



SE 263823

NO. _____
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

PETITION TO THE COURT

ON NOTICE TO: Service List, attached hereto as **Schedule "A"**

The address of the registry is:

The Law Courts
800 Smithe Street
Vancouver, BC V6Z 2E1

The petitioner estimates that the hearing of the petition will take two hours.

Place of hearing: Vancouver, BC

- This matter is an application for judicial review.
- This matter is not an application for judicial review.

This proceeding is brought for the relief set out in Part 1 below by

- The person named as petitioner in the style of proceeding above
- Name (the Petitioner)

If you intend to respond to this Petition, you or your lawyer must:

- (a) file a Response to Petition in Form 67 in the above-named registry of this court within the time for Response to Petition described below, and

- (b) serve on the Petitioner
 - (i) 2 copies of the filed Response to Petition, and
 - (ii) 2 copies of each filed Affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the Response to Petition within the time for response.

TIME FOR RESPONSE TO PETITION

A Response to Petition must be filed and served on the Petitioner,

- (a) if you were served with the Petition anywhere in Canada, within 21 days after that service,
- (b) if you were served with the Petition anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the Petition anywhere else, within 49 days after that service, or
- (d) if the time for response has been set by order of the court, within that time.

The ADDRESS FOR SERVICE of the Petitioner is:

McCarthy Tétrault LLP
Barristers & Solicitors
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5

**Attention: H. Lance Williams
Saneea Tanvir**

Email address for service: lwilliams@mccarthy.ca
stanvir@mccarthy.ca
sdanielisz@mccarthy.ca

The name and office address of the Petitioner's lawyer:

(same as above)

CLAIM OF THE PETITIONER

PART 1 ORDER(S) SOUGHT

1. An “**Initial CCAA and Receivership Order**” materially in the form attached as **Schedule “B”**, among other things:

- (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**”) including:
 - (i) declaring that 0993006 and 1014669 (the “**CCAA Debtors**”) are companies to whom the CCAA applies;
 - (ii) appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as an officer of this Court to monitor the assets, business, and financial affairs of the CCAA Debtors (in such capacity, the “**Monitor**”);
 - (iii) granting the Monitor enhanced powers to exercise control over the CCAA Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**CCAA Property**”) and the CCAA Debtors’ business (the “**CCAA Debtors’ Business**”) in accordance with the terms of the Order;
- (b) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and section 39 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253 (the “**LEA**”), appointing A&M as the receiver and manager (in such capacity, the “**Receiver**”), without security, over all rights, title and interests of 670805 B.C. Ltd. (“**670805**”) and 0859116 B.C. Ltd. (“**0859116**”) and together with 670805, the “**Receivership Debtors**”) in the Real Property (defined below) and all present and after-acquired personal property of the Receivership Debtors located on or exclusively related to 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 (collectively, the “**Receivership Property**”) and together with the CCAA Property, the “**Property**”);

- (c) staying all proceedings and remedies taken or that might be taken:
 - (i) until and including June 4, 2026 or such later date as this Court may order (the “**Stay Period**”) against or in respect of the CCAA Debtors, the Monitor, or affecting the CCAA Debtors’ Business or the CCAA Property, except with the written consent of the Monitor or with leave of this Court, or
 - (ii) in respect of the Receiver or the Receivership Property, in either case, except with the written consent of the Receiver or with leave of this Court;
- (d) approving the Monitor, on behalf of the CCAA Debtors, and the Receiver borrowing up to the principal amount of \$3,000,000 pursuant to an interim financing facility (the “**Interim Financing Facility**”) from the Petitioner (in such capacity, the “**Interim Lender**”) pursuant to an interim financing agreement (the “**Commitment Letter**”), provided that until the Comeback Hearing (defined below), the maximum principal to be advanced under the Interim Facility is limited to \$350,000;
- (e) granting the following charges (the “**Charges**”), with priority over the Property as security for the obligations to the beneficiaries of such charges:
 - (i) the “**Administration Charge**” in favour of the Monitor, the Receiver, their legal counsel, and legal counsel to the Interim Lender, up to a maximum amount of \$150,000, to be increased to \$500,000 at the Comeback Hearing (defined below); and
 - (ii) the “**Interim Lender’s Charge**” in favour of the Interim Lender as security for all obligations under the Interim Financing Facility; and
- (f) declaring that the CCAA Debtors shall not be required to file a new disclosure statement under subsection 16(2) of the *Real Estate Development Marketing Act*, S.B.C. 1004, c. 41 (“**REDMA**”), nor take any steps that would otherwise trigger a purchaser’s right of rescission under REDMA, and that any rights and remedies of purchasers to rescind presale contracts with the CCAA Debtors are stayed and suspended;

(g) providing for a comeback hearing in respect of the relief granted under the Initial CCAA and Receivership Order, including an extension of the Stay Period contemplated thereunder, on June 4, 2026, or such other date as may be ordered by this Court (the “**Comeback Hearing**”).

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

1. The facts in support of this Petition are more fully set out in the Affidavit #1 of Arden Vos, made May 21, 2026 (the “**Vos Affidavit**”). Capitalized terms used but not otherwise defined in this Petition have the same meaning as ascribed to them in the Vos Affidavit.

2. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

I. CORPORATE STRUCTURE AND MANAGEMENT

a. The Project and the Lands

3. 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**”).

Affidavit #1 of Arden Vos, made May 21, 2026
[**Vos Affidavit**], at para. 5

4. The Project is located on a portion of lands municipally described as 8140/8148/8158 166th 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**”).

Vos Affidavit, at para. 6

b. Corporate Structure of the Respondents

5. 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").

Vos Affidavit, at para. 8

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

Vos Affidavit, at para. 9

7. Each of the Borrowers are British Columbia corporations registered under the *Business Corporations Act* (British Columbia).

Vos Affidavit, at para. 11;

Affidavit #1 of Susan Danielisz, made May 21, 2026
[Danielisz Affidavit], at Exhibits "W", "X", "Y", "Z" and "AA"

II. PROJECT FINANCING AND SECURITY

a. The Loan Agreements and Guarantees

i. The Loan Agreements

8. 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").

Vos Affidavit, at para. 12;

Danielisz Affidavit, at Exhibit "C"

9. Under the Loan Agreement, the Lender agreed to provide to the Borrowers with "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 principal 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 principal 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.

Vos Affidavit, at para. 13

10. The Credit Facilities were due in full the earlier of demand and January 15, 2026 (the **“Maturity Date”**). The Credit Facilities were not repaid on the Maturity Date and remain outstanding. The Borrowers’ outstanding obligations under the Loan Agreements—as fully amended and described above—are referred to as the **“Obligations”**.

Vos Affidavit, at para. 15-16

b. The Guarantees

11. The Obligations are guaranteed by the following **“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;
 - (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”**);
 - (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;

Vos Affidavit, at para. 17;
Danielisz Affidavit, at Exhibit "G"

c. **The Security**

12. To secure the Obligations, the Borrowers provided the following "Security Documents" (together with the Loan Agreements, the "Loan Documents"):

- (a) a first-ranking mortgage and assignment of rents granted by 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, and was modified on September 21, 2022. The Mortgage currently secures the principal amount of \$50,295,419. The Mortgage incorporates the Lender's standard charge terms. The Nominees also granted a general assignment of rents and leases with respect to the Real Property dated May 25, 2021;
- (b) a beneficial mortgage pursuant to a Direction and Beneficial Charge Agreement dated May 25, 2021 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;
- (c) a site-specific general security agreement dated May 25, 2021 granted by each of the Borrowers to the Lender, perfected by registrations under the British Columbia *Personal Property Security Act*;
- (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;
- (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*,

- (f) a general security agreement from the Corporate Guarantor;
- (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.

Vos Affidavit, at para. 19;

Danielisz Affidavit, at Exhibits "H", "I", "A", "J", "K", "L", "M", "N", "O", "P"

13. The Mortgage is a first-ranking registered mortgage and assignment of rents against the Real Property. There are two additional mortgages registered against the Real Property, in favour of Westmount West Services Inc. ("**Westmount**") and in favour of Bancorp Balances Mortgages Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services Inc., Mandate Management Corporation (collectively, "**Bancorp**"). Each of Westmount and Bancorp subordinated their interest in the Real Property in favour of the Lender.

Vos Affidavit, at para. 23;

Danielisz Affidavit, at Exhibits "Q" and "R"

14. In August 2025, Bancorp served a demand on 1014669 and 0993006 for approximately \$8.9 million and a notice of intention to enforce security pursuant to section 244 of the BIA as a result of various payment defaults under the applicable loan agreement. Pursuant to a priority agreement between the Lender and Bancorp, the 90 day standstill period has now expired and Bancorp may take enforcement steps at any time.

Vos Affidavit, at para. 31-32

Danielisz Affidavit, at Exhibit "NN"

15. Pursuant to the searches of the British Columbia Personal Property Registry ("**PPR**") disclosing financing statements registered against the Borrowers (the "**PPR Searches**"), the

Lender has validly registered first-charge security interests against the Project and the interests of the Borrowers therein. Further details are set out in the Vos Affidavit.

Vos Affidavit, at para. 26

III. PRE-SALE AGREEMENTS

16. 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. These 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 or terminate the agreements and receive a return of their deposits. Some new agreements were entered into and others were terminated.

Vos Affidavit, at para. 27

17. 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 to the extent 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 agreements.

Vos Affidavit, at para. 28

18. The vast majority of the purchase agreements provide an un-extended Outside Date in October 2026.

Vos Affidavit, at para. 29

19. The existence of the pre-sale agreements was a material component of the Lender approving the Credit Facilities, and remain an important component of the Lender's security.

