

2025 01G _____

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Bankruptcy and Insolvency Act*, RSC 1985 c.B-3, as amended

AND IN THE MATTER OF the Receivership of Karwood Contracting Ltd., Karwood Engineering Inc., Karwood Ontario Ltd., and Karwood Group Design Ltd.

BETWEEN:

BANK OF MONTREAL

APPLICANT

AND:

- (1) KARWOOD CONTRACTING LTD.
- (2) KARWOOD ENGINEERING INC.
- (3) KARWOOD ONTARIO LTD.
- (4) KARWOOD GROUP DESIGN LTD.

RESPONDENTS

ORIGINATING APPLICATION
(*Inter Partes*)

Nature of Application

1. This is an application by Bank of Montreal (the Bank) for an order appointing MNP Ltd. (MNP) as receiver of all the assets, undertaking, and property of each of Karwood Contracting Ltd. (KCL), Karwood Engineering Inc. (KEI), Karwood Ontario Ltd. (KOL), and Karwood Group Design Ltd. (KGDL, and collectively with KCL, KEI, and KOL, the Respondents), under section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985 c.B-3, as amended (the BIA) and/or section 105 of the *Judicature Act*, RSNL 1990 c.J-

4, as amended, and Rule 25.01 of the *Rules of the Supreme Court, 1986*, substantially in the form attached to this Originating Application as **Schedule A**.¹

2. The Bank may also seek such further and other order or relief as may be requested and this Court considers appropriate.
3. As set out further below, the Bank is the interim lender to the Respondents in the Respondents' pending proceedings (the **CCAA Proceedings**) under the *Companies' Creditors Arrangement Act*, RSC 1985 c.C-36, as amended (the **CCAA**). The Respondents are in default of the interim lending facility which was approved by the Court in the ARIO, as defined below. The Companies agreed, and the Court ordered in the ARIO that in the case of a default, the Bank may exercise any and all customary remedies including the appointment of a receiver. On 15 September 2025, the Bank appointed MNP as a private receiver. It now seeks to continue that appointment under the supervision of this Court, to ensure a more efficient and effective receivership process.

Parties

4. The Bank is a Canadian chartered bank, with its address for service in respect of this matter at Cox & Palmer, 235 Water Street, Suite 1100, St John's, Newfoundland and Labrador, A1C 1B6, Attention: Mark Russell. As set out more particularly below, the Bank is a secured creditor of the Respondents.
5. KCL and KEI are corporations existing under and governed by the laws of Newfoundland and Labrador. KOL and KGDL are corporations existing under and governed by the laws of Ontario. The locality of each of the Respondents under the BIA is Newfoundland and Labrador.

¹ A blackline of the order sought compared to the Ontario model order is attached as **Schedule B**.

Material Facts

6. The Respondents carried on business in Newfoundland and Labrador and Ontario in the residential housing development and construction industry. In Newfoundland and Labrador, KCL constructed properties that were designed and planned by KEI. In Ontario, KOL constructed properties that were designed and planned by KGDL.
7. The Respondents are insolvent. On 27 January 2025, the Respondents made an initial application for relief under the CCAA to the Supreme Court of Newfoundland and Labrador (the CCAA Court). On 3 February 2025, the CCAA Court granted an initial order under the CCAA, including the appointment of BDO Canada Limited as monitor (the Monitor). Since that time, the Respondents have had the benefit of a stay of proceedings under the CCAA, as extended from time to time by the CCAA Court. The current stay of proceedings will expire on 1 October 2025.
8. By an Amended and Restated Initial Order (the ARIO) made in the CCAA Proceedings and dated 20 February 2025, the CCAA Court approved a debtor-in-possession financing term sheet (the DIP Agreement) between the Bank and the Respondents. Under the DIP Agreement, the Bank made available to the Respondents a loan up to the maximum amount of \$750,000.00 (the DIP Loan). The CCAA Court also granted a charge over all of the Respondents' property (subject to certain excluded real property located in Ontario) in favour of the Bank to secure the DIP Loan up to \$750,000.00 (the DIP Charge). The priority of the DIP Charge is subject only to the Administration Charge provided for in the ARIO, to the maximum amount of \$125,000.00.
9. Under the terms of the ARIO and the DIP Agreement, upon the occurrence of an event of default by the Respondents under the DIP Agreement, the Bank is entitled on two business days' notice to the Respondents and the Monitor to exercise customary rights and remedies against the Respondents, including the appointment of a private receiver or the application to the Court for the appointment of a receiver.

