SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY
OCT 01 2026

S 267306

No. _____
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

AND

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

AND

IN THE MATTER OF 1035638 B.C. LTD. and KAINOS BUILDING GROUP LTD.

AND

NATIONAL BANK OF CANADA

Petitioner

PETITION TO THE COURT

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

The address of the registry is: The Supreme Court of British Columbia
The Law Courts
800 Smithe Street
Vancouver, BC V6Z 2E1

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

☐ 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 proceedings above

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 the 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.

(1)	The ADDRESS FOR SERVICE of the petitioner is: Owen Bird Law Corporation Attn: Scott H. Stephens & Lily Y. Zhang 2900 – 733 Seymour Street Vancouver, BC V6B 0S6 Fax number address for service (if any) of the petitioner: N/A E-mail address for service (if any) of the petitioner: SStephens@owenbird.com, LZhang@owenbird.com & LGrillandini@owenbird.com
(2)	The name and office address of the petitioner's lawyer is: Owen Bird Law Corporation 2900-733 Seymour Street PO Box 1 Vancouver, BC V6B 0S6 (Attention: Scott H. Stephens & Lily Y. Zhang) Fax number address for service (if any) of the petitioner: N/A E-mail address for service (if any) of the petitioner: SStephens@owenbird.com, LZhang@owenbird.com & LGrillandini@owenbird.com

CLAIM OF THE PETITIONER

PART 1: ORDERS SOUGHT

1. An initial order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, [***CCAA***] in respect of 1035638 B.C. Ltd. ("**103**") and Kainos Building Group Ltd. ("**Kainos Building**", and together with 103, the "**Borrowers**") substantially in the form attached as **Schedule "B"** (the "**Initial Order**"):

   a) abridging the time for service of this petition, the supporting affidavits and the notice of hearing;

   b) declaring that the Borrowers are companies to whom the *CCAA* applies;

   c) appointing FTI Consulting Canada Inc. ("**FTI**") as an officer of this court (in such capacity, the "**Monitor**") to monitor the assets, business, and financial affairs of the Borrowers;

   d) granting the Monitor enhanced powers to exercise control over the assets, business, and financial affairs of the Borrowers, including the Project and the Lands (as defined below);

   e) approving the Borrowers' borrowing up to the principal amount of $1,200,000 pursuant to a debtor-in-possession interim financing facility (the "**Interim Financing Facility**") from the petitioner, National Bank of Canada (in such capacity, the "**Interim Lender**"), pursuant to a debtor-in-possession financing agreement (the "**Term Sheet**") to finance the Borrowers' critically required operating expenses related to the Project (defined below) and the general cost of the Monitor, limited to $250,000 to be advanced in these proceedings over the next ten (10) days;

   f) granting a stay of proceedings in respect of the Borrowers for an initial period of ten (10) days (as may be amended or extended from time to time, the "**Stay Period**");

g) granting the following charges (the "**Initial Order Charges**"), with the relative priorities set out in the Initial Order, over the property of the Borrowers as security for the obligations of the Borrowers to the beneficiaries of such charges:

i) the "**Administration Charge**" in favour of the Monitor, counsel to the Monitor, and counsel to National Bank of Canada, up to a maximum amount of $300,000; and

ii) the "**Interim Lender's Charge**" in favour of the Interim Lender in the amount of $250,000, plus interest, fees, and expenses, to be increased to $1,200,000 at the Comeback Hearing (as defined below); and

h) providing for a comeback hearing in respect of the relief granted under the Initial Order, including among other relief, an extension of the Stay Period contemplated thereunder, on a date to be fixed 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

Background of the Borrowers, the Project, and the Lands

1. The Borrowers are part of a real estate development group called "Kainos Development", which has projects throughout British Columbia.

2. 103 is the registered owner of the lands and premises located at 38044 Second Avenue in Squamish, BC and legally described as follows:

PID 012-023-540
LOT F BLOCK 2 DISTRICT LOT 486 PLAN 3960

(the "**Amaji Lands**")

3. 103 is constructing a mixed-use development on the Amaji Lands known as Amaji 2 (the "**Project**"). The Project consists of a 7-storey steel frame building with 38 residential units and 2 commercial units.

4. As set out in greater detail below, the Project experienced delays and overruns from the outset. The Borrowers originally estimated that substantial completion would be achieved by December 31, 2025. The Borrowers subsequently revised the substantial completion date to December 31, 2026. The construction has largely stalled since March 2026. Neither the Borrowers nor their principals have any further capital to inject into the Project.

5. Kainos Building is the registered owner of the lands and premises located at 1358, 1362, and 1366 Main Street in Squamish, BC and legally described as follows:

> PID 003-331-156
> LOT 25 BLOCK 21 DISTRICT LOT 486 PLAN 3960
>
> PID 003-331-237
> LOT 26 BLOCK 21 DISTRICT LOT 486 PLAN 3960
>
> PID 012-000-493
> LOT 27 BLOCK 21 DISTRICT LOT 486 PLAN 3960
>
> PID 012-000-540
> LOT 28 BLOCK 21 DISTRICT LOT 486 PLAN 3960
>
> (collectively, the "**Main Street Lands**" and together with the Amaji Lands, the "**Lands**")

6. The Main Street Lands are approximately 300 metres from the Amaji Lands. Kainos Building acquired the Main Street Lands in 2021. Its reported intention was to consolidate the Main Street Lands and then develop one or two six- to seven-storey, mixed-use buildings thereon.

7. To date, the Main Street Lands remain undeveloped and are being used as a staging area for the Project.

National Bank Financing and Security

8. Pursuant to a letter agreement dated March 9, 2022 as amended by an amending agreement dated June 4, 2024 (together, the "**103 Loan Agreement**"), the petitioner, National Bank of Canada ("**National Bank**"), as lender, 103, as borrower, and 1343504

B.C. Ltd., Kainos Development by Design Ltd., Viceroy Management Ltd., Baljit Kainth, Surinder Kainth, and Prateek Kainth, as guarantors, National Bank made the following credit facilities available to 103 and advanced monies thereunder:

a) an uncommitted, demand non-revolving Construction Loan in a maximum principal amount of $19,900,000 to be advanced as follows;

   i) an initial drawdown of up to $2,000,000 to repay 103's then-existing debt; and

   ii) upon entering into qualified presales with purchase prices totalling $15,000,000 (net of GST) in the aggregate, up to $19,900,000 (inclusive of the initial drawdown) for construction costs related to the Project, advanced on a cost-to-date basis and subject to the draw conditions set out in the 103 Loan Agreement;

b) a revolving Swingline sub-facility with an authorized credit limit of $250,000 to fund construction costs requiring immediate payment on an expedited basis;

c) an L/C Facility of up to $1,000,000 to be used for the issuance of letters of credit to the District and/or other beneficiaries in connection with the construction of the Project; and

d) a Mastercard with an authorized credit limit of $75,000 for daily business expenses of 103.

