



This is the 2nd affidavit
of Thomas James Pappajohn in this case
and was made on 2/MAR/2026

No. S-258845
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002 C. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF 1061511 B.C.
LTD., JAMESON BROADWAY & BIRCH GENERAL PARTNER LTD., AND JAMESON
BROADWAY & BIRCH LIMITED PARTNERSHIP

PETITIONERS

AFFIDAVIT

I, **THOMAS JAMES PAPPAJOHN**, of 20th Floor, 250 Howe Street, Vancouver, British Columbia,
Developer, **SWEAR THAT:**

INTRODUCTION

1. I am a director of the petitioners: 1061511 B.C. Ltd. ("**106**") and Jameson Broadway & Birch General Partner Ltd. (the "**GP**"). The GP is the sole general partner of the petitioner Jameson Broadway & Birch Limited Partnership (the "**LP**") and together with 106 and the GP, the "**Petitioners**") and as such I have personal knowledge of the matters herein deposed to, except where such facts are stated to be based upon information and belief and where so stated I do verily believe the same to be true.

2. In addition, I am a director of James Holdings Ltd. ("**James Holdings**") and as such I have personal knowledge of the matters herein deposed to with respect to James Holdings, except where such facts are stated to be based upon information and belief and where so stated I do verily believe the same to be true.

3. The Petitioners obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an Initial Order issued by this Court on November 25, 2025, as amended, restated and extended by this Court's Amended and Restated Initial Order granted on December 4, 2025 (the "**ARIO**").

4. In support of the Petitioners' filing for CCAA protection, I made my first affidavit on November 24, 2025 (my "**First Affidavit**"), which contains further background on the Petitioners' business and their need for CCAA protection. Capitalized terms not otherwise defined in this affidavit have the meaning ascribed to them in my First Affidavit.

5. This affidavit provides an update on the Petitioners' restructuring efforts and supports the following relief under the CCAA:

- (a) extension of the Stay Period (as defined in the ARIO) until and including May 29, 2026 (the "**Stay Extension Period**"); and
- (b) authorization for the Petitioners to grant a mortgage (the "**Birch Mortgage**") of the Development Property (as defined below) in favour of Computershare Trust Company of Canada ("**Computershare**") and Argo Ventures Inc. ("**Argo**") in the principal amount of \$35,000,000, securing (1) any and all amounts owing by one or more of the Petitioners to James Holdings Ltd. ("**James Holdings**") and (2) any and all distributions that James Holdings is entitled to from the Development (as defined below) (including in respect of any sale or refinancing thereof) to, among other things, cross-collateralize and cross-default the Birch Mortgage to the indebtedness, obligations, and liabilities owed to Computershare by, among others, James Holdings under an existing loan agreement and related security agreement; provided, the Birch Mortgage shall rank subordinate to (A) the existing mortgages registered on title to the Development Property and (B) the court ordered charges granted by this Court in the ARIO.

6. In preparing this affidavit, I have relied in various instances on information provided to me by the other directors and advisors of the Petitioners, and where I have relied on such information, I believe such information to be true. Based on my understanding of the matters deposed to herein and from my own review of the Petitioners' books and records, I believe the facts set out herein are true and correct in all material respects.

7. All amounts are in Canadian dollars unless otherwise indicated.

8. I am authorized to make this affidavit on behalf of the Petitioners and the Petitioners have authorized the filing of the Notice of Application dated March 2, 2026.

OVERVIEW

9. The Petitioners have spent several years developing and building a 28-storey residential rental and commercial construction project (the “**Development**”) at 2538 Birch Street, Vancouver, British Columbia, which is on the southeast corner of West Broadway and Birch Street (the “**Development Property**”).

10. The Development is comprised of a single mixed-use tower with five levels of underground parking. As of the filing date in these CCAA proceedings, the Development consisted of 258 rental units, 58 of which will be units under the City of Vancouver’s Moderate Income Rental Housing Pilot Program (the “**MIRHPP Units**”) (these unit figures may change slightly as part of the Dunna’eh House of Healing concept, defined and discussed below, but the total square footage for the MIRHPP Units will remain within necessary requirements), atop a commercial podium with office and retail space (leasable area of 24,455 square feet) on the first three levels, with 168 vehicle parking stalls in the underground parking plus storage lockers and bicycles parking.

11. At the outset of these proceedings, the Development was approximately 91% complete.

12. Protection under the CCAA was necessary to complete the Development and bring a restructuring transaction to fruition for the benefit of all creditors and stakeholders.