10. The Bank advanced the maximum principal amount of the DIP Loan. The Respondents have not made any principal repayments on the DIP Loan.
11. The Respondents are in default of the DIP Agreement and the DIP Loan, including without limitation by failing to repay the DIP Loan as agreed under the DIP Agreement.
12. The Bank notified the Respondents of a payment default on 6 August 2025. On 11 September 2025 the Bank gave notice to Respondents and the Monitor that if the DIP Loan was not repaid in full on or before 11am Newfoundland time on 15 September 2025 (the **Enforcement Time**), the Bank would proceed with enforcement of its rights, as contemplated and permitted under the ARIO and the DIP Agreement.
13. The Respondents did not repay the DIP Loan by the Enforcement Time, and on 15 September 2025 the Bank appointed MNP as a private receiver. MNP has acted in that capacity since that time, although under an agreement with the Respondents, MNP has restricted its activities to information gathering and has not taken possession or exercised control over any of the Respondents' assets.
14. In the circumstances, the appointment of a receiver by this Court is just and convenient:
 - 14.1. The Respondents agreed that the Bank could appoint a receiver and seek a court-appointed receiver if they defaulted under the DIP Loan. As set out above, the Respondents have defaulted and the Bank has the immediate right to enforce its security under the DIP Charge.
 - 14.2. The Respondents have failed to make any repayments of the DIP Loan. The Respondents have proposed to the Bank a sale transaction at a purchase price the Bank believes is below market value and that would not result in the repayment in full of the DIP Loan or provide any prospect of a future full repayment of the DIP Loan. Accordingly, the Bank has lost confidence in the

Respondents' management to deal with the remaining assets in a way that adequately protects the Bank's interests.

14.3. The order sought by the Bank will establish and implement an efficient and practical method for concluding the sale and realization of the Respondents' assets and the distribution of any recoveries, without incurring ongoing costs of the CCAA Proceedings, and ensuring that an independent and professional court-appointed officer will be in control of the remaining assets.

15. MNP has consented to act as receiver if appointed by the Court and is qualified to be appointed as a receiver under the BIA.

Relief Sought and Documentary Evidence


16. Based on the above, the Bank requests the appointment of MNP by the Court as receiver of the Respondents' assets, property, and undertaking, by making an order substantially in the form attached as **Schedule A**.

17. The following documentary evidence will be used at the hearing of this application:

17.1. the ARIO; and

17.2. the Monitor's reports filed from time to time in the CCAA Proceedings.

DATED at St John's, Newfoundland and Labrador, this 29th day of September, 2025.



Cox & Palmer
Solicitors for the Bank of Montreal

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St John's, NL A1C 1B6
Attention: Mark Russell
Email: mrussell@coxandpalmer.com

Brunswick Square, Suite 1500
1 Germain Street
Saint John, NB E2L 4V1
Attention: Josh J.B. McElman KC
Email: jmcelman@coxandpalmer.com

TO: Service List at Schedule C

ISSUED at St John's, Newfoundland and Labrador, this ____ day of September, 2025.

**SCHEDULE A
TO ORIGINATING APPLICATION**

FORM OF RECEIVERSHIP ORDER SOUGHT

[see attached]

2025 01G _____

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Bankruptcy
and Insolvency Act*, RSC 1985 c.B-
3, as amended

AND IN THE MATTER OF the
Receivership of Karwood
Contracting Ltd., Karwood
Engineering Inc., Karwood Ontario
Ltd., and Karwood Group Design
Ltd.

BETWEEN:

BANK OF MONTREAL

APPLICANT

AND:

- (1) KARWOOD CONTRACTING LTD.
- (2) KARWOOD ENGINEERING INC.
- (3) KARWOOD ONTARIO LTD.
- (4) KARWOOD GROUP DESIGN LTD.

