This is the First Affidavit of
Michael Daerendinger in this case and
was made on June 17, 2026

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

ROYAL BANK OF CANADA

PETITIONER

AND

WEST HORIZON CONTRACTING INC.

RESPONDENT

AFFIDAVIT OF MICHAEL DAERENDINGER

I, Michael Daerendinger, c/o Suite 2600 - 1066 West Hastings Street, in the City of Vancouver, in the Province of British Columbia, **MAKE OATH AND SAY AS FOLLOWS**:

1. I am a Senior Manager with the Special Loans & Advisory Services with the Royal Bank of Canada ("**RBC**"), a secured creditor of West Horizon Contracting Inc. ("**WHC**" or the "**Borrower**") as such, I have personal knowledge of the matters herein, except where such facts are based upon information and belief and where so stated, I do verily believe the same to be true.

2. I am authorized to make this affidavit on behalf of RBC. Unless otherwise noted, dollar amounts referred to in this affidavit are in Canadian dollars.

3. In making this affidavit, I have also reviewed the true copies of entries made in the books or records of RBC. These books or records were part of the ordinary books or records of RBC at the time of making the entries, and such entries were made in the usual and ordinary course of business. The books and records remain in the custody or control of RBC.

4. I make this affidavit in support of RBC's Petition to appoint BDO Canada Limited as the receiver over all property, assets, and undertakings of WHC.

Parties

5. RBC is a chartered bank having branches located in the Province of British Columbia and, for the purpose of this action only, has an address for service at 2600 - 1066 West Hastings Street, Vancouver, British Columbia.

6. The Respondent, WHC, was federally incorporated pursuant to the *Canada Business Corporations Act,* R.S.C., 1985 c. C-44 on June 10, 2015 and extra provincially registered in British Columbia under the *Business Corporations Act*, SBC, 2002, c. 57 on July 29, 2015. WHC maintains its registered office at 320 Granville Street, Suite 880, Vancouver, British Columbia, V6C 1S9.

7. WHC formerly operated under the name, Burnett McCreery Ventures Inc., and has operated under its current name since March 14, 2017.

8. WHC has two directors: Jared Burnett-McCreery ("**Jared**") and Gail Burnett ("**Gail**"). As described below, Jared and Gail personally guaranteed the Indebtedness (as defined herein). Since its incorporation, Jared has been the sole individual with significant control of WHC, directly owning or controlling more than 75% of its shares.

9. To the best of my knowledge, WHC is a contracting company that specializes in bridge maintenance, road maintenance and construction services.

10. Attached hereto as **Exhibit "A"** is a true copy of the Federal Company Summary for WHC.

11. Attached hereto as **Exhibit "B"** is a true copy of the BC Company Summary for WHC.

The Credit Agreement

12. Pursuant to an amended and restated credit agreement dated May 8, 2025 between RBC, as lender, and WHC, as borrower, as amended by amending agreements dated May 16, 2025 and September 29, 2025 (as amended, the "**Credit Agreement**"), RBC extended certain facilities to WHC as described below:

    a. a revolving demand facility in the maximum amount of $3,000,000;

    b. a revolving term facility by way of term loans in the maximum amount of $500,000;

    c. a revolving lease line of credit by way of leases in the maximum amount of $330,987.56; and

    d. a credit card facility in the maximum amount of $200,000.

13. Events of Default pursuant to the Credit Agreement include, *inter alia,* if:

    a. WHC fails to pay any principal, interest or other amount when due pursuant to the Credit Agreement;

    b. WHC or any Guarantor, if applicable, fails to observe any covenant, term or condition contained in the Credit Agreement, the Security (as defined herein), or any other agreement delivered to RBC or in any documentation relating hereto or thereto;

    c. WHC or any Guarantor, if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;

    d. in the opinion of RBC there is a material adverse change in the financial condition, ownership or operation of WHC, or any Guarantor, if applicable;

    e. any representation or warranty made by WHC, or any Guarantor if applicable, under the Credit Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or

    f. any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to RBC or to any other person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

14. The Credit Agreement further states:

"Should RBC demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, WHC shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.".

15. Attached hereto as **Exhibit "C"** is a true copy of the amended and restated credit agreement dated May 8, 2025. Attached hereto as **Exhibit "D"** is a true copy of the amending agreement dated May 16, 2025. Attached hereto as **Exhibit "E"** is a true copy of the amending agreement dated September 29, 2025.

The Security

WHC Security

16. To secure repayment of the Indebtedness owed and to be owed to RBC in relation to, among other agreements, the Credit Agreement, WHC granted RBC a General Security Agreement executed on July 22, 2019 (the "**GSA**").

