively;
 - (b) general security agreements from each of the Debtors; and
 - (c) financing statements registered against each of the Debtors on March 10, 2021 (as against VRP) and February 3, 2023 (as against 139)
5. RBC was owed approximately \$8,440,366.14 as of June 25, 2024.
6. The Receiver has undertaken various activities since its appointment, including the following:
- (a) immediately commencing a sales process (the "**Sales Process**") to solicit bids for the assets of the Debtors, with bids initially due by August 16, 2024;
 - (b) during the Sales Process, continuing to operate the Debtors' business as a going concern, while the Receiver determined if a going concern sale would maximize value;
 - (c) regularly consulting with RBC, as primary secured creditor, regarding the status of operations and the ongoing Sales Process, and solicit its input regarding same;
 - (d) consulting with RBC on the return of certain new inventory to the manufacturers, to the extent the same would maximize value;
 - (e) negotiating with bidders throughout the Sales Process to clarify and improve bids
7. In respect of the Sales Process, a total of 27 targeted interested parties were sent teasers that outlined the acquisition opportunity, of which 11 attended premises for a site visit and 6 signed non-disclosure agreements to access the data room established by the Receiver.

8. The Receiver received a total of 6 bids for each of the Debtors, comprised of 3 en-bloc sale offers and 3 auctioneer proposals.
9. On or about August 29, 2024, in light of the bids received, the Receiver ceased operations of the Debtors and terminated all employees.
10. The VRP APA and the 139 APA represent the best bids received by the Receiver in the Sales Process. The key commercial terms of each are as follows:

Purchase Price	Amount redacted, refer to Confidential Report Deposit under VRP APA: \$307,500 Deposit under 139 APA: \$200,000
Purchased Assets	All of the Debtor's right, title and interest, in and to all: <ul style="list-style-type: none"> - Real Property, under the VRP APA only; - Equipment; - Inventory, subject to adjustment for Inventory sold prior to closing; and - intellectual property and records
Excluded Assets	Accounts Receivable Cash and cash equivalents
Closing Date	14 days after the Approval and Vesting Order is pronounced by this Court, or such other date as the parties may agree

11. The Receiver considers the VRP Transaction and 139 Transaction (collectively, the "**Transactions**") to be commercially reasonable in the circumstances based on the following:
 - (a) the Sales Process conducted by the Receiver during these proceedings allowed for a satisfactory canvassing of the market for the Debtors' assets;
 - (b) the Receiver conducted the Sales Process in a fair manner recognizing the interests of all parties, including RBC and the Debtors;

- (c) there is no question in terms of the overall efficacy and/or integrity of the Sales Process;
- (d) RBC, who is the primary secured creditor of the Debtors, is supportive of each of the Transactions;
- (e) the Transactions are not conditional on any financing or other conditions expected to delay closing of the Transactions; and
- (f) the purchase price under each of the VRP APA and 139 APA is the highest offer received for the assets of the Debtors, as set out in the Confidential Report.

Part 3: LEGAL BASIS

Approval of Sale

12. The factors that the Court ought to consider with respect to the approval of sale in receivership proceedings are set out in *Royal Bank of Canada v. Soundair Corp.* ("**Soundair**"). The factors to be considered are:
- (a) whether the receiver has made sufficient effort to get the best price and has not acted improvidently;
 - (b) the interests of all parties;
 - (c) the efficacy and integrity of the process by which the offers are obtained; and
 - (d) whether there has been unfairness in the working out of the process.

***Royal Bank of Canada v. Soundair Corp.*, 1991
CanLII 2727 (ONCA) at p. 8-9**

13. While the receiver's primary concern is in the interest of the debtor's creditors, other persons' interests require consideration as well.
14. For the reasons set out in paragraph 11 hereof, the Receiver submits each of the Transactions satisfies the *Soundair* factors, and are commercially reasonable in the circumstances.

Sealing Order

15. The Receiver seeks to file the Confidential Report under seal.

16. The test for a sealing order is set out in the Supreme Court of Canada decision in *Sherman Estate v. Donovan*, which reframed the two-step inquiry in the *Sierra Club* test into three-steps, requiring an applicant for a sealing order to establish that:
- (a) court openness poses a serious risk to an important public interest;
 - (b) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and
 - (c) as a matter of proportionality, the benefits of the order outweigh its negative effects.

***Sherman Estate v. Donovan*, 2021 SCC 25, 458
DLR (4th) 361 at para 38**

17. In insolvency proceedings, courts regularly granted time-limited sealing orders over pricing and related information contained in conjunction with sale approval orders, in order to avoid jeopardizing any subsequent sales process that might occur if the approved sale does not close.
18. Protection of a sales process and the maximization of recovery in such a process is an important public interest that justifies granting a limited sealing order.

***Rose-Isli Corp. v. Frame Tech Structures Ltd.*,
2023 ONSC 832, 6 CBR (7th) 129 (Ont SCJ), at
paras 137-141**

19. Sealing the Confidential Report is appropriate in the circumstances. The Confidential Report contains commercially sensitive valuation information. In the event either of the Transactions were not to close, the Receiver will seek to re-market the assets. If this information is publicly disclosed, it would negatively impact the Receiver's ability to obtain competitive bids from other potential purchasers.
20. The proposed sealing order is limited in time and scope and is proportional to the interests of all parties. There is no reasonable alternative to the limited sealing order sought.

Part 4: MATERIAL TO BE RELIED ON


21. Affidavit #1 of Mark Kemp-Gee sworn July 2, 2024;
22. Affidavit #1 of Catherine Anne Connor sworn July 2, 2024;
23. Receivership Order made July 18, 2024; and

24. Receiver's First Report to the Court, to be filed.

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 of 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 proceeding, 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: 11 / SEP / 2024



Signature of lawyer for applicant
Jordan Schultz

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 ☐ Associate Judge

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"

COURT FILE NO. S-244399
VANCOUVER REGISTRY

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

IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. and
1390951 B.C. LTD.

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD.,
1390951 B.C. LTD., DOUGLAS ROBERT THIBAUT,
MICHAEL ROY GOODWIN AND MURRAY BLAIR SULLIVAN

RESPONDENTS

SERVICE LIST

[Updated: August 7, 2024]

Receiver's Website: [https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/vernon-recreational-products-\(vrp\)-sales-and-service-ltd-and-1390951-b-c-ltd](https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/vernon-recreational-products-(vrp)-sales-and-service-ltd-and-1390951-b-c-ltd)

<u>NAME OF COUNSEL:</u>	<u>PARTY(IES):</u>
Dentons Canada LLP Barristers & Solicitors 20 th Floor – 250 Howe Street Vancouver, BC V6C 3R8 Attention: Jordan Schultz / Valerie Cross Tel: (604) 691-6452 Email: jordan.schultz@dentons.com; valerie.cross@dentons.com; avic.arenas@dentons.com Chelsea.denton@dentons.com	<i>Counsel for Court-appointed Receiver (BDO Canada Limited)</i>

<u>NAME OF COUNSEL:</u>	<u>PARTY(IES):</u>
<p>Borden Ladner Gervais LLP 1200 Waterfront Centre 200 Burrard Street P.O. Box 48600 Vancouver, BC V7X 1T2</p> <p>Attention: Ryan Laity / Jennifer Pepper</p> <p>Tel: (604) 687.5744</p> <p>Emails: rlaity@blg.com; jpepper@blg.com</p>	<p><i>Counsel for Royal Bank of Canada</i></p>
<p>BDO Canada Limited Royal Centre P.O. Box 11101 1100 – 1055 West Georgia Street Vancouver, BC V6E 3P3</p> <p>Attention: Christopher Bowra / Martin Chan Jervis Rodrigues</p> <p>Tel: (604) 688-5421</p> <p>Emails: cbowra@bdo.ca; mchan@bdo.ca; JRodrigues@bdo.ca; tchesley@bdo.ca</p>	<p><i>Court appointed Receiver and Manager of Vernon Recreational Products (VRP) Sales and Services Ltd. and 1390951 B.C. Ltd.</i></p>
<p>FH&P Lawyers LLP 275 Lawrence Avenue Kelowna BC V1Y 6L2</p> <p>Tel: (250) 762-4222</p> <p>Attention: Darren J. Kautz / Doug Flannigan / Pius Omene</p> <p>Email: DKautz@fhplawyers.com; DFlannigan@fhplawyers.com; POmene@fhplawyers.com</p>	<p><i>Counsel for the Respondents, Vernon Recreational Products (VRP) Sales and Services Ltd., 1390951 B.C. Ltd., Douglas Robert Thibault, Michael Roy Goodwin and Murray Blair Sullivan</i></p>
<p>Department of Justice Legal Services Branch P.O. Box 10065 701 West Georgia Street Vancouver, BC V7Y 1B6</p> <p>Tel: 587-930-5282</p> <p>Attention: Aminollah Sabzevari / Khanh Gonzalez</p> <p>Email: Aminollah.Sabzevari@justice.gc.ca Khanh.Gonzalez@justice.gc.ca</p>	<p><i>Counsel for the Federal Crown</i></p>

<u>NAME OF COUNSEL:</u>	<u>PARTY(IES):</u>
Ministry of the Attorney General (British Columbia) PO Box 9282 Stn Prov Govt Victoria, BC V8W 9J7 Tel: 250-387-6121 Attention: Aaron Welch Email: Aaron.Welch@gov.bc.ca AGLSBRevTaxInsolvency@gov.bc.ca	<i>Counsel for the Ministry of the Attorney General</i>
Pacific Customs Brokers Ltd. 101 – 17637 1 st Avenue Surrey, BC V3Z 9S1 Attention: Anne Radzo Tel: (604) 538-1566 ext. 2223 Email: anner@pcb.ca	<i>Pacific Customs Brokers Ltd.</i>
Cole International Inc. 1111 – 49 th Avenue N.E. Calgary, AB T2E 8V2 Tel: (403) 262-2771 Email: 3rdpartycollections@coleintl.com	<i>Cole International Inc.</i>
Sullivan Motor Products Ltd. Box 478 Houston, BC V0J 1Z0 Tel: (250) 845-2244 Email: john@sullivangm.com; cindy@sullivan.com; mjaswal@sullivangm.com	<i>Sullivan Motor Products Ltd.</i>

EMAIL SERVICE LIST:

jordan.schultz@dentons.com; valerie.cross@dentons.com; avic.arenas@dentons.com;
chelsea.denton@dentons.com; rlaity@blg.com; jpepper@blg.com; cbowra@bdo.ca;
mchan@bdo.ca; JRodrigues@bdo.ca; tchesley@bdo.ca; anner@pcb.ca;
3rdpartycollections@coleintl.com; john@sullivangm.com; cindy@sullivan.com;
mjaswal@sullivangm.com; Aminollah.Sabzevari@justice.gc.ca; Khanh.Gonzalez@justice.gc.ca;
Aaron.Welch@gov.bc.ca; AGLSBRevTaxInsolvency@gov.bc.ca; DKautz@fhplawyers.com;
DFlannigan@fhplawyers.com; POmene@fhplawyers.com

SCHEDULE "B"

No. VLC-S-S-244399
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. AND
1390951 B.C. LTD.