RESPONDENTS

RECEIVERSHIP ORDER

BEFORE THE HONOURABLE JUSTICE _____:

THIS APPLICATION made by Bank of Montreal (the Applicant) for an Order under section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985 c.B-3, as amended (the BIA) and/or section 105 of the *Judicature Act*, RSNL 1990 c.J-4, as amended, and Rule 25.01 of the *Rules of the Supreme Court, 1986* appointing MNP Ltd. as receiver (in that capacity, the Receiver) without security, of all of the assets, undertakings, and properties of Karwood Contracting Ltd., Karwood Engineering Inc., Karwood Ontario Ltd., and Karwood Group Design Ltd. (the

Debtors) acquired for, or used in relation to a business carried on by the Debtors, was heard this [●] day of October, 2025

ON READING the Originating Application dated [●] 2025 and the consent of MNP Ltd to act as the Receiver

AND ON HEARING counsel for the Applicant and such other counsel as were present, no one appearing for any other person although duly served

IT IS HEREBY ORDERED AS FOLLOWS:

Service

1. The time for service of the Originating Application is hereby abridged and validated, so that the Originating Application is properly returnable today and further service of the Originating Application is dispensed with.

Appointment

2. Pursuant to section 243(1) of the BIA, section 105 of the *Judicature Act*, RSNL 1990 c.J-4, as amended, and Rule 25.01 of the *Rules of the Supreme Court, 1986*, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings, and properties of the Debtors acquired for, or used in relation to, a business carried on by the Debtors, including all proceeds thereof (the **Property**), provided that the following parcels of real property or proceeds thereof are not included in the Property and are not subject to the terms of this Order:

- 2.1. the property municipally known as 236 West Street, Belmont, Ontario and legally described as Lot 31, Plan 33M778 Municipality of Central Elgin; subject to an easement in gross over Part 11, Plan 33R-20685 as an ER 1300729, being the whole of PIN 08195-0655; and

- 2.2. the property municipally known as 35 Honey Bend, St Thomas, Ontario and legally described as Lot 8, Plan 11M232, City of St Thomas, being the whole of PIN 35244-2202.

Receiver's Powers

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - 3.1. to take possession of and exercise control over the Property and any and all proceeds, receipts, and disbursements arising out of or from the Property;
 - 3.2. to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories, and the placement of such insurance coverage as may be necessary or desirable;
 - 3.3. to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
 - 3.4. to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- 3.5. to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- 3.6. to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- 3.7. to settle, extend or compromise any indebtedness owing to the Debtors;
- 3.8. to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- 3.9. to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- 3.10. to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- 3.11. to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - 3.11.1. without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and

3.11.2. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each case the notice and sale provisions of the *Personal Property Security Act*, SNL 1998 c.P-7.1, as amended, or the *Conveyancing Act*, RSNL 1990 c.C-34, as amended, as the case may be, shall not apply.

- 3.12. to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- 3.13. to report to, meet with, and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- 3.14. to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- 3.15. to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- 3.16. to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- 3.17. to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

3.18. to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

Duty to Provide Access and Co-operation to the Receiver

4. The Debtors, all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being **Persons** and each being a **Person**) shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the **Records**) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. The Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

No Proceedings Against the Receiver

8. No proceeding or enforcement process in any court or tribunal (each, a Proceeding), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

No Proceedings Against the Debtors or the Property

9. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

No Exercise of Rights or Remedies

10. All rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (a) empower the Receiver or the Debtors to carry on any business which the Debtor is not lawfully entitled to carry on, (b) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

No Interference with the Receiver

11. 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, without written consent of the Receiver or leave of this Court.

Continuation of Services

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

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

Receiver to Hold Funds

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the **Post Receivership Accounts**) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

Employees

14. All employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c.47, s.1, as amended.

PIPEDA

15. Pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a **Sale**). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitation on Environmental Liabilities

16. Nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, **Possession**) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Newfoundland and Labrador Environmental Protection Act*, the *Newfoundland and Labrador Water Resources Act*, or the *Newfoundland and Labrador Occupational Health and Safety Act* and regulations thereunder (the **Environmental Legislation**), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this

Order or anything done in pursuance of the Receiver'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.