9. Interest on the indebtedness under the 103 Loan Agreement accrues on the amount outstanding under the Construction Loan and the Swingline at the greater of 3.80% or 1.35% per annum above National Bank's prime lending rate as declared from time to time, which said rate is currently 4.45% per annum, so that the rate of interest currently chargeable is 5.80% per annum, compounded monthly.

10. With respect to the L/C Facility, a stamping fee of 1.75% per annum is payable on the issuance of a letter of credit.

11. The MasterCard was restricted by National Bank in July 2024 and closed in December 2025.

12. The debtors' obligations under the 103 Loan Agreement are secured and supplemented by, *inter alia*:

    a) a mortgage and assignment of rents registered against the Amaji Lands in first position (the "**Amaji Mortgage**");

    b) general security agreements granted by 103, 1343504 B.C. Ltd., Kainos Development by Design Ltd., and Viceroy Management Ltd.; and

    c) unlimited guarantees of the obligations of 103 from 1343504 B.C. Ltd., Kainos Development by Design Ltd., Viceroy Management Ltd., Baljit Kainth, Surinder Kainth, and Prateek Kainth,

    (collectively, the "**103 Security**").

13. Pursuant to letter agreements dated January 27, 2021, September 27, 2021 and May 30, 2023 as amended by amending agreements dated June 1, 2024, November 30, 2024 and September 26, 2025 (collectively, the "**Kainos Building Loan Agreement**"), National Bank, as lender, Kainos Building, as borrower, and Kainos Development by Design Ltd., Baljit Kainth, Surinder Kainth, and Prateek Kainth, as guarantors, National Bank advanced a mortgage loan to Kainos Building in the principal amount of $3,906,500 (the "**Mortgage Loan**").

14. Interest on the indebtedness under the Kainos Building Loan Agreement accrues at the greater of 4.45% per annum, compounded monthly, or 2.25% per annum above National Bank's prime lending rate as declared from time to time, which said rate is currently 4.45% per annum, so that the rate of interest currently chargeable is 6.70% per annum, compounded monthly.

15. The debtors' obligations under the Kainos Building Loan Agreement are secured and supplemented by, *inter alia*:

a) a mortgage and assignment of rents registered against the Main Street Lands in first position (the "**Main Street Mortgage**");

b) general security agreements granted by Kainos Building and Kainos Development by Design Ltd.;

c) a guarantee of the obligations of Kainos Building from Kainos Development by Design Ltd. limited to $1,525,000 plus interest from the date of demand; and

d) guarantees of the obligations of Kainos Building from Baljit Kainth, Surinder Kainth, and Prateek Kainth limited to $3,906,500 plus interest from the date of demand.

(collectively, the "**Kainos Building Security**").

Default and Indebtedness

16. The Construction Loan, as extended, matured on March 18, 2026 and was not repaid. In addition to failing to repay the loan on or before the maturity date, 103 committed other defaults under the 103 Loan Agreement, including by reason of:

a) failure to pay property taxes on time or at all;

b) failure to provide required reporting on time or at all;

c) the registration of a subordinate charge absent prior consent;

d) failure to comply with the *Builders Lien Act*;

e) suffering a material change to the Project;

f) failure to inject equity to meet cost overruns;

g) failure to ensure all trust deposits are held in trust accounts with National Bank; and

h) failure to ensure lien holdback funds are held in an account with National Bank separate from the Project account.

17. After an extension, the Mortgage Loan matured on February 28, 2026 and was not repaid by Kainos Building. In addition to failing to repay the indebtedness on or before the maturity date, Kainos Building committed other defaults under the Kainos Building Loan Agreement, including by reason of failure to pay property taxes on time or at all and failure to provide required reporting on time or at all.

18. On August 7, 2026, National Bank issued formal demands for repayment to the Borrowers together with notices of intention to enforce security. Concurrent demands were issued to the respective guarantors under the guarantees. The debtors refused or neglected to repay the indebtedness despite demand.

19. As of September 15, 2026, the indebtedness due and owing under the 103 Loan Agreement and secured by the 103 Security is the combined sum of $16,600,045.72, exclusive of legal costs, particulars of which are as follows:

a) under the Construction Loan: $15,608,798.96;

b) under the Swingline: $258,916.23;

c) under the L/C Facility: $732,330.52.

20. As of September 15, 2026, the amount due and owing pursuant to the Kainos Building Loan Agreement and under the Kainos Building Security is $4,067,125.68.

21. On or around May 29, 2026, National Bank engaged FTI to provide financial advisory and consulting services in connection with the Borrowers.

Stalled Construction

22. The Project experienced delays and overruns from the outset.

23. Following approval of the development permit in November 2020, the Borrowers proceeded with the building permit application and concurrently sought approval for an alternative solution to permit wood-frame construction of a 7-storey building (wood-frame construction is generally limited to 6 storeys for residential buildings in B.C.). It took the District nearly one year to review the proposed alternative solution. Ultimately, the District did not approve the wood-frame design, requiring the project to be redesigned and constructed using a steel frame.

24. The building permit was issued in August 2023, and construction commenced in December 2023.

25. The Borrowers retained VPAC Construction Group Ltd. ("**VPAC**") as the general contractor for the Project. VPAC was the general contractor of Kainos Development's Amaji 1 project, which involved a 6-storey wood frame building located across the street from the Project. The Borrowers reported that the Project is VPAC's first structural steel project and suggested that VPAC's limited experience in steel-frame buildings may have contributed to the delays and cost overruns. National Bank has not independently verified this information.

26. In addition, management of the Borrowers reported that the District took approximately two years to approve the off-site servicing agreement and associated engineering design, with the first draft obtained in December 2025. The prolonged approval process also contributed to the delay and cost overruns due to re-pricing of the related contracts.

27. National Bank made advances under the Construction Loan up to the December 2025 progress draw (in early February 2026) and then suspended further funding due to the above-described defaults under the 103 Loan Agreement.

