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REGISTRY
IN THE SUPREME COURT OF BRITISH COLUMBIA

No. S222758
Vancouver Registry

IN 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 GP LTD., AND ALDERBRIDGE WAY LIMITED PARTNERSHIP

PETITIONERS

FIRST REPORT OF THE PROPOSED MONITOR
ALVAREZ & MARSAL CANADA INC.

March 31, 2022



ALVAREZ & MARSAL

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1.0 INTRODUCTION

1.1 Alvarez & Marsal Canada Inc. (“**A&M**”) has prepared this report (the “**Pre-Filing Report**”) in respect of a pending application to the Supreme Court of British Columbia (the “**Court**” or this “**Honourable Court**”) by Alderbridge Way Limited Partnership (the “**LP**”), Alderbridge Way GP Ltd. (the “**GP**”) and 0989705 B.C. Ltd. (“**098**”) (together, the “**Petitioners**” or “**Alderbridge**”), under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an order (the “**Initial Order**”), which, among other things:

- a) grants a stay of proceedings against the Petitioners and their property (the “**Stay of Proceedings**”) of not more than 10 days from the date of the Initial Order;
- b) appoints A&M as monitor (the “**Proposed Monitor**”) of the Petitioners pursuant to section 11.7 of the CCAA;
- c) grants certain priority charges to secure certain obligations of the Petitioners arising during the first 10 days following pronouncement of the Initial Order, specifically, the Administration Charge, the Directors’ Charge and the Interim Financing Charge (subject to limited draws as necessary) (collectively, the “**CCAA Charges**”), as such terms are defined hereafter;
- d) authorizes Alderbridge to pay reasonable fees and disbursements of the Monitor and its legal counsel and the Petitioners’ legal counsel;
- e) schedules a comeback hearing (the “**Comeback Hearing**”) on a date to be set by this Honourable Court; and
- f) seeks such further and other relief as the Petitioners may request and this Honourable Court may deem just.

2.0 PURPOSE

2.1 This Pre-Filing Report has been prepared by the Proposed Monitor to provide:

- a) the qualifications and consent of A&M to act as Monitor;
- b) a background and overview of Alderbridge, including its cash management system;
- c) the Petitioner’s previous marketing efforts and subsequent restructuring efforts;
- d) the Proposed Monitor’s comments regarding the reasonableness of the cash flow forecast prepared by the Petitioners pursuant to section 23(1)(b) of the CCAA (the “**CCAA Cash Flow Forecast**”);
- e) a summary of terms of a proposed interim financing facility (the “**Interim Financing**”);
- f) a summary of and comments on the proposed enhanced powers of the Proposed Monitor; and

- g) the Proposed Monitor's preliminary comments in respect of the CCAA Charges sought to be granted as part of the Initial Order.

3.0 TERMS OF REFERENCE

- 3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of Alderbridge ("Management"). Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management or otherwise provided by the Petitioners. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this report, or otherwise used to prepare this report.
- 3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.
- 3.3 All monetary amounts contained in this Pre-Filing Report are expressed in Canadian dollars unless otherwise noted.

4.0 QUALIFICATION AND CONSENT OF A&M TO ACT AS MONITOR

- 4.1 A&M is a licensed trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada).
- 4.2 A&M is not, and has never been:
 - a) a director, officer or employee of Alderbridge;
 - b) related to Alderbridge or to any director or officer of Alderbridge;
 - c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of Alderbridge;
 - d) the trustee under a trust indenture issued by Alderbridge or, to the best of its knowledge, any person related to Alderbridge, or the holder of a power of attorney under an act constituting a hypothec within the meaning of the *Civil Code of Quebec* that is granted by Alderbridge or, to the best of its knowledge, any person related to Alderbridge, or

e) to the best of its knowledge, related to the trustee, or the holder of a power of attorney, referred to in paragraph 4.2 (d).

4.3 A&M has been acting as financial advisor to Alderbridge since April 2021, including assisting Alderbridge with contingency planning matters in relation to a potential CCAA filing. As part of its mandate, and until this CCAA application, A&M, among other things, assisted in coordinating the Cushman Sales Process (subsequently defined), provided periodic reporting to certain stakeholders and conducted a strategic review of the Petitioners' capital structure, liquidity requirements and related obligations.

