

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

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

AND IN THE MATTER OF an application of Karwood Contracting Ltd., Karwood Engineering Inc., Karwood Design Group Ltd. and Karwood Ontario Ltd. (the "**Applicant**")

NOTICE OF MOTION

1. The Applicant in this proceeding is applying to a judge for an amended and restated Initial Order ("**ARIO**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), to, *inter alia*:
  - (a) abridge the time for service of the motion and the materials filed in support thereof, and dispensing with further service thereof;
  - (b) extend the stay of proceedings granted under the Initial Order (the "**Stay Period**") up to 10 July 2025;
  - (c) increase the administration charge ("**Administration Charge**") granted under the Initial Order to reflect an amount up to \$250,000.00;
  - (d) approve a debtor-in-possession ("**DIP**") loan up to \$750,000.00 in accordance with the Bank of Montreal ("**BMO**") DIP Term Sheet (the "**DIP Facility**"); and
  - (e) confirm the appointment of BDO Canada Ltd. ("**BDO**" or the "**Monitor**") as Monitor in these proceedings (the "**CCAA Proceedings**").
2. Since the Initial Order, the Applicant has coordinated with the Monitor and consulted with creditors and other stakeholders to develop a plan to stabilize their operations and proceed in a manner which will ensure maximum results under the CCAA.
3. The Applicant submits that this CCAA Proceeding remains the best solution available to stabilize its operational and financial situation and maximize value for stakeholders.

The Applicant submits that it has met the requirements of appropriateness, good faith, and due diligence. The Monitor supports the Applicant's position and requested ARIO.

4. Greater detail as to the Applicant's activities since the Initial Order was granted and its future plans has been provided in the Memorandum of Fact and Law submitted in support of the ARIO and attested to by Greg Hussey in his 18 February 2025 Affidavit.
5. The Applicant further submits that the DIP Facility as itemized in the DIP Term Sheet will facilitate the Applicant's successful emergence from this CCAA. Approval of the DIP is also supported by the Monitor.
6. The Applicant therefore seeks approval of the ARIO, including charging provisions, pursuant to the CCAA substantially in the draft form attached hereto as **Schedule "B"**.

Signed February 19<sup>g</sup>, 2025



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**DARREN D. O'KEEFE**  
O'KEEFE & SULLIVAN  
Counsel for the Company  
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St. John's, NL, A1A 1W7  
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To the Service List attached hereto as **Schedule "A"**.

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

**SCHEDULE "A"  
MASTER SERVICE  
LIST**

<p><b>O'KEEFE &amp; SULLIVAN LAWYERS</b> 80 Elizabeth Ave Suite 202 St. John's, N.L., A1A 1W7</p> <p><b>Darren O'Keefe</b> dokeefe@okeefesullivan.com Tel: 709.700.0911</p> <p><b>Joshua L. Hancott</b> jhancott@okeefesullivan.com</p> <p>80 Elizabeth Ave Suite 202 St. John's, N.L., A1A 1W7</p> <p><b>Counsel for the Applicants</b></p>	<p><b>BOYNE CLARKE LAWYERS</b> 99 Wyse Road, Suite 600 P.O. Box 876, Dartmouth Main Dartmouth, NS B2Y 3Z5 JSantimaw@boyneclarke.ca <b>Joshua J. Santimaw</b></p> <p><b>Counsel for the Monitor</b></p> <p><b>BDO Canada Limited</b> 300 Kenmount Rd #200, St. John's, NL A1B 3R2</p> <p>Email: nejones@bdo.ca</p> <p><b>The Proposed Monitor</b></p>
<p><b>ROYAL BANK OF CANADA</b> 1871 Hollis Street, 7<sup>th</sup> Floor Halifax, NS B3J 1M7</p> <p>David Savoie 902-421-4905 David.Savoie@rbc.com</p>	<p><b>AXIOM LEASING INC.</b> 4 Robert Speck Pkwy 15th Floor, Mississauga, ON L4Z 1S1</p>
<p><b>MOSKOWITZ CAPITAL MORTGAGE FUND II INC.</b></p> <p><b>Stewart McKelvey</b> Suite 1100, Cabot Place 100 New Gower St. St. John's, N.L. A1C 6K3 Tel 709.570.8851 Fax 709.722.4565</p> <p><b>Stephen Winter</b> swinter@stewartmckelvey.com</p> <p><b>Joe Thorne</b></p>	<p><b>BANK OF MONTREAL</b> 31 Water Street St. John's NL A1C 1A9 Canada</p> <p><b>Raffael Di Genova</b> Raffael.digenova@bmo.com</p> <p><b>Cox &amp; Palmer</b> Scotia Centre, 235 Water St suite 1100, St. John's, NL A1C 1B6</p> <p><b>Josh McElman</b> jmcelman@coxandpalmer.com</p>

<p>joethorne@stewartmckelvey.com</p>	<p><b>Allison Philpott</b>  aphilpott@coxandpalmer.com</p> <p><b>Counsel for the Bank of Montreal</b></p>
<p><b>ROYAL BANK OF CANADA</b>  7101 Pare Avenue, 5th Floor  Montreal QC  H3N 1X9  Canada</p>	<p><b>CANADA REVENUE AGENCY</b>  Shawinigan – Sud National Verification  Collections Centre  4695 Shawinigan-  Sud Boulevard  Shawinigan QC  G9P 5H9</p> <p><b>Atlantic Canada</b>  AGC-PGC.Atlantic-Tax-Fiscal@justice.gc.ca</p>
<p><b>DEPARTMENT OF FINANCE</b>  Dept of Digital Government and Service NL  2<sup>nd</sup> Floor, West Block, P.O. Box 8700  St. John's, NL A1B 4J6  Tel 709-729-2981  Fax 709-729-2091</p> <p>collections@gov.nl.ca</p>	<p><b>Boreal Atlantic Ltd.</b>  239 Main Street  Milltown  NL Canada  A0H 1W0</p> <p><b>Aaron Watkins</b></p>
<p><b>WORKPLACE NL</b>  PO Box 9000  St. John's, NL  A1A 3B8</p> <p><b>Jennifer Langdon</b>  jennifer.langdon@workplacenl.ca</p>	<p><b>STEELCASE FINANCIAL SERVICES LTD.</b>  200 King Street west  Suite 2400  Toronto ON  M5H 3T4</p>
<p><b>FORD CREDIT CANADA LEASING, DIVISION  OF CANADIAN ROAD LEASING COMPANY</b>  PO Box 2400  Edmonton AB T5J 5C7  Canada  ON L4S 0C8</p>	<p><b>LIBRO CREDIT UNION LTD.</b>  217 York Street  London, Ontario  N6A 5P9</p>