28. The construction of the Project has largely stalled due to non-payment of the construction participants. Subtrades began leaving the Project site in mid-March 2026, and VPAC demobilized in mid-May 2026. Notwithstanding the foregoing, VPAC's site superintendent and/or project manager continues to attend the site on a near-daily basis to ensure compliance under the course of construction insurance policy.

29. The Project site is currently without power due to an outstanding amount of approximately $98,000 owing to BC Hydro. The outstanding amount relates primarily to underground servicing work, including the conversion of an overhead electrical line to underground service along the frontage of the building. The outstanding balance needs to be paid in order to restore power to the Project site. The Borrowers reportedly have made an informal arrangement with the owner of an adjacent property to temporarily supply electricity to the Project site.

30. Live security monitoring remains in place. The service is reportedly being funded by the Borrowers.

31. National Bank visited the Project site on or about May 27, 2026 and noted that the structural steel frame and the roof structure of the building appear substantially complete. Exterior sheathing, windows, and building wrap are installed, and the building appears to have reached the "lock-up" stage. Interior steel stud framing was substantially complete, and mechanical, electrical, and plumbing rough-ins appear substantially advanced. Major electrical infrastructure is in place, with certain final wiring, commissioning, and energizing remaining completion. In general, the Project appears ready to transition to the interior finishes stage, with drywall delivered to site.

32. Based on the latest quantity survey report prepared by BTY Group for the period ended May 31, 2026, the Project is 76% complete on a cost-to-complete basis.

Other Indebtedness of the Borrowers

33. Bancorp Balanced Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., and Bancorp Financial Services Inc. (collectively, "**Bancorp**") hold a mortgage and assignment of rents registered against the Amaji Lands in second position. Based on information provided to National Bank, the indebtedness under Bancorp's mortgage totaled approximately $3,449,000 as of June 17, 2026.

34. $61,552.60 is owing for property taxes for the Amaji Lands. $41,233.33 is owing for property taxes for the Main Street Lands.

35. VPAC reportedly had not been paid since January 2026. On May 6, 2026, VPAC registered a claim of builders lien against the Amaji Lands in the amount of $2,725,189.47. National Bank understands that the amount of the lien may be higher than the actual amount owing to VPAC, being approximately $2.0 million.

36. Further, $62,000 is due to various Project consultants.

37. As noted above, the Project is currently without power due to an outstanding amount of approximately $98,000 owing to BC Hydro, which needs to be paid in order to restore power to the Project site.

38. Under the *Builders Lien Act*, the Borrowers are required to maintain holdback funds. The holdbacks as of April 30, 2026 totaled $508,777.80; however, as at June 1, 2026, the balance in the holdback trust account was only $502,507.95, resulting in a deficiency of approximately $6,000. Majority of the holdback funds had only recently been deposited into the holdback trust account by way of a transfer from a principal, Baljit Kainth, on June 1, 2026. Contrary to the terms of the 103 Loan Agreement, the holdback trust account is with Vancouver City Savings Credit Union and not National Bank.

Pre-Sale Contracts and Remaining Units

39. The Project consists of 38 residential units and 2 commercial units. Of these, 22 residential units and 1 commercial unit are subject to existing pre-sale contracts, representing approximately $18.1 million, excluding GST.

40. The deposit protection insurance loan for the Project has not been advanced due to certain conditions remaining unsatisfied. The DPI loan is for a contemplated principal amount of $1,445,000, but the total pre-sale deposits total only $1,278,140.

41. 16 residential units and 1 commercial unit remain available for sale.

Loss of Faith in Management and Need for Independent Oversight

42. National Bank has lost faith in the Borrowers' ability to manage their affairs, the Project, and the Lands. The Borrowers are insolvent, have been unable to meet their obligations

as they become due, have no available capital to fund the Project or the costs associated with the Lands, and are unable to advance the Project despite significant amounts already invested in it. Their financial circumstances have deteriorated to the point that they are unable to cure their existing defaults or fund the substantial amount required to complete the Project.

43. National Bank has been advised that neither the Borrowers nor their principals have any further capital to contribute to the completion of the Project or to meet the ongoing costs associated with the Lands.

44. The Borrowers' financial difficulties have also resulted in significant unpaid obligations and creditor claims. The Construction Loan and Mortgage Loan have matured and remain unpaid. The Borrowers have failed to pay property taxes and have other substantial outstanding construction obligations, including amounts claimed by VPAC of approximately $2.0 million and outstanding amounts owing to BC Hydro and other consultants.

45. The Borrowers' accounts for the lien holdback funds and pre-sale deposits are not maintained with National Bank. The majority of the holdback funds were only recently deposited by way of a transfer from Mr. Baljit Kainth. The appointment of a Monitor is required in order to independently verify the location, amount, and status of the lien holdback funds and pre-sale deposits, and to ensure that such funds are properly accounted for and preserved.

46. The Project has experienced delays and cost overruns, and the Borrowers are unable to complete the Project within the original budget or anticipated timeline. Construction has stalled, and trades have left the site. The Project is without direct electrical power due to outstanding amounts owing to BC Hydro. Building materials are stored at the Project and the Main Street Lands. Continued inactivity creates risks of deterioration, theft, weather exposure, increased costs and potential warranty issues.

47. Immediate stabilization of the Project is required, and the continued availability of VPAC and the Project's subcontractors cannot be assumed. Further delay risks deterioration of

existing work and materials, increased remobilization and completion costs, and the loss of contractor and trade continuity.

48. Furthermore, the Borrowers do not have the funding to consolidate and redevelop the Main Street Lands. Kainos Building acquired the Main Street Lands in 2021, and to date, the Main Street Lands remain undeveloped and are being used as a staging area for the Project.

49. National Bank is unwilling to advance further funds to the Borrowers under the Construction Loan with current management continuing to oversee the Project.

50. Significant value is tied up in the pre-sale contracts and the remaining units that can only be realized through completion of construction. To that end, the completion of the Project under the oversight of the Monitor as a court-appointed officer may benefit all stakeholders. It is anticipated that the Monitor will provide its view of how best to realise value for stakeholders from the Project.

51. The *CCAA* proceedings and the appointment of the Monitor with enhanced powers will provide a suitable process and the independent oversight necessary to stabilize the Project, preserve the work and materials already completed, address immediate site and construction requirements, maintain continuity with VPAC and the Project's other trades and contractors where appropriate, and fully assess the circumstances of the Project. The Monitor will also be able to assess the remaining cost to complete, review the status of the pre-sale contracts and related deposits, address outstanding construction claims and lien holdback issues, assess available financing and completion options, and determine the recovery strategy that is most likely to maximize value for the benefit of the stakeholders.

