VANCOUVER
NOV 02 2026
REGISTRY

This is the first affidavit of
Christopher B Gribble in this case
and was made on October 30,
2026

S 268158

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

PNC BANK, NATIONAL ASSOCIATION and PNC BANK CANADA BRANCH

PETITIONERS

AND

BRIAN JACOB FEHR, PEAK NORTH AMERICA HOLDINGS LTD., PEAK NORTH AMERICA CONSTRUCTION LTD., 0960670 B.C. LTD., HEARTLAND STEEL STRUCTURES LTD., HSSL CAPITAL CORP., PEAK NA ENERGY LTD., PEAK NORTH AMERICA MANUFACTURING LTD., PEAK NORTH AMERICA PROPERTIES LTD., WOODPRO ENGINEERING LTD., RALLY MANAGEMENT SERVICES LTD., 596848 BRITISH COLUMBIA LTD., COLUMBIA LAKE HOLDINGS LTD., CF BIDCO PROPERTY HOLDINGS LTD., HILL AVIATION CENTRE INC., B&D FEHR HOLDINGS LTD., HEADWATERS HOLDING COMPANY LTD., COLUMBIA LAKE RANCH LTD., 1126486 B.C. LTD., BRIAN FEHR GROUP HOLDINGS LTD. AND WILLOWCALE STORAGE INC.

RESPONDENTS

AFFIDAVIT

I, Christopher B. Gribble, residing at 900-1819 Fifth Avenue North, Birmingham, Alabama, SWEAR THAT:

1. I am Senior Vice President at PNC Bank, National Association ("**PNC NA**"), one of the petitioners in this proceeding, and as such I have personal knowledge of the matters deposed to in this affidavit, except where I depose to a matter based on

information from an informant I identify, in which case I believe that both the information from the informant and the resulting statement are true.

2. This affidavit is made in support of the order (the "**Receivership Order**") sought by PNC NA and PNC Bank Canada Branch ("**PNC Canada**" and, together with PNC NA, the "**Bank**") in its petition filed in this proceeding, that, among other things:

(a) appoints AlixPartners Restructuring, Inc. as receiver and manager ("**AlixPartners**" or the "**Proposed Receiver**") of certain specific Property (defined below) of:

(i) Brian Jacob Fehr (the "**Debtor**"),

(ii) Peak North America Holdings Ltd., Brian Fehr Group Holdings Ltd., Peak North America Construction Ltd., 0960670 B.C. Ltd., Heartland Steel Structures Ltd., HSSL Capital Corp., Peak NA Energy Ltd., Peak North America Manufacturing Ltd., Peak North America Properties Ltd., and Woodpro Engineering Ltd. (collectively, the "**Original Canadian Obligors**") and

(iii) Rally Management Services Ltd., 596848 British Columbia Ltd., Columbia Lake Holdings Ltd., CF Bidco Property Holdings Ltd., Hill Aviation Centre Inc., B&D Fehr Holdings Ltd., Headwaters Holding Company Ltd., Columbia Lake Ranch Ltd. and 1126486 B.C. Ltd. (collectively, the "**New Canadian Obligors**" and, together with the Debtor, the Original Canadian Obligors and Willowcale Storage Inc., the "**Respondents**")

pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and section 39 of the *Law and Equity Act* (British Columbia); and

(b) grants judgment against the Respondents in favour of the Bank pursuant to the Guarantees (as defined below).

3. All dollar amounts stated in this affidavit are in Canadian dollars, unless otherwise indicated.

4. Attached as **Exhibit "A"** to this affidavit is a summary chart setting out which Respondents and other members of the Brian Fehr Group (as defined below) are included in certain defined terms used herein that refer to various subgroups of the Respondents and other members of the Brian Fehr Group.

II. INTRODUCTION

5. The Debtor is the ultimate controlling owner of a complicated group of British Columbian incorporated entities, including all of the Respondents.[1] I understand from the Respondents' representatives that the Respondents now have minimal business operations, and their primary function is that of holding companies for the real property over which the Bank seeks to have the Proposed Receiver appointed. This real property largely consists of residential properties, industrial sites and vacant land, all located in British Columbia.

6. The Bank made several loans to certain of the Respondents and certain of the Respondents' affiliates over the course of 2024 and 2025 for which certain members of the Brian Fehr Group (the "**Original Obligors**")[2] provided real and personal property security to the Bank. Some of the Original Obligors, and some of the collateral that serves as security for the loans, is located in the United States, with the remainder in British Columbia.

7. The Original Obligors proceeded to default under the Loan and Security Documents (as defined below) in December 2025. The Bank issued demand letters to the Original Obligors in December 2025 and January 2026, accelerating the payment of the outstanding indebtedness owing to the Bank under the Loan Documents, including a

---

[1] The Respondents and their affiliates that are also part of the Debtor's corporate group are referred to herein collectively as the "**Brian Fehr Group**".

[2] The Original Obligors include the Debtor, the Original Canadian Obligors, Peak NA US Properties Inc., Endurance Equipment, L.L.C., Peak NA Construction US LLC, Peak NA US Energy Inc., and Peak NA US Inc, Advanced Sawmill Machinery Inc., Peak NA RPM Acquisition Inc. and Real Performance Machinery LLC.

demand letter to the Original Canadian Obligors in January 2026, which attached notices of intention to enforce security pursuant to section 244 of the BIA. The Original Obligors failed to repay such outstanding indebtedness by the deadline set out in the demand letters.

8. Despite the continued failure of the Original Obligors to repay the outstanding indebtedness owing to the Bank, rather than enforcing its security immediately, the Bank entered into a forbearance agreement on April 8, 2026 (the "**Original Forbearance Agreement**") with the Forbearance Obligors,[3] which included, among others, all of the Respondents. The underlying purpose of the Original Forbearance Agreement was to defer the scheduled principal and interest payments required to be made to the Bank while giving the Forbearance Obligors an opportunity to repay the Bank by selling their assets, which consist mostly of real property, through private sales. The Original Forbearance Agreement contained an interim payment milestone in October 2026 and required a full repayment of the Total Indebtedness (as defined below) to the Bank by the end of 2026. Pursuant to the Original Forbearance Agreement, the Respondents all consented to the appointment of a receiver over the Respondents and their property upon an event of default.

9. As part of the consideration for the Bank agreeing to forbear from exercising its rights and remedies under the Loan and Security Documents (as defined below) as a result of the Original Obligors' defaults, the New Canadian Obligors and the Debtor agreed to provide mortgages to the Bank over certain real property owned or leased by the Debtor and the New Canadian Obligors.

---

[3] The "**Forbearance Obligors**" include all of the Respondents, as well as other members of the Brian Fehr Group and other individuals connected with the Brian Fehr Group, and are comprised of the following persons: Peak NA US Properties Inc., Brian Fehr Group Holdings Ltd., Peak North America Holdings Ltd., Endurance Equipment, L.L.C., Peak North America Construction Ltd., Peak NA Construction US LLC, Advanced Sawmill Machinery, Inc., Peak NA US Energy Inc., Peak NA US Inc., Real Performance Machinery LLC, 0960670 B.C. Ltd., Heartland Steel Structures Ltd., HSSL Capital Corp., Peak NA Energy Ltd., Peak North America Manufacturing Ltd., Peak North America Properties Ltd., Real Performance Machinery ULC, Woodpro Engineering Ltd., Brian Jacob Fehr, 1304802 BC Ltd., Willowcale Storage Inc., Rally Management Services Ltd., 596848 British Columbia Ltd., Columbia Lake Holdings Ltd., CF Bidco Property Holdings Ltd., Hill Aviation Centre Inc., 1126486 B.C. Ltd., B&D Fehr Holdings Ltd., Headwaters Holding Company Ltd., Columbia Lake Ranch Ltd., Jamie William Bird and Nicholas Wayne Walter Fuchs.

10. The Bank is the first and only mortgagee in respect of certain of the mortgages granted by the Debtor and the New Canadian Obligors, but there are other mortgagees registered prior in time to the Bank's registrations with respect to other parcels of such real property. These other mortgagees are discussed in further detail below.

11. The Forbearance Obligors breached the terms of the Original Forbearance Agreement almost immediately, as the Bank discovered previously undisclosed tax liens registered against the Debtor's real property when it went to register its mortgages against these properties. Several months after the execution of the Original Forbearance Agreement, the Forbearance Obligors signaled to the Bank that they would not be able to meet the payment milestones in the Original Forbearance Agreement.

12. Despite these issues, the Bank continued to proceed on a consensual basis with the Forbearance Obligors, including entering into an amended version of the Original Forbearance Agreement (the "**Amended Forbearance Agreement**") pursuant to an amendment dated September 25, 2026 (the "**First Amendment**"), which, at the Forbearance Obligors' request, modified the payment milestones in the Original Forbearance Agreement to make them easier for the Forbearance Obligors to meet, and give the Forbearance Obligors additional breathing room as they proceeded to sell their assets. In other words, the Bank has been attempting to work cooperatively with the Respondents for many months.

13. Yet, the Bank reached a breaking point on October 15, 2026 when the Forbearance Obligors failed to meet the first payment milestone set out in the First Amendment, which constituted an event of default under the Amended Forbearance Agreement. As a result, the Bank proceeded to terminate the Amended Forbearance Agreement on October 16, 2026. In addition, demand letters and notices of intention to enforce security under section 244 of the BIA were sent to the New Canadian Obligors and the Debtor on October 19, 2026.

14. Each of the Respondents has defaulted under the Amended Forbearance Agreement and the applicable Loan and Security Documents (as defined below) to which

they are a party, including the failure to pay to the Bank when due the Total Indebtedness (as defined below). To be clear – all of the obligations owing to the Bank were accelerated on December 4, 2025, and as of the date hereof the Total Indebtedness remains unpaid.

15. Each of the Respondents have consented to the appointment of a receiver over the Property pursuant to the Amended Forbearance Agreement, and the appointment of a receiver is a right of the Bank under the Registered Mortgages and the Canadian Security Agreement (each as defined below) upon an event of default.

16. For almost a year, the Bank has attempted to achieve a consensual resolution with the Respondents despite their ongoing defaults. However, for the reasons that are described below, the Bank has fundamentally lost confidence in the Respondents' ability to satisfy their obligations to the Bank, or to effectively manage the sale of the Property. The Respondents have (a) failed to meet their obligations under the Loan Documents, and subsequently the Amended Forbearance Agreement, (b) provided unreliable and inconsistent disclosure about their assets on numerous occasions, and (c) regularly missed the deadlines they have set for themselves. The *status quo* is unsustainable.

17. The Bank is now seeking the appointment of the Proposed Receiver over the Property to, among other things, (a) protect its rights as secured creditor, and the rights and interests of other secured creditors of the Respondents, (b) prevent the loss or diminution of value of its collateral, (c) conduct a sales process for the Property to monetize such Property in a fair and transparent process, (d) analyze and determine the relative rights and priorities of the numerous secured and unsecured creditors of the Respondents to the proceeds of the Property, and (e) investigate the Respondents' property to determine whether any of the Bank's collateral has been improperly disposed of.

