No. SML-S-S-1956999
SMITHERS REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

2073944 ALBERTA LTD.

RESPONDENT

IN THE MATTER OF THE RECEIVERSHIP OF 2073944 ALBERTA LTD.

RECEIVER'S FIRST REPORT TO COURT

April 8, 2020

Grant Thornton Limited, Receiver of 2073944 Alberta B.C. Ltd.

Grant Thornton Place
Suite 1600 – 333 Seymour Street
Vancouver, BC V6B 0A4

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APPENDICES

INTRODUCTION AND BACKGROUND

1. 2073944 Alberta Ltd. ("**2073944**", or the "**Company**") was incorporated under the laws of the Province of Alberta on October 11, 2017 and registered under the laws of the Province of British Columbia on May 28, 2018. The directors and voting shareholders of 2073944 are Nirmaljit Singh Saini, Satinder Pal Singh (together, "**Management**") and Parminder Singh.

2. 2073944's principal business was owning and operating the Grapevine Pub and Bistro and Liquor Store (the "**Grapevine**"), a licensed pub and liquor store, from Company-owned premises comprising land and buildings located at 156 Francois Lake Drive in Burns Lake, British Columbia (the "**Lands**"). 2073944 also owns lands located at 907 Trans Canada Frontage Road in Sicamous, British Columbia (the "**Sicamous Lands**").

3. On December 16, 2019, on the application of the Petitioner, Royal Bank of Canada ("**RBC**"), in the within action, the Supreme Court of British Columbia (the "**Court**") granted an order (the "**Receivership Order**") appointing Grant Thornton Limited, effective from and after December 17, 2019, as Receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and property of 2073944. A copy of the Receivership Order is attached hereto as **Appendix A**.

4. Upon its appointment becoming effective, the Receiver attended at the Grapevine in Burns Lake, BC, and confirmed that the Company had ceased all operations of the Grapevine on or around September 30, 2019, more than two months prior to the Receiver's appointment. The Receiver found that there was no inventory on hand in the pub/restaurant and only limited inventory in the liquor store. The Receiver considered the costs of resuming operations, including purchasing new inventory, hiring staff and completing required cleaning and building repairs, and determined that operations would likely not generate positive cash flows. Therefore, the Receiver did not

resume operations and commenced planning, preparing for and implementing a sales process to realize the Companies' assets. The Receiver's sales process is detailed subsequently in this report.

5. Pursuant to a Consent Order granted by this Honourable Court on February 25, 2020 (a copy of which is attached hereto as **Appendix B**), this proceeding was ordered to be transferred from the Smithers Registry to the Vancouver Registry of the Court for all purposes. However, the Receiver notes that this transfer had not been completed as at the date of this report.

PURPOSE OF THE RECEIVER'S FIRST REPORT TO COURT

6. This Receiver's First Report to Court (the "**First Report**") has been prepared in support of an application to be made by the Receiver for an order (the "**Approval and Vesting Order**") authorizing the Receiver to sell and transfer all of 2073944's right, title and interest in and to the Business Assets, as subsequently defined in this Report, to 1243997 B.C. Ltd. free and clear of any claims or encumbrances, as well as an order (the "**Sealing Order**") sealing the contents of the Confidential Supplement to the Receiver's First Report to Court dated April 8, 2020 (the "**Confidential Supplement**").

SCOPE AND TERMS OF REFERENCE

7. In preparing this First Report and in making the recommendations contained herein, the Receiver has been provided with and has relied upon information obtained from discussions with Management and from review of the Company's available books and records.

8. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Receiver expresses no opinion or other assurance in respect of such information as reflected in this First Report.

9. All references to dollars are in Canadian currency unless otherwise noted.

THE BUSINESS ASSETS

10. The Company's assets that are the subject of the proposed sale transaction include the Lands and related furniture, equipment and chattels as well as the liquor store alcohol inventory and the Grapevine's liquor retail store licence (the "**Licence**") (collectively, the "**Business Assets**").

11. The Lands are located one block away from the Yellowhead Highway in Burns Lake, BC. They comprise four adjoining land parcels totaling approximately 0.428 acres, with civic addresses 156 Francois Lake Drive, 130 Francois Lake Drive and 135 Park Street in Burns Lake, BC. The Grapevine operated from an approximately 5,240 square foot one-storey wood-frame building on the Property that was built in 2004; the remainder of the Lands is a paved parking lot.

12. The other Business Assets include various restaurant furnishings and equipment (such as cooking equipment, food preparation and storage/cooling equipment, tables and chairs, as well as dishes and supplies) and alcohol inventory for the liquor store operations with a cost of approximately $40,000 according to the Company's records (the "**Inventory**").

13. The Receiver engaged the real estate appraisal firm Kent-Macpherson to conduct an independent appraisal of the Business Assets, excluding the Inventory, to obtain both their market value and forced sale or liquidation value. Kent-Macpherson was selected, in large part, based on its expertise in valuing private liquor store and pub businesses.

14. The Receiver considered the valuation contained in Kent-Macpherson's appraisal report dated February 5, 2020 (the "**Grapevine Appraisal**") in both establishing the initial listing price for the Business Assets and in evaluating the offers that were submitted in the sales process. Given the financial uncertainty that has recently been created on account of the COVID-19

pandemic, the Receiver is of the view that the Grapevine Appraisal must remain confidential until a sale transaction for the Business Assets is completed. Accordingly, a copy of the Grapevine Appraisal is not included with this First Report and is instead included as Appendix A to the Confidential Supplement.

THE SALES PROCESS

15. The Receiver planned, developed and initiated a process to market the Business Assets (the "**Sales Process**") shortly after its appointment. In planning and developing the Sales Process, the Receiver engaged with and sought marketing proposals from two brokers who specialize in the marketing of liquor store assets: the first was Mr. John Johnson of Royal LePage Sterling Realty in Port Moody, BC, whose focus is on the sale of liquor retail store licences; the second was Mr. Larry Berisoff of RE/MAX Kelowna in Kelowna, BC, a commercial realtor who specializes in the marketing of owner-operated businesses, with significant experience selling private liquor stores and pubs. Mr. Berisoff also had detailed knowledge of the Business Assets given that he was the listing realtor in the sale of the Grapevine to 2073944 in early 2018.

16. The Receiver, after reviewing the proposals and in consultation with RBC, accepted the proposal from RE/MAX Kelowna (the "**Listing Agent**"). On March 6, 2020, the Receiver executed a Multiple Listing Contract to engage the Listing Agent to act as its listing agent with respect to the marketing and sale of the Business Assets. The Receiver, in consultation with both the Listing Agent and RBC, set $995,000 as the initial listing price for the Business Assets.

17. To ensure consistency of offers, the Receiver provided the Listing Agent with a form of Contract of Purchase and Sale, including the Receiver's required terms and conditions as Schedule A thereto, to provide to all interested parties.

18. In conducting the Sales Process, the Receiver and the Listing Agent performed several activities to market the Business Assets to a broad range of potential buyers, including but not limited to the following:

    a) The Listing Agent published a listing for the Business Assets on REALTOR.ca as well as on the Listing Agent's website, www.SyberRealty.com (under the RE/MAX Commercial brand), the BC Northern Real Estate Board, and www.BusinessesForSale.com. These listings were published on or about February 10, 2020;

    b) The Listing Agent prepared a marketing brochure which was distributed to all interested parties (a copy of which is attached hereto as **Appendix C**) and contacted a number of potentially interested parties from his database to notify them of the opportunity;

    c) The Listing Agent also published an advertisement in the March 2020 edition of Western Investor;

    d) The Receiver, through the Listing Agent, also made certain financial information available to each participant in the Sales Process, including 2018 unaudited financial statements, monthly sales reports and a listing of the Inventory; and

    e) The Receiver was contacted directly by a number of additional parties expressing interest in the Business Assets and directed those inquires to the Listing Agent.

19. The Receiver initially established March 23, 2020 as the deadline for submission of offers for the Business Assets. On February 28, 2020, based on the Listing Agent's feedback from his discussions with interested parties, the Receiver modified the offer submission deadline to March 13, 2020 (the "**Initial Offer Deadline**"). The Listing Agent immediately communicated this change to all interested parties with whom he had already been in contact and updated his website listing accordingly to ensure that all parties in the process were made aware of the shortened Sales Process timeline.

20. The Listing Agent informed the Receiver that, as of the Initial Offer Deadline, it had received inquiries from 24 parties who were potentially interested in the Business Assets and who requested and were sent sales packages. According to the Listing Agent, the listings on its website and on www.BusinessesForSale.com were viewed 1,072 and 245 times, respectively.

21. As of the Initial Offer Deadline, six offers had been submitted to the Receiver and Listing Agent. After reviewing the submitted offers, the Receiver rejected three of the offers based on account of insufficient consideration, offer structure or the inclusion of buyer conditions that were unacceptable to the Receiver.