52. Further, while completing the Project and selling individual units may ultimately be the best outcome in these circumstances, it is not necessarily the only possible outcome. These *CCAA* proceedings will provide the flexibility to pursue alternative approaches, including an "as is, where is" sale of the Lands, should it be determined to provide better value for stakeholders.

53. Accordingly, National Bank seeks the court's approval of these creditor-initiated *CCAA* proceedings as the appropriate means of preserving the value of the Project and the Lands while the circumstances are fully assessed and the most effective recovery strategy is determined. National Bank further seeks the appointment of the Monitor with enhanced powers to provide the independent oversight necessary to implement and oversee that process. National Bank is prepared to advance further financing only within this court-supervised framework, where the use of funds and the steps taken in respect of the Project will be subject to appropriate oversight of the Monitor.

The Initial Order

Stay of Proceedings

54. The Borrowers require a stay of proceedings to maintain the status quo, particularly in light of their financial circumstances, so that they can continue to operate while these proceedings are underway and advance the Project as appropriate.

Proposed Monitor

55. The proposed Initial Order contemplates that FTI will act as Monitor in these proceedings. FTI has consented to act as Monitor of the Borrowers, including with enhanced powers.

56. National Bank seeks the appointment of FTI as Monitor over the Borrowers with enhanced powers to provide appropriate oversight and supervision of the Borrowers' business, including the Project and the Lands, and to take such steps as may be necessary to stabilize the Project, assess the available recovery alternatives and implement the course of action ultimately determined to be in the best interests of the stakeholders. The enhanced powers are a condition of National Bank agreeing to provide the Interim Financing and are intended to ensure that the *CCAA* proceedings can be completed efficiently and effectively.

Interim Financing

57. The Borrowers will require funding to meet critical expenses, continue operations, and advance the Project as appropriate.

58. National Bank seeks approval of the Interim Financing Facility, which provides for a super-priority non-revolving credit facility of up to $1,200,000, subject to an initial borrowing limit of $250,000 during the initial 10-day stay period.

59. The amounts drawn and outstanding under the Interim Financing Facility will bear interest at 4.00% per annum above National Bank's prime lending rate (currently 4.45%), such that the interest chargeable is currently 8.45% per annum, compounded monthly.

60. The Interim Financing Facility includes a commitment fee of $36,000, earned upon pronouncement of the Initial Order.

61. The Interim Financing Facility is conditional, among other things, upon court approval of the Initial Order and the granting of the Interim Lender's Charge.

62. In accordance with the Term Sheet, the Interim Financing Facility can only be used to fund the Project including ongoing business expenses and carrying costs related to the Project and the Lands, construction costs of the Project, and the general cost of the Monitor in these proceedings. It is an express term of the Term Sheet that it cannot be used to benefit any other properties without the Interim Lender's express consent.

63. The amount of the Interim Financing Facility to be funded during the initial stay of proceedings (up to a principal amount of $250,000) is the estimated amount considered necessary to ensure protection and preservation of the Lands and Project during the initial ten (10) days.

64. The Interim Financing Facility is subject to customary covenants, conditions precedent, and representations. The Interim Financing Facility must be repaid in full by the earlier of:

a) the occurrence of an event of default thereunder not waived in writing by the interim lender;

b) the closing of a purchase and sale of substantially all of the Borrowers' assets and business, including the Project and the Lands;

c) the effective date of any Plan (as defined in the term sheet) under the *CCAA* proceedings;

d) the refinancing of the Interim Financing Facility, upon the written consent of the interim lender;

e) the termination of the *CCAA* proceedings; or

f) full repayment of the DIP Obligations (as defined in the term sheet).

Initial Order Charges

65. The Initial Order provides for the following Initial Order Charges over the Borrowers' property as security for their obligations to the beneficiaries of the charges:

a) The Administration Charge in favour of the Monitor, as well as counsel to the Monitor and National Bank, to secure payment of their respective fees and disbursements incurred in connection with services rendered in respect of the Borrowers up to a maximum amount of $300,000. The Administration Charge is proposed to rank ahead of and have priority over all other charges.

b) The Interim Lender's Charge, to secure the amounts borrowed under the Interim Financing Facility to a maximum principal amount of $250,000. The Interim Lender's Charge is proposed to rank ahead of and have priority over all other charges, except the Administration Charge. At the Comeback Hearing, National Bank will seek to increase this amount to $1,200,000.

Cash Flow Forecast

66. FTI, with the assistance of the Borrowers' principals, has undertaken a cash flow analysis

to determine the quantum of funding required to finance the Borrowers' operations, assuming the Initial Order is granted, over the 13-week period through to the week ending January 1, 2027.

PART 3: LEGAL BASIS

67. National Bank relies upon:

a) the *CCAA*;

b) the *Business Corporations Act*, S.B.C. 2002, c. 57;

c) the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 [the *BIA*];

d) the *Supreme Court Civil Rules*, B.C. Reg. 168/2009; and

e) the inherent jurisdiction of this court.

Purpose and Application of the *CCAA*

68. The *CCAA* is remedial legislation which gives Canadian courts broad and flexible authority to achieve the legislation's objectives, being to facilitate an orderly restructuring of debtor companies in order to avoid the social and economic losses resulting from the liquidation of an insolvent company. Accordingly, the *CCAA* empowers courts to make any order considered appropriate in the circumstances (including without notice), unless prohibited by the Act.

Century Services Inc. v. Canada (Attorney General), 2010 SCC 60 at paras. 59 and 70 [*Century Services*]
CCAA, s.11

69. The *CCAA* allows companies to carry on business while undertaking a restructuring in order to protect stakeholder interests, including preserving jobs and going concern value (where possible), maximizing creditor recovery, and enhancing the credit system generally.

9354-9186 Quebec Inc. v. Callidus Capital Corp., 2020 SCC 10 at para. 42 [*Callidus Capital*]
Century Services, at para. 15

70. *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 for use 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.

Callidus Capital, at paras. 40-44

Alderbridge Way GP Ltd. (Re), 2022 BCSC 1436 at para. 24

71. The *CCAA* applies in respect of a "debtor company" or "affiliated debtor companies" where the total amount of claims against the debtor or its affiliates exceeds $5,000,000. 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*.

