

This is the 1<sup>st</sup> affidavit of  
Arden Vos in this case and  
was made on May 21, 2026

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

**A F F I D A V I T**

I, **Arden Vos**, of the City of Edmonton, in the Province of Alberta, SWEAR THAT:

**I. INTRODUCTION**

1. I am a Senior Director and Team Lead of the Special Loans Group for National Bank of Canada (the "**Lender**"). I have personal knowledge of the matters described in this affidavit, except where I say that my knowledge is based on information from others, in which case, I believe the same to be true. I am authorized to make this affidavit on behalf of the Lender.

2. I have provided the loan documents, guarantees, security documents, and other related documents referenced herein to McCarthy Tétrault LLP, as counsel to the Lender, and copies of same are attached to the first affidavit of Susan Danielisz sworn May 21, 2026 (the "**Danielisz Affidavit**"). I have reviewed the Danielisz Affidavit.

3. I make this affidavit in support of a petition by the Lender for an order (the "**Initial CCAA and Receivership Order**"):

- (a) granting certain relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended (the "**CCAA**") in respect of 0993006 B.C. Ltd.

(“0993006”) and 1014669 B.C. Ltd. (“1014669”) that, among other things, appoints Alvarez & Marsal Canada Inc. (“A&M”) as the court appointed monitor (in such capacity, the “Monitor”), with enhanced powers; and

- (b) appointing A&M as receiver and manager (in such capacity, the “Receiver”) of all rights, title and interests of 670805 B.C. Ltd. (“670805”) and 0859116 B.C. Ltd. (“0859116”) in the Real Property (as defined below) and all present and after-acquired personal property of each of them located on or exclusively related to any of the Real Property, including without limiting the generality of the foregoing, all documents, writings, papers, books of account and records relating to the foregoing, and all proceeds thereof, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3 and section 39 of the *Law and Equity Act* (British Columbia), R.S.B.C. 1996, Chapter 253.

4. All references to currency in this affidavit are in Canadian dollars.

## II. CORPORATE STRUCTURE AND MANAGEMENT

### a. The Project and the Lands

5. In 2021, 0993006, 1014669, 670805, 0859116 (collectively, the “Borrowers”) entered into a loan agreement with the Lender to finance the construction of a strata development, containing 93 residential units in a 6-storey building (the “Project”).

6. The Project is located on a portion of lands municipally described as 8140/8148/8158 166<sup>th</sup> Street, Surrey, BC, and legally described as:

PID: 030-538-050  
Lot 1, Section 25, Township 2, New Westminster District Plan  
EPP72006 except part in Strata Plan EPS6268 (Phase 1)

(the “Real Property”).

7. While the Property is contemplated to be a strata development, the strata plan has not yet been registered with the Land Title Office.

b. **Corporate Structure of the Respondents**

8. 1014669 and 0993006 hold legal title to the Real Property in trust as bare trustee and nominee (in such capacity, the "**Nominees**") for 0993006, 670805 and 0859116 as beneficial owners (the "**Beneficial Owners**") pursuant to a Direction and Beneficial Charge Agreement dated May 25, 2021 ("**Beneficial Owners' Agreement**"), attached to the Danielisz Affidavit as Exhibit "A".

9. Baljit Singh Johal is the sole director of each of 0993006, 1014669 and 670805. Tirath Gosal-Sadhra is the sole director of 0859116.

10. An organizational chart for the Borrowers compiled by the Lender based on documentation provided in 2021 is attached to the Danielisz Affidavit as Exhibit "B".

11. Each of the Borrowers are British Columbia corporations registered under the *Business Corporations Act* (British Columbia). Copies of the corporate searches for each of the Borrowers are attached to the Danielisz Affidavit as Exhibits "W", "X", "Y", "Z" and "AA".

III. **PROJECT FINANCING AND SECURITY**

a. **The Loan Agreement and Guarantees**

i. **The Loan Agreement**

12. The Lender agreed to provide financing pursuant to a loan agreement dated May 5, 2021 as amended and restated by the amending agreements dated November 25, 2021, June 29, 2022, July 14, 2022, August 28, 2023, May 2, 2024, July 29, 2024, October 15, 2024, January 8, 2025, April 8, 2025, July 18, 2025, November 4, 2025, November 6, 2025 and December 3, 2025 (collectively, the "**Loan Agreement**"). The Loan Agreement, including all amending agreements is attached to the Danielisz Affidavit as Exhibit "C".

13. Under the Loan Agreement, the Lender agreed to provide to the Borrowers certain credit facilities (the "**Credit Facilities**"), comprised of the following:

- (a) "**Facility 1**": an uncommitted interim construction loan in the principal amount of \$47,795,419 to repay existing financing provided by the Lender and for financing the construction of the Project;

- (b) **“Facility 2”**: an uncommitted overdraft facility in the amount of \$1,000,000 as a sub-limit of Facility 1, with the aggregate amount of all credit facilities under Facility 1 and 2 to not exceed \$47,795,419;
- (c) **“Facility 3”**: a letter of credit facility in the amount of up to \$1,500,000 to provide for standby letters of credit to the City of Surrey and/or other beneficiaries in connection with the construction of the Project.

14. The interest rate applicable to Facility 1 and 2 is the higher of: the Prime Rate<sup>1</sup> plus 1.55% per annum, or 3.95% per annum. Facility 3 incurs an issuance/standby fee for each letter of credit of 1.75% per annum. Interest is calculated daily and payable monthly in arrears based on the number of days amounts are outstanding.

