Force filed

NO. S-263823
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

NATIONAL BANK OF CANADA

PETITIONER

AND:

0993006 B.C. LTD.,1014669 B.C. LTD., 670805 B.C. LTD.
and 0859116 B.C. LTD.

RESPONDENTS

NOTICE OF APPLICATION

Name of applicant: Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as Monitor (in such capacity, the "**Monitor**") of 0993006 B.C. Ltd. and 1014669 B.C. Ltd. (together, the "**CCAA Debtors**") and in its capacity as Receiver and Manager (in such capacity, the "**Receiver**") without security, of the interests of 670805 B.C. Ltd. and 0859116 B.C. Ltd. (together, the "**Receivership Debtors**", and together with the CCAA Debtors, the "**Respondents**") in the Receivership Property (as defined herein).

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

TAKE NOTICE that an application will be made by the applicant to the presiding Judge at the courthouse at 800 Smithe Street, Vancouver, British Columbia on August 20, 2026 at 9:45 a.m. for the orders set out in Part 1 below.

The applicant estimates that the application will take 20 minutes.

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

PART 1: ORDERS SOUGHT

1. A&M seeks an order in substantially the form of draft order attached hereto as **Schedule "B"** (the "**Stay Extension Order**"), among other things:

(a) abridging the time for service of this Application and all supporting materials such that service given constitutes good and sufficient service;

(b) extending the Stay Period (as defined below) to December 4, 2026 (the "**Stay Extension**"); and

(c) approving $6 million in additional interim financing from $3 million to $6 million (the "**Additional DIP Financing**") to be advanced by the National Bank of Canada (the "**Petitioner**"), as interim lender, and a corresponding increase in the Interim Lender's Charge (as defined in the Amended and Restated Initial CCAA and Receivership Order of this court made herein on June 4, 2026 (the "**ARIO**")).

2. Such further and other relief as counsel may advise and this Court deems to be just and appropriate in the circumstances.

PART 2: FACTUAL BASIS

BACKGROUND

1. The Respondents are the legal and beneficial owners of the commercial development site located at 8140, 8148 and 8158 166th Street, Surrey, B.C. (together, the "**Real Property**") and were involved in the development of the Mortise Nova strata project, a six-storey residential building comprising 93 units, a commercial space and future development lands (the "**Project**").

2. On May 25, 2026, on the application of the Petitioner, the Supreme Court of British Columbia (the "**Court**") granted an order (the "**Initial Order**") under the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), section 39 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253 and the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**"), which, among other things:

(a) appointed A&M as Monitor of the CCAA Debtors with enhanced powers to, among other things, manage the operations of the CCAA Debtors and conduct a sale process for the assets of the CCAA Debtors (the "**CCAA Property**");

(b) appointed A&M as Receiver of the Receivership Debtors' interests in and to the Real Property and all present and after-acquired personal property located on or exclusively related to any of the Real Property (collectively, the "**Receivership Property**" and together with the CCAA Property, the "**Property**");

(c) granted a stay of proceedings in favour of the CCAA Debtors until June 4, 2026 (the "**Stay Period**");

(d) granted a stay of proceedings in favour of the Receivership Debtors and the Receivership Property;

(e) authorized the CCAA Debtors and the Receiver to borrow funds under an interim revolving credit facility (the "**Interim Facility**") to be provided by the Petitioner pursuant to an interim financing term sheet dated May 28, 2026 (the "**Interim Financing Term Sheet**"); and

(f) created an Administration Charge and an Interim Lender's Charge (each as defined in the Initial Order) over the Property.

3. On June 4, 2026, on the application of the Petitioner, this Court granted the ARIO which:

(a) extended the Stay Period to and including August 21, 2026;

(b) increased the principal amount the CCAA Debtors and the Receiver are authorized to borrow under the Interim Facility to $3 million along with a corresponding increase in the Interim Lender's Charge; and

(c) increased the amount of the Administration Charge.

4. A more comprehensive background of these proceedings (the "**Proceedings**") is included in the Second Report of the Monitor and the Receiver to Court, dated August 13, 2026 (the "**Second Report**").

INCREASE IN INTERIM FINANCING

5. As described above, the Initial Order authorized the CCAA Debtors and the Receiver to borrow under the Interim Facility, subject to a maximum principal advance of $350,000. The ARIO subsequently increased that borrowing authority to $3 million, which is the maximum principal amount currently authorized and available under the Interim Facility.