Limitation on the Receiver's Liability

17. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

Receiver's Accounts

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the **Receiver's Charge**) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
19. The Receiver and its legal counsel shall pass its accounts from time to time before this Court.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute

advances against its remuneration and disbursements when and as approved by this Court.

Funding of the Receivership

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **Receiver's Borrowings Charge**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule A** hereto (the **Receiver's Certificates**) for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

Continuation of Charges and Priorities of Charges

25. Each of the Administration Charge and the DIP Lender's Charge (all as defined in the orders granted by the Court in the Debtors' proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985 c.C-36, as amended, as court number 2025 01G 0491 (the **CCAA Proceedings**)) shall continue to constitute valid and enforceable charges on the Property.

26. The priority of the charges created in the CCAA Proceedings (and continued by this Order) in relation to the Receiver's Charge and the Receiver's Borrowing Charge created hereunder, shall be as follows:

First – the Receiver's Charge
Second – the Receiver's Borrowing Charge
Third – the charges created in the CCAA Proceedings in the priority as ordered between them in the CCAA Proceedings

Service and Notice

27. The Receiver and any other person interested in these proceedings may serve any court materials in these proceedings by emailing an electronic copy of such materials to the email addresses as recorded on the service list maintained and made publicly available by the Receiver from time to time, and the Receiver may post a copy of any or all such materials on its website established for these proceedings.

General

28. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver be at liberty and is 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 that the Receiver 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.
32. The Applicant shall have its costs of the Originating Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a solicitor and own client basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
33. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
34. This Order and all of its provisions are effective as of 12:01am Newfoundland time prevailing time on the date of this Order.

DATED at St John's, Newfoundland and Labrador, this ____ day of October, 2025.

**SCHEDULE A
TO RECEIVERSHIP ORDER**

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the **Receiver**) of the assets, undertakings, and properties of Karwood Contracting Ltd., Karwood Engineering Inc., Karwood Ontario Ltd., and Karwood Group Design Ltd. (the **Debtors**) acquired for, or used in relation to, a business carried on by the Debtors, including all proceeds thereof (collectively, the **Property**) appointing by Order of the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (the **Court**) dated [●] October 2025 made in an action having Court file number 2025 01G [●], has received as such Receiver from the holder of this certificate (the **Lender**) the principal sum of \$[●], being part of the total principal sum of \$[●] which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [●].
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20 ____.

**MNP LTD., solely in its capacity as Receiver
of the Property, and not in its personal
capacity**

Per: _____
Name:
Title:

**SCHEDULE B
TO ORIGINATING APPLICATION**

BLACKLINE OF RECEIVERSHIP ORDER SOUGHT TO ONTARIO MODEL ORDER

[see attached]

Court File No. _____

2025 01G _____

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the Bankruptcy
and Insolvency Act, RSC 1985 c.B-
3, as amended

AND IN THE MATTER OF the
Receivership of Karwood
Contracting Ltd., Karwood
Engineering Inc., Karwood Ontario
Ltd., and Karwood Group Design
Ltd.

BETWEEN:

BANK OF MONTREAL

APPLICANT

AND:

- (1) KARWOOD CONTRACTING LTD.
- (2) KARWOOD ENGINEERING INC.
- ~~(1)~~(3) KARWOOD ONTARIO LTD.
- (4) SUPERIOR COURT OF KARWOOD GROUP DESIGN LTD.

RESPONDENTS

RECEIVERSHIP ORDER

BEFORE THE HONOURABLE JUSTICE _____ :

COMMERCIAL LIST

THE HONOURABLE _____

)

WEEKDAY, THE #

JUSTICE _____

)

DAY OF MONTH, 20YR

)

PLAINTIFF¹

Plaintiff

~~—and—~~

DEFENDANT

Defendant

ORDER
(appointing Receiver)