Between:

ROYAL BANK OF CANADA

PETITIONER

And:

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD., 13090951 B.C.
LTD., DOUGLAS ROBERT THIBAUT, MICHAEL ROY GOODWIN AND MURRAY BLAIR
SULLIVAN

RESPONDENTS

SEALING ORDER

BEFORE)	THE HONOURABLE JUSTICE)	17 / SEP / 2024
))	
))	

ON THE APPLICATION (the "**Application**") BDO Canada Limited, in its capacity as Court-appointed Receiver and Manager (the "**Receiver**") of all of the assets, undertakings, and properties of Vernon Recreational Products (VRP) Sales and Service Ltd. ("**VRP**") and 1390951 B.C. Ltd. ("**139**", and together with VRP, the "**Debtors**"), coming on for hearing at Vancouver, British Columbia, on the 17th day of September, 2024; AND ON HEARING Jordan Schultz, counsel for the Receiver, and those other counsel listed on Schedule "**A**" hereto;

THIS COURT ORDERS that:

1. Access to Sealed Items permitted by:

[Select all applicable]

☐ Counsel of Record

☐ Parties on Record

☒ Further Court Order

[] Others _____

2. Items to be sealed:

Document Name	Date filed	Number of copies filed, including any extra copies for the judge	Duration of sealing order: <i>(to specific date or until further order)</i>	Sought:	Granted	
					Yes	No
<u>(1) Entire File</u>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(2) Specific Documents</u> Confidential Supplement Report to the First Report of the Receiver dated September 10, 2024 (" Sealed Items ")	To be filed	One (1)	Until further Order of this Court	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(3) Clerk's Notes</u>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(4) Order</u>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(5) Reasons for Judgement</u>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Endorsement of this Order by counsel appearing on this application, other than counsel for the Monitor, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Lawyer for the Receiver
Dentons Canada LLP
(Jordan Schultz)

BY THE COURT

REGISTRAR

SCHEDULE "A"

Counsel Appearing

Counsel	Party Represented

NO. VLC-S-S-244399
VANCOUVER REGISTRY

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

**IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. AND
1390951 B.C. LTD.**

Between:

ROYAL BANK OF CANADA

PETITIONER

And:

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD., 13090951
B.C. LTD., DOUGLAS ROBERT THIBAUT, MICHAEL ROY GOODWIN AND MURRAY
BLAIR SULLIVAN

RESPONDENTS

**ORDER MADE AFTER APPLICATION
(SEALING ORDER)**

DENTONS CANADA LLP
250 Howe Street, 20th Floor
Vancouver, BC V6C 3R8
Phone No.: (604) 687-4460
Attention: Jordan Schultz

File No. 542874-21

SCHEDULE "C"

No. VLC-S-S-244399
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. AND
1390951 B.C. LTD.

Between:

ROYAL BANK OF CANADA

PETITIONER

And:

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD., 13090951 B.C.
LTD., DOUGLAS ROBERT THIBAUT, MICHAEL ROY GOODWIN AND MURRAY BLAIR
SULLIVAN

RESPONDENTS

ORDER MADE AFTER APPLICATION
(APPROVAL AND VESTING ORDER)

BEFORE)	THE HONOURABLE JUSTICE)	17 / SEP / 2024
))	
))	

THE APPLICATION of BDO Canada Limited in its capacity as Court-appointed Receiver and Manager (the "**Receiver**") of the assets, undertakings and properties of Vernon Recreational Products (VRP) Sales and Service Ltd. ("**VRP**") and 1390951 B.C. Ltd., coming on for hearing at Vancouver, British Columbia, on the 17th day of September, 2024 AND ON HEARING Jordan Schultz, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto, and no one else appearing although duly served; AND UPON READING the material filed, including the First Report of the Receiver.

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated September 4, 2024 (the "**Sale Agreement**") between the Receiver and 1495213 B.C. LTD. (the "**Purchaser**") , a copy of which is attached as **Schedule "B"** hereto is hereby authorized and 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. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule "C"** 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 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) any encumbrances or charges created by the Order of this Court dated July 18, 2024; (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 "D" hereto (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 Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. Upon presentation for registration in the Land Title Office for the Land Title District of Kamloops of a certified copy of this Order, together with a letter from Jordan Schultz of Dentons Canada LLP, 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 "E"** 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.

4. 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.
5. 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)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all personal information in the company's records pertaining to the Debtor's records. 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.
7. 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.
8. The Receiver, with the consent of the Purchaser, shall be at liberty to revise the Closing Date to such other date as those parties may agree without the necessity of a further Order of this Court.
9. 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.
10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as

may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

11. 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 Receiver
Jordan Schultz

BY THE COURT

REGISTRAR

SCHEDULE "A"

Counsel Appearing

Counsel	Party Represented

Schedule “B” – Asset Purchase Agreement

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("**Agreement**") made as of September 4, 2024,

BETWEEN:

BDO CANADA LIMITED
in its capacity as Court Appointed Receiver for
VERNON RECREATION PRODUCTS (VRP) SALES AND SERVICE LTD. and not in its
personal capacity

(the "**Vendor**")

AND:

1495213 B.C. LTD.

(the "**Purchaser**")

WHEREAS:

- A. Pursuant to the order of the Supreme Court of British Columbia (the "**Court**"), dated July 18, 2024 (the "**Receivership Order**"), BDO Canada Limited was appointed receiver and manager over all assets, undertakings and property of Vernon Recreation Products (VRP) Sales and Service Ltd. ("**VRP**") and 1390951 B.C. Ltd. ("**139**"), with authority to, *inter alia*, sell the assets of VRP and 139;
- B. Subject to approval of the Court ("**Court Approval**"), the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, the Purchased Assets (as defined herein), upon and subject to the terms and conditions of this Agreement (the "**Transaction**").

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties intending to be legally bound agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Certain Defined Terms

As used in this Agreement, the following terms shall have the following meanings and grammatical variations of such terms shall have corresponding meanings:

"**Accounts Receivable**" means all accounts, notes, bills, trade accounts, volume rebates and trade receivables of the Company, or such portion as remains owing to the Company on the Closing Date.

"**Agreement**" means this asset purchase agreement including all exhibits and schedules and all amendments or restatements, as permitted.

"**Applicable Law**" means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence

of any Governmental Authority, that applies in whole or in part to the Transaction, the Vendor, the Purchaser, the Business, or any of the Purchased Assets.

"Approval and Vesting Order" means a Court order substantially in the form of the BC Model Order, with any amendments thereto to be acceptable to the Vendor and the Purchaser, each acting reasonably, which shall, among other things:

- (a) authorize and approve this Agreement and the execution and delivery thereof by the Vendor on behalf of the Company;
- (b) authorize and direct the Vendor to complete the Transaction;
- (c) vest the Purchased Assets in the Purchaser upon filing of a Receiver's Certificate; and
- (d) provide for the vesting off title to the Purchased Assets all Encumbrances other than Permitted Encumbrances, upon the delivery of a receiver's certificate to the Purchaser.

"Approval Date" has the meaning specified in Section 7.1.

"Claims" means any claims, obligations, demands, costs, damages, expenses, losses, damages (including special, punitive, exemplary, consequential and indirect damages), charges, suits, orders, actions, proceedings (governmental, administrative or otherwise), judgments, reviews, inquiries, investigations, audits, obligations and debts, including interest, penalties, fines, court costs and reasonable lawyer's fees and disbursements.

"Closing" means the closing of the Transaction contemplated by this Agreement.

"Closing Date" means 14 days after the Approval and Vesting Order is granted, or such other date as the parties may agree;

"Closing Documents" means the documents referred to in Sections 8.1 and 8.2 hereof.

"Company" means VRP.

"Court" means the Supreme Court of British Columbia.

"Court Approval" has the meaning given to it in the Recitals hereto.

"Deposit" has the meaning specified in Section 2.4.

"Documents" has the meaning specified in Section 11.5.

"Encumbrances" means with respect to the Purchased Assets any financial charge or encumbrance of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, charge, pledge, hypothecation, security interest, lien, restrictive or statutory covenant, lease, licence, assignment, option or claim, or right of any Person of any kind or nature whatsoever or howsoever arising which may constitute or become by operation of law or otherwise an encumbrance on any of the Purchased Assets.

"Environmental Laws" means any law, bylaw, order, ordinance, ruling, regulation or directive of any applicable federal, provincial, territorial, municipal, local or other government or governmental department agency or regulatory authority or any court of competent jurisdiction relating to environmental matters

and/or regulating the import, manufacture, storage, distribution, labelling, sale, use, handling, transport or disposal of Hazardous Substances, as are in force as of the Closing Date.

"Equipment, Parts and Vehicles" means those assets set out in SCHEDULE A.

"ETA" has the meaning specified in Section 2.6(a).

"Excluded Assets" means all of the Company's right, title and interest in and to the following:

- (a) all shares of capital stock or other equity interests in securities in any entity; and
- (b) Accounts Receivable.

"Governmental Authority" means any Canadian federal, provincial, municipal or local or governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body or any other public agency.

"GST" has the meaning specified in Section 2.6(a).

"GST Certificate" has the meaning specified in Section 2.6(a).

"Hazardous Substances" means any underground storage tanks, any explosive or radioactive materials, pollutants, contaminants, hazardous, corrosive or toxic substances, special waste or waste of any kind, including, without limitation, compounds known as chlorobiphenyls, petroleum and any other substance or material, the storage, manufacture, disposal, treatment, generation, use, transportation, remediation or release into the environment of which is prohibited, controlled, regulated or licensed under Environmental Laws.

"Intellectual Property" means all trade-marks, trade names, business names, service names, copyrights, patents, technology rights, inventions, computer software, telephone number(s), client lists, internet protocol addresses and domain names, associated with the business of the Company including, trade secrets, know-how, industrial designs and other industrial or intellectual property and all applications therefor including, all licences or similar rights used by or granted to the Company in connection therewith.

"Inventory" means those assets set out in SCHEDULE B.

"Liabilities" means all costs, expenses, charges, debts, liabilities, amounts owing, claims, demands and obligations, whether primary or secondary, direct or indirect, fixed, secured or unsecured, accrued, contingent, known or unknown, absolute or otherwise.

"Mutual Condition" has the meaning specified in Section 7.1.

"Parties" means the parties to this Agreement and "Party" means any one of the parties to this Agreement, as the context requires.

"Permitted Encumbrances" means those registered encumbrances against title to the Purchased Assets, specified as such in SCHEDULE C.

"Person" means any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity.

"PST" has the meaning specified in Section 2.6(b).

"Purchased Assets" means all of the Company's right, title and interest in and to the following:

- a) the Real Property;
- b) the Equipment, Parts, and Vehicles;
- c) the Inventory;
- d) the Intellectual Property; and
- e) the Records,

but excluding all Excluded Assets.

"Purchaser's Lawyers" means Porter Ramsay LLP

"Purchase Price" has the meaning specified in Section 2.2.

"Real Property" means the real property described in SCHEDULE D and includes all improvements and fixtures located in, on, or under, the Real Property, and the benefit of all easements, permits, and other appurtenances to the Real Property.

"Receiver's Certificate" means the certificate contemplated in the Approval and Vesting Order to be filed with the Court by the Vendor certifying that the Vendor confirms, and has received written confirmation in form and substance satisfactory to the Vendor from the Purchaser that it confirms, that all conditions to Closing have been satisfied or waived by the applicable Parties and that the Purchase Price and all applicable taxes payable by the Purchaser to the Vendor have been received by the Vendor's Solicitors.

"Records" means all books and records of the Company in connection with the Purchased Assets including but not limited to, copies of all accounting records, permits, all customer and supplier lists, files, documents, books, manuals, research, reservations, price lists, correspondence and data bases, all in the form and on the medium or media used in the business of the Company.

"Vendor's Lawyers" means Dentons Canada LLP.

"Third Party" means a Person who is not a Party.

"Transaction" means the transaction of purchase and sale of the Purchased Assets contemplated by this Agreement.

1.2 List of Schedules

The following Schedules are incorporated in and form an integral part of this Agreement:

- SCHEDULE A Equipment, Parts, and Vehicles
- SCHEDULE B Inventory
- SCHEDULE C Permitted Encumbrances
- SCHEDULE D Real Property
- SCHEDULE E Purchase Price Allocation

ARTICLE 2 PURCHASE AND SALE OF ASSETS

2.1 The Purchased Assets

Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, and the Purchaser agrees to purchase, the Purchased Assets for the Purchase Price on the Closing Date free and clear of any and all Encumbrances, Liabilities, and Claims, except for Permitted Encumbrances.