6. On or about August 12, 2026, the CCAA Debtors, by the Monitor, the Receiver and the Petitioner entered into the First Amending Agreement to the Interim Financing Term Sheet (the "**Amending Agreement**"), which provides for an increase in the maximum principal borrowings under the Interim Facility from $3 million to $9 million. The Amending Agreement remains conditional on this Court's approval of the proposed Additional DIP Financing and the corresponding increase to the Interim Lender's Charge.

7. As at the date of the Second Report, the Petitioner had advanced $1.5 million of the $3 million of the authorized Interim Financing facility leaving $1.65 million available to the CCAA Debtors and the Receiver.

8. As set out in the cash flow forecast as **Appendix "A"** to the Second Report, the Monitor estimates that the CCAA Debtors and the Receiver will require the Additional DIP Financing additional in the amount of $3.3 million during the period August 8 to December 4, 2026 (the "**Cash Flow Period**").

9. While the total funding required for the proposed activities and disbursements in the Cash Flow Period amounts to approximately $4.95 million, A&M seeks authorization to borrow up to an additional $6 million during the Cash Flow Period, to provide the liquidity needed to fund these Proceedings and the operations of the Respondents during the Cash Flow Period, and to account for any unknown costs that may arise after recommencement of construction on the Project, as detailed in the Second Report.

10. A&M has reviewed the proposed budget for the Cash Flow Period with the Petitioner, who is both supportive of the proposed Additional DIP Financing and has agreed to fund the incremental borrowings required by the CCAA Debtors and the Receiver during the Cash Flow Period.

EXTENSION OF THE STAY PERIOD

11. The current Stay Period expires on August 21, 2026, which the Monitor seeks to extend up to and including December 4, 2026, in anticipation that within that time:

(a) the construction manager selected for the Project will be able to advance and finalize the remobilization plan outlining the key steps required to assess the current status of the Project and prepare for the orderly recommencement of construction; and

(b) the Monitor will be able to review and consider the remobilization plan;

(c) the Monitor will be able to advance sales and marketing efforts concurrently with the recommencement and progression of construction.

12. The proposed Stay Extension is required to preserve the *status quo* and avoid the adverse consequences associated with a bankruptcy or liquidation, while the Monitor advances steps toward the orderly recommencement and completion of construction on the Project for the benefit of all stakeholders.

PART 3: LEGAL BASIS

13. A&M, in its capacity as Monitor and Receiver, relies on:

(a) the CCAA;

(b) the BIA;

(c) the British Columbia Supreme Court Civil Rules;

(d) the inherent and equitable jurisdiction of this Court; and

(e) such further and other legal basis as counsel may advise and this Court may allow.

EXTENSION OF THE STAY PERIOD

14. The ARIO provides for a stay of proceedings to and including August 21, 2026.

15. The Monitor relies on sections 11 and 11.02, of the CCAA and the inherent jurisdiction and statutory discretion of this Honourable Court.

16. Subsection 11.02(2) of the CCAA provides that an applicant may apply for an extension of the stay of proceedings for a period of time that the court considers necessary on any terms that it may impose. Subsection 11.02(3) of the CCAA provides that the court shall not make an order extending the stay period unless it is satisfied that: (a) the circumstances exist that make the order appropriate; and (b) the applicant has acted and is acting in good faith and with due diligence.

17. The Monitor seeks to extend the Stay Period until 11:59 p.m. on December 4, 2026.

18. The Monitor recommends that this Court grant the extension sought because:

(a) the CCAA Debtors and the Monitor require the Stay Extension to prepare and implement a plan to recommence and advance construction on the Project;

(b) National Bank of Canada has consented to an extension of the Stay;

(c) as applicant, the Monitor has been, and is, acting in good faith and with due diligence; and

(d) no stakeholder of the CCAA Debtors will be materially prejudiced by the Stay Extension being sought.

INCREASE IN INTERIM FINANCING

19. Pursuant to the ARIO, the CCAA Debtors and the Receiver are authorized to borrow up to $3 million in principal borrowings with all borrowings secured by the Interim Lender's Charge. A&M now

seeks authorization to borrow up to $9 million (with all such borrowings continuing to be secured by the Interim Lender's Charge).

