

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

AND

**IN THE MATTER OF SYMPHONY HOMES (MOONLIGHT SONATA) LIMITED,
1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD., SYMPHONY
HOMES (WAYBURNE) LTD., and 663466 B.C. LTD.**

**PETITIONER
S**

**SECOND REPORT OF ALIXPARTNERS RESTRUCTURING, INC.
AS MONITOR**

July 21, 2026

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1.0 Introduction

1. Pursuant to an initial order (the “**Initial Order**”) pronounced by the Supreme Court of British Columbia (the “**Court**”) on June 12, 2026 (the “**Filing Date**”), Symphony Homes (Moonlight Sonata) Limited, formerly known as 1197101 B.C. Ltd. (the “**Nominee**”), 1168386 B.C. Ltd. (“**386**”), 1197030 B.C. Ltd. (“**030**”), 1197062 B.C. Ltd. (“**062**”, and together with 386 and 030, the “**Beneficial Owners**”) and 663466 B.C. Ltd. (the “**Corporate Guarantor**”, and collectively with the Nominee and the Beneficial Owners, the “**Petitioners**” or “**Debtors**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**” and the proceedings thereunder, the “**CCAA Proceedings**”), and AlixPartners Restructuring, Inc. (“**Alix**”) was appointed as monitor in the CCAA Proceedings (in such capacity, the “**Monitor**”).
2. Pursuant to the Initial Order, the Court, among other things:
 - a) declared that the Debtors are companies to which the CCAA applies;
 - b) granted a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Debtors to and including June 26, 2026 (the “**Stay Period**”);
 - c) authorized the Monitor to monitor, operate and control the Debtors’ bank accounts, including the *Builders Lien Act* holdback account maintained by Symphony Homes (Wayburne) Ltd. (“**Symphony Wayburne**”), including authority to exercise control over funds held in those accounts, make authorized disbursements, provide directions to financial institutions, modify signing authorities, establish replacement operating accounts where necessary, and approve all disbursements and purchase commitments in excess of \$10,000 for any single transaction or \$25,000 in the aggregate. (the “**Disbursement Threshold**”);
 - d) authorized the Debtors to borrow under an interim financing credit facility made available to the Debtors by KingSett Mortgage Corporation (“**KingSett**”, and in such capacity, the “**Interim Lender**”) in the aggregate principal amount of up to the maximum of \$27,900,000 (the “**Interim Financing Facility**”) provided that borrowings under such facility shall not exceed \$500,000 unless permitted by further order of the Court;
 - e) granted a charge on all of the Debtors’ current and future assets, property and undertaking (collectively, the “**Property**”) up to the maximum amount of \$150,000 (the “**Administration Charge**”) to secure the fees and disbursements of the Debtors’ legal counsel (up to \$50,000), the Monitor and the Monitor’s legal counsel; and

- f) granted a charge on the Property in favour of the Interim Lender, which charge ranks behind the Administration Charge, to secure the obligations owing under the Interim Financing Facility (the “**Interim Lender’s Charge**”).
- 3. The principal purpose of the CCAA Proceedings is to stabilize the Debtors' operations, secure interim financing, complete construction of the Debtors' principal asset, the "Moonlight Sonata" residential townhome project (the “**Project**”), and maximize value for the benefit of stakeholders, including existing pre-sale purchasers.
- 4. At a comeback hearing held on July 6, 2026, the Court granted an amended and restated initial order (the “**ARIO**”). Pursuant to the ARIO, the Court, among other things:
 - a) extended the Stay Period to and including July 31, 2026;
 - b) increased authorized borrowing under the Interim Financing Facility to \$1,000,000;
 - c) added Symphony Wayburne as a “Petitioner” or “Debtor” in the CCAA Proceedings; and
 - d) clarified that, notwithstanding the Monitor's banking authority, the Monitor would not use or transfer funds held in Symphony Wayburne’s accounts (other than the *Builders Lien Act* holdback account) unless and until the ownership and permitted use of those funds was determined by agreement of the parties or further order of the Court.
- 5. A further hearing in the CCAA Proceedings is scheduled for July 29, 2026. The Monitor understands that at this hearing, KingSett intends to seek an order (the “**Enhanced Monitor Order**”), among other things:
 - a) granting the Monitor enhanced powers to manage and control the business and affairs of the Debtors (now including Symphony Wayburne pursuant to the terms of the ARIO);
 - b) authorizing the Monitor to pay certain pre-filing amounts owed to critical suppliers of the Debtors; and
 - c) extending the Stay Period to and including September 11, 2026.

1.1 Purposes of this Second Report

1. The purposes of this report (the “**Second Report**”) are to:
 - a) detail the Monitor’s findings and concerns in relation to the Debtors since the granting of the ARIO;
 - b) provide the Monitor’s recommendations regarding the relief sought by KingSett at the upcoming hearing;
 - c) report on the Debtors’ updated cash flow projection for the period commencing on July 27, 2026 and ending on September 13, 2026 (the “**Cash Flow Forecast**”); and
 - d) provide the Court with an update on the Monitor’s activities.

1.2 Restrictions

1. In preparing this Second Report, the Monitor has relied upon the Debtors’ audited and unaudited financial information, the books and records of the Debtors and discussions with the Debtors’ representatives and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Second Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Second Report is based upon the Debtors’ assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

1.3 Currency

1. Unless otherwise noted, all currency references in this Second Report are in Canadian Dollars.

2.0 Executive Summary

1. Since its appointment, the Monitor has undertaken a review of the Debtors' financial affairs, banking arrangements, construction activities, pre-sale program and corporate records. Through that review, the Monitor has identified a number of significant concerns regarding the management of the Project, the reliability of information provided to the Monitor and compliance with the Court's orders. The Monitor's principal findings are summarized below and discussed in greater detail throughout this Second Report.
 - **Conflicting Bank Statements and Holdback Account Irregularities:** The Monitor received a bank statement from the Debtors for an account represented to be the Project's construction holdback account maintained under the *Builders Lien Act* (the "**Holdback Account**"). The Monitor subsequently obtained a bank statement directly from The Toronto Dominion Bank ("**TD**") for the same account, which materially differed from the statement previously provided by the Debtors. In particular, the statement provided by the Debtors reflected a balance of approximately \$1.228 million as at June 30, 2026, whereas the statement provided directly by TD reflected an overdraft balance of (\$39.50) on the same date and no transaction history consistent with the statement provided by the Debtors. Further, funds subsequently remitted to the Monitor as purported holdback funds were not transferred from that account, but instead were routed through the bank account of Symphony Syndicate Corporation ("**Symphony Syndicate**"), a non-petitioner entity, before being remitted to the Monitor. Despite repeated requests, the Monitor has not received a satisfactory explanation for these discrepancies and continues to investigate these matters.
 - **Withdrawal of the Debtors' Counsel:** Shortly after the Monitor raised the conflicting bank statements and related banking irregularities with the Debtors' counsel, McEwan Partners, and requested an explanation from the Debtors, McEwan Partners responded stating "McEwan Partners has advised the Petitioners that it is withdrawing as their counsel so I'm afraid the Monitor will have to follow up with them directly on this". As of the date of this Second Report, the Monitor has not received an explanation reconciling the conflicting bank statements or the source of the holdback funds.
 - **Apparent Non-Compliance with the ARIO:** Based on its review of the Debtors' banking records provided by TD, the Monitor identified numerous disbursements that appear to exceed the approval thresholds established by the ARIO. These disbursements were made without the Monitor's knowledge or approval, notwithstanding the ARIO requires Monitor approval for disbursements and purchase commitments exceeding \$10,000 in any single transaction or \$25,000 in the aggregate.

- Material Deposit Deficiencies and Concerns Regarding the Presale Program:** The Monitor identified an apparent material shortfall in pre-sale purchaser deposits relating to the Project. While executed pre-sale agreements require aggregate purchaser deposits of approximately \$4.2 million, only approximately \$2.8 million is currently held in trust, resulting in an apparent deposit shortfall of approximately \$1.4 million. The Monitor also identified numerous purchasers who paid only nominal deposits of \$10,000 despite substantially larger contractual deposit obligations. The Debtors subsequently advised that additional deposits were not yet due, a position that appears inconsistent with the executed presale agreements reviewed by the Monitor. The Monitor has also identified a discrepancy between the number of pre-sales previously reported by the Debtors to KingSett (28) and the number currently reported (26), for which the Monitor has not received any explanation. Furthermore, the Monitor is reviewing a number of transactions involving purchasers with apparent relationships to the Debtors. The Monitor has significant concerns regarding the collectability of outstanding purchaser deposits and the ability of certain pre-sale transactions to close. Should a material number of these transactions fail to complete, the value of the Project could be materially impaired. The Monitor is also reviewing the circumstances surrounding these transactions, including whether the presale requirements supporting the Project's construction financing were satisfied.
- Lack of Timely Information and Cooperation:** Since its appointment, the Monitor has experienced persistent delays in obtaining information, financial records and responses to its diligence requests from the Debtors. Numerous requests remain outstanding despite repeated follow-up by the Monitor. These delays have materially hindered the Monitor's ability to carry out its statutory duties, assess the Debtors' affairs and advance the restructuring process.
- Independent Project Review:** The Monitor has reviewed an independent project assessment prepared for KingSett by BTY Group ("BTY"), the independent quantity surveyor and project monitor retained in connection with the Project's construction financing, which identified numerous longstanding concerns regarding the management of the Project. Among other things, BTY identified repeated and significant budget increases, persistent schedule delays, inconsistent reporting, delayed disclosure of material cost increases and change orders, apparent deficiencies in the maintenance of the Holdback Account, concerns regarding the reliability of financial information provided by the Debtors and a material increase in the estimated cost to complete the Project. BTY also concluded that "there is no certainty that the accuracy of the Borrower's information can be

wholly relied upon subsequently" and that the Project's remaining costs were likely understated.

2. Taken together, these matters raise serious concerns regarding the integrity of the Debtors' financial reporting, governance and appreciation for the necessity to comply with the Court's orders, and, more pointedly, have significantly undermined the Monitor's confidence in the information provided by the Debtors to both the Monitor and the Court.
3. The Monitor believes the foregoing matters demonstrate a pattern of significant governance, financial reporting and operational deficiencies that have materially impaired the Monitor's ability to effectively oversee these CCAA Proceedings. For the reasons set out in this Second Report, the Monitor believes that the Enhanced Monitor Order is necessary and appropriate to strengthen governance and financial oversight, preserve and maximize the value of the Project, facilitate its orderly completion, and protect the interests of the Debtors' stakeholders.

3.0 Background

3.1 The Debtors

1. The Debtors are part of a broader group of development companies known as the Symphony Homes Group (collectively, the "**Symphony Homes Group**"), which is a real estate developer with its head office in Burnaby, British Columbia.
2. Each of the Debtors is incorporated under the laws of British Columbia. The Nominee holds legal title to the lands municipally known as 3588 Wayburne Drive, Burnaby, British Columbia (the "**Lands**") on which the Project is being developed. The Nominee holds legal title to the Lands as nominee, agent and bare trustee for the benefit of the Beneficial Owners.
3. Gurdeep Singh Kainth ("**Gurdeep**") is the sole director and shareholder of the Nominee. Gurdeep is also the director of Symphony Syndicate, which owns all of the issued and outstanding shares of 062.
4. The Corporate Guarantor is an entity controlled directly or indirectly by Gurmel Kainth ("**Gurmel**"), the sole director and shareholder of 386 and 030, and the father of Gurdeep.
5. Each of the Corporate Guarantors, Gurdeep and Gurmel is a guarantor of the obligations of the Nominee, 062, 386 and 030 (collectively, the "**Borrowers**") under the Credit Facilities (as defined below).
6. Symphony Wayburne is a contracting party to many of the Project's construction contracts. In addition, Symphony Wayburne holds bank accounts at TD that are used in connection with the business of the Debtors and the Project. The role of Symphony Wayburne was not fully disclosed at the time of the Initial Order.

3.2 The Project

1. The Project is intended to be a 130-unit townhouse development located in Burnaby, British Columbia, with 90 for-sale townhomes and 40 rental townhomes.
2. Construction of the Project is managed by Symphony Homes Limited, an entity within the Symphony Homes Group, pursuant to a CCDC-5B Construction Management Contract – for Services and Construction.
3. The Project was intended to be completed in two phases, with Phase 1 originally intended for 51 for-sale townhomes and 40 rental townhomes, and Phase 2 intended for 39 for-sale townhomes. As at the date of this Second Report, the Monitor understands that only the 51 for-sale townhomes in Phase 1 (referred to as “Phase 1A”) are under development, whereas construction has not commenced for the Phase 1 rental townhomes (referred to as “Phase 1B”) or the Phase 2 for-sale townhomes.
4. The Debtors’ records show that of the 51 units in Phase 1A, 26 units are subject to executed agreements of purchase and sale that have not yet closed, such that title has not transferred and the balance of the purchase price remains outstanding (the “**Sold Units**”), and 25 units remain unsold (the “**Unsold Units**”). There are no pre-sale agreements for Phase 2 units. As discussed below in Section 4.3, KingSett’s records indicate that there are two additional pre-sale agreements which are not reflected in the Debtors’ records. The Monitor is investigating this discrepancy.
5. The Debtors’ management has informed the Monitor that underground construction work for the 51 for-sale townhomes in Phase 1A is approximately 95% complete, and that Phase 1A is approximately 78% complete overall.
6. The underlying agreements of purchase and sale for the Sold Units (the “**Executed Sale Agreements**”) grant rescission rights to the purchasers if construction is not completed by May 2027. The Executed Sale Agreements provide for \$4,170,155 of total deposit funds in relation to the Sold Units (the “**Deposits**”). As of the date of this Second Report, Deposits totaling \$2,795,895 are held in trust with Dominion Law Group (“**Dominion Law**”).

3.3 The KingSett Petition

1. On June 1, 2026, KingSett filed petition materials (the “**KingSett Petition**”) seeking a creditor-led CCAA proceeding in respect of the Debtors. The materials filed in support of the KingSett Petition included evidence that:
 - a) KingSett provided the Borrowers with two credit facilities in the aggregate principal amount of \$95,300,000 (the “**Credit Facilities**”);

- b) as at May 31, 2026, the total indebtedness to KingSett under the Credit Facilities (the “**KingSett Indebtedness**”) was approximately \$59.6 million, all of which is immediately due and owing pursuant to various defaults under the Credit Facilities; and
- c) KingSett had lost confidence in the Debtors due to (among other things) the “apparent” misuse of trust funds held by the Debtors in relation to the Holdback Account.

A copy of the First Affidavit of Daniel Pollack filed on June 1, 2026, in support of the KingSett Petition, Supreme Court File No. S-264089 is attached as **Appendix “A”**.

- 2. While KingSett and the Debtors were negotiating terms for a mutually agreeable CCAA proceeding, the Court made various interim orders, including an order requiring the Petitioners to provide the Monitor with reasonably requested books, records, and bank statements to perform a reconciliation of the Holdback Account.
- 3. Ultimately, as a condition of the current Debtor-led CCAA Proceedings, the Monitor was granted expanded powers under the Initial Order and the ARIO to “monitor, operate and control all of the Debtors’ existing accounts at any financial institution”. The expanded banking powers were sought because of concerns regarding the administration of project funds, including the Holdback Account, and were intended to provide the Monitor with oversight of the Debtors’ cash management during the CCAA Proceedings.
- 4. As described in greater detail below, since its appointment, the Monitor has undertaken an extensive review of the Debtors’ banking arrangements, financial records, purchaser deposits and construction activities. That review has identified a number of significant concerns regarding the Debtors’ governance, financial reporting and compliance with the Initial Order and the ARIO, which form the basis of the relief sought at the July 29, 2026 hearing.

4.0 The Monitor’s Findings and Concerns

- 1. Pursuant to its mandate under the Initial Order and the ARIO, the Monitor has worked since the Filing Date to request and gather information from the Debtors, understand the current needs and priorities for the Project, and stabilize the Debtors’ operations and management. This work has revealed a number of significant concerns, detailed below.

4.1 Bank Account Discrepancies

1. Pursuant to the ARIO, the Monitor was authorized to monitor, operate and control the Petitioners' bank accounts. Immediately following the granting of the ARIO, the Monitor requested that all funds held in the Petitioners' bank accounts, including the Holdback Account, be transferred to bank accounts under the Monitor's control in accordance with the terms of the ARIO.
2. On June 30, 2026, the Debtors advised the Monitor that TD had requested an in-person meeting regarding the Debtors' bank accounts and that they intended to arrange for the transfer of the account balances to the Monitor following that meeting. The Monitor requested to participate in the meeting, however, Gurdeep advised that TD had requested an in-person meeting and subsequently ignored the Monitor's requests to attend virtually.
3. Following the meeting, the Debtors advised the Monitor that TD had identified several purportedly unauthorized transfers involving the bank accounts and that TD wished to investigate those transactions before permitting the transfer of funds to the Monitor.
4. Despite repeated follow-up by the Monitor, the Debtors did not provide the Monitor with access to the bank accounts or complete banking information. In correspondence dated July 6, 2026, counsel to the Debtors, McEwan Partners, confirmed that the Debtors recognized the Monitor's authority under the ARIO to operate and control the Debtors' bank accounts, but advised that TD had frozen the accounts while it reviewed the alleged banking irregularities. McEwan Partners further advised that the Debtors would ensure the Monitor was included in all future communications with TD concerning the accounts.
5. Given the continued delays in obtaining banking information and control of the accounts, the Monitor contacted TD directly. On July 10, 2026, counsel to TD provided the Monitor with account statements for accounts held by Symphony Wayburne and the Corporate Guarantor.
6. During its review of those statements, the Monitor discovered that the account statement provided directly by TD for Symphony Wayburne account number ending 0043 (the "**043 Account**"), which was purported by the Debtors to be the account containing the *Builders Lien Act* holdback funds, materially differed from the account statement previously provided by the Debtors for the same account.
7. The Debtors had previously provided the Monitor with a bank statement for the 043 Account showing a balance of \$1,228,086.21 as at June 30, 2026. An excerpt from the bank statement provided by the Debtors is reproduced below for ease of reference.



SURREY, NEWTON
13650 72 AVE
SURREY, BC V3W 2P3

TD Canada Trust

Tel: 1-866-222-3456
TTY: 1-800-361-1180

TDCDA71400_5171438_003 E R 00547 03846

SYMPHONY HOMES (WAYBURNE) LTD.
5648 IMPERIAL ST
BURNABY BC V5J 1E9

Statement of Account		Account Type	Statement from - To	
Branch No.	Account No.		MAY 29/26 - JUN 30/26	
0547	8399-5320043	BUSINESS CHEQUING ACCOUNT - CAD BASIC	Page 1 of 1	
DESCRIPTION	CHEQUE/DEBIT	DEPOSIT/CREDIT	DATE	BALANCE
BALANCE FORWARD			MAY29	1,227,958.06
E-TRANSFER ***jt8		110.15	JUN08	
E-TRANSFER ***Keq		25.00	JUN08	1,228,093.21
MONTHLY PLAN FEE	7.00		JUN30	1,228,086.21
0 CHQS ENCLOSED NEXT STATEMENT DATE IS JUL 31/26				
MONTHLY AVER. CR. BAL.		\$1,228,061.44	No.	Amount
MONTHLY MIN. BAL.		\$1,227,958.06	Credits 2	135.15
DEP CONTENT- CASH 0	ITEMS 4	UNC BATCH 0	Debits 1	7.00

5171438_003 - 0023846 008076

8. A copy of the 043 Account statement provided by the Debtors is attached as **Appendix "B"**.
9. By contrast, the account statement obtained directly from TD for the same account reflected an overdraft balance as at June 30, 2026. Further, the TD records do not disclose any significant deposits immediately before or after June 30, 2026, and indicate that the balance of the 043 Account never exceeded approximately \$20,000.



