

No. S-264260
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF 464
EAGLECREST DRIVE LIMITED PARTNERSHIP, TCD DEVELOPMENTS
(GIBSONS) LTD. AND 464 EAGLECREST DRIVE PROPERTIES LTD.**

PETITIONERS

THIRD REPORT OF THE MONITOR

September 16, 2026

THIRD REPORT OF THE MONITOR

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INTRODUCTION

1. On June 8, 2026, 464 Eaglecrest Drive Limited Partnership (“**464 LP**” or the “**Company**”), TCD Developments (Gibsons) Ltd. (“**TCD**”) and 464 Eaglecrest Drive Properties Ltd. (“**464 Ltd.**”, and collectively, “**Eaglecrest**” or the “**Petitioners**”) made an application for and were granted an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
2. The Petitioners are a real estate development group which have spent the past several years developing and constructing a residential complex in Gibsons, British Columbia known as Eagle View Heights (the “**Project**”).
3. The Initial Order provides for, among other things:
 - a. A stay of proceedings against the Petitioners (the “**Stay of Proceedings**”) until June 18, 2026;
 - b. The appointment of FTI Consulting Canada Inc. as the Monitor of the Petitioners (the “**Monitor**”);
 - c. The approval of an interim financing facility in an amount of up to \$6.75 million (the “**DIP Facility**”) to be advanced by Tru Cooperative Bank, formerly known as First West Credit Union (the “**Interim Lender**”) and a charge in favour of the Interim Lender to the maximum amount of the DIP Facility (the “**Interim Lender’s Charge**”); and
 - d. The approval of a charge in favour of the Petitioners’ legal counsel, the Monitor and the Monitor’s legal counsel (the “**Administration Charge**”) for an aggregate amount not to exceed \$200,000.

4. On June 18, 2026, the Petitioners sought and obtained an amended and restated initial order (the “**ARIO**”) extending the Stay of Proceedings to September 8, 2026.
5. On September 4, 2026, the Monitor sought and obtained an extension of the Stay of Proceedings under the ARIO to January 15, 2027.
6. The Monitor had intended on filing an application in advance of a hearing to be held on September 17, 2026, for an order (the “**Contract Approval Order**”) authorizing the Monitor to enter into a Stipulated Price Contract with Panorama West Group (“**Panorama**”) for Panorama to act as the general contractor to complete the outstanding construction work on the Project. However, as of the date of this report the finalized terms of the agreement as still subject to negotiation.
7. The Monitor expects the terms to be finalized within the next few days and accordingly will be seeking to schedule a hearing for the Contract Approval Order imminently.

PURPOSE

8. The purpose of this report is to provide this Honourable Court and the Petitioners’ stakeholders with information regarding the following:
 - a. The Monitor’s efforts to evaluate, select and engage a general contractor to complete construction of the Project;
 - b. An update on the DIP Facility; and
 - c. The Monitor’s conclusions and recommendations.

TERMS OF REFERENCE

9. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including the Petitioners’ unaudited financial information, books and records and discussions with senior management of the Petitioners (“**Management**”).

10. Except as described in this report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
11. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
12. Future-oriented financial information reported to be relied on in preparing this report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

ENGAGEMENT OF A GENERAL CONTRACTOR

14. As detailed in the Second Report of the Monitor, the Monitor obtained proposals from two proponents to complete the outstanding construction work on the Project; one from the incumbent general contractor, Kindred Construction Ltd. ("**Kindred**") and a second from Panorama.
15. As a result of the significant divergence in cost assumptions in a number of areas, the Monitor retained the services of M3 Development Management ("**M3**"), a consulting firm specializing in project management and quantity surveying, to review the two proposals and provide recommendations.
16. Among other comments, and as noted in the Second Report of the Monitor, the M3 report dated July 17, 2026 indicated that the biggest impediment to re-engaging with Kindred would likely be their requirement for payment of arrears.

