



This is the 2nd affidavit of
W. Roitman in this case and was
made on August 8, 2022

No. S-222758
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF 0989705 B.C.
LTD., ALDERBRIDGE WAY LIMITED PARTNERSHIP, AND ALDERBRIDGE WAY GP LTD.

PETITIONERS

AFFIDAVIT

I, Wesley Roitman, of Suite 300, 162 Cumberland Street, Toronto, Ontario, businessperson,
SWEAR THAT:

I. INTRODUCTION

1. I am the Managing General Partner of Romspen Investment Corporation ("Romspen") 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. Additional relevant background information with respect to these *Companies Creditors' Arrangement Act* (the "CCAA") proceedings is set out in my first affidavit sworn March 31, 2022. Capitalized terms not defined in this affidavit shall have the meaning given to them in my first affidavit.

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II. THE CONSENSUAL CCAA FILING

3. Romspen is the Petitioners' senior secured creditor. As of July 31, 2022, Romspen was owed approximately \$185 million, with interest accruing on that debt at approximately \$1.5 million per month.

4. The Petitioners have been unable to meet their obligations to Romspen for over two years (since March 2020). Notwithstanding this, Romspen has refrained from taking active enforcement steps so as to provide the Petitioners with time to find a solution to their financial difficulties. As is set out below, unfortunately, the Petitioners' efforts to date have been unsuccessful.

5. As is described in my first affidavit, following extensive negotiations, Romspen supported the Petitioners' CCAA filing on April 1, 2022 pursuant to terms of a "**Consensual CCAA Filing**". The Consensual CCAA Filing included mechanisms to ensure Romspen's rights and interests were protected, including, among other things, a sales investment and solicitation process (the "**CCAA SISF**") with terms and timelines that resulted from extensive negotiations between the Petitioners and Romspen, and an agreed upon termination of the CCAA SISF and alternative path forward if the CCAA SISF failed.

6. In order to facilitate this agreed upon termination of the CCAA SISF and an alternative path forward should the CCAA SISF fail, the Petitioners executed both a consent Receivership Order (which remains unfiled) and a Consent to Receivership, copies of which are attached to the Third Affidavit of Jennifer Alambre made August 8, 2022 as Exhibits "**A**" and "**B**".

7. Romspen has been supportive of the Petitioners' efforts to restructure under the CCAA and to implement the CCAA SISF. Shortly after the commencement of these proceedings, the Petitioners were unable to obtain additional interim financing beyond the initial amount of \$850,000 provided by certain of the Petitioners' shareholders or unitholders. In furtherance of the Petitioners' restructuring efforts, Romspen then agreed to and did provide an additional \$1.65 million in interim financing to the Petitioners, which was approved by this Court on April 25, 2022. As is discussed in greater detail below, Romspen has also consented to numerous extensions of the timelines in the CCAA SISF to permit a continuation of the CCAA SISF.

8. However, given recent developments discussed below, including the failure of the CCAA SISP to generate a compliant bid in accordance with its terms, Romspen is now of the view that it is necessary for this proceeding to be set on a more streamlined and efficient path through the expansion the powers of the Monitor.

III. THE FAILED SISP AND NEED FOR ENHANCED MONITOR'S POWERS

9. The CCAA SISP was approved by this Court on April 25, 2022. The key timelines are set out in the CCAA SISP and included, among other milestones:

- (a) a Final Bid Deadline of June 22, 2022;
- (b) a Final Agreement Deadline of July 4, 2022; and
- (c) an Outside Closing Date of July 27, 2022 (each as defined in the CCAA SISP).

10. Romspen's consent is required to extend the timelines in the CCAA SISP.

11. Romspen has now consented to five separate extensions of the CCAA SISP:

- (a) On June 24, 2022, the CCAA SISP deadlines were extended as follows:
 - (i) the Final Bid Deadline was extended from June 22 to July 5, 2022;
 - (ii) the Final Agreement Deadline was extended from July 4 to July 15, 2022; and
 - (iii) the Outside Closing Date was extended from July 27 to August 9, 2022.
- (b) On July 5, 2022, the CCAA SISP deadlines were extended as follows:
 - (i) the Final Bid Deadline was extended from July 5 to July 19, 2022;
 - (ii) the Final Agreement Deadline was extended from July 15 to July 29, 2022; and
 - (iii) the Outside Closing Date from August 9 to August 23, 2022.
- (c) On July 20, 2022, the CCAA SISP deadlines were extended as follows:
 - (i) the Final Bid Deadline was extended from July 19 to July 27, 2022;