22. Each of the remaining three submitted offers (the "**Shortlisted Offers**") were deemed by the Receiver to be worthy of consideration, based on their price and terms. However, the Receiver identified shortcomings with each of the Shortlisted Offers and set a new deadline of March 23, 2020 (the "**Final Offer Deadline**") by which date each of the parties who submitted a Shortlisted Offer could submit their final, highest and best offer (each, a "**Final Offer**"). The Receiver, through its counsel and the Listing Agent, contacted each of these three parties by email on March 18, 2020 to inform them of the Final Offer Deadline and to ask questions regarding their Shortlisted Offers.

THE SUCCESSFUL OFFER

23. Three Final Offers were submitted to the Receiver and Listing Agent by the Final Offer Deadline. After reviewing those offers, the Receiver determined that the offer (the "**Purchaser's Offer**") submitted by 1243997 B.C. Ltd. (the "**Purchaser**") was superior to the other offers it received. In particular, the Receiver was of the view that the Purchaser's Offer included fair and reasonable consideration and had the highest probability of being capable of closing given that it is condition-free and does not require financing, and considering the Purchaser's credibility.

24. The Receiver determined that the other two Final Offers both had unacceptable closing risk. One of those Final Offers was conditional on the bidder conducting various due diligence activities with respect to the Lands and the other Business Assets, despite the Receiver having requested subject-free offers. The other Final Offer was not submitted on the required form of Contract of Purchase and Sale and was instead received as a proposed form of final offer in an email from the bidder's legal counsel that would be finalized upon acceptance of the offer by the Receiver. The bidder's legal counsel provided certain information, on a confidential basis, in response to the Receiver's prior requests for evidence of the bidder's financial wherewithal to complete the purchase. However, this confidential information did not provide proof that the bidder had the funds to complete the proposed transaction.

25. In making its decision between the three Final Offers, the Receiver was particularly concerned about the bidders' ability to close and access funds in light of the ongoing public health crisis. The Receiver also sought to maximize the recovery for RBC and the Company's other creditors.

26. The Receiver determined that the Purchaser's Offer was superior to the other Final Offers and should be accepted for the following reasons:

a) the Purchaser is a credible party, operating other businesses of a similar nature;

b) the Purchaser's Offer represented fair and reasonable consideration in light of the other offers received as well as the Grapevine Appraisal, and had, in the Receiver's view, the highest prospect of being capable of completing and, accordingly, represented the greatest return to creditors;

c) the Purchaser's Offer contemplates closing on or before April 30, 2020, which will reduce the overall costs of these proceedings, including elimination of the carrying costs relating to the Grapevine, and, accordingly, increase the return to creditors;

d) although one of the other Final Offers received included a higher offer price as well as a lower commission payable to the Listing Agent as compared to the commission payable on the Purchaser's Offer, it was from the bidder who had been unable to prove to the Receiver's satisfaction that it had the funds to close. As a result, the Receiver determined that the potential incremental higher net realization from that offer was offset by the increased likelihood of a concluded transaction with the Purchaser and the resulting reduction in receivership costs; and

e) based on the other offers received in the sale process, the Receiver is of the view that the consideration offered by the Purchaser is fair and reasonable.

27. Based on the foregoing analysis, and in consultation with RBC, the Receiver accepted the Purchaser's Offer on March 23, 2020. A copy of the corresponding Contract of Purchase and Sale (the "**Sale Agreement**") is appended hereto as **Appendix D**. Pursuant to the Sale Agreement, the Purchaser has agreed to purchase the Business Assets for a total purchase price of $905,000 (the "**Purchase Price**"), and paid a $100,000 deposit on March 27, 2020 to the Receiver's counsel, Borden Ladner Gervais LLP, in trust pending the completion of the sale transaction.

28. The Receiver notes that the Purchaser's Offer stipulates that the sale transaction is to be completed on April 30, 2020. Accordingly, it is urgent that the Receiver obtain the requested Approval and Vesting Order from this Honourable Court as soon as possible to ensure that the sale to the Purchaser can complete by this deadline.

29. To assist this Honourable Court in understanding the reasons behind the Receiver's decision to accept the Purchaser's Offer, the Receiver has prepared the Confidential Supplement. The Confidential Supplement contains commercially sensitive and/or confidential information with respect to the two Final Offers that were not accepted and the parties who submitted those Final Offers. Accordingly, as part of its application for the Approval and Vesting Order, the Receiver will be seeking the granting of the Sealing Order by this Honourable Court to protect the information contained in the Confidential Supplement.

RECEIVERSHIP STATUS AND NEXT STEPS

Interim Statement of Receipts and Disbursements

30. The Receiver's Interim Statement of Receipts and Disbursements for the period from December 17, 2019 to March 31, 2020 (the "**Interim SRD**") is tabled below and shows that the receivership has been primarily funded to date by a $50,000 advance from RBC. This advance was recently supplemented by the receipt of proceeds from the sale of two Company-owned vehicles that had been in the control and possession of Mr. Saini. These vehicles were sold at auction on March 14, 2020 for net proceeds of $14,785 after deducting the commission that is shown below as a disbursement.

Interim Statement of Receipts and Disbursements
for the Period December 17, 2019 to March 31, 2020

RECEIPTS	
Advance from secured creditor	$ 50,000.00
Sale of assets - Vehicles	15,900.00
Interest income	81.67
Total Receipts	65,981.67
DISBURSEMENTS	
Filing fees paid to official receiver	70.00
Licence fees	1,810.00
Appraisal fees	13,793.65
Commission - Sale of vehicles	1,115.00
Premise security	430.81
Utilities	5,967.29
Insurance	2,942.00
Property manager	10,523.00
Bank charges	14.00
GST paid on disbursements exclusive of fees	1,518.51
Legal fees and disbursements	4,421.78
GST on legal fees and disbursements	206.63
Total Disbursements	42,812.67
NET RECEIPTS OVER DISBURSEMENTS	$ 23,169.00

31. Almost all of the Receiver's disbursements up to March 31, 2020 related to holding costs for the Grapevine (including utilities, security, insurance, maintenance and Licence renewal costs) as well as appraisal fees for both the Grapevine Appraisal and the Sicamous Lands.

32. Not included in the Interim SRD is the pending receipt of proceeds from the recently-completed sale of a Dodge van for $3,000 (including sales taxes which will need to be remitted). Those funds are being held by the Receiver's counsel and will be remitted to the Receiver in due course.

33. The Interim SRD shows there is effectively a $24,000 negative cash balance in the estate (after factoring in the pending receipt from the sale of the Dodge van) when repayment of the advance from RBC is considered. The Receiver estimates that, from the remaining cash in the estate, approximately $10,000 to $12,500 may be required to fund the Grapevine holding costs up to completion of the sale to the Purchaser on April 30, 2020. If that sale is delayed, the Receiver estimates that monthly additional Grapevine holdings costs will be approximately $6,000 per month.

Remaining Activities to Estate Finalization

34. The Receiver engaged Kent-Macpherson to conduct an independent appraisal of the Sicamous Lands to obtain both its market value and forced sale or liquidation value. Taking that appraisal, as well as marketing proposals from two local realtors, into consideration, the Receiver listed the Sicamous Lands for sale at a listing price of $325,000. To date, the Receiver has not received any offers for the Sicamous Lands and will continue to monitor that sales process and seek to obtain an acceptable offer to present to this Honourable Court for approval at a later date.

35. The Receiver has identified a number of claims that are potentially in priority to that of RBC. These claims include expected claims from Canada Revenue Agency ("**CRA**") with respect to both unremitted source deductions and unremitted Goods and Services Tax ("**GST**"), as well as unremitted British Columbia provincial sales taxes and workers' compensation premiums that are owing to WorkSafeBC.

36. The Receiver has submitted the required pre-receivership reporting for these four accounts, which indicates that a total of approximately $55,000 is owing on the four accounts. The reported balance owing for the GST account is approximately $45,000, net of approximately $40,000 of claimed input tax credits.

37. The Receiver has not received notices of assessment in respect of the reporting it filed for the CRA accounts and CRA has informed the Receiver that it intends to conduct trust examinations of both CRA accounts. The timing for these examinations is uncertain given the current COVID-19 situation; however, the Receiver will continue to work with CRA to finalize these potential priority claims as soon as possible.

38. The Receiver expects that the net proceeds from the sale of the Business Assets will be insufficient to fully pay the amount owing to RBC after deducting payments for holding costs, expected priority claims, repayment of the advance from RBC and professional fees. The Receiver also expects that it may take several months, or longer, to obtain an acceptable offer for the Sicamous Lands. For those reasons, the Receiver anticipates that it may, after completing the sale of the Business Assets and finalizing the quantum of claims that rank in priority to RBC, make an application to this Honourable Court for approval to make an interim distribution to RBC in order to relieve the economic burden on all of the Company's stakeholders.

