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

No. 264776
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

ROYAL BANK OF CANADA

PETITIONER

AND

WEST HORIZON CONTRACTING INC.

RESPONDENT

SECOND AFFIDAVIT OF MICHAEL DAERENDINGER

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

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

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

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

4. Capitalized terms not otherwise defined in this affidavit have the meanings given to them in the affidavit that I affirmed on June 17, 2026 and filed in this action (the "**First RBC Affidavit**").

5. I have also reviewed the First Affidavit of Jared McCreery, a director of WHC, affirmed July 22, 2026 and filed by WHC in response to the Petition (the "**McCreery Affidavit**"). I make this affidavit in reply to certain matters raised in the McCreery Affidavit, to describe developments since the First RBC Affidavit was made, and in further support of RBC's Petition to appoint BDO Canada Limited as receiver over the property, assets, and undertakings of WHC.

Background to RBC's Demands Against WHC

6. Prior to April 2026, WHC's credit facilities with RBC were managed by RBC's commercial banking group. In May 2025, RBC approved an increase in the amount of $1,000,000 to WHC's operating facility to support WHC's general operations, primarily in connection with a large project (the "**Fisher Creek Bridge Project**") that WHC held with the Ministry of Transportation and Infrastructure ("**MoTI**").

7. However, as of March 2026, WHC had experienced persistent working capital shortages over the preceding months. As a result of these shortages, WHC made a number of short-term requests for temporary increases to its credit facilities. In one instance, WHC's operating facility exceeded its limit by more than $100,000 over a seven-day period, resulting in RBC automatically returning cheques and payments. In addition, in January 2026, RBC declined WHC's request for a credit limit increase in the amount of $125,000.

Fisher Creek Bridge Project Cost Overrun

8. During the second half of March 2026, as a result of discussions between Mr. McCreery and RBC's commercial banking group, RBC became aware that WHC's working capital shortages were in part the result of a cost overrun of approximately $4,500,000 (the "**Cost Overrun**") with respect to the Fisher Creek Bridge Project. This represented an increase from a budgeted amount of approximately $10,000,000 to approximately $14,500,000.

9. Although the Cost Overrun occurred in 2025, WHC had not communicated this to RBC as a cost overrun or a "write-off". Instead, the corresponding amount had been reflected in the accounts receivable information that WHC provided to RBC as "earnings in excess of billings". This classification had the effect of artificially improving WHC's net income after tax.

10. Given the Cost Overrun, RBC was concerned that WHC would soon face a borrowing margin shortfall. As discussed further below, this concern materialized shortly after.

11. As a result, on April 2, 2026, I recommended that WHC's file be transferred to SLAS. Although WHC had not missed a scheduled payment, RBC's internal assessment was that WHC had experienced a material adverse change in its financial condition and operations as a result of the Cost Overrun. On April 20, 2026, SLAS formally accepted the transfer of WHC's file.

Demand Letters and the Forbearance Letter Agreement

12. On May 7, 2026, and as described in detail in the First RBC Affidavit, RBC issued the Demand Letters. In addition, on May 7, 2026, RBC issued a letter to Business Development Bank of Canada ("**BDC**") advising BDC of RBC's demand against WHC. Attached hereto and marked as **Exhibit "A"** is a copy of that letter.

13. On May 7, 2026, other RBC representatives and I met with Mr. McCreery and representatives of WHC's financial advisor, MNP Ltd., to discuss and review WHC's business strategy, outlook, and next steps.

14. During the May 7, 2026 meeting, the parties reviewed a financial analysis and forecast dated April 8, 2026 prepared by MNP with respect to WHC (the "**MNP Analysis**"), which revealed, among other things, a borrowing margin shortfall of $2,004,617.51 for February 2026, and of

$1,958,951.40 for April 2026. Attached hereto and marked as **Exhibit "B"** is an excerpt from the MNP Analysis showing the foregoing.

15. In addition, during the May 7, 2026 meeting, WHC requested that RBC temporarily increase the operating facility on an urgent basis in order to assist WHC with meeting its immediate obligations.

16. Specifically, WHC asked RBC to forbear from enforcing its rights and to temporarily increase WHC's operating facility by $500,000 for approximately six weeks, so that WHC could fund its operations, including payroll, while it pursued a longer-term solution for the repayment of the indebtedness owing to RBC.

17. WHC asked that this be arranged urgently. The short timeline reflected in the Forbearance Letter Agreement, referenced at paragraph 6 of the McCreery Affidavit, was the timeline WHC itself requested for the increase, instead of a deadline unilaterally imposed by RBC.

