

Victoria

29-Dec-25

REGISTRY

SCS approved

No. VIC-S-H-247963
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BJK HOLDINGS LTD.

PETITIONER

AND:

1270858 B.C. LTD.
TLA GROUP OF HOLDING COMPANIES INC.
CHRISTOPHER BRADLEY
TROY DAVID GRANT
STERLING LIVING LIMITED PARTNERSHIP
TRI SKYEVUE DEVELOPMENT GROUP LIMITED PARTNERSHIP
ADDY (815 & 824 SELKIRK AVE.) CORP.
TRI-STERLING DEVELOPMENTS LIMITED PARTNERSHIP
COBRAFER CONSTRUCTION LTD.
6 MILES CONTRACTING LTD.
FACTUM CORP.

RESPONDENTS

NOTICE OF APPLICATION

Name of applicant: McEown and Associates Ltd., in its capacity as receiver and manager of 1270858 B.C. Ltd.

To: The parties on the Service List attached as **Schedule "A"**

TAKE NOTICE that an application will be made by the applicant to the Honourable Justice Veenstra at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on the 9th day of January, 2026, at 9:00 a.m., for the order(s) set out in Part 1 below.

The applicant estimates that the application will take 40 minutes.

☐ This matter is within the jurisdiction of an associate judge.

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

Part 1: ORDER(S) SOUGHT

1. An Order substantially in the form attached hereto as **Schedule “B”** (the **“Final Distribution and Discharge Order”**) including the following relief and directions:
 - a. approving the actions and conduct of McEown & Associates Ltd. (the **“Receiver”**) in its capacity as receiver and manager of 1270858 B.C. Ltd. (the **“Company”**);
 - b. authorizing and directing the Receiver to distribute, release and deliver the balance of the funds realized in the course of the administration of the receivership as proposed in the Receiver’s Third Report dated December 12th, 2025 (the **“Third Report”**), after payment of its accounts and the accounts of its legal counsel, to pay the balance of the funds realized in the course of the receivership to BJK Holdings Ltd. (**“BJK Holdings”**) to partially pay out the balance of the Company’s secured obligations.
 - c. authorizing the Receiver to assign all of the Company’s right, title, and interest in:
 - i. the Cobrafer Contract (as hereinafter defined);
 - ii. the Sierra Lane Contracts (as hereinafter defined); and
 - iii. security deposits posted by the Company with the Town of View Royal

to BJK Holdings Ltd.
 - d. summarily approving the Receiver’s fees and disbursements (and those of its legal counsel) as set out in the Third Report, including estimates to conclude the receivership;
 - e. discharging the Receiver provided that notwithstanding its discharge herein:
 - i. the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and
 - ii. the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections, and stays of proceedings in its capacity as Receiver; and

- f. reserving leave for the Receiver to apply to this or any court or administrative body for advice, assistance and directions as may be necessary to carry out the terms of the order.
2. Such further and other relief as counsel may advise and this Honourable Court may deem just.

Part 2: FACTUAL BASIS

Background

3. By Order made November 8, 2024 (the “**Receivership Order**”), McEown and Associates Ltd. was appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and property (the “**Property**”) of 1270858 B.C. Ltd. (the “**Company**”).
4. The application appointing the Receiver was on notice to all parties with charges registered against title to the Company’s property at the time of the application including:
 - a. Addy (815 & 824 Selkirk Ave.) Corp.;
 - b. Tri-Sterling Developments Limited Partnership;
 - c. Factum Corp.;
 - d. Cobrafer Construction Ltd.; and
 - e. 6 Mile Island Contracting Limited.
5. As of the date of the Receivership Order, the Company was in the process of building and marketing a 37-unit residential strata development located at 244 Island Highway, Victoria, BC (the “**Project**”). The Company has no significant assets apart from the Project.
6. The Receiver determined that the value realized from the Property would be maximized by completing construction of the Project prior to any sale. Under the management of the Receiver, construction of the Project was completed on or about June 23, 2025.
7. Completion of the construction was funded by BJK Holdings with the advances secured by way of a Receiver’s Borrowing Charge as provided for in the Receivership Order.

8. On September 16, 2025, Justice Veenstra made Orders approving:
 - a. a sale of the Project to His Majesty the King in Right of Canada as represented by the Minister of National Defence, for a purchase price of \$23,370,000 (the “**Sale Transaction**”); and
 - b. an interim distribution of \$22,000,000 to the Company’s senior secured creditor, BJK Holdings (the “**Interim Distribution**”).
9. On October 16, 2025, the Sale Transaction completed and the Receiver received the sum of \$23,374,752.61, representing the net sale proceeds of the Sale Transaction.
10. After receiving the sale proceeds the Receiver attended to payment of real estate commission for the Sale Transaction (authorized by the Court) and the Interim Distribution.
11. As of December 10, 2025, the Receiver holds \$867,221.01 in trust (the “**Remaining Proceeds**”).

Secured Creditor

12. As at the date of receivership and the completion of the Sale Transaction, BJK Holdings was the senior secured creditor of the Company, with the following security registrations:
 - a. a first mortgage and assignment of rents registered on title to the Project in the Victoria Land Title Office under registration numbers CB804318 and CB804319, respectively (the “**BJK Mortgage**”), registered on August 3, 2023; and
 - b. a general security agreement registered against all present and after-acquired personal property of the Company registered in the Personal Property Registry under Base Registration Number 602041P, registered on June 14, 2023

(the “**Security Registrations**”).
13. The Receiver reported to the Court and confirmed its view that BJK Holdings had a first priority security interest in the Company’s assets.
14. BJK Holdings has also funded the receivership through Receiver’s Borrowing Certificates secured by the Receiver’s Borrowing Charge which, in accordance

with the terms of the Receivership Order, has priority over all other security other than the Receiver's Charge (which secures payment of the fees and disbursements of the Receiver and its legal counsel).