Vos Affidavit, para. 30

IV. DEFAULTS AND DEMAND

20. 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.

Vos Affidavit, at para. 33

21. As of April 30, 2025, 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 BIA (the “**Demands**”).

Vos Affidavit, at para. 34

22. As set out in the Demands, various events of default 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 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.;
 - (ii) Claim of builders lien registered in favour of HTBC Flooring Ltd.;
 - (iii) Claim of builders lien registered in favour of Climacool Solutions Ltd.;
 - (iv) Certificate of pending litigation registered in favour of Vancouver Ready Mix Inc.;
 - (v) Claim of builders lien registered in favour of Uppal Building Supplies Ltd.;
 - (vi) Claim of builders lien registered in favour of Sosan Construction Ltd.
- (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.

23. As of April 29, 2026, the Borrowers were jointly and severally indebted to the Lender for Obligations in the amount of \$48,482,696.24, including the outstanding principal amount of the Credit Facilities under the Loan Agreements, 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.

Vos Affidavit, at para. 36

24. 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.

Vos Affidavit, at para. 37

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

Vos Affidavit, at para. 38

26. 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. During A&M's site visit, A&M did not see any appliances in the Project except in one unit and nor did the Lender see any appliances during its site visit. However, the quantity surveyor for the Project advised the Lender that it was 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. However, the Borrowers have now confirmed to the Lender that the invoice for appliances was never paid, such appliances were never delivered, and that the funds were used elsewhere in the Project.

Vos Affidavit, at para. 40-41

27. The Lender is concerned that the quantity surveyor reports do not accurately reflect the state of the project in terms of cost to complete and timeline. The Lender is concerned that the Project is not as advanced as anticipated.

Vos Affidavit, at para. 42

28. 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. The Lender has lost confidence in the Borrowers.

Vos Affidavit, at para. 43

V. FINANCIAL POSITION OF THE BORROWERS

29. The Borrowers are insolvent. They have failed to pay the Indebtedness and multiple liens have been registered against the Real Property.

Vos Affidavit, at para. 44

VI. REDMA CONSIDERATIONS

30. As referenced above, there are approximately 62 units subject to presale agreements. At this time, the Lender is not aware of any fact that would necessitate the filing of a new disclosure statement under REDMA or any basis on which parties to such presale agreements would be entitled to rescind them.

Vos Affidavit, at para. 55

VII. THE NEED FOR CREDITOR PROTECTION

a. Urgent Need for Protection

31. On April 15, 2026, the Lender attended at the Real Property to find that 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. There is an urgent need to stabilise and protect the Project.

Vos Affidavit, at para. 45

32. 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 are already registered against title to the Real Property and the CCAA Debtors have previously defaulted on their loan agreement with Bancorp.

Vos Affidavit, para. 46

33. The Borrowers are insolvent. They 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, indicating an inability to pay liabilities generally as they become due. The Project and the Borrowers appear to be in serious financial jeopardy and require immediate funding and the engagement of competent management.

Vos Affidavit, at para. 47

34. Given the above failures to pay, the Lender has justifiably lost confidence in the Borrowers' management. As a result, the Lender is only willing to extend further funding on the (i) appointment of the Monitor 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 appointment of the Receiver.

Vos Affidavit, at para. 48

35. There is an urgent need to move for protection for the following reasons:
- (a) there is a serious risk that the Borrowers' continued insolvency will cause the Borrowers to continue to default on their various construction agreements, leading to commencement of further construction claims and registration of further claims of lien;
 - (b) 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; and
 - (c) the Real Property is exposed to the elements and it is critical that certain work continue in order to preserve and protect the site. A monitor with enhanced powers is necessary to effectively facilitate the completion of the Project.

Vos Affidavit, at para. 49

b. CCAA Relief

36. The Lender seeks to appoint A&M as Monitor in respect of the CCAA Debtors, who are the registered owners of the Real Property and are each party to the pre-sale purchase agreements as the developer.

Vos Affidavit, at para. 50

37. 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 construction is currently at a stand-still.

Vos Affidavit, at para. 51

38. A CCAA proceeding will allow 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. Such oversight is necessary given the Borrowers' history of mismanagement on the Project.

Vos Affidavit, at para. 52

39. The Lender seeks the appointment of the Monitor with enhanced powers to complete construction of the Project, obtain the final occupancy permit and complete sales, as the Debtors appear unable to do so with their current resources.

Vos Affidavit, at para. 53-54

40. Given the pre-sale agreements, the Lender submits that preserving them is essential to preserving the value of the Project.

Vos Affidavit, at para. 56

c. Receivership Relief

41. The Lender seeks an order appointing the Receiver over the Receivership Debtors' beneficial interest in the Project, including the Real Property and all personal property thereto, and all proceeds thereof.

Vos Affidavit, at para. 57

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

Vos Affidavit, at para. 58

43. Based on searches of the PPR, it appears that the Receivership Debtors may have additional interests outside of the Project and other secured creditors. 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.

Vos Affidavit, at para. 59

44. Given that the Lender's interest over the Receivership Debtors is limited to the Project, 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.

Vos Affidavit, at para. 59

VIII. RELIEF SOUGHT

a. Stay of Proceedings

45. 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 until June 4, 2026 (the "**CCAA Stay of Proceedings**").

Vos Affidavit, at para. 60

46. 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.

Vos Affidavit, at para. 61

47. The Lender is not prepared to extend further credit outside the protection of the Initial CCAA and Receivership Order. Absent the CCAA Stay of Proceedings (and associated

financing described below), the Borrowers will not be able to continue to operate their businesses and will be forced to initiate an abrupt disorderly shutdown and bankruptcy.

Vos Affidavit, at para. 62

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

Vos Affidavit, at para. 63

b. Proposed Monitor and Receiver

49. The proposed Initial CCAA and Receivership Order contemplates that A&M will act as the Monitor of the CCAA Debtors. 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.

Vos Affidavit, at para. 64;
Danielisz Affidavit, Exhibit "OO"

50. 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.

Vos Affidavit, at para. 65

51. 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 Property if the proposed Initial CCAA and Receivership Order is granted.

Vos Affidavit, at para. 66
Danielisz Affidavit, Exhibit "OO"

52. A&M was engaged as financial advisor to the Lender in respect of the Project – as consented to be 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.

Vos Affidavit, at para. 68

53. A&M (and its principals) are not directors, officers, or employees of the Borrowers, are not 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.

Vos Affidavit, at para. 69

54. 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.

Vos Affidavit, at para. 70

c. **Interim Financing**

55. 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.

Vos Affidavit, at para. 71;
Danielisz Affidavit, Exhibit "V"

56. 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. 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.

Vos Affidavit, at para. 73

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

Vos Affidavit, at para. 74

58. 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.

Vos Affidavit, at para. 75

59. 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 Lender, and the general cost of the Monitor, the Receiver, and their counsel.

Vos Affidavit, at para. 76

60. 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).

Vos Affidavit, at para. 77

61. 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.

Vos Affidavit, at para. 78

d. Initial CCAA and Receivership Order Charges

62. 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, 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. At the Comeback Hearing, the Lender will seek to increase this amount to \$500,000.
- (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.

Vos Affidavit, at para. 79

63. The Charges will 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.

Vos Affidavit, at para. 80

i. The Administration Charge

64. 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.

Vos Affidavit, at para. 81

65. 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. The Administration Charge is fair and reasonable in the circumstances. 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.

Vos Affidavit, at para. 82

66. 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”).

Vos Affidavit, at para. 83

ii. Interim Lender’s Charge

67. 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.

Vos Affidavit, at para. 84

68. 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.

Vos Affidavit, at para. 85

IX. REDMA

69. Having regard to the number of presale 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 presale contracts with the CCAA Debtors are stayed.

Vos Affidavit, at para. 86

70. 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 presale agreements.

Vos Affidavit, at para. 87

71. 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.

Vos Affidavit, at para. 88

X. CASH FLOW FORECAST

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

Vos Affidavit, at para. 89;

73. The Cash Flow Forecast indicates 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, the Borrowers will have sufficient liquidity to meet their obligations during the CCAA Stay of Proceedings.

Vos Affidavit, at para. 90

PART 3 LEGAL BASIS

74. The Lender relies on:

- (a) the CCAA;
- (b) the *Supreme Court Civil Rules*, B.C. Reg. 168/2009, as amended;
- (c) the *Business Corporations Act*, S.B.C. 2002, c. 57;
- (d) the *BIA*;
- (e) the *LEA*;
- (f) the inherent jurisdiction of this Court; and
- (g) such further and other legal basis as counsel may advise and this Court may permit.

I. The CCAA Debtors Qualify for CCAA Protection

The meaning of "debtor companies"

75. The CCAA applies to a "debtor company" or "affiliated debtor companies" if the total claims against the debtor or its affiliates exceed \$5 million. A "debtor company" is defined in s. 2

of the CCAA as, *inter alia*, a “company” that is “insolvent” or has committed an act of bankruptcy within the meaning of the BIA.

CCAA, s. 2

The meaning of “insolvency”

76. Whether a company is insolvent is evaluated by reference to the definition of “insolvent person” in the BIA, which provides that:

insolvent person means a person who is not bankrupt and who resides, carries on business or has property in Canada, whose liabilities to creditors provable as claims under this Act amount to one thousand dollars, and

(a) who is for any reason unable to meet his obligations as they generally become due,

(b) who has ceased paying his current obligations in the ordinary course of business as they generally become due, or

(c) the aggregate of whose property is not, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all his obligations, due and accruing due;

BIA, s. 2

77. In the context of the CCAA, this test has been interpreted expansively. If a company is “reasonably expected to run out of liquidity within a reasonable proximity of time as compared with the time reasonably required to implement a restructuring”, it is considered insolvent.