18. Despite WHC's financial condition, RBC accommodated WHC's request.

19. On May 11, 2026, the parties entered into the Forbearance Letter Agreement. Under that agreement, RBC agreed to temporarily increase WHC's operating facility by $500,000 until June 26, 2026 (the "**Temporary Approved Bulge Limit**").

20. RBC agreed to provide the Temporary Approved Bulge Limit in reliance on WHC providing the security contemplated by the Forbearance Letter Agreement to secure RBC's increased exposure.

21. That security included first-ranking mortgages over two properties: (a) the lands identified by PID 031-960-995 and referred to in the McCreery Affidavit as the "Tatlow Property" (the "**Tatlow Property**"); and (b) the lands identified by PID 005-942-357 and referred to in the McCreery Affidavit as the "Seely Lake Property" (the "**Seely Lake Property**").

22. In the ordinary course, RBC would have required the agreed security to be in place before increasing WHC's operating facility. However, WHC required the additional financing on an urgent basis. To accommodate WHC's request, RBC agreed to make the Temporary Approved Bulge Limit available before all of the contemplated security had been put in place, on the express agreement that WHC would thereafter satisfy the security requirements set out in the Forbearance Letter Agreement.

23. With respect to the Tatlow Property, RBC understood when the Forbearance Letter Agreement was executed that WHC had not yet obtained the consent of 135 Ltd.'s other shareholder to the mortgage, as reflected at paragraphs 9 and 11 of the McCreery Affidavit. RBC nevertheless proceeded on the understanding and express agreement that the required consent would be obtained and the mortgage would be granted.

24. This term was material to RBC's agreement to provide the Temporary Approved Bulge Limit. In particular, RBC had agreed to limit its enforcement against the Tatlow Property to 50%. Had RBC understood that the required consent would not be obtained and that the Tatlow Property mortgage would not be granted, RBC would not have agreed to provide the Temporary Approved Bulge Limit.

25. The Seely Lake Property presented a separate issue. At the time of the Forbearance Letter Agreement, it was already subject to first-ranking mortgage and assignment of rents charges in favour of Valiant Financial Service Inc. (the "**Valiant Charges**"). The Forbearance Letter

Agreement therefore required WHC to discharge all financial charges registered against the Seely Lake Property by June 26, 2026.

26. WHC has not fulfilled its security obligations. The mortgage over the Tatlow Property was never granted. In addition, as of the date of this affidavit, the Valiant Charges remain registered against the Seely Lake Property and rank in priority to RBC's charges. Attached hereto and marked as **Exhibit "C"** is a copy of the title to the Seely Lake Property.

27. Accordingly, RBC accommodated WHC's urgent request for additional financing, but did not receive the security on which RBC had agreed to make the financing available.

WHC Exceeded the Temporary Approved Bulge Limit

28. In addition, within days of the Forbearance Letter Agreement being signed, WHC exceeded the Temporary Approved Bulge Limit, as described at paragraphs 53 to 59 of the First RBC Affidavit.

29. As a result, RBC began monitoring WHC's payment requests against the Temporary Approved Bulge Limit, which is the practice referred to at paragraph 17 of the McCreery Affidavit.

30. Between June 2 and June 12, 2026, RBC returned cheques and payments made by WHC in the approximate amount of $220,000, as a result of WHC exceeding the Temporary Approved Bulge Limit and not having sufficient available funds to cover those payments. WHC's account has continued to generate returned cheques and payments due to insufficient funds since then. As at July 30, 2026, RBC estimates that the total amount of these payments reached approximately $637,000.

31. On June 23, 2026, BDC advised RBC that it intended to issue demand against WHC and proceed with enforcing its security. Attached hereto and marked as **Exhibit "D"** is a copy of an email dated June 23, 2026 from Lawrence Lee, Associate Manager at BDC, to me.

32. WHC did not reduce its borrowings below the Temporary Approved Bulge Limit by June 26, 2026, as required under the Forbearance Letter Agreement. As of the date of this affidavit, WHC's borrowings remain above approved limits.

WHC Refinancing Efforts with National Bank of Canada

33. At paragraphs 60 to 63 of the McCreery Affidavit, Mr. McCreery suggests that RBC's actions interfered with WHC's ability to secure refinancing with NBC.