15. Following completion of the Sale Transaction the Receiver made the Interim Distribution to BJK Holdings, which was applied firstly to repay the principal due to BJK Holdings pursuant to the Receiver's Borrowing Certificates in the amount of \$4,975,819.58 plus interest of approximately \$600,000, and secondly in payment towards the Company's secured debt to BJK Holdings.
16. Following the Interim Distribution, the Company continues to be indebted to BJK Holdings for a sum of approximately \$14 million, which sum is secured by the Security Registrations.
17. In accordance with the Order made September 16, 2025, the Sale Proceeds were held back to deal with any claims against the Company or the Project which may rank in priority to the Receiver's Borrowing Charge and / or the Security Registrations.
18. As discussed in greater detail below, the Receiver has requested information from other creditors which have asserted claims against the Company and / or the Project. The Receiver has reviewed the information provided by those parties and is of the view that BJK Holdings' debt has priority over those potential claims.

Other Claims

19. The Vesting Order approving the Sale Transaction provides that, for the purposes of determining the nature and priority of claims against the Project, the sale proceeds shall stand in place of the Project with the same priority as immediately prior to the sale.
20. The following sets out the holders of charges registered against the Project as of the date of the Sale Transaction, all of which charges were registered after the BJK Mortgage:

| Charge Holder | Charge | Registration Date | Registration Number | Amount |
|--|-----------------------------------|-------------------|---------------------|--------------|
| ADDY (815 & 824 SELKIRK AVE.) CORP. TRI-STERLING DEVELOPMENTS LIMITED PARTNERSHIP | Certificate of Pending Litigation | April 18, 2024 | CB1267832 | Unknown |
| COBRAFER CONSTRUCTION LTD. | Claim of Builders Lien | May 9, 2024 | CB1305343 | \$108,671.20 |
| 6 MILE ISLAND CONTRACTING LTD. | Claim of Builders Lien | May 15, 2024 | BB3100841 | \$108,018.75 |
| FACTUM CORP. | Certificate of Pending Litigation | May 24, 2024 | CB1331891 | Unknown |
| SIMCO DRYWALL LTD. | Claim of Builders Lien | December 17, 2024 | WX2194448 | \$61,171.19 |

Certificates of Pending Litigation

21. On April 18, 2024, Addy (815 & 824 Selkirk Ave.) Corp. (“**Addy**”) and Tri-Sterling Developments Limited Partnership (“**Tri-Sterling**”) registered a Certificate of Pending Litigation (CPL) on title to the Project. Addy and Tri-Sterling allege that investment funds which were intended to be invested in a different project were misappropriated and diverted to acquire, preserve, improve and maintain the Project, among other allegations.
22. On May 24, 2024, Factum Corp. (“**Factum**”) registered a CPL on title to the Project. Factum alleges that Factum invested funds controlled by the TLA Group of Holdings Companies Inc. for the purpose of developing a different property, which funds were misappropriated and diverted in order to construct the Project.
23. The CPL holders are respondents in these proceedings and are on the Service List. The CPL holders have been served with all application materials in these

proceedings, but have not filed any response materials or asserted a priority claim against the Project or Company.

24. Paragraph 23 of the Receivership Order provides that the Receiver's Borrowing Charge ranks in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any persons, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4), and 81.6(2) of the *Bankruptcy and Insolvency Act*.
25. Pursuant to section 29 of the *Land Title Act*, the priority of charges on title to the Project are based on the date of registration. Pursuant to section 31 of the *Land Title Act*, if a CPL holder's claim is subsequently established by a judgment or order, the CPL holder is entitled to claim priority over a charge which is registered after the date of registration of the CPL.
26. The Receiver is of the view that the claims underlying the CPLs registered by Addy, Tri-Sterling, and Factum (if established) would rank subsequent in priority to the Receiver's Borrowing Charge and BJK Mortgage, which was registered on title prior to registration of the CPLs.

Claims of Builders Lien

(i) Cobrafer

27. On May 9, 2024, Cobrafer Constructions Ltd. ("**Cobrafer**") registered a Claim of Builders Lien (CBL) against the Project in the amount of \$108,671.20 due on May 6, 2024.
28. The Receiver is of the view that the Cobrafer CBL ranks in priority subsequent to the Company's indebtedness to BJK Holdings pursuant to the Receiver's Borrowing Charge and the BJK Mortgage, given the timing of registration of the respective charges on title to the Project. The BJK Mortgage was registered on August 3, 2023; the Cobrafer CBL was registered on May 9, 2024.
29. The Receiver has considered whether Cobrafer may have a priority claim over a portion of the indebtedness secured by the BJK Mortgage, by reason of ss. 32(1) and (2) of the *Builders Lien Act* ("**BLA**"), which provide:

Priority of secured lender

32 (1) Subject to subsection (2), the amount secured in good faith by a registered mortgage as either a direct or contingent liability of the mortgagor has priority over the amount secured by a claim of lien.

(2) Despite subsection (1), an advance by a mortgagee that results in an increase in the direct or contingent liability of a mortgagor, or both, under a registered mortgage occurring after the time a claim of lien is filed ranks in priority after the amount secured by that claim of lien.