Stelco Inc., Re, 2004 CanLII 24933 (ON SC) at paras. 21-26

The CCAA applies to the CCAA Debtors

78. The CCAA Debtors qualify for protection under the CCAA as:

(a) each of the CCAA Debtors are corporations incorporated under the laws of British Columbia, and therefore “companies” under the CCAA;

(b) the CCAA Debtors are insolvent, as they have run out of liquidity and are unable to meet their obligations as they become due; and

(c) the claims against the CCAA Debtors greatly exceed \$5 million.

Vos Affidavit, at paras. 11, 44, 58, 36;
Danielisz Affidavit, Exhibits “W”, “X”, “Y”, “Z” and “AA”

II. CCAA Protection is Appropriate in the Circumstances

79. The CCAA is remedial legislation which gives courts flexible mechanisms with greater judicial discretion, relative to the BIA, to achieve the CCAA's legislative purpose.

Century Services Inc. v. Canada (Attorney General), 2010 SCC 60
[**Century Services**] at para. 60

80. The CCAA's distinguishing features is “a grant of broad and flexible authority to the supervising court to make ... the orders necessary to facilitate the reorganization of the debtor and achieve the CCAA's objectives”.

Century Services at para. 19

81. In pursuit of the legislation's remedial objectives, CCAA proceedings have evolved beyond their historical going-concern focus to permit outcomes that do not necessarily result in the debtor's continuing operations in a restructured state. Rather, CCAA proceedings may result in some form of liquidation of the debtor company, which may involve, among other things: sale of the debtor company as a going concern, an “*en-bloc*” sale of assets by the buyer, partial liquidation or downsizing of business operations, or a piecemeal sale of assets. In particular, CCAA protection has been granted to preserve existing real estate pre-sale agreements and permits.

9354-9186 Québec inc. v. Callidus Capital Corp., 2020 SCC 10 at paras. 40-44;
Alderbridge Way GP Ltd. (Re), 2022 BCSC 1436 at para. 24

82. In the circumstances, the CCAA proceedings are the best means by which to provide creditors with a flexible realization scenario that both ensures the remaining construction can be completed, while also protecting existing pre-sale agreements and permits, thereby maintaining existing value for the benefit of all stakeholders under the supervision of the Monitor. Absent the Lender's willingness to finance further operations, there is no way for the Borrowers to complete the Project and realize on the value of the work already completed.

III. The Lender has Standing to Seek the Initial CCAA and Receivership Order

83. The CCAA expressly grants standing to creditors to commence CCAA proceedings in respect of a debtor company.

CCAA, ss. 4, 5, and 11;

Miniso International Hong Kong Limited v. Migu Investments Inc.
[*Miniso*] 2019 BCSC 1234 at para. 45

84. The commencement of CCAA proceedings is a proper exercise of creditors' rights where, ideally, the CCAA will preserve the going-concern value of the business and allow it to continue for the benefit of the "whole economic community", including by allowing stakeholders to avoid losses that would be suffered in an enforcement and liquidation scenario.

Miniso, at para. 47

85. The Lender, as the CCAA Debtors' primary secured creditor, has standing to apply for an Initial CCAA and Receivership Order under the CCAA in respect of the CCAA Debtors, and does so in order to avoid losses that would be suffered in an enforcement and liquidation scenario.

IV. A&M Should be Appointed as Monitor with Enhanced Powers

86. Under s.11.7 of the CCAA, the Court shall appoint a person to monitor the business and financial affairs of a debtor company at the same time that an initial CCAA order is made.

CCAA s. 11.7

87. The Lender seeks appointment of A&M as Monitor over each of the CCAA Debtors with enhanced powers.

88. Section 23(1) of the CCAA sets out the duties and functions of a monitor appointed in CCAA proceedings, including that the monitor may "carry out any other functions in relation to the company that the court may direct".

CCAA, s. 23(1)(k)

89. Courts have used CCAA s. 23(1)(k) liberally to assign additional functions to monitors that go beyond investigating and reporting to the court, including by authorizing monitors to act as financial advisors to the parties or the court, to facilitate or mediate between management

and creditors, to conduct litigation on behalf of debtors, and to fulfill certain functions of directors or managers. Any additional functions must be appropriate in the circumstances and align with the objectives of the CCAA process.

8640025 Canada Inc. (Re), 2018 BCCA 93 at para. 49;
Re Nortel Networks Corporation et al, 2017 ONSC 673 at paras. 6-8

90. In particular, courts have expanded the role of the monitor in proceedings where requested by the secured creditors—particularly where existing management of the debtor company is either unable or unwilling to bring the required expertise to bear.

Walter Energy Canada Holdings, Inc. (Re), 2016 BCSC 107 at paras. 27-31;
Walter Energy Canada Holdings, Inc. (Re), 2016 BCSC 1746 at para. 95;
Mountain Equipment Co-Operative (Re), 2020 BCSC 2037 at paras. 9-10;
Miniso at paras. 69, 87;
Port Capital Development (EV) Inc. (Re), 2021 BCSC 1272 at para. 12;
0989705 B.C. Ltd. et al. (Re), (April 25, 2022), Vancouver, BCSC, S-222758 (Amended and Restated Initial Order);
Joseph Richard Hospitality Group Ltd. et al. (Re), (May 9, 2024), Vancouver, BCSC, S-235026 (Order re Substitution of Monitor and Increased Interim Financing)

91. A&M has consented to act as the Monitor in the CCAA proceedings with the enhanced powers described above and is a trustee within the meaning of s.2(1) of the BIA. A&M is not affected by any of the restrictions on entities that may act as a monitor set out in s. 11.7(2) of the CCAA, nor will any creditor suffer prejudice because of A&M's enhanced powers. A&M has extensive experience acting as a court-appointed monitor in CCAA proceedings, including in relation to real estate matters. As such, A&M should be appointed as the Monitor in the CCAA proceeding.

Vos Affidavit at para. 64-70;
Danielisz Affidavit, Exhibit "OO";
PricewaterhouseCoopers Inc. v. Canada Fluorspar (NL) Inc.,
2023 NLSC 88 at para. 85.

92. Given the management difficulties discussed above, the Monitor must be appointed with enhanced powers so it can manage the financial affairs of the CCAA Debtors and direct

construction of the Project, which will allow it to complete what remains of the Project, obtain the final occupancy permit and sell outstanding units to effectively realize on the Project.

Vos Affidavit, at para. 65

V. This Court has Jurisdiction to Appoint a Receiver

93. This Court has jurisdiction to appoint a receiver over the Receivership Property of the Receivership Debtors pursuant to section 243(1) of the BIA and section 39(1) of the LEA.

94. Subsections 243(1) and 243(1.1) of the BIA state:

Court may appoint receiver

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

(a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;

(b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or

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

Restriction on appointment of receiver

(1.1) In the case of an insolvent person in respect of whose property a notice is to be sent under subsection 244(1), the court may not appoint a receiver under subsection (1) before the expiry of 10 days after the day on which the secured creditor sends the notice unless

(a) the insolvent person consents to an earlier enforcement under subsection 244(2); or

(b) the court considers it appropriate to appoint a receiver before then.

BIA, ss. 243(1) - (1.1)

95. Subsection 39(1) of the LEA states:

Injunction or mandamus may be granted or receiver appointed by interlocutory order

39 (1) An injunction or an order in the nature of mandamus may be granted or a receiver or receiver manager appointed by an interlocutory order of the court in all cases in which it appears to the court to be just or convenient that the order should be made.

LEA, s. 39(1)

VI. The Test for Appointing a Receiver

96. The BIA and LEA both provide for the appointment of a receiver where it is “just or convenient” to do so.

BIA, s. 243(1); LEA, s. 39(1)

97. In *Maple Trade Financing Inc. v CY Oriental Holdings Ltd.*, Justice Masuhara adopted the following list of factors to consider when assessing whether it is just and convenient to appoint a receiver:

- (a) whether irreparable harm might be caused if no order were made, although it is not essential for a creditor to establish irreparable harm if a receiver is not appointed, particularly where the appointment of a receiver is authorized by the security documentation;
- (b) the risk to the security holder taking into consideration the size of the debtor’s equity in the assets and the need for protection or safeguarding of the assets while litigation takes place;
- (c) the nature of the property;
- (d) the apprehended or actual waste of the debtor’s assets;
- (e) the preservation and protection of the property pending judicial resolution;
- (f) the balance of convenience to the parties;
- (g) the fact that the creditor has the right to appoint a receiver under the documentation provided for the loan;
- (h) the enforcement of rights under a security instrument where the security-holder encounters or expects to encounter difficulty with the debtor and others;

- (i) the principle that the appointment of a receiver is extraordinary relief which should be granted cautiously and sparingly;
- (j) the consideration of whether a court appointment is necessary to enable the receiver to carry out its' duties more efficiently;
- (k) the effect of the order upon the parties;
- (l) the conduct of the parties;
- (m) the length of time that a receiver may be in place;
- (n) the cost to the parties;
- (o) the likelihood of maximizing return to the parties; and
- (p) the goal of facilitating the duties of the receiver.