15. The Credit Facilities were due in full the earlier of demand and January 15, 2026 (the **“Maturity Date”**). As noted below, the Credit Facilities were not paid when due and remain outstanding.

16. For ease of reference, I refer to the Borrowers’ obligations under the Loan Agreement—as fully amended and described above—as the **“Obligations”** in the remainder of this affidavit.

ii. *The Guarantees*

17. The Obligations are guaranteed as follows (collectively, the **“Guarantees”**):

- (a) **Limited Guarantee**: granted by 1067159 B.C. Ltd. (the **“Corporate Guarantor”**) dated September 1, 2022, which provides for a limited guarantee of up to the principal amount of \$50,295,419 (the **“Corporate Guarantee”**);
- (b) **Cost Overrun, Lien Free Completion and Debt Service Guarantee**: granted by the Corporate Guarantor dated May 25, 2021, whereby the Corporate Guarantor covenanted and agreed that it will provide all funds necessary to ensure that the Project is completed free of any liens in accordance with the final Project budget, timetable, plans and specifications;

---

<sup>1</sup> The Loan Agreement defines the “Prime Rate” as the interest rate established and reported by the Lender to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Lender charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

- (c) **Limited Guarantee:** granted by Mr. Johal and Ms. Gosal-Sadhra (the "**Personal Guarantors**") dated September 1, 2022, which provides for a joint and several limited guarantee of up to the principal amount of \$50,295,419 (the "**Personal Guarantee**"); and
- (d) **Cost Overrun, Lien Free Completion and Debt Service Guarantee:** granted by the Personal Guarantors dated May 25, 2021, whereby the Personal Guarantors jointly and severally covenant and agree that they will provide all funds necessary to ensure that the Project is completed lien free in accordance with the final Project budget, timetable, plans and specifications.

18. Copies of the Guarantees are attached to the Danielisz Affidavit as Exhibits "D", "E", "F" and "G".

b. **The Security**

19. To secure the Obligations, the Borrowers provided the following security (as amended, the "**Security Documents**" and together with the Loan Agreement, the "**Loan Documents**"):

- (a) a first-ranking mortgage and assignment of rents from the Nominees in respect of the Real Property (the "**Mortgage**"). The Mortgage was registered in the New Westminster Land Title Office on May 28, 2021 under instrument nos. CA9047805 and CA9047806, and was modified on September 21, 2022 under registration numbers CB235591 and CB235592, to increase the principal amount of the Mortgage. The Mortgage currently secures the principal amount of \$50,295,419. The Mortgage incorporates the Lender's standard charge terms filed under no. MT140002. The Nominees also granted a general assignment of rents and leases with respect to the Real Property dated May 25, 2021. Copies of the Mortgage (as amended) and standard charge terms are attached to the Danielisz Affidavit as Exhibit "H" and a copy of the general assignment of rents and leases is attached as Exhibit "I";
- (b) a beneficial mortgage (the "**Beneficial Mortgage**") pursuant to the Beneficial Owners' Agreement between the Borrowers and the Lender by which 0993006 and the Beneficial Owners, as beneficial owners of the Real Property: (a) charged their beneficial interest in the Real Property and the personal property

- relating thereto in favour of the Lender; (b) directed the Nominees as trustees to execute the Loan Documents; and (c) agreed to observe and perform all of the Nominees' obligations set out in the Loan Documents. A copy of the Beneficial Owners' Agreement is attached to the Danielisz Affidavit as Exhibit "A";
- (c) site-specific general security agreements dated May 25, 2021 granted by each of the Borrowers to the Lender, perfected by registrations under the British Columbia *Personal Property Security Act* as set out in paragraph 22 below. Copies of the site-specific general security agreements are attached to the Danielisz Affidavit as Exhibits "J", "K", "L" and "M";
- (d) an assignment of insurance dated May 25, 2021 granted by the Borrowers to the Lender of all the Borrowers' rights, title, and interest in all insurance policies in respect of the Real Property (the "**Insurance Assignment**"). A copy of the Insurance Assignment is attached to the Danielisz Affidavit as Exhibit "N";
- (e) an assignment dated May 25, 2021 by the Borrowers to the Lender of all present and future agreements of purchase and sale of units in the Project, including without limitation all deposits paid under the purchase agreements, subject to the relevant provisions of the *Real Estate Development Marketing Act*. A copy of the assignment of project contracts and purchase deposits/proceeds and the associated irrevocable direction to pay purchase deposits and purchase proceeds is attached to the Danielisz Affidavit as Exhibit "O";
- (f) a general security agreement from the Corporate Guarantor. A copy of the general security agreement is attached to the Danielisz Affidavit as Exhibit "P";
- (g) an environmental indemnity agreement granted by the Borrowers, the Corporate Guarantor and the Personal Guarantors dated May 25, 2021 regarding the Real Property;
- (h) an indemnity agreement regarding letters of credit granted by the Borrowers and the Guarantors to the Lender dated May 25, 2021; and
- (i) an assignment of life insurance from Mr. Johal dated May 25, 2021.

20. I am advised by Lance Williams, counsel to the Lender, and believe that on May 20, 2026, his firm conducted a land title search of the Real Property with the New Westminster Land Title Office (the “**Title Search**”) and on May 20, 2026, conducted searches of the British Columbia Personal Property Registry (“**PPR**”) disclosing the financing statements registered against the Borrowers (the “**PPR Searches**”). Copies of the Title Search and PPR Searches are attached to the Danielisz Affidavit as Exhibits “BB”, “II”, “JJ”, “KK”, “KK”, “LL” and “MM”.