~~THIS MOTION~~APPLICATION made by Bank of Montreal (the ~~Plaintiff~~²Applicant) for an Order ~~pursuant to~~under section 243~~(1)~~ of the *Bankruptcy and Insolvency Act*, R.S.C. RSC 1985, c. B-3, as amended (the "BIA") and ~~/or~~ section ~~101~~105 of the *Courts of Justice Judicature Act*, R.S.O. RSNL 1990, c. ~~C.43~~J-4, as amended ~~(, and~~ Rule 25.01 of the "CJA") *Rules of the Supreme Court, 1986* appointing ~~[RECEIVER'S NAME]~~MNP Ltd. as receiver ~~[and manager]~~ (in ~~such capacities~~that capacity, the "Receiver") without security, of all of the assets, undertakings, and properties of ~~[DEBTOR'S NAME]~~Karwood Contracting Ltd., Karwood Engineering Inc., Karwood Ontario Ltd., and Karwood Group Design Ltd. (the "Debtor") Debtors acquired for, or used in relation to a business carried on by the ~~Debtor~~Debtors, was heard this [●] day at ~~330 University Avenue, Toronto, Ontario~~ of October, 2025

¹ The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

ON READING the ~~affidavit of [NAME] sworn [DATE] and the Exhibits thereto~~ Originating Application dated [●] 2025 and on hearing the submissions consent of MNP Ltd to act as the Receiver

AND ON HEARING counsel for ~~[NAMES], the Applicant and such other counsel as were present, no one appearing for [NAME] any other person although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [RECEIVER'S NAME] to act as the Receiver,~~

IT IS HEREBY ORDERED AS FOLLOWS:

Service **SERVICE**

~~THIS COURT ORDERS that the~~

1. ~~The time for service of the Notice of Motion and the Motion~~ Originating Application is hereby abridged and validated², so that ~~this motion~~ the Originating Application is properly returnable today and ~~hereby dispenses with further service thereof. of the~~ Originating Application is dispensed with.

APPOINTMENT

~~THIS COURT ORDERS that pursuant~~
Appointment

2. Pursuant to section 243(1) of the BIA and, section 101 of the CJA, [RECEIVER'S NAME] 105 of the *Judicature Act*, RSNL 1990 c.J-4, as amended, and Rule 25.01 of the *Rules of the Supreme Court, 1986*, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings, and properties of the ~~Debtor~~ Debtors acquired for, or used in relation to, a business carried on by the ~~Debtor~~ Debtors,

² If service is effected in a manner other than as authorized by the *Ontario Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

including all proceeds thereof (the "**Property**"), provided that the following parcels of real property or proceeds thereof are not included in the Property and are not subject to the terms of this Order:

RECEIVER'S POWERS

THIS COURT ORDERS that the

2.1. the property municipally known as 236 West Street, Belmont, Ontario and legally described as Lot 31, Plan 33M778 Municipality of Central Elgin; subject to an easement in gross over Part 11, Plan 33R-20685 as an ER 1300729, being the whole of PIN 08195-0655; and

2.2. the property municipally known as 35 Honey Bend, St Thomas, Ontario and legally described as Lot 8, Plan 11M232, City of St Thomas, being the whole of PIN 35244-2202.

Receiver's Powers

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - 3.1. to take possession of and exercise control over the Property and any and all proceeds, receipts, and disbursements arising out of or from the Property;
 - 3.2. to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories, and the placement of such insurance coverage as may be necessary or desirable;

3.3. to manage, operate, and carry on the business of the ~~Debtor~~Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the ~~Debtor~~Debtors;

3.3.3.4. to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

3.4.3.5. to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~Debtors or any part or parts thereof;

3.5.3.6. to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Debtors and to exercise all remedies of the ~~Debtor~~Debtors in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Debtors;

3.6.3.7. to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Debtors;

3.7.3.8. to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the ~~Debtor~~Debtors, for any purpose pursuant to this Order;

3.8.3.9. to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor~~Debtors, the Property or the Receiver, and to settle

or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

~~3.9.3.10.~~ to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

~~3.10.3.11.~~ to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

~~3.10.1.3.11.1.~~ without the approval of this Court in respect of any transaction not exceeding \$ _____, ~~\$100,000.00~~, provided that the aggregate consideration for all such transactions does not exceed \$ _____; ~~\$250,000.00~~; and

~~3.10.2.3.11.2.~~ with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case ~~the notice under subsection 63(4) and sale provisions of the Ontario Personal Property Security Act, [SNL 1998 c.P-7.1, as amended, or section 31 of the Ontario Mortgages the Conveyancing Act, RSNL 1990 c.C-34, as amended, as the case may be,]~~⁵ shall not be required, and in each case the ~~Ontario Bulk Sales Act,~~ shall not apply.