Maple Trade Financing Inc. v CY Oriental Holdings Ltd.,
2009 BCSC 1527 [**Maple Trade**] at para 25

Textron Financial Canada Limited v Chetwynd Motels Ltd.,
2010 BCSC 477 at para 50

Vancouver Coastal Health Authority v Seymour Health Centre Inc.,
2023 BCSC 1158 [**Vancouver Coastal**] at paras 47 - 64

Paragon Capital Corporation Ltd. v Merchants & Traders Assurance Co.,
2002 ABQB 430 [**Paragon**] at para 27

Ward Western Holdings Corp. v Brosseuk,
2022 BCCA 32 at paras 49 and 65-66

98. The factors set out above are "not a checklist", but should be assessed holistically in light of all of the circumstances.

Vancouver Coastal at para 53

Bank of Montreal v Haro-Thurlow Street Project Limited Partnership,
2024 BCSC 47 at paras 73-75 [**Bank of Montreal**]

Pandion Mine Finance Fund LP v Otso Gold Corp., 2022 BCSC 136 at para 14

Royal Bank of Canada v Canwest Aerospace Inc., 2023 BCSC 514 at para 9

99. In applying these factors, this Court has held that the right of a secured creditor to apply for a receiver under a security agreement holds considerable weight, and is a “strong factor in support” of the appointment.

Maple Trade at para 26

100. Furthermore, the appointment of a receiver over mortgaged lands is not an “extraordinary remedy” where there has been a default under a mortgage; and in cases where the security documentation provides for the appointment of a receiver, the “extraordinary nature” of the remedy sought is less essential to the inquiry.

Paragon at para 28

BCIMC Construction Fund Corporation et al v The Clover on Yonge Inc.,
2020 ONSC 1953 at paras 43-44

VII. It is Just and Appropriate to Appoint the Receiver

101. It is just and appropriate to appoint the Receiver in the present circumstances for the present following reasons:

(a) the Receivership Debtors are indebted to the Lender in the aggregate amount of CA\$48,482,696.24, as at April 29, 2026, plus 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;

Vos Affidavit at para. 36

(b) the Receivership Debtors (as part of the Borrowers) have committed multiple, material defaults, including failure to pay the Obligations, and since then the Lender has learned that the Borrower made misrepresentations regarding appliances purchased for the Project which were never actually purchased;

Vos Affidavit at paras. 35, 40-41

(c) despite having notice of these Defaults, and the Lender demanding repayment, the Receivership Debtors have failed to successfully repay its obligations;

Vos Affidavit at para. 34

- (d) the Lender has lost confidence in the Receivership Debtors;

Vos Affidavit at para. 43

- (e) the Receivership Debtors lack the liquidity necessary to pay their obligations as they come due; and

Vos Affidavit at para. 61

- (f) the Mortgage and the site specific general security agreements each specifically provide the Lender with the right to appoint a receiver and manager upon the applicable Receivership Debtor's default;

Vos Affidavit at paras. 19(a) and 19(c)

Danielisz Affidavit, Exhibits "H", "J", "K", "L", "M"

102. The Lender submits that it is just and convenient, in the circumstances as a whole, to appoint A&M as Receiver over the Receivership Property.

103. The Receiver is to be appointed only over the beneficial interest the Receivership Debtors' have in the Real Property and all present and after-acquired personal property of the Receivership Debtors located on or exclusively related to any of the Real Property, including without limitation, all documents, writings, papers, books of account and records relating to the foregoing, and all proceeds thereof. It is prudent to have A&M appointed as the Receiver so that it has the full authority, in conjunction with its proposed mandate as the Monitor, to deal with the Project.

104. The Receivership Debtors also have additional interests outside of the Project and other secured creditors. Appointing the Receiver in such limited capacity will ensure that the Lender is able to recover as against the Project without causing undue harm to the Receivership Debtors' other stakeholders.

Vos Affidavit, at para. 59

105. The Lender further pleads and relies upon Rule 10-2 and Rule 13-5 of the *Supreme Court Civil Rules*, B.C. Reg. 168/2009.

VIII. The CCAA Stay of Proceedings is Necessary and Appropriate

106. CCAA s. 11.02 provides this Court jurisdiction to order a stay of proceedings to temporarily prevent creditors from initiating or advancing claims against the debtor company for no more than ten days. The only precondition is this Court's satisfaction as to circumstances that make the order appropriate.

CCAAs, ss. 11.02(1) and (3)

107. The primary purpose of the CCAA stay is to maintain the *status quo* for a period while the debtor company consults with its stakeholders with a view to continuing for the benefit of its creditors.

Re JTI-Macdonald Corp., 2019 ONSC 1625, at para. 12;
Century Services, at para. 60

108. The threshold for a stay is low and an applicant only has to satisfy this Court that a stay of proceedings would "usefully further" the efforts to reorganize.

Century Services, at para 70

109. The Court must not grant an order pursuant to s. 11 of the CCAA unless the applicant satisfies the Court that:

- (a) circumstances exist that make the order appropriate; and
- (b) on an application in respect of a debtor company other than an initial application, the applicant has acted, and is acting, in good faith and with due diligence.

CCAAs, ss. 11.02(3)

110. The Stay of Proceedings sought by the Lender is necessary and appropriate to preserve and protect the Project, the existing presale agreements and allow further sales to be entered and completed. Multiple liens have been filed on the Real Property. Further proceedings, or furthering existing proceedings, may negatively impact the CCAA proceedings, the immediate and remaining work to be conducted on the Project, and/or the completion of existing and future sales agreements.

Vos Affidavit, at paras. 46-47

IX. The Interim Financing Facility Should be Approved

111. Section 11.2 of the CCAA provides this Court jurisdiction to approve interim financing, including the Interim Financing Facility and the Interim Lender's Charge in favour of the Interim Lender.

112. In deciding whether to approve an order for interim financing, the CCAA requires the Court to consider, among others, the following factors:

- (a) the period during which the company is expected to be subject to proceedings under the CCAA;
- (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, if any.

CCAA, s. 11.2(4)

113. These factors are supported here. Interim financing during the CCAA Stay of Proceedings to cover operating expenses of the Project and professional costs during this period.

114. The Interim Financing Facility will assist with immediate preservation of the Project by ensuring construction can complete in time to close the presale agreements, preserving value. The Interim Financing Facility will also cover the costs of the Monitor to oversee the Borrowers.

Vos Affidavit, at para. 76

115. This Court should approve and grant the Interim Financing Facility and corresponding Interim Lender's Charge (subject to the initial borrowing limit of \$350,000) because:

- (a) the Cash Flow Forecast will demonstrate that an advance of \$350,000 during the initial ten (10) day stay period is reasonably necessary to continue operating in the ordinary course of business and to service associated professional fees during this period;
- (b) the ability to draw on the Interim Financing Facility (both during the initial stay period, and after the Comeback Hearing, if approved) will allow for the Borrowers to fund operations and the continuation of work on the Project for the benefit of various stakeholders during the course of the CCAA proceeding;
- (c) the Interim Lender's Charge will not secure any obligations that existed before the granting of the Initial CCAA and Receivership Order; and
- (d) the Interim Financing Facility will preserve the value of the Borrowers and will enhance the probability of a successful completion and/or sale of the Project.

X. This Court has Jurisdiction to Grant the Charges

Administration Charge

116. This Court has jurisdiction to grant the Charges in priority to all existing security interests, trusts, liens, charges, and encumbrances, against the Property, pursuant to subsection 243(6) of the BIA.

117. Subsection 243(6) of the BIA states:

Orders respecting fees and disbursements

(6) If a receiver is appointed under subsection (1), the court may make any order respecting the payment of fees and disbursements of the receiver that it considers proper, including one that gives the receiver a charge, ranking ahead of any or all of the secured creditors, over all or part of the property of the insolvent person or bankrupt in respect of the receiver's claim for fees or disbursements, but the court may not make the order unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations.

BIA, s. 243(6)

118. Further, section 11.52 of the CCAA provides this Court express statutory jurisdiction to grant the Administration Charge, provided notice is given to secured creditors who are likely to be affected by it.

CCAA s. 11.52

119. The Administration Charge satisfies the well-accepted factors originally established in *Canwest Publishing*:

- (a) the requested amount is fair and reasonable having regard to the size and complexity of the Borrowers and their business;
- (b) the Borrowers' senior affected creditor, the Lender, supports the Administration Charge, as does A&M, the proposed Monitor; and
- (c) the Monitor will provide notice of the Initial Order (if granted) and the materials filed by the Lender in support of a comeback hearing to all other secured creditors who may be impacted by the Administration Charge.

Canwest Publishing Inc., 2010 ONSC 222 at para. 54;
Walter #1, at paras. 42-48

Interim Lender's Charge

120. CCAA s. 11.2(2) provides this Court the authority to grant the Interim Lender's Charge, assessed on the factors under CCAA s. 11.2(4) discussed above.

CCAA s. 11.2(2)

121. BIA s. 31(1) provides that a receiver may incur obligations, borrow money and give security on the debtor's property in any amount, on any terms and on any property that may be authorized by the court and those advances, obligations and money borrowed must be repaid out of the debtor's property in priority to the creditor's claims.

BIA s. 31(1)

122. The Lender has provided notice to all parties with a registered security interest in the assets proposed to be charged by the Interim Lender's Charge.

123. This Court should approve the Interim Financing Facility and corresponding Interim Lender's Charge for the reasons discussed above.

XI. REDMA Order

124. The Lender seeks a declaration that:

- (a) the Borrowers shall not be required to file a new disclosure statement under subsection 16(2) of the 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 presale contracts with the Borrowers are stayed.