2.2 Purchase Price

The purchase price (the "**Purchase Price**") payable by the Purchaser to the Vendor in consideration for the Purchased Assets shall be **SIX MILLION ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$6,175,000.00)**

2.3 Adjustment

- (a) In respect of the Real Estate (if any), all usual adjustments of taxes, rates, local improvement assessments and other charges and all other costs normally adjusted for on a sale of property similar to the Real Estate in British Columbia, both incoming and outgoing, will be made as of 12:00:00 a.m. on the Closing Date.
- (b) Except as otherwise provided herein, the Vendor will be responsible for all expenses and liabilities and will be entitled to receive all revenues, accrued in respect of the Purchased Assets prior to the Closing Date. The Purchaser will be responsible for all expenses and liabilities accruing from and including the Closing Date, and will be entitled to receive all revenues accruing from and including the Closing Date in respect of the Purchased Assets.
- (c) The Purchase Price shall be adjusted on the Closing Date to account for any Inventory sold by the Vendor from the date of execution of this Agreement to the Closing Date, based on the Adjusted Cost values enumerated for each Inventory unit at Schedule "B".

2.4 Deposit and Payment of Purchase Price

The Purchaser shall pay the Purchase Price as follows:

- (a) \$307,5000.00, by way of deposit (the "**Deposit**") to be paid by the Purchaser to the Vendor's Lawyer in trust, within 2 business days of execution of this Agreement by all parties; and
- (b) the balance of the Purchase Price, to be paid on closing by certified cheque, bank draft or wire transfer of immediately available funds to or to the order of the Vendor.

2.5 Terms of Deposit

The Deposit shall be held in trust by the Vendor's Lawyers, in non-interest bearing trust account. The Deposit shall be dealt with as follows:

- (a) on the Closing Date, the Deposit shall be credited on account of the Purchase Price;

- (b) if the Purchaser fails to complete the purchase of the Purchased Assets in accordance with this Agreement after all conditions to the Purchaser's obligation to complete have been satisfied or waived or if the Purchaser repudiates this Agreement, then at the Vendor's option the Deposit together with accrued interest thereon shall be forfeited to the Vendor as liquidated damages, but without prejudice to any other rights or remedies of the Vendor whether at law or in equity;
- (c) if the Mutual Condition is not satisfied or waived within the applicable time period, the Deposit will be returned to the Purchaser forthwith without any deduction, as the sole remedy of the Purchaser against the Vendor; or
- (d) if the Purchaser is not in default of any of its obligations under this Agreement and the Vendor fails to complete the sale of the Purchased Assets in accordance with this Agreement after all conditions to the Vendor's obligation to complete have been satisfied or waived or if the Vendor repudiates this Agreement, then the Deposit together with accrued interest thereon shall be refunded to the Purchaser upon demand by the Purchaser, as the sole remedy of the Purchaser against the Vendor.

2.6 Taxes

- (a) The Purchaser represents and warrants to the Vendor that it is and will be, as of the closing on the Closing Date, registered for the purposes of Part IX of the *Excise Tax Act* (Canada) (the "ETA") in accordance with the requirements of Subdivision D of Division V of the ETA and will assume responsibility to account for and report any goods and services tax and harmonized sales tax (collectively, the "GST") payable under the ETA in connection with the Transaction. The Purchase Price does not include GST and the Purchaser will pay any GST payable with respect to the acquisition of the Purchased Assets in accordance with the ETA. Subject to Section 2.6(c), on the Closing Date, the Purchaser will deliver to the Vendor a certificate (the "GST Certificate") of a senior officer of the Purchaser certifying, on behalf of the Purchaser and without personal liability (a) that the Purchaser is registered under Part IX of the ETA as of the Closing Date; (b) its registration number; and (c) that the Purchaser will account for, report and remit any GST payable in respect of the purchase of the Purchased Assets in accordance with the ETA. The Purchaser will indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability under the ETA arising as a result of any breach of the ETA with respect to GST payable in respect of the Purchased Assets, this Section 2.6(a), the GST Certificate or any declaration made therein and such indemnity will survive Closing.
- (b) The Purchaser acknowledges that it may be liable to pay British Columbia provincial sales tax ("PST") in respect of its purchase of some or all of the Purchased Assets. To the extent permitted under the *Provincial Sales Tax Act* (British Columbia), the Purchaser will report and remit as required by Applicable Law any such PST that is due directly to the applicable taxing authority, and otherwise will pay to the Vendor an amount equal, to the PST (if any) payable by the Purchaser and collectible by the Receiver in connection with the acquisition of the Purchased Assets on Closing together with the balance of the Purchase Price. The Purchaser will indemnify and hold the Receiver and their directors, officers, employees, advisors and agents harmless from any liability related to the Purchaser's or the Vendor's failure to account for, or report and remit such PST and such indemnity will survive Closing.

- (c) Notwithstanding the above, the Vendor will cooperate with the Purchaser to execute any election available under Applicable Law that may reduce or defer the amount or due date of any GST, PST, or other tax payable by the Purchaser provided such election will not result in any increased cost or tax liability for the Vendor. At the Closing, if available in respect of the Transaction, each of the Vendor and the Purchaser shall execute jointly an election under subsection 167(1) of Part IX of the ETA, in the prescribed form and within the prescribed time therefor, in respect of the sale and transfer of the Purchased Assets and the Purchaser shall file such election with the Canada Revenue Agency.
- (d) The Purchaser will be responsible for all property and other transfer taxes, fees and expenses in connection with the registration of the Approval and Vesting Order or transfer of the Purchased Assets and the Vendor will be responsible for income taxes or fees in respect of the disposition of the Purchased Assets.

2.7 Allocation of Purchase Price

The Purchase Price shall be allocated between the Purchased Assets in accordance with SCHEDULE E.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Vendor hereby represents and warrants to the Purchaser that it is not a non-resident of Canada under the *Income Tax Act (Canada)*. The Vendor make no representations or warranties of any kind whatsoever, expressed or implied, with respect to the Purchased Assets.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER

The Purchaser hereby represents and warrants to the Vendor as follows:

- (a) the Purchaser is a duly formed and registered corporation existing pursuant to the laws of the jurisdiction of its incorporation;
- (b) the Purchaser has the power and authority to execute and deliver this Agreement and the other documents and instruments contemplated herein or therein to which it is or will be a party and to perform its obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and the documents contemplated hereby and the consummation of the transaction contemplated hereby and thereby have been duly authorized and approved by the Purchaser;
- (c) this Agreement, and if, as, and when executed, each of the other agreements, documents and instruments to be executed and delivered by the Purchaser on or before the Closing, have been or will upon such execution and delivery be duly executed and delivered by, and constitute the valid and binding obligations of the Purchaser, in accordance with their terms;
- (d) the execution and delivery by the Purchaser of this Agreement and the performance by the Purchaser of its obligations under this Agreement will not result in the breach or violation

of any terms or conditions of: (i) the constating documents or by-laws of the Purchaser; or (ii) any applicable law, regulation or order; and

- (e) the Purchaser will be a registrant for purposes of Part IX of the Excise Tax Act (Canada) on the Closing Date and its registration number shall be provided as part of the Closing; or alternatively the Purchaser will remit to the Vendor all applicable GST.
- (f) the Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act* (Canada) or the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada) and the regulations made thereunder, and will not be as of the Closing Date.

ARTICLE 5 ACKNOWLEDGEMENTS BY PURCHASER

5.1 "As Is, Where Is"

Except as expressly provided herein, the Purchaser acknowledges that the Purchased Assets are purchased on an "as is, where is" basis and without any representation or warranty by the Vendor of any kind and that the Purchaser has inspected the Purchased Assets and will not be obligated to accept the same unless on the Closing Date the Purchased Assets are in the same state, condition and location existing as of the date of this Agreement, reasonable wear and tear excepted.

5.2 Vendor's Capacity

The Purchaser acknowledges that the Vendor is entering into this Agreement solely in its capacity as the court-appointed receiver and manager of the Company and not in its personal or corporate capacity. The Purchaser acknowledges that the Vendor is selling the right, title, and interest of the Company in the Purchased Assets pursuant to the Receivership Order and the Approval and Vesting Order. The Purchaser agrees to purchase and accept the right, title, and interest of the Company in and to the Purchased Assets pursuant to and in accordance with the terms of this Agreement and any other agreements required to be delivered pursuant to the terms of this Agreement. The acceptance by the Vendor of this Agreement is expressly subject to Court Approval and all such other orders that the Court may make.

5.3 Site Profile and Environmental Condition.

- (a) The Purchaser hereby waives and releases each Vendor from any obligation to deliver a site profile or site disclosure statement to the Purchaser for the Real Estate as contemplated by the *Environmental Management Act*, SBC 2003, c 53 or any regulation in respect thereof.
- (b) Without limiting the generality of the foregoing, the Purchaser acknowledges and agrees that the Vendor does not make any representation or warranty with regard to the environmental condition of the Real Estate, and the Purchaser is relying solely on its own investigations and inspections to verify the existence and extent of any Hazardous Substances in, on or migrating to or from the Real Estate, and that the environmental condition of or relating to the Real Estate is otherwise satisfactory.
- (c) The Purchaser does hereby irrevocably release and forever discharge the Vendor and each of its respective directors, officers, agents and employees from any and all Claims

that the Purchaser has or may have against the Vendor in connection with the environmental condition of the Real Estate, any contamination or Hazardous Substances located on the Real Estate or migrating onto the Real Estate or from the Real Estate or any breach of any Environmental Laws irrespective of whether such Claim arose before or after the Purchaser's acquisition of the Real Estate pursuant to this Agreement.

- (d) The Purchaser agrees that it shall not directly or indirectly commence or assert or pursue or threaten to commence, assert or pursue any type of Claim (including an order issued by a Governmental Authority) against the Vendor or any of them relating to the environmental condition of or any environmental matter or issue involving the Real Estate including the location of contaminants or Hazardous Substances thereon or migrating thereon or therefrom.
- (e) Without limiting the generality of the foregoing, the Parties acknowledge and agree that any and all costs in any way related to the environmental remediation of the Real Estate (including any and all costs associated with the disposal of Hazardous Substances or contaminated soil) or in connection with any adjacent property contaminated by Hazardous Substances or contamination migrating from the Real Estate shall be for the Purchaser's sole account and the Vendor shall not have any Liability or responsibility in connection with any such remediation costs.
- (f) The Parties acknowledge and confirm that the provisions of this Section 5.3 constitutes an agreement between them that is a private agreement respecting Liability for Hazardous Substances and contamination on, in, at or under or released to, at or from the Real Estate or otherwise associated with the Real Estate and any contamination of adjacent properties and waters resulting from such Hazardous Substances and contamination or remediation of the Real Estate.
- (g) The terms of this Section 5.3 shall survive completion of the sale of the Real Estate to the Purchaser.

ARTICLE 6 COVENANTS OR APPROVALS

6.1 Consents

The Purchaser shall take, or cause to be taken, and the Vendor shall as may be requested by the Purchaser take or cause to be taken, all commercially reasonable actions and as may be necessary, proper or advisable to permit and diligently pursue completion of the Transaction contemplated by this Agreement in accordance with the terms hereof, including obtaining the authorization, approval or consent of any Governmental Authority and shall co-operate with each other in connection therewith, including using all commercially reasonable efforts to obtain as soon as reasonably possible and in any event, prior to the Closing Date any consents required from any Governmental Authority having jurisdiction over the Purchased Assets, provided that the Purchaser will fully indemnify the Vendor against its reasonable costs and expenses incurred by the Vendor for services requested by the Purchaser in connection with obtaining the consents, if any, required under this Section 6.1.

6.2 Transfer of Purchased Assets

In connection with transfer and assignment of the Purchased Assets, the Vendor shall at the request and sole cost of the Purchaser take all such actions and do, or cause to be done, all such things at the request of the Purchaser as shall reasonably be necessary in order to transfer or assign the Purchased Assets, including but not limited to any licenses, permits, and Intellectual Property, to the Purchaser, but only to the extent the same are transferable.