30. As of May 9, 2024 (the date of registration of the Cobrafer CBL), the principal and interest due and owing by the Company to BJK Holdings secured by the BJK Mortgage was \$20,138,802.40.
31. BJK Holdings continued to advance funds to the Company under the BJK Mortgage after registration of the Cobrafer CBL on May 9, 2024. The Receiver is of the view that any such subsequent advances may rank in priority after the amount secured by the Cobrafer CBL, as a result of s. 32(2) of the *BLA*.
32. However, the funds realized by the Receiver will be insufficient to pay the indebtedness secured by the Receiver's Borrowing Charge (in the amount of \$4,975,819.58 plus interest) and the indebtedness under the BJK Mortgage as of May 9, 2024, which totals \$20,138,802.40. Therefore, there are insufficient funds to pay any potential priority claim of Cobrafer pursuant to s. 32(2) of the *BLA*.
33. On August 29, 2025, counsel for the Receiver emailed contacted counsel for Cobrafer to confirm the amount of Cobrafer's claim, to and inquire whether Cobrafer was asserting a priority claim with respect to the Company / Project.
34. On September 28, 2025, counsel for Cobrafer confirmed that the amount of the claim against the Company was \$108,671.20, and that it was asserting a priority trust claim with respect to the Sale Proceeds, pursuant to s. 10(1) of the *BLA* and the principles elaborated by Mr. Justice Grauer in *0409725 B.C. Ltd. (Bankruptcy of)*, 2014 BCSC 1196, 2015 BCSC 561, and 2015 BCSC 1221.
35. Subsection 10(1) of the *BLA* provides that money received by a contractor or subcontractor on account of the price of the contract or subcontract constitutes a trust fund for the benefit of persons engaged in connection with the improvement, and the contractor or subcontractor is the trustee of the fund.
36. In *0409725 B.C. Ltd. (Bankruptcy of)*, Mr. Justice Grauer confirmed that the statutory trust arising under the *BLA* was capable of meeting the common law requirements for a trust, and thus being exempt from inclusion in the property of the bankrupt company under section 67(1) of the *BIA*. In that case, the initial cash balance of the company on bankruptcy was "money received by a contractor or subcontractor on account of the price of the contract or subcontract" (2015 BCSC

561, para. 28). While the funds paid by different owners were co-mingled, they were not mingled with funds from other sources that would not be subject to a *BLA* trust (para. 29).

37. The Court further held that where the trustee acts in breach of trust in the mingling and spending of trust funds and non-trust funds, he is deemed to have spent his own money first, and trust money last.
38. In the present case, the Receiver determined that the Company failed to maintain a 10% holdback for its contract with Cobrafer pursuant to s. 4 of the *BLA*. The Receiver was unable to seize any funds from operating banks accounts from the Company, apart from approximately \$168,000 which were GST refunds returned to the Company.
39. The Receiver is of the view that if holdback funds had been retained by the Company pursuant to the *BLA*, and if those funds came into possession of the Receiver, they may have been impressed with a trust in favour of the builders lien claimants pursuant to s. 10(1) of the *BLA*.
40. However, in the Receiver's opinion the Remaining Proceeds are not impressed with a *BLA* trust in favour of Cobrafer (or other builders lien claimants) because:
 - a. the Company failed to retain holdback funds for its contracts with trade contractors;
 - b. the Receiver did not take possession of any cash from operating accounts of the Company (apart from GST refunds) which could potentially be subject to a *BLA* trust claim; and
 - c. the Remaining Proceeds are not "money received by a contractor or subcontractor on account of the price of the contract or subcontract" which would be captured by the statutory trust created by s. 10(1) of the *BLA*.

(ii) 6 Mile

41. On May 15, 2024, 6 Mile Island Contracting Ltd. ("**6 Mile**") registered a CBL against the Project in the amount of \$108,018.75 due on April 30, 2024. It is a respondent in these proceedings and notwithstanding it not having taken any steps (or filed any response materials), it has been served with all filed materials in these proceedings including this application.

42. On September 2, 2025, counsel for the Receiver wrote to 6 Mile to inquire whether it continued to assert a claim against the Company or Project for unpaid work and / or materials supplied, and if so, whether it asserted a priority claim ahead of the BJK Mortgage.
 43. As of the date of this notice of application, 6 Mile has not responded to the Receiver's inquiries. However, counsel for Cobrafer has advised the Receiver that:
 - a. 6 Mile was a sub-contractor to Cobrafer;
 - b. the CBL registered by Cobrafer encompassed the full amount allegedly owing by Cobrafer to 6 Mile; and
 - c. the full amount owing by Cobrafer to 6 Mile under the 6 Mile CBL was subsequently settled between them.
 44. Based on the foregoing, the Receiver understands that 6 Mile does not currently assert any claim against the Remaining Proceeds. In any event, the Receiver is of the view that any such claim would rank in priority subsequent to BJK Holdings pursuant to the Receiver's Borrowing Charge and the BJK Mortgage as of the date of the lien registration, for the reasons set out above.
- (iii) Simco Drywall
45. On December 17, 2024, Simco Drywall Ltd. ("**Simco Drywall**") registered a CBL against the Project for the sum of \$61,171.19 due on November 29, 2024. It was not initially a respondent to these proceedings but has been served materials since September 2, 2025.
 46. On September 2, 2025, counsel for the Receiver wrote to Simco Drywall to inquire whether they continued to assert a claim against the Company or Project for unpaid work and / or materials supplied, and if so, whether they asserted a priority claim ahead of the BJK Mortgage.
 47. Simco Drywall subsequently retained legal counsel. On October 17, 2025, counsel for the Receiver wrote to counsel for Simco Drywall to follow up on its inquiries regarding Simco Drywall's claim, and requested a response from counsel no later than October 24, 2025.
 48. On October 20, 2025, counsel for Simco Drywall wrote to counsel for the Receiver to:

- a. provide copies of invoices related to Simco Drywall's work at the Project; and
 - b. advise that Simco Drywall would be filing a Notice of Civil Claim against the Company.
49. On November 4, 2025, Simco Drywall filed a notice of civil claim in the New Westminster Registry of the Supreme Court of British Columbia, Action No. 260447, which:
 - a. names the Company and "Receiver Manager McEown and Associates LTD." as defendants;
 - b. alleges that Simco Drywall "performed some work on the" Project;
 - c. alleges that the "total invoice pending for the Plaintiff's work on the Property is \$61,139.29"; and
 - d. seeks "[a]n Order that the Defendant pay the Plaintiff's Invoice for \$61,139"(the "**Simco Action**").
50. On November 6, 2025, counsel for the Receiver wrote to counsel for Simco Drywall to:
 - a. advise that paragraph 7 of the Receivership Order provides that no proceeding or enforcement process shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of the Court;
 - b. advise that paragraph 8 of the Receivership Order provides for a stay of proceedings against the Company (with an exception which allows commencement of a proceeding that might otherwise become statute barred);
 - c. demand that Simco Drywall take immediate steps to remove the Receiver as defendant; and
 - d. once again enquire whether Simco Drywall is asserting a priority claim ahead of the BJK Mortgage, and if so the legal basis for the priority claim.

51. On November 12, 2025, counsel for the Receiver wrote to counsel for Simco Drywall once again to:
- a. advise that absent a finding of priority in favour of Simco Drywall, there will be no funds available after payment of the BJK Mortgage debt; and
 - b. enquire whether Simco Drywall was asserting priority over the BJK Mortgage, and if so the legal basis the priority claim.
52. On or about November 12, 2025, counsel for Simco Drywall advised counsel for the Receiver that he would be taking steps to remove the Receiver as defendant in the Simco Action.
53. As of the date of this notice of application, Simco Drywall has not asserted or provided a basis for any priority claim against the Remaining Proceeds.
54. The Receiver is of the view that any such claim would rank in priority subsequent to BJK Holdings pursuant to the Receiver's Borrowing Charge and the BJK Mortgage as of the date of the lien registration, for the reasons set out above.

Delay Claim

55. The Receiver is aware of a delay claim by Compass Electric (the electrical trade contractor on the Project) submitted to the construction manager for the Project, Blackcrete Builders Inc., on or about May 2, 2025.
56. The Receiver has reviewed the delay claim and understands that it relates to alleged delays on the Project related to framing and drywalling, resulting in alleged increases to Compass Electric's labour, overhead, and equipment expenses.
57. Compass Electric has quantified its damages for the delay claim (as of May 2025) as follows:

| | |
|----------------------|------------------|
| Labour: | \$172,788 |
| Overhead: | \$46,702 |
| Tools and equipment: | \$36,963 |
| Total: | \$256,453 |

58. The Receiver understands that most or all of the delay claim relates to alleged delays which occurred prior to the date of Receivership.

59. On August 29, 2025, counsel for the Receiver contacted counsel for Compass Electric to seek clarification regarding:
- the nature/timing of Compass Electric's delay claim;
 - the quantum of the claim; and
 - what, if any, priority it is asserting against the Company / Project.
60. On October 17, 2025 counsel for the Receiver wrote to counsel for Compass Electric to follow up on its inquiries, and requested a response no later than October 24, 2025.
61. As of the date of this of this notice of application, Compass Electric has not asserted or provided a basis for any priority claim against the Remaining Proceeds.
62. The Receiver notes that no CBL was registered against the Project by Compass Electric. The Project's architect issued a Notice of Certificate of Substantial Completion on July 3, 2025, and the 45-day time limit for filing a CBL against the Project pursuant to s. 20 of the *BLA* expired prior to the Sale Transaction.
63. Based on the information presently available to the Receiver, it is of the view that Compass Electric's potential delay claim represents an unsecured contractual claim against the Company which (if established) would rank in priority subsequent to the indebtedness secured by the Receiver's Borrowing Charge and the BJK Mortgage.

Security Deposits Held by the Town of View Royal

64. The Town of View Royal has advised the Receiver that it currently holds the following security deposits in relation to the Project:

| Deposit Date | Deposit Type | Receipt Number | Amount |
|---------------------|------------------------------|-----------------------|---------------------|
| March 30, 2021 | Works security | 114503 | \$338,184.00 |
| March 30, 2021 | Highway maintenance security | 114503 | \$10,000.00 |
| March 30, 2021 | Parking security | 114503 | \$10,000.00 |
| January 28, 2021 | Landscape security | 113796 | \$21,650.00 |
| | | Total: | \$379,834.00 |

(the "Security Deposits").

65. The Security Deposits are refundable to the Company, once all of the Town of View Royal's requirements for release have been met. The Town of View Royal has confirmed that it will release the Security Deposits to the Receiver in accordance with the Receivership Order.
66. After payment of the Interim Distribution and the Remaining Sale Proceeds to BJK Holdings, the Company's indebtedness to BJK Holdings will still be significantly in excess of the Security Deposits.
67. Given the uncertainty of timing of release of the Security Deposits, the Receiver proposes that it assign the Company's interest in the Security Deposits to BJK Holdings, and that the Town of View Royal be authorized and directed to release the Security Deposits directly to BJK Holdings once the requirements for release have been met.