13. The ARIO, among other things, approved a credit facility from Maynbridge Capital Inc. (the “**Interim Lender**”) to the maximum amount of \$31,000,000 (the “**Interim Financing**”). The Interim Financing is necessary to continue operating, complete the Development and complete a restructuring.

UPDATE ON INTERIM FINANCING AND CONSTRUCTION

14. As discussed in the Second Report of the Monitor dated January 27, 2026 (the “**Second Report**”):

- (a) on December 9, 2025, the Petitioners and the Interim Lender entered into the definitive agreement with respect to the Interim Financing of up to \$31 million, as approved under the ARIO; and
- (b) the Petitioners received the first advance from the Interim Lender on December 12, 2025, and made the Metro-Can Payments (as defined in the Second Report) on December 15, 2025.

15. To date, the Petitioners have received three advances from the Interim Lender totaling \$20 million. From these amounts, among other things:

- (a) \$7.427 million was paid Metro-Can to catch up pre-filing arrears as set out in the ARIO;
- (b) \$7.384 million was paid to fund the Holdback Account, including deficiencies that existed at the time of commencing these proceedings as set out in the ARIO; and
- (c) \$2.609 million has been paid to Metro-Can as post-filing construction costs.

16. More details with respect to the Petitioners receipts and disbursements are set out in the Monitor's reports.

17. As discussed in the Second Report, the Petitioners received the first advance from the Interim Lender on December 12, 2025, and made the initial payments to catch up the pre-filing arrears to Metro-Can and fund the Holdback Account on December 15, 2025.

18. Metro-Can made arrangements to re-mobilize the construction team in December 2025 and construction on the Development had recommenced with virtually all subtrades operating at 100% by on or about January 16, 2026.

19. The Petitioners, with the oversight and assistance of the Monitor, have been working collaboratively with Metro-Can towards the completion of the Development.

20. Completion of the Development continues to progress. As of the date of this affidavit:

- (a) residential glazing is approximately 97% complete;
- (b) commercial glazing, levels one to three, is approximately 70% complete;
- (c) interior finishing of the rental suites is approximately 90% complete;
- (d) offsite civil works, which include curbs, sidewalks and gutters, were commenced the first week of February 2026, and are scheduled to complete in May 2026; and
- (e) the parkade is approximately 85% complete.

21. Based on the latest estimated schedule from Metro-Can, the current "outside date" for construction completion is expected to be end of July 2026 but my expectation is that the completion may be earlier.

22. As of February 23, 2026, the Development is seen as:



UPDATE ON RESTRUCTURING

23. As discussed in the First Affidavit, prior to commencement of these CCAA proceedings, 106 and LP, as vendors, entered an Agreement of Purchase and Sale dated August 12, 2025 (as amended from time to time, the “**Purchase Agreement**”), with FPB Holdings Group Inc., as purchaser (the “**Purchaser**” or “**FPB**”).

24. The Purchase Agreement represented an exciting opportunity that would:

- (a) see all creditors paid in full on closing;
- (b) retain all of the MIRHPP Units (or the same square footage); and
- (c) support Indigenous and non-Indigenous medical care in British Columbia by providing outpatient lodging in Vancouver.

25. The Purchase Agreement was intended to support the Development being used to create a safe, culturally appropriate residential lodge for Indigenous members receiving long and short-term medical treatment in the Vancouver area, with accommodation provided at minimal cost to the patient and their First Nation. The concept is referred to as the “**Dunna’eh House of Healing**”

and would be managed by the Dunna'eh House of Healing Society. The concept was refined so that it can include accommodation for non-indigenous peoples from rural communities in BC and the Yukon.

26. The Dunna'eh House of Healing is also supported by the First Nations Health Authority ("FNHA"), among other organizations involved in providing travel support for medical treatment of the Vancouver area.

27. Pursuant to the Third Extension and Amendment Agreement dated November 20, 2025, the Purchaser and the Petitioners agreed to amend the Purchase Agreement to, among other things, extend the Purchaser's financing condition waiver date from November 17, 2025 to December 19, 2025.

28. As discussed in the Second Report, the financing condition was not waived by FPB. As a result, and after discussion between the Petitioners and FPB, the Purchase Agreement was formally terminated on December 19, 2025.

29. Notwithstanding this termination of the Purchase Agreement, the Petitioners are continuing to work with FPB and the Dunna'eh House of Healing Society with the goal to present a restructuring path in these CCAA proceedings with the same goals as the Purchaser Agreement, which are set out above.