21. Subject to statutory rights of way and covenants in favour of the City of Surrey, British Columbia Hydro and Power Authority, Telus Communications Inc., FortisBC Energy Inc., the Title Searches disclose the following financial encumbrances registered against the Real Property:

<b>Description</b>	<b>Principal Amount</b>	<b>Registration No.</b>	<b>Registration Date</b>
National Bank of Canada – Mortgage and Assignment of Rents	\$50,295,419	CA9047805 CA9047806	2021-05-28
Westmount West Services Inc. – Mortgage and Assignment of Rents	\$5,000,000	CB128054 CB128055	2022-08-03
Priority Agreement, granting the Lender’s Mortgage and Assignment of Rents priority over CB128054 and CB128055	--	CB238383 CB238384	2022-09-22
Bancorp Balances Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services Inc., Mandate Management Corporation – Mortgage and Assignment of Rents	\$9,250,000	CB1691314 CB1691315	2024-11-04
Priority Agreement, granting the Lender’s Mortgage and Assignment of Rents priority over CB1691314 and CB1691315		CB1714557 CB1714558	2024-11-15
Priority Agreement, granting the Bancorp Mortgage and Assignment of Rents priority over CB128054 and CB128055			

Description	Principal Amount	Registration No.	Registration Date
Vancouver Ready Mix Inc. – Claim of Builders Lien	\$235,789.60	CB2604855	2026-02-03
HTBC Flooring Ltd. – Claim of Builders Lien	\$11,878.53	CB2619661	2026-02-11
Climacool Solutions Ltd. – Claim of Builders Lien	\$74,373.55	CB2675316	2026-03-13
Vancouver Ready Mix Inc. – Certificate of Pending Litigation	-	CB2686420	2026-03-19
Uppal Building Supplies Ltd. – Claim of Builders Lien	\$21,365.45	HB21222	2026-03-26
Sosan Construction Ltd. – Claim of Builders Lien	\$465,217.98	CB2750637	2026-04-23

22. As of April 8, 2026, the PPR Searches disclose the following registrations against the Borrowers:

iii. Registrations against 0993006 B.C. Ltd.

Secured Party	Base Reg No.	Registration / Expiry Date	Brief Collateral Description
National Bank of Canada	329371L	Feb 21, 2019 / Feb 21, 2027	All present and after acquired personal property related to the Real Property
Westmount West Services Inc.	613012N	March 22, 2022 / March 22, 2028	All present and after acquired personal property related to the Real Property
Bancorp Balances Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services Inc., Mandate Management Corporation	697749Q	Oct 11, 2024 / Oct 11, 2029	All present and after acquired personal property
Bancorp Balances Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp	697765Q	Oct 11, 2024 / Oct 11, 2029	Funds which are or may in the future stand to the credit of the debtor in any account of the secured party

Secured Party	Base Reg No.	Registration / Expiry Date	Brief Collateral Description
Financial Services Inc., Mandate Management Corporation			

iv. Registrations against 1014669

Secured Party	Base Reg No.	Registration / Expiry Date	Brief Collateral Description
Canadian Western Bank	896884K	Jul 16, 2018 / Jul 16, 2028	Re an Assignment of Bank Instrument dated July 13, 2018
Canadian Western Bank	943355K	Aug 7, 2018 / Aug 7, 2028	Re an Assignment of Bank Instrument dated August 7, 2018
National Bank of Canada	329371L	Feb 21, 2019 / Feb 21, 2027	All present and after acquired personal property related to the Real Property
Westmount West Services Inc.	613012N	Mar 22, 2022 / Mar 22, 2028	All present and after acquired personal property related to the Real Property
Bancorp Balances Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services Inc., Mandate Management Corporation	697749Q	Oct 11, 2024 / Oct 11, 2029	All present and after acquired personal property
Bancorp Balances Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services Inc., Mandate Management Corporation	697765Q	Oct 11, 2024 / Oct 11, 2029	Funds which are or may in the future stand to the credit of the debtor in any account of the secured party
Bancorp Balances Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services	697856Q	Oct 11, 2024 / Oct 11, 2029	All indebtedness of 0993006 to the debtor

<b>Secured Party</b>	<b>Base Reg No.</b>	<b>Registration / Expiry Date</b>	<b>Brief Collateral Description</b>
Inc., Mandate Management Corporation			

v. Registrations against 670805

<b>Secured Party</b>	<b>Base Reg No.</b>	<b>Registration / Expiry Date</b>	<b>Brief Collateral Description</b>
Westminster Savings Credit Union – Commercial Loans Branch	601330I	May 13, 2015 / May 13, 2030	Re Plan 24 Savings Sub 3 of the debtor with the secured party in the principal amount of 444,983.18
National Bank of Canada	329371L	Feb 21, 2019 / Feb 21, 2027	All present and after acquired personal property related to the Real Property
The Toronto-Dominion Bank	173811M	April 17, 2020 / April 17, 2030	All present and after acquired personal property
Westmount West Services Inc.	393292M	Aug 10, 2020 / Aug 10, 2026	All present and after acquired personal property re 11917 Burnett Street, Maple Ridge, BC
Westmount West Services Inc.	191361N	Aug 20, 2021 / Aug 20, 2027	All present and after acquired personal property re 18850 – 18855 72 <sup>nd</sup> Avenue, Surrey
Coast Capital Savings Federal Credit Union	930777P	Nov 24, 2023 / Nov 24, 2029	All indebtedness of Mortise-Transnat (Slate) GP Ltd. and Mortise-Transnat (Slate) Limited Partnership to the debtor
Oakhill Lending Corp.	486592Q	July 4, 2024 / July 4, 2027	All present and after acquired personal property re 6081 and 6095 King George Blc, Surrey, BC, and 6111, 6121 and 6131 King George Blvd., Surrey, BC
Bancorp Balanced Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services Inc.	586896Q	Aug 21, 2024 / Aug 21, 2029	All present and after acquired personal property
Bancorp Balances Mortgage Fund II Ltd., Bancorp Growth	697871Q	Oct 11, 2024 / Oct 11, 2029	All indebtedness of 1014669 to the debtor