17. Attached hereto as **Exhibit "F"** is a true copy of the GSA.

18. In addition, RBC and WHC entered into a Master Lease Agreement dated January 14, 2020 and Leasing Schedule # 201000078782 dated February 12, 2024 (the "**Lease Agreement**").

19. Attached hereto as **Exhibit "G"** is a true copy of the Lease Agreement.

20. RBC registered its security interest pursuant to the GSA and the Lease Agreement in the British Columbia Personal Property Registry (the "**BC PPR**") under base registration numbers 647709L, 005554M, and 976893P.

21. RBC's PPR registration against WHC pursuant to the GSA is the first-registered interest in the BC PPR.

22. Attached hereto as **Exhibit "H"** is a true copy of a BC PPR search with respect to WHC.

The Guarantees

23. As security for the amounts advanced under the Credit Agreement, the following guarantees were granted in favour of RBC:

    a. a Guarantee and Postponement of Claim granted by Jared on January 11, 2024 in favour of RBC regarding the indebtedness of WHC up to the maximum amount of $2,400,000, together with interest thereon from the date of demand for payment at a rate equal to the Prime Interest Rate of RBC plus 5.0 percent per annum (the "**Jared-WHC 2.4 Guarantee**");

    b. a Guarantee and Postponement of Claim granted by Gail on November 23, 2022 in favour of RBC regarding the indebtedness of WHC up to the maximum amount of $1,300,000, together with interest thereon from the date of demand for payment at a rate equal to the Prime Interest Rate of RBC plus 5.0 percent per annum (the "**Gail-WHC 1.3 Guarantee**");

c. a Guarantee and Postponement of Claim granted by Jared on November 20, 2022 in favour of RBC regarding the indebtedness of WHC up to the maximum amount of $1,300,000, together with interest thereon from the date of demand for payment at a rate equal to the Prime Interest Rate of RBC plus 5.0 percent per annum (the "**Jared-WHC 1.3 Guarantee**");

d. a Guarantee and Postponement of Claim granted by Gail on July 24, 2019 in favour of RBC regarding the indebtedness of WHC up to the maximum amount of $801,000, together with interest thereon from the date of demand for payment at a rate equal to the Prime Interest Rate of RBC plus 5.0 percent per annum (the "**Gail-WHC 801 Guarantee**");

e. a Guarantee and Postponement of Claim granted by Jared on July 22, 2019 in favour of RBC regarding the indebtedness of WHC up to the maximum amount of $801,000, together with interest thereon from the date of demand for payment at a rate equal to the Prime Interest Rate of RBC plus 5.0 percent per annum (the "**Jared-WHC 801 Guarantee**");

f. a Guarantee and Postponement of Claim granted by West Horizon Industries Corp. on May 12, 2026 in favour of RBC regarding the indebtedness of WHC for an unlimited amount, together with interest thereon from the date of demand for payment at a rate equal to the Prime Interest Rate of RBC plus 5.0 percent per annum (the "**WHI-WHC Unlimited Guarantee**"); and

g. a Guarantee and Postponement of Claim granted by Jared on May 12, 2026 in favour of RBC regarding the indebtedness of WHC for an unlimited amount, together with interest thereon from the date of demand for payment at a rate equal to the Prime Interest Rate of RBC plus 5.0 percent per annum (the "**Jared-WHC Unlimited Guarantee**").

24. The above noted Guarantees are referred to herein as, the "**Guarantees**", and the parties that granted the Guarantees, as applicable, are collectively referred to as the "**Guarantors**".

25. Attached hereto as **Exhibit "I"** is a true copy of the Jared-WHC 2.4 Guarantee. Attached hereto as **Exhibit "J"** is a true copy of the Gail-WHC 1.3 Guarantee. Attached hereto as **Exhibit "K"** is a true copy of the Jared-WHC 1.3 Guarantee. Attached hereto as **Exhibit "L"** is a true copy of the Gail-WHC 801 Guarantee. Attached hereto as **Exhibit "M"** is a true copy of the Jared-WHC 801 Guarantee. Attached hereto as **Exhibit "N"** is a true copy of the WHI-WHC Unlimited Guarantee. Attached hereto as **Exhibit "O"** is a true copy of the Jared-WHC Unlimited Guarantee.

26. The Guarantees each provide, among other things, that they are:

a. continuing and secure all liabilities and any outstanding indebtedness, present or future, of the respective debtor to RBC;

b. in addition to and not in substitution for any other guarantees;

c. repayable upon demand; and

d. when demand for payment has been made, the undersigned is also liable to RBC for all legal costs (on a solicitor and own client basis) incurred by or on behalf of RBC resulting from any action instituted on the basis of the guarantee.