4.4 The restrictions as to who may be appointed as a Monitor under section 11.7(2) of the CCAA do not preclude A&M from acting as Monitor for the Petitioners.

4.5 A&M has consented to act as Monitor in these proceedings should this Honourable Court grant the Initial Order on substantially the terms sought by the Petitioners. A copy of A&M's consent to act as Monitor is attached hereto as Appendix "A".

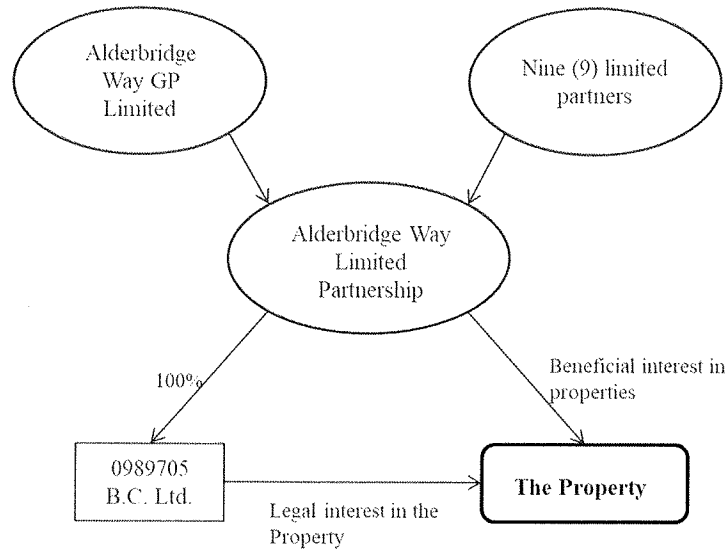
5.0 ALDERBRIDGE'S BUSINESS AND FINANCIAL AFFAIRS

5.1 The GP is the general partner of the LP, which is the owner of "Atmosphere", the ongoing development project (the "**Development**") at 5333 & 5411 No. 3 Road and 7960 Alderbridge Way, Richmond, British Columbia (the "**Property**"). 098 is a wholly-owned subsidiary of the LP. The legal interest in the Property is held by 098, as nominee, while the LP retains the beneficial interest in the Property.

5.2 The shareholders of the GP are Gatland Development Corporation ("**Gatland**"), REV Investments Inc. ("**REV**") and South Street Development Managers Ltd.

5.3 The limited partners of the LP are South Street (Alderbridge) Limited Partnership ("**South Street LP**"), REV, Gatland, J.V. Driver Projects Inc., G. Wong Holdings Inc., MNB Enterprises Inc., Chatanooga Investments Ltd., Kenneth Voth (individual) and R. Jay Management Ltd.

5.4 The corporate structure of Alderbridge is as follows:



- 5.5 The Property is located at the intersection of No. 3 Road and Alderbridge Way in the City of Richmond, British Columbia, across from the Lansdowne Centre and the Lansdowne Canada Line Skytrain Station.
- 5.6 The Property was acquired by the LP in September 2017. The final adoption of the zoning bylaw and development plan by the City of Richmond to allow for the construction of the Development was obtained in November 2018.
- 5.7 The Development is a comprehensive mixed-use project comprising seven mid-rise towers atop a multi-level podium with three levels of underground parking. The site consists of a gross site area of approximately 224,072 sf. The Development includes:
- a) Five (5) residential condominium strata lot towers (Towers A, B, C, E and F);
 - b) One (1) residential rental tower (Tower D);
 - c) One (1) commercial office tower (Tower G); and
 - d) Commercial retail within the podium.
- 5.8 In 2018, Alderbridge entered into a Purchase and Development Agreement (the “PDA”) with Global Education City (Richmond) Limited Partnership by its general partner, GEC (Richmond) GP Inc., with CIBT Education Group Inc. as guarantor (collectively, “CIBT”). Pursuant to the PDA, CIBT paid a deposit of \$60 million, on a secured basis (ranking subsequently discussed), to Alderbridge (the “CIBT Deposit”). The PDA (and subsequent amendments) contemplates CIBT’s purchases as follow:
- a) one (1) rental tower – Tower D;
 - b) one (1) office tower – Tower G; and