<b>Secured Party</b>	<b>Base Reg No.</b>	<b>Registration / Expiry Date</b>	<b>Brief Collateral Description</b>
Mortgage Fund II Ltd., Bancorp Financial Services Inc., Mandate Management Corporation			
Gentai Capital Corporation, Computershare Trust Company of Canada	216272R	May 5, 2025 / May 5, 2030	All present and after acquired personal property
Gentai Capital Corporation, Computershare Trust Company of Canada	278956R	Jun 2, 2025 / Jun 2, 2030	All present and after acquired personal property
1475002 B.C. Ltd.	690086R	Dec 22, 2025 / Dec 22, 2030	All present and after acquired personal property
Oakhill Lending Corp.	812077R	Feb 27, 2026 / Feb 27, 2029	All present and after acquired personal property re 6081 and 6095 King George Blvd., Surrey, BC, and 6111, 6121 and 6131 King George Blvd., Surrey, BC

vi. Registrations against 0859116

<b>Secured Party</b>	<b>Base Reg No.</b>	<b>Registration / Expiry Date</b>	<b>Brief Collateral Description</b>
The Bank of Nova Scotia	797294K	May 31, 2018 / May 31, 2028	All present and after acquired personal property
National Bank of Canada	329371L	Feb 21, 2019 / Feb 21, 2027	All present and after acquired personal property related to the Real Property
Bancorp Balances Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services Inc., Mandate Management Corporation	697871Q	Oct 11, 2024 / Oct 11, 2029	All indebtedness of 1014669 owing to the debtor

23. With regard to the above registrations, I note that the Lender entered into the following priority agreements:

- (a) a priority and postponement agreement (the "**Westmount Priority Agreement**") dated September 21, 2022, whereby Westmount West Services Inc. ("**Westmount**") granted priority to the Security over Westmount's respective security interest flowing from its provision of deposit insurance in respect of the Project. The Westmount Priority Agreement was registered on title to the Real Property on September 22, 2022 under Instrument Nos. CB238383-CB238386. A copy of the executed and the registered Westmount Priority Agreement is attached to the Danielisz Affidavit as Exhibit "Q"; and
- (b) a priority and standstill agreement (the "**Bancorp Priority Agreement**") dated October 21, 2024, whereby Bancorp Balanced Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services Inc., and Mandate Management Corporation (collectively, "**Bancorp**") granted priority to the Security over Bancorp's respective security interests. The Bancorp Priority Agreement was registered on title to the Real Property on November 15, 2024 under Instrument No. CB1714557-CB1714560. A copy of the executed and registered Bancorp Priority Agreement is attached to the Danielisz Affidavit as Exhibit "R".

24. I understand that Bancorp provided construction financing to the Borrowers, in addition to the financing provided by the Lender, for the Project starting in or around September 2024. I also understand that Westmount has provided deposit insurance with respect to the Project.

25. Additionally, the Lender was provided with a No Interest Letter from the Bank of Nova Scotia regarding its registration in the PPR against 0859116 as Instrument No. 797294K. A copy of the No Interest Letter is attached to the Danielisz Affidavit as Exhibit "S".

26. Based on the foregoing, I believe that the Lender has validly registered first-charge security interests in the Project and the interests of the Borrowers therein.

#### **IV. PRE-SALE AGREEMENTS**

27. The Lender understands that beginning in 2019, the Borrowers went to market and entered into various pre-sale purchase agreements with respect to the Project. The agreements

contained an outside date by which time they would automatically terminate. As that deadline was approaching in November 2025, the developer filed a new disclosure statement and approached existing purchasers with two options: either to rewrite and ratify their contracts under the new disclosure statement or to receive a return of their deposits under the original agreements. While new agreements were entered into with some purchasers, a number of the pre-sale agreements were cancelled.

28. Based on the agreements provided to the Lender, the Lender understands that of the 93 units within the Project, to date, only 62 units are subject to pre-sale agreements and the rest remain unsold. Most of these purchase agreements provide an automatic termination and return of deposit in the event the relevant unit is not completed within 12 months after the estimated completion date (the “**Outside Date**”). The Outside Date can be extended by up to four months at the Vendor’s option under all but five of these purchase agreements.

29. Based on the Lender’s review, for the vast majority of the purchase agreements, the un-extended Outside Date is in October 2026.

30. The pre-sale agreements were a material consideration for the Lender in approving the Credit Facilities, and remain an important component of the Lender’s security.