18. In the Bank's view, it is not only just and convenient for the Proposed Receiver to be appointed, it is necessary for such a third-party Court officer to be appointed so that it can impose transparency, accountability and efficiency on a

complicated debt enforcement process involving numerous creditors across a large corporate group.

III. BRIAN FEHR GROUP, THE RESPONDENTS AND THE PROPERTY

19. I understand from the Respondents' representatives that the Debtor is a businessperson with long time involvement in the forestry industry. The Brian Fehr Group consists of a series of related entities that serve as corporate vehicles for the Debtor's business interests. The Respondents are all members of the Brian Fehr Group. A copy of the organizational chart of the Brian Fehr Group is attached to the First Affidavit of Nancy Thompson, sworn October 30, 2026 (the "**Thompson Affidavit #1**") as **Exhibit "A"**.

20. The Original Obligors (other than the Debtor) are all direct or indirect subsidiaries of Brian Fehr Group Holdings Ltd. ("**BFG Holdings**"). Certain of the Original Obligors are incorporated and operate in the United States, whereas the Original Canadian Obligors are all British Columbia corporations. I understand from the Respondents' representatives that the Original Canadian Obligors were historically involved in the forestry business, and I am informed by the Respondents' representatives that none of the Original Canadian Obligors, other than BFG Holdings currently maintain operating businesses. All of the assets, undertakings and property of the Original Canadian Obligors, other than that of BFG Holdings, is referred to herein as the "**Peak Property**".

21. The Respondents other than the Debtor (which include all the Original Canadian Obligors and New Canadian Obligors) are referred to collectively herein as the "**Corporate Respondents**", and are all indirectly controlled by the Debtor through his holding company 596848 British Columbia Ltd. ("**HoldCo**"), which is one of the Corporate Respondents. Several of the Corporate Respondents have pledged to the Bank the shares of certain entities in the Brian Fehr Group and such shares are referred to herein as the "**Share Property**". Copies of corporate profile reports for each of the Corporate Respondents are attached to the Thompson Affidavit #1 as **Exhibit "B"**.

22. The New Canadian Obligors and the Debtor all hold parcels of real estate, and below is a table that sets out the PID, address, legal description, owner and description (as provided by the Respondents) of each parcel of real property over which the Bank seeks the appointment of the Proposed Receiver (the "**Real Property**" and, together with the Peak Property and the Share Property, the "**Property**"):

PID	Street Address	Legal Description	Owner	Description (operating or dormant business)
010-441-654	9006 GRAINGER RD	Lot 1 District Lot 110 Kootenay District Plan 14705 Except Plans EPP84547 EPP108805, EPP148375, EPP129118	CF BidCo Property Holdings Ltd.	Land
024-466-514	9426 AIRPORT ACCESS RD		Hill Aviation Centre Inc.	Aircraft Hangar - operating
025-086-693	9105 CANAL FLATS E FRONTAGE	Lot 2 District Lot 110 Kootenay District Plan NEP69333	Headwaters Holding Company Ltd.	Restaurant - dormant
025-086-685	9103 CANAL FLATS E FRONTAGE RD	Lot 1 District Lot 110 Kootenay District Plan NEP69333	B&D Fehr Holdings Ltd.	Car Wash - dormant
030-943-574	8950 GRAINGER RD	Lot A District Lot 110 Kootenay District Plan EPP91511 Except Plan EPP129118	CF BidCo Property Holdings Ltd.	Land
030-943-582	4980 BAILLIE GROHMAN AVE	Lot B District Lot 110 Kootenay District Plan EPP91511 Except Plan EPP102339	CF BidCo Property Holdings Ltd.	Log Yard
030-943-591	8850 GRAINGER RD	Lot C District Lot 110 Kootenay District Plan EPP91511	CF BidCo Property Holdings Ltd.	Sheep Habitat

031-174-558	BEATTY AVE	Lot D District Lot 110 Kootenay District Plan EPP102338	CF BidCo Property Holdings Ltd.	Industrial - dormant
010-683-119	9085 MCGEE RD	Lot 48 District Lot 110 Kootenay District Plan 1738 Except Plan R348	Brian Fehr	Residential House
012-948-446	144 W COLUMBIA	Lot 9 Block 1 Section 9 Township 11 Range 5 Coast District Plan 1207	B&D Fehr Holdings Ltd.	Sushi Restaurant and office
012-948-519	144 COLUMBIA ST W	Lot 8 Block 1 Section 9 Township 11 Range 5 Coast District Plan 1207	B&D Fehr Holdings Ltd.	Sushi Restaurant and office
014-441-977	9115 HIGHWAY 93/95	Lot A District Lot 110 Kootenay District Plan 5402	B&D Fehr Holdings Ltd.	Industrial - dormant
015-783-189	4957 BURNS AVE	Lot 7 Block 5 District Lot 110 Kootenay District Plan 1708	Columbia Lake Holdings Ltd.	Mixed use commercial and residential - operating
026-819-775	308 Tatchell Rd	Lot H District Lot 5442 Cariboo District Plan BCP26286	Brian Fehr	Residential House
028-005-953	8799 GRAINGER RD	Lot 24 District Lot 110 Kootenay District Plan NEP89638	Brian Fehr	Residential House
009-397-507	4374 HARDIE CREEK RD	Lot 2 District Lot 1065A and 4596 Kootenay District Plan 10405	Columbia Lake Ranch Ltd.	Ranch
010-149-384	7961 HIGHWAY 93/95	Parcel A (See 18876I) of District Lot 663 Kootenay District	Columbia Lake Ranch Ltd.	Residential House

010-149-422	HIGHWAY 93/95	Parcel A (See 11640I) of District Lot 664 Kootenay District	Columbia Lake Ranch Ltd.	McKersie Ranch - operating
010-798-510	8140 HIGHWAY 93/95	District Lot 287 Kootenay District Except (1) Part Included in RW Plan 1203 (2) Parcel A (See 143816I) and (3) Parts Included in Plans 5053 and 5530 As to an undivided 2/3 interest	Columbia Lake Ranch Ltd.	Residential Houses
016-408-047	4480 COLUMERE RD	Sublot 1 District Lot 344 Kootenay District Except Parts Included in Plans 4411, EPP29926, EPP29927 and R347	Columbia Lake Ranch Ltd.	Golf Club – operated by 3rd party
016-408-292	5706 HIGHWAY 93/95	Sublot 8 District Lot 344 Kootenay District Except Part Included in Plans 4411 and R347	Columbia Lake Ranch Ltd.	Ranch - operating
011-083-191	6079 HIGHWAY 93/95	Sublot 19 District Lot 4596 Kootenay District Plan X32, Except Parts Included in Plans 7339, 8490, 16995, NEP66894 and R347	596848 British Columbia Ltd.	Land
030-334-781	34531 UPPER FRASER ROAD	Lot 2 District Lot 3063 Cariboo District Plan EPP71221	Rally Management Services Ltd.	Vacant Lot

030-334-772	UPPER FRASER RD	Lot 1 District Lot 3063 Cariboo District Plan EPP71221	Rally Management Services Ltd.	Vacant Lot
010-730-427	UPPER FRASER RD	Block A of District Lot 3063 Cariboo District	Rally Management Services Ltd.	Vacant Lot
011-686-626	UPPER FRASER RD	Lot 2 District Lot 3063 Cariboo District Plan 16814	Rally Management Services Ltd.	Vacant Lot

23. I understand from the Respondents' representatives that all of the Real Property that is owned directly by the Debtor consists of residential properties. I understand that most of the land that makes up the Real Property is either vacant or contains residential properties or industrial or commercial buildings that are dormant. However, the Bank has recently been advised that there are several, previously undisclosed, small businesses on certain parcels of the Real Property, which are operated by certain Respondents and employ a handful of employees.

24. In particular, I understand from the Respondents' representatives that Peak North America Holdings Lt. ("**Peak NA Holdings**") employs one person who does not currently have an active role with Peak NA Holdings.

25. I also understand from the Respondents' representatives that one of the Respondents, Rally Management Services Ltd ("**Rally Management**"), serves as the Respondents' payroll administrator and that approximately 20 people who work for various entities in the Brian Fehr Group are on the Rally Management payroll. The Bank is not seeking the appointment of the Proposed Receiver over Rally Management's operations, only the Real Property and Share Property pledged by Rally Management to the Bank.

26. I understand from the Respondents' representatives that certain of the properties owned by Columbia Lake Ranch Ltd. ("**Columbia Lake Ranch**") include an operating cattle ranch, with four employees. I understand that another property owned by Columbia Lake Ranch includes an operating golf course but that the company operating the golf course is not part of the Brian Fehr Group. The Bank is not seeking the

appointment of the Proposed Receiver over Columbia Lake Ranch's operations, only the Real Property pledged by Columbia Lake Ranch to the Bank.

27. The property owned by Columbia Lake Holdings Ltd. ("**Columbia Lake Holdings**") is, I understand from the Respondents' representatives, a mixed-use commercial and residential building with commercial and residential tenants that pay monthly rent to Columbia Lake Holdings (which rent is part of the Bank's collateral). I further understand that contained on this property is a cafe owned by Columbia Lake Holdings that employs four people. The Bank is not seeking the appointment of the Proposed Receiver over Columbia Lake Holdings' operations, only the Real Property pledged by Columbia Lake Holdings to the Bank.

28. I understand from the Respondents' representatives that the property owned by Hill Aviation Centre Inc. ("**Hill Aviation**") is located at the Cranbrook Airport and contains a fixed-base operator business providing services to aircraft at the Cranbrook Airport. I further understand that this business run by Hill Aviation employs three people. The Bank is not seeking the appointment of the Proposed Receiver over Hill Aviation's operations, only the Real Property pledged by Hill Aviation to the Bank.

29. I understand from the Respondents' representatives that a sushi restaurant is operated on one of the properties owned by the Respondent B&D Fehr Holdings Ltd. ("**B&D Fehr**"). The Bank is not seeking the appointment of the Proposed Receiver over B&D Fehr's operations, only the Real Property and Share Property pledged by B&D Fehr to the Bank.

30. I have been further informed by the Respondents' representatives that BFG Holdings employs four people that work in the management of the Brian Fehr Group. The Bank is not seeking the appointment of the Proposed Receiver over BFG Holdings' operations, only the Share Property pledged by BFG Holdings to the Bank.