- c) retail space within the office tower comprising 7,251 rentable sq. ft.
- 5.9 The CIBT Deposit was secured by a mortgage bearing interest at 15.0% per annum, compounded quarterly. As of June 8, 2021, the amount outstanding in respect of the CIBT Deposit was approximately \$94.1 million.
- 5.10 Apart from the PDA, 260 residential units (out of 281 marketed, 690 total available units) and 28 retail units (out of 29 units marketed) were pre-sold by Alderbridge since 2019. Deposits from the pre-sales of approximately \$48.4 million are maintained in trust accounts at Lawson Lundell LLP.
- 5.11 In November 2019, Alderbridge obtained a first-ranking, secured construction loan for up to \$422 million (the “**Romspen Loan**”) from Romspen Investment Corporation (“**Romspen**”) at an annual interest rate of 10.0%. However, due to the onset of the COVID-19 pandemic in March 2020, Romspen advised Alderbridge that it was not successful in obtaining commitments from other lenders to participate in the Romspen Loan, which was funded up to approximately \$143.6 million. No advances were funded after that date. As of February 28, 2022, the total outstanding amount of the Romspen Loan was approximately \$175.3 million.
- 5.12 In addition to the Romspen Loan, Alderbridge entered into a secured second lien loan facility (the “**2ML Loan**”) provided to the LP by certain unitholders or associated entities therewith (the “**2MLs**”) in 2018 in order to provide funding towards the construction of the Development. The 2MLs include R. Jay Management Ltd., J.V. Driver Investments Inc., MNB Enterprises Inc., G. Wong Holdings Inc., Gatland, REV, Voth Developments Ltd., Inland Consulting Ltd., Dennis Schwab and Lesley Schwab, and South Street LP (collectively with Romspen, the “**Senior Lenders**”). As of January 31, 2022, the principal amount of the 2ML Loan outstanding was approximately \$47.5 million and the total outstanding amount (including interest) was approximately \$76.7 million.
- 5.13 Tabled below is a summary of the outstanding secured obligations claimed by the Senior Lenders and CIBT:

Alderbridge			
Summary of secured debt - as claimed			
(\$'000 CAD)	Principal/ Deposit	As of:	Principal + Interest
Romspen Loan	\$ 143,616	28-Feb-22	\$ 175,268
2ML Loan	47,529	31-Jan-22	76,693
CIBT Deposit	60,000	8-Jun-21	94,107
Total	\$ 251,145		\$ 346,068

- 5.14 With no further advances available from Romspen, Alderbridge expended significant effort to secure a new construction loan lender who could finance the Development. Such efforts were unsuccessful.
- 5.15 Accordingly, in May 2021, the Petitioners engaged Cushman & Wakefield Structured Finance ULC (“**Cushman**”) to conduct a sales process (the “**Cushman Sales Process**”) and market the Property and the Development. The Cushman Sales Process is discussed below.
- 5.16 Construction activity at the Property largely halted in September 2020. Since September 2020, activity at the Property has largely included managing site security, de-watering, and engineering monitoring, and installing anti-climbing fencing, all of which cost approximately \$200,000 per month.

Alderbridge’s Financial Position

- 5.17 As all the assets and liabilities are recorded under the LP, the GP and 098 do not produce financial statements. Presented below is a summary of the LP’s balance sheet, which reflects the LP’s beneficial ownership of the Property and the corresponding liabilities.
- 5.18 Assets of the LP as at December 31, 2020 are summarized below:

Alderbridge Way Limited Partnership	
Summary of Assets	
As at December 31, 2020	
(\$million CAD)	
Assets	Unaudited
Cash and cash equivalents	\$ 0.1
Trust deposits	49.3
Deferred management fees	3.4
Construction in progress	298.6
Total Assets	\$ 351.4

- 5.19 Trust deposits (the “**Pre-sale Deposits**”) represent the deposits Alderbridge received from the pre-sale of certain residential and retail units. The trust deposits are held by Lawson Lundell LLP in accordance with the *Real Estate Development Marketing Act*.
- 5.20 As at December 31, 2020, construction in progress for the Development was recorded at \$298.6 million, which includes \$113.0 million of land cost, and \$185.6 million of development and financing costs.