TD Canada Trust

SYMPHONY HOMES (WAYBURNE) LTD.
5648 IMPERIAL ST
BURNABY BC V5J 1E9 CAN

ACCOUNT NUMBER: 5320043
BRANCH #: 547
FROM DATE: 2025-06-01
TO DATE: 2026-07-09

Transaction Description	Withdrawal Amount	Deposit Amount	Date	Balance
OPEN ACCOUNT		\$0.00	01/09/2026	\$0.00
JX052 TFR-FR 5299141		\$20,000.00	01/09/2026	\$20,000.00
UW005 TFR-TO 5299141	\$1,000.00		01/12/2026	\$19,000.00
CAD DRAFT 13190815	\$209.95		01/23/2026	\$18,790.05
CAD DRAFT 13190820	\$10,009.95		01/26/2026	\$8,780.10
MONTHLY PLAN FEE	\$28.93		01/30/2026	\$8,751.17
HJ530 TFR-TO 5299141	\$5,082.55		02/04/2026	\$3,668.62
JW590 TFR-TO 5299141	\$1,000.00		02/13/2026	\$2,668.62
UL375 TFR-TO 5261616	\$2,500.00		02/17/2026	\$168.62
TO:05475299141	\$68.62		02/27/2026	\$100.00
MONTHLY PLAN FEE	\$39.00		02/27/2026	\$61.00
MONTHLY PLAN FEE	\$39.00		03/31/2026	\$22.00
MONTHLY PLAN FEE	\$39.00		04/30/2026	-\$17.00
OVERDRAFT INTEREST	\$0.01		04/30/2026	-\$17.01
FRM:05475299141		\$17.01	05/28/2026	\$0.00
MONTHLY PLAN FEE	\$39.00		05/29/2026	-\$39.00
OVERDRAFT INTEREST	\$0.33		05/29/2026	-\$39.33
FRM:05475299141		\$39.33	06/22/2026	\$0.00
MONTHLY PLAN FEE	\$39.00		06/30/2026	-\$39.00
OVERDRAFT INTEREST	\$0.50		06/30/2026	-\$39.50
COLLECTION ITEM		\$78.57	07/06/2026	\$39.07
OVERDRAFT INTEREST	\$0.07		07/06/2026	\$39.00
MONTHLY PLAN FEE	\$39.00		07/06/2026	\$0.00
CLOSE ACCOUNT	\$0.00		07/06/2026	\$0.00

5. A copy of the account statement obtained directly from TD is attached as **Appendix "C"**.
6. On July 10, 2026, the Debtors transferred funds to the Monitor which they represented to be the *Builders Lien Act* holdback funds (the "**Holdback Wire**"). However, the Holdback Wire was not remitted from the 043 Account. Rather, the funds were received from a bank account belonging to Symphony Syndicate, a non-Petitioner affiliate entity of which Gurdeep is a Director.
7. When questioned by the Monitor regarding the source of the Holdback Wire, the Debtors advised that the transfer was merely a "routing step" and that they had "moved the holdback funds through the Symphony Syndicate Corporation account and wired them to the Monitor from there."

8. On July 13, 2026, the Monitor and its counsel held an urgent call with counsel to the Debtors during which they raised the conflicting bank statements and the Holdback Wire and requested an explanation from the Debtors that same day. No explanation was provided. On July 14, 2026, counsel to the Monitor was advised that McEwan Partners had withdrawn as counsel to the Debtors.
9. The Monitor has continued to pursue this matter with TD. While TD has advised that it is reviewing the circumstances surrounding the conflicting account statements, it has not yet provided an explanation.
10. The existence of two materially different bank statements for the same TD account, coupled with the routing of the purported *Builders Lien Act* holdback funds through the bank account of a non-petitioner entity, raises serious concerns regarding the integrity of the Debtors' banking records and financial reporting. Despite repeated requests, neither the Debtors nor TD has, as of the date of this Second Report, provided an explanation reconciling these discrepancies. The Monitor continues to investigate these matters.

4.2 Disbursement Thresholds Exceeded

1. Pursuant to paragraph 24(b) of the ARIO, the Monitor's approval is required for all disbursements and purchase commitments exceeding \$10,000 in any one transaction or \$25,000 in the aggregate (the "**Disbursement Threshold**").
2. The Monitor is also the court-appointed Monitor of 663466 B.C. Ltd. (the Corporate Guarantor). The Disbursement Threshold applies to the Corporate Guarantor and, accordingly, the Monitor requested and obtained bank statements directly from TD in respect of the Corporate Guarantor's bank accounts.
3. The Monitor's review of the TD statements identified numerous transactions that exceeded the Disbursement Threshold. These transactions were processed without the knowledge or approval of the Monitor, notwithstanding the requirements of the ARIO.
4. By way of example, the TD records reflect a transfer of \$150,000 on June 29, 2026, following the granting of the Initial Order. The Monitor was neither advised of nor requested to approve this transaction prior to it being processed. An excerpt from the applicable bank statement is reproduced below for ease of reference.



TD Canada Trust

663466 B.C. LTD
6188 BUCKINGHAM DRIVE
BURNABY BC V5E 2A4 CAN

ACCOUNT NUMBER: 5011104
BRANCH #: 9529
FROM DATE: 2025-06-01
TO DATE: 2026-07-09

Document was last saved

Transaction Description	Withdrawal Amount	Deposit Amount	Date	Balance
GC 3455-TRANSFER	\$100,000.00		06/10/2026	-\$511,175.73
NWEST UTIL L8K3Q8	\$201.80		06/12/2026	-\$511,377.53
NWEST ELEC L8K3R4	\$76.97		06/12/2026	-\$511,454.50
NWEST ELEC L8K3R6	\$77.01		06/12/2026	-\$511,531.51
NWEST UTIL L8K3R8	\$578.59		06/12/2026	-\$512,110.10
NWEST ELEC L8K3U3	\$62.86		06/12/2026	-\$512,172.96
CHQ#00267-4142086458	\$2,500.00		06/12/2026	-\$514,672.96
RH452 TFR-FR 236R35E		\$100,000.00	06/15/2026	-\$414,672.96
TRANSFER	\$100,000.00		06/16/2026	-\$514,672.96
HW050 TFR-FR 236R35E		\$200,000.00	06/24/2026	-\$314,672.96
TRANSFER	\$200,000.00		06/24/2026	-\$514,672.96
JU393 TFR-FR 236R35E		\$42,000.00	06/26/2026	-\$472,672.96
E-TRANSFER ***atx		\$2,100.00	06/29/2026	-\$470,572.96
RQ551 TFR-FR 236R35E		\$78,000.00	06/29/2026	-\$392,572.96
RL574 TFR-FR 236R35E		\$30,000.00	06/29/2026	-\$362,572.96
TRANSFER	\$150,000.00		06/29/2026	-\$512,572.96
DEPOSIT		\$1,058.50	06/29/2026	-\$511,514.46
DEPOSIT		\$992.49	06/29/2026	-\$510,521.97
DEPOSIT		\$1,086.75	06/29/2026	-\$509,435.22
CHQ#00261-1142887152	\$10,000.00		06/29/2026	-\$519,435.22
MONTHLY PLAN FEE	\$19.00		06/30/2026	-\$519,454.22
SERVICE CHARGE	\$6.25		06/30/2026	-\$519,460.47
OVERDRAFT INTEREST	\$2,374.07		06/30/2026	-\$521,834.54
E-TRANSFER ***Crv		\$1,005.28	07/02/2026	-\$520,829.26
DEPOSIT		\$4,500.00	07/02/2026	-\$516,329.26
E-TRANSFER ***fSm		\$600.00	07/03/2026	-\$515,729.26

5. The Monitor has identified several additional transactions that appear to exceed the Disbursement Threshold without the Monitor's prior knowledge or approval. The Monitor is continuing to review these transactions and the circumstances surrounding them, including whether they were authorized and whether they complied with the terms of the Initial Order and the ARIIO.

4.3 Missing Sales and Deficient Deposits for the Sold Units

1. As part of its review of the Project and the Debtors' financial affairs, the Monitor sought to reconcile the Deposits required under the Executed Sale Agreements with the Deposits actually held in trust.

2. Beginning on July 8, 2026, the Monitor requested that the Debtors provide a complete reconciliation of the Deposits and explain any shortfalls, including any steps taken to remediate any such shortfalls. Despite repeated requests, the Debtors failed to provide the requested information.
3. As a result, the Monitor obtained the trust ledger for Deposits directly from Dominion Law, the law firm holding the Deposits in trust.
4. The Monitor compared the trust ledger obtained from Dominion Law against the Executed Sale Agreements contained in the electronic data room established by the Debtors. Based on that review, the Monitor observed that the Executed Sale Agreements appeared to require aggregate purchaser deposits of approximately \$4,170,155, whereas the trust ledger reflected deposits of only approximately \$2,795,895, resulting in an apparent shortfall of approximately \$1,374,260.
5. The Monitor also observed that a number of purchasers had paid deposits of only \$10,000, notwithstanding that the Executed Sale Agreements contained in the data room appeared to require substantially larger deposits. In addition, the Monitor noted that one purchaser appeared to share a surname with an employee of the Symphony Homes Group, raising questions as to whether certain transactions involved related parties.
6. The Monitor repeatedly requested that the Debtors explain these apparent discrepancies. After receiving no substantive response, the Monitor escalated the issue by email on July 13, 2026, advising the Debtors that the matter was critical and required an immediate response.
7. Following those inquiries, the Debtors provided the Monitor with a purchaser deposit reconciliation and advised that certain Executed Sale Agreements had required staged deposits. According to the Debtors, those purchasers were only required to pay an initial deposit of \$10,000, with additional deposits becoming payable upon the occurrence of specified construction milestones, including when the applicable unit was ready for painting and upon issuance of a completion notice.
8. The Debtors also advised that two purchasers had relationships with the Project, namely:
 - a) the purchaser of Unit B1G2 is the sister of Gurdeep; and
 - b) the purchaser of Unit B3C4 is the spouse of a senior Symphony Homes Group employee.

9. The Monitor is continuing to review the purchaser deposit reconciliation, the Executed Sale Agreements and the related deposit addenda to determine whether the deposits presently held in trust are consistent with the contractual obligations of each purchaser. The Monitor is also reviewing the circumstances surrounding the identified related-party transactions and whether any additional related-party transactions exist. The Monitor has requested that the Debtors provide the deposit addenda reflecting the alleged construction milestones, as those milestones appear to be inconsistent with the Executed Sale Agreements previously provided to the Monitor.
10. The Monitor is also concerned that, where purchasers have only paid an initial deposit of \$10,000, those purchasers have relatively little capital at risk should they elect not to complete their purchases. Given the decline in the residential real estate market since many of the Executed Sale Agreements were entered into, the Monitor believes there is a material risk that the current market value of certain units may be below their original purchase prices. If purchasers elect not to complete their purchases, the Project may be required to remarket those units at lower prices, which could materially reduce the value of the Project and the recoveries available to stakeholders.
11. The Monitor understands that satisfying prescribed presale requirements was a fundamental condition to obtaining the Project's construction financing from KingSett. Accordingly, the completeness and enforceability of the Project's presale program, the collectability of purchaser deposits, the likelihood that purchasers will complete their transactions and the existence of any related-party transactions are matters of material importance to the secured lenders and these CCAA Proceedings.
12. In addition to the deficient Deposits, the Monitor was advised by KingSett that its records indicated 28 Executed Sale Agreements as the Debtors provided KingSett with copies of two additional Executed Sale Agreements in October 2025 for units B5G1 and B5C2 (together, the "**Missing Sales**"). However, the sales and deposit ledgers provided to the Monitor by the Debtors and Dominion Law do not include these two sales.
13. Beginning on July 8, 2026, the Monitor requested that the Debtors provide an explanation for the Missing Sales. As of the date of this Second Report, the Monitor has not received any information from the Debtors on the Missing Sales.
14. The Monitor remains concerned that it has been unable to independently verify the completeness of the Project's presale program. Until the Missing Sales, purchaser deposits and related-party transactions have been fully reconciled, the Monitor is unable to conclude that the Project's presale records are complete or that the purchaser deposits comply with the applicable contractual requirements.

4.4 Ignored Information Requests and Delayed Responses

1. Since the Filing Date, the Monitor has made frequent written and oral requests for critical business, banking, and other information from the Debtors. Responses to these requests have been significantly delayed, and many requests have been ignored.
 - a) The Monitor made requests pursuant to the Initial Order and the ARIO for bank account information and access from the Debtors on June 18, 20, 22, 23, 26, 28, 29, and 30, 2026. The Debtors failed to deliver this information and access despite these requests.
 - b) In response, the Monitor instructed its counsel to begin making formal demands. The Monitor's counsel sent letters to the Debtor's counsel on July 1, 2, 3, and 8, 2026, requesting the required bank account information and access, and following up on Monitor's other requests for information.
 - c) The Debtors and their counsel responded to some requests, but most remain outstanding. On July 8, 2026, counsel to the Monitor provided counsel to the Debtors with a request tracking table showing the status of information requests (the "**Open Asks Register**"). The Open Asks Register seeks to assist the Debtors with managing volume by assigning priority levels to individual requests from "very high" to "low".
2. As of the date of this Second Report, virtually all 42 outstanding requests in the Open Asks Register remain unresolved, including 27 requests designated as "very high" or "high" priority. In the limited instances where the Monitor has received responses from the Debtors, the information provided has been fragmented, incomplete, or has given rise to follow-up questions that remain unanswered. A copy of the current Open Asks Register is attached hereto as **Appendix "D"**.
3. The Monitor is concerned that by delaying or refusing to share critical information, the Debtors are obstructing the Monitor from performing its duties, including its duty to "monitor, operate and control" bank accounts and its ability to complete its assessment of the feasibility of the Project.
4. The Monitor believes that the Debtors' repeated failure to respond to information requests in a timely and complete manner has materially impeded the Monitor's ability to carry out its statutory duties and the expanded responsibilities conferred by the Initial Order and the ARIO. In the Monitor's view, enhanced governance and oversight are required to ensure that the Monitor can obtain timely access to the information necessary to administer these CCAA Proceedings.

4.5 BTY Project Review Letter

1. During the course of these proceedings, KingSett provided the Monitor with a Project Review Letter dated July 21, 2026 prepared by BTY, the independent quantity surveyor and project monitor retained in connection with the Project's construction financing (the "**BTY Report**"). A copy of the BTY Report is attached to the First Affidavit of Daniel Pollack filed in these CCAA Proceedings.
2. The BTY Report summarizes BTY's observations throughout the construction period and identifies numerous concerns regarding the management, budgeting and progress of the Project. Among other things, BTY reports that:
 - o the Project experienced significant and repeated budget increases;
 - o construction schedules were consistently delayed and repeatedly revised, with previously forecast completion dates proving unrealistic;
 - o the Borrowers failed to provide timely notice of change orders and other material cost increases;
 - o project budgets were repeatedly revised and reallocated between Phase 1 and Phase 2;
 - o the Project continued to incur substantial carrying costs while construction progress had effectively stalled; and
 - o the Borrowers' holdback account did not appear to have been maintained in accordance with the requirements of the Builders Lien Act.
3. BTY further advised KingSett that:
 - o the Phase 1 cost to complete had increased from approximately \$19.96 million to approximately \$23.78 million, representing a further increase of approximately \$3.8 million, while noting that the revised budget likely remained understated because certain completed work had not yet been captured;
 - o the overall Project Budget may ultimately increase to between approximately \$135 million and \$140 million; and
 - o anticipated project costs were more likely to increase than decrease given the Project's continuing challenges.

4. Of particular significance, BTY concluded that:

"Based on the numerous budget and schedule adjustments to date there is no certainty that the accuracy of the Borrower's information can be wholly relied upon subsequently."

5. The Monitor notes that many of the concerns identified by BTY are consistent with issues independently identified by the Monitor since its appointment, including escalating completion costs, repeated construction delays, deficiencies in project reporting, concerns regarding the Holdback Account and the deteriorating financial position of the Project. The BTY Report provides evidence that the independent project consultant had identified significant concerns regarding the Project before the commencement of these CCAA Proceedings, including concerns regarding the reliability of the Borrowers' reporting.

5.0 Enhanced Monitor Powers

1. KingSett's proposed Enhanced Monitor Order seeks to provide the Monitor with the authority to exercise any powers the Monitor deems appropriate which may be properly exercised by the board of directors or any officers of the Debtors, on behalf of and in the name of the Debtors (collectively, the "**Enhanced Powers**").
2. The Monitor believes that the Enhanced Powers are necessary and appropriate having regard to the findings and concerns detailed in this Second Report, including:
 - a) challenges obtaining critical information from the Debtors and the largely outstanding Open Asks Register;
 - b) concerns regarding the banking issues, including the irregularities identified with the 043 Account and the Holdback Wire;
 - c) withdrawal of the Debtors' counsel;
 - d) the Deposit Shortfall and other issues regarding the maintenance of Deposits;
 - e) the apparent Missing Sales;
 - f) the Debtors' non-compliance with the ARIO; and
 - g) concerns regarding the reliability of information provided by the Debtors.

3. Taken together, the issues identified above demonstrate significant concerns regarding the Debtors' governance, financial reporting, compliance with the Court's orders and the Monitor's ability to oversee these CCAA Proceedings. The Monitor believes that these concerns materially increase the risk that the Project will not be completed on schedule or within budget, thereby increasing the risk of a shortfall to secured creditors.
4. The Project is at a critical stage. Construction must recommence imminently to complete the Sold Units by May 2027 as required under the Executed Sale Agreements. The Monitor believes the Enhanced Powers are a reasonable measure to stabilize management and operations, secure the trust of the Interim Lender, and oversee the completion of the Project for the benefit of all stakeholders.
5. For the foregoing reasons, the Monitor respectfully recommends that the Court grant the Enhanced Monitor Order substantially in the form requested by KingSett. In the Monitor's view, the requested relief is appropriate in the circumstances, is responsive to the concerns identified in this Second Report, and is necessary to maximize the prospects of completing the Project for the benefit of the Debtors' stakeholders.

6.0 Payments to Critical Suppliers

1. KingSett is seeking a provision in the Enhanced Monitor Order permitting the Debtors, under the supervision and control of the Monitor, to make payments to certain suppliers integral to the Project in respect of obligations arising prior to the commencement of these CCAA proceedings, up to a maximum of \$500,000 in the aggregate.
2. In determining whether to pay a pre-filing amount, the Monitor will consider, among other factors, whether:
 - a) the supplier or service provider is considered critical to the Project being developed by the Debtors and whether the payment is required to ensure ongoing supply of products or services;
 - b) making the proposed payment will preserve, protect or enhance the value of the Debtors' property or business;
 - c) making the proposed payment is required to address any regulatory concerns; and
 - d) the proposed payment is expected to result in a net benefit to the estate and its stakeholders.

3. The Monitor is familiar with provisions of orders under the CCAA permitting the debtor company to pay specific pre-filing obligations, where appropriate. In the Monitor's view, such payments should be a limited exception to the general rule prohibiting payment of pre-filing obligations. However, it is also recognized that in certain unique instances, such payments to specific post-filing suppliers are required. The Monitor is aware of the Debtors' reliance on certain suppliers in order to continue to develop the Project in an efficient and cost-effective manner.
4. For the foregoing reasons, the Monitor is supportive of KingSett's request for the inclusion of a provision authorizing it to pay certain pre-filing obligations up to a maximum of \$500,000 in the aggregate. The Monitor will review each payment in accordance with the foregoing criteria prior to making such payment, with a view to ensuring that payments to suppliers in respect of pre-filing liabilities are limited to the extent reasonably necessary.

7.0 Cash Flow Forecast

1. The Monitor has prepared the Cash Flow Forecast for the period from July 27, 2026 to September 13, 2026, to align with the request for an extension of the Stay Period. The Cash Flow Forecast is attached as **Appendix "E"**.
2. A summary of the Cash Flow Forecast is provided below:

(unaudited; \$000s)		July 27 to September 13, 2026
Receipts		-
Disbursements		
Site security and maintenance		(90)
Other project costs		(85)
Property taxes		(118)
Insurance		(44)
Contingency		(175)
DIP Fees		(14)
Professional fees		(300)
Total disbursements		(826)
Net cash flow		(826)
Opening cash balance		12
Net cash flow		(826)
DIP Advances		1,000
Closing cash balance		186

3. The Cash Flow Forecast indicates that the Debtors will have sufficient liquidity to fund operations during the proposed Stay Period, subject to having availability under the Interim Financing Facility.