RECOMMENDATION AND CONCLUSION

39. Based upon the foregoing, the Receiver respectfully recommends to this Honourable Court that it grant the requested Approval and Vesting Order authorizing the Receiver to sell the Business Assets to the Purchaser and vesting title in those Business Assets with the Purchaser, as well as the requested Sealing Order to protect the confidential and commercially sensitive information contained in the Confidential Supplement.

All of which is respectfully submitted to this Honourable Court this 8th day of April 2020.

GRANT THORNTON LIMITED,
In its capacity as Receiver of 2073944 Alberta Ltd.,
and not in its personal or corporate capacity.
Per:

Mark E. R. Wentzell, CPA, CA, CIRP, LIT
Senior Vice President

IN THE MATTER OF THE RECEIVERSHIP OF
2073944 ALBERTA LTD.

RECEIVER'S FIRST REPORT TO COURT

Appendix A

Order Made After Application – December 16, 2019

No. SML-S-S-1956999
SMITHERS REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PLAINTIFF

AND:

2073944 ALBERTA LTD.

DEFENDANT

ORDER MADE AFTER APPLICATION

BEFORE	THE HONOURABLE MADAM JUSTICE WINTERINGHAM	MONDAY, THE 16TH DAY OF DECEMBER, 2019

ON THE APPLICATION of Royal Bank of Canada for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "**LEA**") appointing Grant Thornton Limited as Receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and property of 2073944 Alberta Ltd. doing business as the Grapevine Pub & Bistro and Liquor Store (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, coming on for hearing this day at Smithers, British Columbia.

AND ON READING the Affidavit #1 of Sacha Kim sworn December 2, 2019 and the consent of Grant Thornton Limited to act as the Receiver; AND ON HEARING Sherryl Dubo, Counsel for Royal Bank of Canada, Doug Nishimura, counsel for Satinder Singh, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA, Grant Thornton Limited is appointed Receiver, without security, of all of the assets, undertakings and property of the Debtor, including all proceeds (the "**Property**"), effective from and after December 17, 2019.

RECEIVER'S POWERS

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;

(b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;

(c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting these amounts, including, without limitation, enforcement of any security held by the Debtor;

(g) to settle, extend or compromise any indebtedness owing to the Debtor;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order, and without limiting the generality of the foregoing, including execution by the Receiver of any documents required by the BC Liquor & Cannabis Regulation Branch to be signed by the Debtor as licensee, including without limitation in connection with any transfer of liquor licences in the name of the Debtor.

(i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

(j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the

Debtor, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;

(k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;

(l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

(i) without the approval of this Court in respect of a single transaction for consideration up to $100,000 provided that the aggregate consideration for all such transactions does not exceed $300,000; and

(ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;

(n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;

(o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;

(q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtor; (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.

5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case

that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to the employees' right to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor,

and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

16. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

17. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:

    (a) before the Receiver's appointment; or,

    (b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

18. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:

    (a) any gross negligence or wilful misconduct on its part; or

    (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.

22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or

any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

27. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: https://www.grantthornton.ca/service/advisory/creditor-updates (the "**Website**") and shall post there as soon as practicable:

(a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,

(b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Plaintiff a demand for notice in the form attached as Schedule B (the "**Demand for Notice**"). The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

30. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the "**Service List**"). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.

31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.

32. Notwithstanding paragraph 31 of this Order, service of the Notice of Application and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its

regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.

33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL

34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.

35. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

36. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

37. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, 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 such courts, tribunals and regulatory and administrative bodies are 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.

38. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

39. The Applicant shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

40. Endorsement of this Order by counsel appearing on this application other than the Applicant's counsel is dispensed with.

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

APPROVED BY:

S Dubo

____

Signature of Sherryl A. Dubo

Lawyer for Plaintiff/Applicant

Digitally signed by Winteringham, J

BY THE COURT

DISTRICT REGISTRAR

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________________

AMOUNT $ ______________________

1. THIS IS TO CERTIFY that Grant Thornton Limited, the Receiver-Manager (the "**Receiver**") of all of the assets, undertakings and properties of 2073944 Alberta Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "**Court**") dated the _____ day of December, 2019 (the "**Order**") made in SCBC Action No. SML-S-S-1956999 has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $__________, being part of the total principal sum of $__________ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of __________ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ____________.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the ______ day of ________________, 201__.

GRANT THORNTON LIMITED, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:
Name:
Title:

Schedule "B"

Demand for Notice

TO: **Royal Bank of Canada**
c/o McMillan Dubo LLP
Attention: Sherryl A. Dubo
Email: sherryl@mcmillandubo.com and raff@mcmillandubo.com

AND TO: **Grant Thornton Limited**
c/o **[Name of Counsel to the Receiver]**
Attention:
Email:

Re: In the matter of the Receivership of 2073944 Alberta Ltd.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

   ____

   OR

2. By facsimile, at the following facsimile number (or numbers):

   ____

   OR

3. By mail, at the following address:

   ____

Name of Creditor:______________________________

Name of Counsel (if any): ______________________________

Creditor's Contact Address: ______________________________

____

____

Creditor's Contact Phone Number: ______________________________

Smithers Registry
No. SML-S-S-1956999

IN THE SUPREME COURT OF
BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PLAINTIFF

AND:

2073944 ALBERTA LTD.

DEFENDANT

RECEIVERSHIP ORDER

FILE NO.101-109 SAD

MCMILLAN DUBO LLP
#320-301 Victoria Street
Kamloops, BC V2C 2A3
Ph: 778-765-1701
Fax: 778-650-0238

IN THE MATTER OF THE RECEIVERSHIP OF
2073944 ALBERTA LTD.

RECEIVER'S FIRST REPORT TO COURT

Appendix B

Consent Order – February 25, 2020

SUPREME COURT OF BRITISH COLUMBIA
SEAL
28-Feb-20
Smithers
REGISTRY

NO. SML-S-S-1956999
SMITHERS REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

2073944 ALBERTA LTD.

RESPONDENT

CONSENT ORDER

BEFORE A MASTER OF THE COURT	)	February 25, 2020

ON THE APPLICATION of Grant Thornton Limited, in its capacity as the Court-appointed receiver of 2073944 Alberta Ltd., without a hearing and by consent:

THIS COURT ORDERS that:

1. This proceeding be transferred from the Smithers Registry to the Vancouver Registry of the Supreme Court of British Columbia for all purposes.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS NOTED ABOVE:

____
Signature of Lawyer for Royal Bank of Canada
Sherryl Dubo (McMillan Dubo LLP)

____
Signature of Lawyer for Grant Thornton Limited, in its capacity as the Court-appointed receiver of 2073944 Alberta Ltd.
Lisa Hiebert (Borden Ladner Gervais LLP)

By the Court.

Digitally signed by
Bouck, C

____
Registrar

VAN01: 5798241: v1

NO. SML-S-S-1956999
SMITHERS REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

2073944 ALBERTA LTD.

RESPONDENT

CONSENT ORDER

BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre
200 Burrard Street, P.O. Box 48600
Vancouver, BC V7X 1T2
Lisa Hiebert
Tel: 604.632.3544
(547130-29)

IN THE MATTER OF THE RECEIVERSHIP OF
2073944 ALBERTA LTD.

RECEIVER'S FIRST REPORT TO COURT

Appendix C

Marketing Brochure

RE/MAX COMMERCIAL®

COURT ORDERED SALE

Grapevine Pub & Bistro and Liquor Store
156 Francois Lake Drive
Burns Lake, B.C.

Being offered is land, building, and equipment with a Liquor Retail Licence and Pub Licence.

“As is where is”

The location is just off Highway 35, it has easy access and excellent parking.

The building was an existing warehouse and was turned into its current use in 2005.

If you are looking for an opportunity in an area full of nature and opportunity, this property should be on your list!

NOTE:

All offers are subject to approval by the Supreme Court of British Columbia.

The Designated Agent shall inform all potentially interested buyers that the offer for submitting offers, in the form to be provided by the Receiver, is Monday March 13, 2020 at 5:00 pm PDT (the "Offer Deadline") and that all offers must be open for acceptance until 5:00 pm PDT on Tuesday March 17, 2020. The Receiver is not obligated to accept the highest offer, nor any other offer, that may be received by the Offer Deadline. Furthermore, the Receiver may, at its sole discretion, either accept any offer prior to the March 13, 2020 Offer Deadline or extend the Offer Deadline beyond March 13, 2020.

Further information to the Court Ordered Sale. As this is not a foreclosure, offers need to be to the Receiver by Friday March 13th for their consideration. The Receiver expects to select one of the offers that is submitted by the deadline to work with based on price, ability to close, dates etc. and then apply to the court for approval to complete that transaction. Showing up at court is not the method that should be considered as other parties may not be informed of the timing and location of the court hearing and therefore miss the opportunity to submit an offer.

The enclosed information is intended as a guide only, and for discussion purposes.   RE/MAX Kelowna or its agents or the vendor accept no responsibility as to its accuracy and hereby advise all prospective purchasers to verify all information to their complete satisfaction.