ARTICLE 7 COURT APPROVAL

7.1 Court Approval

The obligation of the Parties to complete the transactions contemplated by this Agreement will be subject to the following mutual condition (the "**Mutual Condition**"), for the benefit of both the Receiver and the Purchaser:

- (a) that on or before September 27, 2024, or such later date as the Vendor and Purchaser may agree to in writing (the "**Approval Date**"), the Vendor will have obtained the Approval and Vesting Order satisfactory to the Vendor and the Purchaser,

The Mutual Condition is for the mutual benefit of the Vendor and the Purchaser and may not be waived unilaterally by either party. Both Parties agree that they will use all reasonable commercial efforts to satisfy the Mutual Condition. If the Mutual Condition has not been satisfied by the Approval Date, then the Purchaser's and Vendor's obligation to complete the Transaction pursuant to this Agreement will be at an end.

7.2 Appeals

For greater certainty, expiration of the appeal period for the Approval and Vesting Order shall not be a pre-condition of the Purchaser's or Vendor's obligation to complete the within transaction. Vendor shall forthwith upon execution of this Agreement by all parties make application and diligently pursue obtaining Court Approval.

7.3 Bidding Procedures

The Purchaser acknowledges and agrees that, notwithstanding acceptance of this offer by the Vendor, other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this Agreement and such prospective purchasers may make competing offers which may be approved by the Court. The Purchaser acknowledges and agrees that, to protect its interest in purchasing the Purchased Assets, it should attend at the Court hearing in person or by agent and be prepared to amend or increase its offer to purchase the Purchased Assets as the Court may permit or direct. The Purchaser acknowledges that if the Court vacates, sets aside or varies the Approval and Vesting order for any reason whatsoever, the Vendor will not be liable to the Purchaser or any other Person in any way whatsoever.

ARTICLE 8

CLOSING MATTERS

8.1 Vendor's Closing Documents

On the Closing Date, the Vendor will deliver the following to the Purchaser's solicitor, on the condition that the same will only be dealt with in accordance with the procedure set out in Section 8.1

- (a) a certified copy of the Approval and Vesting Order;
- (b) the Receiver's Certificate;
- (c) if applicable and available in respect of the Transaction, an election under section 167 of the ETA pursuant to Section 2.6;
- (a) the bill of sale duly executed by the Vendor, together with such other deeds of conveyance, bills of sale, assurances, transfers, assignments, consents, and such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the transfer of the Purchased Assets;
- (d) all Records that are in the possession or control of the Receiver; and
- (e) such documents necessary or desirable in the parties' mutual opinion, acting reasonably, to effect the assignment, transfer and sale of the Purchased Assets as contemplated by this Agreement, to the extent not effected by the Approval and Vesting Order, in form and substance satisfactory to the Purchaser, acting reasonably.

8.2 The Purchaser's Closing Documents

On the Closing Date, the Purchaser will deliver the following to the Vendor's solicitor, on the condition that the same will only be dealt with in accordance with the procedure set out in Section 8.2:

- (a) payment of the balance of the Purchase Price pursuant to Section 2.4;
- (b) the GST Certificate or an election under section 167 of the ETA pursuant to Section 2.6;
- (c) such other documents as may be requested by the Vendor, acting reasonably.

8.3 Terms of Closing

None of the Closing Documents and monies will be dealt with before Closing until the deliveries contemplated by this ARTICLE 8 have been made, and the Mutual Condition has been fulfilled, except in accordance with Section 2.4 hereof.

ARTICLE 9 PIPA PROVISIONS

9.1 Disclosure of Information

The Purchaser acknowledges and agrees that in the course of the Purchaser's due diligence in respect of the Purchased Assets, the Purchaser has requested and may hereafter request and the Vendor has disclosed and may hereafter disclose certain personnel records and other information related to Purchased Assets and/or the business of the Company that may include "personal information" (the "**Personal**

Information") as defined in and subject to the British Columbia *Personal Information Protection Act* ("**PIPA**"). For the purposes of Section 20 of PIPA:

- (a) the Purchaser hereby confirms to the Vendor that the Personal Information that the Purchaser has requested or may hereafter request in the course of its due diligence is necessary in order for the Purchaser to determine whether to proceed with the proposed purchase of the Purchased Assets; and
- (b) the Purchaser hereby covenants and agrees that:
 - i. prior to Closing, any Personal Information that the Vendor discloses to the Purchaser shall be used by the Purchaser solely for purposes related to its due diligence and its proposed purchase of the Purchased Assets;
 - ii. if the proposed purchase of the Purchased Assets does not proceed or is not completed, the Purchaser will destroy or return to the Vendor all of the Personal Information disclosed to the Purchaser by the Vendor in accordance with the Vendor's instructions; and
 - iii. if the proposed purchase of the Purchased Assets is completed: (i) the Purchaser shall only use or disclose the Personal Information for the same purposes for which it was collected, used or disclosed by the Vendor, or as otherwise permitted by and in accordance with PIPA; and (ii) the Purchaser shall notify the individuals who are the subject of the Personal Information that the purchase of the Purchased Assets has taken place and that their Personal Information was disclosed to the Purchaser.

ARTICLE 10 TERMINATION

10.1 Termination

This Agreement may be terminated at any time prior to the Closing Date, as the case may be:

- (a) by mutual written consent of the Purchaser and the Vendor;
- (b) by the Purchaser or the Vendor if any court of competent jurisdiction or other Governmental Authority shall have issued an order, decree or ruling, or taken any other action specifically restraining, enjoining or otherwise prohibiting the transaction contemplated hereby, which order, decree, ruling or other action is not stayed or dismissed prior to the Closing Date; or
- (c) by either party if the Mutual Condition is not satisfied by the Approval Date.

ARTICLE 11 MISCELLANEOUS

11.1 Risk of Loss

Up to the time of the Closing, the Purchased Assets shall be and remain at the risk of the Vendor.

11.2 Notices

Any demand, notice or other communication to be made or given hereunder shall be in writing and may be made or given by personal delivery, sent by courier, or transmitted by electronic mail, as follows:

(a) to the Purchaser:

1495213 B.C. Ltd.
5000-505 Doyle Avenue
Kelowna, B.C. V0E 1V4

with a copy to:
Porter Ramsay LLP
5000-505 Doyle Avenue
Kelowna, B.C. V0E 1V4
Attention: Timothy brown

Email: tbrown@porterramsay.com

(b) to the Vendor:

BDO Canada Limited
1100 – 1055 West Georgia St.
Vancouver, B.C. V6E 3P3
Attention: Martin Chan & Chris Bowra
Emails: cbowra@bdo.ca
mchan@bdo.ca

With a copy to:
Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, British Columbia V6C 3R8
Attention: Jordan Schultz

Email: jordan.schultz@dentons.com

or to such other address or facsimile number as any party may from time to time notify to the other party in accordance with this Section 11.2. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof and if made or given by facsimile copy or other means of electronic transmission, shall be conclusively deemed to have been given on the day of transmittal.

11.3 Further Assurances

At any time and from time to time after the date hereof each of the parties hereto, at the reasonable request and expense of the other party hereto, will execute and deliver such other instruments of sale, transfer, conveyance, assignment, confirmation and other instruments as may be reasonably requested in order to more effectively transfer, convey and assign to the Purchaser and to confirm the Purchaser's title to the Purchased Assets and to effectuate the transaction contemplated herein.

11.4 Legal Fees and Broker's Fees

Each Party shall be responsible for and bear all of its own costs and expenses, including any broker's or finder's fees and the expenses of its legal and other representatives, incurred at any time in connection with pursuing and/or consummating the Transaction.

11.5 Entire Agreement

This Agreement together with the Schedules hereto and the other documents executed in connection herewith or referred to herein (together, the "**Documents**") embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in the Documents shall affect, or be used to interpret, change or restrict, the express terms and provisions of the Documents.

11.6 Modifications and Amendments

The terms and provisions of this Agreement may be modified or amended only by written agreement executed by all parties hereto and, where same may be required, by order of the Court.

11.7 Assignment

No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other Party.

11.8 Parties in Interest

This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third party beneficiary of this Agreement.

11.9 Governing Law

This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of British Columbia and the federal laws of Canada applicable therein.

11.10 Headings and Captions

The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect, or be considered in construing or interpreting the meaning or construction of any of the terms or provisions hereof.

11.11 Counterparts

This Agreement may be executed in counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same

instrument. Execution and delivery of this Agreement may be made and evidenced by facsimile or other electronic means of transmission.

IN WITNESS WHEREOF, the Purchaser and the Vendor have executed this Agreement as of the day and year first written above.

BDO CANADA LIMITED in its capacity as Court-appointed Receiver of VERNON RECREATION PRODUCTS (VRP) SALES AND SERVICES LTD. AND 1390951 B.C. LTD., and not in its personal capacity,

DocuSigned by:
Per: Chris Bowra
Name: Christopher Bowra
Title: Vice President

1495213 B.C. LTD.
by its authorized signatory:

Per: [Signature]
Name: Derek Bannister
Title: Director

SCHEDULE A
EQUIPMENT, PARTS, AND VEHICLES

All equipment, parts and vehicles used in the operation of Company's business located on the Lands.

