

2025 01G 0491
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C- 36 as Amended (the “**CCAA**”)

AND IN THE MATTER OF an application of Karwood Contracting Ltd., Karwood Engineering Ltd., Karwood Design Group Ltd., and Karwood Ontario Ltd. (the “**Applicants**”)

AFFIDAVIT OF GREGORY HUSSEY

SUMMARY OF CURRENT DOCUMENT	
Court File Number(S):	2025 01G 0491
Date of Filing of Document	27 June 2025
Name of Filing Party or Person	Applicants, Karwood Contracting Ltd., Karwood Engineering Ltd., Karwood Design Group Ltd., and Karwood Ontario Ltd
Application to which document being filed relates:	Notice of Motion filed by the Applicants
Statement of Purpose in Filing:	In support of Motion by the Applicants seeking an extension of stay of proceedings and distribution of certain proceeds from the sale of four properties, and direction on the pursuit of third party claims to collect receivables

I, GREGORY HUSSEY, of the Province of Newfoundland and Labrador, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a director and principal of Karwood Contracting Ltd., Karwood Engineering Ltd., Karwood Design Group Ltd., and Karwood Ontario Ltd. (the “**Applicants**”)
2. This Affidavit is sworn in support of the Applicants’ Motion, which I have reviewed. The facts contained therein, as well as the contents of this affidavit, are true to the best of my knowledge, information and belief. Where I have relied on information provided by others, I have stated the source of that knowledge.

Background

3. On 03 February 2025, the Applicants, were granted protection under s. 11 of the CCAA (the “**Initial Order**”). This relief was extended by virtue of the Amended and Restated Initial Order (“**ARIO**”) granted 20 February 2025.
4. The Applicants have worked hard in advancing asset sales evidenced by the various Sale and Vesting Orders granted by this Court, the last of which was granted on 05 June 2025 for the sale and vesting of four (4) properties, being 61 Silver Birch Crescent, Paradise NL, 63 Silver Birch Crescent, Paradise NL, 70 Silver Birch Crescent, Paradise NL and 41 Yellowwood Drive, Paradise NL (the “**Properties**”).

Stay Extension

5. The Applicants are seeking an additional extension of the Stay Period until 01 October 2025.
6. It is my understanding and belief that the Applicants have acted in good faith and with due diligence, both prior to and since the last extension to the Stay Period granted by this Court, including in their efforts to advance asset sales. I understand that the Monitor will confirm this to be true in the Monitor’s Report.
7. The Applicants have engaged in frequent, recurrent meetings and discussions with key stakeholders (including the DIP Lender and senior creditors) to advance this proceeding and to resolve outstanding issues with respect to the terms and structure of a restructuring plan that will facilitate the Applicants’ successful emergence from the current CCAA proceeding to the benefit of all stakeholders.
8. At all times, the Monitor has been kept apprised of the status of such meetings and discussions, including with respect to progress being made among the Applicants and their significant stakeholders, and, as appropriate, has meaningfully participated in various discussions to facilitate resolution of any issues.
9. In addition, the Applicants have sufficient funds to continue their operations and fund these CCAA proceedings during the Stay Period. The Applicants understand that this will be addressed by the Montor.

CLAIMS SCHEDULE

Party	Claim Amount	Notes
West Lorne (Marsh Line Developments)	\$172,000.00	Refundable deposit
YMCA – St. Thomas	\$120,000.00	Outstanding account payable
NL Government Expropriation	\$4,000,000.00	Unpaid amounts for expropriated lands
1108 Kenmount Road	\$1,500,000.00	Two claims: (i) former partner and (ii) former tenant related to stolen equipment
Tarion (formerly Ontario New Home Warranty Program)	\$213,000.00 - \$520,000.00	Refundable deposit
A-Team Realty	\$1,900,000.00 - \$8,000,000.00	Contingent on establishing liability
Doug Tarry Homes	~\$4,000,000.00	Lien in place.
Town of Paradise	\$120,000.00	Returnable deposits