125. This Court has found that section 11 of the CCAA provides the necessary jurisdiction for the REDMA relief sought.

Re: Jameson House Properties, 2009 BCSC 964
at paras. 27, 33-34 [**Jameson House**]

126. In *Re: Jameson House Properties Ltd.*, this Court held:

It is clear that the relief from REDMA that is sought is directed squarely towards the successful restructuring of this enterprise. This is a fundamental purpose of the CCAA. Without the relief the arrangement proposed by the Petitioners and voted in favour of by close to 100% of the Creditors, in number and value, will fail. All of the unsecured Creditors and all but one of the secured Creditors will recover nothing. Set against that is, if this plan is approved, the purchasers will receive precisely what they bargained for. The Petitioners will continue to be bound by all of the terms of the sales agreements and the purchasers will retain all of their remedies in the event of any future breaches on the part of the Petitioners...

Jameson House at paras. 24

127. Section 11 of the CCAA vests the Courts with the jurisdiction to make orders that conflict with and override the provincial legislation, if necessary.

Re Collins & Aikman Automotive Canada Inc., [2007] OJ No. 4186 at para. 87;
Re Nortel Networks Corp., 2009 ONCA 833 at para. 47

128. This Court has also previously granted similar REDMA relief in a CCAA proceeding, and recognized the benefit of such relief in a CCAA proceeding as it saves the time and costs required for the preparation and filing of a new disclosure statement that would otherwise be required.

Kingsett Mortgage Corporation v. Lumina Eclipse Limited Partnership and Beta View Homes Ltd. (Court File No. S-250121), Order Made After Application dated Jan 8, 2025;

Cameron Stephens Mortgage Capital Ltd. v. Square Nine King George Development Ltd., Docket S258449, Reasons for Judgment dated December 4, 2025

129. The relief sought maintains the *status quo* and is not inconsistent with REDMA.

130. The Lender is not aware of any fact that would necessitate the filing of a new disclosure statement under REDMA or basis on which parties to the Borrowers' presale agreements would be entitled to rescind them.

XII. Notice was Appropriately Given

131. The Initial CCAA and Receivership Order is being sought with short notice to the Borrowers' stakeholders. The short notice with respect to this petition is necessitated by the urgency of the need for relief and protection.

132. In this case, the relief is required due to the Borrowers' liquidity challenges and inability to pay liabilities as they become due, including to preserve, protect and advance the Project. Additionally, certain of the Borrowers' creditors have begun taking legal action against the Borrowers, including the registering claims of lien on the Real Property and a demand and notice of intention to enforce security served by Bancorp. In the circumstances, it is appropriate to grant the Initial CCAA and Receivership Order on short notice.

Vos Affidavit at paras. 35(h) and 31

133. In accordance with the CCAA, the relief sought on an initial application is limited to such relief as is necessary in the circumstances:

An order made under section 11 at the same time as an order made under subsection 11.02(1) or during the period referred to in an order made under that subsection with respect to an initial application shall be limited to relief that is reasonably necessary for the continued operations of the debtor company in the ordinary course of business during that period.

134. The relief sought in the Initial CCAA and Receivership Order is appropriate in the circumstances and is within this Court's jurisdiction to grant.


135. In addition, the Court can only grant the charges contemplated by the Initial CCAA and Receivership Order on being satisfied that notice was given to secured creditors who are likely to be affected by the security or charge. All relevant secured parties were provided notice with this application and the charges sought.

CCAA, s. 11.2(1) and 11.52(1)

PART 4 MATERIAL TO BE RELIED ON

1. Affidavit #1 of Arden Vos, made May 21, 2026;
2. Affidavit #1 of Susan Danielisz, made May 21, 2026;
3. Pre-filing Report of A&M as the Proposed Monitor and Receiver, to be filed; and
4. Such further and other materials as counsel may advise and this Court may allow.

DATE: May 21, 2026



Counsel for the Petitioner
McCarthy Tétrault LLP
(H. Lance Williams and Saneea Tanvir)

To be completed by the court only:

Order Made

- in the terms requested in paragraphs _____ of Part 1 of this Petition
- with the following variations and additional terms:

DATE: _____

Signature of Judge
 Associate Judge

SCHEDULE "A"

NO. _____
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 May 20, 2026)

<p>McCARTHY TETRAULT LLP 745 Thurlow Street, Suite 2400 Vancouver, BC V6E 0C5</p> <p>Attention: Lance Williams Sanea Tanvir</p> <p>Email: lwilliams@mccarthy.ca stanvir@mccarthy.ca sdanielisz@mccarthy.ca</p> <p><i>Counsel to the Petitioner</i></p>	<p>NATIONAL BANK OF CANADA National Bank Centre Unit 600, 10180 – 101 Street Edmonton, AB T5J 3S4</p> <p>Attention: Arden Vos Dean Chan</p> <p>Email: arden.vos@nbc.ca dean.chan@nbc.ca</p> <p><i>Petitioner</i></p>
<p>ALVAREZ & MARSAL CANADA INC. 925 West Georgia Street, Suite 902 Vancouver, BC V6C 3L2</p> <p>Attention: Pinky Law Anthony Tillman</p> <p>Email: pinky.law@alvarezandmarsal.com atillman@alvarezandmarsal.com</p> <p><i>Proposed Monitor/Receiver</i></p>	<p>FASKEN MARTINEAU DUMOULIN LLP 550 Burrard Street, Suite 2900 Vancouver, BC V6C 0B3</p> <p>Attention: Kibben Jackson Mishaal Gill</p> <p>Email: kjackson@fasken.com mgill@fasken.com</p> <p><i>Counsel to the Proposed Monitor/Receiver</i></p>

<p>KOFFMAN KALEF LLP 885 West Georgia Street, 19th Floor Vancouver, BC V6C 3H4</p> <p>Attention: Shawn Poisson</p> <p>Email: sap@kkbl.com</p> <p><i>Counsel to Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services Inc., Bancorp Balanced Mortgage Fund II Ltd.</i></p>	<p>MCQUARRIE LEGAL SERVICES Suite 300, 1055 West Hastings Street Vancouver, BC V6E 2E9</p> <p>Attention: Greg P. Van Popta</p> <p>Email: gvanpopta@mcquarrie.com</p> <p><i>Counsel to the Borrowers</i></p>
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BORROWERS	
<p>0993006 B.C. LTD. Registered Office Suite 1500, 13450 – 102nd Avenue Surrey, BC V3T 5X3</p>	<p>1014669 B.C. LTD. Registered Office Suite 1500, 13450 – 102nd Avenue Surrey, BC V3T 5X3</p>
<p>670805 B.C. LTD. Registered Office Suite 1500, 13450 – 102nd Avenue Surrey, BC V3T 5X3</p>	<p>0859116 B.C. LTD. Registered Office 220 – 7565 – 132nd Street Surrey, BC V3W 1K5</p>
<p>0993006 B.C. LTD., 1014669 B.C. LTD., 670805 B.C. LTD., 0859116 B.C. LTD. c/o Mortise Group of Companies Unit 104 – 9450 120 Street Surrey, BC V3V 4B9</p>	

PARTIES WITH A REGISTERED SECURITY INTEREST	
<p>WESTMOUNT WEST SERVICES INC. 520 – 1130 West Pender Street Vancouver, BC V6E 4A4</p>	<p>GENTAI CAPITAL CORPORATION; COMPUTERSHARE TRUST COMPANY OF CANADA #805, North Tower International Trade Centre 8400 West Road Richmond, BC V6X 0S7</p>
<p>THE TORONTO-DOMINION BANK 700 West Georgia Street Vancouver, BC V7Y 1A2</p>	<p>1475002 B.C. LTD. 7729 148 Street Surrey, BC V3S 3E9</p>
<p>SOSAN CONSTRUCTION LTD. 171 Defehr Road Abbotsford, BC V4X 2J7</p>	<p>VANCOUVER READY MIX INC. 22765 Fraser Highway Langley, BC V2Z 2T5</p>

PARTIES WITH A REGISTERED SECURITY INTEREST	
HTBC FLOORING LTD. 7985 Granville Street Vancouver, BC V6P 4Z3	CLIMACOOOL SOLUTIONS LTD. 127 – 9 Burbidge Street Coquitlam, BC V3K 7B2
THE BANK OF NOVA SCOTIA 4715 Tahoe Blvd. Mississauga, ON L4W 0B4	UPPAL BUILDING SUPPLIERS LTD. 7846 128 th Street Surrey, BC V3W 4E8

GOVERNMENT AGENCIES	
MINISTRY OF ATTORNEY GENERAL Legal Services Branch PO Box 9280 Stn Prov Gov't Victoria, BC V8W 9J7 Email: AGLSBRevTaxInsolvency@gov.bc.ca <i>Counsel to His Majesty the King in right of the Province of British Columbia</i>	DEPARTMENT OF JUSTICE British Columbia Regional Office 900 – 840 Howe Street Vancouver, BC V6Z 2S9 Email: agc_pgc_vancouver@justice.gc.ca <i>Counsel to His Majesty the King in right of Canada</i>
CANADA REVENUE AGENCY Surrey National Verification and Collections Centre (Pacific Insolvency Intake Centre) 9755 King George Boulevard Surrey BC V3T 5E1 Tel: 866-891-7403 (Insolvency) Fax: 833-697-2389	OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY 2000 – 300 West Georgia Street Vancouver, BC V7Y 1C7 Email: osbcca-laccbsf@ised-isde.gc.ca
OFFICE OF THE SUPERINTENDENT OF REAL ESTATE C/O BRITISH COLUMBIA FINANCIAL SERVICES AUTHORITY 600-750 West Pender Street Vancouver BC V6C 2T8 Email: info@bcfsa.ca	