Assignment of Contracts

68. Prior to the date of receivership, the Company entered into the following stipulated price contracts with Sierra Lane Construction Ltd. ("**Sierra Lane**") for the following work on the Project:
 - a. contract dated December 4, 2023, for interior finishing work;
 - b. contract dated January 24, 2024 for vinyl deck membrane and railing work; and
 - c. contract dated February 27, 2024, for drywall, insulation, and finishing work

(the "**Sierra Lane Contracts**").
69. Also prior to the date of receivership, the Company entered into a stipulated price contract with Cobrafer dated October 19, 2023, for framing work on the Project (the "**Cobrafer Contract**").
70. BJK Holdings has advised the Receiver that it is of the view that Sierra Lane and Cobrafer breached those contracts, and that the Company has viable contractual claims for those breaches. BJK Holdings has requested that the Sierra Lane Contracts and Cobrafer Contract be assigned to it to potentially pursue those claims.
71. The Receiver does not presently have sufficient information relating to the potential contractual claims to determine the likelihood of success of those claims, or the extent of potential recovery if those claims are successful. The Receiver is of the

view that significant costs would be expended in pursuing those claims, and it would likely take a significant period of time to secure judgment and recovery on those potential claims.

72. Given the uncertainty of timing and recovery on the potential contractual claims against Sierra Lane and Cobrafer, the Receiver proposes to assign the Sierra Lane Contracts and the Cobrafer Contract to BJK Holdings to pursue those claims, should it wish to do so.

Summary and Recommendation

73. The Receiver is of the view that BJK Holdings has a priority security interest over the Project and the Remaining Proceeds.

74. The Receiver / Company were indebted to BJK Holdings as follows:

- a. \$4,975,819.58 (plus approximately \$600,000 interest) for Receiver's borrowings;
- b. \$20,138,802.40 as of May 9, 2024 under the BJK Mortgage, which amount has priority ahead of the claims of builders lien registered after that date, pursuant to ss. 32(1) and (2) of the *BLA*

(the "**Priority Indebtedness**").

75. After payment of:

- a. the Interim Distribution of \$22,000,000;
- b. the Remaining Proceeds of \$867,221.01 (less costs to complete the receivership); and
- c. the Security Deposits of \$379,834

toward the Priority Indebtedness of BJK Holdings, there will be insufficient funds remaining in the estate to pay the other creditors / claimants.

76. Based on the foregoing, the Receiver respectfully recommends that the Court make an Order:
- a. approving the actions and activities of McEown & Associates Ltd., as Receiver of the Company;

- b. authorizing and directing the Receiver to distribute the balance of the funds realized in the course of the administration of the receivership as follows:
 - i. in payment of the fees and disbursements of the Receiver (and its counsel) including estimates to conclude the receivership; and
 - ii. the balance to BJK Holdings;
- c. approving the assignment of the Security Deposits to BJK Holdings;
- d. approving the assignment of the Sierra Lane Contracts and the Cobrafer Contract to BJK Holdings;
- e. summarily approving the fees and disbursements of the Receiver and its counsel including estimates to conclude the receivership; and
- f. releasing and discharging the Receiver.

Part 3:LEGAL BASIS

77. The Receiver relies on:

- a. the Receivership Order pronounced in these proceedings;
- b. the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended; and
- c. the *Supreme Court Civil Rules*.
- d. s. 15 of the *Law and Equity Act*, RSBC 1996, c 253 and the inherent jurisdiction of this Court.

78. The Receivership Order authorizes the Receiver to:

- a. collect and hold monies realized in the Receivership (paragraph 12); and
- b. apply to the court for advice and directions (paragraph 35).

79. The Approval and Vesting Order made on September 16, 2025 specifically provides the proceeds of the Sale Transaction would stand in the place and stead of the purchased assets as security for any and all security interests, hypothecs,

mortgages, trusts or deemed trusts, liens, executions, levies, charges, or other financial monetary claims against the purchased assets.

Distribution of Company Assets and Assignment of Security Deposits

80. The Receiver has realized sufficient funds to pay out the Receiver's Borrowings, and a portion of the Company's indebtedness to its secured creditor, BJK Holdings.
81. The Receiver has made an interim distribution of \$22,000,000 toward the Receiver's Borrowings and a portion of BJK Holdings' secured claim.
82. Based on the Receiver's review of the claims presently known to it and the security registrations particularized herein, the Receiver is of the view that BJK Holdings is the senior secured creditor of the Company and has a first priority claim against the Remaining Proceeds and Security Deposits.
83. Based on the Receiver's calculations, after paying the Receiver's Borrowings and the Receiver's accounts, there will not be sufficient funds to pay the balance of BJK Holdings' priority secured claim.

Assignment of Contracts

84. Under paragraph 2(l) of the Receivership Order, the Receiver is empowered and authorized to assign any part or parts of the Company's assets, undertakings and property (with approval of the Court in respect of any transaction in which the aggregate purchase price exceeds \$250,000).
85. Subsection 243(1)(c) of the *BIA* provides:

243 (1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

...

(c) take any other action that the court considers advisable.

86. In *Urbancorp Cumberland I GP Inc. (Re)* ["**Urbancorp**"], Chief Justice Morawetz held that subsection 243(1)(c) of the *BIA*, in conjunction with s. 100 of the *Courts of Justice Act (Ontario)*, or alternatively the inherent jurisdiction of the court, provide authority for a court-appointed receiver to seek an order assigning the debtor company's rights and obligations under a contract with a third party, and for

the court to make an order compelling the assignment without consent of the third party.