20. Increasing the amount of authorized borrowings is necessary in order to fund A&M's administration of these Proceedings, including specifically funding the activities and disbursements contemplated by the Second Report during the Cash Flow Period, all with a view to preserving and maximizing the value of the Project for the benefit of all stakeholders. The Second Report includes a summary of the anticipated expenditures by the Monitor and Receiver during the Cash Flow Period.

21. Pursuant to the ARIO, the Receiver is authorized to borrow up to the maximum principal amount of $3 million, with all borrowings secured by the Interim Lender's Charge. This Court has jurisdiction under the BIA, the ARIO, and its inherent and equitable jurisdiction to authorize the Receiver to borrow additional funds necessary to preserve, protect and realize upon the Receivership Property, and to secure such borrowings by way of a court-ordered charge.

22. Additionally, the Court's jurisdiction under section 11.2 of the CCAA to approve debtor-in-possession financing and grant a corresponding charge also authorizes it to "approve amendments to a DIP agreement and secure all obligations arising from the amended DIP loans with an increased DIP charge". When doing so, a court must be satisfied that the requirements of subsection 11.2(4) of the CCAA support the relief sought.

Lydian International Limited (Re), 2020 ONSC 4006 at para 66.

23. Section 11.2(4) of the CCAA reads, in part, as follows:

> 11.2 (4) In deciding whether to make an order, the court is to consider, among other things,
>
> (a) the period during which the company is expected to be subject to proceedings under this Act;
>
> (b) how the company's business and financial affairs are to be managed during the proceedings;
>
> (c) whether the company's management has the confidence of its major creditors;
>
> (d) whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company;
>
> (e) the nature and value of the company's property;
>
> (f) whether any creditor would be materially prejudiced as a result of the security or charge; and
>
> (g) the monitor's report referred to in paragraph 23(1)(b), if any.

24. No one factor is determinative. Rather, courts are to balance the interests of the debtor and its stakeholders with a view to ensuring that the financing "will assist the debtor company to obtain the 'breathing room' said to be needed to hopefully achieve a restructuring acceptable to the creditors and the court".

***1057863 B.C. Ltd (Re),* 2020 BCSC 1359 at para 35.**

25. Having regard to the factors enumerated in subsection 11.2(4) of the CCAA, the Additional DIP Financing and the corresponding increase in the Interim Lender's Charge are necessary and appropriate given, among other things, that:

(a) the additional funding to be advanced is required to ensure that there is sufficient liquidity to continue to advance these Proceedings;

(b) the Additional DIP Financing and the corresponding increase in the Interim Lender's Charge are in the best interests of all stakeholders as, in the view of the Monitor, it is necessary to protect the realizable value of the Project;

(c) no creditor will be materially prejudiced by the proposed Additional DIP Financing or the increase in the Interim Lender's Charge;

(d) the Petitioner, the Respondents' senior secured creditor, is supportive and has agreed to provide the Additional DIP Financing; and

(e) the Monitor is of the view that the Additional DIP Financing and the increase in the Interim Lender's Charge are reasonable and warranted in the circumstances.

26. A&M does not currently expect that the full $9 million authorized borrowing limit being sought will be drawn during the Cash Flow Period. However, A&M is seeking approval of that amount to provide sufficient flexibility to address timing differences, contingencies and other costs that may arise as the construction on the Project recommences and progresses, and to avoid the need to return to Court on an urgent basis to seek further borrowing authority.

27. Given the inherent uncertainty associated with insolvency proceedings, including potential professional costs, property-related expenses, preservation costs, and other unanticipated obligations that may arise during the Cash Flow Period, A&M considers it prudent and appropriate to maintain access to additional borrowing capacity beyond the amounts presently reflected in the cash flow forecast.

28. A&M will, of course, only draw amounts under the Interim Facility to the extent necessary to carry out its mandate as Monitor and Receiver.