E-MAIL DISTRIBUTION LIST

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AGLSBRevTaxInsolvency@gov.bc.ca; agc_pgc_vancouver@justice.gc.ca; osbcca-laccbsf@ised-isde.gc.ca; sap@kkbl.com; kjackson@fasken.com; mjill@fasken.com;
gvanpopta@mcquarrie.com; info@bcfsa.ca;

SCHEDULE "B"

NO. _____
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
(Initial CCAA and Receivership Order)**

BEFORE THE HONOURABLE
JUSTICE FITZPATRICK

)
)
)

MONDAY, THE 25TH DAY
OF MAY, 2026

ON THE APPLICATION of the Petitioner coming on for hearing at Vancouver, British Columbia, on the 25th day of May, 2026 (the "Order Date"); AND ON HEARING H. Lance Williams and Saneea Tanvir, counsel for the Petitioner, and those other counsel listed on **Schedule A** hereto; AND UPON READING the material filed, including the First Affidavit of Arden Vos made May 21, 2026 (the "First Vos Affidavit"), the First Affidavit of Susan Danielisz made May 21, 2026 (the "First Danielisz Affidavit"); AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charges created herein were given notice; AND PURSUANT TO the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "CCAA"), the *Business Corporations Act*, S.B.C. 2002, c. 57, the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), the *Law and Equity Act*, R.S.B.C. 1996, c. 253, as amended (the "LEA"), the *British Columbia Supreme Court Civil Rules*, and the inherent jurisdiction of this Court;

THIS COURT ORDERS AND DECLARES THAT:

SERVICE AND INTERPRETATION

1. The time for service of the petition dated May 21, 2026 (the "**Petition**"), is abridged such that it is properly returnable today and service of the Petition, the First Vos Affidavit, and the First Danielisz Affidavit is hereby deemed good and sufficient.
2. Any capitalized terms that are not otherwise defined herein shall be given the meanings ascribed to them in the First Vos Affidavit.

JURISDICTION

3. 0993006 B.C. LTD. and 1014669 B.C. LTD. (the "**CCAA Debtors**") are companies to which the CCAA applies.

SUBSEQUENT HEARING DATE

4. The hearing of the Petitioner's application for an extension of the CCAA Stay Period (as defined in paragraph 27 of this Order) and for any ancillary relief shall be held at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 2:00 p.m. on the 4th day of June, 2026 or such other date as this Court may order.

POSSESSION OF PROPERTY AND OPERATIONS

5. Subject to the provisions of this Order, including those granting the Monitor the authority to, among other things, exercise the powers of the CCAA Debtors' board of directors and officers, the CCAA Debtors: (i) shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**CCAA Property**"), and continue to carry on their business (the "**CCAA Debtors' Business**") in the ordinary course and in a manner consistent with the preservation of the CCAA Debtors' Business and the CCAA Property; and (ii) with the approval of the Monitor, are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel, and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable to carry on the CCAA Debtors' Business in the ordinary course or to carry out the terms of this Order.

6. The CCAA Debtors shall, with the consent of the Monitor, be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

- (a) all Wages (as defined in paragraph 13 below); and
- (b) the fees and disbursements of any Assistants retained or employed by the CCAA Debtors which are related to the CCAA Debtors' restructuring, at their standard rates and charges, whenever and wherever incurred, in respect of:
 - (i) these proceedings or any other similar proceedings in other jurisdictions in which the CCAA Debtors or any subsidiaries or affiliated companies of the CCAA Debtors are domiciled;
 - (ii) any litigation in which the CCAA Debtors are named as a party or is otherwise involved, whether commenced before or after the Order Date; and
 - (iii) any related corporate matters.

7. Except as otherwise provided herein, the CCAA Debtors shall, with the consent of the Monitor, be entitled to pay all expenses reasonably incurred by the CCAA Debtors in carrying on the CCAA Debtors' Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, including without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the CCAA Property or the CCAA Debtors' Business, including without limitation payments on account of insurance, maintenance and security services;
- (b) all obligations incurred by the CCAA Debtors after the Order Date with respect to goods and services actually supplied to the CCAA Debtors following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the CCAA Debtors' obligations incurred prior to the Order Date); and
- (c) fees and disbursements of the kind referred to in paragraph 6(b) which may be incurred after the Order Date.

8. The CCAA Debtors are authorized to remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the CCAA Debtors in connection with the sale of goods and services by the CCAA Debtors, but only where such Sales Taxes accrue or are collected after the Order Date; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes, or other taxes, assessments, or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

9. Until such time as a real property lease is disclaimed in accordance with the CCAA, the CCAA Debtors shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between the CCAA Debtors and the landlord from time to time ("**Rent**"), for the period commencing from and including the Order Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the Order Date shall also be paid.

10. Except as specifically permitted herein, the CCAA Debtors are hereby directed, until further order of this Court:

- (a) to make no payments of principal, interest thereon, or otherwise on account of amounts owing by the CCAA Debtors to any of their creditors as of the Order Date except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges, or encumbrances upon or in respect of any of its CCAA Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit; and
- (e) to not incur liabilities except in the ordinary course of business.

APPOINTMENT OF MONITOR

11. Alvarez & Marsal Canada Inc. ("**A&M**") is hereby appointed pursuant to the CCAA as the "**Monitor**", an officer of this Court, to monitor the business and financial affairs of the CCAA Debtors with the powers and obligations set out in the CCAA and set forth herein, and the CCAA Debtors and their shareholders, officers, directors, and Assistants, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary or requested by the Monitor to enable the Monitor to carry out the Monitor's functions.

12. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the CCAA Debtors' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the CCAA Property, the CCAA Debtors' Business, and such other matters as may be relevant to the proceedings herein;
- (c) prepare the CCAA Debtors' cash flow statements and provide any reporting required by the Petitioner or in these proceedings, which information shall be

delivered to the Petitioner and its counsel as agreed to by the Monitor and the Petitioner;

- (d) have full and complete access to the CCAA Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the CCAA Debtors, to the extent that is necessary to adequately assess the CCAA Debtors' Business and financial affairs or to perform its duties arising under this Order;
- (e) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (f) perform such other duties as are required by this Order or any other order made by this Court from time to time.

13. In addition to the powers set out in paragraph 12 above, the Monitor is empowered and authorized, but not obligated, to exercise any powers the Monitor deems appropriate which may be properly exercised by the board of directors or any officers of the CCAA Debtors, on behalf of and in the name of the CCAA Debtors, including without limitation (and subject to any restrictions in the Definitive Documents (defined below)) the power to:

- (a) cause the CCAA Debtors to take any action permitted to be taken by the CCAA Debtors generally and pursuant to the CCAA, this Order or any other order made in these proceedings, including, but not limited to, winding down the CCAA Debtors' Business, liquidating the CCAA Property, and such other activities as may, in the Monitor's sole discretion, be necessary or appropriate;
- (b) take possession of and exercise control over the CCAA Property and any and all receipts and disbursements arising out of or from the CCAA Property;
- (c) receive, preserve, and protect the CCAA Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocating any CCAA Property, engaging independent security personnel, taking physical inventories, and placing insurance coverage;

- (d) manage, operate, and carry on the CCAA Debtors' Business, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the CCAA Debtors' Business, or cease to perform any contracts of the CCAA Debtors relating thereto;
- (e) engage, retain or terminate the services of, or cause the CCAA Debtors to engage, retain or terminate the services of, any officer, employee, consultant, representative, advisor, or other person, all under the supervision and direction of the Monitor, as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of its powers and duties under this Order;
- (f) facilitate or assist in the preparation, filing and remittance of the CCAA Debtors' statutory tax and financial requirements, including employee-related remittances, T4 statements, and records of employment, in each case based solely upon the information available from the CCAA Debtors' books and records on the basis that the Monitor shall incur no liability or obligation to any person with respect of such filings or remittances;
- (g) deal with any regulatory authority in respect of the CCAA Property, including to execute any appointment or authorization form on behalf of the CCAA Debtors that any regulatory authority may require to confirm the Monitor's appointment as an authorized representative of the CCAA Debtors for such purposes;
- (h) purchase or lease such machinery, equipment, inventories, supplies, premises, or other assets in order to preserve and carry on the CCAA Debtors' Business;
- (i) receive and collect all monies and accounts now owed or hereafter owing to the CCAA Debtors and to exercise all remedies of the CCAA Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the CCAA Debtors;
- (j) operate and control, on behalf of the CCAA Debtors, all of the CCAA Debtors' existing accounts at any financial institution (each an "**Account**" and collectively the "**Accounts**") in such manner as the Monitor, in its sole discretion, deems necessary or appropriate, including without limitation, to:
 - (i) exercise control over the funds credited to or deposited in the Accounts;

- (ii) effect any disbursement from the Accounts permitted by this Order or any other order granted in these proceedings;
 - (iii) give instructions from time to time with respect to the Accounts and the funds credited to or deposited therein, including to transfer the funds credited to or deposited in such Accounts to such other account or accounts as the Monitor may direct; and
 - (iv) add or remove persons having signing authority with respect to any Account or to direct the closing of any Account;
- (k) and the financial institutions maintaining such Accounts shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer payment, collection or other action taken in accordance with the instructions of the Monitor as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions, and such financial institutions shall be authorized to act in accordance with and in reliance upon the instructions of the Monitor without any liability in respect thereof to any person;
- (l) settle, extend, or compromise any indebtedness owing to the CCAA Debtors;
- (m) execute, assign, issue, and endorse documents of whatever nature in respect of any of the CCAA Property for any purpose pursuant to the CCAA, this Order and any other order made in these proceedings;
- (n) undertake environmental or workers' health and safety assessments of the CCAA Property and operations of the CCAA Debtors relating thereto;
- (o) initiate, manage, and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the CCAA Property, including initiating, prosecuting, continuing, defending, settling, or compromising the proceedings;
- (p) market any or all of the CCAA Property, including advertising and soliciting offers in respect of the CCAA Property or any part or parts thereof and negotiating such terms and conditions of sale as the Monitor considers appropriate;