## **V. DEFAULTS AND DEMANDS**

31. I understand that in August 2025, 1014669 and 0993006 were in default of their loan agreement with Bancorp for failure to pay amounts owing thereunder and to pay property taxes with respect to the lands over which Bancorp had security. Bancorp served 1014669 and 0993006, among other guarantors, with a demand for approximately \$8.9 million and a notice of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act*. A copy of this demand is attached to the Danielisz Affidavit as Exhibit “NN”.

32. Pursuant to the Bancorp Priority Agreement, Bancorp agreed not to take any steps under its security until 90 days after it provided notice to the Lender. That notice period has now expired such that Bancorp may now take enforcement steps at any time.

33. Notwithstanding the maturity of the Credit Facilities on January 25, 2026, the Borrowers asked for additional time to repay the Credit Facilities. The Lender decided to provide the Borrowers with additional time, while reserving all its rights and not waiving any defaults under the Loan Documents.

34. As of April 30, 2026, the Borrowers remained in material default, and the Lender issued demands for repayment and notices of intention to enforce its security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the "**Demands**"). A copy of the Demands are attached to the Danielisz Affidavit as Exhibit "T".

35. As set out in the Demands, various events of default have occurred under the Loan Agreement, including the following:

- (a) the Borrowers breached their obligations pursuant to section 11 to repay the Credit Facilities by the Maturity Date;
- (b) the Borrowers breached their obligations pursuant to section 2 to make certain monthly payments of interest in respect of the Credit Facilities commencing with the payment due for January 2026;
- (c) the Borrowers breached their obligation pursuant to section 10(2) to achieve Qualifying Presold Units totalling \$31,500,000 by permitting the lapse of all of their purchase and sale agreements for such Qualifying Presold Units that necessitated them entering into new purchase agreements in 2025, with the current amount totalling only approximately \$26 million;
- (d) the Borrowers breached their obligations pursuant to section 10 to establish and maintain the Holdback Account;
- (e) the Borrowers breached their obligations pursuant to section 16(9) not to revise the total cost of the Project, including contingencies, from the Lender approved budget;
- (f) the Borrowers breached their obligations pursuant to section 16(10) not to permit any changes to be made to the construction contracts or the plans and specifications for the Project without the prior approval of the Lender, including changes in mechanical design;
- (g) the Borrowers breached their obligations pursuant to section 16(11) not to make, individually or in the aggregate, changes to the line item budgets within the overall Project budget approved by the Lender that will change the scope of the Project;

- (h) the Borrowers breached their obligations to discharge any construction liens or other liens or actions registered against the Real Property, specifically including the following registrations:
  - (i) Claim of builders lien registered in favour of Vancouver Ready Mix Inc. on February 3, 2026. A copy of the registered lien is attached to the Danielisz Affidavit as Exhibit "CC";
  - (ii) Claim of builders lien registered in favour of HTBC Flooring Ltd. on February 1, 2026. A copy of the registered lien is attached to the Danielisz Affidavit as Exhibit "DD";
  - (iii) Claim of builders lien registered in favour of Climacool Solutions Ltd. on March 13, 2026. A copy of the registered lien is attached to the Danielisz Affidavit as Exhibit "EE";
  - (iv) Certificate of pending litigation registered in favour of Vancouver Ready Mix Inc. on March 19, 2026. A copy of the registered certificate is attached to the Danielisz Affidavit as Exhibit "FF";
  - (v) Claim of builders lien registered in favour of Uppal Building Supplies Ltd. on March 26, 2026. A copy of the registered lien is attached to the Danielisz Affidavit as Exhibit "GG"; and
  - (vi) Claim of builders lien registered in favour of Sosan Construction Ltd. on April 23, 2026. A copy of the registered lien is attached to the Danielisz Affidavit as Exhibit "HH";
- (i) the Borrowers breached their obligations pursuant to section 15(10) to provide to the Lender a statutory declaration with respect to sub-trade accounts being paid in full;
- (j) the Borrowers breached their obligations pursuant to section 15(6) to inject additional equity to meet any cost overruns beyond the original budget;
- (k) the Borrowers breached their obligations pursuant to section 15(12) to provide to the Lender evidence of payment of property taxes for the Real Property; and

- (l) the Borrowers breached their obligations pursuant to section 15(7) to provide to the Lender copies of the annual financial statements for the Borrower and the Guarantors within 90 days of their respective fiscal year ends for 2025.

36. As of April 29, 2026, the Borrowers were jointly and severally indebted to the Lender in the amount of **\$48,482,696.24**, including the outstanding principal amount of the Credit Facilities under the Loan Agreement, together with all accrued and unpaid interest, fees, expenses and other amounts payable to the Lender pursuant to the Loan Documents to that date, and with interest, fees, expenses and costs continuing to accrue (collectively, the “**Indebtedness**”). As of the date of this affidavit, the Indebtedness is immediately due and owing and remains outstanding.

37. On the same date as the Demands, counsel for the Lender also sent a letter to the Borrowers advising of the Lender’s frustration with the lack of progress and the Borrowers’ continued failure to meaningfully respond to the Lender’s outstanding requests. The Lender advised that it was willing and prepared to engage in discussions with the Borrowers to determine whether an amenable resolution was possible, and asked that the Lender be contacted before May 4, 2026 with the plan for both the provision of the outstanding information, and how the Borrowers intend to fund the completion of the Project. A copy of this correspondence is attached to the Danielisz Affidavit as Exhibit “U”.