4. Based on the Monitor's review of the Cash Flow Forecast, the assumptions appear reasonable. The Monitor's statutory report on the Cash Flow Forecast is attached as **Appendix "F"**. Given this is a creditor-driven motion, management was not involved in preparing the Cash Flow Forecast and, accordingly, the statutorily required comments by management on the Cash Flow Forecast have not been included

8.0 Stay Extension

1. Pursuant to the ARIO, the Court granted a Stay of Proceedings to and including July 31, 2026. KingSett is requesting an extension of the Stay of Proceedings to and including September 11, 2026.
2. In its First Report to Court dated June 26, 2026, the Monitor advised that the Interim Lender was not prepared to advance construction financing in the absence of updated construction budgets and a comprehensive reassessment of the Project budget and execution plan, given that the Project has been largely inactive since Q4 2025. The Debtors requested a short stay extension to, among other things, re-engage the Project cost consultant to prepare an updated budget that reflects current market conditions, construction costs, and the status of the partially completed works.
3. Due to the concerns raised in Section 4 of this Second Report, including with respect to the untimeliness, inconsistency and unreliability of the information provided by the Debtors, the updated Project budgets and assessments remain outstanding.
4. Should the Enhanced Monitor Order be granted, the Monitor believes that extending the Stay Period to and including September 11, 2026 provides sufficient time for the Monitor to, among other things: (i) facilitate the completion of the updated construction budgets; and (ii) assist with the preparation of a comprehensive remobilization strategy which includes re-engaging with key trades and consultants, assessing site conditions, and developing a practical and costed remobilization plan.
5. The Monitor recommends that the Stay Period be extended to September 11, 2026, for the following reasons:
 - a) the Monitor does not believe that any creditor will be materially prejudiced by the proposed extension of the Stay Period;
 - b) additional time is required to prepare and evaluate the Project construction budgets and mobilization plan;
 - c) the Cash Flow Forecast shows that the Debtors have sufficient liquidity to fund their operations and expenses in these CCAA proceedings through the proposed extended Stay Period;

- d) KingSett, both in its capacities as the Debtors' senior secured creditor and Interim Lender, supports the proposed extension of the Stay Period;
- e) as of the date of this Second Report, the Monitor is not aware of any party opposed to the extension of the Stay Period.

9.0 Monitor's Activities

1. Since the Filing Date, the Monitor has, among other things:
 - a) corresponded with the Debtors' legal counsel, the Debtors' management team, KingSett's counsel and its own legal counsel regarding all aspects of these CCAA proceedings;
 - b) engaged in discussions with the Debtors' management team, the Interim Lender and certain Project consultants regarding the steps to complete a Project construction budget and remobilization plan;
 - c) requested and obtained business, banking, and Project information from the Debtors and third parties;
 - d) reviewed information received from the Debtors and third parties to inform the summary of findings detailed in this Second Report;
 - e) prepared the Cash Flow Forecast and reviewed the underlying assumptions;
 - f) reviewed and commented on KingSett's materials filed in support of the Enhanced Powers Order;
 - g) responded to service list addition requests; and
 - h) prepared this Second Report.

10.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully requests that this Honourable Court grant the Enhanced Powers Order.

* * *

All of which is respectfully submitted,

AlixPartners Restructuring, Inc.

**ALIXPARTNERS RESTRUCTURING, INC.,
IN ITS CAPACITY AS MONITOR OF
SYMPHONY HOMES (MOONLIGHT SONATA) LIMITED,
1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD., SYMPHONY HOMES
(WAYBURNE) LTD., AND 663466 B.C. LTD. AND NOT IN ITS PERSONAL
CAPACITY**

Appendix “A”

This is the 1st Affidavit
of Daniel Pollack in this case
and was made on May 29, 2026

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

SYMPHONY HOMES (MOONLIGHT SONATA) LIMITED,
1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD.,
and 663466 B.C. LTD.

RESPONDENTS

AFFIDAVIT

I, Daniel Pollack, of the City of Toronto, in the Province of Ontario, AFFIRM THAT:

I. INTRODUCTION

1. I am an Executive Director, Loan & Portfolio Management at KingSett Capital. KingSett Mortgage Corporation (the “**Lender**”) is a subsidiary of KingSett Capital, the Petitioner in this proceeding, and as such have personal knowledge of the facts hereinafter deposed to except where stated to be on information and belief, in which case I verily believe them to be true. I am authorized to make this affidavit on behalf of the Lender.

2. I have provided the loan documents, guarantees, security documents, and other related documents referenced herein to Fasken Martineau DuMoulin LLP, as counsel to the Lender, and copies of same (other than those documents attached as exhibits to this affidavit) are attached to the first affidavit of Joey Law sworn May 29, 2026 (the “**Law Affidavit**”). I have reviewed the Law Affidavit.

3. I make this affidavit in support of a petition by the Lender for an order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended (the “**CCAA**”) in respect of Symphony Homes (Moonlight Sonata) Limited, formerly known as 1197101 B.C. Ltd. (the “**Nominee**”), 1168386 B.C. Ltd. (“**386**”), 1197030 B.C. Ltd. (“**030**”), 1197062 B.C. Ltd. (“**062**”, and together with 386 and 030, the “**Beneficial Owners**”) and 663466 B.C. Ltd. (the “**Corporate Guarantor**”, and collectively with the Nominee and the Beneficial Owners, the “**Debtors**”) that, among other things, appoints KSV Restructuring Inc. (“**KSV**”) as the monitor of the Debtors (in such capacity, the “**Monitor**”), with enhanced powers due to the Lender’s serious concerns regarding the Debtors’ management, transparency, stewardship of funds and ability to complete the Project. The form of Initial Order sought is attached as Schedule “B” to the petition to be filed in this proceeding concurrently with my affidavit.

4. As described further below, the Lender has lost confidence in the Debtors’ management as a result of, among other things: (i) ongoing payment defaults; (ii) significant cost overruns and failure to inject required equity; (iii) numerous builders liens registered against the Property (as defined below); (iv) repeated failures to provide financial information and cooperate with the Lender; and (v) what appear to be improper withdrawals and misuse of holdback trust funds for personal and non-project-related expenses.

5. In the circumstances, the Lender believes that immediate independent oversight by an experienced court officer with enhanced powers is necessary to stabilize, protect and complete the Project (as defined below) for the benefit of all stakeholders.

6. All references to currency in this affidavit are in Canadian dollars.

II. CORPORATE STRUCTURE AND MANAGEMENT

a. The Project and the Property

7. In 2024, the Nominee and the Beneficial Owners (together, the “**Borrowers**”) entered into a commitment letter with the Lender to finance the construction of a strata development containing 90 for-sale townhomes and 40 rental townhomes (the “**Project**”).

8. The Project is located on lands with a municipal address of 3588 Wayburne Drive, Burnaby, British Columbia, and legally described as:

PID: 031-982-379

Lot 1 District Lot 73 Group 1 New Westminster District Plan Epp124926

(the “**Property**”)

9. While the Property is contemplated to be a strata development, the strata plan has not yet been registered.

10. The first phase of the Project contemplated the development of 51 saleable townhomes. The Lender understands that, to date, 28 of those townhomes are subject to pre-sale agreements and 23 remain unsold. The second phase of the Project contemplates the development of the remaining 39 saleable townhomes, and 40 rental townhomes. The Borrowers did not meet the conditions precedent for funding of the second phase under the Loan Agreement (as defined below).

11. The Borrowers, as the developer, are each parties to the pre-sale purchase agreements.

12. As further described below, construction of the Project is currently stalled as a result of cost overruns and the failure of the Borrowers to inject further equity into the Project as required under the Loan Agreement (as defined below) and the Cost Overrun Agreement (as defined below) in order to pay trades and fund ongoing construction. As a result, numerous builders liens have been filed against the Property.

b. Corporate Structure of the Debtors

13. Each of the Debtors are British Columbia corporations registered under the *Business Corporations Act* (British Columbia). Copies of the corporate searches for each of the Debtors are attached to the Law Affidavit as Exhibits “A”, “B”, “C”, “D” and “E”.

14. The Nominee holds legal title to the Property in trust as bare trustee and nominee for the Beneficial Owners pursuant to an Amended and Restated Declaration of Bare Trust and Agency Agreement dated September 13, 2021, a copy of which is attached to the Law Affidavit as Exhibit “G”.

15. Gurdeep Singh Kainth (“**Gurdeep**”) is the sole director and shareholder of the Nominee. Gurdeep is also the director of Symphony Syndicate Corporation, which owns all of the issued and outstanding shares of 062.

16. Gurmel Kainth (“**Gurmel**”) is the sole director and shareholder of 386, 030 and the Corporate Guarantor.

17. A copy of an organizational chart prepared by the Borrowers and certified by their counsel on September 25, 2024 is attached to the Law Affidavit as Exhibit “F”.

III. Project Financing and Security

a. The Loan Agreement

18. The Lender agreed to provide financing pursuant to a commitment letter dated September 27, 2024, as amended by letter dated April 15, 2025 (together, the “**Loan Agreement**”). Copies of the Loan Agreement and the amending letter are attached to the Law Affidavit as Exhibits “H” and “I”, respectively.

19. Under the Loan Agreement, the Lender agreed to provide two credit facilities to the Borrowers in the aggregate principal amount of \$95,300,000 (the “**Credit Facilities**”) plus interest, fees and costs which continue to accrue, comprised of the following:

- (a) **Facility 1:** A construction loan of up to \$75,100,000 to be provided in multiple advances made available on the basis of the cost to complete the Project conditional on, among other things, the Lender receiving at least 25 Qualified Presales (as defined in the Loan Agreement) generating at least \$55,358,308 in gross sale proceeds, as follows:
 - (i) \$58,050,000, increased to \$60,000,000 upon certain conditions being met, to service the site and finance the construction of 50 of the 90 for-sale townhomes;
 - (ii) \$11,400,000, to finance the construction of the 40 rental townhomes; and

(iii) \$3,700,000 cash in lieu of a line of credit.

- (b) **Facility 2:** A construction loan of \$20,200,000 to finance the construction of the remaining for-sale townhomes conditional on, among other things, the Lender receiving at least 40 Qualified Presales generating at least \$55,358,308 gross sale proceeds.

20. The interest rate in respect of the Credit Facilities is equal to the greater of (i) the Prime Rate¹ plus 2.70% per annum, and (ii) 8.40% per annum, for the first 28 months of the term, and increasing to 15% per annum thereafter, calculated daily on the outstanding balance, and compounded and payable monthly, not in advance.

21. The Credit Facilities were due in full the earlier of (i) demand, or (ii) 29 months after the first calendar day of the month next following the date of the initial advance under the Credit Facilities. The date of the first advance under the Credit Facilities was October 2, 2024.

b. The Guarantees

22. The Borrowers' obligations under the Loan Agreement are guaranteed as follows:

- (a) a guarantee and postponement of claims provided by Gurmel and Gurdeep (together, the "**Personal Guarantors**") dated September 25, 2024, by which Gurmel and Gurdeep jointly and severally guaranteed all of the Borrowers' obligations to the Lender, unlimited in amount; and
- (b) a guarantee and postponement of claims provided by the Corporate Guarantor dated June 5, 2025, by which the Corporate Guarantor guaranteed all of the Borrower's obligations to the Lender, unlimited in amount
- (together, the "**Guarantees**").

23. Copies of the Guarantees are attached to the Law Affidavit as Exhibits "J" and "K".

¹ The Loan Agreement defines the "Prime Rate" as the interest rate per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination of interest rates charged to its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Toronto, Ontario.

c. The Security

24. The Debtors' obligations under the Loan Agreement and the Guarantees were secured by various security, including without limitation the following:

- (a) a first-ranking mortgage and assignment of rents from the Nominee in respect of the Property (the "**Project Mortgage**"). The Project Mortgage was registered in the New Westminster Land Title Office on October 1, 2024 under charge numbers CB1626214 and CB1626215. The Project Mortgage secures the principal sum of \$105,000,000. A copy of the Project Mortgage is attached to the Law Affidavit as Exhibit "L";
- (b) a beneficial mortgage (the "**Beneficial Mortgage**") pursuant to the Beneficial Mortgage and Direction to Charge dated September 25, 2024 among the Nominee, the Beneficial Owners and the Lender, by which the Beneficial Owners (a) charge their beneficial interest in the Property and the personal property relating thereto in favour of the Lender; (b) direct the Nominee as trustee to execute the Loan Agreement and various documents contemplated thereby; and (c) agree to observe and perform all of the Nominee's obligations as set out in such loan documents. A copy of the Beneficial Mortgage is attached to the Law Affidavit as Exhibit "M";
- (c) a second-ranking mortgage and assignment of rents from the Corporate Guarantor (the "**Collateral Mortgage**") with respect to lands located at 416 East Columbia Street, New Westminster, British Columbia, and legally described as PID: 001-069-551, Lot 6 Block 1 of Lots 6 to 9, 13, and 14 Suburban 2 and of Lot 13 Suburban Block 1 Plan 2620 (the "**Collateral Lands**"). The Collateral Mortgage was registered in the New Westminster Land Title Office on June 6, 2025 under charge numbers CB2089781 and CB2089782. The Collateral Mortgage secures the principal sum of \$2,750,000. A copy of the Collateral Mortgage is attached to the Law Affidavit as Exhibit "N";
- (d) a general security agreement dated September 25, 2024 granted by each of the Borrowers to the Lender, perfected by registration of a financing statement in the

B.C. Personal Property Registry (the “**PPR**”) under the British Columbia *Personal Property Security Act* (the “**PPSA**”) under base registration numbers 672963Q, by which the Borrowers granted a security interest in favour of the Lender in all present and after-acquired personal property of the Borrowers situated on, used in connection with or derived from the Project (the “**Project GSA**”). A copy of the Project GSA is attached to the Law Affidavit as Exhibit “O”;

- (e) a general security agreement dated June 5, 2025 granted by each of the Corporate Guarantor and the Personal Guarantors to the Lender, perfected by registration of a financing statement in the PPR under the PPSA under base registration number 290442R, by which the Corporate Guarantor and the Personal Guarantors each granted security interest in favour of the Lender over all present and after-acquired personal property of the Corporate Guarantor and the Personal Guarantors, (the “**Collateral GSA**”). A copy of the Collateral GSA is attached to the Law Affidavit as Exhibit “P”;
- (f) an assignment dated September 25, 2024 by the Borrowers to the Lender of all refinancing contracts and agreements of purchase and sale of units in the Project, including without limitation all deposits paid under the purchase agreements, a copy of which assignment is attached to the Law Affidavit as Exhibit “Q”;
- (g) an assignment of insurance dated September 25, 2024 granted by the Borrowers to the Lender assigning all of the Borrowers’ rights, title, and interest in all insurance policies in respect of the Property, a copy of which is attached to the Law Affidavit as Exhibit “R”.
- (h) a second-ranking assignment of insurance dated June 5, 2025 granted by the Corporate Guarantor to the Lender assigning all of the Corporate Guarantor’s rights, title, and interest in all insurance policies in respect of the Collateral Lands, a copy of which is attached to the Law Affidavit as Exhibit “S”.

- (i) a general assignment of material contracts, plans and permits dated September 25, 2024 granted by the Borrowers to the Lender with respect to the Project, a copy of which is attached to the Law Affidavit as Exhibit “T”;
- (j) a general assignment of construction contracts, plans and permits dated September 25, 2024 granted by the Borrowers to the Lender with respect to the Project, a copy of which is attached to the Law Affidavit as Exhibit “U”;
- (k) a cost overrun, debt service and construction completion agreement dated September 25, 2024 between the Borrowers, Gurdeep and Gurmel, as obligant, and the Lender, as lender (the “**Cost Overrun Agreement**”), a copy of which is attached to the Law Affidavit as Exhibit “V”;
- (l) a specific assignment of the construction management CCDC 5-A contract for the Project dated September 25, 2024 granted by the Borrowers to the Lender;
- (m) an assignment and postponement of claims dated September 25, 2024 between Symphony Syndicate Corporation, the Lender, and the Borrowers, assigning, transferring and granting a security interest in Symphony Syndicate Corporation’s debts, obligations and liabilities with respect to the Borrowers to the Lender, and postponing and subordinating the payment, observance and performance of such claims; and
- (n) pledge agreements dated September 25, 2024 granted by Gurmel, Gurdeep and Symphony Syndicate Corporation to the Lender, pledging all issued and outstanding shares of the Borrowers by the holders thereof

(collectively, the “**Security Documents**”).

25. Copies of title searches obtained from the New Westminster Land Title Office with respect to the Property and the Collateral Lands (collectively, the “**Title Searches**”) are attached to the Law Affidavit as Exhibits “W” and “X”, respectively. Copies of the PPR search results (the “**PPR Searches**”) disclosing the financing statements registered against the Debtors are also attached to the Law Affidavit as Exhibit “Y”.

26. As of May 21, 2026, subject to statutory rights of way, covenants, and equitable charges in favour of the City of Burnaby, British Columbia Housing Management Commission and utilities, the Title Searches disclose the following registrations against the Property:

Description	Principal Amount	Registration No.	Registration Date
KingSett Mortgage Corporation – Mortgage and Assignment of Rents	\$105,000,000	CB1626214 CB1626215	2024-10-01
JRG Building Engineering Inc. – Claim of Builders Lien	\$132,574.47	CB2386497	2025-10-08
Leavitt Cranes Canada Inc. – Claim of Builders Lien	\$134,550.07	CB2388274	2025-10-09
JRG Building Engineering Inc. – Certificate of Pending Litigation		CB2471213	2025-11-24
Boxx Modular GP Inc. – Claim of Builders Lien	\$4,255.54	CB2573922	2026-01-19
Doka Canada Ltd./Ltee – Claim of Builders Lien	\$161,548.87	CB2577337	2026-01-20
Heidelberg Materials Canada Limited – Claim of Builders Lien	\$41,572.18	CB2668181	2026-03-10
Sandpiper Contracting LLP – Claim of Builders Lien	\$830,833.22	CB2672071	2026-03-12
Active Doors & Moulding Ltd. – Claim of Builders Lien	\$42,457.28	HB20962	2026-03-18
Dag Masonry Ltd. – Claim of Builders Lien	\$134,000.00	CB2705912	2026-03-30
Acme Rock & Soil Blowers Ltd. – Claim of Builders Lien	\$23,835.00	CB2709841	2026-03-31
Imperial Exterior Enterprise Inc. – Claim of Builders Lien	\$169,155.00	CB2740018	2026-04-17
Standard Building Supplies Ltd.– Claim of Builders Lien	\$442,499.47	CB2742575	2026-04-20
Cooper Equipment Rentals Limited - Claim of Builders Lien	\$128,591.16	CB2753458	2026-04-24
Doka Canada Ltd. - Certificate Of Pending Litigation		CB2763662	2026-04-29
Mountainview Construction Ltd. – Claim of Builders Lien	\$305,924.06	CB2791667	2026-05-13

Description	Principal Amount	Registration No.	Registration Date
TTF Scaffolding Inc.	\$109,097.85	CB2795312	2026-05-14
Heidelberg Materials Canada Limited – Certificate of Pending Litigation		CB2800338	2026-05-19

27. As of May 21, 2026, subject to a registered easement, the Title Searches disclose the following registrations registered against the Collateral Lands:

Description	Principal Amount	Registration No.	Registration Date
The Toronto Dominion Bank – Mortgage and Assignment of Rents	\$1,000,000	CA3003692 CA3003693	2013-02-21
KingSett Mortgage Corporation – Mortgage and Assignment of Rents	\$2,750,000	CB2089781 CB2089782	2025-06-06

28. As of May 20, 2026, the PPR Searches disclose the following registrations against the Borrowers:

i. Registrations against the Nominee

Secured Party	Base Reg No.	Registration / Expiry Date	Brief Collateral Description
National Bank of Canada	231235Q	October 1, 2024 / October 1, 2029	All present accounts, intangibles, instruments, money and investment property on deposit with or held by the secured party, and proceeds.
KingSett Mortgage Corporation	672963Q	March 22, 2022 / March 22, 2028	All present and after acquired personal property and an uncrystallized floating charge on land.

ii. Registrations against 386

Secured Party	Base Reg No.	Registration / Expiry Date	Brief Collateral Description
KingSett Mortgage Corporation	672963Q	March 22, 2022 / March 22, 2028	All present and after acquired personal property and an uncrystallized floating charge on land.

iii. Registrations against 030

Secured Party	Base Reg No.	Registration / Expiry Date	Brief Collateral Description
KingSett Mortgage Corporation	672963Q	March 22, 2022 / March 22, 2028	All present and after acquired personal property and an uncrystallized floating charge on land.

iv. Registrations against 062

Secured Party	Base Reg No.	Registration / Expiry Date	Brief Collateral Description
KingSett Mortgage Corporation	672963Q	March 22, 2022 / March 22, 2028	All present and after acquired personal property and an uncrystallized floating charge on land.