- (q) sell, convey, transfer, lease, or assign the CCAA Property or any part or parts thereof out of the ordinary course of business with the approval of this Court, including to execute any conveyance or other closing documents in relation to such a transaction;
- (r) apply for any vesting order or other orders necessary to convey the CCAA Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (s) apply for any permits, licences, approvals, or permissions as may be required by any governmental authority relating to the CCAA Property, and any renewals thereof;
- (t) enter into agreements with any trustee in bankruptcy appointed in respect of the CCAA Debtors, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the CCAA Debtors;
- (u) exercise any shareholder, partnership, joint venture, or other rights which the CCAA Debtors may have, including for greater certainty, any rights under the Direction and Beneficial Charge Agreement dated May 25, 2021;
- (v) terminate the services of any officer, employee, consultant, representative, advisor, or other persons;
- (w) pay any outstanding wages, salaries, employee, and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively, the "**Wages**"); and
- (x) in accordance with the CCAA and this Order, disclaim any contracts to which any of the CCAA Debtors is a party.

14. For greater certainty, where the Monitor takes actions or steps authorized by paragraph 13, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined in paragraph 23 below), including the CCAA Debtors and their past or

present directors, officers, and shareholders, and without interference from any other Person, no director or officer of the CCAA Debtors (or either of them) shall incur any liability for any decisions or actions of the Monitor acting under such authority. The power and authority granted to the Monitor in paragraph 13 shall be paramount to the power and authority of the CCAA Debtors or any other Person. Until such powers are exercised, they shall remain with the CCAA Debtors, under the Monitor's oversight.

15. Notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed to be a director, officer or employee of the Respondents.

16. Except pursuant to this Order, the Monitor shall not otherwise take possession of the CCAA Property and shall take no part whatsoever in the management or supervision of the management of the CCAA Debtors' Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the CCAA Debtors' Business or CCAA Property, or any part thereof.

17. In addition to the rights and protections afforded the Monitor under the CCAA, as an officer of this court or otherwise at law, neither the Monitor nor its employees, advisors or other representatives acting in such capacities shall incur any liability or obligation as a result of the Monitor's appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Without limiting the generality of the foregoing, in exercising any powers granted to it hereunder: (i) neither the Monitor nor its employees, advisors or other representatives acting in such capacities shall incur any liability or obligation under or in connection the performance, actions omissions or negligence by or of any Assistants, and all other persons acting on their behalf, save and except for any gross negligence or wilful misconduct on its part; and (ii) the Monitor shall be entitled to rely on the books and records of the CCAA Debtors without independent investigation. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA, as an officer of this court or any applicable legislation.

APPOINTMENT OF RECEIVER

18. Pursuant to section 243(1) of the BIA and Section 39 of the LEA, A&M is appointed receiver and manager (in such capacity, the "Receiver"), without security, of all rights, title and

interests of 670805 B.C. Ltd. and 0859116 B.C. Ltd. (the **"Receivership Debtors"** and, together with the CCAA Debtors, the **"Debtors"**) in and to:

- (a) the real property in the Province of British Columbia 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"**); and

- (b) all present and after-acquired personal property of the Receivership Debtors 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

(collectively, the **"Receivership Property"** and together with the CCAA Property, the **"Property"**).

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Receivership Property and any and all receipts and disbursements arising out of or from the Receivership Property;
- (b) to receive, preserve and protect the Receivership Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocating any of the Receivership Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
- (c) to manage, operate and carry on the business of the Receivership Debtors only as it relates to the Receivership Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to

carry on all or any part of the business, or cease to perform any contracts of the Receivership Debtor, all only as they may relate to the Receivership Property;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Receivership Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Receivership Debtors and to exercise all remedies of the Receivership Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the Receivership Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Receivership Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Receivership Property, whether in the Receiver's name or in the name and on behalf of the Receivership Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Receivership Property and operations of the Receivership Debtors;
- (j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Receivership Debtors as it relates to the Receivership Property, the Receivership Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- (k) to market any or all of the Receivership Property, including advertising and soliciting offers in respect of the Receivership Property or any part or parts

thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;

- (l) to sell, convey, transfer, lease or assign the Receivership Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of a single transaction for consideration up to \$100,000 provided that the aggregate consideration for all such transactions does not exceed \$500,000 and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

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

- (m) to apply for any vesting order or other orders necessary to convey the Receivership Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Receivership Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (o) to register a copy of this Order and any other Orders in respect of the Receivership Property against title to any of the Receivership Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Receivership Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Receivership Debtors may have, only as it relates to Receivership Property; and

- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Receivership Debtors, and without interference from any other Person.

LIMITATION ON ENVIRONMENTAL LIABILITIES

20. Nothing herein contained shall require the Monitor or Receiver to occupy or to take control, care, charge, possession, or management (separately and/or collectively, “**Possession**”) of any of the Property, that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial, or other law respecting the protection, conservation, enhancement, remediation, or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, S.C. 1999, c. C-33, the *Fisheries Act*, R.S.C. 1985, c. F-14, the *Environmental Management Act*, S.B.C. 2003, c. 53, the *Fish Protection Act*, S.B.C. 1997, c. 21, and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor or Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor and the Receiver shall not, as a result of this Order or anything done in pursuance of the Monitor or Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property, as applicable, within the meaning of any Environmental Legislation, unless it is actually in possession.

21. Notwithstanding anything in federal or provincial law, neither the Monitor nor the Receiver is personally liable in that position for any environmental condition that arises or environmental damage that occurred:

- (a) before their appointment; or,
- (b) after their appointment, unless it is established that the condition arose or the damage occurred as a result of their gross negligence or wilful misconduct.

22. Notwithstanding anything in federal or provincial law, but subject to paragraph 21 above of this Order, where an order is made which has the effect of requiring the Receiver or the

Monitor to remedy any environmental condition or environmental damage affecting the Property, if the Receiver or Monitor complies with the BIA section 14.06(4) or the CCAA section 11.8(5), respectively, the Receiver or Monitor, as applicable, is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

DUTY TO PROVIDE ACCESS AND CO-OPERATION

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

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

25. Upon request, all Persons shall provide to the Receiver and Monitor or permit the Receiver and Monitor to make, retain and take away copies of the Records and grant to the Receiver and Monitor unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 24, 25 or 26 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver and Monitor due to solicitor client privilege or statutory provisions prohibiting such disclosure.

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

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

27. No action, suit, proceeding, or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued, and all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities:

- (a) until and including June 4, 2026, or such later date as this Court may order (the "**Stay Period**") against or in respect of the CCAA Debtors or the Monitor, or affecting the CCAA Debtors' Business or the CCAA Property, except with the written consent of the Monitor or with leave of this Court;
- (b) against the Receiver, the Receivership Debtors or the Receivership Property except with the written consent of the Receiver or with leave of this Court

and any and all Proceedings currently under way against or in respect of the Debtors, or affecting the CCAA Debtors' Business or the Property are hereby stayed and suspended.

28. All rights and remedies (including, without limitation, set-off rights) are stayed and suspended:

- (a) during the Stay Period against or in respect of the CCAA Debtors or the Monitor, or affecting the CCAA Debtors' Business or the CCAA Property, except with the written consent of the Monitor or with leave of this Court; and
- (b) against the Receiver, Receivership Debtors or the Receivership Property except with the written consent of the Receiver or with leave of this Court;

29. Nothing in this Order shall:

- (a) empower the CCAA Debtors or the Receiver to carry on any business which the CCAA Debtors or Receivership Debtors, respectively, are not lawfully entitled to carry on;
- (b) affect such investigations, actions, suits, or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA and section 69.6(2) of the BIA;
- (c) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities);
- (d) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the CCAA Debtors, Monitor and Receiver, as applicable; or
- (e) apply in respect of any "eligible financial contract" as defined in the BIA, and for greater certainty, nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

NO INTERFERENCE

30. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by:

- (a) the CCAA Debtors during the Stay Period, except with the written consent of the Monitor or leave of this Court; and
- (b) the Receivership Debtors as it relates to the Receivership Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

31. All Persons having oral or written agreements or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services:

- (a) to the CCAA Debtors' Business or the CCAA Debtors, are hereby restrained during the Stay Period (unless amended by further order of this Court) from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the CCAA Debtors, and
- (b) to the Receivership Debtors, are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Receivership Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Receivership Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court,

and the CCAA Debtors and the Receiver, as applicable, shall be entitled to the continued use of the Debtors' current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the CCAA Debtors or Receiver, as applicable, or such other practices as may be agreed upon by the supplier or service provider and the CCAA Debtors and the Monitor or the Receiver, as applicable, or as may be ordered by this Court.

MONITOR AND RECEIVER PROTECTIONS

32. In addition to and without derogating from the rights and protections afforded to the Monitor under the CCAA, the Receiver under the BIA, and both as an officer of this Court or any other applicable legislation, each of the Monitor and the Receiver shall incur no liability or obligation as a result of their appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on their part or, in the case of the Receiver, amounts in respect of obligations imposed specifically on receivers by applicable legislation.