The Vendor and RE/MAX Kelowna reserve the right to withdraw, amend, replace all or any part of this information at any time and undertake no obligation to provide prospective purchasers with access to any additional information. In all cases prospective purchasers should conduct their own investigations and analysis of the Property. Any sale of the Property will be subject to the terms of an Accepted Purchase and Sale Agreement, which will supersede all prior communications including this information package.

The Asking Price is $ 995,000

Price Includes about $ 40,000 of Liquor Inventory

Absolutely No Direct Contact with the Vendor

For Further Information or Appointment to View Contact:

LARRY BERISOFF

larry@syberrealty.com

RE/MAX Kelowna
100-1553 Harvey Avenue
Kelowna, BC
V1Y 6G1

PHONE Larry (250) 862-8100   FAX (250) 862-8100

www.syberrealty.com

RE/MAX Kelowna

Each office independently owned and operated.

More Information

Address: 130 & 156 Francois Lake Drive and 135 Park Street, Burns Lake B.C.

Land Size: 130 Francois Lake Drive – 3,650 Square Feet
135 Park Drive – 5,000 Square Feet
156 Francois Lake Drive – 10,000 Square Feet

2019 Property Taxes: $9,706.67 - Pub
$471.85 - Francois Lake Dr. Parking lot
<u>$593.56 - Park Drive parking lot</u>
$10,772.08

Zoning: C-2

Sewer: Municipal

Water: Municipal

Heat: Rooftop HVAC

Cooling: Rooftop HVAC

Hot Water: Natural Gas

Parking: On Site Parking

Building: Originally a warehouse, it was converted and built to its current use in 2005. It is wood frame with some steel on a slab. The roof is rubber membrane (sloped).

Pub: 69 Seats

Two walk-in coolers, one in the kitchen and one in the pub. A double door fridge and a walk-in freezer in the kitchen
The LRS is about 1,164 Square Feet (not professionally measured)

The following items are leased or on loan from suppliers and are not included in the sale price.
Dishwasher
Certain coffee- maker equipment
Certain Shaw equipment
Possibly other items – to be confirmed

Web Sites:
http://www.hellobc.com/burns-lake.aspx
http://office.burnslake.ca

BRITISH COLUMBIA

Liquor and Cannabis Regulation Branch

Licensee Retail Store Licence #195363

Expires on April 30, 2020

Establishment Name: **Grapevine Liquor Store**
Licence Name: **Grapevine Liquor Store**
Location Address: 156 Francois Lake Drive
BURNS LAKE, BC V0J 1E0

Issued to: 2073944 ALBERTA LTD. - (Receiver) Grant Thornton Ltd.

TERMS AND CONDITIONS

HOURS OF SALE

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Open	9:00 AM	9:00 AM	9:00 AM	9:00 AM	9:00 AM	9:00 AM	9:00 AM
Close	11:00 PM	11:00 PM	11:00 PM	11:00 PM	11:00 PM	11:00 PM	11:00 PM

- The terms and conditions to which this licence is subject include the terms and conditions contained in the licensee Terms and Conditions Handbook, which is available on the Liquor and Cannabis Regulation Branch website. The Terms and Conditions Handbook is amended from time to time.
- Packaged liquor may only be sold within the service area(s) outlined on the official plan, unless otherwise endorsed or approved by the LCRB.
- Subject to terms and conditions specified in the restriction or approval letter(s). Copy of restriction or approval letter(s) must be kept with current liquor licence.

YOUR CURRENT VALID LICENCE MUST BE PROMINENTLY DISPLAYED AT ALL TIMES. TAMPERING, ALTERING OR DEFACING THIS LICENCE IN ANY MANNER MAY RESULT IN THE LICENCE BEING CANCELLED.

Licence issued by the General Manager under the authority of the Liquor Control and Licensing Act.

Licence Printed: January 21, 2020

P0000093 L0000093

BRITISH COLUMBIA

Liquor and Cannabis Regulation Branch
Liquor Primary Licence #011081
Expires on July 31, 2020

Establishment Name: **Grapevine Pub & Bistro**
Licence Name: **Grapevine Pub & Bistro**
Location Address: 156 Francois Lake Drive
BURNS LAKE, BC V0J 1E0

Issued to: 2073944 ALBERTA LTD. - (Receiver) Grant Thornton Ltd.

TERMS AND CONDITIONS
HOURS OF SALE

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Open	10:00 AM	10:00 AM	10:00 AM	10:00 AM	11:00 AM	11:00 AM	11:00 AM
Close	Midnight	Midnight	Midnight	Midnight	1:00 AM	1:00 AM	Midnight

CAPACITY

Person01	69

- The terms and conditions to which this licence is subject include the terms and conditions contained in the licensee Terms and Conditions Handbook, which is available on the Liquor and Cannabis Regulation Branch website. The Terms and Conditions Handbook is amended from time to time.
- Liquor may only be sold, served and consumed within the service areas outlined on the official plan, unless otherwise endorsed or approved by the LCRB.
- Subject to terms and conditions specified in the restriction or approval letter(s). A copy of restriction or approval letter (s) to be kept with current liquor licence.
- Minors, other than professional entertainers, are not permitted within the licensed area(s) unless otherwise endorsed or approved by the LCLB.

YOUR CURRENT VALID LICENCE MUST BE PROMINENTLY DISPLAYED AT ALL TIMES. TAMPERING, ALTERING OR DEFACING THIS LICENCE IN ANY MANNER MAY RESULT IN THE LICENCE BEING CANCELLED.

Licence issued by the General Manager under the authority of the Liquor Control and Licensing Act.

Licence Printed: January 21, 2020

Zoning

9.2 Highway Commercial Zone (C2)

.1 Purpose:

The purpose of this zone is to designate sites for the development of business areas intended to serve vehicular traffic. The C2 zone will be reserved for those sites located adjacent to Highways 16 and 35, arterial and collector roadways in order to minimize the intrusion of vehicular traffic into residential areas and to promote the orderly flow of vehicular traffic using these sites.

.2 Principal Permitted Uses:

(a) amusement establishment, indoor and outdoor;
(b) animal care;
(c) assembly hall;
(d) automotive carwash;
(e) automotive and equipment repair shop;
(f) automotive and minor recreation vehicle sales and rental;
(g) business support services;
(h) catering food services;
(i) commercial and trade school,
(j) contractor services, limited;
(k) duplex, subject to subsection 9.2.11.2;
(l) eating and drinking establishment;
(m) equipment rentals;
(n) farmer's market;
(o) fast food outlet;
(p) financial services;
(q) fleet services;
(r) funeral services;
(s) gas bar;
(t) government services;
(u) hardware and home improvement store;
(v) health services;

(w) hotel;
(x) household repair services;
(y) impact utility services, minor;
(z) licensee retail store;
(aa) liquor primary;
(bb) motel;
(cc) office;
(dd) participant recreation services, indoor;
(ee) personal service establishment;
(ff) pet store;
(gg) private club;
(hh) public library and cultural exhibits;
(ii) recycling depot;
(jj) retail store, convenience;
(kk) secondhand store;
(ll) service station;
(mm) semi-detached dwelling, subject to subsection 9.2.11.2;
(nn) single detached dwelling, subject to subsection 9.2.11.2;
(oo) spectator entertainment establishment;
(pp) truck and mobile home sale and rental; and
(qq) warehouse sales.

.3 Accessory Permitted Uses:

(a) accessory buildings and structures;
(b) accessory business office; and
(c) residential use, combined with commercial, subject to subsection 9.2.11;

Regulations

.4 Minimum Lot Area:

(a) 464 m^2;
(b) despite Section 9.2.4(a) hotel or motel - 1,800 m^2;
(c) despite Section 9.2.4(a) gas bar - 1,200 m^2, gas bar in shopping centre - 1,000 m^2; and
(d) despite Section 9.2.4(a) service stations - 1,400 m^2.

.5 Minimum Lot Width:

(a) 15 m; and
(b) despite Section 9.2.5(a) hotel and motel - 30 m

.6 Minimum Setbacks to Lot Line:

(a) principal and accessory buildings and structures:

i. front yard – 6 m;
ii. interior side yard – 3 m;
iii. exterior side yard – 6 m; and
iv. rear yard – 3 m.

(b) despite Section 9.2.6(a) all hotel and motel buildings – 7.5 m from all lot lines; and

(c) despite Section 9.2.6(a), fuel pump islands - 4.5 m from all lot lines.

.7 Maximum Height:

(a) 12 m or up to 2 storeys; and

(b) despite Section 9.2.7(a), a hotel - 16.5 m or up to four storeys.

.8 Maximum Density:

(a) floor area ratio - 0.5; and

(b) despite Section 9.2.8(a), hotel - floor area ratio of 1.0.

.9 Maximum Lot Coverage: all buildings and structures - 55%.

.10 Off-street Parking and Loading: In accordance with Schedule 2 of this Bylaw.