72. Section 3 of the *CCAA* includes affiliated debtor companies in the application of the *CCAA*. Pursuant to s. 3(2), companies are affiliated if one is the subsidiary of the other or both are controlled by the same person.

73. The following factors are important to consider when granting protection over affiliates of a company:

a) integration of high-level management between the applicants;

b) the use of a central cash management system between the applicants; and

c) a secured credit facility covering the applicants.

Smurfit-Stone Container Canada Inc. (Re), 2009 CanLII 2493 at paras. 8-9 (O.N.S.C.)

74. Although insolvency is not defined in the *CCAA*, the *BIA* defines an "insolvent person" as:

> ***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;

75. Courts have routinely applied the *BIA* definition of "insolvent person" to *CCAA* proceedings. Further, in the context of the *CCAA*, this test has been interpreted expansively to include a financially troubled corporation that is "reasonably expected to run out of liquidity within reasonable proximity of time as compared with the time reasonably required to implement a restructuring."

Quest University Canada (Re), 2020 BCSC 318 at para. 26

Stelco Inc. (Re), 2004 CanLII 24933 at paras. 21-26 (O.N.S.C.)

76. The Borrowers qualify for protection under the *CCAA* as:

a) each of the Borrowers is a corporation incorporated under the laws of British Columbia, and therefore a "company" under the *CCAA*;

b) the Borrowers are affiliated companies within the meaning of the *CCAA* as their high-level management is integrated and several of the same guarantors have guaranteed the obligations of each Borrower under their respective loan facilities;

c) the Borrowers are insolvent, as they have run out of liquidity and are unable to meet their obligations as they become due as set out above;

d) the claims against the Borrowers greatly exceed $5 million; and

e) the Borrowers have insufficient cash flow to meet their needs.

77. The flexibility of the *CCAA* process is particularly important in the circumstances. The proceedings will allow the Monitor and the stakeholders to assess the various options available for realizing on the Project and the Lands, including a build-out and sale of the completed units, an "as is, where is" sale, or such other restructuring, financing or realization strategy as may ultimately be appropriate. This flexibility will allow the appropriate course to be determined after the Project has been stabilized and the relevant financial, construction and operational matters have been assessed, while preserving the available options and maximizing the potential recovery for stakeholders.

National Bank has Standing to Seek the Initial Order

78. A creditor has standing to commence *CCAA* proceedings in respect of a debtor company.

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

79. 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

80. National Bank, as the Borrowers' first-ranking secured creditor, has standing to apply for an Initial Order under the *CCAA* in respect of the Borrowers, and does so in order to avoid losses that would be suffered in an enforcement and liquidation scenario.

FTI Should be Appointed as Monitor with Enhanced Powers

81. Pursuant to s. 11.7 of the *CCAA*, the court is required to appoint a person to monitor the business and financial affairs of a debtor company upon the granting of an initial order

under the *CCAA*. The monitor must be a trustee within the meaning of subsection 2(1) of the *BIA*.

82. Section 23(1) of the *CCAA* sets out the duties and functions of a monitor appointed in *CCAA* proceedings. Under subsection 23(1)(k) of the *CCAA*, the court may direct the monitor to carry out any other function in relation to the debtor company. These additional functions are known as "enhanced" or "expanded" powers of the monitor. This provision gives the court broad authority to tailor the monitor's role to the particular circumstances to further the purposes of the *CCAA*.

83. Courts have used 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

84. 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 #1*]
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

85. FTI 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*. FTI 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 FTI's enhanced powers. FTI has consented to act as Monitor in the within *CCAA* proceedings.

86. Given the construction difficulties discussed above, and National Bank's preconditions to providing any further financing for the Project, the Monitor ought to be appointed with enhanced powers to take control of and direct the Borrowers' business, the Project, and the Lands, take immediate steps to stabilize the Project, and determine the best course of action for recovery.

The Stay of Proceedings is Necessary and Appropriate

87. Section 11.02 of the *CCAA* 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 10 days. The only precondition is this court's satisfaction as to circumstances that make the order appropriate.

88. 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.

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

89. A stay of enforcement actions preserves the status quo for the debtor company and prevents a creditor from gaining an unfair advantage over other creditors. The stay also facilitates the ongoing operations of the debtor company's business, preserves the value of such business, and provides the debtor company with the necessary time, flexibility and "breathing room" to carry out a court-supervised restructuring or organized sale process.

Lehndorff General Partner Ltd. (Re), [1993] O.J. No. 14 at paras. 5-7

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

Century Services, at para. 70

91. 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.

CCAA, s. 11.02(3)

92. A stay of proceedings is necessary and appropriate to preserve the status quo, protect the Borrowers' property, including the Lands and the Project thereon, and allow the Project to be stabilized while the appropriate recovery strategy is assessed. The registration of the builders' lien and the Borrowers' other outstanding construction and creditor obligations create a risk that individual creditors may take enforcement steps that negatively impact the *CCAA* proceedings. Without a stay, uncoordinated enforcement proceedings could impair the stabilization of the Project, diminish the value of the work already completed, and prejudice the ability to pursue an orderly build-out, sale or other realization strategy under the supervision of the Monitor.

The Interim Financing Facility Should be Approved

93. Section 11.2 of the *CCAA* authorizes the court to approve interim financing and grant a charge securing the obligations under the Interim Financing Facility.

94. In deciding whether to make an order, the court is to consider, among other things:

a) the period during which the company is expected to be subject to proceedings under 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)

95. The statutory factors support approval of the Interim Financing Facility in the circumstances. The Borrowers require immediate financing during the initial 10-day stay period to fund the costs necessary to stabilize and preserve the Project, address critical operating and construction-related expenses, and fund the professional costs of the *CCAA* proceedings.

96. The Interim Financing Facility will permit immediate steps to be taken to protect and stabilize the Project, including securing the site, preserving existing work and materials, addressing urgent site and construction requirements, and maintaining the Project pending a fuller assessment of the available completion and realization strategies. The facility will also fund the costs of the Monitor in exercising its oversight and enhanced powers. This funding is necessary to preserve the value of the Project and maintain the flexibility to pursue the recovery strategy ultimately determined to be in the best interests of the stakeholders.

The Initial Order Charges Should be Granted

Administration Charge

97. Section 11.52 of the *CCAA* provides the court with the power to grant a charge over a debtor company's assets to secure professional fees and disbursements on notice to affected secured creditors.