38. The Borrowers and the Lender held a call on May 4, 2026, but no acceptable solution was provided by the Borrowers.

39. As part of the ongoing discussions, by May 8, 2026, the Borrowers consented to allowing the Lender’s advisor – A&M – to monitor the Borrowers’ financial position.

40. As part of A&M’s site visit and access to more information, I was advised by Anthony Tillman that he did not see any appliances in the Project except in one unit. I also did not see any appliances during my site visit. However, I was advised by Jonathan Ma from ConEcon, the quantity surveyor for the Project, that they had previously been provided with an invoice for appliances and a statutory declaration from the Borrowers suggesting that such invoice was paid, which was then used by the quality surveyor to prepare their report regarding amounts spent on the Project, which the Lender had relied on to advance funds.

41. I asked Mr. Johal and Navjeet Gill, representatives for the Borrowers, regarding this issue and was informed that notwithstanding the documents they provided to the quantity surveyor, the invoice for appliances was never paid, such appliances were never delivered, and that the funds were used elsewhere in the Project, contrary to the Loan Documents.

42. I have reviewed the prior quantity surveyor reports provided to support funding under the Credit Facilities. In addition to the appliance issue above, I was concerned that these reports did not accurately reflect the state of the project in terms of cost to complete and timeline. While this remains unclear, the Lender is materially concerned that the Project is not as advanced as anticipated, and the Monitor (if appointed) will need to assess the current status.

43. The Lender has provided ample time to the Borrowers to provide a long-term solution, but has only received delayed communications and no viable solution. At this stage, the Lender has lost confidence in the Borrowers.

## **VI. FINANCIAL POSITION OF THE BORROWERS**

44. As indicated above, the Borrowers are insolvent. They have failed to pay the Indebtedness and multiple liens have been registered against the Real Property.

## **VII. THE NEED FOR CREDITOR PROTECTION**

### **a. Urgent Need for Protection**

45. On April 15, 2026, I attended at the Real Property to assess the status of the Project. Based on my observations, there was no active work being done on the Project, it did not appear to be secure, and the amenity building was exposed to the elements. As such, there is, in my view, an urgent need to stabilise and protect the Project.

46. Further, the Borrowers have consistently delayed or failed to provide the required financial information to the Lender, despite repeated requests. It is clear that the Borrowers are delinquent in their obligations to not just the Lender, but to their creditors generally as there are construction liens totalling approximately \$800,000 which have already been registered against title to the Real Property and the CCAA Debtors have previously defaulted on their loan agreement with Bancorp.

47. The Borrowers have demonstrated an inability to pay their Obligations under the Loan Documents, as evidenced by the current ongoing Defaults. Further, contractors continue to file claims of builders lien on title to the Real Property, as discussed above. From the foregoing, I believe that the Project and the Borrowers are in serious financial jeopardy and require immediate funding and the engagement of competent management.

48. Given the above failures to pay, the Lender has lost confidence in the Borrowers' management. As a result, while the Lender is willing to extend further funding, it will do so only on the condition that: (i) the Monitor is appointed with enhanced powers to manage the financial affairs of the Borrowers as they relate to the Project, construction of the Project, and future sales of remaining units in the Project and (ii) the Receiver is appointed as contemplated below.

49. I am concerned that the Borrowers' continued insolvency will cause them to continue to default on their various construction agreements, leading to commencement of further claims and registration of further claims of lien. If the Borrowers cannot complete the Project in time to close existing pre-sale contracts and execute new sales contracts for outstanding units, there is significant risk of losing the present value tied up in the Project. Further, the Real Property is currently exposed to the elements and I believe it is critical that certain work continue in order to preserve and protect the site. In my view, the appointment of a monitor with enhanced powers will facilitate the completion of the Project.

**b. CCAA Relief**

50. The Lender seeks to appoint A&M as Monitor in respect of 0993006 (both as a Nominee and beneficial owner) and 1014669 (the "CCAA Debtors"). The CCAA Debtors are both registered owners of the Real Property and are each party to the pre-sale purchase agreements as the developer.

51. Given the impending Outside Dates for the pre-sale purchase agreements, there is an urgent need for court protection to prevent value loss for these agreements as the Lender understands that construction of the Project is currently at a stand-still.

52. The Lender supports a CCAA proceeding because it allows the proposed Monitor to determine the best route forward for the Project, including stabilising, completing, overseeing the closing of the pre-sold units and the sale of the remaining unsold units, both of which are of

significant value to the stakeholders. The Lender supports such oversight because of the Borrowers' history of mismanagement on the Project.

53. To complete the Project, realize on its value, and repay the Indebtedness, the CCAA Debtors must complete construction, obtain the final occupancy permit, and close sales on the remaining units (both those with pre-sale agreements and those without). But for the reasons described below, the CCAA Debtors appear unable to do so with current resources.

54. It is for that reason that the Lender seeks to commence CCAA proceedings with the Monitor being granted enhanced powers, i.e. so that it can immediately proceed to protect the Project, and determine how best to realise on the Project to the benefit of all stakeholders.

55. As referenced above, the CCAA Debtors have 62 pre-sale agreements. At this time, the Lender is not aware of any fact that would necessitate the filing of a new disclosure statement under *Real Estate Development Marketing Act*, S.B.C. 1004, c. 41 ("**REDMA**") or any basis on which parties to such pre-sale agreements would be entitled to rescind same.

56. Given the pre-sale agreements, I am of the view that preserving them is essential to preserving the value of the Project.

c. **Receivership Relief**

57. The Lender seeks an order appointing the Receiver over 670805 and 0859116's (collectively, the "**Receivership Debtors**") beneficial interest in the Project, including the Real Property and all personal property thereto, and all proceeds thereof.