29. As of May 21, 2026, the PPR Searches disclose the following registrations against the Corporate Guarantor:

Secured Party	Base Reg No.	Registration / Expiry Date	Brief Collateral Description
The Toronto Dominion Bank	202490H	Feb 21, 2013 / Feb 21, 2028	All present and after acquired personal property related to the Real Property
The Toronto Dominion Bank - 95290	662015I	June 12, 2015 / June 12, 2030	A 2012 Bentley Continental, SCBGR3ZA1CC076415
Hyundai Capital Canada Inc. and Genesis Motor Finance	907343N	August 9, 2022/ August 9, 2026	A 2023 Genesis/GV60, with serial number KMUKEDTB1PU007229
KingSett Mortgage Corporation	290442R	June 6, 2025 / June 6, 2030	All present and after acquired personal property and an uncrystallized floating charge on land.

IV. Defaults and Demand

30. The Debtors have committed multiple ongoing defaults (collectively, the “**Defaults**”) under the Loan Agreement and the Security Documents, including without limitation:

- (a) using the amounts advanced under the Credit Facilities for activities outside the purpose set out in the Loan Agreement, including as a result of the unauthorized withdrawals from the Holdback Account (as defined and further described below);
- (b) since October 1, 2025, failing to make monthly payments of interest in respect of the Credit Facilities, resulting in interest arrears of \$2,944,896.89 as at May 1, 2026.;
- (c) failing to inject approximately \$10,000,000 of additional equity into the Project to meet any cost overruns beyond the original budget; and
- (d) failing to discharge any construction liens or other liens or actions registered against the Property without the Lender’s consent.

31. Notwithstanding the Defaults, in or around April 2026, the Borrowers requested that the Lender forbear from making demand under the Loan Agreement to allow the Borrowers time to rectify such defaults.

32. The Lender engaged in forbearance discussions with the Debtors in good faith in an attempt to provide the Debtors a reasonable opportunity to rectify their defaults, but the parties were unable to conclude any such agreement.

33. On April 7, 2026, the Lender sent a form of forbearance agreement to Gurdeep by email, and offered an in-person meeting with myself in Vancouver to review and discuss that agreement.

34. On April 10, 2026, having not received a response from Gurdeep, the Lender sent a follow up email to Gurdeep requesting an update and feedback on the proposed form of forbearance agreement.

35. On April 13, 2026, the Lender received a response from Gurdeep indicating that the Debtors were reviewing the forbearance agreement with counsel and would respond in due course. The Lender has not received any further direct correspondence from Gurdeep since that date.

36. On April 22, 2026, counsel for the Lender sent a letter to the Nominee and its counsel advising of the Lender's frustration with the Borrowers' lack of responsiveness in relation to requests for documents and information requested by the Lender. The Lender advised that it was willing to provide the Borrowers with an opportunity to finalize a forbearance agreement by April 27, 2026, while reserving all its rights and not waiving any defaults under the Loan Agreement. A copy of this correspondence is attached to the Law Affidavit as Exhibit "Z".

37. As of May 4, 2026, the Borrowers remained in material default, and were non-responsive to forbearance efforts, and the Lender issued demands to the Debtors for payment and notices of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the "**Demands**"). Copies of the Demands are attached to the Law Affidavit as Exhibit "AA".

38. As set out in the Demands, as of May 4, 2026, the Borrowers were jointly and severally indebted to the Lender in the amount of \$59,121,710.51, including the outstanding principal amount of the Credit Facilities under the Loan Agreement, together with all accrued and unpaid interest, fees, expenses and other amounts payable to the Lender pursuant to the Loan Agreement and Security Documents to that date, and with interest, fees, expenses and costs continuing to accrue (the total of all such amounts is referred to hereafter as the "**Indebtedness**"). As of the date of this affidavit, the Indebtedness is immediately due and owing and remains outstanding.

39. Following the issuance of the Demands, the Lender received a proposal from the Debtors, under which the Lender was required to cover all cost overruns (which is the responsibility of the Borrowers under the Cost Overrun Agreement) with no additional safeguards for such funding. The proposal also contemplated the Debtors' affiliate continuing to act as construction manager, which the Lender was not prepared to accept given its lack of confidence in the Debtors arising from the various defaults. The Debtors' proposal was essentially asking the Lender to continue funding and trusting the Debtors, notwithstanding the defaults and cost overruns.

40. The Lender has provided ample time to the Borrowers to provide a long-term solution to their straitened circumstances, but has only received delayed communications and a non-viable proposal. At this stage, the Lender has lost confidence in the Borrowers' management and their ability to complete the Project.

V. FINANCIAL POSITION OF THE DEBTORS

41. The Debtors have failed to pay the Indebtedness when demanded and multiple liens totaling ~\$2.6 million have been registered against the Property. The Debtors have also improperly used funds in the Holdback Account to make payments not related to the Project, let alone to pay trades for which the holdback funds are held in trust.

42. The Lender does not have knowledge regarding the Debtors assets and liabilities other than as set out herein.

VI. THE NEED FOR CREDITOR PROTECTION

43. I understand that construction of the Project has effectively stopped and, as described above, contractors continue to file claims of builders lien on title to the Property, which currently total approximately \$2,660,894.17. There is, to my knowledge, no source of funding available to rectify the above defaults, bring the Loan Agreement into good standing, and complete the Project. As mentioned, the Debtors have failed to inject sufficient equity into the Project, as required under the Loan Agreement and the Cost Overrun Agreement, and have not indicated any ability to do so.

44. The current construction manager in place is affiliated with the Debtors. For the reasons outlined in this affidavit, the Lender has lost confidence in the Debtors' management and is concerned about the construction manager's engagement and ability to address safety concerns or other risks to the Lender's security. As such, there is, in my view, an urgent need to assess, stabilise and protect the Project.

45. The Borrowers have consistently delayed or failed to provide the required financial information to the Lender, despite repeated requests. Leaving aside the lien claims and the failure to advance the Project generally, this lack of transparency and cooperation underscores the Lender's concerns regarding management and its ability to complete the Project and pay the

Indebtedness. I believe that a monitor with enhanced powers is necessary to effectively secure the Property and navigate the Project to completion.

46. My concerns extend also to the Borrowers' use of funds in their possession, including specifically funds deposited to a holdback account being maintained with respect to the Project under the *BC Builders Lien Act* (the "**Holdback Account**"). I understand that the funds in the Holdback Account were to be held in a trust to secure payment for subcontractors, suppliers and workers, and that any other use of the funds in the Holdback Account would be a breach of such trust, and the *Builders Lien Act*.

47. In that regard, I have reason to believe that the Borrowers have made unauthorized withdrawals from the Holdback Account, which the Borrowers have failed to provide an explanation for:

- (a) a withdrawal of \$14,952.52 on July 7, 2025 for vacancy taxes;
- (b) a cash withdrawal of \$281.25 on July 16, 2025;
- (c) a withdrawal of \$308.13 on July 28, 2025 to BC Hydro;
- (d) a withdrawal of \$3,689.74 on August 1, 2025 to Pacific Blue Cross;
- (e) withdrawals of \$2,501 and \$2,609 on August 5, 2025 to Mulgrave School (a private school located in West Vancouver which has no relationship to this property);
- (f) withdrawals of \$276.45 and \$55.93 on August 22, 2025 to Fortis BC Gas;
- (g) a withdrawal of \$2,783.65 on October 1, 2025 to TD Mortgage (for what appears to be a mortgage unrelated to this property);
- (h) a withdrawal of \$362.75 on October 2, 2025 to Costco Wholesale;
- (i) a withdrawal of \$465.91 on October 6, 2025 to Costco Wholesale;
- (j) withdrawals of \$2,501 and \$2,609 on October 6, 2025 to Mulgrave School;
- (k) a withdrawal of \$117.30 on October 8, 2025 to Nestle Canada;

- (l) withdrawals of \$13.72 and \$32.78 on October 14, 2025 to Fortis BC Gas;
- (m) a withdrawal of \$57.89 on October 31, 2025 to Vape Street;
- (n) a withdrawal of \$1,000 on November 3, 2025 to Costco Wholesale;
- (o) a withdrawal of \$2,783.65 on November 3, 2025 to TD Mortgage (for what appears to be a mortgage unrelated to this property);
- (p) a withdrawal of \$101.25 on November 3, 2025 from an ATM; and
- (q) withdrawals of \$2,501.00 and \$2,609.00 on November 5, 2026 to Mulgrave School.

48. The above unauthorized withdrawals raise significant concerns for the Lender with respect to the Debtors' financial circumstances, ability to manage the Project appropriately and trustworthiness. A not insignificant part of the funds advanced by Lender to the Borrowers were for the express purpose of being deposited to the Holdback Account for the benefit of the various trades as required under the relevant legislation. The fact that the Borrowers were paying for personal expenses from these funds is, to my mind, a gross violation of the lender-borrower trust. These unauthorized withdrawals is a substantial part of the reason the Lender has lost confidence in the Debtors and, more specifically, the Borrowers' management.

49. To my mind, it is clear that the Debtors are insolvent. They have demonstrated an inability to pay their obligations under the Loan Agreement and Security Documents, as evidenced by the current ongoing Defaults. Further, contractors continue to file claims of builders lien on title to the Property, as discussed above, indicating an inability to pay liabilities generally as they become due. The Project and the Borrowers appear to be in serious financial jeopardy and require interim funding and competent management to resolve their problems.

50. There is a serious risk that the Debtors' continued insolvency will prevent the Debtors from completing the Project in time to close existing pre-sale contracts and execute new sales contracts for outstanding units. Such circumstance would negatively impact the present value tied up in the Project, and the ability of pre-sale purchasers to take possession of their expected homes as bargained.

51. The Lender is prepared to advance funds to the Borrowers to complete the Project. However, given: (i) the existence of the numerous claims of builders liens; and (ii) the Lender's loss of confidence in the Debtors' management, the Lender is only willing to extend further funding on the conditions that the Monitor be appointed with enhanced powers to, among other things, manage the financial affairs of the Borrowers and the Corporate Guarantor, complete construction of the Project, and sell the remaining units in the Project as well as the Collateral Lands.

VII. RELIEF SOUGHT

a. Stay of Proceedings

52. Given the numerous claims currently being advanced against the Borrowers, the Lender seeks a stay of all proceedings against the Debtors.

b. Proposed Monitor

53. The proposed Initial Order contemplates that KSV will act as the Monitor in the CCAA proceeding. KSV has consented to act as the Monitor of the Debtors in the CCAA proceeding if the proposed Initial Order is granted.

54. Additionally, the Lender seeks a grant of enhanced powers to the Monitor, such that the Monitor can manage the financial affairs of the Debtors and direct construction of the Project. This will allow the Monitor to immediately take steps to complete what remains of the Project, to obtain the final occupancy permit, and sell outstanding units to effectively realize on the Project.

55. I am advised by Mr. Noah Goldstein and believe that KSV has extensive experience acting as monitor, receiver and court officer in complex real estate restructurings, including matters involving partially completed residential developments, distressed construction projects and enhanced court officer powers. I further understand that KSV is currently involved in over ten real estate restructuring and insolvency proceedings in British Columbia and has substantial experience working with stakeholders, contractors, municipalities, presale purchasers and lenders in this province.

56. KSV (and its principals) are not directors, officers, or employees of the Debtors, are not, to my knowledge, related to the Debtors or any director or officer of the Debtors, and have never been the auditors, accountants, or legal counsel to the Debtors.

57. I am advised by Mr. Noah Goldstein and believe that KSV has experience acting as a Monitor with enhanced powers in significant real estate matters similar to this situation, including in CCAA proceedings in British Columbia under the jurisdiction of this Court.

c. DIP Financing

58. The Lender proposes court-ordered debtor-in-possession financing facility (the “**DIP Facility**”) by way of a debtor-in-possession financing agreement (the “**DIP Term Sheet**”) with the Borrowers, as borrower, and the Lender as lender (in such capacity, the “**DIP Lender**”) to assist with the financing of the CCAA proceeding. A copy of the DIP Term Sheet is attached hereto as Exhibit “A”.

59. The DIP Term Sheet provides for a super-priority, non-revolving credit facility of up to \$27,900,000 subject to an initial borrowing limit of \$700,000 during the Stay Period.

60. The amounts drawn and outstanding under the DIP Facility will bear interest at 12% per annum, with interest on the principal amount outstanding accruing on the first business day of each month.

61. The DIP Facility includes a commitment fee of 279,000, of which \$7,000 is earned upon the execution of the DIP Term Sheet, and \$272,000 is earned upon the granting of the Restated Initial Order (as defined therein).

62. The DIP Facility is conditional, among other things, upon the granting of a priority charge over the Borrowers’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Borrowers’ Property**”) in favour of the DIP Lender to secure the amounts borrowed under the DIP Facility (the “**DIP Lender’s Charge**”) in priority to all other security interests.

63. The DIP Facility is to be used to fund all costs through to the completion of the Project, sales to presale buyers and the sale of the remaining units, including construction costs of the Project, legal costs of the Lender, and the general cost of the Monitor in the CCAA proceeding.

64. The DIP Facility is subject to customary covenants, conditions precedent, and representations and warranties made by the Borrowers to the DIP Lender. The DIP Facility must be repaid in full by the date that is the earlier of:

- (a) September 1, 2027, or such later date as the DIP Lender in its sole discretion may agree to in writing with the Monitor, for and on behalf of the Borrowers, acting reasonably;
- (b) the date on which the stay of proceedings under the CCAA proceedings is lifted without the consent of the DIP Lender;
- (c) the date on which the CCAA proceedings are terminated for any reason;
- (d) the closing of a sale or similar transaction (including pursuant to a subscription agreement and/or a reverse vesting purchase agreement) for all or substantially all of the assets and business, or in respect, of the Borrowers, which has been approved by an order entered by the Court;
- (e) the implementation of a plan of compromise or arrangement within the CCAA proceedings which has been approved by the requisite majorities of the Borrowers' creditors and by an order entered by the Court;
- (f) the conversion of the CCAA proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); and
- (g) the occurrence of any Event of Default (as defined therein) that has not been cured or waived in writing by the DIP Lender.

65. The amount of the DIP Facility to be funded to the Debtors during the initial CCAA Stay of Proceedings (up to a principal amount of \$700,000) is only the amount that I understand is

necessary to ensure the continued operation of the Debtors' business in the ordinary course during the initial ten (10) days.

d. Initial Order Charges

66. The Initial Order provides for the following court-ordered charges over the Debtors' Property as security for the obligations of the Debtors to the beneficiaries of the Charges:

- (a) The "**Administration Charge**" in favour of the Monitor, its counsel, and counsel to the Lender, to secure payment of their respective fees and disbursements incurred in connection with services rendered in connection with these proceedings up to a maximum amount of \$150,000. The Administration Charge is proposed to rank ahead of and have priority over all other charges.
- (b) The DIP Lender's Charge, to secure the amounts borrowed under the DIP Facility, together with all related fees, interest and costs. The DIP Lender's Charge is proposed to rank ahead of and have priority over all other charges, except the Administration Charge.

67. The Administration Charge will rank in priority to all other security interests in the Debtors' property, and the DIP Lender's Charge will rank in priority to all other security interests in the Borrowers' Property.

VIII. CASH FLOW FORECAST

68. KSV has undertaken a cash flow analysis to determine the quantum of funding required to finance the Debtors' operations, assuming the Initial Order is granted, over the 10-day period from the filing date to the comeback hearing (the "**Cash Flow Forecast**"). I am advised by Noah Goldstein of KSV that the Cash Flow Forecast will be appended to KSV's report, to be filed.

69. I understand that the Cash Flow Forecast will indicate that the Debtors urgently require the DIP Facility to ensure they have the liquidity required to meet obligations and continue business operations during the Stay of Proceedings. With the DIP Facility in place, the Debtors will have sufficient liquidity to meet their obligations during the Stay Period.

IX. CONCLUSION

70. I believe that the proposed Initial Order is in the best interests of the Debtors and all stakeholders. The Stay of Proceedings, Monitor's enhanced powers, and the DIP Facility will allow the Debtors to continue ordinary course operations with the breathing space and stability necessary to complete the Project and maximize recoveries in the circumstances. Absent the Stay of Proceedings and approval of the DIP Facility, the Debtors will be unable to meet their obligations as they become due, which would be detrimental to the value of its business, and in turn, the interests of its stakeholders.

71. In the circumstances, I believe this proceeding is the only viable means for the Lender to gain adequate supervision over and insight into the Debtors' business and financial management, for the benefit of all stakeholders. I also believe that the relief sought in the Initial Order is limited to what is reasonably necessary to achieve such supervision and insight in the initial ten-day period.

72. I acknowledge the solemnity of making a sworn statement/solemn declaration and acknowledge the consequences of making an untrue statement.

73. I was not physically present before the person before whom this affidavit was sworn or affirmed but was in that person's presence using video conferencing.

AFFIRMED BEFORE ME at Vancouver,
British Columbia, on May 29, 2026.



A Commissioner for taking Affidavits for
British Columbia

Daniel Pollack

HEIDI N. ESSLINGER
Barrister & Solicitor
Fasken Martineau DuMoulin LLP
2900 - 550 Burrard Street
Vancouver, BC V6C 0A3
604 631 4885

This is Exhibit " A " referred to in the af-
fidavit of Daniel Pollack
sworn before me at Vancouver
this 29 day of May 20 26



A Commissioner for taking Affidavits
for British Columbia

May 29, 2026

KSV Restructuring Inc.

220 Bay Street, 13th Floor, PO Box 20,
Toronto, Ontario, M5J 2W4

Attention: Noah Goldstein

Re: Interim Financing Term Sheet

A. LOAN TERMS

KingSett Mortgage Corporation (the "**Interim Lender**") is pleased to provide Symphony Homes (Moonlight Sonata) Limited, 1197062 B.C. LTD., 1197030 B.C. LTD., and 1168386 B.C. LTD. (together, the "**Borrowers**" and each, a "**Borrower**") with the Interim Financing Facility (as defined below) in connection with the insolvency proceedings anticipated to be commenced under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") in respect of the Borrowers under the jurisdiction of the Supreme Court of British Columbia (the "**Court**") in accordance with the terms and conditions set out in this agreement (this "**Agreement**" or "**Interim Financing Term Sheet**").

The parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **Definitions:** Capitalized terms used but not otherwise defined herein shall have the meanings given to them on **Exhibit "A"** hereto.
2. **Real Property:** The real property set out in **Exhibit "B"** hereto (collectively, the "**Real Property**").
3. **Interim Financing Facility:** A non-revolving loan (the "**Interim Financing Facility**") up to the maximum principal amount of \$27,900,000 (the "**Loan Amount**"), including an initial advance up to \$700,000 (the "**Initial Advance**") which Loan Amount shall include:
 - a. Cost to Complete Facility - \$22,900,000
 - b. Cost Overrun Facility - \$5,000,000
4. **Currency:** Unless otherwise noted, the currency of the Interim Financing Facility shall be Canadian Dollars.
5. **Interest Rate:** 12.00% per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan for each and every month of the Term (as such Term may be extended in accordance with this Agreement), save and except for the last

month of the Term, and 18.00% per annum for the last month of the Term and each and every month thereafter (as applicable, the "**Interest Rate**"),

6. **Prepayment Options**: The Interim Financing Facility is open for prepayment.
7. **Mandatory Prepayment**: All proceeds arising from any disposition or other transaction involving the collateral subject to the Security including, without limitation, any refinancing thereof shall be applied to the repayment of all amounts outstanding under the Interim Financing Facility including, without limitation, principal, interest and fees.
8. **Maturity Date**: All of the Obligations shall be repaid in full in cash on the date which is the earliest of (the earliest of such dates being, the "**Maturity Date**"):
 - a. September 1, 2027, or such later date as the Interim Lender in its sole discretion may agree to in writing with the Monitor, for and on behalf of the Borrowers, acting reasonably;
 - b. the date on which the stay of proceedings under the CCAA proceedings is lifted without the consent of the Interim Lender;
 - c. the date on which the CCAA proceedings are terminated for any reason;
 - d. the closing of a sale or similar transaction (including pursuant to a subscription agreement and/or a reverse vesting purchase agreement) for all or substantially all of the assets and business, or in respect, of the Borrower, which has been approved by an order entered by the Court;
 - e. the implementation of a plan of compromise or arrangement within the CCAA proceedings (a "**Plan**") which has been approved by the requisite majorities of the Borrowers' creditors and by an order entered by the Court;
 - f. the conversion of the CCAA proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); and
 - g. the occurrence of any Event of Default that has not been cured or waived in writing by the Interim Lender.

The Interim Lender's commitment in respect of the Interim Financing Facility shall expire on the Maturity Date and all amounts outstanding under the Interim Financing Facility, this Agreement and the other Interim Financing Credit Documentation, including all accrued and all unpaid interest, fees, costs, expenses and Legal Fees incurred by the Borrowers (collectively, the "**Obligations**") shall be repaid in full on the Maturity Date without the Interim Lender being required to make demand upon the Borrowers or to give notice that the Interim Financing Facility has expired and the Obligations are due and payable.

9. **Availability**: Subject to the terms and conditions set forth in this Agreement, the Interim Lender will make loans (the "**Interim Financing Advances**") to the Borrowers under the Interim Financing Facility in an aggregate principal amount not to exceed the Loan Amount, as follows:

- a. **Initial Advance:** subject to the provisions hereunder under the heading "**CONDITIONS PRECEDENT TO THE DISBURSEMENT OF INITIAL ADVANCE**", upon the issuance of the Initial Order by the Court, the amount of the Initial Advance, or such other lesser amount as may be approved by the Initial Order, will be made available to the Borrowers by the Interim Lender to finance the working capital, operating costs and general corporate needs of the Borrowers during, and costs and expenses incurred by the Borrowers in connection with, the CCAA proceedings, in each case in accordance with the Initial Cash Flow Projections.
- b. **Subsequent Advances:** subject to the provisions hereunder under the heading "**CONDITIONS PRECEDENT TO THE DISBURSEMENT OF SUBSEQUENT ADVANCES (OTHER THAN THE INITIAL ADVANCE)**", and except as may be otherwise agreed in writing by the Monitor, for and on behalf of the Borrowers, and the Interim Lender, any further advances under the Interim Financing Facility (each, an "**Additional Advance**") shall be made available to the Borrowers by the Interim Lender until the Maturity Date in accordance with the then applicable Cash Flow Projections approved by the Interim Lender in its sole discretion, from time to time, subject to duly issued orders of the Court.

Unless otherwise agreed to in writing in advance by the Interim Lender in its sole direction, each Additional Advance shall be made by the Interim Lender to the Borrowers as soon as practicable (and in any event within five (5) Business Days) after delivery to the Interim Lender of a drawdown certificate executed by the Monitor, for and on behalf of the Borrowers, certifying, *inter alia*, that (i) the advance corresponds with the then applicable Updated Cash Flow Projections for the one week period commencing the Wednesday following the date of the drawdown certificate, (ii) that there is no Default or Event of Default that has occurred and is continuing, and (iii) that the Borrowers are in compliance with the Interim Financing Credit Documentation and the Restated Initial Order (each, a "**Drawdown Certificate**").

Notwithstanding the foregoing, the Monitor, for and on behalf of the Borrowers, shall not be required to submit a drawdown certificate to obtain the Initial Advance, the full amount of which shall be made available to the Borrowers by the Interim Lender immediately upon the satisfaction of the conditions precedent listed under the heading "**CONDITIONS PRECEDENT TO THE DISBURSEMENT OF INITIAL ADVANCE**" hereunder being satisfied by the Borrowers or otherwise waived by the Interim Lender in its sole discretion.

10. **Use of Proceeds:** The Initial Advance under the Interim Financing Facility shall be used in accordance with the cash flow projections for the Project (attached as **Exhibit "C"** hereto (the "**Initial Cash Flow Projections**"), which have been prepared by the Proposed Monitor. Any Additional Advances shall be used in accordance with the Updated Cash Flow Projections (collectively with the Initial Cash Flow Projections, the "**Cash Flow Projections**"), in each case, to fund working capital, operating costs and general corporate needs of the Borrowers during, and costs and expenses incurred by the Borrowers in connection with, the CCAA proceedings, including, without limitation, the Obligations and the professional fees and expenses incurred by the Monitor and the Monitor's counsel.

No proceeds of the Interim Financing Advances may be used for any purpose other than in accordance with the Cash Flow Projections except with the prior written consent of the Interim Financing Lender.

11. **Interim Lender's Fee:** The Borrowers shall pay a commitment fee in the amount of \$279,000 (the "**Fee**"), representing 1.00% of the Loan Amount, which shall be earned and paid as follows:
 - a. \$7,000 shall be earned upon the execution of this Agreement by the Monitor, for and on behalf of Borrowers, subject to and in accordance with the Initial Order, and paid from the Initial Advance; and
 - b. \$272,000 shall be earned upon the granting of the Restated Initial Order and paid from the first Additional Advance made after the date of the Restated Initial Order.

For certainty, the Fee shall be secured by the Security.

12. **Costs and Expenses:** The Borrowers shall pay, on a monthly basis, all costs and expenses incurred by the Interim Lender from time to time in connection with the Interim Financing Facility and, such costs may include, but shall not be limited to, Legal Fees, payment of property taxes as a protective disbursement, environmental site assessment reports, appraisal reports, building condition reports, insurance consulting reviews, reliance letters, title insurance, out-of-pocket expenses for property inspections and any applicable sales taxes related to all such costs and expenses, and all reasonable and documented fees, expenses and disbursements of outside counsel (including any Legal Fees), appraisers, field auditors, and any financial consultant, related to or in connection with the CCAA proceedings, including, without limitation, reasonable and documented costs and expenses incurred by the Interim Lender in connection with the enforcement of any of the rights and remedies available hereunder or under any of the other Interim Financing Credit Documentation.
13. **Indemnity:** The Borrowers agree to indemnify and hold harmless the Interim Lender, its officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or suited against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the Interim Financing Facility, this Interim Financing Term Sheet or the other Interim Financing Credit Documentation, except to the extent that such actions, lawsuits, proceedings, claims, losses, damages, liabilities or expenses result from the gross negligence or willful misconduct of such Indemnified Persons.

B. SECURITY

1. **Interim Lender's Security:** All of the Obligations shall be secured by a super-priority Court-ordered charge on all present and after-acquired personal and real, tangible or intangible property of the Borrowers, in each case of any kind or nature whatsoever and wheresoever situated (the "**Interim Lender's Charge**") without the need for any further loan or security documentation or any filings or registrations in any public register or

system, and such other security over the Property as the Interim Lender may reasonably require (collectively, the "**Security**").

The Interim Lender's Charge shall be subordinated only to the Administration Charge and shall rank in priority to all other Court Ordered Charges and Liens.

2. **Security Discharge:** The Interim Lender shall charge a one-time administrative fee of \$1,000 for ongoing administration of the Interim Financing Facility including, but not limited to, providing a full discharge of the Security upon repayment of the Borrowers' obligations hereunder (the "**Administration Fee**"). The Administration Fee is earned by the Interim Lender upon the Monitor's execution of this Interim Financing Term Sheet for and on behalf of the Borrowers, subject to and in accordance with the Initial Order, and shall be payable by the Borrowers to the Interim Lender on the Maturity Date. The Monitor's legal counsel shall prepare all documentation reasonably required to discharge the Security for review by the Interim Lender and its legal counsel. Discharge statements will be provided to the Borrowers within three (3) Business Days after receipt of a written request for same.

C. **CONDITIONS PRECEDENT**

1. **Conditions Precedent to the Disbursement of Initial Advance:** The Interim Lender's obligation to make the Initial Advance hereunder is subject to, and conditional upon, the satisfaction or in the sole discretion of the Interim Lender, waiver, of all the following conditions precedent:
 - a. the Court shall have issued the Initial Order in substantially the form and substance attached as **Exhibit "D"** (the "**Draft Initial Order**") hereto on or before June 15, 2026, among other things:
 - i. authorizing and approving this Agreement and the Initial Advance under the Interim Financing Facility and granting the Interim Lender's Charge (up to the maximum amount of \$700,000, plus interest, fees and expenses), in the manner and on the terms set out in the Draft Initial Order; and
 - ii. appointing the Proposed Monitor as Monitor and enhancing the powers of the Monitor, in the manner and on the terms set out in the Draft Initial Order;
 - b. the Initial Order shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Interim Lender, unless otherwise agreed by the Interim Lender, acting reasonably;
 - c. there shall be no pending motions for leave to appeal, appeals or injunctions relating to the Initial Order, the Interim Facility, the Interim Lender's Charge or this Agreement, or pending litigation seeking to restrain, vary or prohibit the operation of all or any part of the Initial Order or this Agreement;
 - d. the delivery by the Monitor, for and on behalf of the Borrowers in accordance with the Initial Order, of this Interim Financing Term Sheet and any Interim Financing Credit Documentation required by the Interim Lender;

- e. except to the extent not permitted by the CCAA, the Interim Lender's Charge shall have priority over all Liens granted by the Borrowers against any of the undertakings, property or assets of the Borrowers (collectively, the "**Property**") except only for a super-priority Court-ordered administration charge on the Property in an aggregate amount not to exceed \$250,000 under the Initial Order, which amount shall be increased to \$500,000 under the Restated Initial Order (the "**Administration Charge**") shall rank in priority to all other charges approved by the Court;
- f. the Initial Cash Flow Projections shall be acceptable to the Interim Lender, in its reasonable discretion;
- g. subject to the terms of the Initial Order, the Borrowers shall have paid all government and statutory liens, trusts and other claims arising after the commencement of the CCAA proceedings (but for greater certainty, not including any such claims in existence at the time of the commencement of the CCAA proceedings) including, without limitation, source deductions, except, in each case, for any such amounts that are not yet due and payable or which are in dispute; and
- h. no Default or Event of Default shall have occurred and be continuing.

2. **Conditions Precedent to the Disbursement of Subsequent Advances:** The Interim Lender's obligation to make any Additional Advances hereunder is subject to, and conditional upon, in each case, the satisfaction or in the sole discretion of the Interim Lender, waiver, of all of the following conditions precedent:

- a. an order amending and restating the Initial Order, in form and substance acceptable to the Interim Lender (the "**Restated Initial Order**"), acting reasonably, shall have been issued by the Court on or before June 30, 2026, among other things:
 - i. authorizing and approving this Agreement, the Interim Financing Facility and the increase to the Interim Financing Facility and granting the Interim Lender's Charge (up to the maximum amount of \$27,900,000, plus interest, fees and expenses);
 - ii. appointing the Proposed Monitor as Monitor and enhancing the powers of the Monitor, including, without limitation the power to enter into construction management agreements; and
 - iii. relieving the Borrowers of any obligation to file a new disclosure statement under subsection 16(2) of REDMA or to take any steps that would otherwise trigger a purchaser's right of rescission under REDMA, and staying and suspending any rights and remedies of purchasers to rescind presale contracts with the Borrowers (or any of them);
- b. an order authorizing the Monitor to complete the construction of the Moonlight Sonata units and to market and sell the Moonlight Sonata Units, in form and substance acceptable to the Interim Lender, shall have been issued by the Court on or before June 30, 2026 (the "**Construction and Sale Order**");

- c. each of the Restated Initial Order and the Construction and Sale Order shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Interim Lender, unless otherwise agreed by the Interim Lender, acting reasonably;
- d. there shall be no pending motions for leave to appeal, appeals or injunctions relating to the Restated Initial Order, the Construction and Sale Order, the Interim Facility, the Interim Lender's Charge or this Agreement, or pending litigation seeking to restrain, vary or prohibit the operation of all or any part of the Restated Initial Order, the Construction and Sale Order, or this Agreement;
- e. the Interim Lender's Charge shall have priority over all Liens granted by the Borrowers against any of the Property except for the Administration Charge and shall rank in priority to all other charges approved by the Court;
- f. the Interim Lender shall have received a Drawdown Certificate executed by the Monitor, for and on behalf of the Borrowers;
- g. all amounts requested for a particular Additional Advance shall be consistent with the Initial Cash Flow Projections or Updated Cash Flow Projections for the applicable period, or otherwise expressly agreed by the Interim Lender in advance;
- h. delivery of a signed agreement between the Borrowers, executed by the proposed Monitor on behalf of the Borrowers, and the construction manager, in each case in form and substance satisfactory to the Interim Lender, and with the construction manager being subject to the prior written approval of the Interim Lender;
- i. the representations and warranties contained herein shall be true and correct;
- i. subject to the terms of the Initial Order and the Restated Initial Order, the Borrowers shall have paid all government and statutory liens, trusts and other claims arising after the commencement of the CCAA proceedings (but for greater certainty, not including any such claims in existence at the time of the commencement of the CCAA proceedings) including, without limitation, source deductions, except, in each case, for any such amounts that are not yet due and payable or which are in dispute; and
- j. no Default or Event of Default shall have occurred and be continuing.

D. EVENT OF DEFAULT

1. **Event of Default:** The occurrence of any one or more of the following events shall constitute an event of default (each, an "**Event of Default**") under this Agreement:
 - a. failure of the Borrowers to pay principal or interest when due under this Agreement or any other Interim Financing Credit Documentation;

- b. any other breach by the Borrowers in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Agreement, provided, that, in the case of a breach of any affirmative covenant, such breach remains unremedied for longer than five (5) Business Days following the Monitor's receipt of notice thereof;
 - c. any order shall be entered by the Court (or any other court of competent jurisdiction) reversing, amending, varying, supplementing, staying, vacating or otherwise modifying in any respect in a manner materially affecting the Interim Lender, this Agreement, the Interim Lender's Charge, or any Interim Financing Credit Documentation, in each case, without the prior written consent of the Interim Lender;
 - d. any of the Initial Order, the Restated Initial Order, or the Construction and Sale Order shall cease to be in full force and effect in a manner that has a material adverse effect on the interests of the Interim Lender;
 - e. any of the Borrowers fails to comply in any material respect that has an adverse effect on the interests of the Interim Lender with any order granted by the Court in the CCAA proceedings;
 - f. this Agreement or any other Interim Financing Credit Documentation shall cease to be effective or shall be contested by any of the Borrowers;
 - g. any order is issued by the Court (or any other court of competent jurisdiction) that materially adversely affects the Interim Lender;
 - h. the CCAA proceedings are terminated or converted to bankruptcy proceedings, in each case, without the prior written consent of the Interim Lender;
 - i. any order is granted by the Court (or any court of competent jurisdiction) granting relief from the stay of proceedings during the CCAA proceedings (as extended from time to time until the Maturity Date), unless agreed by the Interim Lender, acting reasonably;
 - j. any Plan is filed or sanctioned by the Court in a form and in substance that is not acceptable to the Interim Lender or does not provide for the repayment of all of the Obligations in full by the Maturity Date;
 - k. any of the Borrowers make any material payments of any kind that are not authorized in advance by the Interim Lender in writing or not permitted by this Agreement, the Cash Flow Projections or any order of the Court; or
 - l. the aggregate principal amount of the borrowings under the Interim Financing Facility exceed the Loan Amount.
2. **Remedies:** Upon the occurrence and continuance of an Event of Default, subject to the Interim Financing Credit Documentation, the Interim Lender may, upon five (5) Business Days' written notice to the Monitor:

- a. terminate the Interim Financing Facility;
- b. apply to the Court for the appointment of an interim receiver, receiver, or receiver and manager of the Property or for the appointment of a trustee in bankruptcy of the Borrowers;
- c. exercise the powers and rights of a secured party under any legislation; and
- d. exercise all such other rights and remedies under the Interim Financing Credit Documentation and orders of the Court in the CCAA proceedings.

E. COVENANTS

1. **Affirmative Covenants:** Each of the Borrowers covenants and agrees to do the following until such time as none of the Obligations remain outstanding:
 - a. comply with the Cash Flow Projections, including making payments when scheduled to be made in accordance with the Cash Flow Projections, and their reporting and other obligations to deliver financial information to the Interim Lender hereunder; provided that, such reporting and financial information shall be prepared and delivered by the Monitor for and on behalf of the Borrowers;
 - b. allow the Interim Lender, its designated representatives and financial advisors full access to its books and records on reasonable notice and during normal business hours and cause management thereof to fully cooperate with any advisors to the Interim Lender;
 - c. use the proceeds of the Interim Financing Facility only for the purposes set out herein;
 - d. comply with the provisions of the Court orders made in the CCAA proceedings;
 - e. to work cooperatively with the Interim Lender and provide reasonable access to all information required by the Interim Lender;
 - f. maintain all licenses, permits and approvals required for the operation of its business in good standing;
 - g. share in advance with the Interim Lender and Court order to be sought by the Monitor, for and on behalf of the Borrowers, in the CCAA proceedings; provided that any Court order that directly impacts the Interim Financing Facility and the Interim Lender's Charge shall be in a form and substance satisfactory to the Interim Lender, acting reasonably, subject to any amendments that are required by the Court;
 - h. deliver to the Interim Lender by no later than 5:00 p.m. (Vancouver time) on Monday bi-weekly (or, if Monday is not a Business Day, the following Business Day), updated 13-week cash flow projections, in form and substance satisfactory to the Interim Lender, acting reasonably, reflecting the projected cash requirements of the Borrowers on a rolling-basis (the "**Updated Cash Flow Projections**"); provided that, such Updated Cash Flow Projections shall

be prepared and delivered by the Monitor for and on behalf of the Borrowers, and provided further that, if any Updated Cash Flow Projection is not acceptable to the Interim Lender the previously in effect Cash Flow Projections shall remain in effect until such Updated Cash Flow Projection has been agreed;

- i. concurrently with the bi-weekly delivery of Updated Cash Flow Projections, provide a variance report setting out the actual receipts and disbursements compared to those included in the previously delivered Updated Cash Flow Projections (or to the Initial Cash Flow Projections, if applicable); provided that, such variance report shall be prepared and delivered by the Monitor for and on behalf of the Borrowers;
- j. maintain all insurance with respect to the Property in existence as of the date hereof;
- k. subject to the terms of the Initial Order, Restated Initial Order, and any other order of the Court, pay all government and statutory liens, trusts and other claims arising after the commencement of the CCAA proceedings (but for greater certainty, not including any such claims in existence at the time of the commencement of the CCAA proceedings) including, without limitation, source deductions, except, in each case, for any such amounts that are not yet due and payable or which are in dispute;
- l. forthwith notify the Interim Lender of any event or circumstance that, with the passage of time, may constitute an Event of Default;
- m. forthwith notify the Interim Lender of the occurrence of any Default or Event of Default, or of any event or circumstance that may constitute a material adverse change from the Cash Flow Projections;
- n. duly and punctually pay or cause to be paid to the Interim Lender all principal and interest payable by it under this Agreement and any other Interim Financing Credit Documentation on the dates, at the places and in the amounts and manner set forth herein;
- o. complete construction of the Moonlight Sonata units and allow the Monitor to market and sell the Moonlight Sonata units at prices that are satisfactory to the Monitor and the Interim Lender, acting reasonably, and take such steps incidental thereto in consultation with the Interim Lender, subject to the Orders of the Court in the CCAA proceedings; and
- p. comply in all material respects with their obligations under the Interim Financing Credit Documentation.

