

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MITSUBISHI HC CAPITAL CANADA INC.

PETITIONER

AND:

VIC VAN ISLE CONSTRUCTION LTD., VVI CONSTRUCTION LTD., AND  
LORTAP ENTERPRISES LTD.

RESPONDENTS

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY

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

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE

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February 2, 2024

**UPON THE APPLICATION** of BDO Canada Limited, in its capacity as Court-appointed Receiver (the “**Receiver**”) of the assets, undertakings and properties of Vic Van Isle Construction Ltd., VVI Construction Ltd., and Lortap Enterprises Ltd. (collectively, the “**Debtors**”) coming on for hearing at Vancouver, British Columbia, on the 2<sup>nd</sup> day of February, 2024

**AND ON HEARING** James W. Reid, counsel for the Receiver;

**AND UPON READING** the material filed, including the Third Report of the Receiver dated January 18, 2024 (the “**Third Report**”);

**THIS COURT ORDERS AND DECLARES THAT:**

1. The sale transaction (the “**Transaction**”) contemplated by the Assignment Agreement dated January 9, 2024 (the “**Sale Agreement**”) between the Receiver and VVI Construction (2020) Ltd. (the “**Purchaser**”), a copy of which is attached as Appendix “**A**” to the Third Report is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the “**Purchased Assets**”).
2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule “**B**” hereto (the “**Receiver’s Certificate**”), all of the Debtors’ 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 April 11, 2023; 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**”, which term shall not include the permitted encumbrances, easements and restrictive covenants), 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. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, 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.
6. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
7. Notwithstanding:
  - (a) these proceedings;

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, 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.

- 8. 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.
- 9. 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.

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Signature of James W. Reid  
Lawyer for the Receiver

**BY THE COURT**

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Registrar

## **Schedule A – Purchased Assets**

All accounts receivable held in the name of the Debtors

**SCHEDULE “B” TO APPROVAL AND VESTING ORDER  
RECEIVER’S CERTIFICATE**

No. S-229607  
Vancouver Registry

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PETITIONER

AND:

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**RECEIVER’S CERTIFICATE**

**RECITALS**

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

B. Pursuant to an Order of the Court dated February 2, 2024 (the “**Sale Approval Order**”), the Court approved the assignment agreement made as of January 9, 2024 (the “**Sale Agreement**”) between the Receiver and VVI Construction (2020) Ltd. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtors’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 11 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 11 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. The Certificate was delivered by the Receiver at \_\_\_\_\_ on \_\_\_\_\_.

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

Per: \_\_\_\_\_

Name: Chris Bowra

Title: Vice President

I have the authority to bind the corporation

No. S-229607  
Vancouver Registry

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