PART 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Arden Vos, made May 21, 2026;

2. Affidavit #2 of Arden Vos, made June 1, 2026;

3. Initial Order of Justice Fitzpatrick, made May 25, 2026;

4. Amended and Restated Initial CCAA and Receivership Order of Justice Fitzpatrick, made June 4, 2026;

5. First Report of the Monitor and Receiver, dated June 3, 2026;

6. Second Report of the Monitor and Receiver, dated August 13, 2026; and

7. Such further and other 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: AUGUST 13, 2026

Mishaal S. Gill
Counsel to Alvarez & Marsal Canada Inc., in its capacity as Monitor and Receiver

To be completed by the court only:

Order made

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

☐ with the following variations and additional terms:

DATE: ______________________

____

Signature of ☐ Judge
☐ Associate Judge

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

☐ discovery: comply with demand for documents

☐ discovery: production of additional documents

☐ other matters concerning document discovery

☐ extend oral discovery

☐ other matter concerning oral discovery

☐ amend pleadings

☐ add/change parties

☐ summary judgment

☐ summary trial

☐ service

☐ mediation

☐ adjournments

☐ proceedings at trial

☐ case plan orders: amend

☐ case plan orders: other

☐ experts

☒ none of the above

SCHEDULE "A"
SERVICE LIST

NO. S-263823
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

NATIONAL BANK OF CANADA

PETITIONER

AND:

0993006 B.C. LTD., 1014669 B.C. LTD., 670805 B.C. LTD.
and 0859116 B.C. LTD.

RESPONDENTS

SERVICE LIST

(as at July 23, 2026)

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<u>SCHEDULE "B"</u>
<u>DRAFT ORDER</u>

NO. S-263823
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

NATIONAL BANK OF CANADA

PETITIONER

AND:

0993006 B.C. LTD., 1014669 B.C. LTD., 670805 B.C. LTD.
and 0859116 B.C. LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION
(STAY EXTENSION AND INTERIM FINANCING ORDER)

BEFORE	)	THE HONOURABLE	)	August 20, 2026

ON THE APPLICATION OF Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as Monitor (in such capacity, the "**Monitor**") of 0993006 B.C. Ltd. and 1014669 B.C. Ltd. and in its capacity as Receiver and Manager (in such capacity, the "**Receiver**") without security, of the interests in certain assets, undertakings and property of 670805 B.C. Ltd. and 0859116 B.C. Ltd., coming on for hearing at Vancouver, British Columbia on this date; AND ON HEARING Mishaal Gill, counsel for the Monitor and the Receiver, and those other counsel listed in Schedule "A" hereto; AND UPON READING the materials filed, including the Second Report of the Monitor and Receiver to Court, dated August 13, 2026; AND PURSUANT to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended, the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, the *Law and Equity Act*, R.S.B.C. 1996, c. 253, as amended, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the A&M's Notice of Application filed August 13, 2026, is abridged such that it is properly returnable today.

2. All capitalized terms not otherwise defined have the meanings ascribed to them in the Amended and Restated Initial CCAA and Receivership Order of this court made herein on June 4, 2026 (the "**ARIO**").

STAY PERIOD EXTENSION

3. The Stay Period provided for in paragraph 26(a) of the ARIO is hereby extended until and including December 4, 2026.

INCREASE IN INTERIM FINANCING

4. Paragraph 42 of the ARIO, is hereby amended so as to read as follows:

> 42. The Monitor, on behalf of the CCAA Debtors, and the Receiver, on behalf of the Receivership Debtors, are hereby authorized and empowered to obtain and borrow under a credit facility from the Petitioner (the "**Interim Financing**") in order to finance the continuation of the CCAA Debtors' Business and the preservation and realisation of the Property, provided that principal borrowings under such Interim Financing shall not exceed the principal amount of $9,000,000 unless permitted by further order of this Court.

5. Paragraph 43 of the ARIO, is hereby amended so as to read as follows:

> The Interim Financing shall be on the terms and subject to the conditions set forth in the financing agreement dated as of May 21, 2026, and amended by Amending Agreement dated as of August 12, 2026 (as amended, the "**Interim Lending Term Sheet**"), attached to the Second Report of the Monitor and Receiver dated August 13, 2026 as Appendix "B".

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

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

____

Signature of Mishaal Gill
Lawyer for the Monitor

BY THE COURT

____

REGISTRAR

SCHEDULE "A"

Counsel Appearing

Name of Party	Counsel Name

No. S-263823
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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RESPONDENTS

ORDER MADE AFTER APPLICATION (STAY EXTENSION AND INTERIM FINANCING)

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