SCHEDULE B
INVENTORY

FLOORED INVENTORY - NEW

Stock	VIN	Make	Model	Cost	Retail	Adjusted Cost
RV3875	5ZT2WPSBXNW024517	FOREST RIVER	WORK & PLAY 27LT	\$ 55,649.41	\$ 72,936.62	\$ 32,034.58
RV3937	5ZT2WPSB7PW025904	FOREST RIVER	WORK& PLAY 27LT	\$ 55,877.15	\$ 70,648.64	\$ 32,165.68
RV3939	4X4FSAN20PJ045524	FOREST RIVER	SANDPIPER 3660MB	\$ 91,016.45	\$ 95,875.00	\$ 52,393.62
RV3941	4X4FSAJ28PJ045602	FOREST RIVER	SANDPIPER 3330BH	\$ 87,689.24	\$ 92,095.00	\$ 50,478.31
RV3943	5ZT2CXRBOPS044901	FOREST RIVER	APEX 256BHS	\$ 49,538.67	\$ 62,746.64	\$ 28,516.94
RV3945	5ZT2CXFC4PL015084	FOREST RIVER	APEX 186BH	\$ 36,237.33	\$ 41,744.00	\$ 20,860.02
RV3947	5ZT2CXSB8PS045059	FOREST RIVER	APEX 265RBSS	\$ 50,447.60	\$ 57,710.00	\$ 29,040.16
RV3949	5ZT2SSHC7PE020576	FOREST RIVER	SHASTA OASIS 19BH	\$ 35,553.29	\$ 39,995.00	\$ 20,466.25
RV3950	5ZT2SSGC4PE020665	FOREST RIVER	SHASTA OASIS 18BH	\$ 34,368.90	\$ 39,995.00	\$ 19,784.46
RV3959	5RXDB2221PN515072	CRUISER	SHADOW 193MBS	\$ 39,668.06	\$ 47,993.37	\$ 22,834.92
RV3969	5ZT2SSJB8PE020748	FOREST RIVER	SHASTA OASIS 20RB	\$ 40,815.50	\$ 44,995.00	\$ 23,495.44
RV3972	4X4FSAK20PJ045656	FOREST RIVER	SANDPIPER 3370RLS	\$ 87,001.76	\$ 91,179.00	\$ 50,082.56
RV3973	4X4FSAK22PJ045657	FOREST RIVER	SANDPIPER 3370RLS	\$ 86,807.91	\$ 91,179.00	\$ 49,970.97
RV3975	5ZT2WPSB3PW026628	FOREST RIVER	WORK AND PLAY 27KB	\$ 71,699.96	\$ 90,762.79	\$ 41,274.08
RV3976	5ZT2CXKB3PL015218	FOREST RIVER	APEX 213RDS	\$ 41,085.75	\$ 52,219.00	\$ 23,651.01
RV3977	5ZT2CXPB2PL015316	FOREST RIVER	APEX 245BHS	\$ 46,262.75	\$ 58,702.90	\$ 26,631.15
RV3985	4X4TCK615P9138035	FOREST RIVER	CHEROKEE 16BHS	\$ 30,402.24	\$ 38,775.86	\$ 17,501.05
RV3987	4X4TCK612P9138090	FOREST RIVER	CHEROKEE 16FQ	\$ 30,694.07	\$ 39,143.56	\$ 17,669.04
RV3988	4X4TCK712P9138119	FOREST RIVER	CHEROKEE 17JG	\$ 35,374.69	\$ 45,070.44	\$ 20,363.44
RV3991	4X4TVB718PT153558	FOREST RIVER	VIBE 17RS	\$ 39,548.46	\$ 50,323.09	\$ 22,766.07
RV3992	4X4TVB717PT153525	FOREST RIVER	VIBE 16QB	\$ 39,179.96	\$ 49,878.84	\$ 22,553.94
RV3994	5ZT2CKEC4PY028098	FOREST RIVER	CHEROKEE 16BF	\$ 36,420.70	\$ 39,995.00	\$ 20,965.58
RV3998	5ZT2CXKB5PS045455	FOREST RIVER	APEX 211RBS	\$ 47,577.25	\$ 60,442.33	\$ 27,387.84
RV3999	5ZT2CXLB5PL015526	FOREST RIVER	APEX 215RBK	\$ 44,217.65	\$ 56,155.11	\$ 25,453.89
RV4000	5ZT2CXPB2PS045499	FOREST RIVER	APEX 251RBK	\$ 49,267.62	\$ 62,572.19	\$ 28,360.91
RV4001	5ZT2CXPBXP015600	FOREST RIVER	APEX 245BHS	\$ 45,447.71	\$ 57,711.29	\$ 26,161.97
RV4005	5ZT2CXRBA4PS045629	FOREST RIVER	APEX 256BHS	\$ 51,678.33	\$ 65,582.91	\$ 29,748.63
RV4006	5ZT2CXEC5PL015726	FOREST RIVER	APEX 16R	\$ 35,316.17	\$ 45,043.20	\$ 20,329.75
RV4014	4N17F2725PD156675	NORTHWOOD	DESERT FOX 27FS	\$ 79,294.74	\$ 95,448.49	\$ 45,646.02
RV4015	4N15L272XP0156705	NORTHWOOD	ARCTIC FOX 27-5L	\$ 93,301.42	\$ 111,980.90	\$ 53,696.33
RV4017	5ZT2CXEC9PL015860	FOREST RIVER	APEX 16R	\$ 35,481.00	\$ 45,244.53	\$ 20,424.64
RV4022	5ZT2CXLB3PL015783	FOREST RIVER	APEX 215RBK	\$ 43,783.88	\$ 55,724.94	\$ 25,204.19
RV4024	4X4TVBC25PT153662	FOREST RIVER	VIBE 27FK	\$ 56,641.17	\$ 71,888.28	\$ 32,605.49
RV4027	4X4TVBA20PT153717	FOREST RIVER	VIBE 25RK	\$ 46,746.35	\$ 59,422.81	\$ 26,909.54
RV4047	5ZT2FERB6RW027947	FOREST RIVER	FREEDOM EXPRESS 257BH	\$ 45,798.46	\$ 58,420.98	\$ 26,363.88
RV4053	4N11R2524R0157609	NORTHWOOD	ARTIC FOX 25R	\$ 69,090.90	\$ 83,314.86	\$ 39,772.18
RV4057	5ZT2FEMB7PW027153	FOREST RIVER	FREEDOM EXPRESS 226RB	\$ 45,922.80	\$ 49,995.00	\$ 26,435.46
				\$ 1,910,905.30	\$ 2,292,911.57	\$ 1,100,000.00

USED INVENTORY

Stock	VIN	Model	Make	Cost	Retail	Adjusted Cost
P155A	5ZT2FERB7PW026299	FREEDOM EXPRESS 259FK	FOREST RIVER	\$ 66,431.24	\$ 72,404.45	\$ 23,258.91
RV3857A	5L4TL322261011159	LS323	OPEN ROAD	\$ 18,365.89	\$ 24,995.00	\$ 6,430.27
RV3892A	4X4TCKX23K9130693	CHEROKEE 22RD	FOREST RIVER	\$ 33,716.65	\$ 39,995.00	\$ 11,804.87
RV3893A	5RXTC242XD2201164	VIEWFINDER	CRUISER RV	\$ 24,907.75	\$ 29,599.00	\$ 8,720.70
RV3904B	4N11H2222A0135510	NASH 22H	NORTHWOOD	\$ 18,861.27	\$ 24,995.00	\$ 6,603.71
RV3917A	4X4TCKB28K9130051	GREYWOLF 26BH	FOREST RIVER	\$ 29,088.19	\$ 34,995.00	\$ 10,184.36
RV3925A	5ZT2WPMBXNW023834	WORK AND PLAY 23LT	FOREST RIVER	\$ 49,411.60	\$ 54,900.00	\$ 17,299.99
RV3928C1	5UYFS31268R010796	TANGO 2760RLSS	PACIFIC COACHWORKS	\$ 14,186.68	\$ 21,995.00	\$ 4,967.04
RV3974A	2TTTW29636R060162	TW296	TRAVELAIRE	\$ 14,094.49	\$ 19,995.00	\$ 4,934.76
RV3990A	5RXDB2722NN489376	SHADOW 227MLS	CRUISER	\$ 30,496.32	\$ 49,653.00	\$ 10,677.37
RV4036B	2GVC106E27S015886	25C10.6E	BIGFOOT	\$ 26,553.74	\$ 34,995.00	\$ 9,297.00
RV4039A	4YDT2B123HY920429	ASPEN TRAIL	DUTCHMEN	\$ 26,690.25	\$ 31,995.00	\$ 9,344.79
RV4056A	4YDFCGL29RV504907	COUGAR 24RDS	KEYSTONE	\$ 60,842.45	\$ 69,995.00	\$ 21,291.26
RV4059A	5ZWTE3020B1000760	EVERLITE 29RK	EVERGREEN	\$ 14,809.16	\$ 22,999.00	\$ 5,184.98
		EAGLE SUPER LITE	JAYCO	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
				\$ 453,455.68	\$ 558,510.45	\$ 175,000.00

SCHEDULE C
PERMITTED ENCUMBRANCES

Permitted Encumbrances:

As to PID: 004-768-981:

Undersurface Rights 31229E

As to PID: 005-446-937:

Undersurface Rights 31229E

As to PID: 017-856-515:

Undersurface Rights 31229E

Covenant KF46348

Easement KF46353

Covenant KF72194

Statutory Right of Way KG46769

Statutory Right of Way KG46770

SCHEDULE D
REAL PROPERTY

A. 6255 Highway 97, Vernon, B.C.

PID: 004-768-981

Legal Description: Lot 2 Sections 11 and 14 Township 8 Osoyoos Division Yale District Plan 27607
Except Plan H16713

B. 6256 Pleasant Valley Road, Vernon, B.C.

PID: 005-446-937,

Legal Description: Lot 6 Section 11 Township 8 Osoyoos Division Yale District Plan 25512

C. 6395 Highway 97, Vernon, B.C.

PID: 017-856-515

Legal Description: Lot A Section 14 Township 8 Osoyoos Division Yale District Plan KAP47732

SCHEDULE E
Allocation of the Purchase Price*

Asset	Allocation of Purchase Price
Lot A (6395 Hwy 97)	
Land Value (1.423 acres @ \$833,000/acre)	\$1,185,359
Building Value	\$950,000
Lot 2 (6255 Hwy 97)	
Land Value (1.5 acres @ \$833,000/acre)	\$1,249,500
Lot 6 (6256 Pleasant Valley)	
Land Value (.559 acres @ \$833,000/acre)	\$465,647
Building Value	\$1,000,000
New Inventory	\$1,100,000 – See Attached
Used Inventory	\$175,000 – See Attached
Equipment, Parts and Vehicles	\$49,494
Total:	\$6,175,000

*Subject to adjustment on Closing

FLOORED INVENTORY - NEW

Stock	VIN	Make	Model	Allocated Price
RV3875	5ZT2WPSBXNW024517	FOREST RIVER	WORK & PLAY 27LT	\$ 32,034.58
RV3937	5ZT2WPSB7PW025904	FOREST RIVER	WORK& PLAY 27LT	\$ 32,165.68
RV3939	4X4FSAN20PJ045524	FOREST RIVER	SANDPIPER 3660MB	\$ 52,393.62
RV3941	4X4FSAJ28PJ045602	FOREST RIVER	SANDPIPER 3330BH	\$ 50,478.31
RV3943	5ZT2CXRB0PS044901	FOREST RIVER	APEX 256BHS	\$ 28,516.94
RV3945	5ZT2CXFC4PL015084	FOREST RIVER	APEX 186BH	\$ 20,860.02
RV3947	5ZT2CXS8PS045059	FOREST RIVER	APEX 265RBSS	\$ 29,040.16
RV3949	5ZT2SSHC7PE020576	FOREST RIVER	SHASTA OASIS 19BH	\$ 20,466.25
RV3950	5ZT2SSGC4PE020665	FOREST RIVER	SHASTA OASIS 18BH	\$ 19,784.46
RV3959	5RXDB2221PN515072	CRUISER	SHADOW 193MBS	\$ 22,834.92
RV3969	5ZT2SSJB8PE020748	FOREST RIVER	SHASTA OASIS 20RB	\$ 23,495.44
RV3972	4X4FSAK20PJ045656	FOREST RIVER	SANDPIPER 3370RLS	\$ 50,082.56
RV3973	4X4FSAK22PJ045657	FOREST RIVER	SANDPIPER 3370RLS	\$ 49,970.97
RV3975	5ZT2WPSB3PW026628	FOREST RIVER	WORK AND PLAY 27KB	\$ 41,274.08
RV3976	5ZT2CXKB3PL015218	FOREST RIVER	APEX 213RDS	\$ 23,651.01
RV3977	5ZT2CPB2PL015316	FOREST RIVER	APEX 245BHS	\$ 26,631.15
RV3985	4X4TCK615P9138035	FOREST RIVER	CHEROKEE 16BHS	\$ 17,501.05
RV3987	4X4TCK612P9138090	FOREST RIVER	CHEROKEE 16FQ	\$ 17,669.04
RV3988	4X4TCK712P9138119	FOREST RIVER	CHEROKEE 17JG	\$ 20,363.44
RV3991	4X4TVB718PT153558	FOREST RIVER	VIBE 17RS	\$ 22,766.07
RV3992	4X4TVBT17PT153525	FOREST RIVER	VIBE 16QB	\$ 22,553.94
RV3994	5ZT2CKEC4PY028098	FOREST RIVER	CHEROKEE 16BF	\$ 20,965.58
RV3998	5ZT2CXKB5PS045455	FOREST RIVER	APEX 211RBS	\$ 27,387.84
RV3999	5ZT2CXLB5PL015526	FOREST RIVER	APEX 215RBK	\$ 25,453.89
RV4000	5ZT2CPB2PS045499	FOREST RIVER	APEX 251RBK	\$ 28,360.91
RV4001	5ZT2CPBXP015600	FOREST RIVER	APEX 245BHS	\$ 26,161.97
RV4005	5ZT2CXRB4PS045629	FOREST RIVER	APEX 256BHS	\$ 29,748.63
RV4006	5ZT2CXEC5PL015726	FOREST RIVER	APEX 16R	\$ 20,329.75
RV4014	4N17F2725PD156675	NORTHWOOD	DESERT FOX 27FS	\$ 45,646.02
RV4015	4N15L272XP0156705	NORTHWOOD	ARCTIC FOX 27-5L	\$ 53,696.34
RV4017	5ZT2CXEC9PL015860	FOREST RIVER	APEX 16R	\$ 20,424.64
RV4022	5ZT2CXLB3PL015783	FOREST RIVER	APEX 215RBK	\$ 25,204.19
RV4024	4X4TVBC25PT153662	FOREST RIVER	VIBE 27FK	\$ 32,605.49
RV4027	4X4TVBA20PT153717	FOREST RIVER	VIBE 25RK	\$ 26,909.54
RV4047	5ZT2FERB6RW027947	FOREST RIVER	FREEDOM EXPRESS 257BH	\$ 26,363.88
RV4053	4N11R2524R0157609	NORTHWOOD	ARTIC FOX 25R	\$ 39,772.18
RV4057	5ZT2FEMB7PW027153	FOREST RIVER	FREEDOM EXPRESS 226RB	\$ 26,435.46
				\$ 1,100,000.00

