

**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

Before the Honourable Justice Alexander MacDonald on 30 June 2025:

UPON APPLICATION, made by Karwood Contracting Ltd., Karwood Engineering Ltd., Karwood Design Group Ltd., and Karwood Ontario Ltd., pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order extending the Stay Period (as defined in the Initial Order) granted on 03 February 2025 (the "Initial Order") and the Amended and Restated Initial Order (the "ARIO") granted on 20 February 2025

UPON APPLICATION for an order granting the distribution of certain sale proceeds (the "Proceeds") arising from the sale of certain of the Applicant's assets, as more particularly described in the Monitor's fifth report dated 05 June 2025 (the "Fifth Report").

ON READING the affidavit of Gregory Hussey, and the Fifth and the Fourth Report of BDO Limited in its capacity as monitor of the Applicants (the "Monitor");

AND UPON HEARING the submissions of counsel for the Applicants, the Monitor, the Bank of Montreal, Moskowitz Capital Fund I I LLC, Royal Bank of Canada and such other counsel that were present, no one else appearing for any party although duly served:

SERVICE



Filed June 30, 25 

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the materials filed is hereby deemed adequate notice so that this Motion is properly returnable today and hereby dispenses with further service thereof.

STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that the stay of proceedings, as defined in the Initial Order of the Honourable Justice Alexander MacDonald dated 03 February 2025, as amended and restated in the ARIO dated 20 February 2025 is hereby further extended up to and including 01 October 2025.

DISTRIBUTION

3. **THIS COURT ORDERS** that, subject to section 4 of this Order, the Monitor is hereby authorized and directed to distribute certain proceeds, anticipated to be held by the Monitor following the closing of each residential property as follows:
 - a. 61 Silver Birch Crescent, Paradise, NL:
 - i. a distribution to the Bank of Montreal in the amount of \$151,754, consistent with the Companies' Second Cash Flow Forecast filed with the Court as Appendix S to the Fifth Report of the Monitor dated June 27, 2025; and
 - ii. a distribution to Karwood Contracting Ltd. of the remaining proceeds of sale.
 - b. 63 Silver Birch Crescent, Paradise, NL:
 - i. a distribution to the Bank of Montreal in the amount of \$151,754, consistent with the Companies' Second Cash Flow Forecast filed with the Court as Appendix S to the Fifth Report of the Monitor dated June 27, 2025; and
 - ii. a distribution to Karwood Contracting Ltd. of the remaining proceeds of sale.
 - c. 70 Silver Birch Crescent, Paradise, NL:
 - i. a distribution to the Bank of Montreal in the amount of \$132,569, consistent with the Companies' Second Cash Flow Forecast filed with the Court as Appendix S to the Fifth Report of the Monitor dated June 27, 2025; and
 - ii. a distribution to Karwood Contracting Ltd. of the remaining proceeds of sale.
 - d. 41 Yellow Wood Drive, Paradise, NL:



- i. a distribution to the Bank of Montreal in the amount of \$128,701, consistent with the Companies' Second Cash Flow Forecast filed with the Court as Appendix S to the Fifth Report of the Monitor dated June 27, 2025; and
 - ii. a distribution to Karwood Contracting Ltd. of the remaining proceeds of sale.
4. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to hold back a sum equivalent to 10% of the proceeds of each sale outlined in section 3 of this Order, representing mechanics' lien holdback in accordance with the *Mechanics' Lien Act*, RSNL1990 Chapter M-3, as amended, not to be distributed until there is a further Order of the Court directing the same.
5. Notwithstanding:
 - a. the pendency of these proceedings;
 - b. any applications for a bankruptcy order issued pursuant to the *Bankruptcy and Insolvency Act (Canada)* (the "BIA"), in respect of the Applicants and any bankruptcy order issued pursuant to such applications; and
 - c. any assignment in bankruptcy made in respect of the Applicants;

the payments and holdbacks authorized and directed by section 3 and 4 of this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

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

ISSUED at St. John's, Newfoundland and Labrador this 30 day of June 2025.



COURT
OFFICER 