<p><b>BMW CANADA INC.</b> 50 Ultimate Drive, Richmond Hill ,ON L4S 0C8</p>	<p><b>RANDY ORAM</b> <b>TAMMY ORAM</b>  14 Old Topsail Hill CBS, NL, A1W 5W6 Canada</p>
<p><b>DEPARTMENT OF JUSTICE CANADA</b> <b>CRA</b> Suite 1400, Duke Tower 5251 Duke Street Halifax NS B3J 1P3 Tel: 782-409-0068</p> <p><b>Deanna Frappier, K.C.</b> Deanna.Frappier@justice.gc.ca <b>Caitlin Ward</b> caitlin.ward@justice.gc.ca</p>	<p><b>Kent Building Supplies</b> c/o Learmonth, Boulos &amp; Fitzgerald 804-140 Water St. PO Box 700, Stn. C St. John's, Newfoundland and Labrador A1C 5L4</p> <p><b>R. Barry Learmonth</b> Email: barry@lbflegal.com</p>

### Email List

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**Karwood Contracting Ltd. And Karwood Engineering Inc. And Karwood Ontario Ltd. And  
Karwood Design Group Ltd.**

## SCHEDULE B

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

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

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

**AMENDED AND RESTATED INITIAL ORDER**

Before the Honourable Justice A. MacDonald:

**WHEREUPON** the Applicants have filed an affidavit for an extension to the current stay of proceedings under the CCAA up to and including 08 July 2025;

**AND UPON** reading the affidavit of Gregory Hussey sworn 18 February 2025 (the “**Hussey Affidavit**”) and the Exhibits thereto, and on being satisfied that the secured creditors who are likely to be affected by the charges created herein including, without limitation, any creditor with an asserted, registered or claimed lien under the Mechanics’ Lien Act, R.S.N.L. 1990 c. M-3, were given notice, and on hearing the submissions of counsel for the Applicant and such other counsel as appeared, with all parties being duly served and on reading the Pre-Filing Report and First Report of the Proposed Monitor and their consent act as the Monitor, the following is ordered and declared:

**SERVICE**

**THIS COURT ORDERS** that the time for service of the Notice of Application and the materials filed, as set out in the affidavit of service, is hereby deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof.

## **APPLICATION**

1. **THIS COURT ORDERS AND DECLARES** that the Companies are each a company to which the CCAA applies.

## **PLAN OF ARRANGEMENT**

2. **THIS COURT ORDERS** that the Companies shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

## **POSSESSION OF PROPERTY AND OPERATIONS**

3. **THIS COURT ORDERS** that the Companies shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof save and except for the Exempt Property, as defined and dealt with below (the “**Property**”). Subject to further Order of this Honourable Court, the Companies shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Companies are authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of their Business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Companies, shall be entitled to continue to utilize their cash management system currently in place, or replace it with another substantially similar cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Companies of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Companies, pursuant to the terms of the

documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that from and after the date of this Order, the Companies shall each maintain separate books and records and shall account separately in respect of receipts and disbursements. The Companies shall not commingle funds and revenues received or receivable by the Companies nor incur or pay any expenses or costs payable directly by the other Company or for the benefit of the other Company. The Applicants shall continue to maintain separate accounts for each corporate entity and shall not commingle funds except with the consent of the Monitor or leave of this Court.

6. **THIS COURT ORDERS** that the Companies shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Companies in respect of these proceedings, at their standard rates and charges;
- (c) with the consent of the DIP Lender (as defined herein), amounts owing for goods and services supplied to the Companies, if in the opinion of the Monitor, the supplier or vendor of such goods or services is necessary for the operation and preservation of the Business or Property. The Monitor shall report to the Court as to any payments made under this subparagraph.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein the Companies shall be entitled but not required to pay all reasonable expenses incurred by the Companies in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business; and
- (b) payment for goods or services supplied to the Companies following the date of this Order.

8. **THIS COURT ORDERS** that the Companies shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, and (ii) Canada Pension Plan;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Companies.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Companies shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Companies and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such

payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein the Companies are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Companies to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

### **EXEMPT PROPERTY**

11. **THIS COURT ORDERS** that the Property, as defined above, shall not include the following parcels of real property:

- i. 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 in ER 1300729, being the whole of PIN 08195-0655; and
- ii. 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.

(collectively hereinafter referred to as the "Exempt Property").

12. **THIS COURT ORDERS AND DECLARES** that, notwithstanding the other terms of the within Order, the Exempt Property is not subject to the terms of the within Order.

### **RESTRUCTURING**

13. **THIS COURT ORDERS** that the Companies shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of non-material assets not exceeding \$100,000 in one transaction in the aggregate;
- (b) terminate the employment of such of its employees, or temporarily lay off such of its employees, as it deems appropriate; and
- (c) pursue all avenues of refinancing, restructuring, sale and reorganization of the Business or Property, in whole or part, subject to obtaining prior approval of this, Court before effecting any material refinancing, restructuring, sale or reorganization, as determined by the Monitor,

all of the foregoing to permit the Companies to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

14. **THIS COURT ORDERS** that the Companies shall provide each of the relevant landlords with notice of the Companies 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 Companies 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 Companies, or by further Order of this Court upon application by the Companies on at least two (2) days notice to such landlord and any such secured creditors. If the Companies disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Companies claim to the fixtures in dispute.

15. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Companies and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may

have against the Companies in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE COMPANIES OR THE PROPERTY**

16. **THIS COURT ORDERS** that until and including 10 July 2025, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Companies or the Monitor, or affecting the Business or the Property except with the written consent of the Monitor and the Companies, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Companies or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

17. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Companies or the Monitor, or affecting the Business or the Property are hereby stayed and suspended except with the written consent of the Monitor and the Companies, or leave of this Court, provided that nothing in this Order shall (i) empower the Companies to carry on any business which the Companies is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

18. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right,

contract, agreement, licence or permit in favour of or held by the Companies, except with the written consent of the Monitor and the Companies, or leave of this Court.

### **CONTINUATION OF SERVICES**

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Companies 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 Business or the Companies, 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 Companies, and the Companies shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Companies in accordance with normal payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and the Companies or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

20. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Companies. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Companies whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations,

until a compromise or arrangement in respect of the Companies, if one is filed, is sanctioned by this Court or is refused by the creditors of the Companies or this Court.

## **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

22. **THIS COURT ORDERS** that the Companies shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Companies after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

## **APPOINTMENT OF MONITOR**

23. **THIS COURT ORDERS** that GT is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Companies with the powers and obligations set out in the CCAA or set forth herein and that the Companies and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Companies pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Companies' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Companies, to the extent required by the Companies, in the dissemination, (i) to the DIP Lender and its counsel, and (ii) to registered secured creditors, Canada Revenue Agency ("**CRA**"), and their counsel if the Monitor determines it necessary or desirable, on a timely basis, of financial and other information as agreed to between the Companies and the DIP Lender, or information which the Monitor may determine is necessary or desirable to share

with registered secured creditors or CRA, including reporting on a basis to be agreed with the DIP Lender, or between the Monitor and any registered secured creditor or CRA, as the case may be;

- (d) advise the Companies in the preparation of the Companies' cash flow statements and reporting required by the DIP Lender;
- (e) advise the Companies in their development of a plan or compromise or arrangement and any amendments thereto;
- (f) assist the Companies, to the extent required by the Companies, with the holding and administering of creditors' or shareholders' meetings for voting on a plan of compromise or arrangement;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Companies, to the extent that is necessary to adequately assess the Companies business, cashflow, and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage with Companies' legal counsel or retain independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) assist the Companies to design and conduct any sales process as may be approved by the Court; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

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

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

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Companies shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, or subsequent to, the date of this Order, by the Companies as part of the costs of these proceedings. The Companies are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Companies on a weekly basis and, in addition, the Companies are hereby authorized to

pay to the Monitor, counsel to the Monitor, and counsel to the Companies reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Companies' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000.00 as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40-44 herein.

#### **DIP FINANCING**

32. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to obtain and borrow under a credit facility from the Bank of Montreal (the "**DIP Lender**") in order to finance the Companies' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$750,000.00 unless permitted by further Order of this Court.

33. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Companies and the DIP Lender dated as of 19 February 2025 (the "**Commitment Letter**"), filed.

34. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as

and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge on the principle, interest and other costs noted in the Commitment Letter (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure any obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 39-44 herein. The DIP Lender’s Charge is effective on the issuance of this Order and no further Definitive Documents are required in order for the DIP Lender’s Charge to be effective. Further, the DIP Lender may rely on the materials filed in this proceeding and this Order as sufficient evidence of the corporate authorization, due execution and delivery of the Commitment Letter and any other Definitive Documents without the necessity of any further opinion, certificates or resolutions.

36. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may, but shall not be required to, take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender’s Charge, the DIP Lender, upon five (5) calendar days’ notice to the Companies and the Monitor, may exercise any and all of its rights and remedies against the Companies or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender’s Charge, or this Order. On the expiration of the notice set out above, unless the Companies have cured the default to the DIP Lender’s satisfaction, the DIP Lender shall be entitled to, including without limitation, cease making advances to the Companies and set off and/or consolidate any amounts owing by the DIP Lender to the Companies against the obligations of the Companies to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender’s Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Companies and for the appointment of a

trustee in bankruptcy of the Companies, to collect on receivables forming part of the Property or take any other action permitted at law or in equity to recover the amounts due; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

37. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Companies under the CCAA, or any proposal filed by the Companies under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the Definitive Documents.

38. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Agreement, the other Definitive Documents or the DIP Lender’s Charge shall subsequently be stayed, modified, varied, amended, reversed, or vacated in whole or in part (collectively, a “**Variation**”) whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender’s Charge) for all advances so made and other obligations set out in the DIP Agreement and the other Definitive Agreements.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

39. **THIS COURT ORDERS** that the priorities of the Administration Charge the DIP Lender’s Charge, as among them, shall be as follows:

First – Administration Charge (\$250,000); and

Second –DIP Lender’s Charge (\$750,000)

provided that as amongst the Property subject to the Charges, the Administrative Charge shall only have priority against the residential homes under construction at the following addresses

55 Silver Birch Crescent, 59 Silver Birch Crescent, 61 Silver Birch Crescent, 63 Silver Birch Crescent, 70 Silver Birch Crescent and 41 Yellow Wood Drive to the maximum of \$125,000.00 a (collectively, the “**Residential Project**”) and the balance of the Administrative Charge shall have priority over all other encumbrances, liens and charges on the other assets of the Applicants, to the maximum amount of \$125,000.00.

40. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP Lender’s Charge (collectively, the “**Charges**”) shall not be required, and that Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect. Notwithstanding the foregoing, the Companies shall file a copy of this Order under the applicable land registration systems and a notice under the Personal Property Security Acts in relation to the Property.

**THIS COURT ORDERS** that the Charges, on the issuance of this Order and without the need for any further act or document, shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person which includes, without limitation, any creditor with an asserted, registered or claimed lien under the Mechanics’ Lien Act, R.S.N.L. 1990 c. M-3, including without limitation any persons who may claim a lien but have not yet asserted or registered such claim. .

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any Encumbrances over any Property, or permit any statutory or other liens to arise, that rank in priority to, or *pari passu* with any of the Charges, unless the Companies also obtain the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the “**Charges**”), or further Order of this Court.

42. **THIS COURT ORDERS** that the Charges, the Commitment Letter and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such

applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) The creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall not be deemed to constitute a breach by the Companies of any Agreement to which they are a party;
- (b) None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) The payments made by the Companies pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a charge in the Companies’ interest in such real property leases.

#### **SERVICE AND NOTICE**

44. **THIS COURT ORDERS** that the Monitor shall (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner by electronic means, a notice to every known creditor who has a claim against the Companies of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

45. **THIS COURT ORDERS** that the Companies and Monitor are 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 Companies creditors or other interested parties at their respective addresses as last shown on the records of the Applicants 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**

46. **THIS COURT ORDERS** that the Monitor and the Companies may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

47. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business or the Property.

48. **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 Companies, the Monitor and their respective 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 Companies and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Companies and the Monitor and their respective agents in carrying out the terms of this Order.

49. **THIS COURT ORDERS** that each of the Company and the Monitor 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 Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

50. **THIS COURT ORDERS** that any interested party (including the Companies and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

51. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12.01 a.m., Newfoundland Time, on the date of this Order.

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

~~20~~    ~~No.~~

~~Supreme Court of Nova Scotia-~~

~~- Application by - - - (the "Applicant")~~

IN THE MATTER OF the Companies  
Creditors Arrangement Act R.S.C., 1985 c. C-  
36 as Amended (the "CCAA"); and  
~~for relief under the Companies' Creditors~~  
~~Arrangement Act~~

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

**AMENDED AND RESTATED INITIAL ORDER**

Before the Honourable Justice ~~[name or blank]~~ in chambers A. MacDonald:

~~The Applicant proposes to make a compromise or arrangement under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 as amended (the "CCAA") and it applied for an initial order and, now or in the future, other relief under the CCAA as may be sought on notice of motion.~~

~~The following parties received notice of this application:-~~

~~-~~

WHEREUPON the Applicants have filed an affidavit for an extension to the current stay of proceedings under the CCAA up to and including 08 July 2025;

~~The following parties, represented by the following counsel, made submissions:-~~

<del>- Party</del>	<del>Counsel</del>
<del>- Applicant</del>	

~~-~~

~~On motion of the Applicant the following is ordered and declared:-~~

AND UPON reading the affidavit of Gregory Hussey sworn 18 February 2025 (the “Hussey Affidavit”) and the Exhibits thereto, and on being satisfied that the secured creditors who are likely to be affected by the charges created herein including, without limitation, any creditor with an asserted, registered or claimed lien under the Mechanics’ Lien Act, R.S.N.L. 1990 c. M-3, were given notice, and on hearing the submissions of counsel for the Applicant and such other counsel as appeared, with all parties being duly served and on reading the Pre-Filing Report and First Report of the Proposed Monitor and their consent act as the Monitor, the following is ordered and declared:

~~Service-~~

### SERVICE

1. The THIS COURT ORDERS that the time for service of the ~~notice of application in chambers, and the supporting documents~~ Notice of Application and the materials filed, as set out in the affidavit of service, is hereby deemed adequate notice<sup>1</sup> so that ~~the motion~~ this Application is properly returnable today ~~and~~ hereby dispenses with further service thereof ~~is hereby dispensed with~~<sup>2</sup>.

~~Application-~~

### APPLICATION

1. ~~2. The Applicant is~~ THIS COURT ORDERS AND DECLARES that the Companies are each a company to which the CCAA applies<sup>3</sup>.

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<sup>1</sup> ~~The Applicant should seek to have service deemed adequate if it was done in a manner other than as authorized by the Rules of Court.~~

<sup>2</sup> ~~This provision should only be used when all parties entitled to notice have been served with notice of the application. If all parties entitled to notice have not been served then the section should be deleted and the Initial Order should provide for a motion hearing.~~

<sup>3</sup> ~~If there are multiple applicants, the Order should confirm that the applicants are “affiliated debtor companies” within the meaning of the CCAA.~~

~~Plan of Arrangement~~ PLAN OF ARRANGEMENT

~~2.~~ ~~3. The Applicant, in consultation with the Monitor,~~ THIS COURT ORDERS that the Companies shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

~~Possession of Property and Operations~~

POSSESSION OF PROPERTY AND OPERATIONS

~~3.~~ ~~4. The Applicant~~ THIS COURT ORDERS that the Companies shall remain in possession and control of ~~its~~their current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (~~the~~ "save and except for the Exempt Property, as defined and dealt with below (the "Property"). Subject to further ~~order~~Order of this Honourable Court, the ~~Applicant~~Companies shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the "Business") and Property. The ~~Applicant shall be~~Companies are authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel, and such other persons (collectively "Assistants") ~~and the employees~~ currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of ~~business~~their Business or for the carrying out of the terms of this Order.

~~4.~~ THIS COURT ORDERS that the Companies, shall be entitled to continue to utilize their cash management system currently in place, or replace it with another substantially similar cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Companies of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Companies, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise

or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. THIS COURT ORDERS that from and after the date of this Order, the Companies shall each maintain separate books and records and shall account separately in respect of receipts and disbursements. The Companies shall not commingle funds and revenues received or receivable by the Companies nor incur or pay any expenses or costs payable directly by the other Company or for the benefit of the other Company. The Applicants shall continue to maintain separate accounts for each corporate entity and shall not commingle funds except with the consent of the Monitor or leave of this Court.