5.21 Liabilities of the LP as at December 31, 2020 are summarized below:

Alderbridge Way Limited Partnership	
Summary of Liabilities	
As at December 31, 2020	
(\$'million CAD)	
Liabilities	Unaudited
Accounts payable and accrued liabilities	\$ 83.4
Other mortgages payable	60.0
Mortgages payable	199.4
Total Liabilities	\$ 342.8

5.22 Accounts payable and accrued liabilities as at December 31, 2020 include payables to construction services companies, architect and engineering firms and marketing expenses, and interest accrued under the Romspen Loan and 2ML Loan.

5.23 Other mortgages payable represents the CIBT deposit, recorded at original principal value.

5.24 Mortgages payable includes the Romspen Loan and the 2ML Loan, both recorded at original principal value.

5.25 As of December 30, 2020, the partners' capital of the LP totaled \$8.5 million.

Cash Management System

5.26 Alderbridge's cash and cash equivalents are held in deposit accounts with Royal Bank of Canada at a branch in Vancouver, British Columbia.

5.27 Cash management functions are conducted by South Street Alderbridge Management Ltd. , the development manager (the "**Development Manager**"). Disbursements are prepared by the Development Manager and are only made upon approval from at least two directors.

6.0 CUSHMAN SALES PROCESS

6.1 The Cushman Sales Process commenced on June 7, 2021. Based on Cushman's understanding of the Development and the financial capability and interest of the potential bidders, Cushman, in consultation with the GP and A&M, developed a list of 30 potential parties who it believed would have an interest in the Development and the financial wherewithal to execute a transaction with Alderbridge.

6.2 During the Cushman Sales Process, Cushman was in contact with a total of 31 parties (including one unsolicited party who ultimately did not extend an offer). 17 of those parties signed Non-Disclosure Agreements ("**NDAs**") and 14 parties accessed the dataroom that was set up for the

Sales Process. As of the offer deadline (July 5, 2021), two Letters of Intent (“LOIs”) were received from interested parties.

6.3 A summary of the Cushman Sales Process is tabled below:

Alderbridge Sales Process					
	Teasers sent	NDA signed	Dataroom access delivered	Accessed Dataroom	LOI submitted
No. of parties	31	17	17	14	2

6.4 Upon consultation with various stakeholders, including the GP, the Senior Lenders and CIBT, on July 22, 2021, Alderbridge executed an LOI with a well-known property developer in British Columbia (“**Developer 1**”).

6.5 Despite the execution of a Restructuring Support Agreement (the “**Developer 1 RSA**”) with Developer 1 in September 2021, Alderbridge and Developer 1 were unable to proceed with the transaction, and the Developer 1 RSA was ultimately terminated in January 2022.

7.0 SUBSEQUENT RESTRUCTURING EFFORTS

7.1 Subsequent to the termination of the Developer 1 RSA, the GPs and the 2MLs concluded that a restructuring under the CCAA was necessary and would be beneficial to Alderbridge and the Development.

7.2 The GPs and the 2MLs are of the view that they will be able to effect a restructuring that would see Alderbridge’s balance sheet being strengthened and the Romspen Loan repaid in full, via a credit bid by the 2MLs, which would potentially convert a portion of the 2ML Loan into equity (the “**2ML Restructuring**”), under the CCAA Proceedings.

7.3 While the GPs and the 2MLs are working to effect the 2ML Restructuring and hope to finalize the credit bid structure shortly, and given the relationship between the parties, the Petitioners also intend for the Proposed Monitor to conduct a concurrent proposed sales and investment solicitation process (“**CCAA SISP**”) in order to solicit alternative offers so as to ensure optionality and maximize value for stakeholders.

8.0 CCAA SISP

8.1 As noted above, the Petitioners intend to have the Proposed Monitor conduct the CCAA SISP concurrently with the 2ML Restructuring.

8.2 While the approval of the CCAA SISF is not contemplated to be sought until later in April 2022, details of the CCAA SISF are being provided in advance for consideration by Alderbridge’s stakeholders.