.11 Residential Use in C2:

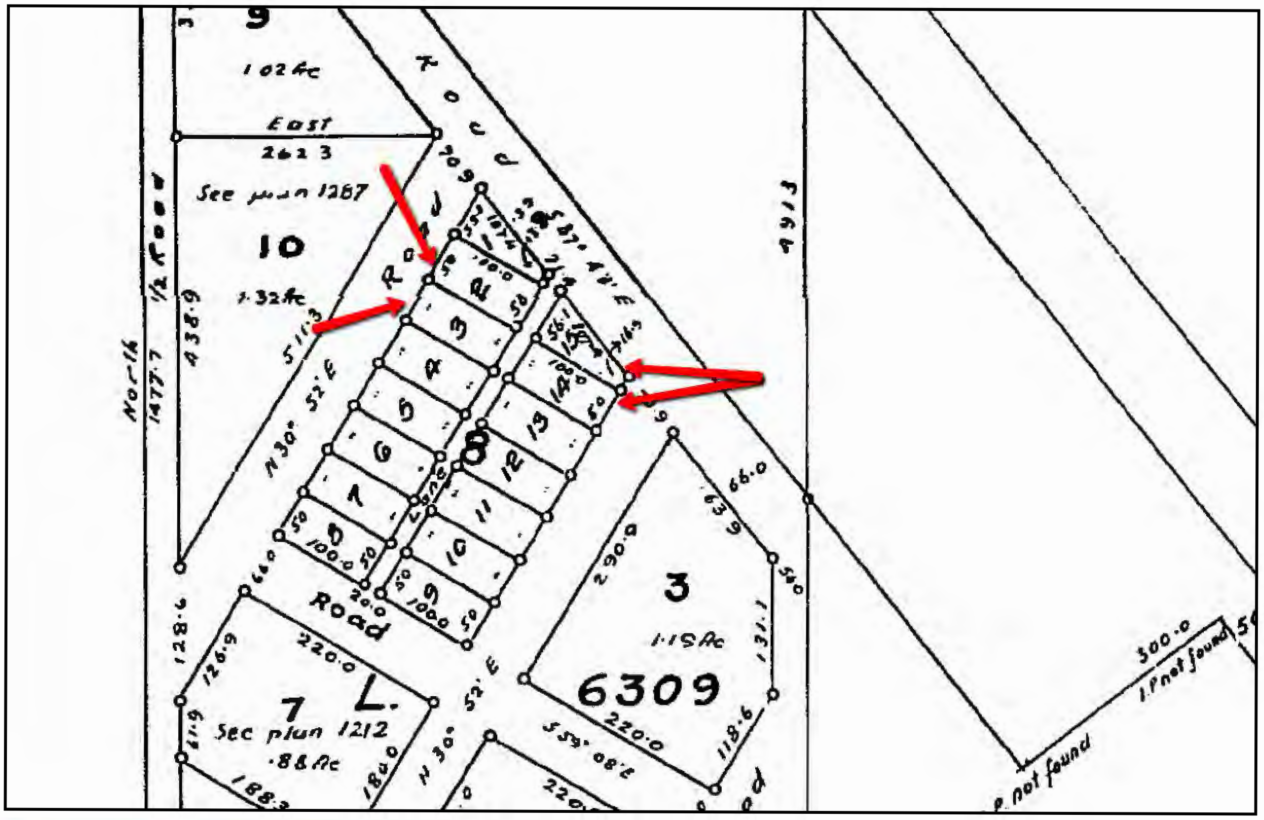
(a) single family, duplex and semi-detached residential use shall be permitted provided that the residential dwelling(s) shall not be a new purpose built structure; only the use of an existing building is permitted.

(b) shall be permitted in conjunction with a commercial use provided that the residential dwelling(s):

i. be contained in the same building as the permitted use except in the case of a motel;
ii. be located above or behind the permitted use;
iii. shall not exceed a density of 40 units per ha;
iv. have a floor area not less than 50 m^2;
v. provide access to the ground level from a separate access from the commercial or other permitted use; and
vi. provide amenity area of at least 7 m^2 per bachelor unit; 12 m^2 per one bedroom unit; and 18 m^2 per each two or more bedroom units.

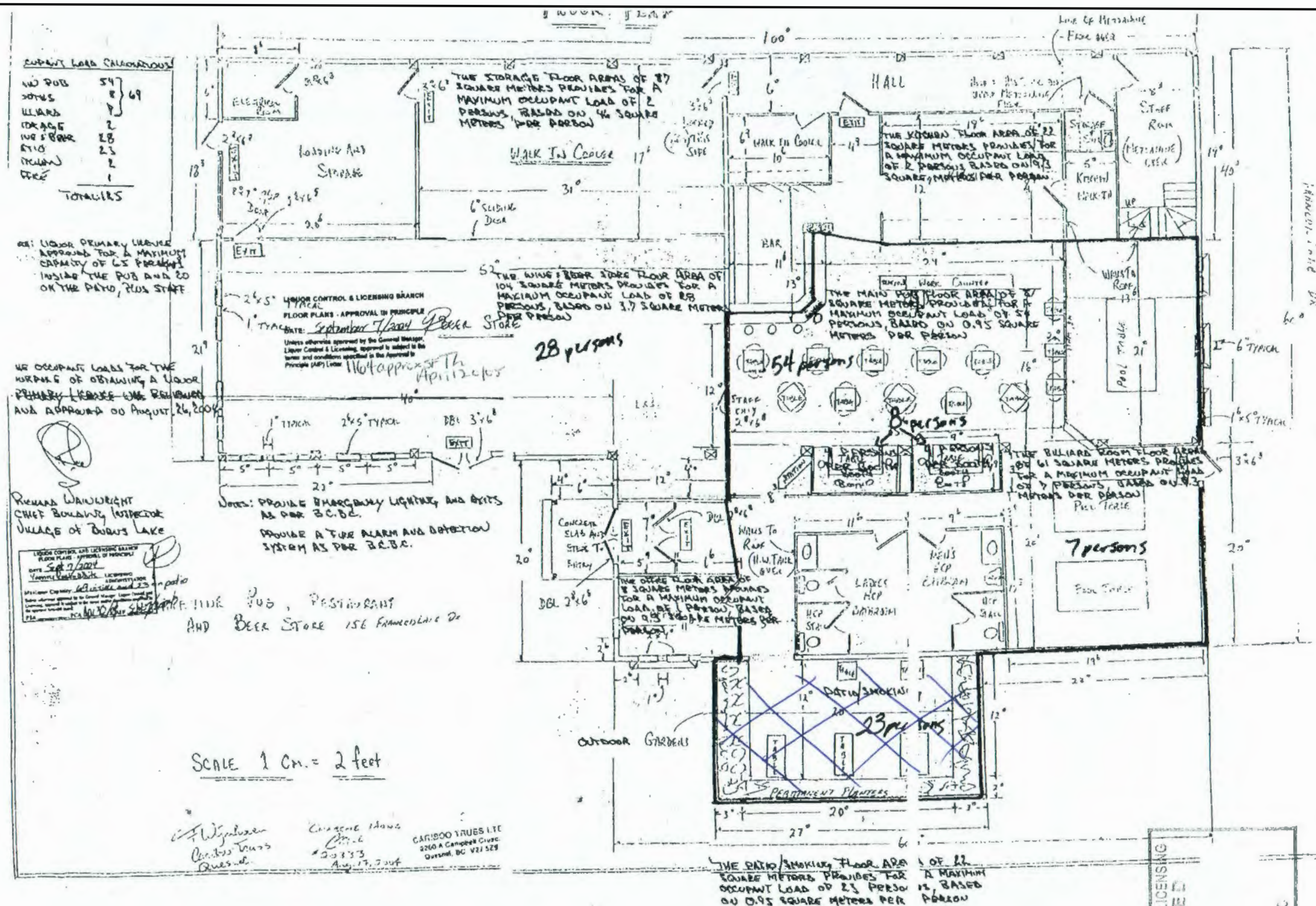
.12 General Regulations: in accordance with Section 3.0 of this Bylaw.

.13 Specific Use Regulations: in accordance with Section 4.0 of this Bylaw.


9
1.02 Ac
East
262.3
See plan 1287
10
1.32 Ac
438.9
3
1.15 Ac
6309
220.0
7
L.
.88 Ac
Road
300.0


Water St
Francois
156
Park St
Pioneer Way
Bay St
HWY-35
35
Holliday St

Pub & LRS
Parking Lot
156
Water St
Park St
Pioneer Way
Bay St
HWY 35
35
Holliday St
Francois Lake Dr
Water St



Floor Plan

Patio was not built and has been removed from floor plan.