98. Courts have recognized that, unless professional advisors are protected with the benefit of a charge over the assets of a debtor company, the objectives of the *CCAA* could be frustrated because professionals would be unlikely to risk offering their services without any assurance of ultimately being paid. Specifically, any failure to provide protection for professional fees will "result in the overwhelming likelihood that the *CCAA* proceedings would come to an abrupt halt, followed, in all likelihood, by a bankruptcy proceeding."

Timminco Limited (Re), 2012 ONSC 506 at para. 66

99. The non-exhaustive factors to be considered in determining whether to approve an administration charge are as follows:

a) the size and complexity of the business being restructured;

b) the proposed role of the beneficiaries of the charge;

c) whether there is unwarranted duplication of roles;

d) whether the quantum of the proposed charge appears to be fair and reasonable;

e) the position of the secured creditors likely to be affected by the charge; and

f) the position of the monitor

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

100. The Administration Charge should be granted in this case:

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, National Bank, supports the Administration Charge as does FTI, the proposed Monitor;

c) National Bank does not expect that there will be any duplication of the roles of the beneficiaries of the Administration Charge. Each of these professionals will

have a unique and distinct focus in the restructuring, and their joint efforts will produce a better result overall.

d) The Monitor will provide notice of the Initial Order (if granted) and the materials filed by National Bank in support of a comeback hearing to all other secured creditors who may be impacted by the Administration Charge.

Interim Lender's Charge

101. Section 11.2(2) of the *CCAA* provides the court with the jurisdiction to grant an interim financing charge over the assets of a debtor company in priority to the claim of any secured creditor of the debtor company, on notice to the secured creditors who are likely to be affected by such security or charge.

102. Section 11.2(4) of the *CCAA* provides that, in determining whether to grant the charge, the court should consider, among other things, the following factors:

a) the period during which the company is expected to be subject to *CCAA* proceedings;

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.

103. These factors support the granting of the Interim Lender's Charge:

a) The Cash Flow Forecast demonstrates that an advance of $250,000 during the initial 10-day stay period is reasonably necessary for the immediate steps required to be undertaken 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 funding of operations, stabilization and preservation of the Project, and an assessment of the optimal realization strategy for the benefit of various stakeholders during the course of the *CCAA* proceeding.

c) National Bank has lost faith in the Borrowers' management but is willing to advance further funding under the oversight of the Monitor with enhanced powers.

d) The Project is substantially advanced and has significant value in the work already completed, the existing pre-sale contracts and the remaining units.

e) The Interim Lender's Charge will not secure any obligations that existed before the granting of the Initial Order.

f) The Interim Financing Facility will preserve the value of the Borrowers' property for the benefit of all stakeholders and will enhance the success of these *CCAA* proceedings.

The Statutory Requirements are Satisfied

104. Section 10(2) of the *CCAA* provides that an initial application under the *CCAA* must be accompanied by:

a) a statement indicating, on a weekly basis, the projected cash flow of the debtor company;

b) a report containing the prescribed representations of the debtor company regarding the preparation of the cash-flow statement; and,

c) copies of all financial statements, audited or unaudited, prepared during the year before the application or, if no such statements were prepared in that year, a copy of the most recent such statement.

105. These conditions have been satisfied on the evidence provided in support of this petition.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Cory Stark, made September 29, 2026.

Date: Oct. 1, 2026

Signature of ~~lawyer~~ for petitioner
Scott H. Stephens / Lily Y. Zhang

To be completed by the court only:

Order made

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

☐ with the following variations and additional terms:

Date: _____

Signature of ☐ Judge ☐ Associate Judge

SCHEDULE "A"

BORROWERS AND GUARANTORS	
1035638 B.C. Ltd. 8532 120th Street, Suite 213 Surrey, BC V3W 3N5	**Kainos Building Group Ltd.** 8532 120th Street, Suite 213 Surrey, BC V3W 3N5
Kainos Development by Design Ltd. Suite 213 8532 - 120th St. Surrey, BC V3W 3N5	**Viceroy Management Ltd.** Suite 213 8532 120th Street Surrey, BC V3W 3N5
1343504 B.C. Ltd. 8532 120th Street, Suite 213 Surrey, BC V3W 3N5	**Baljit Kainth** 1050 East 52nd Avenue Vancouver, BC V5X 1H2
Surinder Kainth 1050 East 52nd Avenue Vancouver, BC V5X 1H2	**Prateek Kainth** 1050 East 52nd Avenue Vancouver, BC V5X 1H2
PROPOSED MONITOR	
FTI Consulting Canada Inc. c/o McCarthy Tétrault LLP Suite 2400 745 Thurlow Street Vancouver, BC V6E 0C5 Attention: Lance Williams and Ashley Bowron Email: lwilliams@mccarthy.ca and abowron@mccarthy.ca	
CHARGEHOLDERS	
Bancorp Balanced Mortgage Fund II Ltd. 700 - 401 West Georgia Street Vancouver, BC V6B 5A1	**Bancorp Growth Mortgage Fund II Ltd.** 700 - 401 West Georgia Street Vancouver, BC V6B 5A1
Bancorp Financial Services Inc. 1600 - 925 West Georgia Street Vancouver, BC V6C 3L2	**VPAC Construction Group Ltd.** Suite 2600 1090 West Pender Street Vancouver, BC V6E 0E3

Intact Insurance Company 1600 - 200 Granville Street Vancouver, BC V6B 1S4 Attention: Michelle Taylor	
HIS MAJESTY THE KING	
His Majesty the King in Right of British Columbia Ministry of Attorney General Legal Services Branch PO Box 9290 STN PROV GOVT Victoria, BC V8W 9J7 Attention: Duty Counsel	**His Majesty the King in Right of Canada** British Columbia Regional Office Department of Justice Canada 900 - 840 Howe Street Vancouver, BC V6Z 2S9

SCHEDULE "B"

No. _____
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

AND

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

AND

IN THE MATTER OF 1035638 B.C. LTD. and KAINOS BUILDING GROUP LTD.

AND

NATIONAL BANK OF CANADA

Petitioner

ORDER MADE AFTER APPLICATION

INITIAL ORDER

BEFORE THE HONOURABLE)
)
_____)

THE APPLICATION of the petitioner coming on for hearing at Vancouver, British Columbia, on _____, 2026 (the "**Order Date**"); AND ON HEARING Scott H. Stephens and Lily Y. Zhang, counsel for the petitioner and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed herein, including the affidavit #1 of Cory Stark made September 29, 2026 and the consent of FTI Consulting Canada Inc. to act as Monitor; 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 *British Columbia Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the petition and supporting materials is hereby abridged such that service is deemed to be timely and sufficient and the matter is properly returnable today.