Third-Party Security

27. As security for the respective obligations under the Guarantees, the Guarantors executed:

a. A Postponement and Assignment of Claims dated December 24, 2025 granted by Always Angus Farms Inc. in favour of RBC (the "**Angus-WHC Postponement**");

b. A Postponement and Assignment of Claims dated December 24, 2025 granted by Gail L. Burnett Holdings Ltd. in favour of RBC (the "**Gail Holdings-WHC Postponement**");

c. A Postponement and Assignment of Claims dated July 22, 2019 granted by Gail in favour of RBC (the "**Gail-WHC Postponement**");

d. A Postponement and Assignment of Claims dated July 22, 2019 granted by Jared in favour of RBC (the "**Jared-WHC Postponement**"); and

e. A Mortgage dated May 28, 2026 granted by West Horizon Industries Corp. with respect to lands identified as PID 005-942-357 (the "**WHI Mortgage**"),

(collectively, the "**Third Party Security**").

28. Attached hereto as **Exhibit "P"** is a true copy of the Angus-WHC Postponement.

29. Attached hereto as **Exhibit "Q"** is a true copy of the Gail Holdings-WHC Postponement.

30. Attached hereto as **Exhibit "R"** is a true copy of Gail-WHC Postponement.

31. Attached hereto as **Exhibit "S"** is a true copy of Jared-WHC Postponement.

32. Attached hereto as **Exhibit "T"** is a true copy of the WHI Mortgage.

BDC Priority Agreement

33. Pursuant to a Priority Agreement between Business Development Bank of Canada ("**BDC**"), RBC as lender, and WHC as borrower, dated April 21, 2023 (the "**Priority Agreement**") the parties thereto agreed that:

a. BDC holds first priority over the life insurance policy of Jared (coverage of $1,750,000) and all proceeds thereof. RBC's security interest is expressly subordinated to BDC with respect to this insurance collateral, up to all amounts owing to BDC, including interest, costs, and enforcement expenses;

b. RBC holds first priority over all other present and after acquired personal property of the WHC, together with all proceeds thereof, excluding the life insurance policy and its proceeds. BDC's security interest is subordinated to RBC with respect to this broader class of personal property, limited to the full amount of the WHC's indebtedness to RBC, including interest and enforcement costs; and

c. the Priority Agreement expressly excludes real property and preserves the priority of properly perfected purchase money security interests and senior or pari passu third party claims where applicable.

34. Attached hereto as **Exhibit "U"** is a true copy of the Priority Agreement.

35. The Priority Agreement, the GSA, and the Third-Party Security are collectively referred to herein as the "**Security**".

The GSA

36. The GSA provides that the security interest granted to RBC thereunder secures the payment and performance of any and all present or future obligations, indebtedness and liability, of WHC to RBC.

37. The terms of the GSA include, *inter alia*:

> **1(a):** For value received, the undersigned ("Debtor"), hereby grants to RBC, a security interest in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation…
>
> **2:** The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same … If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.
>
> **11**: The happening of any of the following events or conditions shall constitute default:
>
> > **(a)** the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC.
> >
> > …
> >
> > **(c)** the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;
> >
> > **(d)** the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
> >
> > …

> **13(a):** Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers
>
> **13(f):** The Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
>
> **14(c)** Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

The Indebtedness

38. Pursuant to its obligations under the Credit Agreement, as of June 12, 2026, WHC is indebted to RBC in the amount of **$3,963,723.84**, plus accruing interest, costs, and expenses, including legal costs on a solicitor and own client, full indemnity basis (collectively, the "**Indebtedness**").

39. Attached hereto and marked as **Exhibit "V"** is a copy of a payout statement outlining the Indebtedness.

40. As of the date of this affidavit, the Indebtedness has not been repaid.

Defaults and Demands for Payment by RBC

41. On May 7, 2026, as a result of WHC's failure to comply with financial covenants included in the Credit Agreement, RBC's legal counsel issued to WHC, Jared, and Gail demand letters and Notices of Intention to Enforce Security in accordance with section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c B-3 (collectively, the "**Demand Letters**").

42. Attached hereto as **Exhibit "W"** is a true copy of the Demand Letter dated May 7, 2026, sent to WHC.

43. Attached hereto as **Exhibit "X"** is a true copy of the Demand Letter dated May 7, 2026, sent to Jared.

44. Attached hereto as **Exhibit "Y"** is a true copy of the Demand Letter dated May 7, 2026, sent to Gail.

45. Despite the Demand Letters, the Indebtedness remains outstanding. As a result, WHC has ceased to meet its liabilities as they have become due.

Forbearance Letter Agreement

46. Shortly after the Demand Letters were issued, Jared, on behalf of WHC, requested that RBC (i) forbear from enforcing its rights against WHC, and (ii) temporarily increase the limit of the demand operating credit facility extended by RBC to WHC by $500,000 until June 26, 2026.