IV. LOAN AND SECURITY DOCUMENTS

a) Loan Documents and Obligations

31. In 2024 and 2025, the Bank extended three significant loans, as well as certain smaller "PCard" loans, to the Borrowers (as defined below). The outstanding Total Indebtedness owing to the Bank consists of the unpaid principal and interest pursuant to these Loan Documents, which are described below:

(a) the revolving line of credit in the maximum principal amount of USD $17,000,000.00 (the "**Revolver Loan**") extended by the Bank to Peak NA Holdings and Peak NA Construction US LLC ("**Peak Construction US**" and, together with Peak NA Holdings, the "**Revolver Borrowers**") pursuant to the Loan Agreement between the Bank and the Revolver Borrowers dated May 30, 2025 (the "**Revolver Loan Agreement**"), as further evidenced by, among other things, the Revolving Line of Credit Note in the maximum principal amount of USD $17,000,000.00 executed by the Revolver Borrowers dated May 30, 2025 (the "**Revolver Note**" and, together with the Revolver Loan Agreement and all other documents evidencing or securing the Revolver Loan, the "**Revolver Loan Documents**"). Copies of the Revolver Loan Agreement and the Revolver Note are attached to the Thompson Affidavit #1 as **Exhibit "C1"** and **Exhibit "C2"**, respectively;

(b) the term loan in the principal amount of USD $4,109,000.00 (the "**Term Loan**") extended by PNC NA to Peak NA US Properties Inc. ("**Peak US**"), BFG Holdings, Peak NA Holdings and Endurance Equipment, L.L.C. ("**Endurance**" and, together with Peak US, BFG Holdings and Peak NA Holdings, the "**Term Borrowers**") pursuant to the Loan Agreement between the Bank and the Term Borrowers dated January 31, 2025 (the "**Term Loan Agreement**"), as further evidenced by, among other things, that certain Term Note in the principal amount of USD $4,109,000.00 executed by Term Borrowers to the order of PNC NA dated January 31, 2025 (the "**Term Note**"

and, together with the Term Loan Agreement and all other documents evidencing or securing the Term Loan, collectively, the "**Term Loan Documents**"). Copies of the Term Loan Agreement and the Term Note are attached to the Thompson Affidavit #1 as **Exhibit "D1"** and **Exhibit "D2"**, respectively;

(c) the working capital line of credit in the maximum principal amount of $700,000.00 (CAD) (the "**Heartland LOC**") extended by PNC Canada to Heartland Steel Structures Ltd. ("**Heartland**") pursuant to the PNC Canada Branch Working Capital Line of Credit Account Agreement between Heartland and PNC Canada dated April 3, 2024 (as amended and renewed by the PNC Canada Branch Working Capital Line of Credit Account Agreement between Heartland and PNC Canada dated April 2, 2024, and as may be further amended and renewed, the "**Heartland LOC Agreement**" and, together with all other documents evidencing or securing the Heartland LOC, the "**Heartland LOC Loan Documents**", copies of which are attached to the Thompson Affidavit #1 as **Exhibit "E"**); and

(d) the loans extended by the Bank pursuant to the PNC Commercial Card Program Authorization and Agreements between PNC NA and each of Endurance, Peak NA US Energy Inc., and Peak NA US Inc. (collectively, the "**PNC US PCard Agreements**"), and PNC Bank Canada Branch Commercial Card Program Authorization and Agreements between PNC Canada and each of Heartland, Peak NA Holdings, Peak NA Energy Ltd. ("**Peak NA**"), Peak North America Construction Ltd. ("**Peak Construction**"), Peak North America Manufacturing Ltd. ("**Peak Manufacturing**") and Woodpro Engineering Ltd. ("**Woodpro**") (collectively, the "**PNC Canada PCard Agreements**" and, together with the PNC US PCard Agreements, the "**PCard Agreements**"). Copies of the PNC Canada PCard Agreements, along with the standard Terms and Conditions to each PNC Canada PCard Agreement (the "**PCard Terms and Conditions**") are attached to the Thompson Affidavit #1 as **Exhibit "F1"** and **Exhibit "F2"**, respectively.

32. The Revolver Loan Documents, the Term Loan Documents, the Heartland LOC Loan Documents and the PCard Agreements are referred to collectively herein as the "**Loan Documents**". The Revolver Borrowers, the Term Borrowers, Heartland (in its capacity as borrower under the Heartland LOC) and the borrowers under each of the PCard Agreements (the "**PCard Borrowers**") are referred to collectively herein as the "**Borrowers**".

33. Pursuant to the Revolver Loan Documents, the Revolver Borrowers owe certain indebtedness and obligations to the Bank (collectively, the "**Revolver Loan Obligations**"). Additionally, under the Revolver Loan Documents, the Bank issued certain letters of credit on behalf of the Revolver Borrowers (the "**Revolver LOCs**") that provided for drawings of up to USD $11.1 million by a third party beneficiary that was engaged in connection with the Revolver Borrowers' business projects. The Bank and the Revolver Borrowers entered into a separate agreement dated May 30, 2025 (the "**Reimbursement Agreement**") that governed repayment of amounts drawn under the Revolver LOCs. Copies of the Revolver LOCs and the Reimbursement Agreement are attached to the Thompson Affidavit #1 as **Exhibit "G1"** and **Exhibit "G2"**, respectively.

34. Pursuant to the Term Loan Documents, the Term Borrowers, including Peak NA Holdings, owe certain indebtedness and obligations to PNC NA (collectively, the "**Term Loan Obligations**").

35. Pursuant to the Heartland LOC Loan Documents, Heartland owed certain indebtedness and obligations to PNC Canada (the "**Heartland LOC Obligations**"), which have since been repaid in full.

36. Pursuant to the PCard Agreements, the PCard Borrowers owe certain indebtedness and obligations to PNC Canada or PNC NA, as applicable (collectively, the "**PCard Obligations**").

b) ***Guarantees***

37. The Respondents have guaranteed the payment of all the obligations owing to the Bank under the Loan Documents (these include the Revolver Loan Obligations, the Term Loan Obligations and the PCard Obligations and are referred to collectively herein as the "**Obligations**"), pursuant to the following guarantees:

(a) Canadian Guarantee and Suretyship Agreements dated May 30, 2025 (collectively, the "**Revolver Canadian Guarantees**", copies of which are attached to the Thompson Affidavit #1 as **Exhibit "H"**), executed by each of the Debtor, Woodpro, Heartland, Peak NA, Peak Construction, Peak Manufacturing, Real Performance Machinery ULC ("**Real Performance**"),[4] 0960670 B.C. Ltd. ("**BC Co**"), HSSL Capital Corp. ("**HSSL**"), and Peak North America Properties Ltd. ("**Peak Properties**" and, together with the Debtor, Woodpro, Heartland, Peak NA, Peak Construction, Peak Manufacturing, Real Performance, BC Co, and HSSL, the "**Canadian Revolver Guarantors**") in favor of the Bank, pursuant to which each Canadian Revolver Guarantor has guaranteed the Revolver Loan Obligations, as well as all other loans, advances, debts, liabilities, obligations, covenants and duties owing to the Bank by any Revolver Borrower, Canadian Revolver Guarantor or other guarantor of the Revolver Loan Obligations (which includes, without limitation, the Term Loan Obligations and the PCard Obligations);

(b) Canadian Guarantee and Suretyship Agreements dated January 31, 2025 (collectively, the "**Canadian Term Guarantees**", copies of which are attached to the Thompson Affidavit #1 as **Exhibit "I"**), executed by each of the Debtor, BC Co, Heartland, Peak NA, Peak Manufacturing, Peak Properties, Peak Construction, Real Performance and Woodpro (collectively, the "**Canadian Term Guarantors**") in favour of PNC NA,

[4] Real Performance has since been sold by the Debtor as part of a transaction approved by the Bank and this entity no longer is part of the Bank's collateral package.

pursuant to which each Canadian Term Guarantor has guaranteed the Term Loan Obligations;

(c) a Guarantee and Suretyship Agreement dated April 3, 2024 (the "**Heartland Guarantee**") executed by Peak NA Holdings and the Debtor in favor of PNC Canada, a copy of which is attached to the Thompson Affidavit #1 as **Exhibit "J"**, pursuant to which Peak NA Holdings has guaranteed the Heartland LOC Obligations, and all other obligations of Heartland to PNC Canada and any other indirect or direct subsidiary of The PNC Financial Services Group, Inc. (which includes PNC NA); and

(d) a Guarantee dated April 8, 2026 (the "**New Canadian Guarantee**") executed by the New Canadian Obligors and Willowcale Storage Inc., BFG Holdings, Peak NA Holdings and BC Co (collectively, the "**New Canadian Guarantors**") in favour of the Bank, a copy of which is attached to the Thompson Affidavit #1 as **Exhibit "K"**, pursuant to which the New Canadian Guarantors have guaranteed all of the obligations of the Forbearance Obligors to the Bank (which includes all the Obligations).

38. The Revolver Canadian Guarantees, the Canadian Term Guarantees, the Heartland Guarantee and the New Canadian Guarantee are referred to collectively herein as the "**Guarantees**".

*c) **Security Documents***

39. The Obligations of the Respondents pursuant to the Loan Documents and the Guarantees are secured by the Security Documents (as defined below).

i) Canadian Security Agreement

40. Pursuant to a Canadian Security Agreement dated May 30, 2025 (the "**Revolver Canadian Security Agreement**"), between the Canadian Revolver Guarantors and Peak NA Holdings (collectively, the "**Canadian Pledgors**" and each a "**Canadian Pledgor**") and the Bank, the Canadian Pledgors granted a security interest

(the "**Canadian Pledgor Security**") in all of the present and after-acquired personal property, undertaking and assets of the Canadian Pledgors (the "**Canadian Pledgor Collateral**") to the Bank to secure the Obligations (as defined in the Revolver Canadian Security Agreement), which include all loans, advances, debts, liabilities, obligations, covenants and duties owing to the Bank by the Revolver Borrowers, each of the Canadian Revolver Guarantors and any other guarantor of the Revolver Loan Obligations (which includes, without limitation, all the Obligations as defined herein). A copy of the Revolver Canadian Security Agreement is attached to the Thompson Affidavit #1 as **Exhibit "L"**.

41. The Canadian Pledgor Security has been registered by the Bank pursuant to the filing of financing statements in the British Columbia personal property security registry as against each of the Canadian Pledgors.

ii) Heartland Security Agreement

42. Pursuant to a Security Agreement between Heartland and PNC Canada dated April 3, 2024 (the "**Heartland Security Agreement**"), Heartland granted to PNC Canada a security interest (the "**Heartland Security**") in the all of the personal property undertaking and assets of Heartland (the "**Heartland Collateral**" and, together with the Canadian Pledgor Collateral, the "**Personal Property Collateral**") to secure the Heartland LOC Obligations, and all other obligations of Heartland to PNC Canada and any other indirect or direct subsidiary of The PNC Financial Services Group, Inc. (which includes PNC NA). A copy of the Heartland Security Agreement is attached to the Thompson Affidavit #1 as **Exhibit "M"**.

43. The Heartland Security has been registered by the Bank pursuant to the filing of a financing statement in the British Columbia personal property security registry as against Heartland.

iii) Share Pledges

44. Pursuant to Pledge Agreements dated April 8, 2026 (collectively, the "**Share Pledges**") executed by BFG Holdings, HoldCo, Rally Management, CF BidCo Property Holdings Ltd. ("**CF BidCo**"), B&D Fehr and 1126486 B.C. Ltd. ("**BidCo Holding**")

(collectively, the "**Share Pledgors**") in favour of the Bank, the Share Pledgors granted to the Bank a security interest (the "**Share Security**") in all the Equity Securities (as defined in the Share Pledges) that each Share Pledgor holds in certain entities in the Brian Fehr Group as set out in the table below (collectively the "**Share Collateral**"):

Share Pledgor	**Equity Security Entity (or Entities)**
BFG Holdings	Peak Renewables Ltd.
	Peak NA Holdings
	1214290 B.C. Ltd.
	PCT Holdings Ltd.
	BDDK US Holdings, Inc.
HoldCo	Rally Management
	Columbia Lake Holdings Ltd.
	Hill Aviation
	Willowcale Storage Inc.
	BidCo Holding
	B&D Fehr
	1352177 B.C. Ltd.
Rally Management	BFG Holdings
CF BidCo	Rally Management
B&D Fehr	Headwaters Holding Company Ltd.
	Columbia Lake Ranch Ltd.
BidCo Holding	CF BidCo

45. The Share Security has been granted by the Share Pledgors to the Bank to secure all the present and future indebtedness and obligations of the Share Pledgors to

the Bank, which includes all the Obligations pursuant to the New Canadian Guarantee. Copies of the Share Pledges are attached to the Thompson Affidavit #1 as **Exhibit "N"**.

