

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BANK OF MONTREAL

PETITIONER

AND

**CANSTAR RESTORATIONS LIMITED PARTNERSHIP by its
general partner CANSTAR RESTORATIONS GP INC., CANSTAR
RESTORATIONS GP INC. AND L.U.N.A RESTORATIONS INC.**

RESPONDENTS

**SECOND SUPPLEMENT TO THE PRE-FILING
REPORT OF ALIXPARTNERS
RESTRUCTURING, INC.
AS RECEIVER**

October 2, 2026

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1.0 Introduction and Purpose

1. This second supplement (the “**Second Supplement**”) to the Pre-Filing Report of the Proposed Receiver dated September 25, 2026 (the “**Pre-Filing Report**”) is filed by AlixPartners Restructuring, Inc. (“**AlixPartners**” or the “**Receiver**”) in its capacity as the Court-appointed receiver and manager of the property, assets and undertaking of Canstar Restorations Limited Partnership (“**Canstar LP**”), Canstar Restorations GP Inc. (“**Canstar GP**” and together with Canstar LP, “**Canstar**”) and L.U.N.A Restorations Inc. (“**LUNA**”, and together with Canstar, the “**Debtors**”).
2. By order of the Supreme Court of British Columbia (the “**Court**”) granted on September 28, 2026 (the “**Receivership Order**”), AlixPartners was appointed as Receiver of the Debtors and their property, assets and undertaking.
3. This Second Supplement should be read together with the Pre-Filing Report. Capitalized terms used but not defined in this Second Supplement have the meanings given to them in the Pre-Filing Report or the Receivership Order, as applicable.
4. This Second Supplement is filed in support of an application by the Petitioner, the Bank of Montreal, to amend paragraph 8 of the Receivership Order.

2.0 Construction Lien Issues

1. The Debtors provide restoration and remediation services in British Columbia, Alberta and Saskatchewan. In carrying on their business, the Debtors engage trades and subcontractors to perform work on active projects.
2. Given the nature of the Debtors’ business, the Receivership Order was specifically tailored to prohibit the filing of builders’ lien claims, while preserving the applicable limitations’ periods and deadlines with respect to the registration of any such lien claims. The intention was for this provision to apply with equal force and effect in each of the jurisdictions where the Debtors conduct business, being British Columbia, Alberta and Saskatchewan.

3. Since the issuance of the Receivership Order, the Receiver has been advised that a number of trades and subcontractors in Alberta and Saskatchewan have taken the position that they are entitled to file or register lien claims in those provinces because the Receivership Order was issued by the Supreme Court of British Columbia, the language contained in the Receivership Order (and in particular paragraph 8 thereof) did not prohibit the registration of liens in Provinces beyond British Columbia and the language in that paragraph made specific reference to the BC *Builders' Lien Act*, SBC 1997, c 45 but not similar legislation in Alberta and Saskatchewan.
4. Since the date of its appointment, the Receiver was advised that certain subcontractors in Alberta and Saskatchewan had threatened to file or register lien claims; however, as at the date of this Second Supplement, the Receiver is not aware that any such lien has been registered.
5. The threatened lien claims relate to work performed on properties owned by customers of the Debtors. The registration of liens against customer properties could adversely affect the Debtors' relationships with those customers, interrupt the completion of active projects and result in disputes involving the Debtors, their customers, trades and subcontractors, all of which could impair the operations of the Debtors' business.
6. The Receiver, through the Debtors' management, have actively been communicating with trades and subcontractors regarding the Receivership Proceedings, and the treatment of amounts owing in respect of active and completed projects under the proposed Transaction. Those communications have not eliminated the threatened filing or registration of lien claims in Alberta and Saskatchewan.
7. As described in the Pre-Filing Report, and as set out in the SPA, the proposed Transaction contemplates that liabilities owing to trades engaged on active projects will be retained by the Debtors. The continued performance of those trades is necessary to complete work in progress and preserve the customer relationships and contracts that contribute to the Debtors' operations.
8. The Receiver is concerned that the filing of lien claims could cause immediate and potentially significant harm to the Debtors' business and impair the stability required to advance these proceedings on an orderly basis so that the Transaction could be completed for the benefit of stakeholders.

3.0 Conclusion and Recommendation

1. In light of the threatened filing or registration of lien claims in Alberta and Saskatchewan, and the potential resulting harm to the Debtors' active projects, customer relationships, liquidity and going-concern value, the Receiver believes that the requested amendments to paragraph 8 of the Receivership Order will facilitate these proceedings and the completion of the Transaction.

* * *

All of which is respectfully submitted,

AlixPartners Restructuring, Inc.

**ALIXPARTNERS RESTRUCTURING, INC.
IN ITS CAPACITY AS PROPOSED RECEIVER OF
CANSTAR RESTORATIONS LIMITED PARTNERSHIP,
CANSTAR RESTORATIONS GP INC. AND L.U.N.A RESTORATIONS INC.
AND NOT IN ITS PERSONAL CAPACITY**