2. **Negative Covenants.** Each of the Borrowers covenants and agrees not to do any of the following while any of the Obligations remain outstanding, other than with the prior written consent of the Interim Lender, which consent shall not be unreasonably withheld, or pursuant to an order of the Court:

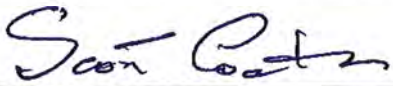
- a. sell, assign, transfer, lease or otherwise dispose of all or any part of its assets, tangible or intangible, outside the ordinary course of business, except for the disposition of any obsolete equipment or other non-material or redundant assets or as permitted under the Initial Order or Restated Initial Order or further order of the Court;
- b. make any payment of principal or interest in respect of existing (pre-filing date) indebtedness except as contemplated by the Cash Flow Projections and permitted under the Initial Order or Restated Initial Order, or declare or pay any dividends;
- c. create or permit to exist indebtedness for borrowed money other than existing (pre-filing date) indebtedness or indebtedness contemplated by this Interim Financing Facility and post-filing trade payables incurred in the ordinary course of business;
- d. create or permit to exist any Liens on any of the Property other than Permitted Liens;
- e. enter into or agree to enter into any investments (other than cash equivalents) or acquisitions of any kind, direct or indirect, in any business;
- f. assume or otherwise agree to be bound by any contingent liabilities or provide any guarantee or financial assistance to any Person;
- g. except as contemplated by the Cash Flow Projections, transfer, distribute, lend or otherwise provide any funds (whether arising from Interim Financing Advances or otherwise);
- h. enter into any amalgamation, reorganization, liquidation, dissolution, winding-up, merger or other transaction or series of transactions whereby, directly or indirectly, all or any significant portion of any Property would become the property of any other Person or Persons;
- i. other than the Court Ordered Charges, seek or support a motion by another party to provide to a third party a charge upon any Property (including, without limitation, a critical supplier's charge);
- j. amend or seek to amend the Initial Order, the Restated Initial Order, or the Construction and Sale Order in a manner that has a material adverse effect on the interests of the Interim Lender;
- k. terminate or repudiate any agreement with the Interim Lender, solely in its capacity as lender under the Interim Financing Facility; and
- l. seek or obtain any order from the Court that materially adversely affects the Interim Lender.

F. NATURE OF LIABILITY AND OBLIGATIONS

1. Nothing in this Agreement or otherwise shall or shall be interpreted to require the Borrowers (or any of them) to do any act or thing that would result in a breach or default by the Borrowers (or any of them) of any duty or obligation of the Borrowers (or any of them) provided in or by the Initial Order, the Restated Initial Order or any other order of the Court, or of any Applicable Law.
2. Notwithstanding any other provision hereof, the Interim Lender agrees and acknowledges that the obligations of the Borrowers to the Interim Lender hereunder, including, without limitation, all of the Obligations, shall have recourse only to the Property of the Borrowers and are entirely non-recourse against KSV Restructuring Inc. and any of its affiliates and any of their respective shareholders, directors, officers, employees, representatives, advisors, solicitors and agents. For the avoidance of doubt, KSV Restructuring Inc. shall have no personal or corporate liability for the obligations of the Borrowers to the Interim Lender hereunder or otherwise have any other liability under or in connection with this Agreement or any other Interim Financing Credit Documentation, or any agreement or document entered into pursuant to this Agreement or such other Interim Financing Credit Documentation, including, without limitation, for a breach or other non-compliance with any covenant in this Agreement or any other Interim Financing Credit Documentation.
3. Whenever in this Agreement or any other Interim Financing Credit Documentation there is a reference to the Borrowers' responsibility for costs, expenses, interest, fees, reimbursements, other amounts payable or the performance of any other obligations by the Borrowers, including, without limitation, in respect of or owing to third parties, such obligations shall be satisfied or funded solely and exclusively from funding to the Borrowers under the Interim Financing Facility (or, in each case to the extent available to the Borrowers at the applicable time, from the Borrowers' revenue or the proceeds of any realization of the Borrowers' property), and in no event shall KSV Restructuring Inc. be required to expend its own funds in respect thereof.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per: 

Scott Coates
President

Per: 

Daniel Pollack
Executive Director, Portfolio
Management

ACKNOWLEDGEMENT

I/We hereby accept the terms and conditions of this Interim Financing Term Sheet and any accompanying Schedules.

The person executing this Interim Financing Term Sheet on behalf of the Borrowers represents and warrants that he/she has the power and authority to bind such entity pursuant to the Initial Order.

Accepted and agreed as of the _____ day of _____, 2026.

KSV RESTRUCTURING INC., in its capacity as Court-appointed Monitor of Symphony Homes (Moonlight Sonata) Limited, 1197062 B.C. LTD., 1197030 B.C. LTD., and 1168386 B.C. LTD. and not in its personal, corporate or any other capacity:

Per: _____
Name: _____
Title: _____

EXHIBIT A
Defined Terms

"Additional Advance" has the meaning ascribed to it in Section A(9)(b).

"Administration Charge" has the meaning ascribed to it in Section C(1)(e).

"Administration Fee" has the meaning ascribed to it in Section B(2).

"Agreement" has the meaning ascribed to it in Section A.

"Applicable Laws" means all federal, provincial, municipal and local laws, statutes, regulations, codes, acts, permits, licenses, ordinances, orders, by-laws, guidelines, notices, protocols, policies, directions and rules and regulations, including those of any governmental or other public authority, which may now, or at any time hereafter, govern, be applicable to or enforceable against or in respect of the Borrowers, the operation of their business or their property, as the case maybe.

"Borrowers" has the meaning ascribed to it in Section A.

"Business Day" means a day on which banks in Vancouver, British Columbia are open for business.

"Cash Flow Projections" has the meaning ascribed to it in Section A(10).

"CCAA" has the meaning ascribed to it in Section A.

"Construction and Sale Order" has the meaning ascribed to it in Section C(2)(b).

"Court Ordered Charges" means the Administration Charge and the Interim Lender's Charge.

"Court" has the meaning ascribed to it in Section A.

"Default" means any Event of Default or any condition or event which, after notice or lapse of time or both, would constitute an Event of Default.

"Draft Initial Order" has the meaning ascribed to it in Section C(1)(a).

"Drawdown Certificate" has the meaning ascribed to it in Section A(9).

"Event of Default" has the meaning ascribed to it in Section D(1).

"Fee" has the meaning ascribed to it in Section A(11).

"Indemnified Person" has the meaning ascribed to it in Section A(13).

"Information" has the meaning ascribed to it in Schedule "A", Section 5.

"Initial Advance" has the meaning ascribed to it in Section A(3).

"Initial Cash Flow Projections" has the meaning ascribed to it in Section A(10).

"Initial Order" means an initial order granted by the Court in the CCAA proceedings.

"Interest Rate" has the meaning ascribed to it in Section A(5).

"Interim Financing Advances" has the meaning ascribed to it in Section A(9).

"Interim Financing Credit Documentation" means this Agreement, the orders of the Court approving this Agreement and the Interim Lender's Charge, the Security and any other definitive documentation in respect of the Interim Financing Facility that are in form and substance satisfactory to the Interim Lender.

"Interim Financing Facility" has the meaning ascribed to it in Section A(3).

"Interim Financing Term Sheet" has the meaning ascribed to it in Section A.

"Interim Lender's Charge" has the meaning ascribed to it in Section B(1).

"Interim Lender" has the meaning ascribed to it in Section A.

"Legal Fees" means all reasonable and documented legal fees that the Interim Lender has or will have to pay to its legal counsel in connection with any and all tasks related to this Agreement, the orders of the Court, the Interim Financing Facility or the Interim Financing Credit Documentation.

"Liens" means all mortgages, pledges, charges, encumbrances, hypothecs, liens, claims, trusts (including, without limitation, deemed trusts) and security interests of any kind or nature whatsoever.

"Loan Amount" has the meaning ascribed to it in Section A(3).

"Maturity Date" has the meaning ascribed to it in Section A(8).

"Monitor" means KSV Restructuring Inc., solely in its capacity as Court-appointed monitor in the CCAA proceedings.

"Moonlight Sonata" means the property legally described as: PID: 031-982-379, Lot 1 District Lot 73 Group 1 New Westminster District Plan Epp124926

"Obligations" has the meaning ascribed to it in Section A(8).

"Permitted Liens" means (i) the Court Ordered Charges; (ii) Liens, if any, in respect of amounts payable by a Borrower for wages, vacation pay, deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada), income tax and workers compensation claims, and (iii) Liens, if any, that are registered against any of the Property prior to the granting of the Initial Order or that are registered against any of the Property following the date of, and in accordance with, the Initial Order in connection with or as a result of any obligation or liability of any of the Borrowers existing prior to the date of the Initial Order, in each case, that rank subordinate to the Court Ordered Charges.

"Person" means an individual, partnership, corporation (including a business trust), joint venture, limited liability company or other entity, or governmental authority.

"Plan" has the meaning ascribed to it in Section A(8)(e).

"Project" means a residential townhouse development project located on the Real Property and comprised of a strata development of approximately 90 for-sale townhomes and 40 rental townhomes.

"Property" has the meaning ascribed to it in Section C(1)(f).

"Proposed Monitor" means KSV Restructuring Inc., solely in its capacity as the proposed monitor in the CCAA proceedings.

"Real Property" has the meaning ascribed to it in Section A(2).

"REDMA" has the meaning ascribed to it in Section C(1)(iii).

"Restated Initial Order" has the meaning ascribed to it in Section C(2)(a).

"Security" has the meaning ascribed to it in Section B(1).

"Updated Cash Flow Projections" has the meaning ascribed to it in Section E(1)(h).

EXHIBIT B
Real Property

	Municipal Address	PID	Legal Description	Defined Term
	3588 Wayburne Drive, Burnaby, British Columbia	031-982-379	Lot 1 District Lot 73 Group 1 New Westminster District Plan Epp124926	Moonlight Sonata

EXHIBIT C
Initial Cash Flow Projections

(See attached)

Symphony Homes (Moonlight Sonata) Limited, 1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD., and 663466 B.C. LTD

Projected Cash Flow Statement

June 1, 2026 to June 10, 2026

(Unaudited; \$CAD Thousands)

	Note	Week ending		Total
		Jun-07 7 days	Jun-10 3 days	
RECEIPTS				
Collections	2	-	-	-
DISBURSEMENTS				
Security Costs	3	(10)	(10)	(20)
Contingency	4	(233)	(240)	(473)
Total disbursements		(243)	(250)	(493)
Net cash flow		(243)	(250)	(493)
Opening cash balance		-	250	-
Net cash flow		(243)	(250)	(493)
DIP Financing	5	500	-	500
DIP Fees	6	(7)	-	(7)
Ending cash balance		250	-	-

Symphony Homes (Moonlight Sonata) Limited, 1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD., and 663466 B.C. LTD
Notes to Projected Weekly Cash Flow Statement
 June 1, 2026 to June 10, 2026
 (Unaudited; \$CAD Thousands)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of Symphony Homes (Moonlight Sonata) Limited, 1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD., and 663466 B.C. LTD (jointly, the "**Debtors**") from June 1, 2026 to June 10, 2026 (the "**Period**") in connection with the potential proceedings under the Companies' Creditors Arrangement Act ("**CCAA**").

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

All capitalized terms not defined herein have the meanings ascribed to them in the Pre-Filing Report of the Proposed Monitor.

Hypothetical Assumptions

4. Represents a contingency to account for any unforeseen expenses.

Most Probable

2. Due to the uncertainty regarding the timing of the completion of the unit sales, including the resulting sale proceeds and how those funds are to be applied during the CCAA proceedings, proceeds from any such sale transactions have not been included in this cash flow projection.
3. Represents costs associated with initially securing the Debtors' site located at 3550 Wayburne Dr, Burnaby B.C.
5. Reflects the Proposed Monitor's borrowings in the CCAA Proceedings, pursuant to an Interim Financing Facility to be provided by the Interim Lender.
6. Reflects fees payable to the Interim Lender in connection with the proposed Initial Advance.

EXHIBIT D
Form of Initial Order

(See attached)

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

SYMPHONY HOMES (MOONLIGHT SONATA) LIMITED,
1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD.,
and 663466 B.C. LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION

(Initial Order)

BEFORE THE HONOURABLE	)	
	)	June 1, 2026
JUSTICE MILMAN	)	

THE APPLICATION of the Petitioner coming on for hearing at Vancouver, British Columbia, on June 1, 2026 (the “**Order Date**”); AND ON HEARING Kibben Jackson and Heidi Esslinger, counsel for the Petitioner, and those other counsel listed on Schedule “A” hereto; AND UPON READING the material filed, including the First Affidavit of Daniel Pollack sworn May 29, 2026, the First Affidavit of Joey Law made May 29, 2026, and the consent of KSV Restructuring Inc. to act as Monitor; AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charges created herein were given notice; AND pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”), the British Columbia *Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the petition dated May 29, 2026 (the “**Petition**”) is abridged such that it is properly returnable today and service of the Petition and the materials filed in support are hereby deemed good and sufficient.

JURISDICTION

2. Symphony Homes (Moonlight Sonata) Limited, 1168386 B.C. Ltd., 1197030 B.C. Ltd., 1197062 B.C. Ltd., and 663466 B.C. Ltd. (collectively, the “**Debtors**”) are each companies to which the CCAA applies.

SUBSEQUENT HEARING DATE

3. The hearing of the Petitioner’s application for an extension of the Stay Period (as defined in paragraph 14 of this Order) and for any ancillary relief shall be held at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at _____.m. on the ____ day of June, 2026 or such other date as this Court may order.

POSSESSION OF PROPERTY AND OPERATIONS

4. Subject to the provisions of this Order, including those granting the Monitor the authority to, among other things, exercise the powers of the Debtors’ board of directors and officers, the Debtors: (i) 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 (the “**Property**”), and continue to carry on their business (the “**Business**”) in the ordinary course and in a manner consistent with the preservation of the Business and the Property; and (ii) with the approval of the Monitor, are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel, and such other persons (collectively, “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable to carry on the Business in the ordinary course or to carry out the terms of this Order.

5. The Debtors, with the consent of the Monitor, shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively “**Wages**”); and
- (b) the fees and disbursements of any Assistants retained or employed by the Debtors which are related to the Debtors’ restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Debtors, whenever and wherever incurred, in respect of:
 - (i) these proceedings or any other similar proceedings in other jurisdictions in which any of the Debtors or any subsidiaries or affiliated companies of the Debtors are domiciled;
 - (ii) any litigation in which any of the Debtors is named as a party or is otherwise involved, whether commenced before or after the Order Date; and
 - (iii) any related corporate matters.

6. Except as otherwise provided herein, the Debtors, with the consent of the Monitor, shall be entitled to pay all expenses reasonably incurred by the Debtors in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services;
- (b) all obligations incurred by the Debtors after the Order Date, including without limitation, with respect to goods and services actually supplied to the Debtors following the Order Date (including those under purchase orders outstanding at the

Order Date but excluding any interest on the Debtors' obligations incurred prior to the Order Date); and

- (c) fees and disbursements of the kind referred to in paragraph 5(b) which may be incurred after the Order Date.

7. The Debtors are authorized to 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 Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtors in connection with the sale of goods and services by the Debtors, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; 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 property taxes, municipal business taxes 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.

8. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Debtors 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 as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between the applicable Debtor(s) and the landlord from time to time ("**Rent**"), for the period commencing from and including the Order

Date, twice-monthly in equal payments on the first and fifteenth day of the 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 Order Date shall also be paid.

9. Except as specifically permitted herein, the Debtors 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 Debtors to any of their creditors as of the Order Date except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of the Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit; and
- (e) to not incur liabilities except in the ordinary course of business.

RESTRUCTURING

10. Subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), the Debtors, with the consent of the Monitor, shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of the Business or their operations and commence marketing efforts in respect of any of its redundant or non-material assets;
- (b) terminate the employment of such of their employees or temporarily lay off such of its employees as they deem appropriate; and

- (c) pursue all avenues of refinancing for the Business or Property, in whole or part,

all of the foregoing to permit the Debtors to proceed with an orderly restructuring of the Business or Property (the "**Restructuring**").

11. The Debtors shall provide each of the relevant landlords with notice of the Debtors' 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 Debtors' 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 who claim a security interest in the fixtures, such landlord and the Debtors, or by further Order of this Court upon application by the Debtors, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If the Debtors disclaim 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 dispute concerning such fixtures (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 Debtors' claim to the fixtures in dispute.

12. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the 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 Debtors and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Debtors, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Debtors of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the “**Relevant Enactment**”), the Debtors, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, “**Third Parties**”), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement any transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Debtors binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement any transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Debtors or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of any transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Debtors.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

14. Until and including _____, or such later date as this Court may order (the “**Stay Period**”), no action, suit or proceeding in any court or tribunal (each, a “**Proceeding**”) against or in respect of the Debtors or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

15. 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 Debtors or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Monitor or leave of this Court.

16. Nothing in this Order, including paragraphs 14 and 15, shall: (i) empower the Debtors to carry on any business which the Debtors are 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 mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Debtors.

NO INTERFERENCE WITH RIGHTS

17. 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 Debtors, except with the written consent of the Monitor or leave of this Court.

CONTINUATION OF SERVICES

18. During the Stay Period, all Persons having oral or written agreements with the Debtors or mandates under an enactment 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 Debtors, 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 Debtors, and the Debtors shall be entitled to the continued use of its 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 Order Date are paid by the Debtors in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Debtors and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Debtors on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of the Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtors 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 Debtors, if one is filed, is sanctioned by this Court or is refused by the creditors of the Debtors or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of the Debtors that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

APPOINTMENT OF MONITOR

21. KSV Restructuring Inc. is hereby appointed pursuant to the CCAA as the “**Monitor**”, an officer of this Court, to monitor the business and financial affairs of the Debtors with the powers

and obligations set out in the CCAA and set forth herein, and the Debtors and their shareholders, officers, directors, and Assistants, 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 or requested by the Monitor to enable the Monitor to carry out the Monitor's functions.

22. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Debtors' 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) prepare the Debtors' cash flow statements and provide any reporting required by the Petitioner or in these proceedings, which information shall be delivered to the Petitioner and its counsel as agreed to by the Monitor and the Petitioner;
- (d) 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 Debtors, to the extent that is necessary to adequately assess the Business and financial affairs or to perform its duties arising under this Order;
- (e) be at liberty to engage 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; and
- (f) perform such other duties as are required by this Order or any other order made by this Court from time to time.