8.3 The Monitor, if appointed, will provide its comments on the proposed CCAA SISF in a subsequent report.

9.0 CCAA CASH FLOW FORECAST

9.1 For the purposes of paragraph 10(2)(a) of the CCAA, the Petitioners have prepared the CCAA Cash Flow Forecast on a weekly basis for the period from March 26 to April 29, 2022 (the “**Forecast Period**”), using the probable and hypothetical assumptions set out in the notes to the CCAA Cash Flow Forecast. A copy of the CCAA Cash Flow Forecast along with its notes, assumptions and Management’s representation letter are attached hereto as Appendix “**B**”, and is summarized below:

Alderbridge CCAA Cash Flow Forecast For the period ending April 29, 2022 (C\$000s)	
Receipts	
Interim facility	\$ 1,000
GST and other refunds	-
Total Receipts	1,000
Disbursements	
Site management	36
Site security	26
Equipment rental	40
Property fence	125
Fuel costs	34
Dewatering costs	100
Wall and Geotechnical monitoring	20
Direct contingency	10
Direct site services	391
Other disbursements	
Project Management	20
Professional fees	555
Interim facility interest cost and fees	25
Total other disbursements	600
Total Disbursements	991
Net Cash Flow	9
Cash Position	
Opening Cash Position	-
Closing Cash Position	\$ 9

9.2 Among other things, Alderbridge has forecast that it may require total interim financing of up to \$1.0 million during the Forecast Period, which is to be provided by Gatland, REV and South Street LP (collectively, the “**Interim Lenders**”), pursuant to the terms of the Interim Financing Term Sheet (the “**Interim Financing Facility**”).

- 9.3 Management forecasts an initial draw of \$525,000 during the first 10 days after the filing date under the CCAA, and expects the \$1.0 million Interim Financing Facility to be fully drawn by the end of the Forecast Period.
- 9.4 The CCAA Cash Flow Forecast also projects the following key disbursements to be made during the Forecast Period:
- a) Direct site services of \$391,000 for essential services to be performed on site, including site management, dewatering, security and other safety monitoring procedures;
 - b) Professional fees of \$555,000, which includes professional fees payable to Dentons Canada LLP (counsel to the Petitioners, “**Dentons**”) and A&M, representing payments for outstanding invoices for the period leading up to the CCAA filing and payments for retainers to Dentons, A&M and counsel to the Monitor, Fasken Martineau DuMoulin LLP;
 - c) Fees of \$25,000 pursuant to the Interim Financing Facility (subsequently discussed); and
 - d) Project management fees of \$20,000, payable to Tatton Development Holdings Corp. (an affiliate of South Street LP) for the administration of the Development.
- 9.5 Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standards of Professional Practice No. 9, the Proposed Monitor hereby reports as follows:
- a) the CCAA Cash Flow Forecast has been prepared by Management for the purpose described in the notes to the Cash Flow Forecast, using probable and hypothetical assumptions as set out in the notes;
 - b) the Proposed Monitor’s review of the CCAA Cash Flow Forecast consisted of inquiries, analytical procedures, and discussion related to information supplied to it by Management. Since hypothetical assumptions need not be supported, the procedures with respect to them were limited to evaluating whether they were consistent with the purposes of the CCAA Cash Flow Forecast. The Proposed Monitor also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the CCAA Cash Flow Forecast;
 - c) based on the Proposed Monitor’s preliminary review of the CCAA Cash Flow Forecast, nothing has come to its attention that causes A&M to believe that, in any material respects:
 - i. the hypothetical assumptions are not consistent with the purpose of the CCAA Cash Flow Forecast;
 - ii. as at the date of this Pre-Filing Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Petitioners or

do not provide a reasonable basis for the CCAA Cash Flow Forecast, given the hypothetical assumptions; or

- iii. the CCAA Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
- d) since the CCAA Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, A&M does not express any assurance as to whether the CCAA Cash Flow Forecast will be accurate. A&M does not express any opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report; and
- e) the CCAA Cash Flow Forecast has been prepared solely for the purpose described in Note 1 of the accompanying notes to the CCAA Cash Flow Forecast, and readers are cautioned that it may not be appropriate for other purposes.

10.0 INTERIM FINANCING

- 10.1 In order to provide the required near-term liquidity needed to fund the operations of Alderbridge during the pendency of the CCAA, the Petitioners are seeking the approval of the Interim Financing Facility, which is to be provided by the Interim Lenders. Select material terms have been set out in the Petition and accompanying affidavit materials filed by the Petitioners and are not repeated in their entirety herein; however, the Proposed Monitor has highlighted the following for consideration by this Honourable Court:

Interim Financing Facility - Highlighted terms	
Interim Lenders	Gatland, REV and South Street LP
Maximum amount under the Interim Financing Facility	\$1.0 million
Interest rate	10.0% per annum
Fees	\$25,000
Maturity date	The earlier of: <ul style="list-style-type: none"> a) July 27, 2022; b) the completion of a transaction for the sale of the Property (as approved by this Honourable Court); c) the implementation of a plan of arrangement; d) conversion of the CCAA Proceedings into a proceeding under the <i>Bankruptcy and Insolvency Act</i>; and e) the occurrence of any event of default.
Interim Financing Charge	The Petitioners must seek and obtain an Interim Financing Charge (defined subsequently) that will not secure any obligations other than post-filing draws under the Interim Financing Facility and such charge will be subordinate in priority only to the Romspen Loan, the Court-ordered Administration Charge and Directors' Charge, should those charges be granted by this Honourable Court.

10.2 The Proposed Monitor has been involved in the discussions and negotiations surrounding the terms of the Interim Financing Facility and is of the view that the Interim Financing Facility represents market terms and is necessary to provide the requisite financial support during the CCAA Proceedings.

10.3 Lastly, the Proposed Monitor is satisfied that the mechanics of the Interim Financing Facility described above do not appear to prejudice any other secured lenders or any other financial stakeholders.

11.0 PROPOSED POWERS OF THE MONITOR

11.1 The proposed Initial Order contemplates the granting of enhanced powers to the Monitor to conduct the CCAA SISF, to exercise control over the business and property of Alderbridge, and to manage, operate, and carry on the business of Alderbridge in accordance with the terms of the Initial Order.

11.2 The Proposed Monitor has reviewed the proposed Monitor's enhanced powers as stipulated in the draft Initial Order, and is satisfied that it can execute the indicated extended range of powers and believes it is reasonable for the Monitor to be granted these additional powers based on its understanding of the current circumstances surrounding Alderbridge.

12.0 PROPOSED COURT-ORDERED CHARGES

12.1 The proposed Initial Order provides for three Court-ordered charges summarized below.

Administration Charge

12.2 The proposed Initial Order provides for a charge on the assets, property and undertakings of the Petitioners in an amount not to exceed \$300,000 in favour of the Proposed Monitor, legal counsel to the Proposed Monitor and legal counsel to the Petitioners (the "**Administration Charge**"). The Administration Charge is to be granted in priority to all other Court-ordered charges.

12.3 It is the view of the Proposed Monitor that the quantum of the proposed Administration Charge is reasonable and appropriate in the circumstances, having regard to the scale and complexity of Alderbridge and the CCAA proceedings, the services to be provided by the beneficiaries of the Administration Charge and the size of the charges approved in similar CCAA proceedings.

Directors' Charge

12.4 The proposed Initial Order provides for a charge on the assets, property and undertakings of the Petitioners in an amount not to exceed \$75,000 in favour of the directors of the Petitioners (the "**Directors' Charge**"). The Directors' Charge is a second-priority charge to rank in priority to all other charges other than the Administration Charge.

12.5 Having consulted extensively with Alderbridge's directors during the period leading up to the date of this Pre-Filing Report, the Proposed Monitor's view is that the continued support and services of the directors of the Petitioners during the CCAA proceedings would be beneficial to the Petitioners' efforts to preserve value and maximize recoveries for stakeholders through completion of the CCAA proceedings.

12.6 The Proposed Monitor has reviewed the underlying assumptions upon which the Petitioners have based the estimate of the potential liability in respect of the directors' statutory obligations and is of the view that the Directors' Charge is reasonable and appropriate in the circumstances.

Interim Financing Charge

12.7 As set out in the Cash Flow Forecast, the Petitioners anticipate that draws under the Interim Financing Facility of \$1.0 million will be required between the date the Initial Order is granted and

April 29, 2022, the week that the Petitioners expect to seek approval of the CCAA SISP. The Proposed Monitor understands that the Petitioners will be seeking an Interim Financing Charge of \$850,000 from the date of the Initial Order (if so granted) to fund disbursements up to the Comeback Hearing.

- 12.8 As a condition to executing the Interim Financing Agreement, the proposed Initial Order provides for the creation of a court-ordered security interest, lien and charge over all of the assets and undertakings of the Petitioners to secure advances made under the Interim Financing Facility (the “**Interim Financing Charge**”). The Interim Financing Charge would rank subordinate to the Administration Charge, the Directors’ Charge and the Romspen Loan.
- 12.9 The Proposed Monitor is of the view that the Interim Financing Charge represents a necessary and timely financing solution which affords the Petitioners the opportunity to stabilize the financial affairs of Alderbridge and to work towards seeking approval of the CCAA SISP.