34. As described in the paragraphs below, RBC was repeatedly advised that WHC anticipated obtaining refinancing from NBC and that such refinancing was imminent. However, the timeline for securing that refinancing was repeatedly extended, remained uncertain, and no written commitment from NBC was provided to RBC before RBC filed the Petition.

35. On May 27, 2026, WHC's counsel advised RBC's counsel that: (i) refinancing from National Bank should come through by "mid-June", and (ii) a formal approval of an agreement between NBC and WHC would "be in hand" by June 3, 2026. Attached hereto and marked as **Exhibit "E"** is a copy of emails dated May 27, 2026 from Alexander J. Spraggs of Pihl Law Corp. to Mihai Tomos of MLT Aikins LLP.

36. On June 1, 2026, WHC's counsel advised RBC's counsel that WHC expected to "have something from National, in writing" during the week of June 1, 2026. Attached hereto and marked as **Exhibit "F"** is a copy of an email dated June 1, 2026 reflecting the foregoing.

37. On June 18, 2026, WHC's counsel advised RBC's counsel that: (i) "West Horizon [had] a verbal commitment from National", and (ii) "the formal commitment could be in hand at any moment". Attached hereto and marked as **Exhibit "G"** is a copy of an email dated June 18, 2026 reflecting the foregoing.

38. On June 19, 2026, WHC's counsel advised RBC's counsel that there was "nothing in writing from National yet and nothing concrete as to timing". Attached hereto and marked as **Exhibit "H"** is a copy of an email dated June 19, 2026 reflecting the foregoing.

39. After June 19, 2026, WHC's counsel did not provide any updates to RBC's counsel about the status and progress of refinancing with NBC until after RBC filed the Petition in this action. In addition, the only update that RBC received from WHC was an email dated July 3, 2026 in which Mr. McCreery advised that WHC was in discussions with NBC and other lenders. Attached hereto and marked as **Exhibit "I"** is a copy of an email dated July 3, 2026 from Mr. McCreery to me reflecting the foregoing.

40. On July 15, 2026, WHC's counsel advised RBC's counsel that WHC was "days away from securing refinancing through National Bank" but "pulled out" when NBC became aware of RBC's petition.

41. Attached hereto and marked as **Exhibit "J"** is a copy of an email dated July 15, 2026 reflecting the foregoing.

WHC's Refinancing Efforts with Provida

42. I have reviewed the portions of the McCreery Affidavit describing WHC's discussions with Provida Financial Corporation ("**Provida**"), including Mr. McCreery's evidence that Provida was aiming to provide a commitment letter by mid- to late August 2026.

43. I note that the Credit Proposal referred to in the McCreery Affidavit does not include a funding date or any committed timeline for completion.

Current Status of WHC's MoTI Projects

44. I have reviewed the portions of the McCreery Affidavit describing amounts WHC believes are or may become owing to it by MoTI, including: (i) what WHC refers to as "Overages" on the Kersley Project, and (ii) the "Fisher Creek Claim", which I understand relates to the Cost Overrun in respect of the Fisher Creek Bridge Project.

45. RBC is not aware of any commitment by MoTI to pay WHC a specific amount on any specific date with respect to these monetary claims of WHC.

46. As of the date of this affidavit, it remains unclear what cost overrun payments, if any, WHC will receive with respect to the Kersley Project.

47. WHC has not provided RBC with any cash flow forecasts since the MNP Analysis dated April 8, 2026.

Continued Basis for Appointment of a Receiver

48. I have reviewed the McCreery Affidavit in its entirety. In RBC's view, the matters raised do not resolve the concerns that gave rise to the Petition. In particular:

a. the Indebtedness remains outstanding;

b. WHC failed to reduce its borrowings within approved limits;

c. WHC's account with RBC has continued to generate returned and NSF items since the First RBC Affidavit was sworn, now totalling approximately $637,000;

d. RBC has not received confirmation of any refinancing commitment that would repay the Indebtedness in full; and

e. BDC, another of WHC's secured creditors, has advised that it intends to enforce against WHC.

49. For these reasons, RBC continues to believe that the appointment of a receiver over the property, assets, and undertakings of WHC, and no other remedy, will maximize the likelihood of RBC, and WHC's other creditors, receiving payment of the amounts owed to them.