23. In addition to the powers set out in paragraph 22 above the Monitor is empowered and authorized, but not obligated, to exercise any powers the Monitor deems appropriate which may be properly exercised by the board of directors or any officers of the Debtors, on behalf of and in

the name of the Debtors, including without limitation (and subject to any restrictions in the Definitive Documents) the power to:

- (a) cause the Debtors to take any action permitted to be taken by the Debtors generally and pursuant to the CCAA, this Order or any other order made in these proceedings, including, but not limited to, winding down the Business, liquidating the Property, and such other activities as may, in the Monitor's sole discretion, be necessary or appropriate;
- (b) take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
- (c) receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocating any Property, engaging independent security personnel, taking physical inventories, and placing insurance coverage;
- (d) manage, operate, and carry on the Business, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the Business, or cease to perform any contracts of the Debtors relating thereto;
- (e) engage, retain or terminate the services of, or cause the Debtors to engage, retain or terminate the services of, any officer, employee, consultant, representative, advisor, or other person, all under the supervision and direction of the Monitor, as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of its powers and duties under this Order;
- (f) facilitate or assist in the preparation, filing and remittance of the Debtors' statutory tax and financial requirements, including employee-related remittances, T4 statements, and records of employment, in each case based solely upon the information available from the Debtors' books and records on the basis that the Monitor shall incur no liability or obligation to any person with respect of such filings or remittances;

- (g) deal with any regulatory authority in respect of the Property, including to execute any appointment or authorization form on behalf of the Debtors that any regulatory authority may require to confirm the Monitor's appointment as an authorized representative of the Debtors for such purposes;
- (h) purchase or lease such machinery, equipment, inventories, supplies, premises, or other assets in order to preserve and carry on the Business;
- (i) receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the Debtors;
- (j) operate and control, on behalf of the Debtors, all of the Debtors' existing accounts at any financial institution (each an "**Account**" and collectively the "**Accounts**") in such manner as the Monitor, in its sole discretion, deems necessary or appropriate, including without limitation, to:
 - (i) exercise control over the funds credited to or deposited in the Accounts;
 - (ii) effect any disbursement from the Accounts permitted by this Order or any other order granted in these proceedings;
 - (iii) give instructions from time to time with respect to the Accounts and the funds credited to or deposited therein, including to transfer the funds credited to or deposited in such Accounts to such other account or accounts as the Monitor may direct; and
 - (iv) add or remove persons having signing authority with respect to any Account or to direct the closing of any Account;

and the financial institutions maintaining such Accounts shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer payment, collection or other action taken in accordance with the instructions of the Monitor as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions, and such

financial institutions shall be authorized to act in accordance with and in reliance upon the instructions of the Monitor without any liability in respect thereof to any person;

- (k) settle, extend, or compromise any indebtedness owing to the Debtors;
- (l) execute, assign, issue, and endorse documents of whatever nature in respect of any of the Property for any purpose pursuant to the CCAA, this Order and any other order made in these proceedings;
- (m) undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors relating thereto;
- (n) initiate, manage, and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Property, including initiating, prosecuting, continuing, defending, settling, or compromising the proceedings;
- (o) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Monitor considers appropriate;
- (p) sell, convey, transfer, lease, or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court, including to execute any conveyance or other closing documents in relation to such a transaction;
- (q) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (r) apply for any permits, licences, approvals, or permissions as may be required by any governmental authority relating to the Property, and any renewals thereof;

- (s) enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (t) exercise any shareholder, partnership, joint venture, or other rights which the Debtors may have;
- (u) terminate the services of any officer, employee, consultant, representative, advisor, or other persons;
- (v) pay any outstanding Wages; and
- (w) in accordance with the CCAA and this Order, disclaim any contracts to which any of the Debtors is a party.

24. For greater certainty, where the Monitor takes actions or steps authorized by paragraph 23, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtors and their past or present directors, officers, and shareholders, and without interference from any other Person. No director or officer of the Debtors (or any of them) shall incur any liability for any decisions or actions of the Monitor acting under such authority. The power and authority granted to the Monitor in paragraph 6 shall be paramount to the power and authority of the Debtors or any other Person. Until such powers are exercised, they shall remain with the Debtors, under the Monitor's oversight.

25. The Monitor is authorized, but not required, to open one or more new accounts in its own name (the "**Monitor's Accounts**") and receive third party funds into the Monitor's Accounts or transfer into the Monitor's Accounts such funds, monies, cheques, instruments, and other forms of payment received or collected by it, that it considers necessary or appropriate to assist with the exercise of its powers and duties under the CCAA and this Order. Monies standing to the credit of the Monitor's Accounts from time to time shall be held by the Monitor to be dealt with as permitted by this Order or further order of this Court, including to make disbursements and pay obligations of the Debtors as permitted by this Order or any further order of this Court.

26. Except pursuant to this Order, the Monitor shall not otherwise 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, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

27. Notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed to be a director, officer or employee of the Respondents.

28. Nothing in this Order or any other order granted in these proceedings shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, administrator, receiver manager, agent of the creditors, or legal representative of the Debtors within the meaning of any relevant legislation, including subsection 159(2) of the *Income Tax Act*, R.S.C. 1985, Ch. 1 (5th Supp.) (the “ITA”), and any distributions to creditors of the Debtors by the Monitor will be deemed to have been made by the Debtors themselves. Nothing in this Order shall constitute or be deemed to constitute the Monitor as a person subject to subsection 150(3) of the ITA.

29. In addition to the rights and protections afforded the Monitor under this Order, the CCAA, as an officer of this court or otherwise at law, neither the Monitor nor its employees, advisors or other representatives acting in such capacities shall incur any liability or obligation as a result of the Monitor’s appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Without limiting the generality of the foregoing, in exercising any powers granted to it hereunder: (i) neither the Monitor nor its employees, advisors or other representatives acting in such capacities shall incur any liability or obligation under or in connection the performance, actions omissions or negligence by or of any Assistants, and all other persons acting on their behalf, save and except for any gross negligence or wilful misconduct on its part; and (ii) the Monitor shall be entitled to rely on the books and records of the Debtors without independent investigation. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA, as an officer of this court or any applicable legislation.

LIMITATION ON ENVIRONMENTAL LIABILITIES

30. 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, 1999*, S.C. 1999, c. C-33, the *Fisheries Act*, R.S.C. 1985, c. F-14, the *Environmental Management Act*, S.B.C. 2003, c. 53, the *Fish Protection Act*, S.B.C. 1997, c. 21, 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. For greater certainty, 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, as applicable, within the meaning of any Environmental Legislation, unless it is actually in possession.

31. Notwithstanding anything in federal or provincial law, the Monitor shall not be personally liable in that position for any environmental condition that arises or environmental damage that occurred:

- (a) before their appointment; or,
- (b) after their appointment, unless it is established that the condition arose or the damage occurred as a result of their gross negligence or wilful misconduct.

32. Notwithstanding anything in federal or provincial law, but subject to paragraph 31 above of this Order, where an order is made which has the effect of requiring the Monitor to remedy any environmental condition or environmental damage affecting the Property, if the Monitor complies with the CCAA section 11.8(5), the Monitor is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of such order.

EMPLOYEES

33. Subject to the employees' right to terminate their employment, all employees of the Debtors shall remain as employees of the applicable Debtor until such time as the Monitor, on behalf of the applicable Debtor, may terminate the employment of such employees. Nothing in this Order, including the enhancement of the Monitor's powers pursuant to paragraph 23, the exercise by the Monitor of any of its powers, the performance by the Monitor of any of its duties, or the use or employment by the Debtors of any person under the direction of the Monitor, in connection with the Monitor's appointment and the exercise and performance of its powers and duties, shall be construed as resulting in the Monitor being an employer, successor employer, or related employer of the Debtors' employees within the meaning of any provincial, federal, municipal legislation, or common law governing employment or labour standards or any other statute, regulation, or rule of law or equity for any purpose whatsoever or expose the Monitor to liability to any individuals arising from or relating to their employment by the Debtors. The Monitor shall not be liable for any employee-related liabilities of the Debtors, including any successor liabilities as provided for in section 11.8(1) of the CCAA, other than amounts the Monitor may specifically agree in writing to pay. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee related liabilities of the Debtors, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts.

ADMINISTRATION CHARGE

34. The Monitor and counsel to the Monitor shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Debtors as part of the cost of these proceedings. The Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioner on a periodic basis.

35. 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 British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

36. The Monitor, counsel to the Monitor and counsel to the Petitioner 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 \$150,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order, which are related to these proceedings. The Administration Charge shall have the priority set out in paragraph 43 hereof.

INTERIM FINANCING

37. The Debtors hereby authorized and empowered to obtain and borrow under a credit facility from the Petitioner (in such capacity, the "**Interim Lender**") in order to finance the continuation of the Business and preservation and realization of the Property, provided that borrowings under such credit facility shall not exceed \$700,000 unless permitted by further order of this Court.

38. Such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Debtors, by the Monitor, and the Interim Lender dated as of May 29, 2026 (the "**Commitment Letter**"), a copy of which is attached to the First Affidavit of Daniel Pollack sworn May 29, 2026 as Exhibit "A".

39. The Monitor, on behalf and in the name of the Debtors, is 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 Interim Lender pursuant to the terms thereof, and the Debtors are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the Interim 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.

40. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property, other than any property owned by 663466 B.C. Ltd.

The Interim Lender's Charge shall not secure an obligation that exists before this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 43 and 44 hereof.

41. Notwithstanding any other provision of this Order:

- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under any of the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon 10 days' notice to the Debtors and the Monitor, may exercise any and all of its rights and remedies against the Debtors or the Property under or pursuant to the Commitment Letter, Definitive Documents and the Interim Lender's Charge, including without limitation, to cease making advances to the Debtors and set off and/or consolidate any amounts owing by the Interim Lender to the Debtors against the obligations of the Debtors to the Interim Lender under the Commitment Letter, the Definitive Documents or the Interim 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 any of the Debtors and for the appointment of a trustee in bankruptcy of any of the Debtors; and
- (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of any of the Debtors or the Property.

42. The Interim Lender, in such capacity, shall be treated as unaffected in any plan of arrangement or compromise filed by the Debtors under the CCAA, or any proposal filed by the Debtors under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

43. The priorities of the Administration Charge and the Interim Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$150,000); and

Second – Interim Lender's Charge;

Any security documentation evidencing, or the filing, registration or perfection of, the Charges shall not be required, and the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

44. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA.

45. Except as otherwise expressly provided herein, or as may be approved by this Court, the Debtors shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Debtors obtain the prior written consent of the Monitor, the Interim Lender and the beneficiaries of the Administration Charge.

46. The Administration Charge, the Commitment Letter, the Definitive Documents and the Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender 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 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; (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, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Debtors; and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Debtors of any Agreement to which it is 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 Debtors 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 Debtors 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.

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

SERVICE AND NOTICE

48. The Monitor shall (i) without delay, publish in the Vancouver Sun a notice containing the information prescribed under the CCAA, (ii) within five days after Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Debtors of more than \$1000, 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.

49. The Monitor is at liberty to serve 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 electronic transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or notice by courier, personal delivery or electronic 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.

50. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: <https://www.ksvadvisory.com/experience/case/Moonlight-Sonata> (the "**Monitor's Website**").

51. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's Website.

52. Notwithstanding paragraph 49 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

53. The Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

54. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Debtors, the Business or the Property.

55. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors 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 Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

56. Each of the Debtors 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 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, including acting as a foreign representative of the Debtors to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.

57. Any of the Debtors may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when such Debtor determines that such a filing is appropriate.

58. The Petitioner and the Monitor are hereby at liberty to apply for such further interim or interlocutory relief as they may deem advisable within the time limited for Persons to file and serve Responses to the Petition.

59. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all

affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

60. Any interested party (including the Petitioner and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and 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.

61. Endorsement of this Order by counsel appearing on this application other than counsel for the Petitioner is hereby dispensed with.

62. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Kibben Jackson
Lawyer for the Petitioner

BY THE COURT

REGISTRAR

Schedule “A”

(List of Counsel)

SCHEDULE A ADDITIONAL TERMS

1. **Change of Ownership:** A direct or indirect change in ownership of the Borrowers (or any of them) shall not be permitted without the Interim Lender's prior written consent.
2. **Payment of Property Taxes:** The Borrowers shall pay when due to the taxing authority or authorities having jurisdiction all property taxes, local improvement rates and charges with respect to the Property.
3. **Environmental Liability:** In addition to any liability imposed on any of the Borrowers under any of the Interim Financing Credit Documentation, the Borrowers shall be jointly and severally liable for any and all of the Interim Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable and documented legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Borrowers set forth in this subparagraph:
 - (a) are separate and distinct obligations from the Borrowers' other obligations;
 - (b) survive the payment and satisfaction of the Borrowers other obligations and the discharge of all or any of the Security;
 - (c) are not discharged or satisfied by foreclosure against the Property pursuant to the Security; and
 - (d) shall continue in effect after any transfer of the Property including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.
4. **Assignability:** The Interim Financing Credit Documentation may not be assigned, transferred or otherwise disposed of by the Borrowers without the Interim Lender's prior written consent. The Interim Financing Facility, any of the Interim Financing Credit Documentation or any interest in the Interim Financing Facility or the Interim Financing Credit Documentation may be assigned or participated by the Interim Lender (and its successors and assigns), in whole or in part, without the consent of the Borrowers, provided that any assignee or participant must have sufficient wherewithal, and agrees, to comply with the terms of this Agreement and the other Interim Financing Credit Documentation. Except as hereinafter provided, the Borrowers consent to the disclosure by the Interim Lender to any such prospective assignee or participant of all information and documents regarding the Interim Financing Facility, the Interim Financing Credit Documentation, the Property and the Borrowers within the possession or control of the Interim Lender.
5. **Information:** For purposes of this Interim Financing Term Sheet, "**Information**" means all information relating to the Borrowers and their respective affiliates or any of their respective businesses, other than any such information that is available to the Interim Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information in accordance with this Interim Financing Term Sheet shall be considered to have complied with its obligation to do so if such Person has

exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, from time to time the Interim Lender publishes advertisements or announcements of completed transactions which advertisements or announcements include, but are not limited to, press releases, paid advertisements, internally displayed tombstones, social media, investor brochures or information displayed on the internet or on the Interim Lender's intranet. The Borrowers consent to the publication of an advertisement or announcement of the Interim Financing Facility.

6. **Confidentiality of Information:** The Interim Lender agrees to maintain the confidentiality of the Information, except that Information may be disclosed:

- (a) to it, its affiliates and its and its affiliates' respective partners, directors, officers, employees, agents, advisors and representatives to the extent necessary to administer or enforce any of the Interim Financing Credit Documentation, it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be bound and instructed to keep such Information confidential,
- (b) to the extent requested by any regulatory authority having jurisdiction over it (including any self-regulatory authority),
- (c) to the extent required by any Applicable Law or other legal process,
- (d) to any other party hereto,
- (e) to the extent reasonable, in connection with the exercise of any remedies under any of the Interim Financing Credit Documentation or any action or proceeding relating to any of the Interim Financing Credit Documentation or the enforcement of rights thereunder,
- (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under the Interim Financing Facility or any of the Interim Financing Credit Documentation,
- (g) with the consent of the Borrowers, or
- (h) to the extent such Information
 - (i) becomes publicly available other than as a result of a breach of this Section, or
 - (ii) becomes available to the Interim Lender on a non-confidential basis from a source other than any of the Borrowers or their respective affiliates and provided such source has not, to the knowledge of the Interim Lender, breached a duty or obligation of confidentiality owed to the Borrowers or their respective affiliates, or the Interim Lender. If the Interim Lender is requested or required to disclose any Information pursuant to or as required by any Applicable Law or by an subpoena or similar legal process, the Interim Lender shall use its reasonable commercial efforts to provide the

Monitor with notice of such requests or obligation in sufficient time so that the Monitor, for and on behalf of the Borrowers, may seek an appropriate protective order or waive the Interim Lender's compliance with the provisions of this Section, and the Interim Lender shall co-operate with the Monitor and the Borrowers in obtaining any such protective order.

7. **Use of Information:** The Interim Lender shall be entitled to use any Information to assess the ability of the Borrowers to obtain the Interim Financing Facility and to evaluate the ability of the Borrowers to meet their respective financial obligations which includes, without limitation, disclosing and exchanging Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, the continuing eligibility of Borrowers for the Interim Financing Facility and the continuing ability of the Borrowers to meet their respective financial obligations. This use, disclosure and exchange of Information will continue until the principal balance of the Interim Financing Facility outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full and will help protect the Borrowers from fraud and will also protect the integrity of the credit-granting system.
8. **Right to Inspect:** The Borrowers acknowledge that the Interim Lender may inspect the Property at any time, on reasonable notice to the Monitor, at the expense of the Borrowers.
9. **Demand and Default:** If any Event of Default has occurred which is continuing then the Borrowers shall, at the option of the Interim Lender, be in Default of their obligations to the Interim Lender, the Interim Lender may, at its option on notice to the Monitor, demand the Borrowers' repayment of the principal balance of the Interim Financing Facility outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, cease or delay further funding, and/or may, upon five (5) Business Days' notice to the Monitor, exercise any and/or all remedies available to it under the Security, at law and/or in equity.
10. **Remedies Cumulative:** No extension, postponement, forbearance, delay, or failure on the part of the Interim Lender in the exercise of any power, right or remedy under any of the Interim Financing Credit Documentation, at law or in equity shall operate as a waiver thereof, nor shall a single or partial exercise of any power, right or remedy preclude other or further exercise thereof or the exercise of any other power, right or remedy. Neither the acceptance of any payment nor the making of any concession by the Interim Lender at any time during the existence of a Default shall be construed as a waiver of any continuing Default or of any of the Interim Lender's rights or remedies. All of the powers, rights and remedies of the Interim Lender shall be cumulative and may be exercised simultaneously or from time to time in such order or manner as the Interim Lender may elect. No waiver of any condition or covenant of any of the Borrowers or of the breach of any such covenant or condition shall be deemed to constitute a waiver of any other covenant or condition or of any subsequent breach of such covenant or condition or justify or constitute a consent to or approval by the Interim Lender of any violation, failure or Default by the Borrowers of the same or any other covenant or condition contained under any of the Interim Financing Credit Documentation.
11. **Appointment of Receiver:** Upon an Event of Default, in addition to any other rights which it may have, the Borrowers consent to the Interim Lender's appointment of a receiver, or

a receiver and manager either privately or by court appointment, to manage the Property and do all things necessary as an owner would be entitled to do.

12. **Severability**: The Borrowers agree that if any one or more of the provisions contained in this Interim Financing Term Sheet shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Interim Lender, not affect any or all other provisions of this Interim Financing Term Sheet and this Interim Financing Term Sheet shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
13. **Multiple Parties**: If either of the Borrowers is comprised of more than one Person or corporation, the obligations shall be the joint and several obligations of each such Person or corporation unless otherwise specifically stated herein.
14. **Time of the Essence**: Time is of the essence in this Interim Financing Term Sheet.
15. **Non-Merger**: The representations, warranties, covenants and obligations herein set out in any of the Interim Financing Credit Documentation shall not merge or be extinguished by the execution or registration of the Security but shall survive until the principal balance of the Interim Financing Facility outstanding together with all accrued and unpaid interest and all other amounts secured by the Security are repaid in full.
16. **Governing Law**: The Interim Financing Facility and the Interim Financing Credit Documentation shall be governed by and construed under laws of the Province of British Columbia and the federal laws of Canada as applicable therein
17. **Modification**: No term or requirement of any of the Interim Financing Credit Documentation may be waived or varied orally or by any course of conduct of the Borrowers or anyone acting on their behalf or by any officer, employee or agent of the Interim Lender. Any alteration or amendment to any of the Interim Financing Credit Documentation must be in writing and signed by a duly authorized officer of the Interim Lender and accepted by the Monitor for and on behalf of the Borrowers.
18. **Language**: Any word importing the singular or plural shall include the plural and singular respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word importing persons of either gender or firms or corporations shall include persons of the other gender and firms or corporations were the context so requires.
19. **Headings**: The headings and section numbers appearing in any of the Interim Financing Credit Documentation are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of any of the Interim Financing Credit Documentation.
20. **Counterparts**: Any of the Interim Financing Credit Documentation may be executed in several counterparts each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.
21. **Electronic Execution**: The words "execution," "execute", "signed", "signature," and words of like import in or related to any Interim Financing Credit Documentation to be signed in connection with the Interim Financing Facility shall be deemed to include electronic

signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Electronic Commerce Act, 2000* (Ontario), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada.

22. **Calculations**: All interest calculated under this Interim Financing Term Sheet shall be computed based on the actual number of days elapsed in a year consisting of 365 days.
23. **Paramountcy**: In the event of any inconsistency or conflict between any of the provisions of the Interim Financing Term Sheet and any provision or provisions of the Security, the provisions of the Interim Financing Term Sheet will prevail.

No _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, C. C-36 AS
AMENDED

AND

IN THE MATTER OF SYMPHONY HOMES
(MOONLIGHT SONATA) LIMITED,
1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C.
LTD., and 663466 B.C. LTD.