USED INVENTORY

Stock	VIN	Model	Make	Allocated Price	
P155A	5ZT2FERB7PW026299	FREEDOM EXPRESS 259FK	FOREST RIVER	\$	23,258.91
RV3857A	5L4TL322261011159	LS323	OPEN ROAD	\$	6,430.27
RV3892A	4X4TCKX23K9130693	CHEROKEE 22RD	FOREST RIVER	\$	11,804.87
RV3893A	5RXTC242XD2201164	VIEWFINDER	CRUISER RV	\$	8,720.70
RV3904B	4N11H2222A0135510	NASH 22H	NORTHWOOD	\$	6,603.71
RV3917A	4X4TCKB28K9130051	GREYWOLF 26BH	FOREST RIVER	\$	10,184.36
RV3925A	5ZT2WPMBXNW023834	WORK AND PLAY 23LT	FOREST RIVER	\$	17,299.99
RV3928C1	5UYFS31268R010796	TANGO 2760RLSS	PACIFIC COACHWORKS	\$	4,967.04
RV3974A	2TTTW29636R060162	TW296	TRAVELAIRE	\$	4,934.76
RV3990A	5RXDB2722NN489376	SHADOW 227MLS	CRUISER	\$	10,677.37
RV4036B	2GVC106E27S015886	25C10.6E	BIGFOOT	\$	9,297.00
RV4039A	4YDT2B123HY920429	ASPEN TRAIL	DUTCHMEN	\$	9,344.79
RV4056A	4YDFCGL29RV504907	COUGAR 24RDS	KEYSTONE	\$	21,291.25
RV4059A	5ZWTE3020B1000760	EVERLITE 29RK	EVERGREEN	\$	5,184.98
		EAGLE SUPER LITE	JAYCO	\$	25,000.00
				\$	175,000.00

Schedule "C" – Receiver's Certificate

RECEIVER'S CERTIFICATE

Reference is made to the Asset Purchase Agreement dated September 4, 2024 (the "**APA**") among BDO Canada Limited., in its capacity as receiver manager of Vernon Recreational Products (VRP) Sales and Service Ltd. and 1390951 B.C. Ltd., and not in its personal capacity (the "**Receiver**"), as vendor, and 1495213 B.C. Ltd. (the "**Purchaser**"), as purchaser, a copy of which is attached as Schedule "B" to the Order Made After Application made September 17, 2024 (the "**Vesting Order**") and filed herein.

PURSUANT TO PARAGRAPHS 2 AND 4 OF THE VESTING ORDER the Receiver hereby certifies that all conditions of the APA have been satisfied or waived and upon filing this Certificate the sale transaction contemplated by the APA will have completed.

DATED at the City of Vancouver, in the Province of British Columbia, this ___ day of September, 2024.

BDO CANADA LIMITED, in its capacity as court appointed receiver of receiver manager of **VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. AND 1390951 B.C. LTD.**, and not in its personal capacity

By: _____

Schedule "D" – Claims to be Discharged From Real Property

1. Nature: Mortgage
Registration Number: CA8842618
Registration Date and Time: 2021-03-15 12:05
Registered Owner: Royal Bank of Canada
2. Nature: Assignment of Rents
Registration Number: CA8842619
Registration Date and Time: 2021-03-15 12:05
Registered Owner: Royal Bank of Canada
3. Nature: Mortgage
Registration Number: CB1147480
Registration Date and Time: 2024-02-02 12:55
Registered Owner: Royal Bank of Canada
4. Nature: Assignment of Rents
Registration Number: CB1147481
Registration Date and Time: 2024-02-02 12:55
Registered Owner: Royal Bank of Canada

Schedule "E" – Real Property

1. PID: 004-768-981
Lot 2 Sections 11 and 14 Township 8 Osoyoos Division Yale District Plan 27607
Except Plan H16713
2. PID: 005-446-937
Lot 6 Section 11 Township 8 Osoyoos Division Yale District Plan 25512
3. PID: 017-856-515
Lot A Section 14 Township 8 Osoyoos Division Yale District Plan KAP47732

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

**IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP)
SALES AND SERVICE LTD. AND
1390951 B.C. LTD.**

Between:

ROYAL BANK OF CANADA

PETITIONER

And:

VERNON RECREATIONAL PRODUCTS (VRP) SALES
AND SERVICE LTD., 1390951 B.C. LTD., DOUGLAS
ROBERT THIBAUT, MICHAEL ROY GOODWIN AND
MURRAY BLAIR SULLIVAN

RESPONDENTS

**ORDER MADE AFTER APPLICATION
(Approval and Vesting Order)**

DENTONS CANADA LLP
250 Howe Street, 20th Floor
Vancouver, BC V6C 3R8
Phone No.: (604) 687-4460
Attention: Jordan Schultz

File No. 542874-21

SCHEDULE "D"

No. VLC-S-S-244399
Vancouver Registry

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

**IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. AND
1390951 B.C. LTD.**

Between:

ROYAL BANK OF CANADA

PETITIONER

And:

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD., 13090951 B.C.
LTD., DOUGLAS ROBERT THIBAUT, MICHAEL ROY GOODWIN AND MURRAY BLAIR
SULLIVAN

RESPONDENTS

**ORDER MADE AFTER APPLICATION
(APPROVAL AND VESTING ORDER)**

BEFORE)	THE HONOURABLE JUSTICE)	17 / SEP / 2024
))	
))	

THE APPLICATION of BDO Canada Limited in its capacity as Court-appointed Receiver and Manager(the "**Receiver**") of the assets, undertakings and properties of Vernon Recreational Products (VRP) Sales and Service Ltd. ("**VRP**") and 1390951 B.C. Ltd., coming on for hearing at Vancouver, British Columbia, on the 17th day of September, 2024 AND ON HEARING Jordan Schultz, 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.

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated September 4, 2024 (the "**Sale Agreement**") between the Receiver and 1494072 B.C. LTD. (the "**Purchaser**") , a copy of which is attached as **Schedule "B"** hereto is hereby authorized and 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. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule "C"** 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 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) any encumbrances or charges created by the Order of this Court dated July 18, 2024; 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 Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. 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.
4. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
5. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all personal information in the company's records pertaining to the Debtor's records. 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.
6. 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.
7. The Receiver, with the consent of the Purchaser, shall be at liberty to revise the Closing Date to such other date as those parties may agree without the necessity of a further Order of this Court.
8. 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.

- 9. 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.
- 10. 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 Receiver
Jordan Schultz

BY THE COURT

REGISTRAR

SCHEDULE "A"

Counsel Appearing

Counsel	Party Represented

Schedule “B” – Asset Purchase Agreement

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("**Agreement**") made as of September 3, 2024,

BETWEEN:

BDO CANADA LIMITED
in its capacity as Court Appointed Receiver for
1390951 B.C. Ltd. and not in its personal capacity

(the "**Vendor**")

AND:

1494072 B.C. LTD. (Inc. No. BC1494072)
300-350 Lansdowne Street
Kamloops, BC V2C 1Y1

(the "**Purchaser**")

WHEREAS:

- A. Pursuant to the order of the Supreme Court of British Columbia (the "**Court**"), dated July 18, 2024 (the "**Receivership Order**"), BDO Canada Limited was appointed receiver and manager over all assets, undertakings and property of Vernon Recreation Products (VRP) Sales and Service Ltd. ("**VRP**") and 1390951 B.C. Ltd. ("**139**"), with authority to, *inter alia*, sell the assets of VRP and 139;
- B. Subject to approval of the Court ("**Court Approval**"), the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, the Purchased Assets (as defined herein), upon and subject to the terms and conditions of this Agreement (the "**Transaction**").

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties intending to be legally bound agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Certain Defined Terms

As used in this Agreement, the following terms shall have the following meanings and grammatical variations of such terms shall have corresponding meanings:

"**Accounts Receivable**" means all accounts, notes, bills, trade accounts, volume rebates and trade receivables of the Company, or such portion as remains owing to the Company on the Closing Date.

"**Agreement**" means this asset purchase agreement including all exhibits and schedules and all amendments or restatements, as permitted.

"Applicable Law" means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any Governmental Authority, that applies in whole or in part to the Transaction, the Vendor, the Purchaser, the Business, or any of the Purchased Assets.

"Approval and Vesting Order" means a Court order substantially in the form of the BC Model Order, with any amendments thereto to be acceptable to the Vendor and the Purchaser, each acting reasonably, which shall, among other things:

- (a) authorize and approve this Agreement and the execution and delivery thereof by the Vendor on behalf of the Company;
- (b) authorize and direct the Vendor to complete the Transaction;
- (c) vest the Purchased Assets in the Purchaser upon filing of a Receiver's Certificate; and
- (d) provide for the vesting off title to the Purchased Assets all Encumbrances other than Permitted Encumbrances, upon the delivery of a receiver's certificate to the Purchaser.

"Approval Date" has the meaning specified in Section 7.1.

"Claims" means any claims, obligations, demands, costs, damages, expenses, losses, damages (including special, punitive, exemplary, consequential and indirect damages), charges, suits, orders, actions, proceedings (governmental, administrative or otherwise), judgments, reviews, inquiries, investigations, audits, obligations and debts, including interest, penalties, fines, court costs and reasonable lawyer's fees and disbursements.

"Closing" means the closing of the Transaction contemplated by this Agreement.

"Closing Date" means 14 days after the Approval and Vesting Order is granted, or such other date as the parties may agree;

"Closing Documents" means the documents referred to in Sections 8.1 and 8.2 hereof.

"Company" means 1390951 B.C. Ltd.

"Court" means the Supreme Court of British Columbia.

"Court Approval" has the meaning given to it in the Recitals hereto.

"Deposit" has the meaning specified in Section 2.4.

"Documents" has the meaning specified in Section 11.5.

"Encumbrances" means with respect to the Purchased Assets any financial charge or encumbrance of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, charge, pledge, hypothecation, security interest, lien, restrictive or statutory covenant, lease, licence, assignment, option or claim, or right of any Person of any kind or nature whatsoever or howsoever arising which may constitute or become by operation of law or otherwise an encumbrance on any of the Purchased Assets.

"Environmental Laws" means any law, bylaw, order, ordinance, ruling, regulation or directive of any applicable federal, provincial, territorial, municipal, local or other government or governmental department agency or regulatory authority or any court of competent jurisdiction relating to environmental matters and/or regulating the import, manufacture, storage, distribution, labelling, sale, use, handling, transport or disposal of Hazardous Substances, as are in force as of the Closing Date.

"Equipment" means those assets set out in SCHEDULE A.

"ETA" has the meaning specified in Section 2.6(a).

"Excluded Assets" means all of the Company's right, title and interest in and to the following:

- (a) all shares of capital stock or other equity interests in securities in any entity; and
- (b) Accounts Receivable.

"Governmental Authority" means any Canadian federal, provincial, municipal or local or governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body or any other public agency.

"GST" has the meaning specified in Section 2.6(a).

"GST Certificate" has the meaning specified in Section 2.6(a).

"Hazardous Substances" means any underground storage tanks, any explosive or radioactive materials, pollutants, contaminants, hazardous, corrosive or toxic substances, special waste or waste of any kind, including, without limitation, compounds known as chlorobiphenyls, petroleum and any other substance or material, the storage, manufacture, disposal, treatment, generation, use, transportation, remediation or release into the environment of which is prohibited, controlled, regulated or licensed under Environmental Laws.