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

MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5798

This is Exhibit “A” referred to
in the Affidavit of Michael Daerendinger
sworn before me this 17th day
of August, 2026

A Commissioner for Oaths
in and for the Province of British Columbia

MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
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TELEPHONE: 604-608-5798

MLT AIKINS
WESTERN CANADA'S LAW FIRM

MLT Aikins LLP
Suite 2600 - 1066 West Hastings Street
Vancouver, BC V6E 3X1
T: (604) 682-7737
F: (604) 682-7131

Mihai Tomos
Direct Line: (604) 608-45798
E-mail: mtomos@mltaikins.com

May 7, 2026

Via Courier

BDC Capital Inc.
c/o Business Development Bank of Canada
1133 Melville St, Suite 1500
Vancouver, British Columbia V6E 4ES

Attention: Nicholas Drake, Senior Director Growth & Transition Capital

Dear Sirs/Mesdames:

Re: **Priority Agreement dated July 24, 2024 among BDC Capital Inc. ("BDC"), Royal Bank of Canada ("RBC"), as lender, and West Horizon Contracting Inc. ("West Horizon"), as borrower (the "Priority Agreement").**

We are counsel for RBC in respect of this matter.

Pursuant to section 5.03 of the Priority Agreement, enclosed, on behalf of RBC, we hereby provide notice to BDC that RBC will issue to West Horizon the following:

1. A demand with respect to the indebtedness owing by West Horizon to RBC, which indebtedness equals $3,342,160.26 as of May 7, 2026, plus interest and costs; and

2. A Notice of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

3. RBC will seek to enforce its security against West Horizon including, without limitation, the Lender Security (as defined in the Priority Agreement).

We trust you will find the foregoing to be in order. If you have any questions, please contact the undersigned.

Sincerely,

MLT AIKINS LLP

Mihai Tomos

MT:
Enclosure

Cc: Client – with Enclosure

45865266

MLT AIKINS
WESTERN CANADA'S LAW FIRM

MLT Aikins LLP
Suite 2600 - 1066 West Hastings Street
Vancouver, BC V6E 3X1
T: (604) 682-7737
F: (604) 682-7131

William E. J. Skelly
Direct Line: (604) 608-4597
E-mail: wskelly@mltaikins.com

Mihai Tomos
Direct Line: (604) 608-5798
E-mail: mtomos@mltaikins.com

May 7, 2026

Via Email and Courier

jared@westhorizon.ca

WEST HORIZON CONTRACTING INC.
2943 HWY 16E
PO 3430
Smithers, BC, V0J 2N0

WEST HORIZON CONTRACTING INC.
c/o Lotz Law Corporation
320 Granville Street, Suite 880
Vancouver, BC, V6C 1S9

Attention: **West Horizon Contracting Inc.**

Dear Sir/Madam:

Re: An Amended and Restated Credit Agreement dated May 8, 2025 between Royal Bank of Canada ("RBC"), as lender, and West Horizon Contracting Inc. (the "Borrower"), as borrower, as amended by Amending Agreements dated May 16, 2025 and September 29, 2025 (as amended, the "Loan Agreement").

We are counsel for RBC in respect of this matter.

Be advised that the Borrower is in default of their covenants under the Loan Agreement. Details of such defaults are well known to you, but for the purposes of the record, the Borrower is in breach of its covenants, including but not limited to, failing to comply with financial covenants (collectively, the "**Defaults**"). This letter serves as written notice to the Borrower, pursuant to the terms of the Loan Agreement, of the Defaults.

As of May 7, 2026, the Borrower is indebted to RBC in the amount of **$3,342,160.26**, with respect to the credit facilities provided by RBC pursuant to the terms of the Loan Agreement, with interest thereon accruing at the interest rates specified in the Loan Agreement, and plus RBC's professional costs relating to enforcement, pursuant to the terms of the Loan Agreement (collectively, the "**Indebtedness**").

The Borrower's obligations under the Loan Agreement are secured pursuant to, among others, the documents below:

(a) A General Security Agreement dated July 22, 2019 (the "**GSA**") granted by the Borrower in favour of RBC; and

(b) A Postponement and Subordination of Claims (Debts/Shares/Dividends) granted by the Borrower in favour of RBC (the "**Postponement**", together with the GSA, the "**Security**").

On behalf of RBC, we hereby demand immediate repayment by the Borrower of the Indebtedness, being **$3,342,160.26** as of May 7, 2026, plus interest accruing at the rates specified in the Loan Agreement, together with professional advising and enforcement costs incurred by RBC in the approximate amount of **$5,000**.

Be advised that the amount of the Indebtedness is subject to fluctuations on a daily basis with daily interest continuing to accrue. As a result, please contact our office for an updated payout statement before making a payment.