Grapevine
PUB & BISTRO
LIQUOR
STORE


Grapevine
PUB & BISTRO


LIQUOR
STORE
PUB


LIQUOR
STORE
PUB


KEYSTONE LIGHT


Budweiser
Gift Certificates Available

Welcome to Burns Lake

Burns Lake is located in the heart of northern British Columbia, about 222 km west of Prince George on Highway 16. The village has a diverse population of 3,614 residents and serves a surrounding area of approximately 10,000 residents of the Regional District of Bulkley-Nechako. With two of the six local First Nations communities located within municipal boundaries, Burns Lake has a strong sense of culture and incredible local talents to showcase.

If you are looking for a friendly community with endless recreation, business, and tourism opportunities look no further than the Village of Burns Lake!

Surrounded by nature, there are numerous options for all recreational enthusiasts who call Burns Lake and area home, or make it their summer and winter vacation destination. Spirit Square is a community waterfront park complete with recreation and meeting areas for both residents and visitors. Spirit Square also offers use of FREE fitness stations, public docks, and a boat launch. A wide variety of hiking trails, canoeing and kayaking areas, and an abundance of lakes to fish or boat on are right outside your door. Burns Lake is also fortunate to have world class mountain bike trails, with more than 20km/12mi of downhill trails and 40km/25mi of cross-country trails, just 5 minutes from the Village centre. In fact, it has the first trails in Canada to be recognized by IMBA as a bronze level ride centre!

During the winter, Olympic quality cross-country skiing trails and facilities draw in competitors and recreational skiers from across the province. Snowshoe enthusiasts can follow in their tracks too. Additionally, Burns Lake is a snowmobiler's paradise, with vast wilderness trails near town.

Living amidst nature does not preclude Burns Lake from full access to healthcare facilities, schools, and post-secondary education. The local airport is a top notch destination for the recreational pilot.

The Northern Lights

YUKON TERRITORIES
N.W.T.
ALASKA
ALBERTA
LEGEND
Highway
Parks
Ferry Route
Major Centre
TOURISM REGIONS
Northern BC
Cariboo Chilcotin Coast
Thompson Okanagan
BC Rockies
Vancouver, Coast & Mountains
The Islands
Scale
Atlin
Cassiar
Dease Lake
Fort Nelson
Stewart
Fort St John
Hudson's Hope
Chetwynd
Dawson Creek
Tumbler Ridge
Grande Prairie
Mackenzie
The Hazeltons
Smithers
Terrace
Prince Rupert
Kitimat
Houston
Burns Lake
Fort St. James
Vanderhoof
PRINCE GEORGE
To Edmonton
McBride
Jasper
Quesnel
Wells
Barkerville
Valemount
Bella Coola
Anahim Lake
Williams Lake
100 Mile House
Clearwater
Little Fort
Kamloops
KAMLOOPS
Lillooet
Revelstoke
Golden
Banff
Radium Hot Springs
Salmon Arm
Vernon
KELOWNA
Merritt
Penticton
Osoyoos
Nelson
Castlegar
Cranbrook
Fernie
Kimberley
Creston
Whistler
Squamish
Powell River
Campbell River
Courtenay
Port Hardy
Port McNeill
Port Alberni
Tofino
Ucluelet
NANAIMO
VANCOUVER
Hope
VICTORIA
Sooke
Port Angeles
USA WASHINGTON
Yukon
Northwest Territories
Alaska
Alberta
Rockies
VANCOUVER
USA

IN THE MATTER OF THE RECEIVERSHIP OF
2073944 ALBERTA LTD.

RECEIVER'S FIRST REPORT TO COURT

Appendix D

Accepted Contract of Purchase and Sale – 1243997 B.C. Ltd.

BCREA British Columbia Real Estate Association

THE CANADIAN BAR ASSOCIATION British Columbia Branch

CONTRACT OF PURCHASE AND SALE

BROKERAGE: Sutton Group-Alliance R.E.S. DATE: 03/19/2020

ADDRESS: 201 - 5550 152 Street Surrey PC: V3S5J9 PHONE: (604) 961-9900

PREPARED BY: Baljinder Parmar Prec* MLS® NO:

SELLER: Grant Thornton Limited, Court-appointed Receiver of	BUYER: 1243997 B.C. LTD.
SELLER: 2073944 Alberta Ltd. dba Grapevine Pub & Bistro & Liquor Store	BUYER:
ADDRESS: (and not in its personal capacity)	ADDRESS: 1500 - 13450 102 AVE
Suite 1600, 333 Seymour Street	
Vancouver, BC PC: V6B 0A4	SURREY B.C. PC: V3T 5X3
PHONE: 604-687-2711	PHONE: C/O S.R. 6047243575
	OCCUPATION:

PROPERTY:

156 Francois Lake Drive

UNIT NO. ADDRESS OF PROPERTY

Burns Lake BC V0E 1E0

CITY/TOWN/MUNICIPALITY POSTAL CODE

008-765-821 008-765-880, 008-765-901, 010-173-897

PID OTHER PID(S)

Lot 2, Lot 3, Lot 15, Lot 14 Block 8 Plan PRP1180 District Lot 6309 Range 5 Land District 14

LEGAL DESCRIPTION

The Buyer agrees to purchase the Property from the Seller on the following terms and subject to the following conditions:

1. **PURCHASE PRICE:** The purchase price of the Property will be Nine Hundred Five Thousand DOLLARS $ 905,000.00 (Purchase Price)

2. **DEPOSIT:** A deposit of $ 100,000.00 which will form part of the Purchase Price, will be paid **within 24 hours of acceptance** unless agreed as follows:

All monies paid pursuant to this section (Deposit) will be paid in accordance with section 10 or by uncertified cheque except as otherwise set out in this section 2 and will be delivered in trust to Borden Ladner Gervais LLP, Counsel for the Seller. and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

INITIALS

3. **TERMS AND CONDITIONS:** The purchase and sale of the Property includes the following terms and is subject to the following conditions:
See attached Schedule "A"

Each condition, if so indicated is for the sole benefit of the party indicated. Unless each condition is waived or declared fulfilled by written notice given by the benefiting party to the other party on or before the date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

INITIALS

156 Francois Lake Drive Burns Lake BC V0E 1B0
PROPERTY ADDRESS

4. **COMPLETION:** The sale will be completed on April 30th, yr. 2020 (Completion Date) at the appropriate Land Title Office.

5. **POSSESSION:** The Buyer will have vacant possession of the Property at 1:00 p.m. on May 1, yr. 2020 (Possession Date) OR, subject to the following existing tenancies, if any:

6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of May 1st, yr. 2020 (Adjustment Date).

7. **INCLUDED ITEMS:** The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, INCLUDING:

BUT EXCLUDING:

8. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on March 16th yr. 2020

9. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies set out in Section 5, if any, and except as otherwise set out herein.

10. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, cash or Lawyer's/Notary's or real estate brokerage's trust cheque.

11. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.

11A. **SELLER'S PARTICULARS AND RESIDENCY:** The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (1) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); (2) declarations regarding the Speculation and Vacancy Tax for residential properties located in jurisdictions where such tax is imposed and the Vancouver Vacancy By-Law for residential properties located in the City of Vancouver; and (3) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under section 116 of the *Income Tax Act*.

INITIALS

11B. **GST CERTIFICATE:** If the transaction contemplated by this Contract is exempt from the payment of Goods and Services Tax ("GST"), the Seller shall execute and deliver to the Buyer on or before the Completion Date, an appropriate GST exemption certificate to relieve the parties of their obligations to pay, collect and remit GST in respect of the transaction. If the transaction contemplated by this Contract is not exempt from the payment of GST, the Seller and the Buyer shall execute and deliver to the other party on or before the Completion Date an appropriate GST certificate in respect of the transaction.

12. **TIME:** Time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreements to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions of Section 28 of the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.

13. **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").

14. **CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.

15. **COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.

16. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.

17. **PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.

18. **REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and the representations contained in the Property Disclosure Statement if incorporated into and forming part of this Contract, all of which will survive the completion of the sale.

19. **PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "Licensee(s)") described in Section 21, the real estate boards of which those Brokerages and Licensees are members and, if the Property is listed on a Multiple Listing Service®, the real estate board that operates the Multiple Listing Service®, of personal information about the Buyer and the Seller:

A. for all purposes consistent with the transaction contemplated herein:

B. if the Property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;

FC NW

INITIALS

C. for enforcing codes of professional conduct and ethics for members of real estate boards; and

D. for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled *Privacy Notice and Consent*.

The personal information provided by the Buyer and Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

20. **ASSIGNMENT OF REMUNERATION:** The Buyer and the Seller agree that the Seller's authorization and instruction set out in section 25(c) below is a confirmation of the equitable assignment by the Seller in the Listing Contract and is notice of the equitable assignment to anyone acting on behalf of the Buyer or Seller.

20A. **RESTRICTION ON ASSIGNMENT OF CONTRACT:** The Buyer and the Seller agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.