"Intellectual Property" means all trade-marks, trade names, business names, service names, copyrights, patents, technology rights, inventions, computer software, Internet protocol addresses and domain names associated with the business of the Company including, trade secrets, know-how, industrial designs and other industrial or intellectual property and all applications therefor including, all licences or similar rights used by or granted to the Company in connection therewith.

"Inventory" means those assets set out in SCHEDULE B.

"Liabilities" means all costs, expenses, charges, debts, liabilities, amounts owing, claims, demands and obligations, whether primary or secondary, direct or indirect, fixed, secured or unsecured, accrued, contingent, known or unknown, absolute or otherwise.

"Mutual Condition" has the meaning specified in Section 7.1.

"Parties" means the parties to this Agreement and "Party" means any one of the parties to this Agreement, as the context requires.

"Permitted Encumbrances" means those registered encumbrances against title to the Purchased Assets, specified as such in SCHEDULE C.

"Person" means any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity.

"PST" has the meaning specified in Section 2.6(b).

"Purchased Assets" means all of the Company's right, title and interest in and to the following:

- a) the Equipment;
- b) the Inventory;
- c) the Intellectual Property; and
- d) the Records,

but excluding all Excluded Assets.

"Purchaser's Lawyers" means Fulton & Company LLP

"Purchase Price" has the meaning specified in Section 2.2.

"Receiver's Certificate" means the certificate contemplated in the Approval and Vesting Order to be filed with the Court by the Vendor certifying that the Vendor confirms, and has received written confirmation in form and substance satisfactory to the Vendor from the Purchaser that it confirms, that all conditions to Closing have been satisfied or waived by the applicable Parties and that the Purchase Price and all applicable taxes payable by the Purchaser to the Vendor have been received by the Vendor's Solicitors.

"Records" means all books and records of the Company in connection with the Purchased Assets including but not limited to, copies of all accounting records, permits, all customer and supplier lists, files, documents, books, manuals, research, reservations, price lists, correspondence and data bases, all in the form and on the medium or media used in the business of the Company.

"Vendor's Lawyers" means Dentons Canada LLP.

"Third Party" means a Person who is not a Party.

"Transaction" means the transaction of purchase and sale of the Purchased Assets contemplated by this Agreement.

1.2 List of Schedules

The following Schedules are incorporated in and form an integral part of this Agreement:

- SCHEDULE A Equipment
- SCHEDULE B Inventory
- SCHEDULE C Permitted Encumbrances
- SCHEDULE D Purchase Price Allocation

ARTICLE 2 PURCHASE AND SALE OF ASSETS

2.1 The Purchased Assets

Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, and the Purchaser agrees to purchase, the Purchased Assets for the Purchase Price on the Closing Date free and clear of any and all Encumbrances, Liabilities, and Claims, except for Permitted Encumbrances.

2.2 Purchase Price

The purchase price (the "**Purchase Price**") payable by the Purchaser to the Vendor in consideration for the Purchased Assets shall be \$ 943,191.00, subject to reduction due to ongoing sales of the Purchased Assets.

2.3 Adjustment

- (a) Except as otherwise provided herein, the Vendor will be responsible for all expenses and liabilities and will be entitled to receive all revenues, accrued in respect of the Purchased Assets prior to the Closing Date. The Purchaser will be responsible for all expenses and liabilities accruing from and including the Closing Date, and will be entitled to receive all revenues accruing from and including the Closing Date in respect of the Purchased Assets.
- (b) The Purchase Price shall be adjusted on the Closing Date to account for any Inventory that is listed as a "Used Unit" or "New Unit" (as listed on Schedule "B" hereto) which is sold by the Vendor from the date of execution of this Agreement to the Closing Date, based on the "Bid" value enumerated for each such Used Unit or New Unit at Schedule "B".

2.4 Deposit and Payment of Purchase Price

The Purchaser shall pay the Purchase Price as follows:

- (a) \$200,000.00, by way of deposit (the "**Deposit**") to be paid by the Purchaser to the Vendor's Lawyer in trust, within 2 business days of execution of this Agreement by all parties; and
- (b) the balance of the Purchase Price, to be paid on closing by certified cheque, bank draft or wire transfer of immediately available funds to or to the order of the Vendor.

2.5 Terms of Deposit

The Deposit shall be held in trust by the Vendor's Lawyers, in non-interest-bearing trust account. The Deposit shall be dealt with as follows:

- (a) on the Closing Date, the Deposit shall be credited on account of the Purchase Price;
- (b) if the Purchaser fails to complete the purchase of the Purchased Assets in accordance with this Agreement after all conditions to the Purchaser's obligation to complete have been satisfied or waived or if the Purchaser repudiates this Agreement, then at the Vendor's option the Deposit together with accrued interest thereon shall be forfeited to the Vendor as liquidated damages, but without prejudice to any other rights or remedies of the Vendor whether at law or in equity;

- (c) if the Mutual Condition is not satisfied or waived within the applicable time period, the Deposit will be returned to the Purchaser forthwith without any deduction, as the sole remedy of the Purchaser against the Vendor; or
- (d) if the Purchaser is not in default of any of its obligations under this Agreement and the Vendor fails to complete the sale of the Purchased Assets in accordance with this Agreement after all conditions to the Vendor's obligation to complete have been satisfied or waived or if the Vendor repudiates this Agreement, then the Deposit shall be refunded to the Purchaser upon demand by the Purchaser, as the sole remedy of the Purchaser against the Vendor.

2.6 Taxes

- (a) The Purchaser represents and warrants to the Vendor that it is and will be, as of the closing on the Closing Date, registered for the purposes of Part IX of the *Excise Tax Act* (Canada) (the "ETA") in accordance with the requirements of Subdivision D of Division V of the ETA and will assume responsibility to account for and report any goods and services tax and harmonized sales tax (collectively, the "GST") payable under the ETA in connection with the Transaction. The Purchase Price does not include GST and the Purchaser will pay any GST payable with respect to the acquisition of the Purchased Assets in accordance with the ETA. Subject to Section 2.6(c), on the Closing Date, the Purchaser will deliver to the Vendor a certificate (the "GST Certificate") of a senior officer of the Purchaser certifying, on behalf of the Purchaser and without personal liability (a) that the Purchaser is registered under Part IX of the ETA as of the Closing Date; (b) its registration number; and (c) that the Purchaser will account for, report and remit any GST payable in respect of the purchase of the Purchased Assets in accordance with the ETA. The Purchaser will indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability under the ETA arising as a result of any breach of the ETA with respect to GST payable in respect of the Purchased Assets, this Section 2.6(a), the GST Certificate or any declaration made therein and such indemnity will survive Closing.
- (b) The Purchaser acknowledges that it may be liable to pay British Columbia provincial sales tax ("PST") in respect of its purchase of some or all of the Purchased Assets. To the extent permitted under the *Provincial Sales Tax Act* (British Columbia), the Purchaser will report and remit as required by Applicable Law any such PST that is due directly to the applicable taxing authority, and otherwise will pay to the Vendor an amount equal, to the PST (if any) payable by the Purchaser and collectible by the Receiver in connection with the acquisition of the Purchased Assets on Closing together with the balance of the Purchase Price. The Purchaser will indemnify and hold the Receiver and their directors, officers, employees, advisors and agents harmless from any liability related to the Purchaser's or the Vendor's failure to account for, or report and remit such PST and such indemnity will survive Closing.
- (c) Notwithstanding the above, the Vendor will cooperate with the Purchaser to execute any election available under Applicable Law that may reduce or defer the amount or due date of any GST, PST, or other tax payable by the Purchaser provided such election will not result in any increased cost or tax liability for the Vendor. At the Closing, if available in respect of the Transaction, each of the Vendor and the Purchaser shall execute jointly an

election under subsection 167(1) of Part IX of the ETA, in the prescribed form and within the prescribed time therefor, in respect of the sale and transfer of the Purchased Assets and the Purchaser shall file such election with the Canada Revenue Agency.

- (d) The Purchaser will be responsible for all property and other transfer taxes, fees and expenses in connection with the registration of the Approval and Vesting Order or transfer of the Purchased Assets and the Vendor will be responsible for income taxes or fees in respect of the disposition of the Purchased Assets.

2.7 Allocation of Purchase Price

The Purchase Price shall be allocated between the Purchased Assets in accordance with SCHEDULE E.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Vendor hereby represents and warrants to the Purchaser that it is not a non-resident of Canada under the *Income Tax Act (Canada)*. The Vendor make no representations or warranties of any kind whatsoever, expressed or implied, with respect to the Purchased Assets.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER

The Purchaser hereby represents and warrants to the Vendor as follows:

- (a) the Purchaser is a duly formed and registered corporation existing pursuant to the laws of the jurisdiction of its incorporation;
- (b) the Purchaser has the power and authority to execute and deliver this Agreement and the other documents and instruments contemplated herein or therein to which it is or will be a party and to perform its obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and the documents contemplated hereby and the consummation of the transaction contemplated hereby and thereby have been duly authorized and approved by the Purchaser;
- (c) this Agreement, and if, as, and when executed, each of the other agreements, documents and instruments to be executed and delivered by the Purchaser on or before the Closing, have been or will upon such execution and delivery be duly executed and delivered by, and constitute the valid and binding obligations of the Purchaser, in accordance with their terms;
- (d) the execution and delivery by the Purchaser of this Agreement and the performance by the Purchaser of its obligations under this Agreement will not result in the breach or violation of any terms or conditions of: (i) the constating documents or by-laws of the Purchaser; or (ii) any applicable law, regulation or order; and
- (e) the Purchaser will be a registrant for purposes of Part IX of the Excise Tax Act (Canada) on the Closing Date and its registration number shall be provided as part of the Closing; or alternatively the Purchaser will remit to the Vendor all applicable GST.

- (f) the Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act* (Canada) or the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada) and the regulations made thereunder, and will not be as of the Closing Date.

ARTICLE 5 ACKNOWLEDGEMENTS BY PURCHASER

5.1 "As Is, Where Is"

Except as expressly provided herein, the Purchaser acknowledges that the Purchased Assets are purchased on an "as is, where is" basis and without any representation or warranty by the Vendor of any kind and that the Purchaser has inspected the Purchased Assets and will not be obligated to accept the same unless on the Closing Date the Purchased Assets are in the same state, condition and location existing as of the date of this Agreement, reasonable wear and tear excepted.

5.2 Vendor's Capacity

The Purchaser acknowledges that the Vendor is entering into this Agreement solely in its capacity as the court-appointed receiver and manager of the Company and not in its personal or corporate capacity. The Purchaser acknowledges that the Vendor is selling the right, title, and interest of the Company in the Purchased Assets pursuant to the Receivership Order and the Approval and Vesting Order. The Purchaser agrees to purchase and accept the right, title, and interest of the Company in and to the Purchased Assets pursuant to and in accordance with the terms of this Agreement and any other agreements required to be delivered pursuant to the terms of this Agreement. The acceptance by the Vendor of this Agreement is expressly subject to Court Approval and all such other orders that the Court may make.

ARTICLE 6 COVENANTS OR APPROVALS

6.1 Consents

The Purchaser shall take, or cause to be taken, and the Vendor shall as may be requested by the Purchaser take or cause to be taken, all commercially reasonable actions and as may be necessary, proper or advisable to permit and diligently pursue completion of the Transaction contemplated by this Agreement in accordance with the terms hereof, including obtaining the authorization, approval or consent of any Governmental Authority and shall co-operate with each other in connection therewith, including using all commercially reasonable efforts to obtain as soon as reasonably possible and in any event, prior to the Closing Date any consents required from any Governmental Authority having jurisdiction over the Purchased Assets, provided that the Purchaser will fully indemnify the Vendor against its reasonable costs and expenses incurred by the Vendor for services requested by the Purchaser in connection with obtaining the consents, if any, required under this Section 6.1.