6. ~~5.~~<sup>4</sup>The Applicant may THIS COURT ORDERS that the Companies shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) ~~a.~~ all outstanding and future wages, salaries, employee and pension benefits, vacation pay, ~~and expenses payable to employees who continue to provide service on or after the date of this Order (“Active Employees”),~~ in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~

~~b. all existing and future employee health, dental, life insurance, short and long term~~

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<sup>4</sup>~~If the Applicant has a central cash management system, the provision below may be inserted in advance of paragraph 5 above. This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of Applicant. Specific attention should be paid to cross border and inter company transfers of cash. If there are multiple Applicant companies, it may be appropriate to create an inter company charge that provides a charge against the assets of one applicant company for any amount advanced from another applicant company.—~~

~~“5.— The Applicant shall be entitled to continue to utilize the central cash management system currently in place as described in the Affidavit of — - or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.”~~

~~disability and related benefits (collectively, the “Group Benefits”) payable on or after the date of this Order to Active Employees, in each case incurred in the ordinary course of business and consistent with existing policies and arrangements or such amended policies and arrangements as are necessary or desirable to deliver the existing Group Benefits;~~

(b) ~~e. with prior written approval of the Monitor,~~ the fees and disbursements ~~for~~of any Assistants retained or employed by the ~~Applicant~~Companies in respect of these proceedings, at their ~~reasonable~~ standard rates and charges.;

(c) with the consent of the DIP Lender (as defined herein), amounts owing for goods and services supplied to the Companies, if in the opinion of the Monitor, the supplier or vendor of such goods or services is necessary for the operation and preservation of the Business or Property. The Monitor shall report to the Court as to any payments made under this subparagraph.

7. ~~6. Except~~ THIS COURT ORDERS that, except as otherwise provided to the contrary herein, ~~the Applicant may~~Companies shall be entitled but not required to pay all reasonable expenses incurred by the ~~Applicant~~Companies in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) ~~a. all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance including directors and officers insurance, maintenance, and security services;~~ and

(b) ~~b. payment for goods or services actually~~ supplied to the ~~Applicant~~Companies following the date of this Order.

8. ~~7. The Applicant~~ **THIS COURT ORDERS** that the Companies shall remit ~~or pay~~, in accordance with legal requirements, ~~or on terms as may be agreed to between the Applicant and the applicable authority~~ pay:

(a) ~~a.~~ any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of: ~~(i) employment insurance, and (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;~~

(b) ~~b.~~ all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the ~~Applicant~~ Applicants in connection with the sale of goods and services by the ~~Applicant~~ Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; ~~and~~

(c) ~~e.~~ any amount payable to the Crown in right of Canada or of any Province ~~or any regulatory or administrative body or any other~~ thereof or any political subdivision thereof or any other taxation authority, ~~in all cases~~ in respect of municipal realty, municipal business, ~~or other taxes, assessments or levies of any nature or kind which are: (i) entitled at law to be paid in priority to claims of secured creditors; (ii) and which are~~ attributable to or in respect of the ~~ongoing Business carried on by the Applicant; and (iii) payable in respect of the period commencing on or after the date of this Order~~ carrying on of the Business by the Companies.

9. ~~8. Until such time as the Applicant~~ ~~[disclaims/disclaims or resiliates]~~<sup>5</sup> **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the ~~Applicant~~ Companies shall pay all amounts constituting rent or payable as rent under real

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<sup>5</sup> ~~The term "resiliate" should be included if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

property leases, ~~(including, for greater certainty, common area maintenance charges, utilities and realty taxes, and any other amounts payable to the landlord under the lease,)~~ or as otherwise may be negotiated between the ~~Applicant~~Companies and the landlord from time to time (~~"Rent"~~), for the period commencing from and including the date of this Order, in ~~accordance with its existing lease agreements~~equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any ~~arrears~~Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. ~~9. Except~~THIS COURT ORDERS that, except as specifically permitted herein ~~or by further order of this Court<sup>6</sup>, the Applicant is~~the Companies are hereby directed, until further ~~order~~Order of this Court: ~~i(a)~~ to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Companies to any of ~~its~~their creditors as of this date ~~without prior written consent of the Monitor;~~ ~~ii (b)~~ to grant no security interests, ~~trusts~~trust, liens, charges, or encumbrances upon or in respect of any of ~~its~~their Property; and ~~iii(c)~~ to not grant credit or incur liabilities except in the ordinary course of the Business ~~or with the prior written approval of the Monitor.~~

### EXEMPT PROPERTY

11. THIS COURT ORDERS that the Property, as defined above, shall not include the following parcels of real property:

- i. 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 in ER 1300729, being the whole of PIN 08195-0655; and
- ii. 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

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~~<sup>6</sup>This language is inserted to clearly allow for payments which may be authorized by the Court under a companion charging order or otherwise.~~

of PIN 35244-2202.

(collectively hereinafter referred to as the "Exempt Property").

## **Restructuring**

12. THIS COURT ORDERS AND DECLARES that, notwithstanding the other terms of the within Order, the Exempt Property is not subject to the terms of the within Order.