***Urbancorp Cumberland 1 GP Inc. (Re)*, 2020 ONSC 7920, at paras. 30 - 34**

87. Section 100 of the *Courts of Justice Act (Ontario)* provides that the court may by order vest in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed. Section 37 of the *Law and Equity Act*, R.S.B.C. 1996, c. 53 similarly provides that, where the court has authority to order the assignment of any property or other document, the court may, by order, vest the property in the person as would be done by that assignment as if it were executed.
88. In *Urbancorp*, Morawetz C.J. further held that the criteria referenced in s. 84.1(4) of the *BIA* and s. 11.3 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 inform the analysis for an assignment by a receiver:
 - a. whether the monitor approved the proposed assignment (only relevant to CCAA proceedings);
 - b. whether the person to whom the rights and obligations are to be assigned would be able to perform the obligations; and
 - c. whether it would be appropriate to assign the rights and obligations to that person.

***Urbancorp*, at para. 35**

89. The Receiver is of the view that it is appropriate to assign the Company's rights and obligations under the Sierra Lane Contracts and Cobrafer Contract to BJK Holdings because:
 - a. there are no remaining obligations to be performed under those Contracts, apart from financial obligations;
 - b. the Receiver has insufficient information to the likelihood of success of potential contractual claims under those contracts, or the extent of potential recovery if successful;
 - c. the Receiver anticipates that significant costs would be expended in pursuing those claims, and it would likely take a significant period of time to secure judgment and recovery on those potential claims;

- d. BJK Holdings has advised the Receiver that it wishes to have the Company's rights and obligations under those contracts assigned to it, so that it can pursue the Company's contractual claims; and
- e. as set out above, there will be insufficient funds realized from the administration of the receivership to pay all of the priority indebtedness due to BJK Holdings. To the extent that the Company is entitled to financial recovery under the Sierra Lane Contracts and / or the Cobrafer Contract, BJK Holdings is the appropriate party to pursue that recovery.

Receiver's Activities and Release

- 90. All of the Receiver's activities to date, which are set out in the Receiver's First, Second, and Third Report to Court, fall within the powers conferred to it under the Receivership Order. The Receiver has acted with good faith throughout these proceedings and has complied with the statutory requirements of Receivers as set out in the *BIA* and the Receivership Order. The activities as set out in the Receiver's Second Report to Court were undertaken with the objective of maximizing recovery for stakeholders.
- 91. The Receiver seeks approval of its activities in the form contemplated in the BC Model Discharge Order.
- 92. The Receiver also seeks a general release in its favour in the form contemplated by the notes to the Model Discharge Order.
- 93. A general release of a court-appointed receiver has previously been granted by this Court, where appropriate.
- 94. In *Bank of Montreal v. Haro-Thurlow Street Project Limited Partnership*, Madam Justice Fitzpatrick granted a release in favour of the court-appointed receiver. Justice Fitzpatrick endorsed the factors to be considered in terms of whether to approve a release as being reasonable and appropriate in the circumstances, as set out at paragraphs 78 – 86 of *Harte Gold Corp. (Re)*, 2022 ONSC 653:
 - a. whether the claims to be released are rationally connected to the purpose of the restructuring;
 - b. whether the releasees contributed to the restructuring;
 - c. whether the release is fair, reasonable and not overly broad;
 - d. whether the restructuring could succeed without the Release;

- e. whether the release benefits the debtor as well as the creditors generally;
- f. creditors' knowledge of the nature and effect of the release

***Bank of Montreal v. Haro-Thurlow Street Project Limited Partnership*,
2024 BCSC 1722 at para. 41, citing
Harte Gold Corp. (Re) ["*Harte Gold*"], 2022 ONSC 653, at paras. 78-86**

95. The granting of a release is a discretionary power, and it is not necessary for each of the factors to apply for a release to be approved.

***Harte Gold*, at para. 80**

96. The Receiver submits that such a release is appropriate in this case because:
- a. the Receiver has acted in good faith, as an officer of the Court, throughout these proceedings, and has complied with the statutory requirements of the *BIA* and the Receivership Order;
 - b. the release sought is not overly broad, and only applies to the acts or omissions of McEown and Associates Ltd. while acting in its capacity as Receiver;
 - c. the application will be on notice to the Company's creditors; and
 - d. notwithstanding the stay of proceedings against the Receiver in the Receivership Order, the Receiver was named as a defendant in the Simco Action.

Approval of the Receiver's Fees (including its counsel)

97. Pursuant to paragraph 3(d) of the Receivership Order, the Receiver was empowered to retain legal counsel to assist with the exercise of the Receiver's powers and duties.
98. The Receiver bears the onus of establishing that its accounts are fair and reasonable in the circumstances.

***Street v Sather Ranch Ltd*, 2021 BCSC 1090 ["*Street*"],
citing *HSBC Bank Canada v Lechier-Kimel*, 2014 ONCA 721 at para 16**

99. When assessing whether a receiver's accounts are fair and reasonable, courts will consider:

- a. the nature, extent, and value of the assets handled;
- b. the complications and difficulties encountered;
- c. the degree of assistance provided by the company, its officers or employees;
- d. the time spent;
- e. the receiver's knowledge, experience and skill;
- f. the diligence and thoroughness displayed;
- g. the responsibilities assumed;
- h. the results of the receiver's efforts; and,
- i. the cost of comparable services when performed in a prudent and economical manner.