58. The Receivership Debtors are, in my view, insolvent as they have failed to pay their debts when due, and given that they have a beneficial interest in the Project. I believe it is necessary for the Receiver to be appointed in order to maintain and preserve the Project and effect a sale of it.

59. Based on the searches of the PPR, it appears that the Receivership Debtors may have additional interests outside of the Project and other secured creditors. Further, as beneficial owners of the Project, the Receivership Debtors are not parties to the pre-sale agreements, nor are they the 'developer' under the disclosure statements filed under REDMA. Given that the Lender's interests over the Receivership Debtors are limited to the Project as set out at paragraph 19, the Lender believes appointing the Receiver in such limited capacity as set out

herein will ensure that the Lender is able to recover as against the Project without causing undue harm to the Receivership Debtors' other stakeholders.

## VIII. RELIEF SOUGHT

### a. Stay of Proceedings

60. A stay of proceedings is required to preserve the *status quo*, avoid the adverse consequences associated with a bankruptcy, and permit completion of stabilisation and construction, all the while permitting the CCAA Debtors' business to continue to operate as a going concern to the benefit of all stakeholders. Therefore, the Lender is seeking an initial stay of proceedings (the "**CCAA Stay of Proceedings**").

61. The Lender is concerned about the Borrowers' inability to meet certain obligations as they become due. As evidenced by the claims of lien discussed above, the Borrowers are already behind on payments to certain construction contractors.

62. The Lender is not prepared to extend further credit outside the protection of the Initial CCAA and Receivership Order. Moreover, absent the CCAA Stay of Proceedings (and associated financing described below), I believe the Borrowers will not be able to continue to operate their businesses and will be forced to initiate an abrupt disorderly shutdown and bankruptcy.

63. In light of the foregoing, the Lender is of the view that the CCAA Stay of Proceedings is in the best interests of the Borrowers and their stakeholders. I understand that the proposed Monitor and Receiver also believe that the CCAA Stay of Proceedings are appropriate in the circumstances.

### b. Proposed Monitor and Receiver

64. The proposed CCAA and Receivership Order contemplates that A&M will act as the Monitor in the CCAA proceeding. A&M has consented to act as the Monitor of the CCAA Debtors in the CCAA proceeding if the proposed Initial CCAA and Receivership Order is granted.

65. Additionally, the Lender seeks a grant of enhanced powers to the Monitor, such that the Monitor can manage the financial affairs of the CCAA Debtors and direct construction of the

Project. This will allow the Monitor to immediately take steps to complete what remains of the Project, to obtain the final occupancy permit, and sell outstanding units to effectively realize on the Project.

66. The proposed Initial CCAA and Receivership Order contemplates that A&M will also act as the Receiver in the Receivership proceeding. A&M has consented to act as the Receiver of the Receivership Debtors if the proposed Initial CCAA and Receivership Order is granted.

67. A copy of A&M's consent to act as the Monitor of the CCAA Debtors and as Receiver of the Receivership Debtors is attached to the Danielisz Affidavit as Exhibit "OO".

68. As discussed above, A&M was engaged as financial advisor to the Lender in respect of the Project – as consented to by the debtors. A&M is familiar with and to the Debtors, and has preliminary knowledge of the Project and the relevant context given their recent engagement.

69. To my knowledge, A&M (and its principals) are not directors, officers, or employees of the Borrowers, are not, to my knowledge, related to the Borrowers or any director or officer of the Borrowers, and have never been the auditors, accountants, or legal counsel to the Borrowers.

70. I am advised by Mr. Anthony Tillman and believe that A&M has experience acting as a Monitor and Receiver with enhanced powers in significant real estate matters similar to this situation, including in CCAA proceedings and receivership proceedings in British Columbia under the jurisdiction of this Court.

**c. Interim Financing**

71. The Lender proposes to provide an interim financing facility (the "**Interim Financing Facility**") via a financing agreement (the "**Interim Lending Term Sheet**") with the CCAA Debtors and the Receiver, as borrower, and the Lender as lender (in such capacity, the "**Interim Lender**") to assist with the financing of this proceeding. A copy of the Interim Lending Term Sheet is attached to the Danielisz Affidavit as Exhibit "V".

72. The Interim Lending Term Sheet provides for a super-priority, revolving credit facility of up to \$3,000,000, subject to an initial borrowing limit of \$350,000 during the CCAA Stay of Proceedings.

73. The amounts drawn and outstanding under the Interim Financing Facility will bear interest at Prime Rate (defined therein) plus 5% per annum, with interest on the principal amount outstanding accruing on the first day of each month.

74. The Interim Financing Facility includes a commitment fee of \$100,000, earned upon the execution of the Interim Lending Term Sheet.

75. The Interim Financing Facility is conditional upon, among other things, the granting of a priority charge over the CCAA Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and the interest of 670805 and 0859116 in the Project and all property relating thereto, including all proceeds thereof (the "**Property**") in favour of the Interim Lender to secure the amounts borrowed under the Interim Financing Facility (the "**Interim Lender's Charge**") in priority to all other security interests.

76. The Interim Financing Facility is to be used to fund the Borrowers' ongoing business expenses and carrying costs related to the Project, immediate construction costs of the Project, legal costs of the Interim Lender, and the general cost of the Monitor, the Receiver, and their counsel.