46. The Share Security has been registered by the Bank pursuant to the filing of financing statements in the British Columbia personal property security registry as against the applicable Share Pledgor.

iv) Mortgages

47. Each of the Debtor and the New Canadian Obligors, with the exception of Hill Aviation and BidCo Holding (such parties collectively, along with Hill Aviation, are referred to herein as the "**Mortgagors**"[5]) have granted a mortgage and assignment of rents dated March 25, 2026 (collectively the "**Registered Mortgages**") to the Bank in the principal amount of USD $21,627,416.55 over all of their right, title and interest (the "**Real Property Security**") in the properties set out in the table below (the "**Real Property Collateral**") to secure the obligations of the Debtor and each New Canadian Obligor, as applicable, to the Bank pursuant to, in the case of the Debtor, the Debtor's Revolver Canadian Guarantee and the Heartland Guarantee, and, in the case of each applicable New Canadian Obligor, the New Canadian Guarantee, which in each case include all the Obligations.[6] Both of the Brian Fehr Mortgage and the CF BidCo Mortgage (each as defined below) were registered in the British Columbia Land Title Office on April 10, 2026, and each of the remaining Registered Mortgages were registered in the British Columbia Land Title Office on April 9, 2026. Copies of the Registered Mortgages are attached to the Thompson Affidavit #1 as **Exhibit "O"**.

Mortgagor	**PID**	**Legal Description**
Brian Jacob Fehr (the "**Brian Fehr Mortgage**")	027-578-283	Strata Lot 39 District Lot 110 Kootenay District Strata Plan NES3031

[5] The following entities are the Mortgagors: Brian Jacob Fehr, CF BidCo Property Holdings Ltd., Headwaters Holding Company Ltd., B&D Fehr Holdings Ltd., Columbia Lake Holdings Ltd., Columbia Lake Ranch Ltd., 596848 British Columbia Ltd., Rally Management Services Ltd. and Hill Aviation Centre Inc.

[6] A further Brian Fehr Group entity, 0960670 B.C. Ltd., also provided a mortgage to the Bank as consideration for the Bank entering into the Forbearance Agreement, but the property secured by such mortgage has already been sold and the Bank's security discharged.

	031-651-062	Strata Lot 71 District Lots 4084 and 46 Kootenay District Strata Plan EPS5448
	028-005-953	Lot 24 District Lot 110 Kootenay District Plan NEP89638
	010-683-119	Lot 48 District Lot 110 Kootenay District Plan 1738 Except Plan R348
	026-713-748	Strata Lot 9 District Lot 110 Kootenay District Strata Plan NES3031
	026-819-775	Lot H District Lot 5442 Cariboo District Plan BCP26286
596848 British Columbia Ltd. (the "**596848 Mortgage**")	011-083-191	Sublot 19 District Lot 4596 Kootenay District Plan X32, Except Parts Included in Plans 7339, 8490, 16995, NEP66894 and R347
Columbia Lake Holdings Ltd. (the "**Columbia Lake Mortgage**")	015-783-189	Lot 7 Block 5 District Lot 110 Kootenay District Plan 1708
CF BidCo Property Holdings Ltd. (the "**CF BidCo Mortgage**")	030-771-013	Lot 1 District Lot 110 Kootenay District Plan EPP84547 Except Plans EPP108805, EPP129118
	030-943-574	Lot A District Lot 110 Kootenay District Plan EPP91511 Except Plan EPP129118
	030-943-591	Lot C District Lot 110 Kootenay District Plan EPP91511
	031-174-558	Lot D District Lot 110 Kootenay District Plan EPP102338

	031-367-879	Lot A District Lot 110 Kootenay District Plan EPP108805
	031-367-895	Lot C District Lot 110 Kootenay District Plan EPP108805
	030-943-582	Lot B District Lot 110 Kootenay District Plan EPP91511 Except Plan EPP102339
	010-441-654	Lot 1 District Lot 110 Kootenay District Plan 14705 Except Plans EPP84547, EPP108805, EPP148375, EPP129118
Columbia Lake Ranch Ltd. (the "**Columbia Lake Ranch Mortgage**")	016-408-047	Sublot 1 District Lot 344 Kootenay District Except Parts Included in Plans 4411, EPP29926, EPP29927 and R347
	009-397-507	Lot 2 District Lot 1065A and 4596 Kootenay District Plan 10405
	010-149-422	Parcel A (See 11640I) of District Lot 664 Kootenay District
	010-149-384	Parcel A (See 18876I) of District Lot 663 Kootenay District
	As to the undivided 2/3 interest in 010-798-510	District Lot 287 Kootenay District Except (1) Part Included in RW Plan 1203 (2) Parcel A (See 143816I) and (3) Parts Included in Plans 5053 and 5530
	016-408-292	Sublot 8 District Lot 344 Kootenay District Except Part Included in Plans 4411 and R347

Rally Management Services Ltd.(the "**Rally Management Services Mortgage**")	030-334-772	Lot 1 District Lot 3063 Cariboo District Plan EPP71221
	011-686-626	Lot 2 District Lot 3063 Cariboo District Plan 16814
	010-730-427	Block A of District Lot 3063 Cariboo District
	030-334-781	Lot 2 District Lot 3063 Cariboo District Plan EPP71221
Headwaters Holding Company Ltd. (the "**Headwaters Holding Company Mortgage**")	025-086-693	Lot 2 District Lot 110 Kootenay District Plan NEP69333
B&D Fehr Holdings Ltd. (the "**B&D Fehr Holdings Mortgage**")	012-948-519	Lot 8 Block 1 Section 9 Township 11 Range 5 Coast District Plan 1207
	025-086-685	Lot 1 District Lot 110 Kootenay District Plan NEP69333
	016-360-591	Parcel 1 (Reference Plan 70451I) of Parcel A (See 26944I) District Lot 110 Kootenay District Except Plan NEP69333
	012-948-446	Lot 9 Block 1 Section 9 Township 11 Range 5 Coast District Plan 1207
	014-441-977	Lot A District Lot 110 Kootenay District Plan 5402

48. In addition to the Registered Mortgages, Hill Aviation has also granted the Bank a mortgage and assignment of rents dated March 25, 2026 (the "**Hill Aviation Mortgage**", a copy of which is attached to the Thompson Affidavit #1 as **Exhibit "P1"**), in the principal amount of USD $21,627,416.55 over all of its right, title and interest (the "**Hill Aviation Security**" and, together with the Canadian Pledgor Security, the Heartland

Security, the Share Security and the Real Property Security, the "**Security**") in the following properties (together, the "**Hill Aviation Collateral**" and, together with the Canadian Pledgor Collateral, the Heartland Collateral, the Share Collateral and the Real Property Collateral, the "**Collateral**"):

(a) the property legal described as PID 029-633-290, Lot A District Lots 626, 627, 629, 630 and 631 Cariboo District Plan EPP49265; and

(b) the property legally described as PID 024-466-514, Lot A (Formerly Kootenay Indian Reserve No. 1 Kootenay District Plan NEP 23763).

49. The Hill Aviation Collateral consists of leasehold interests in the properties set out in the paragraph above, both of which are airport hangars. The property with PID 029-633-290 has been sold by Hill Aviation and the Bank has provided a partial release (the "**Prince George Hangar Release**") of the Hill Aviation Mortgage to release the Bank's security over such property, which no longer forms part of the Collateral or the Real Property as defined herein. A copy of the Prince George Hangar Release without schedules is attached to the Thompson Affidavit #1 as **Exhibit "P2"**.

50. Additionally, in the case of the Brian Fehr Mortgage, the property with PID 026-713-748 has been sold and the Bank has provided a partial discharge (the "**Jade Landing Discharge**") of the Brian Fehr Mortgage specifically with respect to such property and such property no longer is included in the Collateral or the Real Property as defined herein. A copy of the Jade Landing Discharge is attached to the Thompson Affidavit #1 as **Exhibit "Q"**.

51. Lastly, in the case of the B&D Fehr Holdings Mortgage, the property with PID 016-360-591 has been sold and the Bank has provided a partial discharge (the "**Frontage Road Discharge**") of the B&D Fehr Holdings Mortgage specifically with respect to such property and such property no longer is included in the Collateral or the Real Property as defined herein. A copy of the Frontage Road Discharge is attached to the Thompson Affidavit #1 as **Exhibit "R"**.

52. Furthermore, pursuant to a separate agreement between the Bank and the Respondents, the Bank has agreed to forbear, for a period of 12 months, from the appointment of the Proposed Receiver over the properties secured by the Brian Fehr Mortgage with PIDs 027-578-283 (the "**Doherty Residence**") and 031-651-062 (the "**Riverview Condo**"), as well as the properties secured by the CF BidCo Mortgage with PIDs 030-771-013, 031-367-895 and 031-367-879 (collectively, the "**Trisura Properties**"). As a result, these properties do not form part of the Real Property as defined herein. The agreement between the Bank and the Respondents with respect to these properties is set out in further detail below.

53. The Revolver Canadian Security Agreement, the Heartland Security Agreement, the Share Pledges, the Registered Mortgages and the Hill Aviation Mortgage are referred to collectively herein as the "**Security Documents**", which, together with the Loan Documents and the Guarantees, are referred to collectively herein as the "**Loan and Security Documents**". Attached to this affidavit as **Exhibit "B"** is a summary chart setting out which of the Respondents are parties to the various Loan and Security Documents.

V. THE RESPONDENTS' INDEBTEDNESS

54. The Respondents' indebtedness, as of October 30, 2026, is (the "**Total Indebtedness**"):

A. Principal Owing	USD $14,702,191.88
B. Interest Owing	USD $1,684,374,30
C. Fees and Charges	USD $4,200.00
D. Total	**USD $16,390.766.18**

55. In addition to the foregoing Total Indebtedness, the Respondents are liable under the Loan and Security Documents for the Bank's costs of enforcement. As set out herein, considerable efforts have been made by the Bank to negotiate a consensual resolution to the Respondents' defaults, and the Bank has incurred material costs in

connection therewith. In addition, the Bank has incurred costs in connection with bringing this application. The Bank's enforcement costs to date are accordingly approximately USD$1,013,072.88, which amount constitutes indebtedness under the Loan and Security Documents, secured by the Collateral.