Street, at para 52, citing
Belyea v Federal Business Development Bank, [1983] NBJ No 41 (CA)

100. The materials filed in support of the application seeking approval of the Receiver's Accounts (and those of its counsel):
 - a. provide a specific description of what was done;
 - b. identify the individual personnel who provided those services;
 - c. provide specific details of the rates and charges for each of the individual personnel;
 - d. confirms that the rates charged represent the "usual" hourly rates for counsel; and
 - e. identifies the specific disbursements incurred.

Redcorp Ventures Ltd. (Re) 2016 BCSC 188

Part 4: MATERIAL TO BE RELIED ON

101. Receiver's First Report to Court dated June 13, 2025.
102. Receiver's Second Report to Court dated September 2, 2025.
103. Receiver's Third Report to Court dated December 12, 2025.
104. Affidavit #1 of Jeremy West made December 16, 2025.

105. The pleadings filed and Orders made in these proceedings.
106. Such further materials as counsel may advise and this Court may permit.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application:

- (a) file an application response in Form 33;
- (b) file the original of every affidavit, and of every other document, that:
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7 (9).

Date: December 29, 2025

*Thomas
Hanson for*

Signature of Jeremy D. West
Counsel for McEown and Associates Ltd., in
its capacity as Court-appointed Receiver of
1270858 B.C. Ltd.

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs _____ of Part 1 of this notice of application

☐ with the following variations and additional terms:

Date: _____

Signature of ☐ Judge ☐ Associate Judge

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- ☒ none of the above

Schedule "A"

No. H247963
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BJK HOLDINGS LTD.

PETITIONER

AND:

1270858 B.C. LTD.
TLA GROUP OF HOLDING COMPANIES INC.
CHRISTOPHER BRADLEY
TROY DAVID GRANT
STERLING LIVING LIMITED PARTNERSHIP
TRI SKYEVUE DEVELOPMENT GROUP LIMITED PARTNERSHIP
ADDY (815 & 824 SELKIRK AVE.) CORP.
TRI-STERLING DEVELOPMENTS LIMITED PARTNERSHIP
COBRAFER CONSTRUCTION LTD.
6 MILES CONTRACTING LTD.
FACTUM CORP.

RESPONDENTS

SERVICE LIST
(as at December 15, 2025)

| | |
|---|--|
| 1270858 B.C. Ltd. TLA Group of Holding Companies Inc. Sterling Living Limited Partnership 210 – 10464 Mayfield Road NW Edmonton, AB T5P 4P4 Christopher Bradley Email: Chris.Bradley@tladev.ca Troy David Grant Email: Troy.Grant@tladev.ca | Tri Skyevue Development Group Limited Partnership c/o 201 – 2377 Bevan Ave Sidney, BC V8L 4M9 |
|---|--|

| | |
|--|---|
| <p>Addy (815 & 824 Selkirk Ave.) Corp. Tri-Sterling Developments Limited Partnership c/o McEwan Partners 980 Howe Street – Suite 900 Vancouver, BC V6Z 0C8</p> <p>William E. Stransky Email: wstransky@mcewanpartners.com</p> <p>Mila Ghorayeb Email: mghorayeb@mcewanpartners.com</p> | <p>Cobrafer Construction Ltd. c/o Christopher S. Philip Law Corporation 600 - 777 Hornby Street Vancouver, BC V6Z 1S4</p> <p>Christopher S. Philips Email: chris@csplawcorp.com</p> |
| <p>6 Mile Island Contracting Limited 406-715 Treanor Avenue Langford, BC V9B 0X6</p> | <p>Factum Corp. c/o Virk Viyas & Associate Lawyers 208 – 15240 Hwy 10 Surrey, BC V3S 5K7</p> <p>Jagmeet Virk Email: jvirk@vslaw.ca / dboyarchuk@vslaw.ca</p> |
| <p>Christine Dinham-Jones P.O. Box 1203, 8947 Hadden St. Fort Langley, B.C. V1M 2S5</p> <p>Email: Christine.dinhamjones@shaw.ca Telephone: 778.233.1925</p> | <p>The REINVESTORS c/o Steve Arneson</p> <p>Email: steve@thereinvestors.ca Telephone: 250.812.8666</p> |
| <p>BJK Holdings Ltd. c/o WeirFoulds LLP 4100-66 Wellington St. W. PO Box 35, TD Bank Tower Toronto, ON M5K 1B7</p> <p>Wojtek Jaskiewicz Email: wjaskiewicz@weirfoulds.com</p> <p>Megan Mossip Email: mmossip@weirfoulds.com</p> | <p>1248827 B.C. Ltd. c/o Clark Wilson LLP 900-885 West Georgia Street, Vancouver, BC V6C 3H1</p> <p>Email: Asekunova@cwilson.com Telephone: 604.891.7790</p> |

| | |
|--|---|
| <p>Canada Revenue Agency c/o Department of Justice Canada British Columbia Regional Office 900 - 840 Howe St., Vancouver, BC V6Z 2S9</p> <p>Email: AGC_PGC_VANCOUVER@JUSTICE.GC.CA</p> | <p>Simco Drywall Ltd. c/o Raj Gill Law Corporation 12885 80 Ave #205 Surrey, BC V3W 0E6</p> <p>Prateeq Ghai Email: prateeq@rajgilllaw.com</p> |
| <p>Compass Electric c/o Soloway Wright LLP 427 Laurier Avenue West Suite 700 Ottawa, Ontario K1R 7Y2</p> <p>Dan Leduc Email: dleduc@solowaywright.com</p> | |

Schedule "B"

No. VIC-S-H-247963
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BJK HOLDINGS LTD.