47. RBC, WHC, Gail, Jared, Gail L. Burnett Holdings Ltd., Always Angus Farm Ltd., West Horizon Industries Corp., and 1356833 B.C. Ltd. entered into a forbearance letter agreement dated May 11, 2026 (the "**Forbearance Letter Agreement**").

48. Attached hereto as **Exhibit "Z"** is a true copy of the Forbearance Letter Agreement.

49. Pursuant to the Forbearance Letter Agreement, among other things, RBC agreed to temporarily increase, and increased, the demand operating credit facility extended by RBC to WHC by $500,000 (the "**Approved Bulge Limit**") until June 26, 2026 subject to the terms and conditions of the Forbearance Letter Agreement.

50. The Forbearance Letter Agreement includes certain conditions precedent, including the requirement that:

    a. 1356833 B.C. Ltd. ("**135 Ltd.**") would grant RBC an unlimited guarantee with respect to the indebtedness of WHC to RBC; and

    b. as security for its obligations under the aforementioned guarantee, 135 Ltd. would grant a mortgage in favour of RBC with respect to the lands identified as PID 031-960-995,

    (collectively, the "**135 Security**").

51. As of the date of this affidavit, RBC has not been provided with the 135 Security.

Overdrawn Credit Facilities and Rejected Payments

52. On or around June 2, 2026, after WHC made certain payroll payments, WHC exceeded the Approved Bulge Limit by approximately $204,000.

53. On June 3, 2026, I sent Jared an email with respect to the aforementioned excess and asked that WHC bring the facility within the Approved Bulge Limit by the end of June 4, 2026.

54. On June 4, 2026, Jared responded to my email advising, among other things, that the $204,000 excess would be "covered" that day.

55. On June 4, 2026, WHC continued to exceed the Approved Bulge Limit, reaching to $245,000 in excess of the Approved Bulge Limit.

56. As a result, on June 5, 2026, I emailed Jared advising that RBC would only allow future payroll payments to go through based on available balances in WHC's current account.

57. Attached hereto as **Exhibit "AA"** are true copies of the emails between me and Jared dated June 2, 2026 to June 5, 2026 with respect to the overdrawn Credit Facilities.

58. As a result of WHC exceeding the Approved Bulge Limit, since June 2, 2026, RBC has returned cheques and payments made by WHC in the approximate amount of $220,000 as of June 12, 2026.

59. As a result of WHC's inability to make payments to employees and other third parties, and the return of cheques and other payment items due to insufficient available funds, RBC has serious concerns regarding WHC's liquidity and its ability to continue operating its business on a going-concern basis.

Unsuccessful Refinancing Efforts

60. I am advised by Mihai Tomos of MLT Aikins LLP, counsel to RBC in this matter, that he has had discussions with Alexander Spraggs, counsel to WHC, pursuant to which Mr. Spraggs advised Mr. Tomos:

    a. on May 21, 2026, that WHC was in the process of entering into a credit agreement with National Bank of Canada ("**NBC**") that would allow WHC to pay out the entirety of its indebtedness to RBC (the "**Refinancing**"); and

    b. on June 1, 2026 that WHC was expecting to receive that week confirmation in writing from NBC with respect to the Refinancing.

61. Attached hereto as **Exhibit "BB"** are true copies of the emails between Mr. Spraggs and Mr. Tomos with respect to the Refinancing.

62. As of the date of this affidavit, RBC has not received, through counsel or otherwise, confirmation from NBC that it would provide WHC with the Refinancing.

Appointment of a Receiver

63. RBC has lost faith in the ability of WHC's management to repay the Indebtedness.

64. As discussed above, RBC has serious concerns regarding WHC's liquidity and its ability to continue operating its business on a going-concern basis.

65. I believe that appointing a receiver over the assets WHC, and no other remedy, will maximize the likelihood of RBC receiving full payment of the Indebtedness.

66. The GSA provides that RBC is entitled to appoint a receiver in the event of default by WHC.

67. I believe that the proposed receiver is qualified to act.

68. BDO Canada Limited has consented to its appointment as receiver and manager of the WHC, if so ordered by this Court.

69. Attached hereto as **Exhibit "CC"** is a true copy of the Consent to Act as Receiver executed by an authorized signatory of the proposed receiver.

70. In light of the foregoing, I believe that the order sought is reasonable, just and convenient.

71. I make this affidavit for no improper purpose.

72. I acknowledge the solemnity of making a sworn statement and acknowledge the consequences of making an untrue statement.

AFFIRMED before me at the City of Vancouver, in the Province of British Columbia, this 17th day of June, 2026.	)))))	
A Commissioner for Oaths in and for the Province of British Columbia	))	**MICHAEL DAERENDINGER**

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