VI. OTHER CREDITORS OF THE RESPONDENTS

*a) **Personal Property Collateral***

56. There are no other creditors with registrations against the following Canadian Pledgors under the *Personal Property Security Act* (British Columbia) (the "**PPSA**"): BC Co, HSSL, Peak NA, Peak Construction, Peak NA Properties and Woodpro. Copies of the PPSA search results against these entities are attached to the Thompson Affidavit #1 as **Exhibit "S1"**.[7]

57. Western Surety Company ("**WSC**") and Trisura Guarantee Insurance Company ("**Trisura**") have PPSA registrations against Heartland that were filed after the Bank's PPSA registrations. A copy of the PPSA search results against Heartland are attached to the Thompson Affidavit #1 as **Exhibit "S2"**.

58. Trisura has a PPSA registration against Peak NA Holdings that was filed after the Bank's PPSA registrations. A copy of the PPSA search results against Peak NA Holdings are attached to the Thompson Affidavit #1 as **Exhibit "S3"**.

59. Cangas Propane has a PPSA registration against Peak Manufacturing specific to certain propane tanks that was registered prior to the Bank's registration. A copy of the PPSA search results against Peak Manufacturing are attached to the Thompson Affidavit #1 as **Exhibit "S4"**.

*b) **Share Collateral***

60. The only Property of the Share Pledgors that has been pledged to the Bank is the Share Property, all of which the Bank has a perfected security interest in due to the Bank's control of the share certificates that represent the Share Property. Notwithstanding

[7] All PPSA search results include all past names and predecessors.

the limited nature of the Bank's interest in the Share Pledgors' personal property, summarized below are the other PPSA registrants against the Share Pledgors.

61. The Bank of Nova Scotia ("**BNS**"), WSC and Trisura have PPSA registrations against HoldCo with respect to all of HoldCo's present and after-acquired personal property that pre-date the Bank's PPSA registration. Royal Bank of Canada ("**RBC**") has a PPSA registration – that is also prior in time to the Bank's – against HoldCo with respect to amounts on deposit by HoldCo with RBC. A copy of the PPSA search results against HoldCo are attached to the Thompson Affidavit #1 as **Exhibit "T1"**.

62. Roynat, BNS, WSC and Trisura have PPSA registrations against BFG Holdings with respect to all of BFG Holdings' present and after-acquired personal property that pre-date the Bank's PPSA registration. A copy of the PPSA search results against BFG Holdings are attached to the Thompson Affidavit #1 as **Exhibit "T2"**.

63. Trisura has a PPSA registration against CF BidCo with respect to all of CF BidCo's present and after-acquired personal property, but it does not pre-date the Bank's registration. A copy of the PPSA search results against CF BidCo are attached to the Thompson Affidavit #1 as **Exhibit "T3"**.

64. Roynat, WSC and Trisura have PPSA registrations against Rally Management with respect to all of Rally Management's present and after-acquired personal property that pre-date the Bank's registration. John Deere Financial Inc. and Ford Credit Company of Canada have PPSA registrations against Rally Management with respect to certain specific property. A copy of the PPSA search results against Rally Management are attached to the Thompson Affidavit #1 as **Exhibit "T4"**.

65. There are no PPSA registrations against BidCo Holding and B&D Fehr. Copies of the PPSA search results against these entities are attached to the Thompson Affidavit #1 as **Exhibit "T5"**.

*c) **Real Property Collateral***

66. The Bank has the only registered mortgage and assignment of rents with respect to the following parcels of the Real Property:

Mortgagor	**PID**
B&D Fehr Holdings Ltd.	012-948-519
	025-086-685
CF BidCo Property Holdings Ltd.	010-441-654
	030-943-574
	030-943-582
	030-943-591
	031-174-558
Headwaters Holding Company Ltd.	025-086-693

67. With respect to the remaining parcels of the Real Property, there are several other creditors with registered financial instruments against those parcels.

68. I understand from the Respondents' representatives that RBC has extended two credit facilities to the Debtor in the principal amounts of $4,883,300 and $885,500.00 respectively (collectively, the "**RBC Credit Facilities**"). The RBC Credit Facilities are secured by mortgages against certain parcels of the Real Property owned by the Debtor and B&D Fehr (collectively, the "**RBC Mortgages**"). I understand that the principal amount of each RBC Mortgage is tied to the appraised valuation of each specific property that the RBC Mortgage secures and is not in the principal amount of the RBC Credit Facilities. However, I understand that the obligations that are secured by the RBC Mortgages are all of the obligations of the Debtor to RBC. The Bank has been informed by the Respondents' representatives that approximately $5.77 million remains outstanding under the RBC Credit Facilities.

69. In the context of preparing this application, the Bank's counsel has consulted with counsel to RBC, who have advised the Bank that they will review the

Bank's petition materials and inform the Bank of RBC's position with respect to the petition.

70. I understand from the Respondents' representatives that Farm Credit Canada ("**FCC**") has extended four loans to Columbia Lake Ranch in the principal amounts of $3,000,000, $2,000,000, $2,000,000 and $600,000 (collectively, the "**FCC Loans**"). The FCC Loans are secured by mortgages against various parcels of the Real Property owned by Columbia Lake Ranch (collectively, the "**FCC Mortgages**"), with the three largest FCC Loans being cross-collateralized against multiple parcels of the Real Property. The Bank has been informed by the Respondents' representatives that approximately $7.25 million remains outstanding under the FCC Loans.

71. In the context of preparing this application, the Bank's counsel has consulted with counsel to FCC, who have told the Bank that they will inform the Bank of their client's position after discussing the Bank's petition with FCC.

72. His Majesty the King in Right of Canada has registered judgments on title to the following:

(a) all the parcels of the Real Property owned by the Debtor in the amount of $1,146,978.66 (the "**Brian Fehr Tax Lien**");

(b) all the parcels of the Real Property owned by Rally Management in the amounts of $885,679.57, $875,713.66 and $623,091.44 (collectively, the "**Rally Tax Liens**"); and

(c) all the parcels of the Real Property owned by HoldCo in the amount of $676,010.84 (the "**HoldCo Tax Lien**").

73. I have been informed by the Respondents' representatives that the Brian Fehr Tax Lien is in respect of unpaid personal income taxes, that the Rally Tax Liens are in respect of unremitted source deductions and that the HoldCo Tax Lien is in respect of unpaid corporate taxes.

74. In addition to the creditors listed above, there are mortgages registered on title to two parcels of the Real Property prior in time to the applicable Registered Mortgages by the following parties:

(a) Bella Vista Properties Ltd.; and

(b) Anthony John Macala and Valerie Evelyn Macala.

75. Set out below are tables detailing all the secured parties with registered financial instruments against the other parcels of the Real Property, including the timing of registration and the principal amounts of the instruments. Copies of the search results from the British Columbia Land Title Office in respect of each parcel of the Real Property are attached in the Thompson Affidavit #1 as **Exhibit "U"**.

76. With respect to the property owned by Brian Jacob Fehr with legal description Strata Lot 39 District Lot 110 Kootenay District Strata Plan NES3031 and PID 027-578-283, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	Royal Bank of Canada	$240,000.00	April 26, 2024
Judgment	His Majesty the King in Right of Canada	$1,146,978.98	April 8, 2026
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 10, 2026
Assignment of Rents	PNC NA and PNC Canada		April 10, 2026

77. With respect to the property owned by Brian Jacob Fehr with legal description Strata Lot 71 District Lots 4084 and 46 Kootenay District Strata Plan EPS5448 and PID 031-651-062, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration

Judgment	His Majesty the King in Right of Canada	$1,146,978.98	April 8, 2026
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 10, 2026
Assignment of Rents	PNC NA and PNC Canada		April 10, 2026

78. With respect to the property owned by Brian Jacob Fehr with legal description Lot H District Lot 5442 Cariboo District Plan BCP26286 and PID 026-819-775, the following financial instruments are registered on title:

Instrument	**Secured Party**	**Principal Amount**	**Date of Registration**
Mortgage	Royal Bank of Canada	$525,000.00	March 5, 2020
Judgment	His Majesty the King in Right of Canada	$1,146,978.98	April 8, 2026
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 10, 2026
Assignment of Rents	PNC NA and PNC Canada		April 10, 2026

79. With respect to the property owned by Brian Jacob Fehr with legal description Lot 24 District Lot 110 Kootenay District Plan NEP89638 and PID 028-005-953, the following financial instruments are registered on title:

Instrument	**Secured Party**	**Principal Amount**	**Date of Registration**
Mortgage	Royal Bank of Canada	$2,437,500.00	June 2, 2022
Judgment	His Majesty the King in Right of Canada	$1,146,978.98	April 8, 2026
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 10, 2026
Assignment of Rents	PNC NA and PNC Canada		April 10, 2026

80. With respect to the property owned by Brian Jacob Fehr with legal description Lot 48 District Lot 110 Kootenay District Plan 1738 Except Plan R348 and PID 010-683-119, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	Royal Bank of Canada	$1,123,000.00	April 26, 2024
Judgment	His Majesty the King in Right of Canada	$1,146,978.98	April 8, 2026
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 10, 2026
Assignment of Rents	PNC NA and PNC Canada		April 10, 2026

81. With respect to the property owned by HoldCo with legal description Sublot 19 District Lot 4596 Kootenay District Plan X32, Except Parts Included in Plans 7339, 8490, 16995, NEP66894 and R347 and PID 011-083-191, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	Bella Vista Properties Ltd.	$1,297,000.00	December 12, 2023
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026
Judgment	His Majesty the King in Right of Canada	$676,010.84	August 20, 2026

82. With respect to the property owned by Columbia Lake Holdings with legal description Lot 7 Block 5 District Lot 110 Kootenay District Plan 1708 and PID 015-783-189, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	Royal Bank of Canada	$997,000.00	April 26, 2024
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026

83. With respect to the property owned by Columbia Lake Ranch with legal description Sublot 1 District Lot 344 Kootenay District Except Parts Included in Plans 4411, EPP29926, EPP29927 and R347 and PID 016-408-047, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	Farm Credit Canada	$3,000,000.00	June 1, 2022
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026

84. With respect to the property owned by Columbia Lake Ranch with legal description Lot 2 District Lot 1065A and 4596 Kootenay District Plan 10405 and PID 009-397-507, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	Farm Credit Canada	$600,000.00	April 8, 2022
Mortgage	Farm Credit Canada	$2,000,000.00	July 2, 2024
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026

85. With respect to the property owned by Columbia Lake Ranch with legal description Parcel A (See 11640I) of District Lot 664 Kootenay District and PID 010-149-422, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	Farm Credit Canada	$2,000,000.00	April 14, 2023
Mortgage	Farm Credit Canada	$2,000,000.00	July 2, 2024
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026

86. With respect to the property owned by Columbia Lake Ranch with legal description Parcel A (See 18876I) of District Lot 663 Kootenay District and PID 010-149-384, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	Farm Credit Canada	$2,000,000.00	April 14, 2023
Mortgage	Farm Credit Canada	$2,000,000.00	July 2, 2024
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026

87. With respect to the property owned by Columbia Lake Ranch, as to an undivided 2/3 interest, and Jessie Marie Pearl McKersie, as to an undivided 1/3 interest, with legal description District Lot 287 Kootenay District Except (1) Part Included in RW Plan 1203 (2) Parcel A (See 143816I) and (3) Parts Included in Plans 5053 and 5530, and PID 010-798-510, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration

Mortgage	Anthony John Macala & Valerie Evelyn Macala	$1,000,000.00	July 11, 2024
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026

88. With respect to the property owned by Columbia Lake Ranch with legal description Sublot 8 District Lot 344 Kootenay District Except Part Included in Plans 4411 and R347 and PID 016-408-292, the following financial instruments are registered on title:

Instrument	**Secured Party**	**Principal Amount**	**Date of Registration**
Mortgage	Farm Credit Canada	$3,000,000.00	June 1, 2022
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026

89. With respect to the property owned by Rally Management with legal description Lot 1 District Lot 3063 Cariboo District Plan EPP71221 and PID 030-334-772, the following financial instruments are registered on title:

Instrument	**Secured Party**	**Principal Amount**	**Date of Registration**
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026
Judgment	His Majesty the King in Right of Canada	$885,679.57	April 14, 2026
Judgment	His Majesty the King in Right of Canada	$875,713.66	July 2, 2026
Judgment	His Majesty the King in Right of Canada	$623,091.44	July 2, 2026

90. With respect to the property owned by Rally Management with legal description Lot 2 District Lot 3063 Cariboo District Plan 16814 and PID 011-686-626, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026
Judgment	His Majesty the King in Right of Canada	$885,679.57	April 14, 2026
Judgment	His Majesty the King in Right of Canada	$875,713.66	July 2, 2026
Judgment	His Majesty the King in Right of Canada	$623,091.44	July 2, 2026

91. With respect to the property owned by Rally Management with legal description Block A of District Lot 3063 Cariboo District and PID 010-730-427, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026
Judgment	His Majesty the King in Right of Canada	$885,679.57	April 14, 2026
Judgment	His Majesty the King in Right of Canada	$875,713.66	July 2, 2026
Judgment	His Majesty the King in Right of Canada	$623,091.44	July 2, 2026

92. With respect to the property owned by Rally Management with legal description Lot 2 District Lot 3063 Cariboo District Plan EPP71221 and PID 030-334-781, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026
Judgment	His Majesty the King in Right of Canada	$885,679.57	April 14, 2026
Judgment	His Majesty the King in Right of Canada	$875,713.66	July 2, 2026
Judgment	His Majesty the King in Right of Canada	$623,091.44	July 2, 2026

93. With respect to the property owned by B&D Fehr with legal description Lot 8 Block 1 Section 9 Township 11 Range 5 Coast District Plan 1207 and PID 012-948-446, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration
Mortgage	Royal Bank of Canada	$290,000.00	April 26, 2024
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026

94. With respect to the property owned by B&D Fehr with legal description Parcel 1 (Reference Plan 70451I) of Parcel A (See 26944I) District Lot 110 Kootenay District Except Plan NEP69333 and PID 016-360-591, the following financial instruments are registered on title:

Instrument	Secured Party	Principal Amount	Date of Registration

Mortgage	Royal Bank of Canada	$587,000.00	April 26, 2024
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026

95. With respect to the property owned by B&D Fehr with legal description Lot A District Lot 110 Kootenay District Plan 5402 and PID 014-441-977, the following financial instruments are registered on title:

Instrument	**Secured Party**	**Principal Amount**	**Date of Registration**
Mortgage	Royal Bank of Canada	$437,500.00	April 26, 2024
Mortgage	PNC NA and PNC Canada	USD $21,627,416.55	April 9, 2026
Assignment of Rents	PNC NA and PNC Canada		April 9, 2026

VII. THE RESPONDENTS' DEFAULTS AND THE BANK'S DEMANDS

96. The Original Obligors, including the Original Canadian Obligors and the Debtor (who are all Respondents), have been in default of their obligations under the Loan Documents since approximately December 1, 2025. The Bank terminated the Amended Forbearance Agreement on October 16, 2026, and all the New Canadian Obligors have been in default of their obligations under the Mortgages and Share Pledges, as applicable, since that date.

a) Initial Defaults and Demands

97. On December 1, 2025, the Revolver Borrowers failed to make scheduled interest payments required by the Revolver Loan Documents, and the Term Borrowers failed to make scheduled principal and interest payments required by the Term Loan

Documents. Pursuant to the terms of the applicable Loan Documents, these failures to make payment were events of default under such applicable Loan Documents (collectively, the "**Payment Defaults**").

98. On November 28, 2025, requests for drawings against the Revolver LOCs in the amount of USD $11.1 million were made. On December 2, 2025 the Bank's US counsel, Bradley Arant Boult Cummings LLP ("**Bradley**") sent the Revolver Borrowers and the Canadian Revolver Guarantors a letter (the "**Revolver LOC Letter**") notifying the Revolver Borrowers and Canadian Revolver Guarantors that the Bank intended to honor the draw request on December 3, 2025 and that the Bank was demanding payment of the draw amounts (plus commissions and charges, the "**Reimbursement Payment**") from the Revolver Borrowers and Canadian Revolver Guarantors by December 3, 2025 pursuant to Section 2(a) of the Reimbursement Agreement. A copy of the Revolver LOC Letter is attached to the Second Affidavit of Nancy Thompson dated October 30, 2026 (the "**Thompson Affidavit #2**") as **Exhibit "A"**.

99. The Revolver Borrowers failed to the Reimbursement Payment, leading to events of default under the Reimbursement Agreement and the Revolver Loan Documents (the "**Revolver LOC Default**").

100. On December 4, 2025, Bradley sent the Revolver Borrowers and Canadian Revolver Guarantors a letter notifying the Revolver Borrowers of their Payment Defaults, the Revolver LOC Default and certain other defaults under the Revolver Loan Documents (the "**Revolver Default Letter**"). The Revolver Default Letter notified the Revolver Borrowers and the Canadian Revolver Guarantors that the Bank was immediately accelerating the indebtedness under the Revolver Loan, as the Bank was entitled to do under the Revolver Loan Documents, and demanding repayment of the total indebtedness owing to the Bank by the Revolver Borrowers and Canadian Revolver Guarantors at that time under the Revolver Loan Documents. A copy of the Revolver Default Letter is attached to the Thompson Affidavit #2 as **Exhibit "B"**.

101. Also on December 4, 2025, Bradley sent a letter to the Term Borrowers notifying them of their Payment Defaults and certain other defaults under the Term Loan

Documents (the "**Term Loan Default Letter**"). The Term Loan Default Letter notified the Term Borrowers that PNC NA was immediately accelerating the indebtedness under the Term Loan, as PNC NA was entitled to do under the Term Loan Documents, and demanding repayment of the total indebtedness owing to PNC NA at that time under the Term Loan Documents. A copy of the Term Loan Default Letter is attached to the Thompson Affidavit #2 as **Exhibit "C"**.

102. Also on December 4, 2025, Bradley sent letters to each of the PCard Borrowers (collectively, the "**PCard Default Letters**") notifying each PCard Borrower of their default under the applicable PCard Agreement as a result of the defaults by the Revolver Borrowers under the Revolver Loan Documents, accelerating payment of the full balances owing under the applicable PCard Agreements and demanding payment of same. Copies of the PCard Default Letters are attached to the Thompson Affidavit #2 as **Exhibit "D"**.

103. Bradley sent a further letter on December 15, 2025 to, amongst others, the Canadian Term Guarantors notifying them of the applicable Payment Defaults and other defaults under the Term Loan Documents (the "**Term Guarantor Default Letter**"). The Term Guarantor Default Letter notified the Canadian Term Guarantors that PNC NA was immediately accelerating the indebtedness under the Term Loan, as PNC NA was entitled to do under the Term Loan Documents, and demanding repayment, from the Canadian Term Guarantors, of the total indebtedness owing to PNC NA at that time under the Term Loan Documents. A copy of the Term Guarantor Default Letter is attached to the Thompson Affidavit #2 as **Exhibit "E"**.

104. Also on December 15, 2025, Bradley sent letters (collectively, the "**PCard Supplemental Letters**") to each of the PCard Borrowers notifying them of the outstanding amounts owing under the PNC Canada PCard Agreements and reiterating the demands set out in the PCard Default Letters. Copies of the PCard Supplemental Letters are attached to the Thompson Affidavit #2 as **Exhibit "F"**.

105. On December 16, 2025, Bradley sent a letter to, amongst others, Heartland and Peak NA Holdings notifying them of defaults under the Heartland LOC Loan

Documents (the "**Heartland Default Letter**" and, together with the Revolver Default Letter, the Term Loan Default Letter, the Term Guarantor Default Letter, the PCard Default Letters and the PCard Supplemental Letters, the "**Initial Default Letters**"). The Heartland Default Letter notified Heartland and Peak NA Holdings that PNC Canada was immediately accelerating the indebtedness under the Heartland LOC, as PNC Canada was entitled to do under the Heartland LOC Loan Documents, and demanding repayment of the total indebtedness owing to PNC Canada at that time under the Heartland LOC Loan Documents. A copy of the Heartland Default Letter is attached to the Thompson Affidavit #2 as **Exhibit "G"**.

106. On January 22, 2026, the Bank's Canadian counsel, Blake, Cassels & Graydon LLP ("**Blakes**") sent a demand letter (the "**Canadian Demand Letters**") to all of the Original Canadian Obligors reiterating the demands for payment in respect of each Original Canadian Obligor set out in the Revolver Default Letter, the Term Loan Default Letter, the Term Guarantor Default Letter, the PCard Default Letters and the Heartland Default Letter. The Canadian Demand Letters attached copies of all the Initial Default Letters as well as Notices of Intention to Enforce Security under section 244 of the BIA dated January 22, 2026 in respect of each Original Canadian Obligor (the "**Original 244 Notices**"). Copies of the Canadian Demand Letters, with the Original 244 Notices included,[8] are attached to the Thompson Affidavit #2 as **Exhibit "H"**.

107. Despite the demands for payment made by the Bank, no payments were received by the Bank from any of the Original Obligors prior to the execution of the Original Forbearance Agreement.

*b) **The Forbearance Defaults and Demands***

108. During the period following the delivery of the Initial Default Letters and the Canadian Demand Letter, the Bank and the Original Obligors engaged in protracted discussions to reach an agreement whereby, among other things, the Bank would forbear

[8] The Canadian Demand Letter also attached the Initial Default Letters as schedules, but the Initial Default Letters are attached as separate exhibits to this Affidavit and the schedules from the Canadian Demand Letter are omitted to avoid duplication.

from exercising its rights and remedies under the applicable Loan and Security Documents and the Original Obligors would work to repay the Total Indebtedness to the Bank.

109. Eventually, on April 8, 2026, the Bank and the Forbearance Obligors entered into the Original Forbearance Agreement. Pursuant to the Original Forbearance Agreement, the Forbearance Obligors (which includes all the Respondents) all consented to the appointment of a receiver over the Respondents and their property upon an event of default under the Original Forbearance Agreement. A copy of the Original Forbearance Agreement is attached to the Thompson Affidavit #1 as **Exhibit "V"**.

110. As part of the consideration for the Bank agreeing to forbear from exercising its rights and remedies under the Loan and Security Documents as a result of the Original Obligors' defaults, the New Canadian Obligors and the Debtor agreed to provide mortgages to the Bank over certain real property owned or leased by the Debtor and the New Canadian Obligors that includes all the Real Property.