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- (ii) the Final Agreement Deadline was extended from July 29 to August 8, 2022; and
 - (iii) the Outside Closing date was extended from August 23 to August 31, 2022.
- (d) On July 27, 2022, the CCAA SISP deadlines were extended as follows:
- (i) the Final Bid Deadline was extended from July 27 to August 5, 2022;
 - (ii) the Final Agreement Deadline was extended from August 8 to August 17, 2022; and
 - (iii) the Outside Closing Date was extended from August 31 to September 9, 2022.
- (e) On August 7, 2022, the CCAA SISP deadlines were extended as follows:
- (i) the Final Bid Deadline was extended from August 5 to August 10, 2022;
 - (ii) the Final Agreement Deadline was extended from August 17 to August 22, 2022; and
 - (iii) the Outside Closing Date was extended from September 9 to September 14, 2022.

12. In total, Romspen has consented to an extension of the Final Bid Deadline by an additional 7 weeks from June 22, 2022 to August 10, 2022.

13. Unfortunately, notwithstanding these five extensions, as of the date of this affidavit no party has submitted a compliant Final Bid in the CCAA SISP.

14. Romspen has been very patient and reasonable in the circumstances. As noted above, the Petitioners have been unable to meet their obligations to Romspen for more than two and a half years. Despite this, Romspen has:

- (a) refrained from taking active enforcement steps in March 2020 and in subsequent months and years to give the Petitioners an opportunity to consummate a transaction that would see Romspen repaid;
- (b) consented to the Petitioners' CCAA proceeding on the terms of the Consensual CCAA Filing, notwithstanding the Petitioners' inability to secure and consummate

a transaction as part of the Petitioners nearly 12-month long pre-CCAA sales process;

- (c) negotiated extensively with the Petitioners in order to agree to the terms of the CCAA SISP;
- (d) provided additional interim financing when the Petitioners' shareholders and unitholders did not advance further funds in the CCAA; and
- (e) consented to five extensions of the CCAA SISP timelines for a total of seven weeks of extensions to give further time to bidders to advance their bids.

15. Ultimately, however, the CCAA SISP has not led to a compliant bid from the owners of the Petitioners, the 2ML group or any other party. In summary, the confidence placed by Romspen in the Petitioners has not resulted in a transaction, investment or other acceptable process or outcome over the past two and a half years. Based on Romspen's experience with the Petitioners' efforts to restructure their affairs, both prior to and after the commencement of these CCAA proceedings, Romspen has lost confidence in the Petitioners' ability to consummate a transaction or otherwise restructure their business.

16. In Romspen's view, a change is needed. Enhancing the Monitor's powers in the manner proposed by Romspen on this application will allow the Monitor, a court-appointed officer, to take control of the efforts to sell the Project in the context of these CCAA proceedings through a streamlined and efficient process. This CCAA proceeding needs, and would benefit from, these expanded powers being given to the Monitor in place of the Petitioners, including powers that would allow the Monitor to engage with the City of Richmond on issues of permitting and other matters, as well as to incur expenses to preserve and protect the value of the Project.

17. As noted above, the Petitioners have already consented to the appointment of The Bowra Group, the Monitor in these proceedings, as receiver in the current circumstances. The Petitioners have advised Romspen that they would prefer a continuation of the CCAA with enhanced Monitor's powers instead of a receivership. Romspen is, again, prepared to be reasonable and accommodate the Petitioners in that regard on the terms of the Second Amended and Restated Initial Order that Romspen now seeks approval of from this Court. The relief sought in that order is consistent with the Petitioners' agreement to the appointment of a receiver should

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the CCAA SISP fail. It is, in Romspen's view, a reasonable and efficient alternative to the termination of these CCAA proceedings and the appointment of a receiver.


IV. ADDITIONAL INTERIM FINANCING

18. In order to fund the continued costs of this restructuring and the activities to be undertaken by the Monitor under its expanded powers, Romspen is prepared to provide additional interim financing in the amount of up to \$2.5 million on the same commercial terms and in substantially the same form as the first interim financing agreement between Romspen, as interim lender, and the Petitioners that was approved by this Court on April 25, 2022.

19. I have reviewed the Notice to the Profession, Public and the Media RE: Affidavits for use in Court Proceedings, dated March 27, 2020, by Direction of Chief Justice C.E. Hinkson (the "Direction"). I was not physically present before the commissioner, but I was linked with the commissioner utilizing video technology and we followed the process for remote commissioning of affidavits as set out in the Direction.

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TEAMS at Vancouver, British Columbia on)
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A Commissioner for taking Affidavits for)
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Wesley Roitman

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Wesley Roitman

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