21. **AGENCY DISCLOSURE:** The Seller and the Buyer acknowledge and confirm as follows (initial appropriate box(es) and complete details as applicable):

NW
INITIALS

A. The Seller acknowledges having received, read and understood Real Estate Council of British Columbia (RECBC) form entitled *"Disclosure of Representation in Trading Services"* and hereby confirms that the Seller has an agency relationship with

Larry berisoff (*Designated Agent(s)/Licensee(s)*)

who is/are licensed in relation to Re/max Kelowna (*Brokerage*).

INITIALS

B. The Buyer acknowledges having received, read and understood RECBC form entitled *"Disclosure of Representation in Trading Services"* and hereby confirms that the Buyer has an agency relationship with

Bal-inder Parmar Prec* (*Designated Agent(s)/Licensee(s)*)

who is/are licensed in relation to Sutton Grou -Alliance R.E.S. (*Brokerage*).

INITIALS

C. The Seller and the Buyer each acknowledge having received, read and understood RECBC form entitled *"Disclosure of Risks Associated with Dual Agency"* and hereby confirm that they each consent to a dual agency relationship with

(*Designated Agent(s)/Licensee(s)*)

who is/are licensed in relation to (*Brokerage*).

having signed a dual agency agreement with such Designated Agent(s)/Licensee(s) dated

INITIALS

D. If only (A) has been completed, the Buyer acknowledges having received, read and understood RECBC form *"Disclosure of Risks to Unrepresented Parties"* from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.

INITIALS

E. If only (B) has been completed, the Seller acknowledges having received, read and understood RECBC form *"Disclosure of Risks to Unrepresented Parties"* from the Buyer's agent listed in (B) and hereby confirms that the Seller has no agency relationship.

NW
INITIALS

22. **ACCEPTANCE IRREVOCABLE** (Buyer and Seller): The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable, including without limitation, during the period prior to the date specified for the Buyer to either:
   A. fulfill or waive the terms and conditions herein contained; and/or
   B. exercise any option(s) herein contained.

23. **THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.**

24. **OFFER:** This offer, or counter-offer, will be open for acceptance until 11:59 o'clock p.m. on March 25, yr. 2020 (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

X	Authentisign [signature] 3/19/2020 7:20:07 PM PDT	SEAL 1243997 B.C. LTD.
WITNESS	BUYER	PRINT NAME
X		SEAL
WITNESS	BUYER	PRINT NAME

If the Buyer is an individual, the Buyer declares that they are a Canadian citizen or a permanent resident as defined in the *Immigration and Refugee Protection Act*.

Yes [HC] INITIALS No [ ] INITIALS

25. **ACCEPTANCE:** The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested forthwith after completion.

Seller's acceptance is dated ~~20~~ 23rd March, yr. 2020
NW [HC]

The Seller declares their residency:

RESIDENT OF CANADA [NW] INITIALS NON-RESIDENT OF CANADA [ ] INITIALS as defined under the *Income Tax Act*.

[signature]	[signature]	SEAL Grant Thornton Limited, Court-appointed Receiver of
WITNESS	SELLER	PRINT NAME
X		SEAL [illegible] Alberta Ltd. dba Grapevine Pub & Bistro & Liquor
WITNESS	SELLER	PRINT NAME

*PREC represents Personal Real Estate Corporation

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

Authentisign ID: 06A5F553-634C-4A53-A0DE-538B689C9C34

Authentisign ID: 80F86630-E0DD-421F-8993-228EB30C6B26

CONTRACT OF PURCHASE AND SALE
INFORMATION ABOUT THIS CONTRACT

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. READ IT CAREFULLY. The parties should ensure that everything that is agreed to is in writing.

2. **DEPOSIT(S):** Section 28 of the *Real Estate Services Act* requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove a subject clause, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the agreement to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.

3. **COMPLETION:** (Section 4) Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the Purchase Price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:

   (a) The Buyer pays the Purchase Price or down payment in trust to the Buyer's Lawyer or Notary (who should advise the Buyer of the exact amount required) several days before the Completion Date and the Buyer signs the documents.

   (b) The Buyer's Lawyer or Notary prepares the documents and forwards them for signature to the Seller's Lawyer or Notary who returns the documents to the Buyer's Lawyer or Notary.

   (c) The Buyer's Lawyer or Notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.

   (d) The Buyer's Lawyer or Notary releases the sale proceeds at the Buyer's Lawyer's or Notary's office.

   Since the Seller is entitled to the Seller's proceeds on the Completion Date, and since the sequence described above takes a day or more, it is strongly recommended that the Buyer deposits the money and the signed documents AT LEAST TWO DAYS before the Completion Date, or at the request of the Conveyancer, and that the Seller delivers the signed transfer documents no later than the morning of the day before the Completion Date.

   While it is possible to have a Saturday Completion Date using the Land Title Office's Electronic Filing System, parties are strongly encouraged NOT to schedule a Saturday Completion Date as it will restrict their access to fewer lawyers or notaries who operate on Saturdays; lenders will generally not fund new mortgages on Saturdays; lenders with existing mortgages may not accept payouts on Saturdays; and other offices necessary as part of the closing process may not be open.

4. **POSSESSION:** (Section 5) the Buyer should make arrangements through the real estate licensees for obtaining possession. The Seller will not generally let the Buyer move in before the Seller has actually received the sale proceeds. Where residential tenants are involved, Buyers and Sellers should consult the *Residential Tenancy Act.*

5. **TITLE:** (Section 9) It is up to the Buyer to satisfy the Buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the Property and any encumbrances which are staying on title before becoming legally bound. It is up to the Seller to specify in the Contract if there are any encumbrances, other than those listed in Section 9, which are staying on title before becoming legally bound. If you as the Buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the seller are allowing the Buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.

6. **CUSTOMARY COSTS:** (Section 15) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

   Costs to be Borne by the Seller
   Lawyer or Notary Fees and Expenses:
   - attending to execution documents.
   Costs of clearing title, including:- investigating title,
   - discharge fees charged by encumbrance holders,
   - prepayment penalties.
   Real Estate Commission (plus GST).
   Goods and Services Tax (if applicable).

   Costs to be Borne by the Buyer
   Lawyer or Notary Fees and Expenses:
   - searching title,
   - drafting documents.
   Land Title Registration fees.
   Survey Certificate (if required).
   Costs of Mortgage, including:
   - mortgage company's Lawyer/Notary.
   - appraisal (if applicable)
   - Land Title Registration fees.
   Fire Insurance Premium.
   Sales Tax (if applicable).
   Property Transfer Tax.
   Goods and Services Tax (if applicable).

   [M]

   In addition to the above costs there maybe financial adjustments between the Seller and the Buyer pursuant to Section 6 and additional taxes payable by one or more of the parties in respect of the Property or the transaction contemplated hereby (eg. empty home tax and speculation tax).

7. **CLOSING MATTERS:** The closing documents referred to in Sections 11, 11A and 11B of this Contract will, in most cases, be prepared by the Buyer's Lawyer or Notary and provided to the Seller's Lawyer or Notary for review and approval. Once settled, the lawyers/notaries will arrange for execution by the parties and delivery on or prior to the Completion Date. The matters addressed in the closing documents referred to in Sections 11A and 11B will assist the lawyers/notaries as they finalize and attend to various closing matters arising in connection with the purchase and sale contemplated by this Contract.

8. **RISK:** (Section 16) The Buyer should arrange for insurance to be effective as of 12:01 am the Completion Date.

9. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold residences. If your transaction involves: a house or other building under construction, a lease, a business, an assignment other special circumstances (including the acquisition of land situated on a First Nations reserve)

   Additional provisions, not contained in this form, may be needed, and professional advice should be obtained. A Property Disclosure Statement completed by the Seller may be available.

10. **REALTOR® Code, Article 11:** A REALTOR® shall not buy or sell, or attempt to buy or sell an interest in property either directly or indirectly for himself or herself, any member of his or her immediate Family, or any entity in which the REALTOR® has a financial interest, without making the REALTOR®'s position known to the buyer or seller in writing. **Real Estate Council Rules 5-9:** If a licensee acquires, directly or indirectly, or disposes of real estate, or if the licensee assists an associate in acquiring, directly or indirectly, or disposing of real estate, the licensee must make a disclosure in writing to the opposite party before entering into any agreement for the acquisition or disposition of the real estate.

11. **RESIDENCY:** When completing their residency and citizenship status, the Buyer and the Seller should confirm their residency and citizenship status and the tax implications thereof with their Lawyer/Accountant.

12. **AGENCY DISCLOSURE:** (Section 21) all Designated Agents/Licensees with whom the Seller or the Buyer has an agency relationship should be listed. If additional space is required, list the additional Designated Agents/Licensees on an addendum to the Contract of Purchase and Sale.