JURISDICTION

2. 1035638 B.C. Ltd. and Kainos Building Group Ltd. (together, the "**Debtors**") are companies to which the CCAA applies.

SUBSEQUENT HEARING DATE

3. The hearing of the petitioner's application for an extension of the Stay Period (as defined in paragraph 22 of this Order) and for any ancillary relief shall be held at Vancouver Law Courts at 800 Smithe Street, Vancouver, British Columbia at _____ a.m. on _____, 2026 or such other date as this Court may order.

APPOINTMENT OF MONITOR

4. FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the "**Monitor**", an officer of this Court, to monitor the business and financial affairs of the Debtors with the powers and obligations set out in the CCAA or set forth herein, and that the Debtors and their shareholders, officers, directors, and Assistants (as defined below) shall advise the Monitor of all material steps taken by the Debtors pursuant to this Order, 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. The Debtors and their shareholders, officers, directors and Assistants shall not be liable for any actions taken by them in accordance with a direction of the Monitor.

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

   (a) monitor the 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 Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), the Debtors' business (the "**Business**"), and such other matters as may be relevant to the proceedings herein;

   (c) assist the Debtors in their dissemination to the petitioner and its counsel of the financial and other information as agreed to between the Debtors and the petitioner, which may be used in these proceedings including reporting on a basis to be agreed with the petitioner;

   (d) advise the Debtors in the preparation of their cash flow statements and reporting required by the petitioner, which information shall be reviewed with the Monitor and delivered to the petitioner and its counsel as agreed to with the petitioner;

(e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtors, to the extent that is necessary to adequately assess the Debtors' business and financial affairs or to perform its duties arising under this Order;

(f) 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;

(g) in the name of and on behalf of the Debtors, as the Monitor, in its sole discretion, deems necessary or appropriate:

(i) terminate the services of any officer, employee, consultant representative, advisor, or other persons; and

(ii) in accordance with the CCAA and this Order, disclaim any contracts to which either of the Debtors is a party; and

(h) perform such other duties as are required by this Order or by this Court from time to time.

6. In addition to the powers set out in paragraph 5 above, the Monitor is granted further powers and authorized, but not obligated, to exercise any powers the Monitor deems appropriate which may be properly exercised by a board of directors or any officers of the Debtors, on behalf of and in the name of the Debtors, including without limitation the power to:

(a) cause the Debtors to take any action permitted to be taken by the Debtors generally and pursuant to the CCAA, this Order or any other order made in these proceedings, including, but not limited to, continuing or winding down the Business related to the Property, liquidating the 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 Property and any and all receipts and disbursements arising out of or from the Property;

(c) receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of the Property, engaging independent security personnel, taking physical inventories, and placing insurance coverage;

(d) manage, operate, and carry on the Business and the Property, including the power to execute all agreements, documents and writings, on behalf of, and in the name of, the Debtors, including execution of the Term Sheet (as defined below) and any ancillary documents, as well as the powers to 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 Debtors relating thereto;

(e) engage, retain or terminate the services of, or cause the Debtors to engage, retain or terminate the services of, any officer, employee, consultant, representative, advisor or other persons, 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 paragraph 6;

(f) prepare or assist in the preparation of the 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 Debtors' books and records on the basis that the Monitor shall incur no liability or obligation to any person with respect of such reporting remittances, statements and records;

(g) deal with any regulatory authority, including to execute any appointment or authorization form on behalf of the Debtors that any regulatory authority may require to confirm the Monitor's appointment as an authorized representative of the Debtors for such purposes;

(h) purchase or lease such machinery, equipment, inventories, supplies, premises, or other assets to continue the Business of the Debtors and the Property or any part or parts thereof;

(i) receive and collect all monies and accounts now owed or hereafter owing to the Debtors in respect of the Property and to exercise all remedies of the Debtors in collecting these amounts, including, without limitation enforcement of any security held by the Debtors;

(j) settle, extend, or compromise any indebtedness owing to the Debtors in relation to the Property;

(k) execute, assign, issue, and endorse documents of whatever nature in respect of any of the Property for any purpose pursuant to the CCAA, this Order and any other order made in these proceedings;

(l) undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors relating thereto;

(m) initiate, manage, and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtors, the Business or the Property, including initiating, prosecuting, continuing, defending, settling, or compromising the proceedings;

(n) market any or all of the Property, including advertising and soliciting offers and negotiating such terms and conditions of sale as the Monitor considers appropriate;

(o) sell, convey, transfer, lease, or assign the 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;

(p) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;

(q) apply for any permits, licences, approvals, or permissions as may be required by any governmental authority relating to the Property, and any renewals thereof;

(r) enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtors; and

(s) exercise any shareholder, partnership, joint venture, or other rights which the Debtors may have in relation to the Property.

7. For greater certainty, where the Monitor takes actions or steps authorized by paragraph 6, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors and their past or present directors, officers and shareholders, and without interference from any other Person. The power and authority granted to the Monitor in paragraph 6 shall be paramount to the power and authority of the Debtors or any other Person.

8. The Monitor is authorized, but not required, to open one or more new accounts in its own name (the "**Monitor's Accounts**") and receive third party funds into the Monitor's Accounts or transfer into the Monitor's Accounts such funds of the Debtors arising from the Property as the Monitor, in its sole discretion, considers necessary or appropriate to assist with the exercise of the Monitor's powers and duties under the CCAA and this Order. Monies standing to the credit of the Monitor's Accounts from time to time shall be held by the Monitor 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 in the ordinary course of business and as permitted by orders of this Court.

9. Except as expressly provided in this Order, the Monitor shall not otherwise take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the 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 Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

10. Nothing herein contained shall require or allow the Monitor 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*, the *Fisheries Act*, the British Columbia *Environmental Management Act*, the British Columbia *Fish Protection Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

MONITOR'S PROTECTIONS

11. The Monitor shall provide any creditor of the Debtors, including the petitioner, with information provided by the Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Debtors is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Debtors may agree.

12. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

13. The Monitor is not, and shall not be deemed to be, a director, officer or employee of the Debtors.

14. All employees of the Debtors shall remain as employees of the Debtors. Nothing in this Order, including the enhancement of the Monitor's powers pursuant to paragraph 6, 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 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 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 Debtors. The Monitor shall not be liable for any employee-related liabilities of the Debtors, including any successor liabilities as provided for in Section 14.06(1.2) of the *Bankruptcy and Insolvency Act* (Canada), 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 Debtors, including wages, severance pay, termination pay, vacation pay and pension or benefit amounts.

15. 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 Debtors within the meaning of any relevant legislation, including subsection 159(2) of the *Income Tax Act* (Canada), as amended (the "**ITA**"), and any distributions to creditors of the Debtors by the Monitor will be deemed to have been made by the 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.

POSSESSION OF PROPERTY AND OPERATIONS

16. Subject to this Order, including the powers of the Monitor in paragraph 6 above, the Debtors shall remain in possession and control of their Business in the ordinary course and in a manner consistent with the preservation of the Business and the Property. Subject to this Order, the Debtors shall, with the approval of the Monitor, be 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 it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

17. The Debtors shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

    (a) all 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 "**Wages**"); and

    (b) the fees and disbursements of any Assistants retained or employed by the Debtors which are related to the Debtors' restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Debtors, whenever and wherever incurred, in respect of:

        (i) these proceedings or any other similar proceedings in other jurisdictions in which the Debtors or any subsidiaries or affiliated companies of the Debtors are domiciled;

        (ii) any litigation in which the Debtors are named as a party or is otherwise involved, whether commenced before or after the Order Date; and

        (iii) any related corporate matters.

18. Except as otherwise provided herein, the Debtors shall be entitled to pay all expenses reasonably incurred by the Debtors in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

    (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure are approved by the Monitor;

    (b) all obligations incurred by the Debtors after the Order Date, including without limitation, with respect to goods and services actually supplied to the Debtors following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Debtors' obligations incurred prior to the Order Date); and

    (c) fees and disbursements of the kind referred to in paragraph 17(b) which may be incurred after the Order Date.

19. The 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 Debtors in connection with the sale of goods and services by the Debtors, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or 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.

20. Until such time as a real property lease is disclaimed in accordance with the CCAA, the 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 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 Order Date shall also be paid.

21. Except as specifically permitted herein, the 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 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 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 except in the ordinary course of the Business only to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Debtors to such customers as of the Order Date; and

(e) to not incur liabilities except in the ordinary course of Business.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

22. Until and including _____, 2026, or such later date as this Court may order (the "**Stay Period**"), no action, suit or proceeding in any court or tribunal (each, a "**Proceeding**") against or in respect of the Debtors or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

23. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Debtors or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Debtors and the Monitor or leave of this Court.

24. Nothing in this Order, including paragraphs 22 and 23 shall: (i) empower the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) 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); or (iv) 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 Debtors.

NO INTERFERENCE WITH RIGHTS

25. During the Stay Period, 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 the Debtors, except with the written consent of the Monitor or leave of this Court.

CONTINUATION OF SERVICES

26. During the Stay Period, all Persons having oral or written agreements with the Debtors or mandates under an enactment 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 to the Business or the Debtors, are hereby 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 Debtors, and that the Debtors shall be entitled to the continued use of their 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 Debtors in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Debtors and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

27. 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.

ADMINISTRATION CHARGE

28. The Monitor, counsel to the Monitor, and counsel to the petitioner, in its capacity as Interim Lender, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Debtors as part of the cost of these proceedings. The Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor, and counsel to the petitioner on a periodic basis.

29. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby 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.

30. The Monitor, counsel to the Monitor, 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 $300,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Debtors' restructuring. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

INTERIM FINANCING

31. The Debtors are hereby authorized and empowered to obtain and borrow under a credit facility from the petitioner, National Bank of Canada (in such capacity, the "**Interim Lender**"), in order to finance the continuation of the Business and preservation of the Property, provided that borrowings under such credit facility shall not exceed $1,200,000 unless permitted by further Order of this Court.

32. Such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Debtors and the Interim Lender dated September 29, 2026 (the "**Term Sheet**").

33. The Debtors 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 Term Sheet or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Debtors are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the 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.

34. Without limiting the provisions of the Term Sheet, all advances under the Term Sheet shall be made to and distributed by the Monitor.

35. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property. 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 38 and 40 hereof.

36. Notwithstanding any other provision of this Order:

    (a) the Interim Lender 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 Interim Lender, 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 Term Sheet, Definitive Documents and the Interim Lender's Charge, including without limitation, to cease making advances to the Debtors and set off and/or consolidate any amounts owing by the Interim Lender to the Debtors against the obligations of the Debtors to the Interim Lender under the 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 Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtors or the Property.

37. The Interim Lender, in such capacity, shall be treated as unaffected in any plan of arrangement or compromise filed by the Debtors under the CCAA, or any proposal filed by the Debtors under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. 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 $300,000); and

Second – Interim Lender's Charge.

39. Any security documentation evidencing, or the filing, registration or perfection of, the Charges shall not be required, and that 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.

40. 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.

41. Except as otherwise expressly provided herein, or as may be approved by this Court, the Debtors 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 obtain the prior written consent of the Monitor, the Interim Lender and the beneficiaries of the Administration Charge.

42. The Administration Charge, the Term Sheet, the Definitive Documents and the Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the 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 Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Debtors of any Agreement to which they are 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 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 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.

43. 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

44. The Monitor shall (i) without delay, publish in the Vancouver Sun a notice containing the information prescribed under the CCAA, (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 Debtors of more than $1,000, 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.

45. The Debtors and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, 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.

46. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: ◆.

47. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its website at: ◆.

48. Notwithstanding paragraphs 45 and 47 of this Order, service of the petition, the notice of hearing, any affidavits filed in support of the petition 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

49. The Debtors or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

50. 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 Debtors, the Business or the Property.

51. Each of the Debtors and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is 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, including acting as a foreign representative of the Debtors to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.

52. The Monitor on behalf of the Debtors may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when it is determined that such a filing is appropriate.

53. The Debtors, the Monitor, and the petitioner are hereby at liberty to apply for such further interim or interlocutory relief as deemed advisable within the time limited for Persons to file and serve responses to the petition.

54. 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.

55. Any interested party (including the Debtors, the Monitor, and the petitioner) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

56. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

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

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

_____

Signature of lawyer for the petitioner
Scott H. Stephens

BY THE COURT

_____

REGISTRAR

Schedule A – Appearance List

Party	Counsel