We also enclose an executed copy of a Notice of Intention to Enforce Security issued by RBC to the Borrower in accordance with Section 244(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

Be advised that if payment of the amounts demanded above, together with applicable interest, is not delivered to our office in the form of a certified cheque or bank draft made payable to "MLT Aikins LLP, In Trust", within ten (10) days of your receipt of this letter, RBC shall exercise such remedies against the Borrower as are available to it pursuant to the terms of the Loan Agreement, the Security, and any other security granted by the Borrower to RBC under or in respect of the Loan Agreement, the Security, and as at law generally.

Sincerely,

MLT AIKINS LLP

For:
Mihai Tomos

MT:sc

Cc: Client – with Enclosure

MLT AIKINS

WESTERN CANADA'S LAW FIRM

Notice of Intention to Enforce Security

(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: West Horizon Contracting Inc., an Insolvent Corporation

TAKE NOTICE THAT:

1. Royal Bank of Canada ("**RBC**"), a secured creditor, intends to enforce its security on the property of West Horizon Contracting Inc. (the "**Debtor**") described below:

   A. All of the Debtor's present and after acquired personal property.

2. The security that is to be enforced is in the form of:

   A. A General Security Agreement dated July 22, 2019 granted by the Debtor in favour of RBC; and

   B. A Postponement and Subordination of Claims (Debts/Shares/Dividends) granted by the Debtor in favour of RBC,

   (together, the "**Security**").

3. The amount of indebtedness secured by the Security in favour of RBC as of May 7, 2026, is $3,342,160.26 plus accruing interest, plus any applicable professional fees incurred by RBC, which are estimated to currently total **$5,000**.

4. RBC will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice unless the Debtor/Insolvent Corporation consents to an earlier enforcement.

Dated this 7th day of May, 2026.

ROYAL BANK OF CANADA, by its solicitors and agent, MLT Aikins LLP

For: ______________________

Mihai Tomos – Barrister & Solicitor

The undersigned hereby consents to RBC enforcing its security prior to the expiry of the above-noted 10 day period.

WEST HORIZON CONTRACTING INC.

Per: ______________________

This is Exhibit "B" referred to
in the Affidavit of Michael Daerendinger
sworn before me this 17th day
of August, 2026

A Commissioner for Oaths
in and for the Province of British Columbia

MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5798

Credit Agreement Margin Forecast FY27
West Horizon Contracting Inc.
Source: QBO, RBC Credit Agreement, Management Assumptions

Item	Account #	Amount @ Feb2026	Margin	Marginable
AR	1200	1,193,843.32	75%	895,382.49
WIP (max 100,000)	1300	1,684,797.64	50%	100,000.00
Total				**995,382.49**
Total Aggregate				**3,000,000.00**
Lesser of:				**995,382.49**
Current LoC Balance	2050			**3,000,000.00**
Remaining (exceeding)				- 2,004,617.51

Item	Account #	Amount @ Apr2026	Margin	Marginable
AR	1200	2,718,340.82	75%	2,038,755.62
WIP (max 100,000)	1300	3,920,000.00	50%	100,000.00
Total				**2,138,755.62**
Total Aggregate				**3,000,000.00**
Lesser of:				**2,138,755.62**
Current LoC Balance	2050			**4,097,707.02**
Remaining (exceeding)				- 1,958,951.40

Item	Account #	Amount @ Jul2026	Margin	Marginable
AR	1200	6,156,268.81	75%	4,617,201.60
WIP (max 100,000)	1300	5,250,000.00	50%	100,000.00
Total				**4,717,201.60**
Total Aggregate				**3,000,000.00**
Lesser of:				**3,000,000.00**
Current LoC Balance	2050			**2,555,844.69**
Remaining (exceeding)				444,155.31

Item	Account #	Amount @ Oct2026	Margin	Marginable
AR	1200	4,443,418.71	75%	3,332,564.03
WIP (max 100,000)	1300	3,350,000.00	50%	100,000.00
Total				**3,432,564.03**
Total Aggregate				**3,000,000.00**
Lesser of:				**3,000,000.00**

This is Exhibit "C" referred to
in the Affidavit of Michael Daerendinger
sworn before me this 17th day
of August, 2026

A Commissioner for Oaths
in and for the Province of British Columbia

MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5798

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	PRINCE RUPERT
Land Title Office	PRINCE RUPERT
Title Number	CB2620707
From Title Number	CB841274
Application Received	2026-02-12
Application Entered	2026-02-27