⁴ ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

~~3.11~~3.12. to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

~~3.12~~3.13. to report to, meet with, and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

~~3.13~~3.14. to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

~~3.14~~3.15. to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Debtors;

~~3.15~~3.16. to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Debtors;

~~3.16~~3.17. to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Debtors may have; and

~~3.17~~3.18. to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

~~THIS COURT ORDERS that (i)~~

Duty to Provide Access and Co-operation to the Debtor, (ii) Receiver

4. The Debtors, all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and ~~(iii)~~ all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

~~THIS COURT ORDERS that all~~

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.
6. ~~THIS COURT ORDERS that if~~ any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by

way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. -Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

~~THIS COURT ORDERS that the~~

7. The Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. -The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

~~**NO PROCEEDINGS AGAINST THE RECEIVER**~~

~~THIS COURT ORDERS that no~~

No Proceedings Against the Receiver

8. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

~~**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**~~

~~THIS COURT ORDERS that no~~

No Proceedings Against the Debtors or the Property

9. No Proceeding against or in respect of the DebtorDebtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the DebtorDebtors or the Property are hereby stayed and suspended pending further Order of this Court.

~~**NO EXERCISE OF RIGHTS OR REMEDIES**~~

~~THIS COURT ORDERS that all~~

No Exercise of Rights or Remedies

10. All rights and remedies against the DebtorDebtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (~~ia~~) empower the Receiver or the DebtorDebtors to carry on any business which the Debtor is not lawfully entitled to carry on, (~~ib~~) exempt the Receiver or the DebtorDebtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (~~iii~~) prevent the filing of any registration to preserve or perfect a security interest, or (~~ivd~~) prevent the registration of a claim for lien.

~~**NO INTERFERENCE WITH THE RECEIVER**~~

~~THIS COURT ORDERS that no~~

No Interference with the Receiver

11. 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 DebtorDebtors, without written consent of the Receiver or leave of this Court.

~~**CONTINUATION OF SERVICES**~~

~~THIS COURT ORDERS that all~~

Continuation of Services

12. All Persons having oral or written agreements with the DebtorDebtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the DebtorDebtors 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor'sDebtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the DebtorDebtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

~~THIS COURT ORDERS that all~~

Receiver to Hold Funds

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

~~THIS COURT ORDERS that all~~

Employees

14. All employees of the ~~Debtor~~Debtors shall remain the employees of the ~~Debtor~~Debtors until such time as the Receiver, on the ~~Debtor's~~Debtors' behalf, may terminate the employment of such employees. – The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c.47, s.1, as amended.

PIPEDA

~~THIS COURT ORDERS that, pursuant~~

15. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "~~Sale~~"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. –The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

~~LIMITATION ON ENVIRONMENTAL LIABILITIES~~

~~THIS COURT ORDERS that nothing~~

Limitation on Environmental Liabilities

16. Nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "~~Possession~~") of

any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the OntarioNewfoundland and Labrador Environmental Protection Act, the OntarioNewfoundland and Labrador Water Resources Act, or the OntarioNewfoundland and Labrador Occupational Health and Safety Act and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. -The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'sReceiver'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.

LIMITATION ON THE RECEIVER'S LIABILITY

~~THIS COURT ORDERS that the~~

Limitation on the Receiver's Liability

17. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. -Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

~~THIS COURT ORDERS that the~~

Receiver's Accounts

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise

ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "~~Receiver's~~Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

~~THIS COURT ORDERS that the~~

19. ~~The~~ Receiver and its legal counsel shall pass its accounts from time to time, ~~and for before this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.~~

~~THIS COURT ORDERS that prior~~

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

~~FUNDING OF THE RECEIVERSHIP~~

~~THIS COURT ORDERS that~~

Funding of the Receivership

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such

⁶Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "~~Receiver's~~Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