AND

KINGSETT MORTGAGE CORPORATION

PETITIONER

AFFIDAVIT #1 OF DANIEL POLLACK

FASKEN MARTINEAU DuMOULIN LLP

Barristers and Solicitors
550 Burrard Street, Suite 2900
Vancouver, BC, V6C 0A3
+1 604 631 3131

Counsel: Kibben Jackson
E-mail: kjackson@fasken.com
Matter No: 311780.00051

Appendix “B”



SURREY NEWTON
13650 72 AVE
SURREY, BC V3W 2P3

TD Canada Trust

Tel: 1-866-222-3456
TTY: 1-800-361-1180

TDCDA71400_5171438_003 E R 00547

03846

SYMPHONY HOMES (WAYBURNE) LTD.
5648 IMPERIAL ST
BURNABY BC V5J 1E9

Statement of Account		Account Type		Statement from - To	
Branch No.	Account No.	BUSINESS CHEQUING ACCOUNT - CAD BASIC		MAY 29/26 - JUN 30/26	
0547	8399-5320043			Page 1 of 1	
DESCRIPTION	CHEQUE/DEBIT	DEPOSIT/CREDIT	DATE	BALANCE	
BALANCE FORWARD			MAY29	1,227,958.06	
E-TRANSFER ***jt8		110.15	JUN08		
E-TRANSFER ***Keg		25.00	JUN08	1,228,093.21	
MONTHLY PLAN FEE	7.00		JUN30	1,228,086.21	
0 CHQS ENCLOSED NEXT STATEMENT DATE IS JUL 31/26				No.	Amount
MONTHLY AVER. CR. BAL.				Credits	2 135.15
MONTHLY MIN. BAL.				Debits	1 7.00
DEP CONTENT- CASH 0 ITEMS 4 UNC BATCH 0					

Please ensure that you report in writing any errors or irregularities found within this statement within 30 days of the statement date. If you do not, the statement of account shall be conclusively deemed correct except for any amount credited to the account in error.

Accounts issued by: THE TORONTO-DOMINION BANK

TDCDA71400_5171438_003 - 0023846 008076

Appendix “C”



SYMPHONY HOMES (WAYBURNE) LTD.
5648 IMPERIAL ST
BURNABY BC V5J 1E9 CAN

ACCOUNT NUMBER: 5320043
BRANCH #: 547
FROM DATE: 2025-06-01
TO DATE: 2026-07-09

Transaction Description	Withdrawal Amount	Deposit Amount	Date	Balance
OPEN ACCOUNT		\$0.00	01/09/2026	\$0.00
JX052 TFR-FR 5299141		\$20,000.00	01/09/2026	\$20,000.00
UW005 TFR-TO 5299141	\$1,000.00		01/12/2026	\$19,000.00
CAD DRAFT 13190815	\$209.95		01/23/2026	\$18,790.05
CAD DRAFT 13190820	\$10,009.95		01/26/2026	\$8,780.10
MONTHLY PLAN FEE	\$28.93		01/30/2026	\$8,751.17
HJ530 TFR-TO 5299141	\$5,082.55		02/04/2026	\$3,668.62
JW590 TFR-TO 5299141	\$1,000.00		02/13/2026	\$2,668.62
UL375 TFR-TO 5261616	\$2,500.00		02/17/2026	\$168.62
TO:05475299141	\$68.62		02/27/2026	\$100.00
MONTHLY PLAN FEE	\$39.00		02/27/2026	\$61.00
MONTHLY PLAN FEE	\$39.00		03/31/2026	\$22.00
MONTHLY PLAN FEE	\$39.00		04/30/2026	-\$17.00
OVERDRAFT INTEREST	\$0.01		04/30/2026	-\$17.01
FRM:05475299141		\$17.01	05/28/2026	\$0.00
MONTHLY PLAN FEE	\$39.00		05/29/2026	-\$39.00
OVERDRAFT INTEREST	\$0.33		05/29/2026	-\$39.33
FRM:05475299141		\$39.33	06/22/2026	\$0.00
MONTHLY PLAN FEE	\$39.00		06/30/2026	-\$39.00
OVERDRAFT INTEREST	\$0.50		06/30/2026	-\$39.50
COLLECTION ITEM		\$78.57	07/06/2026	\$39.07
OVERDRAFT INTEREST	\$0.07		07/06/2026	\$39.00
MONTHLY PLAN FEE	\$39.00		07/06/2026	\$0.00
CLOSE ACCOUNT	\$0.00		07/06/2026	\$0.00

Appendix “D”

MOONLIGHT SONATA

Open Asks Register — Shared - REVISED BY ALIX

Monitor, BTY & KingSett requests · shared with Debtors on 8 July 2026 and "Status" of requests updated by Monitor on July 21, 2026.

Ref	Requested By	Category	Ask (as received)	Originally Requested On	Priority	Status	Monitor Notes	For Symphony to Add		
								Symphony Notes	Owner	Expected completion date
1	Monitor	Accounts	Bank Account statements for all Bank Accounts, Wayburne included. (need these for the past 6 months)	18-Jun-26	Very High	Partial	Debtor's counsel wrote a letter on July 2 indicating these are being uploaded to SharePoint - the Monitor is unable to locate this on the SharePoint. 1 bank statement received for most recent month for ~~Holdback Account~~ .			
2	Monitor	Accounts	Holdback Account - transfer funds to Monitor	18-Jun-26	Very High	Partial	Wire Received - however; questions regarding the account from which the wire ~~originated remain outstanding~~ .			
3	Monitor	Accounts	Wayburne Accounts - provide access to Monitor	18-Jun-26	Very High	Open				
4	Monitor	Accounts	Holdback Account - provide reconciliation showing (i) how the personal payments that were made from this account correlate to account overfunding and equity contributions; and (ii) evidence that the balance of the Holdback Account is not deficient. ~~The only thing the Monitor was provided is a summary of the current balance, which is not sufficient to determine if the balance is not deficient.~~	18-Jun-26	Very High	Open	Debtors' counsel wrote a letter on July 6 indicating this was already uploaded to SharePoint - the Monitor is unable to locate this on the SharePoint.			
5	Monitor	Sales and Deposits	The Debtors' records show 26 pre-sales whereas the list the Monitor obtained from KingSett shows 28 pre-sales. The difference may relate to two sales that were signed in late 2025. Please confirm which is correct. If the correct number is 26, please advise what happened with the two additional sales that were ~~signed in late 2025~~ .	08-Jul-26	Very High	Open				
6	Monitor	Sales and Deposits	The deposit ledger provided by the Debtors shows purchaser principal deposits totalling \$2,689,710, whereas the pre-sale APSs (including amendments) show total deposit requirements of approximately \$4.2 million. Please confirm whether the deposit ledger is complete and correct. If the deposit ledger is complete, please provide explanation on the missing deposits and advise whether any steps have been taken to rectify the defaults under these APSs, with any related letters/correspondence with these homebuyers.	08-Jul-26	Very High	Open				
7	Monitor	Consultant Payables	Debtors to advise how much the consultants that are required to respond to BTY requests are owed and what the proposed pre-filing settlement to them should be.	08-Jul-26	Very High	Complete	Monitor will refer to the creditors list posted in the CCAA proceedings.			
8	Monitor	Employees	Can you please confirm whether the Debtors (including Symphony Wayburne) have any direct employees that have employment contracts with the Debtors, or whether employee contracts sit in non-CCAA debtor entities and are charged back? If there are direct employees, please confirm whether source deductions are up to date and provide the latest notice of assessment from CRA in respect of same.	30-Jun-26	Very High	Open				
9	Monitor	Project Status	Pictures of inside of the partially completed blocks.	08-Jul-26	High	Open				
10	Monitor	Letter of Credit	Letter of credit status with NBC.	18-Jun-26	High	Complete	Monitor has requested to be added to email chain with NBC to discuss release of LC funds.			
11	Monitor	Project Structure	Please explain Project contract structure. Please provide a summary of the project structure, including how Symphony Homes Ltd. (the GC pursuant to a CCDC-5B) and Symphony (Wayburn) interact with the CCAA Debtor entities and how/why the construction manager is Symphony Homes Limited, whereas the construction contracts are held by Symphony Wayburne. Please include copies of any agreements between Symphony Homes Limited and Symphony Wayburne.	26-Jun-26	High	Open				
12	BTY	CTC Report	Budgets to include protection of any existing in place structures that relate to common areas and subsequent phases that would impact Phase 1 occupancy – IE waterproofing of concrete slabs over parkades, services distributed throughout ~~the development etc~~ .	25-Jun-26	High	Partial - BTY to Confirm	Certain information uploaded to SharePoint on July 8th. BTY to review and confirm if complete and sufficient.			
13	BTY	CTC Report	Trades to provide their latest invoicing and accounts payables, as well as an SOV to confirm the cost to complete on their contracts for Phase 1 associated works ~~only~~ .	25-Jun-26	High	Open				
14	BTY	CTC Report	Confirmation from trades that they are willing to re-commence work and are holding their existing contract values or the increases to these contracts expected (Pending CO's) as a result of the delay and re-commencement of the ~~project~~ .	25-Jun-26	High	Open				

MOONLIGHT SONATA

Open Asks Register — Shared - REVISED BY ALIX

Monitor, BTY & KingSett requests · shared with Debtors on 8 July 2026 and "Status" of requests updated by Monitor on July 21, 2026.

Ref	Requested By	Category	Ask (as received)	Originally Requested On	Priority	Status	Monitor Notes	For Symphony to Add		
								Symphony Notes	Owner	Expected completion date
15	BTY	CTC Report	Lien information – we have no sight on these currently. Our cost to complete will exclude these costs, but we understand that they need to be visible and ~~considered for the overall financing budget~~	25-Jun-26	High	Partial - BTY to Confirm	Certain information uploaded to SharePoint on July 8th. BTY to review and confirm if ~~complete and sufficient~~			
16	BTY	CTC Report	Detailed construction schedule that is both realistic and deliverable for the Phase 1A scope.	25-Jun-26	High	Partial - BTY to Confirm	Certain information uploaded to SharePoint on July 8th. BTY to review and confirm if ~~complete and sufficient~~			
17	BTY	CTC Report	Detailed schedule for all on and off-site works remaining for Phase 1 scope and occupancy requirements	25-Jun-26	High	Partial - BTY to Confirm	Certain information uploaded to SharePoint on July 8th. BTY to review and confirm if ~~complete and sufficient~~			
18	BTY	CTC Report	Closing schedule for the units as they are anticipated to complete and revenue expected to be received to pay down the loan.	25-Jun-26	High	Partial - BTY to Confirm	Certain information uploaded to SharePoint on July 8th. BTY to review and confirm if ~~complete and sufficient~~			
19	BTY	CTC Report	Consultant drawings that break out the Phase 1 A scope to ensure all works are then captured and budgeted for to allow for occupancy.	25-Jun-26	High	Open				
20	BTY	CTC Report	Consultant reports for the structural works in place but subsequently exposed and what is required to be remediated or undertaken as temporary works to ~~protect these elements~~	25-Jun-26	High	Open				
21	BTY	CTC Report	Confirmation from the city that the phased occupancy will be accepted for the Phase 1 A portion	25-Jun-26	High	Open	For greater clarity, we are looking for confirmation that City and Consultants will be willing to sign off on the occupancy and registration if we are only completing 5 out of 13 Blocks.			
22	Monitor	Project Financials	Wayburne GST receivable — amount, filing period, copy of filing + CRA Notice of Account	26-Jun-26	High	Open				
23	Monitor	Project Documents	Consultant + City inspections via SharePoint	30-Jun-26	High	Open				
24	Monitor	Project Documents	Stacking Plan (please identify sold units on the site plan)	08-Jul-26	High	Open				
25	Monitor	Project Documents	City Development Approval supporting the revised buildout assumptions (see Notes)	08-Jul-26	High	Open	We have record of a development approval memo from the City of Burnaby that provides for 84 market strata condo's (for-sale), plus 46 rental units. Our understanding is this was revised to, 90 for-sale towns, 32 affordable rentals and 8 market rentals.			
26	Monitor	Site Safety	Fire Watch Quote	30-Jun-26	High	Open				
27	Monitor	Cash Flow	Opening cash at McEwan Partners — awaiting transfer to Monitor	30-Jun-26	High	Open	McEwan Partners confirmed on June 30, 2026 that a transfer will be made. Alix has ~~not received these funds~~ .			
28	Monitor	Symphony Waterfall Assumptions	Phase 1A — revenue & sales assumptions for unsold units (ppsf + how ppsf is supported)	26-Jun-26	Medium	Open				
29	Monitor	Symphony Waterfall Assumptions	Phase 1A — ancillary revenue assumptions (parking and storage lockers)	26-Jun-26	Medium	Open				
30	Monitor	Symphony Waterfall Assumptions	Phase 1A — assumed timeline for sales & closings	26-Jun-26	Medium	Open				
31	Monitor	Symphony Waterfall Assumptions	Phase 1A — were the liens included in the cost-to-complete budget?	26-Jun-26	Medium	Open				
32	Monitor	Symphony Waterfall Assumptions	Phase 1B — detailed revenue & sales assumptions incl. whether rent-rate restrictions considered	26-Jun-26	Medium	Open				
33	Monitor	Symphony Waterfall Assumptions	Phase 1B — detailed cost-to-complete assumptions & calculations	26-Jun-26	Medium	Open				
34	Monitor	Symphony Waterfall Assumptions	Phase 2 — detailed revenue & sales assumptions incl. ppsf and timing of sales/closings	26-Jun-26	Medium	Open				
35	Monitor	Symphony Waterfall Assumptions	Phase 2 — detailed cost-to-complete assumptions & calculations	26-Jun-26	Medium	Open				

Open Asks Register — Shared - REVISED BY ALIX

Monitor, BTY & KingSett requests · shared with Debtors on 8 July 2026 and "Status" of requests updated by Monitor on July 21, 2026.

Ref	Requested By	Category	Ask (as received)	Originally Requested On	Priority	Status	Monitor Notes	For Symphony to Add		
								Symphony Notes	Owner	Expected completion date
36	Monitor	Project Documents	All project documents	18-Jun-26	Medium	Partial (only approximately 5% of Project documents provided)	Drawings, architectural, consultants reports, municipal and regulatory documents, all contracts/commitments (consultant engagement), BCs and LOIs			
37	Monitor	Project Financials	Accounting records, including General Ledgers, Trial Balances and bank reconciliations, for all CCAA Entities	08-Jul-26	Medium	Open				
38	Monitor	Project Financials	CRA business numbers	18-Jun-26	Medium	Partial		Moonlight + 062/030/386 already provided; 466 + Wayburne outstanding		
39	Monitor	Site Safety	Secure Force — camera layout + access link	30-Jun-26	Medium	Open		Contact Secure Force; obtain layout + share link; distribute to team		
40	Monitor	Cash Flow	Disbursement invoices and Payment instructions	18-Jun-26	Medium	Ongoing				
41	Monitor	Cash Flow	Payroll register + roles + % Moonlight	26-Jun-26	Low	Open				
42	Monitor	Cash Flow	Office-cost rationale	26-Jun-26	Low	Open				

Appendix “E”

Symphony Homes (Moonlight Sonata) Limited, 1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD., Symphony Homes (Wayburne) LTD., and 663466 B.C. LTD
Projected Weekly Cash Flow Statement
July 27, 2026 to September 13, 2026
(Unaudited; \$CAD Thousands)

	Note	Week Ending							Total
		2-Aug-26	9-Aug-26	16-Aug-26	23-Aug-26	30-Aug-26	6-Sep-26	13-Sep-26	
		7 days	7 days	7 days	7 days	7 days	7 days	7 days	
RECEIPTS									
Collections	2	-	-	-	-	-	-	-	-
DISBURSEMENTS									
<u>Operating disbursements</u>									
Security costs and maintenance	3	(22)	(11)	(11)	(11)	(11)	(11)	(11)	(90)
Other project costs	4	(42)	-	-	-	-	(42)	-	(85)
Property taxes		(118)	-	-	-	-	-	-	(118)
Insurance	5	(22)	-	-	-	-	(22)	-	(44)
Contingency	6	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(175)
		(230)	(36)	(36)	(36)	(36)	(100)	(36)	(512)
Professional fees	7	-	(150)	-	-	-	(150)	-	(300)
		-	(150)	-	-	-	(150)	-	(300)
Total disbursements		(230)	(186)	(36)	(36)	(36)	(250)	(36)	(812)
Net Cash Flow		(230)	(186)	(36)	(36)	(36)	(250)	(36)	(812)
Opening cash balance		12	275	581	545	509	472	222	12
Net cash flow		(230)	(186)	(36)	(36)	(36)	(250)	(36)	(812)
DIP financing	8	500	500	-	-	-	-	-	1,000
DIP fees	9	(7)	(7)	-	-	-	-	-	(14)
Ending cash balance		275	581	545	509	472	222	186	186

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of Symphony Homes (Moonlight Sonata) Limited, 1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD., Symphony Homes (Wayburne) LTD., and 663466 B.C. LTD (jointly, the "Debtors") from July 27, 2026 to September 13, 2026 (the "Period") in connection with the Debtors' proceedings under the Companies' Creditors Arrangement Act ("CCAA").

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

All capitalized terms not defined herein have the meanings ascribed to them in the Second Report of the Monitor.

Hypothetical Assumptions

6. Represents a contingency to account for any unforeseen expenses.

Most Probable

2. Due to the uncertainty regarding the timing of the completion of the unit sales, including the resulting sale proceeds and how those funds are to be applied during the CCAA proceedings, proceeds from any such sale transactions have not been included in this cash flow projection.
3. Represents costs associated with securing and general upkeep of the Debtors' residential townhome project site located at 3550 Wayburne Dr, Burnaby B.C. (the "Project")
4. Represents project overhead and administrative costs.
5. Represents insurance premiums for builders risk insurance and general liability insurance for the Project.
7. Includes fees of the monitor, its counsel, the Interim Lender's counsel (in aggregate, up to \$250,000) and the Debtors' counsel (up to \$50,000).
8. Reflects the Proposed Monitor's borrowings in the CCAA Proceedings, pursuant to an Interim Financing Facility to be provided by the Interim Lender.
9. Reflects fees payable to the Interim Lender in connection with the proposed advances under the Interim Financing Facility.

Appendix “F”

**COURT FILE NO.: S-264225
VANCOUVER REGISTRY**

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36**

**AND IN THE MATTER OF SYMPHONY HOMES (MOONLIGHT
SONATA) LIMITED, 1168386 B.C. LTD., 1197030 B.C. LTD.,
1197062 B.C. LTD., SYMPHONY HOMES (WAYBURNE) LTD.,
and 663466 B.C. LTD.**

MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)

The attached consolidated statement of projected cash-flow of Symphony Homes (Moonlight Sonata) Limited, 1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD., Symphony Homes (Wayburne) LTD. and 663466 B.C. LTD. (collectively, the "Petitioners") as of the 21st day July, 2026, consisting of a weekly projected cash flow statement for the period July 27th, 2026 to September 13th, 2026 (the "Cash Flow Forecast") has been prepared by the Monitor, in conjunction with KingSett Mortgage Corporation (the Petitioners' principal secured creditor) ("KingSett") for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information provided by KingSett and obtained by the Monitor from the management of the Petitioners. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. We have reviewed the support obtained from management and provided by KingSett for the probable assumptions and the preparation and presentation of the Cash Flow Forecast.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
- b) as at the date of this report, the probable assumptions are not suitably supported and consistent with the plans of the Monitor, or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
- c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Forecast will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow Forecast has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, ON this 21st day of July, 2026.

AlixPartners Restructuring, Inc.

ALIXPARTNERS RESTRUCTURING, INC.,

solely in its capacity as monitor of

Symphony Homes (Moonlight Sonata) Limited, 1168386 B.C. LTD., 1197030 B.C. LTD., 1197062 B.C. LTD., Symphony Homes (Wayburne) LTD., and 663466 B.C. LTD.