Registered Owner in Fee Simple
Registered Owner/Mailing Address:
WEST HORIZON INDUSTRIES CORP., INC.NO. BC1355639
C/O 16014 WOODMERE ROAD
TELKWA, BC
V0J 2N0

Taxation Authority Omineca Assessment District

Description of Land
Parcel Identifier: 005-942-357
Legal Description:
THE SOUTHEAST 1/4 OF DISTRICT LOT 1379 CASSIAR DISTRICT EXCEPT PLAN 8994

Legal Notations
THIS CERTIFICATE OF TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT SEE PLAN 7800

Charges, Liens and Interests

Nature:	MORTGAGE
Registration Number:	CB2657627
Registration Date and Time:	2026-03-04 14:21
Registered Owner:	VALIANT FINANCIAL SERVICES INC. INCORPORATION NO. 0785408

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB2657628
Registration Date and Time:	2026-03-04 14:21
Registered Owner:	VALIANT FINANCIAL SERVICES INC. INCORPORATION NO. 0785408

Nature:	MORTGAGE
Registration Number:	CB2824708
Registration Date and Time:	2026-05-29 16:06
Registered Owner:	ROYAL BANK OF CANADA
Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB2824709
Registration Date and Time:	2026-05-29 16:06
Registered Owner:	ROYAL BANK OF CANADA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

This is Exhibit "D" referred to
in the Affidavit of Michael Daerendinger
sworn before me this 17^{th} day
of August, 2026

A Commissioner for Oaths
in and for the Province of British Columbia

MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5798

From: LEE, Lawrence (VAN) <Lawrence.LEE@bdc.ca>
Sent: Tuesday, June 23, 2026 3:47 PM
To: Daerendinger, Michael <michael.daerendinger@rbc.com>
Subject: West Horizon Contracting Inc. ("West Horizon")

[External/Externe]

Michael,

My name is Lawrence Lee I am an Associate Manager, Portfolio Management, Growth and Transition Capital, for BDC Capital Inc.

As you are aware, BDC Capital Inc. is a lender to West Horizon. BDC Capital Inc. and Royal Bank of Canada entered into a Priority Agreement dated July 24, 2024 (the "Priority Agreement") in respect of West Horizon. A copy of the Priority Agreement is attached for your ease of reference.

Pursuant to Clause 5.03 of the Priority Agreement, BDC Capital Inc. and Royal Bank of Canada are required to give notice to the other prior to making any demand for payment on West Horizon or proceeding to enforce their respective security.

BDC Capital Inc. hereby gives notice to Royal Bank of Canada of its intent, in its absolute discretion, to make demand upon West Horizon for repayment of its indebtedness and, if it chooses to, proceeding to enforce its security thereafter.

Regards,

Lawrence Lee
Associate Manager, Portfolio Management, Growth and Transition Capital | Dir ass, Gestion de portefeuille, Capital de croissance et transfert d'entreprise
T 604-658-2920 **C** 604-368-6298

bdc

bdc.ca

This is Exhibit "E" referred to
in the Affidavit of Michael Daerendinger
sworn before me this 17th day
of August, 2026

A Commissioner for Oaths
in and for the Province of British Columbia

MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5798

From: Alexander Spraggs
To: Mihai Tomos
Cc: Rachel Stratychuk
Subject: RE: Credit Agreement dated May 8, 2025 between RBC and West Horizon Contracting Inc.
Date: Wednesday, May 27, 2026 12:00:14 PM
Attachments: image001.png

[EXTERNAL MESSAGE]

In addition, Blake at MNP had a follow-up meeting with National yesterday. Mark Bartella and the underwriter both indicated that a formal approval of the deal would be in hand by end of day Wednesday next week.

Yours truly,

Alexander J. Spraggs
Shareholder

Pihl Law Corp.
300 - 1465 Ellis Street
Kelowna, BC V1Y 2A3

P. 250.762.5434

From: Alexander Spraggs
Sent: Wednesday, May 27, 2026 11:36 AM
To: 'Mihai Tomos' <mtomos@mltaikins.com>
Cc: Rachel Stratychuk <rachel.stratychuk@pihl.ca>
Subject: RE: Credit Agreement dated May 8, 2025 between RBC and West Horizon Contracting Inc.

Good morning Mihai,

Apologies for not getting back to you on this sooner, I was at an event in Vancouver yesterday afternoon.