~~10. The Applicant shall, subject to such requirements as are imposed by the Monitor and under any agreements for debtor in possession financing which may be granted, have the right to:-~~

### **RESTRUCTURING**

13. THIS COURT ORDERS that the Companies shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) a- permanently or temporarily cease, downsize or shut down any of ~~its~~their business or operations, and to dispose of non-material assets not exceeding \$100,000 in one transaction in the aggregate;

(b) b- ~~terminate the employment of such of its employees, or temporarily lay off such of its employees, as it deems appropriate; and, as applicable, in accordance with the terms of any collective agreement];<sup>7</sup>~~

(c) e- pursue all avenues of refinancing ~~of its, restructuring, sale and reorganization of the~~ Business or Property, in whole or part, subject to obtaining prior approval of this, Court ~~being obtained~~ before effecting any material refinancing; ~~and, restructuring, sale or reorganization, as determined by the Monitor.~~

~~d. in accordance with its ordinary course of business, dispose of redundant or nonmaterial assets not exceeding \$— in value.~~

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<sup>7</sup>~~Reference should be made to section 33 of the CCAA.~~

## ~~No Proceedings Against the Applicant or the Property~~

all of the foregoing to permit the Companies to proceed with an orderly restructuring of the Business (the "Restructuring").

14. THIS COURT ORDERS that the Companies shall provide each of the relevant landlords with notice of the Companies 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 Companies 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 Companies, or by further Order of this Court upon application by the Companies on at least two (2) days notice to such landlord and any such secured creditors. If the Companies disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Companies claim to the fixtures in dispute.

15. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Companies and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Companies in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

## NO PROCEEDINGS AGAINST THE COMPANIES OR THE PROPERTY

16. ~~11. Until~~ THIS COURT ORDERS that until and including ~~the day of, 20~~ ~~[no more than 30 days]~~ 10 July 2025, or such later date as this Court may order (the "Stay Period"), no ~~claim, grievance, application, action, suit, right or remedy, or~~ proceeding or enforcement

process in any court, or tribunal, ~~or arbitration association~~ (each, a "Proceeding") shall be commenced, or continued, ~~or enforced~~ against or in respect of ~~any of the~~ Applicant Companies or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant Monitor and the Monitor Companies, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant Companies or affecting the Business or the Property are hereby stayed and suspended pending further ~~order~~ Order of this Court.

### ~~No Exercise of Rights or Remedies~~

#### NO EXERCISE OF RIGHTS OR REMEDIES

~~17.~~ 12. ~~During~~ THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicant Companies or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant Monitor and the Monitor Companies, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant Companies to carry on any business which the Applicant Companies is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section Section 11.1 of the CCAA; (iii) ~~exempt the Applicant from compliance with statutory or regulatory provisions relating to health, safety, or the environment;~~ (iv) prevent the filing of any registration to preserve or perfect a security interest; or (v) prevent the registration of a claim for lien ~~and the related filing of an action to preserve the right of a lien holder, provided that the Applicant shall not be required to file a defence during the stay period.~~

### ~~No Interference with Rights~~

#### NO INTERFERENCE WITH RIGHTS

~~18.~~ 13. ~~During~~ THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any

right, renewal right, contract, agreement, licence, or permit in favour of or held by the ~~Applicant,~~ including but not limited to renewal rights in respect of existing insurance policies on the same terms ~~Companies,~~ except with the written consent of the ~~Applicant~~ Monitor and the ~~Monitor~~ Companies, or leave of this Court.

#### ~~Continuation of Services~~ CONTINUATION OF SERVICES

19. ~~14. During~~ THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~ Companies 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 Business or the ~~Applicant~~ Companies, are hereby restrained until further ~~order~~ Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the ~~Applicant~~ Companies, and the ~~Applicant~~ Companies shall be entitled to the continued use of ~~its~~ their current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~ Companies in accordance with normal payment practices of the ~~Applicant~~ Companies or such other practices as may be agreed upon by the supplier or service provider and ~~each of the Applicant and the Monitor,~~ the Companies or as may be ordered by this Court.

#### ~~Non-Derogation of Rights~~ NON-DEROGATION OF RIGHTS

20. ~~15. Notwithstanding~~ THIS COURT ORDERS that, notwithstanding anything else ~~contained herein~~ in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of ~~leased~~ lease or licensed property, or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit

to the ~~Applicant~~<sup>8</sup>Companies. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### ~~Proceedings Against Directors and Officers~~

#### PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. ~~16. During~~ **THIS COURT ORDERS** ~~that during~~ the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the ~~Applicant~~Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ~~Applicant~~Companies whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Companies, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Companies or this Court, ~~these proceedings are dismissed by final order of this Court, or with leave of this Court.~~

#### DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. **THIS COURT ORDERS** that the Companies shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Companies after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

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<sup>8</sup>~~The Order must conform with the provisions of the CCAA. Particular attention should be paid when drafting the Order as a number of actions or steps cannot be stayed and the stay is subject to certain limits and restrictions under the CCAA. See, for example, CCAA sections 11.01, 11.04, 11.06, 11.07, and 11.08, and subsections 11.1(2) and 11.5(1).~~

~~Appointment of Monitor~~ APPOINTMENT OF MONITOR

23. ~~17.~~ THIS COURT ORDERS that GT is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the ~~Business~~business and financial affairs of the ~~Applicant, the Property, and the~~  
Companies ~~Applicant's conduct of the Business~~ with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant and its~~Companies and their shareholders, officers, directors, ~~employees~~ and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Companies pursuant to this Order, ~~cooperate~~and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations, and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. ~~18.~~ The THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) ~~a.~~ monitor the ~~Applicant's~~Companies' receipts and disbursements;
- (b) ~~b.~~ report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, ~~the activities of the~~and such other matters as may be relevant to the proceedings herein;  
~~Applicant, and such other matters as may be relevant to the proceedings herein;~~
- ~~c.~~ ~~advise the Applicant in its development of the Plan and any amendments to the Plan, and, to the extent deemed appropriate by the Monitor, assist in its negotiations with creditors, customers, vendors, and other interested Persons;~~
- (c) assist the Companies, to the extent required by the Companies, in the dissemination, (i) to the DIP Lender and its counsel, and (ii) to registered secured creditors, Canada Revenue Agency ("CRA"), and their counsel if the Monitor determines it necessary or desirable, on a timely basis, of financial and other information as agreed to between the Companies and the DIP Lender, or information which the Monitor may determine is necessary or desirable to share

with registered secured creditors or CRA, including reporting on a basis to be agreed with the DIP Lender, or between the Monitor and any registered secured creditor or CRA, as the case may be;