77. The Interim Financing Facility must be repaid in full by the date that is the earlier of:

- (a) November 30, 2026;
- (b) the effective date of any Plan (as defined in the Interim Lending Term Sheet) under the proceedings;
- (c) the closing of a purchase and sale of substantially all of the Property or shares of either or both of the Borrowers;
- (d) the refinancing of the Interim Financing Facility, upon the written consent of the Interim Lender and the Monitor;
- (e) the termination of the proceedings; or
- (f) the date on which the Borrowers tender payment, in full, of the Interim Financing Obligations (as defined in the Interim Lending Term Sheet).

78. The amount of the Interim Financing Facility to be funded during the initial CCAA Stay of Proceedings is up to the maximum principal amount of \$350,000.

d. **Initial CCAA and Receivership Order Charges**

79. The Initial CCAA and Receivership Order Charges provide for the following court-ordered charges (the “**Charges**”) over the Borrowers’ Property as security for the obligations of the Borrowers to the beneficiaries of the Charges:

- (a) the “**Administration Charge**” in favour of the Monitor and Receiver, as well as their counsel, and counsel to the Interim Lender, and counsel to the Lender, to secure payment of their respective fees and disbursements incurred in connection with services rendered in connection with these proceedings up to a maximum amount of \$150,000. The Administration Charge is proposed to rank ahead of and have priority over all other charges; and
- (b) the Interim Lender’s Charge, to secure the amounts borrowed under the Interim Financing Facility, together with all related fees, interest and costs. The Interim Lender’s Charge is proposed to rank ahead of and have priority over all other charges, except the Administration Charge.

80. The Charges are proposed to rank in priority to all other security interests in the Borrowers’ Property, other than those claims contemplated by section 11.8(8) of the CCAA and sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

i. **The Administration Charge**

81. The Borrowers require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the CCAA proceeding in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in assessing the Borrowers’ financial capacity and any future restructuring.

82. The Lender and A&M worked collaboratively to estimate the quantum of the Administration Charge required, which takes into account the limited retainers the professionals currently have and their outstanding fees incurred in connection with preparing for these proceedings. I believe that the Administration Charge is fair and reasonable in the

circumstances. I understand that A&M, in its capacity as proposed Monitor and Receiver, is also of the view that the Administration Charge is fair and reasonable in the circumstances, and that the proposed Interim Lender supports the Administration Charge.

83. The Lender intends to seek an increase to the Administration Charge to \$500,000 at the hearing prior to the expiry of the CCAA Stay of Proceedings (the “**Comeback Hearing**”).

ii. Interim Lender's Charge

84. The Commitment Letter provides, among other things, that the Interim Financing Facility is contingent on the granting of the Interim Lender's Charge subordinate to the Administration Charge, but in priority to all other claims.

85. Pursuant to the proposed Initial CCAA and Receivership Order, the Interim Lender's Charge will secure all of the funds advanced under the Interim Financing Facility. The Interim Lender's Charge will not secure obligations incurred prior to the CCAA proceeding.

**IX. REDMA**

86. Having regard to the number of pre-sale agreements and the Monitor's proposed enhanced powers, the Lender seeks a declaration that:

- (a) the CCAA Debtors shall not be required to file a new disclosure statement under subsection 16(2) of REDMA nor take any steps that would otherwise trigger a purchaser's right of rescission under REDMA; and
- (b) all of the rights and remedies of purchasers to rescind pre-sale contracts with the CCAA Debtors are stayed.

87. The foregoing declaration will preserve stability, maximize the value of the Real Property, and ensure certainty for the Borrowers, the Interim Lender, the Monitor and the counterparties to the pre-sale agreements.

88. The Lender submits that the REDMA relief is required in this case and is fair and reasonable in the circumstances to preserve the status quo and the value of the Project.

## **X. CASH FLOW FORECAST**

89. A&M has undertaken a preliminary cash flow analysis to determine the quantum of funding required to finance the Borrowers' operations, assuming the Initial CCAA and Receivership Order is granted, over the 13-week period through to the week ending August 21, 2026 (the "**Cash Flow Forecast**").

90. To my understanding, the Cash Flow Forecast will indicate that the Borrowers urgently require the Interim Financing Facility to ensure they have the liquidity required to meet obligations and continue business operations during the CCAA Stay of Proceedings. However, with the Interim Financing Facility in place, I believe the Borrowers will have sufficient liquidity to meet their obligations during the CCAA Stay of Proceedings.

## **XI. CONCLUSION**

91. I believe that the proposed CCAA and Receivership Order is in the best interests of the Borrowers and all stakeholders. The CCAA Stay of Proceedings, Monitor's enhanced powers, and the Interim Financing Facility will allow the Borrowers to continue ordinary course operations with the breathing space and stability necessary to complete the Project and maximize recoveries in the circumstances. Absent the CCAA Stay of Proceedings and approval of the Interim Financing Facility, the Borrowers will be unable to meet their obligations as they become due, which would be detrimental to the value of its business, and in turn, the interests of its stakeholders.

92. In the circumstances, I believe this proceeding is the only viable means for the Lender to gain adequate supervision over and insight into the Borrowers' business and financial management, for the benefit of all stakeholders while not unduly interfering with the other stakeholders of the Receivership Debtors who are unrelated to the Project. I also believe that the relief sought in the CCAA and Receivership Order as it relates to the CCAA Debtors is limited to what is reasonably necessary to achieve such supervision and insight in the initial ten-day period.