Parks Canada is looking at purchasing a yet-to-be-subdivided portion of the Seely property so I was looking into that process to make sure this mortgage wouldn't disrupt the process. It looks like they are appraising the timber and land and those will be ready mid-June. Accordingly, since National should come through by then, there shouldn't be an issue with the mortgage as it will be off before further steps are taken.

Accordingly, Jared and I are looking for a notary near him to witness his signature on the mortgage. He is not located near me, so I can't just bring him into the office.

I will let you know as soon as we've set Jared up with a Notary.

Yours truly,

[illegible]
Shareholder

Pihl Law Corp.
300 - 1465 Ellis Street
Kelowna, BC V1Y 2A3

P. 250.762.5434

This is Exhibit "F" referred to
in the Affidavit of Michael Daerendinger
sworn before me this 17th day
of August, 2026

A Commissioner for Oaths
in and for the Province of British Columbia

MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5798

From:	Alexander Spraggs
To:	Mihai Tomos
Cc:	Eichan Hu; Jeffrey Williams; Rachel Stratychuk; Shayla Hardy McAndrews
Subject:	RE: Credit Agreement dated May 8, 2025 between RBC and West Horizon Contracting Inc.
Date:	Monday, June 1, 2026 3:19:52 PM
Attachments:	image001.png image002.png RE Tatlow Land Mortgage Documentation.msg

[EXTERNAL MESSAGE]

Good afternoon Mihai,

Please see the attached confirming that Mr. Martens, the other 50% shareholder of the 135 company, is reviewing the Tatlow Mortgage with his legal advisors and will get back to us this week.

As I set out previously, I understand this has been raised with Mr. Martens previously by Jared. However, he didn't have the mortgage (as that wasn't provided to us until last week) nor the forbearance agreement (as I don't think Jared picked up on the agreement for RBC to split the sale proceeds 50/50 with Mr. Martens being set out in the forbearance agreement) until today.

I also understand that we should have something from National, in writing, this week as well.

Yours truly,

Alexander Spraggs
Shareholder

Pihl Law Corp.
300 - 1465 Ellis Street
Kelowna, BC V1Y 2A3

P. 250.762.5434

This is Exhibit "G" referred to
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of August, 2026

A Commissioner for Oaths
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MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5798

From: Alexander Spraggs
To: Mihai Tomos
Cc: William E. J. Skelly; Rachel Stratychuk
Subject: RE: Credit Agreement dated May 8, 2025 between RBC and West Horizon Contracting Inc.
Date: Thursday, June 18, 2026 3:23:50 PM
Attachments: image001.png
image002.png

[EXTERNAL MESSAGE]

Good afternoon Mihai,

We were not able to get the Tatlow Mortgage submitted for registration by the deadline set out in your email below.

That said, I understand that the West Horizon has a verbal commitment from National, contingent on a final appraisal, which was completed a couple days ago and came in at $12M, which was above the $10M that National required of the appraisal. Accordingly, the formal commitment could be in hand at any moment.

Additionally, though no doubt RBC is aware, once National's refinancing is complete and put in place, RBC will get paid out in full.

If RBC puts WHC into receivership, it will be fighting with other secured creditors over the debt:

- WHC's surety, which has bonded $45.6M of WHC's work, and which has indemnities from WHC and Jared;
- BDC, which holds a general security agreement; and
- Valiant which holds a mortgage.

Accordingly, while I understand RBC's instructed you to be aggressive here, I urge you to advise your client to hold off on taking steps which might jeopardize refinancing through National.

Yours truly,

Alexander Spraggs
Shareholder

Pihl Law Corp.
300 - 1465 Ellis Street
Kelowna, BC V1Y 2A3

P. 250.762.5434

This is Exhibit "H" referred to
in the Affidavit of Michael Daerendinger
sworn before me this 17th day
of August, 2026

A Commissioner for Oaths
in and for the Province of British Columbia

MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5798

From: Alexander Spraggs
To: Mihai Tomos
Cc: William E. J. Skelly; Rachel Stratychuk
Subject: RE: Credit Agreement dated May 8, 2025 between RBC and West Horizon Contracting Inc.
Date: Friday, June 19, 2026 3:11:32 PM
Attachments: image001.png
image002.png
West Horizon Contracting Inc. Appraisal.pdf
West Horizon Contracting Inc. Final.xlsx

[EXTERNAL MESSAGE]

Good afternoon Mihai,

I have a positive answer to one of your questions over our call. Attached is the appraisal itself. It's for equipment only.

With regard to your other two questions, there is nothing in writing from National yet and nothing concrete as to timing other than National was provided with the appraisal yesterday and I understand that the last condition to refinancing was this approval coming in over $10M, and it did.