(d) advise the Companies in the preparation of the Companies' cash flow statements and reporting required by the DIP Lender;

(e) advise the Companies in their development of a plan or compromise or arrangement and any amendments thereto;

(f) ~~d.~~ assist the Applicant Companies, to the extent ~~deemed appropriate~~ required by the Monitor Companies, with the holding and administering of creditors' or shareholders' meetings for voting on ~~the~~ a plan of compromise or arrangement Plan;

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

(h) ~~f.~~ be at liberty to engage with Companies' legal counsel or retain independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order, ~~including any affiliate of, or person related to the Monitor;~~

~~g. develop a claims process to ascertain the quantum of the claims of all creditors; and~~

(i) assist the Companies to design and conduct any sales process as may be approved by the Court; and

(j) ~~h. be at liberty to~~ perform such other duties as are required by this Order or by this Court from time to time.

25. ~~19. The~~ THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the

Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

~~20. Nothing herein contained shall limit the protections afforded the Monitor at law including those protections set out in the CCAA.~~

26. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. ~~21. The~~ THIS COURT ORDERS that the Monitor shall provide any creditor of the ~~Applicant or a potential Debtor In Possession lender ("DIP Lender")~~ Companies with information provided by the ~~Applicant~~ Companies in response to reasonable requests for information made in writing by such creditor ~~or a DIP Lender~~ addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant~~ Companies is confidential, the Monitor shall not provide such information to creditors ~~or a DIP Lender~~ unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~ Companies may agree.

28. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save

and except for any gross negligence or willful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. ~~22. The~~ **THIS COURT ORDERS that the** Monitor, counsel to the Monitor, and ~~all~~ counsel to the ~~Applicant~~ Companies shall be paid their reasonable fees and disbursements, in each case ~~not to exceed~~ at their standard rates and charges, ~~by the Applicant~~ whether incurred prior to, or subsequent to, the date of this Order, by the Companies as part of the costs of these proceedings. The ~~Applicant is~~ Companies are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the ~~Applicant on a [monthly/semi-annual/other]~~ Companies on a weekly basis and, in addition, the ~~Applicant is~~ Companies are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the ~~Applicant,~~ Companies reasonable retainers ~~in the amounts of \$ , \$ , and \$ respectively~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. **THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency.**

~~23. The Monitor and its legal counsel shall pass their accounts from time to time before a judge of this court or a referee appointed by a judge.~~

### ~~{Administrative Charge<sup>9</sup>~~

~~24. The Monitor, the Monitor's counsel, and the Applicant's counsel (collectively, the~~

31. ~~"Chargees")~~ **THIS COURT ORDERS that the Monitor, counsel to the Monitor, and the Companies' counsel** shall be entitled to the benefit of and are hereby granted a charge (the ~~"Administration Charge"~~ "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$ ~~—~~ 250,000.00 as security for their professional fees and disbursements incurred at ~~the~~ their respective standard rates and charges of the Monitor and such counsel, both before

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~~<sup>9</sup> If a companion CCAA Charging Order is not granted, these provisions may be used to provide for an interim Administrative Charge.~~

and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40-44 herein.

### DIP FINANCING

32. THIS COURT ORDERS that the Companies are hereby authorized and empowered to obtain and borrow under a credit facility from the Bank of Montreal (the "DIP Lender") in order to finance the Companies' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$750,000.00 unless permitted by further Order of this Court.

33. THIS COURT ORDERS that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Companies and the DIP Lender dated as of 19 February 2025 (the "Commitment Letter"), filed.

34. THIS COURT ORDERS that the Companies are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge on the principle, interest and other costs noted in the Commitment Letter (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure any obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 39-44 herein. The DIP Lender's Charge is effective on the issuance of this Order and no further Definitive Documents are required in order for the DIP Lender's Charge to be effective. Further, the DIP Lender may rely on the materials filed in this proceeding and this Order as sufficient evidence of the corporate authorization, due execution and delivery of the Commitment Letter and any other Definitive Documents without the necessity of any further opinion, certificates or resolutions.

36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

(a) the DIP Lender may, but shall not be required to, take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon five (5) calendar days' notice to the Companies and the Monitor, may exercise any and all of its rights and remedies against the Companies or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, or this Order. On the expiration of the notice set out above, unless the Companies have cured the default to the DIP Lender's satisfaction, the DIP Lender shall be entitled to, including without limitation, cease making advances to the Companies and set off and/or consolidate any amounts owing by the DIP Lender to the Companies against the obligations of the Companies to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Companies and for the appointment of a trustee in bankruptcy of the Companies, to collect on receivables forming part of the Property or take any other action permitted at law or in equity to recover the amounts due; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Companies under the CCAA, or any proposal filed by the Companies under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

38. THIS COURT ORDERS AND DECLARES that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Agreement,

the other Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed, or vacated in whole or in part (collectively, a "Variation") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Agreement or the other Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Agreement and the other Definitive Agreements.

### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

39. THIS COURT ORDERS that the priorities of the Administration Charge the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (\$250,000); and

Second –DIP Lender's Charge (\$750,000)

provided that as amongst the Property subject to the Charges, the Administrative Charge shall only have priority against the residential homes under construction at the following addresses 55 Silver Birch Crescent, 59 Silver Birch Crescent, 61 Silver Birch Crescent, 63 Silver Birch Crescent, 70 Silver Birch Crescent and 41 Yellow Wood Drive to the maximum of \$125,000.00 a (collectively, the "Residential Project") and the balance of the Administrative Charge shall have priority over all other encumbrances, liens and charges on the other assets of the Applicants, to the maximum amount of \$125,000.00.