PETITIONER

AND:

1270858 B.C. LTD.
TLA GROUP OF HOLDING COMPANIES INC.
CHRISTOPHER BRADLEY
TROY DAVID GRANT
STERLING LIVING LIMITED PARTNERSHIP
TRI SKYEVIEW DEVELOPMENT GROUP LIMITED PARTNERSHIP
ADDY (815 & 824 SELKIRK AVE.) CORP.
TRI-STERLING DEVELOPMENTS LIMITED PARTNERSHIP
COBRAFER CONSTRUCTION LTD.
6 MILES CONTRACTING LTD.
FACTUM CORP.

RESPONDENTS

ORDER MADE AFTER APPLICATION

DISCHARGE ORDER

BEFORE THE HONOURABLE

)
)
)

dd/mm/yyyy

ON THE APPLICATION of McEown and Associates Ltd., in its capacity as Court-appointed Receiver (the "**Receiver**") of the assets, undertakings and properties of 1270858 B.C. Ltd. coming on for hearing at Vancouver, British Columbia, on the [] day of [], 202[]; AND ON HEARING Jeremy D. West, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed, including the Third

Report to Court of the Receiver dated [REDACTED] (the “**Third Report**”) and Affidavit #1 of Jeremy West made December 16, 2025 (the “**Fee Affidavit**”);

THIS COURT ORDERS AND DECLARES THAT:

1. Terms and expressions not defined in this Order shall have the meanings attributed to them in the Order of this Court pronounced on November 8, 2024.
2. Service upon any interested party other than those parties on the Service List is hereby dispensed with.
3. The activities of the Receiver, as set out in the Third Report, are hereby approved.
4. The fees and disbursements of the Receiver and its counsel, as set out in the Third Report and the Fee Affidavit, are hereby approved.
5. After payment of the fees and disbursements of the Receiver and its counsel as herein approved, the Receiver shall pay all funds remaining in its hands to BJK Holdings Ltd.
6. The Receiver is authorized and directed to enter into an Assignment Agreement, in a form acceptable to the Receiver, assigning all of the Debtor’s right, title and interest in security deposits posted by the Debtor and held by the Town of View Royal (the “**Security Deposits**”) to BJK Holdings Ltd.
7. The Town of View Royal is hereby authorized and directed to make payment of the Security Deposits, which are deemed to be refundable to the Debtor, to BJK Holdings Ltd., upon the Town of View Royal’s requirements for release being met.
8. The Receiver is authorized and directed to enter into an Assignment Agreement, in a form acceptable to the Receiver, assigning all of the Debtor’s right, title, and interest in:
 - a) contracts between the Debtor and Sierra Lane Construction Ltd., copies of which are attached as Appendix “P” to the Third Report; and

- b) the contract between the Debtor and Cobrafer Construction Ltd., a copy of which is attached as Appendix "Q" to the Third Report

to BJK Holdings Ltd.

9. Upon payment of the amounts set out in paragraph 5 hereof and upon the Receiver filing a certificate in the form attached as **Schedule "B"** certifying that it has completed the remaining outstanding activities described in the Third Report, the Receiver shall be discharged as Receiver of the assets, undertaking and property of the Debtor, provided that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of McEown and Associates Ltd. ("**McEown**") in its capacity as Receiver.
10. McEown is hereby released and discharged from any and all liability that McEown now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of McEown while acting in its capacity as Receiver herein. Without limiting the generality of the foregoing, McEown is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings.
11. This Order may be entered at the Vancouver Registry.
12. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is hereby dispensed with.

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

Signature of Jeremy D. West
Counsel for McEown and Associates Ltd., in its
capacity as Court-appointed Receiver of 1270858
B.C. Ltd.

BY THE COURT

REGISTRAR

Schedule “A” – List of Counsel Appearing

| Counsel’s Name | <u>Party Representing</u> |
|-----------------------|----------------------------------|
| | |
| | |
| | |
| | |

Schedule "B" – Receiver's Certificate

No. VIC-S-H-247963
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BJK HOLDINGS LTD.

PETITIONER

AND:

1270858 B.C. LTD.
TLA GROUP OF HOLDING COMPANIES INC.
CHRISTOPHER BRADLEY
TROY DAVID GRANT
STERLING LIVING LIMITED PARTNERSHIP
TRI SKYVIEW DEVELOPMENT GROUP LIMITED PARTNERSHIP
ADDY (815 & 824 SELKIRK AVE.) CORP.
TRI-STERLING DEVELOPMENTS LIMITED PARTNERSHIP
COBRAFER CONSTRUCTION LTD.
6 MILES CONTRACTING LTD.
FACTUM CORP.

RESPONDENTS

RECEIVER's CERTIFICATE

The undersigned hereby certifies for the purposes of the Order made on the __ day of January 2026 in the within matter (the "**Receivership Proceedings**") that:

1. All funds in the Receivership Proceedings were received and distributed as set out in the Receiver's Third Report to Court dated December 12, 2025 and the Order made January __, 2026.
2. The Receiver has sent out all required statutory notices to the creditors, Service Canada, and the Superintendent of Bankruptcy.
3. The administration of the Receivership Proceedings as described in the Receiver's reports to Court has been completed.

DATED at Vancouver, British Columbia, this __ day of ___, 202__.

**McEown and Associates Ltd., in its capacity as
Court-appointed Receiver of 1270858 B.C. Ltd.**

Per:

John McEown