30. The Petitioners, in consultation with FPB and the Dunna'eh House of Healing Society, have determined the best path forward is by way of a plan of arrangement as opposed to progressing the Purchase Agreement. The contemplated plan would include a utilization of the existing partnership structure (restructured) as a vehicle to complete a restructuring transaction in these CCAA proceedings that would repay both BC Housing, the Interim Lender (noting the Interim Financing is sufficient to pay Metro-Can and all other ongoing obligations to complete the Development) and all other creditors of the Petitioners in full. I would highlight that the Interim Financing is structured so as to ensure payment of all trades involved in the construction and as such, there will be minimal trade debt upon completion.

31. The Petitioners, with the oversight and support of the Monitor, have developed initial documents, including an initial confidential investment memorandum and supporting financial model and non-disclosure agreement, in order to progress an equity raise to support the restructuring plan. This equity raise is being progressed in parallel with addressing the necessary debt to complete a restructuring transaction in these CCAA proceedings.

32. With respect to the above, the Petitioners have:

- (a) identified an initial list of several potential First Nations as investors and sent these parties a brief summary of the opportunity and a non-disclosure agreement;

- (b) continued to develop a larger list of potential First Nations as investors for a broader roll out of the investment opportunity; and
- (c) developed an initial timeline for non-binding and binding investment offers that would align with the proposed Stay Extension Period.

33. As noted in the First Affidavit, BC Housing, the Province of British Columbia and the City of Vancouver are generally supportive of the Dunna'eh House of Healing but nonetheless require that the restructuring be successful. The Petitioners have continued to engage with these stakeholders and the Petitioners' counsel have similarly engaged with respective counsel.

34. With respect to the City of Vancouver, the Petitioners continue to work to address the rezoning that will be necessary to accommodate the change of use from residential rental to short-term medical accommodations. In this regard, the Petitioners:

- (a) applied for a zoning amendment, which was filed with the City of Vancouver on or about November 20, 2025;
- (b) paid the City of Vancouver fees in respect of the zoning amendment;
- (c) posted signage with respect to the zoning amendment at the Development Property; and
- (d) responded to inquiries from the City of Vancouver and provided additional information in this regard.

35. With respect to BC Housing and the Province of British Columbia, the Petitioners, through counsel, continue to discuss the covenant in favour of BC Housing that is registered against title to the Development Property, which mandates the use of the residential component of the Development as market rental. This covenant will need to be discharged or amended to facilitate the operation of the proposed Dunna'eh House of Healing.

36. On or about February 24, 2026, the Petitioners and its counsel and the Monitor and its counsel had a meeting with BC Housing and its counsel and counsel for the Ministry of Housing to provide an update on construction, the restructuring plan and to discuss the covenant. The substance of the meeting was without prejudice so as to permit an open dialogue.

MORTGAGE IN FAVOUR OF COMPUTERSHARE AND ARGO

37. A discussed in the First Affidavit:

- (a) a loan facility was advanced to the Petitioners pursuant to a loan agreement dated for reference December 3, 2021 (the “**JHL Credit Agreement**”) between the Petitioners, as borrowers, James Holdings, as lenders, and various guarantors;
- (b) under the JHL Credit Agreement, James Holdings has advanced a loan facility to the Petitioners (the “**JHL Credit Facility**”), under which the principal amount of approximately \$9M is currently claimed, together with interest and other amounts totalling another \$3.5M, for a total of approximately \$12.5M;
- (c) James Holdings is the majority limited partner of the LP and majority shareholder of the GP;
- (d) the ability of James Holdings to advance funds to the Petitioners was based primarily, either directly or indirectly, on separate financing from Portage/Computershare as well as an extension of a loan from Argo;
- (e) under a loan agreement dated November 1, 2020 (as amended, the “**Argo Credit Agreement**”) between James Holdings and others, as borrowers, Argo, as lender; and various guarantors, Argo agreed to loan \$5,350,000 to James Holdings and others (the “**Argo Credit Facility**”), which agreement was modified by loan modification agreement dated June 27, 2025, under which Argo agreed to extend the term of the Argo Credit Facility until September 30, 2026, on the condition that James Holdings provide an irrevocable direction to pay to the Petitioners to pay the entire amount owing to Argo from the net sale proceeds following a sale of the Development;
- (f) the ability of James Holdings to repay the Argo Credit Facility is tied to repayment of the JHL Credit Facility by the Petitioners;
- (g) under a commitment letter dated November 5, 2021 (as amended, the “**Portage Credit Agreement**”) between 4354 Investments Ltd., 5186 Investments Ltd. and No. 198 Cathedral Ventures Ltd. as bare trustees and beneficial owners for James Holdings, as borrower, Portage, as lender, and James Holdings Ltd. as guarantor among others, Portage agreed to loan \$21,500,000 to 4354 Investments Ltd., 5186 Investments Ltd. and No. 198 Cathedral Ventures Ltd. as bare trustees and beneficial owners for James Holdings (Computershare is the secured creditor in respect of the Portage Credit Agreement);