CREA WEBForms®

MW

SCHEDULE "A"
(Court Approved Sale)

DATE: March 19, 2020

CONTRACT OF PURCHASE AND SALE RE the lands and premises having the following parcel identifiers: 008-765-821, 008-765-880, 008-765-901 and 010-173-897 (the "Lands")

The following terms replace, modify and where applicable override the terms of the attached Contract of Purchase and Sale. Where a conflict arises between the terms of this Schedule and the Contract of Purchase and Sale, the terms of this Schedule shall apply. Notwithstanding any term or condition to this Contract of Purchase and Sale, whether contained herein or otherwise, on accepting this Contract of Purchase and Sale the parties hereto agree as follows:

1. All references to Vendor/Seller in the Contract of Purchase and Sale and in this Schedule mean Grant Thornton Limited, in its capacity as court-appointed Receiver (the "**Receiver**") of the assets, undertakings and property of 2073944 Alberta Ltd. doing business as the Grapevine Pub & Bistro and Liquor Store Ltd. (the "**Debtor**") and the Lands, pursuant to the Court Order made December 16, 2019 in Supreme Court of British Columbia (the "**Court**"), Action No. SML-S-S-1956999, and not in its personal or corporate capacity as vendor or owner.
2. The Receiver agrees, subject to the other terms of this Contract of Purchase and Sale, to present this contract of Purchase and Sale to Court for approval and in so doing is not contractually or otherwise liable to any party in any way.
3. The Buyer agrees that it accepts the Lands "as is, where is" as of the Possession Date and saves the Receiver harmless from all claims resulting from or relating to the age, fitness, condition, zoning, lawful use, environmental condition or circumstances and location of the Lands, and agrees to accept the Lands subject to any outstanding work orders or notices or infractions as to the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreement and easements.
4. The Buyer acknowledges and agrees that the Receiver makes no representations or warranties whatsoever with respect to the Lands. The Buyer acknowledges and agrees that he has relied entirely upon his own inspection and investigation with respect to quantity, quality and value of the Lands.
5. With respect to environmental matters, and without limiting the generality of the foregoing, the Buyer agrees that he is responsible to investigate the environmental condition of the Lands to his satisfaction and that he is responsible to satisfy himself, and is relying on his own investigations to verify that the level of Contaminants, as hereinafter defined, on or migrating to or from the Lands is satisfactory to the Buyer and the environmental condition of the Lands is otherwise acceptable. Contaminants includes, without limitation, any contaminant, pollutant, underground or aboveground tank, asbestos materials, urea formaldehyde, deleterious substance, dangerous substance or good, hazardous, corrosive or toxic substance, special waste, waste or any other substance which is now or hereafter regulated under any laws, regulations, bylaws, orders or other lawful requirements of any governmental authority having jurisdiction over the Lands.
6. The assets to be purchased under the Contract of Purchase and Sale include all licences used in connection with the operation of the licensed retail liquor store known as the "Grapevine Liquor Store" and the licensed public house known as the "Grapevine Pub & Bistro" from the premises located at 156 Francois Lake Drive, Burns Lake, B.C. (the "**Business**"), including, without limitation, (i) the Licensee Retail Store Licence issued to the Debtor from the Liquor and Cannabis Regulation Branch assigned to the licensed retail liquor store "Grapevine Liquor Store" and having license number 195363 (the "**Liquor Retail Licence**") and (ii) the Liquor Primary Licence from the Liquor and Cannabis Regulation Branch assigned to the licensed public house "Grapevine Pub & Bistro" and having licence number 011081 (the "**Liquor Serving Licence**", and together with the Liquor Retail Licence, the "**Liquor Licences**").

7. The assets to be purchased under the Contract of Purchase and Sale include all of the Debtor's personal property, equipment, inventory and other assets on the Lands at the Possession Date, intellectual property or goodwill and the Liquor Licenses (collectively, the "**Other Assets**"). For greater clarity, inventory includes items located at the Lands on the Possession Date which are unopened and in good and saleable condition including without limitation, deposits, goods, merchandise and stock-in-trade, but not any agreements to purchase future inventory.

8. The Buyer acknowledges and agrees that the Receiver makes no representations or warranties as to ownership, state of repair or condition of the Other Assets. The Buyer acknowledges and agrees that he has relied entirely upon his own inspection and investigation with respect to the quantity, quality and value of the Other Assets.

9. The Buyer acknowledges and agrees that the Buyer bears the ultimate responsibility of obtaining the the approval by the Liquor and Cannabis Regulation Branch for the transfer of the Liquor Licences to the Buyer (the "**Consent**") and that the Receiver does not consent to the continued operation of the Business under the authority of the existing Liquor Licences until the approval and delivery by the Liquor and Cannabis Regulation Branch of the new Liquor Licences. The Receiver agrees that the Receiver shall deliver to the Buyer, at the date of closing, an executed Liquor and Cannabis Regulation Branch LCRB001C in order that the Buyer may make application for the Consent, provided that (i) neither the Receiver nor the Debtor shall have any responsibility for any liabilities or obligations arising from, under or in connection with obtaining the Consent; and (ii) the Buyer shall bear all risk of loss or damage to the Business arising from, under in connection with the Buyer's failure, if any, to obtain such Consent, including but not limited to loss of opportunity or business interruption.

10. The Buyer acknowledges and agrees that there will be no adjustments, including but not limited to adjustments for rents or security deposits, made to the purchase price on account of any tenancies assumed by the Buyer.

11. The Receiver is not and will not be liable to the Buyer nor to anyone claiming by, through or under the Buyer for any damages, costs or expenses for damage caused to the Lands by the registered owner of the Lands or his tenants, guests, assigns, agents or by persons unknown.

12. This Contract of Purchase and Sale is subject to approval by the Court, with the real estate commission in respect of this Contract of Purchase and Sale to be paid only if the sale completes pursuant to an order of the Court in the Proceedings. This condition is for the sole benefit of the Receiver.

13. The Buyer acknowledges and agrees that other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this Contract of Purchase and Sale and such prospective purchasers may make competing offers which may be approved by the Court. The Receiver may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Lands. The Receiver gives no undertaking to advocate the acceptance of this offer. To protect his interest in purchasing the Lands, the Buyer acknowledges and agrees that he should attend at the Court hearing in person or by agent and be prepared there to make such amended or increased offer to purchase the Lands as the Court may permit or direct.

14. This Contract of Purchase and Sale may be terminated at the Receiver's sole option if at any time prior to Court approval:

    a. the Court varies or vacates the receivership order to remove or impede the Receiver's ability to market the Lands for sale;

    b. the property is redeemed by the mortgagor or any respondent, through private sale or otherwise, prior to court approval of a sale of the Lands; or

    c. the Receiver determines it is inadvisable to present this Contract of Purchase and Sale to the Court and in any such event the Receiver shall have no further obligations or liability to the Buyer under this Contract of Purchase and Sale or otherwise. This condition is for the sole benefit of the Receiver.

15. The Buyer acknowledges and agrees that he is purchasing title in the Lands free and clear of all encumbrances of the parties to the proceedings concerning the Lands brought by Royal Bank of Canada in the Supreme Court of British Columbia in accordance with such vesting order as may be made in the said proceedings except: subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties contained in the original grant or contained in any other grant or disposition from the Crown registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies, if any, and except as otherwise set out herein.
16. The Buyer acknowledges and agrees that time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Receiver may at its option either terminate or reaffirm this Contract, and in either event the amount paid by the Buyer, including without limitation the deposit will be absolutely forfeited to the Receiver on account of damages, and not in substitution therefore, without prejudice to the Receiver's other remedies.
17. No property condition disclosure statement concerning the Lands forms part of this Contract of Purchase and Sale whether or not such a statement is attached to it.
18. The Purchase Price does not include Goods and Services Tax, if any, which shall be payable by the Buyer.
19. The Receiver may, at its sole discretion, extend the Completion Date by up to 10 days.
20. If the Buyer fails or refuses to complete the purchase and sale herein contemplated after all the Buyer's conditions have been satisfied or waived, the Deposit together with accrued interest thereon shall be forfeited to the Receiver as liquidated damages as a genuine pre-estimate of its damages, without prejudice to any other rights and remedies which the Receiver may have at law or in equity against the Buyer. In accordance with s. 30(1)(g) and 30(2)(b) of the *Real Estate Services Act*, the Buyer and Receiver hereby agree to the release of the Deposit and accrued interest thereon to the Receiver, and the Buyer hereby instructs the party holding the Deposit to so release the Deposit together with accrued interest thereon to the Receiver, upon written demand from the Receiver or its counsel confirming that the Buyer has failed or refused to complete the purchase and sale herein contemplated despite the Buyer's conditions having been satisfied or waived.
21. All funds payable in connection with this Contract of Purchase and Sale will be by certified cheque, bank draft, cash or certified Lawyer's/Notary's trust cheque, and shall be delivered by prepaid courier to the solicitor acting for the Receiver.

Witness	Authentisign 3/1/2020 7:20:17 PM PDT Buyer
Witness	Buyer
Witness	Grant Thornton Limited, Receiver of, *inter alia*, 2073944 Alberta Ltd., including the Lands as defined herein (and not in its personal capacity)