~~THIS COURT ORDERS that neither the Receiver's~~

22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

~~THIS COURT ORDERS that the~~

23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

~~THIS COURT ORDERS that the~~

24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

~~SERVICE AND NOTICE~~

~~THIS COURT ORDERS that the E-~~

Continuation of Charges and Priorities of Charges

25. Each of the Administration Charge and the DIP Lender's Charge (all as defined in the orders granted by the Court in the Debtors' proceedings under the Companies' Creditors Arrangement Act, RSC 1985 c.C-36, as amended, as court number 2025 01G 0491 (the CCAA Proceedings)) shall continue to constitute valid and enforceable charges on the Property.

26. The priority of the charges created in the CCAA Proceedings (and continued by this Order) in relation to the Receiver's Charge and the Receiver's Borrowing Charge created hereunder, shall be as follows:

First - the Receiver's Charge

Second - the Receiver's Borrowing Charge

Third - the charges created in the CCAA Proceedings in the priority as ordered between them in the CCAA Proceedings

Service and Notice

27. The Receiver and any other person interested in these proceedings may serve any court materials in these proceedings by emailing an electronic copy of such materials to the email addresses as recorded on the service list maintained and made publicly available by the Receiver from time to time, and the Receiver may post a copy of any or all such materials on its website established for these proceedings.

General

~~1. The Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<img alt="redacted URL'.~~

~~2. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute 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 facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile 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.~~

~~GENERAL~~

~~25.28. THIS COURT ORDERS that the~~ Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

~~THIS COURT ORDERS that nothing~~

~~26.29. Nothing~~ in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~Debtor~~Debtors.

~~27.30. THIS COURT HEREBY REQUESTS~~This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. –All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

~~THIS COURT ORDERS that the~~

~~28.31. The~~ Receiver be at liberty and is 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 that the Receiver 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.

~~THIS COURT ORDERS that the Plaintiff~~

~~29.32. The Applicant~~ shall have its costs of ~~this motion~~the Originating Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicant's security or, if not so provided by the ~~Plaintiff's~~Applicant's security,

then on a ~~substantial indemnity~~solicitor and own client basis to be paid by the Receiver from the ~~Debtor's~~Debtors' estate with such priority and at such time as this Court may determine.

~~THIS COURT ORDERS that any~~

~~30.33.~~Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) ~~days'~~days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

34. ~~Schedule~~ "This Order and all of its provisions are effective as of 12:01am
Newfoundland time prevailing time on the date of this Order.

DATED at St John's, Newfoundland and Labrador, this _____ day of October, 2025.

SCHEDULE A¹
RECEIVER TO RECEIVERSHIP ORDER

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____ \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~, MNP Ltd., the receiver (the "Receiver") of the assets, undertakings, and properties ~~[DEBTOR'S NAME]~~ of Karwood Contracting Ltd., Karwood Engineering Inc., Karwood Ontario Ltd., and Karwood Group Design Ltd. (the Debtors) acquired for, or used in relation to, a business carried on by the Debtor Debtors, including all proceeds thereof (collectively, the "Property") appointed appointing by Order of the ~~Ontario Superior~~ Supreme Court of Justice (Commercial List) (the "Newfoundland and Labrador in Bankruptcy and Insolvency (the Court)") dated the ____ day of _____, 20__ (the "Order") [●] October 2025 made in an action having Court file number CL _____, 2025 01G [●], has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, \$ [●], being part of the total principal sum of \$ _____ \$ [●] which the Receiver is authorized to borrow under and pursuant to the Order.

~~1.2.~~ The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

~~2.3.~~ Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act,

and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ~~Toronto, Ontario~~.

3.5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

4.6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

5.7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20____.

~~[RECEIVER'S NAME], solely in its capacity as Receiver of the Property, and not in its personal capacity~~

Per: _____

Name:

Title:

MNP LTD., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

**SCHEDULE C
TO ORIGINATING APPLICATION**

SERVICE LIST

[see attached]

**KARWOOD CONTRACTING LTD. AND KARWOOD ENGINEERING INC. AND KARWOOD
ONTARIO LTD. AND KARWOOD DESIGN GROUP LTD.**

SERVICE LIST

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