40. ~~25. The~~ THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and ~~the Administration Charge~~that Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the ~~Administration Charge~~Charges coming into existence, notwithstanding any such failure to file, register, record or perfect. Notwithstanding the foregoing, the Companies shall file a copy of this Order under the applicable land registration systems and a notice under the Personal Property Security Acts in relation to the Property.

THIS COURT ORDERS that the Charges, on the issuance of this Order and without the need for any further act or document, shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person which includes, without limitation, any creditor with an asserted, registered or claimed lien under the Mechanics’ Lien Act, R.S.N.L. 1990 c. M-3, including without limitation any persons who may claim a lien but have not yet asserted or registered such claim.

~~26. The Administration Charge shall constitute a charge on the Property and shall rank in priority to claims of the following secured creditors:— [name secured creditors who have received notice as required by CCAA section 11.52 and over whom priority is sought]— and in priority to any other interests, trusts, liens, charges, and encumbrances and claims, statutory or otherwise, in favour of any Person.~~

~~27. The Applicant and the Chargees shall be entitled, upon giving notice to parties likely affected, to seek an order changing the amount of the Administration Charge or providing that the Administrative Charge shall rank in priority to secured creditors not named in paragraph 26.~~

41. ~~28. Except~~ THIS COURT ORDERS that ~~except~~ as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~ Companies shall not grant any ~~encumbrance~~ Encumbrances over any Property ~~that ranks~~, or permit any statutory or other liens to arise, that rank in priority to, or *pari passu* with ~~the Administration Charge~~ any of the Charges, unless the ~~Applicant~~ Companies also ~~obtains~~ obtain the prior written consent of the ~~Chargees~~ Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the “**Charges**”), or further ~~order~~ Order of this Court.

42. ~~29. The Administration Charge~~ THIS COURT ORDERS that the Charges, the Commitment Letter and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for ~~a~~ bankruptcy order(s) issued pursuant to ~~the~~ BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general

benefit of creditors made pursuant to the BIA; ~~or~~ (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions, or other similar provisions with respect to borrowings, incurring debt or the creation of ~~encumbrances~~ Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease, or other agreement (collectively, an "Agreement") which binds the Applicant Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) ~~a. the~~ The creation of the ~~Administration Charge shall not create or~~ Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall not be deemed to constitute a breach by the Applicant Companies of any Agreement to which ~~it is~~ they are a party;
- (b) ~~b. none~~ None of the Charges shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant seeking~~ Companies entering into the Commitment Letter, the creation of the ~~Administration Charge~~ Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) ~~e. the~~ The payments made by the Applicant Companies pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law. †

43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a charge in the Companies' interest in such real property leases.

#### ~~Service and Notice~~ SERVICE AND NOTICE

44. 30. The THIS COURT ORDERS that the Monitor shall: ~~i) without delay, publish in a notice containing the information prescribed under the CCAA, ii) within five days after the date of this Order,~~ (A) make this Order publicly available in the manner prescribed under the CCAA,

(B) send, in the prescribed manner by electronic means, a notice to every known creditor who has a claim against the ~~Applicant~~Companies of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with ~~section~~Section 23(1)(a) of the CCAA and the regulations made thereunder.

~~45. 31. The Applicant and the~~THIS COURT ORDERS that the Companies and Monitor ~~may give notice of~~are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, ~~and any notices, and provide~~ or other correspondence, by forwarding ~~originals or~~ true copies thereof by prepaid ordinary mail, courier, personal delivery,~~—~~ or ~~electronic~~facsimile transmission to the ~~Applicant's~~Companies creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~Applicants and that any such ~~notice~~service or distribution by courier, personal delivery,~~—~~ or ~~electronic~~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.

~~32. The Applicant and the Monitor, and any party who has filed a demand of notice may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsel's e-mail addresses as recorded on the service list from time to time, and the Monitor may post a copy of any or all such materials on its website at .com.~~

#### ~~General~~GENERAL

~~46. 33. The Applicant or~~THIS COURT ORDERS that the Monitor and the Companies may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

~~47. 34. Nothing~~THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, ~~construction lien trustee,~~ or a trustee in bankruptcy of the ~~Applicant~~Company, the Business or the Property.

~~48. 35. The~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction ~~outside Nova Scotia, is requested in~~ Canada or in the United States, to give effect to this Order and to assist the ~~Applicant~~ Companies, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, ~~and~~ regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Applicant~~ Companies and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~ Companies and the Monitor and their respective agents in carrying out the terms of this Order.

~~49. 36. Each~~ THIS COURT ORDERS that each of the ~~Applicant~~ Company and the Monitor ~~may be at liberty and is hereby authorized and empowered to~~ apply to any court, tribunal, ~~or~~ 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 Monitor ~~may~~ 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.

~~37. Any interested party, including the Applicant and the Monitor, may apply to this Court to vary or amend this Order on such notice required under the Civil Procedure Rules or as this Court may order.~~

~~50. THIS COURT ORDERS that any interested party (including the Companies and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

~~51. 38. This~~ THIS COURT ORDERS that this Order and all of its provisions are effective as of ~~— [ 12.01 a.m./p.m.] — [Atlantic Standard/Atlantic Daylight Saving],~~ Newfoundland Time, on the ~~day~~ date of  ~~,~~  20 this Order.

~~Issued , 20~~

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~~Prothonotary~~

<b>Summary report:</b>	
<b>Litera Compare for Word 11.5.0.74 Document comparison done on 2025-02-19 3:17:42 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original filename:</b> NSSC PM8 Initial Order (4).doc	
<b>Modified filename:</b> KCL ARIO [FINAL] 19 Feb 25 (Including Stakeholder Comments) cln.docx	
<b>Changes:</b>	
<u>Add</u>	381
<del>Delete</del>	391
<del>Move From</del>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	1
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<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>773</b>