6.2 Transfer of Purchased Assets

In connection with transfer and assignment of the Purchased Assets, the Vendor shall at the request and sole cost of the Purchaser take all such actions and do, or cause to be done, all such things at the request of the Purchaser as shall reasonably be necessary in order to transfer or assign the Purchased Assets, including but not limited to any licenses, permits, and Intellectual Property, to the Purchaser, but only to the extent the same are transferable.

ARTICLE 7 COURT APPROVAL

7.1 Court Approval

The obligation of the Parties to complete the transactions contemplated by this Agreement will be subject to the following mutual condition (the "**Mutual Condition**"), for the benefit of both the Receiver and the Purchaser:

- (a) that on or before September 20, 2024, or such later date as the Vendor and Purchaser may agree to in writing (the "**Approval Date**"), the Vendor will have obtained the Approval and Vesting Order satisfactory to the Vendor and the Purchaser,

The Mutual Condition is for the mutual benefit of the Vendor and the Purchaser and may not be waived unilaterally by either party. Both Parties agree that they will use all reasonable commercial efforts to satisfy the Mutual Condition. If the Mutual Condition has not been satisfied by the Approval Date, then the Purchaser's and Vendor's obligation to complete the Transaction pursuant to this Agreement will be at an end.

7.2 Appeals

For greater certainty, expiration of the appeal period for the Approval and Vesting Order shall not be a pre-condition of the Purchaser's or Vendor's obligation to complete the within transaction. Vendor shall forthwith upon execution of this Agreement by all parties make application and diligently pursue obtaining Court Approval.

7.3 Bidding Procedures

The Purchaser acknowledges and agrees that, notwithstanding acceptance of this offer by the Vendor, other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this Agreement and such prospective purchasers may make competing offers which may be approved by the Court. The Purchaser acknowledges and agrees that, to protect its interest in purchasing the Purchased Assets, it should attend at the Court hearing in person or by agent and be prepared to amend or increase its offer to purchase the Purchased Assets as the Court may permit or direct. The Purchaser acknowledges that if the Court vacates, sets aside or varies the Approval and Vesting order for any reason whatsoever, the Vendor will not be liable to the Purchaser or any other Person in any way whatsoever.

ARTICLE 8 CLOSING MATTERS

8.1 Vendor's Closing Documents

On the Closing Date, the Vendor will deliver the following to the Purchaser's solicitor, on the condition that the same will only be dealt with in accordance with the procedure set out in Section 8.1

- (a) a certified copy of the Approval and Vesting Order;
- (b) the Receiver's Certificate;
- (c) if applicable and available in respect of the Transaction, an election under section 167 of the ETA pursuant to Section 2.6;

- (a) the bill of sale duly executed by the Vendor, together with such other deeds of conveyance, bills of sale, assurances, transfers, assignments, consents, and such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the transfer of the Purchased Assets;
- (d) all Records that are in the possession or control of the Receiver; and
- (e) such documents necessary or desirable in the parties' mutual opinion, acting reasonably, to effect the assignment, transfer and sale of the Purchased Assets as contemplated by this Agreement, to the extent not effected by the Approval and Vesting Order, in form and substance satisfactory to the Purchaser, acting reasonably.

8.2 The Purchaser's Closing Documents

On the Closing Date, the Purchaser will deliver the following to the Vendor's solicitor, on the condition that the same will only be dealt with in accordance with the procedure set out in Section 8.2:

- (a) payment of the balance of the Purchase Price pursuant to Section 2.4;
- (b) the GST Certificate or an election under section 167 of the ETA pursuant to Section 2.6;
- (c) such other documents as may be requested by the Vendor, acting reasonably.

8.3 Terms of Closing

None of the Closing Documents and monies will be dealt with before Closing until the deliveries contemplated by this ARTICLE 8 have been made, and the Mutual Condition has been fulfilled, except in accordance with Section 2.4 hereof.

ARTICLE 9 PIPA PROVISIONS

9.1 Disclosure of Information

The Purchaser acknowledges and agrees that in the course of the Purchaser's due diligence in respect of the Purchased Assets, the Purchaser has requested and may hereafter request and the Vendor has disclosed and may hereafter disclose certain personnel records and other information related to Purchased Assets and/or the business of the Company that may include "personal information" (the "**Personal Information**") as defined in and subject to the British Columbia *Personal Information Protection Act* ("**PIPA**"). For the purposes of Section 20 of PIPA:

- (a) the Purchaser hereby confirms to the Vendor that the Personal Information that the Purchaser has requested or may hereafter request in the course of its due diligence is necessary in order for the Purchaser to determine whether to proceed with the proposed purchase of the Purchased Assets; and
- (b) the Purchaser hereby covenants and agrees that:
 - i. prior to Closing, any Personal Information that the Vendor discloses to the Purchaser shall be used by the Purchaser solely for purposes related to its due diligence and its proposed purchase of the Purchased Assets;

- ii. if the proposed purchase of the Purchased Assets does not proceed or is not completed, the Purchaser will destroy or return to the Vendor all of the Personal Information disclosed to the Purchaser by the Vendor in accordance with the Vendor's instructions; and
- iii. if the proposed purchase of the Purchased Assets is completed: (i) the Purchaser shall only use or disclose the Personal Information for the same purposes for which it was collected, used or disclosed by the Vendor, or as otherwise permitted by and in accordance with PIPA; and (ii) the Purchaser shall notify the individuals who are the subject of the Personal Information that the purchase of the Purchased Assets has taken place and that their Personal Information was disclosed to the Purchaser.

ARTICLE 10 TERMINATION

10.1 Termination

This Agreement may be terminated at any time prior to the Closing Date, as the case may be:

- (a) by mutual written consent of the Purchaser and the Vendor;
- (b) by the Purchaser or the Vendor if any court of competent jurisdiction or other Governmental Authority shall have issued an order, decree or ruling, or taken any other action specifically restraining, enjoining or otherwise prohibiting the transaction contemplated hereby, which order, decree, ruling or other action is not stayed or dismissed prior to the Closing Date; or
- (c) by either party if the Mutual Condition is not satisfied by the Approval Date.

ARTICLE 11 MISCELLANEOUS

11.1 Risk of Loss

Up to the time of the Closing, the Purchased Assets shall be and remain at the risk of the Vendor.

11.2 Notices

Any demand, notice or other communication to be made or given hereunder shall be in writing and may be made or given by personal delivery, sent by courier, or transmitted by electronic mail, as follows:

- (a) to the Purchaser:

1494072 B.C. Ltd.
4242 Paxton Valley Road
Monte Lake, BC V0E 2N0
Attention: Len Bourgeault
Email: rev2redline@hotmail.com

with a copy to:

Fulton & Company LLP
 300-350 Lansdowne Street
 Kamloops, BC V1S 1Y1
 Attention: Rick Heney
 Email: rhene@fultonco.com

(b) to the Vendor:

BDO Canada Limited
 1100 – 1055 West Georgia St.
 Vancouver, B.C. V6E 3P3
 Attention: Martin Chan & Chris Bowra
 Emails: cbowra@bdo.ca
mchan@bdo.ca

With a copy to:
 Dentons Canada LLP
 20th Floor, 250 Howe Street
 Vancouver, British Columbia V6C 3R8
 Attention: Jordan Schultz

Email: jordan.schultz@dentons.com

or to such other address or facsimile number as any party may from time to time notify to the other party in accordance with this Section 11.2. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof and if made or given by facsimile copy or other means of electronic transmission, shall be conclusively deemed to have been given on the day of transmittal.

11.3 Further Assurances

At any time and from time to time after the date hereof each of the parties hereto, at the reasonable request and expense of the other party hereto, will execute and deliver such other instruments of sale, transfer, conveyance, assignment, confirmation and other instruments as may be reasonably requested in order to more effectively transfer, convey and assign to the Purchaser and to confirm the Purchaser's title to the Purchased Assets and to effectuate the transaction contemplated herein.

11.4 Legal Fees and Broker's Fees

Each Party shall be responsible for and bear all of its own costs and expenses, including any broker's or finder's fees and the expenses of its legal and other representatives, incurred at any time in connection with pursuing and/or consummating the Transaction.

11.5 Entire Agreement

This Agreement together with the Schedules hereto and the other documents executed in connection herewith or referred to herein (together, the "**Documents**") embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in the Documents

shall affect, or be used to interpret, change or restrict, the express terms and provisions of the Documents.

11.6 Modifications and Amendments

The terms and provisions of this Agreement may be modified or amended only by written agreement executed by all parties hereto and, where same may be required, by order of the Court.

11.7 Assignment

No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other Party.

11.8 Parties in Interest

This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third party beneficiary of this Agreement.

11.9 Governing Law

This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of British Columbia and the federal laws of Canada applicable therein.

11.10 Headings and Captions

The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect, or be considered in construing or interpreting the meaning or construction of any of the terms or provisions hereof.

11.11 Counterparts

This Agreement may be executed in counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution and delivery of this Agreement may be made and evidenced by facsimile or other electronic means of transmission.

IN WITNESS WHEREOF, the Purchaser and the Vendor have executed this Agreement as of the day and year first written above.

BDO CANADA LIMITED in its capacity as Court-appointed Receiver of VERNON RECREATION PRODUCTS (VRP) SALES AND SERVICES LTD. AND 1390951 B.C. LTD., and not in its personal capacity

Per: _____
Name: Christopher Bowra
Title: Vice President

1494072 B.C. LTD.

Per: 
Name: Leonard Vincent Bourgeault
Title: Director

[Signature Page to Asset Purchase Agreement]

SCHEDULE A
EQUIPMENT

Please see pages immediately following for Equipment List

SCHEDULE B
INVENTORY

Please see pages immediately following for Parts Inventory.

Please see pages immediately following for Used Unit Inventory.

Please see pages immediately following for New Unit Inventory.

SCHEDULE C
PERMITTED ENCUMBRANCES

NIL

SCHEDULE D
Allocation of the Purchase Price

Asset	Allocation of Purchase Price
STRV Assets	\$100,000.00
Used Unit Inventory	\$395,000.00
Parts Inventory	\$175,000.00
New Unit Inventory	\$273,191.00
<u>Total:</u>	\$943,191.00

Schedule "C" – Receiver's Certificate

RECEIVER'S CERTIFICATE

Reference is made to the Asset Purchase Agreement dated September 3, 2024 (the "**APA**") among BDO Canada Limited., in its capacity as receiver manager of Vernon Recreational Products (VRP) Sales and Service Ltd. and 1390951 B.C. Ltd., and not in its personal capacity (the "**Receiver**"), as vendor, and 1494072 B.C. Ltd. (the "**Purchaser**"), as purchaser, a copy of which is attached as Schedule "B" to the Order Made After Application made September 17, 2024 (the "**Vesting Order**") and filed herein.

PURSUANT TO PARAGRAPHS 2 AND 3 OF THE VESTING ORDER the Receiver hereby certifies that all conditions of the APA have been satisfied or waived and upon filing this Certificate the sale transaction contemplated by the APA will have completed.

DATED at the City of Vancouver, in the Province of British Columbia, this ____ day of September, 2024.

BDO CANADA LIMITED, in its capacity
as court appointed receiver of receiver
manager of **VERNON RECREATIONAL
PRODUCTS (VRP) SALES AND
SERVICE LTD. AND 1390951 B.C.
LTD.**, and not in its personal capacity

By: _____

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

**IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP)
SALES AND SERVICE LTD. AND
1390951 B.C. LTD.**

Between:

ROYAL BANK OF CANADA

PETITIONER

And:

VERNON RECREATIONAL PRODUCTS (VRP) SALES
AND SERVICE LTD., 1390951 B.C. LTD., DOUGLAS
ROBERT THIBAUT, MICHAEL ROY GOODWIN AND
MURRAY BLAIR SULLIVAN

RESPONDENTS

**ORDER MADE AFTER APPLICATION
(Approval and Vesting Order)**

DENTONS CANADA LLP
250 Howe Street, 20th Floor
Vancouver, BC V6C 3R8
Phone No.: (604) 687-4460
Attention: Jordan Schultz

File No. 542874-21