- (h) James Holdings used some of the funds advanced under the Portage Credit Facility to advance the full principal of the JHL Credit Facility (\$9,008,748.91) to the Petitioners; and
- (i) in consideration for Computershare continuing to make the Portage Credit Facility available, James Holdings provided an irrevocable direction to pay to the Petitioners to pay the entire amount owing to Portage/Computershare from the net sale proceeds following a sale of the Development; and

38. The ability of James Holdings to service and repay the indebtedness to Argo and Computershare is predicated on repayment of the JHL Credit Facility by the Petitioners. Further, James Holdings is a creditor of the Petitioners and holds 75% of the equity of the Development. James Holdings has a significant financial interest in the Development, and its operations and financial stability are intertwined with the Petitioners.

39. Given the above, the Petitioners sought and were granted an order as part of the ARIO extending the stay of proceedings to James Holdings (the “**JHL Stay of Proceedings**”) on the terms set out in the ARIO.

40. Following the commencement of these CCAA proceedings, and relying on the JHL Stay of Proceedings, James Holdings ceased making monthly interest payments of \$215,000 per month to Computershare under the Portage Credit Agreement for the reasons set out above. As a result, \$860,000 in interest payments have not been made to Computershare (including the March 1, 2026 payment).

41. On or about December 24, 2025, CMLS Financial Ltd., as servicer on behalf of Computershare, issued demand letters to, among other, James Holdings, which enclosed a notice of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).

42. Given the potential enforcement by Computershare against assets of which James Holdings is the beneficial owner other than the Development, James Holdings negotiated a forbearance agreement with Computershare, which was executed on or about February 9, 2026 (the “**Forbearance Agreement**”).

43. Although the Petitioners are a party to the Forbearance Agreement, the Petitioners’ only substantive obligation thereunder is to seek approval of the Birch Mortgage, which is a condition precedent under the Forbearance Agreement. Given that Argo and Computershare both have irrevocable directions to pay as described above, Computershare and Argo agreed to share in the Birch Mortgage and negotiated the sharing between them.

44. The Petitioners, Computershare and Argo are in the process of finalizing the Birch Mortgage, which will included a Form B, Express Mortgage Terms and Beneficial Owner Authorization and Charge Agreement, the terms of which will be consistent with the details set out herein. The final form of the Birch Mortgage will be filed in these CCAA proceedings in advance of the Petitioners seeking the relief in this regard.

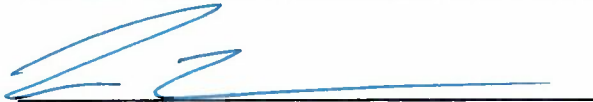
45. The Petitioners seek approval of the Birch Mortgage to help maintain stability and value during the CCAA process. James Holdings is a creditor of the Petitioners, and in that capacity it will not receive payment during these CCAA proceedings but expects repayment of the JHL Credit Facility upon closing of the planned restructuring transaction. Further, James Holdings is expected to see a return on its equity position based on the information set out in the First Affidavit. The Birch Mortgage in favour of Computershare and Argo will assist with preserving the *status quo* and allow the Petitioners and James Holdings to focus on the completion of the Development for the benefit of all stakeholders.

46. The Birch Mortgage does not alter any priorities among creditors, nor alter rights amongst equity interests, that existed at the commencement of these CCAA proceedings. Further, the Birch Mortgage is consistent with the irrevocable directions to pay the James Holdings issued to the Petitioners directing payments to Computershare and Argo from the net sale proceeds following a sale of the Development that would be due to James Holdings.

CONCLUSION


47. I swear this affidavit in support of the granting of an order that, among other things, extends the Stay Period (as defined in the ARIO) until and including May 29, 2026, so the Petitioners can complete the Development and complete a restructuring transaction for the benefit of all stakeholders.

SWORN BEFORE ME at the City of
Vancouver, British Columbia, on 2/MAR/2025.



A Commissioner for taking Affidavits for
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