111. After the Original Forbearance Agreement was entered into, and the Registered Mortgages executed, Blakes proceeded to register the Registered Mortgages in the British Columbia Land Title Office. Upon conducting pre-registration title searches, Blakes discovered that the Brian Fehr Tax Lien had been registered against all the properties secured by the Brian Fehr Mortgage on the day that the Original Forbearance Agreement closed.

112. The registrations of the Brian Fehr Tax Lien against these properties amounted to a breach of the Original Forbearance Agreement that entitled the Bank to demand the Forbearance Obligors to have the Brian Fehr Tax Lien removed within ten days. Acknowledging that the Crown would be exceptionally unlikely to discharge the lien, and in the interests of trying to keep the brand new forbearance arrangements in place, the Bank decided instead to send a reservation of rights letter to the Debtor on April 16, 2026 (the "**ROR Letter**"), notifying him of the breach of the Original Forbearance Agreement and the Bank's reservation of its rights with respect to that breach. A copy of the ROR Letter is attached to the Thompson Affidavit #2 as **Exhibit "I"**.

113. As required by the Original Forbearance Agreement, the Forbearance Obligors proceeded to put up for sale various properties pledged to the Bank as Collateral. As detailed below, during this period the Bank either discovered, or was provided by the Forbearance Obligors, with further information about the Forbearance Obligors' (and Respondents') Collateral that prejudiced the Bank's security position.

114. During the period between closing the Original Forbearance Agreement and July 2026, the Forbearance Obligors did manage to sell some of their properties, which enabled them to pay down the Total Indebtedness by the approximate amount of USD $4.8 million. However, it became clear by September 2026 that the Forbearance Obligors could not meet the initial payment milestone contained in the Original Forbearance Agreement, which required payment of at least USD $15 million to the Bank by October 1, 2026 (the "**Initial Payment Milestone**").

115. As a result of the Forbearance Obligors' representations to the Bank that they would not be able to meet the Initial Payment Milestone, the Bank agreed to enter into the First Amendment to give the Forbearance Obligors breathing room and attempt to repay the Bank on an amended timeline. A copy of the First Amendment is attached to the Thompson Affidavit #1 as **Exhibit "W"**.

116. The First Amendment set out tiered milestones as follows:

(a) the Forbearance Obligors were required to pay to the Bank CAD $2,800,000 on or before October 15, 2026 (the "**October Payment Milestone**");

(b) the Forbearance Obligors were required to provide to the Bank fully executed contracts with outside closing dates no later than December 31, 2026 for the sale of properties of the Forbearance Obligors that would result in net proceeds to the Bank that would satisfy all outstanding obligations owing to the Bank (the "**November Contract Milestone**"); and

(c) the Forbearance Obligors were required to pay to the Bank all outstanding Obligations owing to the Bank on or before December 31, 2026 (the

"**December Payment Milestone**" and, together with the October Payment Milestone and the November Contract Milestone, the "**Amended Milestones**").

117. The Respondents' representatives informed the Bank that the October Payment Milestone would be met by the sale of one of the Hill Aviation properties and a combination of further sales of the Real Property by the Debtor and the other New Canadian Obligors. Although the Respondents did close the Hill Aviation sale and approximately CAD $2.3 million was paid to the Bank, the Respondents' representatives informed the Bank on October 9, 2026 that they were not able to come up with the remainder of the October Payment Milestone.

118. The Repsondents' representatives informed the Bank that the October Payment Milestone could not be met, as originally expected, in part due to the cross-collateralization of the RBC Mortgages, which necessitated a larger amount of the proceeds from the sale of certain properties by the Respondents to be paid to RBC than originally projected. These excess amounts were originally intended by the Respondents to be paid to the Bank. Once the Bank received this information, it proceeded to run title searches against the Real Property and discovered the Rally Tax Liens and the HoldCo Tax Lien, none of which had been previously disclosed by the Respondents to the Bank.

119. All of these events caused the Bank to lose what faith it had left in the Respondents' ability to sell the Real Property and remit payments to the Bank in the amounts required under the Amended Forbearance Agreement, provide accurate and timely disclosure to the Bank and manage their affairs in a way that did not further prejudice the Bank's Collateral or its security position.

120. Ultimately, the Respondents failed to achieve the October Payment Milestone, and, on October 16, 2026 Bradley delivered a letter (the "**Forbearance Termination**") to the Forbearance Obligors notifying them of the event of default caused by the failure to meet the October Payment Milestone as set out in section 4(a) of the First Amendment, and the termination of the Amended Forbearance Agreement and the forbearance period contained therein.

121. Pursuant to section 2(b) of the Amended Forbearance Agreement, termination of the forbearance period in the Amended Forbearance Agreement results in all the obligations of the Forbearance Obligors to the Bank becoming immediately due and payable. The Forbearance Termination notified the Forbearance Obligors (which includes all the Respondents) of such obligations becoming immediately due and payable and demanded payment from the Forbearance Obligors.

122. Pursuant to section 4(a) of each Mortgage, an event of default under the applicable Mortgage shall occur when the mortgagor is in default of payment of any of its obligations under the New Canadian Guarantee when due. The acceleration of the Respondents' obligations to the Bank under the Forbearance Termination led to those obligations becoming immediately due and payable under the New Canadian Guarantee, and the failure of the applicable Respondent under each Mortgage to pay such obligations to the Bank caused events of default under section 4(a) of each Mortgage.

123. Under section 9 of each Share Pledge, an event of default occurs upon a Termination Event (as that term is defined in the Amended Forbearance Agreement) taking place under the Amended Forbearance Agreement. Therefore, the Forbearance Termination directly led to each applicable Respondent defaulting under their respective Share Pledge.

124. On October 19, 2026, Blakes sent demand letters to the Debtor, BFG Holdings, and each of the New Canadian Obligors (the "**New Obligor Demand Letters**") notifying them of their defaults under the Amended Forbearance Agreement and the applicable Mortgages and Share Pledges, accelerating and demanding immediate repayment of the Total Indebtedness and attaching notices of intention to enforce security under section 244 of the BIA (the "**New 244 Notices**"). Copies of the New Obligor Demand Letters and attached New 244 Notices are attached to the Thompson Affidavit #2 as **Exhibit "J"**.

125. Set out below is a chart summarizing the previously noted defaults of the Respondents pursuant to the Loan and Security Documents and the Amended Forbearance Agreement:

Default	Respondent(s)	Default Provision	Date of Default
Revolver Loan Payment Default	Peak NA Holdings	Revolver Loan Agreement, Section 6 and Revolver Note, Section 12	December 1, 2025
Revolver Guarantee Default[9]	Debtor, Heartland, Peak Construction, HSSL, Peak Manufacturing, Woodpro, Peak Properties, BC Co, Peak NA	Revolver Canadian Guarantee, Section 6	December 1, 2025
Term Loan Payment Default	BFG Holdings, Peak NA Holdings	Term Note, Section 6	December 1, 2025
Term Guarantee Default[10]	Heartland, Peak Construction, Peak Manufacturing, Woodpro, Peak Properties, BC Co, Peak NA	Canadian Term Guarantee, Section 6	December 1, 2025
Revolver LOC Default	Peak NA Holdings	Reimbursement Agreement, Section 6.3	December 3, 2025
PCard Agreement Defaults[11]	Peak NA Holdings, Heartland, Peak Construction, Peak Manufacturing, Woodpro, Peak NA	PCard Terms and Conditions, Section 12(vi)	December 1, 2025
Heartland LOC Defaults	Heartland	Heartland LOC Agreement, Section 10(v)	December 1, 2025
Amended Forbearance Agreement Default	All Respondents	Amended Forbearance Agreement, section 2(a) and First Amendment, section 4(a)	October 16, 2026
Mortgage Default	Debtor, Hill Aviation, CF BidCo, Columbia Lake Holdings, Columbia Lake Ranch, Headwaters Holding Company Ltd., B&D Fehr, Rally Management, HoldCo	Mortgage, section 4(a)	October 16, 2026
Share Pledge Default	BFG Holdings, BidCo Holding, CF BidCo, B&D Fehr, Rally Management, HoldCo	Share Pledge, section 9	October 16, 2026

[9] Each Revolver Canadian Guarantee provides in section 6 thereof that an Event of Default under the Revolver Loan Documents is an Event of Default under the applicable Revolver Canadian Guarantee.
[10] Each Canadian Term Guarantee provides in section 6 thereof that an Event of Default under the Term Loan Documents is an Event of Default under the applicable Canadian Term Guarantee.
[11] Each PCard Agreement provides that the applicable PCard Borrower is bound by the PCard Terms and Conditions, and the PCard Terms and Conditions provide at section 12(vi) thereof that any default by the PCard Borrower under any other agreement with PNC Canada results in an Event of Default under the PCard Agreement.

VIII. THE NEED FOR A COURT-APPOINTED RECEIVER

126. The Respondents and the other Forbearance Obligors have failed to repay the Total Indebtedness, despite significant efforts and accommodations by the Bank to consensually resolve the matter.

127. The Bank has lost faith in the ability of the Respondents to self-liquidate the Real Property in a manner that would result in the agreed-upon payments to the Bank and manage their business in a manner that protects the Bank's Collateral and its Security, including for the reasons set out herein and summarized as follows:

(a) the Debtor failed to pay certain income taxes, leading to the Brian Fehr Tax Lien being registered against the properties secured by the Brian Fehr Mortgage prior to the Bank's mortgages, in breach of the terms of the Original Forbearance Agreement;

(b) the Respondents failed to inform the Bank, prior to October 14, 2026, of the RBC Credit Facilities and the cross-collateralized nature of the RBC Mortgages, leading to the Bank having to reduce its projected recovery with respect to the sale of the properties subject to the RBC Mortgages;

(c) the Respondents failed to inform the Bank of the registration of the Rally Tax Liens (which have a super priority over the Rally Management Services Mortgage) and the HoldCo Tax Lien, which also amounted to breaches of the Amended Forbearance Agreement, and which the Bank did not discover until running title searches itself;

(d) the Respondents emphasized to the Bank before entering into the Original Forbearance Agreement and afterwards that the New Canadian Obligors did not have material operations. Only beginning on October 19, 2026 did the Respondents inform the Bank of the operations of the Respondents described herein; and

(e) the Respondents' representatives informed the Bank during the negotiations for the sale of one of the properties secured by the Hill Aviation Mortgage that the Respondents intended to pay out a personal property security holder in full ahead of the Bank, despite that personal property security not applying to the sale of real property, leading to reduced sale proceeds to the Bank.

128. Given the incorrect information and, in many cases lack of information, provided to the Bank by the Respondents, the Bank is no longer confident in its assessment of the property that makes up its Collateral and the value of the Security that secures the Collateral. The Bank believes that the Proposed Receiver's appointment will provide the added benefit of identifying any property that may be subject to the Security that the Bank is currently unaware of and any issues that may prejudice the Bank's Collateral and Security if the Respondents are left in control of the Property.

129. In part due to the diminutions in the value of the Collateral and the Bank's Security as a result of the Respondents' actions, inactions and inaccurate information provided, the Bank is facing a position where the value of the Collateral is significantly less than the Total Indebtedness.