Yours truly,

Alexander [illegible] Spraggs
Shareholder

Pihl Law Corp.
300 - 1465 Ellis Street
Kelowna, BC V1Y 2A3

P. 250.762.5434

This is Exhibit "I" referred to
in the Affidavit of Michael Daerendinger
sworn before me this 17th day
of August, 2026

A Commissioner for Oaths
in and for the Province of British Columbia

MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5793

From: Jared McCreery <Jared@westhorizon.ca>
Sent: Friday, July 3, 2026 11:25 AM
To: Daerendinger, Michael <michael.daerendinger@rbc.com>
Cc: Alexander Spraggs <alexander.spraggs@pihl.ca>; Mihai Tomos <mtomos@mltaikins.com>
Subject: Year-Ends - DRAFT
Importance: High

[External]/[Externe]

Hi Guys,

Here is the draft year-end for April 30th. Final Ones will follow shortly.

From the other Lenders looking at this file (National, BMO, Scotia and Private). I need a Default Notice for the May 7th demand letters. Outlining what we are in default of.

The sooner the response, the better, so we don't hold up paying you guys out.

I have attached a screenshot of one of the emails.

Re: [External] Re: Catch Up

FK

○ Friend, Kurtis <Kurtis.Friend@scotiabank.com>

To: Jared McCreery; Cc: Matte, Brad; Ganje, Alex

Thanks Jared for these,

With respect to this section:

Be advised that the Borrower is in default of their covenants under the Loan Agreement. Details of such defaults are well known to you, but for the purposes of the record, the Borrower is in breach of its covenants, including but not limited to, failing to comply with financial covenants (collectively, the "**Defaults**"). This letter serves as written notice to the Borrower, pursuant to the terms of the Loan Agreement, of the Defaults.

Can you provide the RBC default notices which specifically state the defaults which are in question?

Sincerely,

WEST HORIZON CONTRACTING

Jared McCreery
President

Innovating the North

A 2943 Highway 16E, PO 3430, Smithers BC V0J 2N0
O 778-640-4631 M 250-877-9214 F 778-640-4650
W westhorizon.ca

This is Exhibit "J" referred to
in the Affidavit of Michael Daerendinger
sworn before me this 17th day
of August, 2026

A Commissioner for Oaths
in and for the Province of British Columbia

MIHAI TOMOS
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-5793

From: Alexander Spraggs
To: Sophie Cannon
Cc: William E. J. Skelly; Rachel Stratychuk; Mihai Tomos; Connor Elliott
Subject: RE: Credit Agreement dated May 8, 2025 between RBC and West Horizon Contracting Inc.
Date: Wednesday, July 15, 2026 2:12:05 PM
Attachments: image001.png

[EXTERNAL MESSAGE]

Good afternoon Sophie,

WHC was days away from securing refinancing through National Bank but, as I had warned RBC would be the case, National pulled out when they became aware of RBC's petition.

WHC is working with BMO, BNS and private lenders in the hopes of refinancing, but RBC's petition is making that exceptionally difficult.

Of course, as RBC is well aware, and as WHC will be arguing as a defence to RBC's petition, re-financing is a much better way to protect RBC and WHC's other creditors than appointing a receiver.

In addition, RBC's petition does not set out what WHC's default of the credit agreement was. This is another defence to the petition that WHC will be advancing. The closest RBC gets is an email to WHC from your firm saying that the defaults "are well known". Unfortunately, they are not well known. While WHC was offsides the margin requirement on monthly statements, the credit agreement sets out that WHC's margin requirements are to be tested by yearly financial statements. WHC's yearly financial statements have it well within its margin requirements. In short, WHC is not in default of the credit agreement.

I strongly urge RBC to consider withdrawing the petition so that WHC has a clearer path to refinancing. RBC's actions have been extremely prejudicial to RBC's own position, and I hope they will reconsider whether they want to continue to walk down the path of putting themselves at greater instead of lesser risk of recovery.

If not, as set out above, we will be arguing that RBC has failed to establish WHC is in default, and that the balance of prejudice favours refinancing over receivership.

Finally, as I've been in court over the last two days fighting off an application by one of WHC's heavy equipment lessors to seize back their equipment, purely as a result of being served with RBC's petition (an application which I managed to get dismissed) I will need a little more time to prepare WHC's response to RBC's petition. I should be able to get the materials finalized by the end of this week.

Yours truly,