17. As the stakeholder with the largest economic interest in the Project and the Interim Lender funding the completion of construction, the Monitor has maintained regular communication with the Interim Lender to obtain and consider its views.
18. At the request of the Interim Lender, the Monitor arranged separate videoconference meetings with representatives of the Interim Lender and Kindred, and representatives of the Interim Lender and Panorama which meetings took place during the week of August 24, 2026.
19. The Monitor notes that the original proposal submitted by Panorama was premised on the basis of a joint submission between KiND Development Group (one of the shareholders of the Company) and Panorama. At the meeting with the Interim Lender and Panorama, the Interim Lender advised that it would not support a joint submission and if Panorama wanted to act as the general contractor to complete construction, it would need to do so in its own name.
20. During the meetings, the Interim Lender also expressed concerns to both parties regarding the historical cost overruns and therefore its desire for increased certainty around costs to complete. As a result, both parties were asked to provide fixed cost budgets with respect to the remaining construction.
21. The Monitor is advised that the original construction budget provided to the Interim Lender by the Petitioners in conjunction with Kindred in June 2021, was approximately \$47.9 million with a proposed construction schedule of 28 months. Including the costs to complete the outstanding construction, the total construction costs are now expected to approach \$63.4 million, an overrun of approximately \$15.5 million or 32% over the original budget.
22. Both Kindred and Panorama submitted fixed price budgets which were reviewed by the Monitor and forwarded to the Interim Lender.
23. Subsequently, the Monitor engaged with the Interim Lender to discuss its preferred path forward which they provided to the Monitor on September 9, 2026.

24. As a result of its due diligence and consultation with various stakeholders, the Monitor intends to enter into a Stipulated Price Contract with Panorama (the “**Panorama Contract**”).

25. The Panorama Contract is based on the Canadian Construction Documents Committee’s standard form for a Stipulated Price Contract known as a CCDC 2. The primary terms of the Panorama Contract are as follows:

- a. The fixed price is approximately \$3.7 million;
- b. The scope will include completing the outstanding construction work on buildings 1 to 12 of Phase 1 of the project and the common areas including the outdoor swimming pool, the park and retention pond;
- c. Panorama will have authority to interact with the engineering and other consultants as necessary;
- d. The contract substantively mirrors the current CCDC 5 contract in place with the existing general contractor;
- e. Panorama is tasked with addressing deficiencies needed for compliance with New Home Warranty insurance;
- f. Panorama will provide warranty for its workmanship on a prospective basis; and
- g. The construction schedule anticipates re-commencing construction on September 22, 2026 and concluding on December 18, 2026.

26. The Monitor has made this decision on the basis of the following considerations:

- a. Panorama’s fixed price budget is substantially less expensive than Kindred’s;
- b. Kindred’s arrears requirement is not acceptable to the Interim Lender;

- c. It is unlikely that all of the former trades will be required to return to site under the Panorama proposal and therefore arrears payments for trades are expected to be lower; and
- d. The Interim Lender advised the Monitor that due to the substantive historical cost overruns, it had lost confidence in the incumbent parties to complete the project on a cost efficient basis and accordingly, it would oppose any go-forward proposal involving Kindred.

DIP FACILITY

- 27. As described in the First Report of the Monitor, the Initial Order approved the DIP Facility in an amount up to \$6.75 million.
- 28. The Monitor requested an initial draw of \$1.8 million under the DIP Facility, which was deposited into the Monitor's account, net of certain holdbacks and deductions.
- 29. To date no further draws have been requested, although if the Panorama Contract is subsequently approved by this Honourable Court, funding draws are expected to recommence.
- 30. The Monitor has not provided an updated statement of receipts and disbursements or an updated cash flow as no material changes have occurred since the issuance of the Second Report.

CONCLUSIONS AND RECOMMENDATIONS

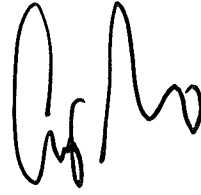
- 31. The Monitor anticipates returning before this Honourable Court in the near term, on notice to the Service List, to seek approval of the Panorama Contract once it has been finalized. Approval and implementation of the Panorama Contract will enable Eaglecrest to recommence construction activities and advance the Project towards completion.

All of which is respectfully submitted this 16th day of September, 2026.

FTI Consulting Canada Inc.
in its capacity as Monitor of the Petitioners

A handwritten signature in black ink, consisting of a stylized 'T' followed by a series of loops and a long horizontal stroke.

Tom Powell
Senior Managing Director

A handwritten signature in black ink, featuring a large 'C' followed by a series of loops and a long horizontal stroke.

Craig Munro
Managing Director