

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

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

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

ORDER

THIS MOTION made by the Applicants was heard on 26 February 2025.

ON READING the Applicants' Motion and supporting Affidavit; and

ON HEARING the submissions of counsel for the Applicants and such other counsel as were present, and no one else appeared for any other party although duly served as outlined in the affidavit of service.

SERVICE

1. **THIS COURT ORDERS** that the time for service of this Motion and accompanying materials is abridged so that this Motion is properly returnable today and therefore dispenses with further service hereof. Capitalized terms used but not defined in this Order shall have the meaning attributed to them in the Notice of Motion or the ARIO, as the case may be.

APPROVAL AND VESTING

2. **THIS COURT ORDERS AND DECLARES AND CONFIRMS** that the APS is hereby approved and the execution of the APS by KCI is hereby authorized and approved, with such minor amendments as KCI and/or Purchaser may deem necessary or

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otherwise agree to, with the approval of the Monitor. KCI are hereby authorized and directed to perform their obligations under the APS and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated thereunder, and to execute and deliver such additional documents as contemplated in the APS.

3. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Monitor and KCI to proceed with the sale of property contemplated under the APS and that no shareholder or other approval shall be required by KCI in connection therewith.

4. **THIS COURT ORDERS AND DECLARES** that, at the time of the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to KCI and the Purchaser (the "**Effective Time**"), substantially in the form attached as **Schedule "A"** hereto, the following shall occur and shall be deemed to have occurred at the Effective Time, all in accordance with the APS and the steps contemplated thereunder:
 - (a) KCI shall be deemed to have transferred to the Purchaser, and the Purchaser shall be deemed to have accepted such assignment and assumption of the Purchased Property in consideration of the Purchase Price; and

 - (b) all of the right, title and interest in and to the Purchased Property shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (maritime or otherwise), executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or all Charges (as defined in the ARIO) charges created by the ARIO, or any other Order of the Court; (ii) all charges, security interests or Claims evidenced by registrations



pursuant to the *Personal Property Security Act* (Newfoundland and Labrador), or any other personal property registry system or pursuant to the *Registration of Deeds Act, 2009* (Newfoundland and Labrador), the *Mechanics' Lien Act* (Newfoundland and Labrador) or any other real property or real property related registry or recording system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Property are hereby expunged and discharged as against the Purchased Property, as applicable, and shall be of no further force and effect.

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from KCI and the Purchaser regarding the satisfaction of the Purchase Price and satisfaction or waiver of conditions to closing under the APS and shall have no liability with respect to delivery of the Monitor's Certificate.
8. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after receipt of the Purchase Funds required under the APS.
9. **THIS COURT ORDERS** that upon the delivery of the Monitor's Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to KCI and the Purchased Property (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and a copy of this Order as though they were originals and to register, as applicable, such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the APS. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register, as applicable, transfer of title or interest and cancel and discharge registrations against any of KCI or the Purchased Property of any Claims or Encumbrances, and the Monitor and the Purchaser are hereby specifically authorized to discharge the



registrations against KCI or the Purchased Property, as applicable.

10. **THIS COURT ORDERS** that no authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction over KCI or the Purchased Property is required for the due execution, delivery and performance by KCI of the APS.

11. **THIS COURT ORDERS** that except to the extent expressly contemplated by the APS, all Contracts, suits, choses of action, claims in *personam* or *in rem*, whether commenced or contingent, to which KCI are the proper party upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, to deny the availability of any such claim in the name of the Purchaser, or to enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:
 - (a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of KCI);
 - (b) any monetary defaults in relation to the contracts incurred on or prior to the delivery of the Monitor's Certificate;
 - (c) the insolvency of KCI or the fact that KCI sought or obtained relief under the CCAA;
 - (d) any compromises, releases, discharges, cancellations, transactions,



arrangements, or other steps taken or effected pursuant to the APS, the transactions contemplated thereunder, or the provisions of this Order, or any other Order of the Court in these proceedings; or

- (e) any effective change of control of KCI arising from the implementation of the APS or the provisions of this Order.

12. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Purchased Property.

13. **THIS COURT ORDERS** that for greater certainty, nothing in this Order shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, the ARIO, this Order, any other Orders in these CCAA Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of the Monitor, all of which are expressly continued and confirmed.

14. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA Proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of KCI and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of KCI;
- (d) the provisions of any federal or provincial statutes pertaining to fraudulent



preferences, assignments, fraudulent conveyances, transfers at undervalue, other reviewable transactions, or oppressive or unfairly prejudicial conduct;

the APS, the implementation of the transactions contemplated thereunder (including without limitation the transfer and vesting of the Purchased Property) and any payments by the Purchaser authorized herein or pursuant to the APS shall be binding on any trustee in bankruptcy that may be appointed in respect of KCI, and shall not be void or voidable by creditors of KCI or the Purchaser, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

THE MONITOR

15. **THIS COURT ORDERS** that the Monitor, its employees and representatives shall not be deemed directors of the Purchaser, de facto or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.
16. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor in this paragraph.
17. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (i) be deemed to have taken part in the management or supervision of the management of KCI or the Purchaser, or to



have taken or maintained possession or control of the business or property of any of KCI or the Purchaser, or any part thereof; or (ii) be deemed to be in Possession (as defined in the Initial Order and ARIO) of any property of KCI or the Purchaser within the meaning of any applicable Environmental Legislation (as defined in the Initial Order and ARIO) or otherwise.

18. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale¹, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

GENERAL

19. **THIS COURT ORDERS** that following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to affect the discharge of the Claims and Encumbrances against KCI and the Purchased Property.
20. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
21. **THIS COURT DECLARES** that the Monitor, KCI and/or the Purchaser shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to KCI, the Monitor, and/or the Purchaser as may be deemed necessary or appropriate for that purpose.
22. **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 KCI, the Monitor, and/or the Purchaser 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 KCI, the Purchaser, and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist KCI, the Purchaser and the Monitor and their respective agents in carrying out the terms of this Order.

23. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Newfoundland and Labrador Time on the date hereof.

Issued by _____ on the ____ day of February 2025.



Schedule "A"
2025 01G 0491
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IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**")

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

CERTIFICATE OF THE MONITOR

1. On ____ February 2025 the Court approved a purchase and sale agreement between KCI and Amanda Roberts (the "**Purchaser**") concerning the sale of 55 Silver Birch Crescent, Paradise, NL (the "**APS**").
2. The Court provided that upon the Monitor's satisfaction that all terms and conditions of the APS have been met, and the purchase funds called for thereunder have been paid, the Monitor shall deliver to KCI and the Purchaser a certificate signed by the Monitor stating the terms of the APS have been met and the transaction contemplated thereunder closed.

THE MONITOR CERTIFIES the following:

3. The Monitor has received written confirmation from KCI and the Purchaser that the transaction contemplated under the APS has closed and confirms that the purchase funds called for thereunder have been received.