33. Neither the Monitor nor the Receiver is, and shall not be deemed to be, a director, officer, or employee of the Debtors.

EMPLOYEES

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

35. Subject to the employees' right to terminate their employment, all employees of the CCAA Debtors shall remain as employees of the applicable CCAA Debtor until such time as the Monitor, on behalf of the applicable CCAA Debtor, may terminate the employment of such employees. Nothing in this Order, including the enhancement of the Monitor's powers pursuant to paragraph 13, the exercise by the Monitor of any of its powers, the performance by the Monitor of any of its duties, or the use or employment by the CCAA Debtors of any person under the direction of the Monitor, in connection with the Monitor's appointment and the exercise and performance of its powers and duties, shall be construed as resulting in the Monitor being an employer, successor employer, or related employer of the CCAA Debtors' employees, within the meaning of any provincial, federal, municipal legislation, or common law governing employment or labour standards or any other statute, regulation, or rule of law or

equity for any purpose whatsoever or expose the Monitor to liability to any individuals arising from or relating to their employment by the CCAA Debtors. The Monitor shall not be liable for any employee-related liabilities of the CCAA Debtors, including any successor liabilities as provided for in section 11.8(1) of the CCAA, other than amounts the Monitor may specifically agree in writing to pay. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee related liabilities of the CCAA Debtors, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts.

36. Nothing in this Order or any other order granted in these proceedings shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, administrator, receiver manager, agent of the creditors, or legal representative of the CCAA Debtors within the meaning of any relevant legislation, including subsection 159(2) of the *Income Tax Act*, R.S.C. 1985, Ch. 1 (5th Supp.) (the "ITA"), and any distributions to creditors of the CCAA Debtors by the Monitor will be deemed to have been made by the CCAA Debtors themselves. Nothing in this Order shall constitute or be deemed to constitute the Monitor as a person subject to subsection 150(3) of the ITA.

REDMA

37. During the Stay Period, the Superintendent of Real Estate shall not require the CCAA Debtors (or any of them) to file a new disclosure statement under subsection 16(2) of the *Real Estate Development Marketing Act*, S.B.C. 1004, c. 41 ("REDMA") nor take any steps that would otherwise trigger a purchaser's right of rescission under REDMA, and any rights and remedies of purchasers to rescind pre-sale contracts with the CCAA Debtors (or any of them) are stayed and suspended.

NON-DEROGATION OF RIGHTS

38. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property, or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Debtors on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA and the BIA.

HOLDING FUNDS

39. Each of the Monitor and the Receiver is authorized, but not required, to open one or more new accounts in its own name (the "**Estate Accounts**") and receive third party funds into the Estate Accounts or transfer into the Estate Accounts such funds, monies, cheques, instruments, and other forms of payment received or collected by it, that it considers necessary or appropriate to assist with the exercise of its powers and duties under the CCAA, BIA, and this Order. Monies standing to the credit of the Estate Accounts from time to time shall be held by the Monitor and the Receiver to be dealt with as permitted by this Order or further order of this Court, including to make disbursements and pay obligations of the Debtors as permitted by this Order or any further order of this Court.

ADMINISTRATION CHARGE

40. The Monitor, the Receiver, and their legal counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, as part of the cost of these proceedings. The CCAA Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioner in its capacity as interim lender, on a periodic basis.

41. The Monitor, the Receiver, and their legal counsel shall pass their accounts from time to time, and for this purpose are referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

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

43. The Monitor, the Receiver, their counsel and counsel to the Petitioner shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000 as security for their respective fees and disbursements incurred at their standard rates and charges, both before and after the

making of this Order, which are related to these proceedings. The Administration Charge shall have the priority set out in paragraphs 51 and 53 hereof.

INTERIM FINANCING

44. 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 Business and the preservation and realisation of the Property, provided that principal borrowings under such Interim Financing shall not exceed the principal amount of \$350,000 unless permitted by further order of this Court.

45. 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 (the “**Interim Lending Term Sheet**”), attached to the Danielisz Affidavit as Exhibit “V”.

46. The Monitor, on behalf of the CCAA Debtors, and the Receiver are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees, and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the Interim Lending Term Sheet or as may be reasonably required by the Petitioner pursuant to the terms thereof, and the CCAA Debtors and the Receiver are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the Petitioner under and pursuant to the Interim Lending Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

47. Without limiting the provisions of the Interim Lending Term Sheet all advances of the Interim Financing shall be made to, and distributed by the Monitor or Receiver (as applicable).

48. The Petitioner shall be entitled to the benefit of and is hereby granted a charge (the “**Interim Lender’s Charge**”) on the Property as security for the payment and performance of the CCAA Debtors and the Receivership Debtors’ obligations under the Interim Lending Term Sheet and the Definitive Documents. The Interim Lender’s Charge shall not secure an obligation that exists before this Order is made. The Interim Lender’s Charge shall have the priority set out in paragraphs 51 and 53 hereof.

49. Notwithstanding any other provision of this Order:

- (a) the Petitioner may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under any of the Definitive Documents or the Interim Lender's Charge, the Petitioner, upon three (3) days notice to the Debtors and the Monitor, may exercise any and all of its rights and remedies against the Debtors or the Property under or pursuant to the Interim Lending Term Sheet, Definitive Documents and the Interim Lender's Charge, including without limitation, to cease making advances and set off and/or consolidate any amounts owing by the Petitioner to the Debtors against the obligations to the Petitioner under the Interim Lending Term Sheet, the Definitive Documents, or the Interim Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager, or interim receiver, or for a bankruptcy order against the Debtors and for the appointment of a trustee in bankruptcy of the Debtors; and
- (c) the foregoing rights and remedies of the Petitioner shall be enforceable against any trustee in bankruptcy, interim receiver, receiver, or receiver and manager of the Debtors or the Property, including the Receiver.

50. The Petitioner, in its capacity as interim lender, shall be treated as unaffected in any plan of arrangement or compromise filed in relation to the Debtors under the CCAA, or any proposal filed in relation to the Debtors under the BIA, with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

51. The priorities of the Administration Charge and the Interim Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$150,000); and

Second – Interim Lender's Charge.

52. Any security documentation evidencing, or the filing, registration or perfection of, the Charges shall not be required, and the Charges shall be effective as against the Property and

shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

53. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person, save and except 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.

54. Except as otherwise expressly provided herein, or as may be approved by this Court, the Debtors and the Receiver shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Debtors or Receiver (as applicable) obtain the prior written consent of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**").

55. The Charges, the Interim Lending Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees and the Petitioner as interim lender, shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Debtors; and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Interim Lending Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Debtors of any Agreement to which it is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Debtors entering into the Interim Lending Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Debtors pursuant to this Order, the Interim Lending Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

56. Any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Debtors' interest in such real property leases.

SERVICE AND NOTICE

57. The Monitor shall (i) without delay, publish in the Vancouver Sun a notice containing the information prescribed under the CCAA, and (ii) within five days after Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the CCAA Debtors of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

58. The CCAA Debtors, the Monitor, and the Receiver are at liberty to serve this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, or electronic transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or notice by courier, personal delivery, or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations (Canada)*.

59. A&M, as both Monitor and Receiver, shall establish and maintain a website in respect of these proceedings at: www.alvarezandmarsal.com/mortisenova (the “**Website**”) and shall post there as soon as practicable:

- (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

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

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

62. Notwithstanding paragraph 58 of this Order, service of the Petition, the Notice of Hearing of Petition, the Danielisz Affidavit, the Vos Affidavit, and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

63. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be

affected by the variation or amendment, or upon such other notice, if any, as this Court may order.

64. The Monitor and the Receiver may from time to time apply to this Court for directions in the discharge of their powers and duties hereunder.

65. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the CCAA Debtors, the CCAA Debtors' Business, or the CCAA Property.

66. The CCAA Debtors, the Petitioner, the Monitor, and the Receiver, are hereby at liberty to apply for such further interim or interlocutory relief as they deem advisable within the time limited for Persons to file and serve Responses to the Petition.

67. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

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

69. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

70. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THIS COURT REQUESTS the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the CCAA Debtors, the Monitor, the Receiver, and their agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the CCAA Debtors, the Monitor, and the Receiver (in the case of the Monitor and the Receiver, as officers of this Court),

as may be necessary or desirable to give effect to this Order or to assist the CCAA Debtors, the Monitor, the Receiver, and their agents in carrying out the terms of this Order.

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 Lawyers for the Petitioner
McCarthy Tétrault LLP
(H. Lance Williams and Saneea Tanvir)

BY THE COURT

REGISTRAR

SCHEDULE A
LIST OF COUNSEL

Counsel Name	Party Represented

SCHEDULE B
DEMAND FOR NOTICE

TO: National Bank of Canada
c/o McCarthy Tétrault LLP

Attention: Lance Williams, Saneea Tanvir, and Sue Danielisz
Email: lwilliams@mccarthy.ca / stanvir@mccarthy.ca / sdanielisz@mccarthy.ca

AND TO: Alvarez & Marsal Canada Inc.
c/o Fasken Martineau DuMoulin LLP

Attention: Kibben Jackson, Lisa Hiebert, and Suzanne Volkow
Email: kjackson@fasken.com / lhiebert@fasken.com / svolkow@fasken.com

**Re: In the matter of the CCAA proceedings of 0993006 B.C. Ltd. and 1014669 B.C. Ltd.
and the receivership proceedings of 670805 B.C. Ltd. and 0859116 B.C. Ltd.**

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

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

OR

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

OR

3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____