130. In conjunction with the execution of the Original Forbearance Agreement, the Bank commissioned CBRE Limited to conduct appraisals (collectively, the "**Appraisals**") of all the property secured by the Mortgages, including all the Real Property. Copies of the cover letters and executive summaries of each Appraisal are attached to the Confidential Affidavit of Christopher B. Gribble, sworn October 30, 2026 at **Confidential Exhibit "A"**.

131. Once the collective value of the Appraisals are taken into account, along with the liabilities of the various Respondents, the Bank projects that the difference between the aggregate net realizable value of the Collateral to the Bank and the Total Indebtedness results in a shortfall to the Bank, unless the sales of the Property result in greater proceeds than expected. In a shortfall scenario there would be no residual value

in the Property for unsecured creditors or for the Respondents once the Bank is repaid from the proceeds of the sale of the Property.

132. Accordingly, in the Bank's view there can be no further out-of-court solution to the Respondents' defaults, and the status quo cannot be maintained. The Bank is seeking the appointment of the Proposed Receiver to bring order to the management of the Respondents, effectuate efficient and timely sales of the Property and bring this matter to a conclusion.

133. The appointment of a receiver, on the terms sought by the Bank, will provide for the Bank to protect its rights in the most transparent and fair way possible, including because a receiver is the optimal party to:

(i) protect and secure the Property;

(ii) manage the business of the Respondents, if required and provided for in the Receivership Order, so as not to prejudice the rights and interests of all the Respondents' creditors;

(iii) undertake a sale process for the Collateral in an efficient, fair and transparent manner, through a process that will be designed to achieve the highest and best price;

(iv) manage and coordinate the holistic enforcement proceeding, including conserving judicial resources by consolidating matters to minimize motions and judicial intervention;

(v) investigate the Respondents' books and records, and otherwise investigate the Respondents and the Property, to identify sources of value to the Respondents' creditors;

(vi) efficiently engage with stakeholders, including RBC, FCC and the Crown, to determine what amounts are owing to such stakeholders, and the relative priority of their claims, all of which would be

inappropriate (if not impossible) for a private party enforcing private security rights;

(vii) make distributions of proceeds from the sale of the Property to the creditors who are determined to have priority, subject to Court approval, which would be exceedingly difficult for a private party enforcing private security rights; and

(viii) will be able to efficiently and transparently investigate the Respondents to determine if there are any claims to be made against the Respondents or the Respondents' management for the benefit of the Respondents' creditors.

134. AlixPartners is a licensed insolvency trustee, having considerable experience with receiverships across the country, and with real estate receiverships in British Columbia specifically. I have been advised by Noah Goldstein of AlixPartners that it has no conflicts with any of the Respondents, and AlixPartners has signed a consent to act as receiver.

135. The Bank is prepared to fund a receivership pursuant to receiver's certificates, which funding would be made available to the receiver, if appointed, upon request. The form of appointment order sought provides for a priority charge to secure such receiver's certificates, which I understand is routine in British Columbia receiverships of this type.

IX. EXCLUDED PROPERTIES

136. The Respondents' representatives have informed the Bank that they are consenting to the appointment of the Proposed Receiver. In consideration for the Respondents' consent, the Bank has agreed to not seek the inclusion of the Doherty Residence, the Riverview Condo and the Trisura Properties (collectively, the "**Excluded Properties**") in the definition of "Property" in the Receivership Order for a period of 12 months, or otherwise take any enforcement action against the Excluded Properties

137. After the initial 12 month period, if the proceeds from the sale of the Property are not sufficient to repay the Total Indebtedness, the Bank shall have the option to seek the inclusion of the Excluded Properties in the Receivership Order. The Bank is not releasing its security over the Excluded Properties, and any sale of the Excluded Properties by the Respondents during the 12 month period will be subject to the Bank's right to refuse to release the applicable Mortgage in respect of the applicable Excluded Property in accordance with the terms of such Mortgage.

X. CONCLUSION

138. The Respondents are in default of their Obligations under the Loan and Security Documents. The Bank has given the Respondents ample opportunity to repay the amounts owing under the Loan Documents by pursuing sales of their property, including the Real Property, on an agreed upon timeline. The Respondents have repeatedly failed to abide by agreed upon terms and timelines, and their actions over the course of the past year have caused the Bank to be seriously concerned about the value of its Collateral and its security position. The Bank has made demand on the Total Indebtedness, and the Respondents have consented to the appointment of the Proposed Receiver and the waiver of all applicable notice periods.

139. The Bank is accordingly of the view that, under the circumstances, the appointment of a receiver is just and convenient.

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

141. 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.

SWORN BEFORE ME on October 30, 2026)
)
)
)
)
)
)
)
)
)
)

A Commissioner for the Province of Ontario

Christopher B. Gribble, Senior Vice President, PNC Bank National Association

This is **Exhibit "A"** referred to in the Affidavit of Christopher B. Gribble, sworn before me on the 30th day of October, 2026.

Jake Harris

Jake Harris: LSO #85481T
Commissioner for Taking Affidavits
(or as may be)

Exhibit "A"

List of Affidavit Defined Terms of Groups of Entities

	"Respondents"	"Original Obligors"	"Original Canadian Obligors"	"New Canadian Obligors"	"Corporate Respondents"	"Forbearance Obligors"	"Revolver Borrowers"	"Term Borrowers"	"PCard Borrowers"	"Borrowers"	"Canadian Revolver Guarantors"	"Canadian Term Guarantors"	"Mortgagors"	"New Canadian Guarantors"	"Canadian Pledgors"	"Share Pledgors"
Hill Aviation Centre Inc. ("Hill Aviation")	X			X	X	X							X	X		
Brian Jacob Fehr ("Debtor")	X	X				X					X		X		X	
Brian Fehr Group Holdings Ltd. ("BFG Holdings")	X	X	X		X	X		X		X				X		X
1126486 B.C. Ltd. ("BidCo Holding")	X			X	X	X								X		X
CF BidCo Property Holdings Ltd. ("CF BidCo")	X			X	X	X							X	X		X
Columbia Lake Holdings Ltd. ("Columbia Lake Holdings")	X			X	X	X							X	X		
Columbia Lake Ranch Ltd. ("Columbia Lake Ranch")	X			X	X	X							X	X		
Headwaters Holding Company Ltd.	X			X	X	X							X	X		
B&D Fehr Holdings Ltd. ("B&D Fehr")	X			X	X	X							X	X		X
Rally Management Services Ltd. ("Rally Management")	X			X	X	X							X	X		X
596848 British Columbia Ltd. ("HoldCo")	X			X	X	X							X	X		X
Peak North America Holdings Ltd. ("Peak NA Holdings")	X	X	X		X	X	X	X	X	X				X	X	
Heartland Steel Structures Ltd. ("Heartland")	X	X	X		X	X			X	X	X	X			X	
Peak North America Construction Ltd. ("Peak Construction")	X	X	X		X	X			X	X	X	X			X	
HSSL Capital Corp. ("HSSL")	X	X	X		X	X					X				X	
Peak North America Manufacturing Ltd. ("Peak Manufacturing")	X	X	X		X	X			X	X	X	X			X	
Woodpro Engineering Ltd. ("Woodpro")	X	X	X		X	X			X	X	X	X			X	
Peak North America Properties Ltd. ("Peak Properties")	X	X	X		X	X					X	X			X	
0960670 B.C. Ltd. ("BC Co")	X	X	X		X	X					X	X		X	X	
Peak NA Energy Ltd. ("Peak NA")	X	X	X		X	X			X	X	X	X			X	
Real Performance Machinery ULC ("Real Performance")						X					X	X			X	
Willowcale Storage Inc.	X				X	X								X		
Peak NA US Properties Inc. ("Peak US")		X				X		X		X						
Endurance Equipment, L.L.C. ("Endurance")		X				X		X	X	X						

	"Respondents"	"Original Obligors"	"Original Canadian Obligors"	"New Canadian Obligors"	"Corporate Respondents"	"Forbearance Obligors"	"Revolver Borrowers"	"Term Borrowers"	"PCard Borrowers"	"Borrowers"	"Canadian Revolver Guarantors"	"Canadian Term Guarantors"	"Mortgagors"	"New Canadian Guarantors"	"Canadian Pledgors"	"Share Pledgors"
Peak NA Construction US LLC ("Peak Construction US")		X				X	X			X						
Advanced Sawmill Machinery, Inc.						X										
Peak NA US Energy Inc.		X				X			X	X						
Peak NA US Inc.		X				X			X	X						
Real Performance Machinery LLC						X										
1304802 BC Ltd.						X										
Jamie William Bird						X										
Nicholas Wayne Walter Fuchs						X										

This is **Exhibit "B"** referred to in the Affidavit of Christopher B. Gribble, sworn before me on the 30th day of October, 2026.

Jake Harris

Jake Harris: LSO #85481T
Commissioner for Taking Affidavits
(or as may be)

Exhibit "B"

Loan and Security Documents by Respondent

	Original/Amended Forbearance Agreement	Revolver Loan Agreement; Revolver Note	Revolver LOC; Reimbursement Agreement	Term Loan Agreement; Term Note	Heartland LOC	PNC Canada PCard Agreements	Revolver Canadian Guarantees	Canadian Term Guarantees	Heartland Guarantee	New Canadian Guarantee	Revolver Canadian Security Agreement	Heartland Security Agreement	Share Pledges	Registered Mortgages	Hill Aviation Mortgage
Hill Aviation Centre Inc. ("Hill Aviation")	X									X					X
Brian Jacob Fehr ("Debtor")	X						X		X		X			X	
Brian Fehr Group Holdings Ltd. ("BFG Holdings")	X			X						X			X		
1126486 B.C. Ltd. ("BidCo Holding")	X									X			X		
CF BidCo Property Holdings Ltd. ("CF BidCo")	X									X			X	X	
Columbia Lake Holdings Ltd. ("Columbia Lake Holdings")	X									X				X	
Columbia Lake Ranch Ltd. ("Columbia Lake Ranch")	X									X				X	
Headwaters Holding Company Ltd.	X									X				X	
B&D Fehr Holdings Ltd. ("B&D Fehr")	X									X			X	X	
Rally Management Services Ltd. ("Rally Management")	X									X			X	X	
596848 British Columbia Ltd. ("HoldCo")	X									X			X	X	
Peak North America Holdings Ltd. ("Peak NA Holdings")	X	X	X	X		X			X	X	X				
Heartland Steel Structures Ltd. ("Heartland")	X				X	X	X	X			X	X			
Peak North America Construction Ltd. ("Peak Construction")	X					X	X	X			X				
HSSL Capital Corp. ("HSSL")	X						X				X				
Peak North America Manufacturing Ltd. ("Peak Manufacturing")	X					X	X	X			X				
Woodpro Engineering Ltd. ("Woodpro")	X					X	X	X			X				
Peak North America Properties Ltd. ("Peak Properties")	X						X	X			X				
0960670 B.C. Ltd. ("BC Co")	X						X	X		X	X				
Peak NA Energy Ltd. ("Peak NA")	X					X	X	X			X				
Willowcale Storage Inc.	X									X					