All of which is respectfully submitted to this Honourable Court this 31st day of March, 2022.

**Alvarez & Marsal Canada Inc.,
in its capacity as Proposed Monitor of
Alderbridge and not in its personal or corporate capacity**



Per: Anthony Tillman
Senior Vice President



Per: Pinky Law
Vice President

Appendix A
Consent to Act as Monitor

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

– AND –

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, C. 57, AS AMENDED

– AND –

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

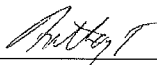
PETITIONERS

CONSENT TO ACT

Alvarez & Marsal Canada Inc. consents to act as the Monitor of the Petitioner pursuant to the *Companies' Creditors Arrangement Act*.

Dated at Vancouver, British Columbia, this 30th day of March, 2022.

ALVAREZ & MARSAL CANADA INC.



Per: Anthony Tillman
Senior Vice President

Appendix B

CCAA Cash Flow Forecast for the period from March 26 to April 29, 2022

Alderbridge Way Limited Partnership, et al

Cash Flow Statement¹

For the period ending April 29, 2022

(C\$000s)

	Notes	Week 1 1-Apr	Week 2 8-Apr	Week 3 15-Apr	Week 4 22-Apr	Week 5 29-Apr	Total
Receipts							
Interim facility	3	\$ 525	\$ -	\$ -	\$ 325	\$ 150	\$ 1,000
GST and other refunds	4	-	-	-	-	-	-
Total Receipts		525	-	-	325	150	1,000
Disbursements							
Site management		-	18	-	-	18	36
Site security		-	13	-	-	13	26
Equipment rental		-	20	-	-	20	40
Property fence		-	50	-	-	75	125
Fuel costs		-	16	-	-	18	34
Dewatering costs		50	-	50	-	-	100
Wall and Geotechnical monitoring		-	10	-	-	10	20
Direct contingency	6	-	5	-	-	5	10
Direct site services	5	50	132	50	-	159	391
Other disbursements							
Project Management	7	-	10	-	-	10	20
Professional fees	8	-	250	-	305	-	555
Interim facility interest cost and fees		25	-	-	-	-	25
Total other disbursements	9	25	260	-	305	10	600
Total Disbursements		75	392	50	305	169	991
Net Cash Flow		450	(392)	(50)	20	(19)	9
Cash Position							
Opening Cash Position	2	-	450	58	8	28	-
Closing Cash Position		\$ 450	\$ 58	\$ 8	\$ 28	\$ 9	\$ 9

**Alderbridge Way Limited Partnership, Alderbridge Way GP Ltd. and 0989705 B.C. Ltd.
Combined Cash Flow Statement
Notes and Assumptions**

1. The cash flow statement (the "Cash Flow Forecast") has been prepared by management of Alderbridge Way Limited Partnership, Alderbridge Way GP Ltd. and 0989705 B.C. Ltd. (collectively, the "Company") to set out the liquidity requirements of the Company during the *Companies' Creditors Arrangement Act* proceedings (the "CCAA Proceedings").

The Cash Flow Forecast has been prepared by Management based on unaudited financial information, and Management's estimates of its projected receipts and disbursements. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below and may be amended from time to time during the CCAA Proceedings. Upon such amendments, Management will update its cash flow forecast accordingly as included herein.

2. The opening cash position as presented in the Cash Flow Forecast includes the Company's actual cash availability as of the first day of the Cash Flow Forecast.
3. Advances under the Interim Lending Facility being provided by Gatland Development Corporation, REV Investments Inc. and South Street (Alderbridge) Limited Partnership, are to be funded after the corresponding Interim Financing Charge is approved by the Supreme Court of British Columbia. The initial draw of \$525,000 is expected over the first 10 days of the CCAA filing, and a total of \$1.0 million is expected to be drawn over the forecast period.
4. The Company does not expect to collect any significant receipts, other than advances under the Interim Lending Facility, during the CCAA Proceedings.
5. Direct site costs represent costs to be incurred to maintain the property located at 5333 No. 3 Road, Richmond, BC. These costs represent payments for essential services to be performed on site, including site management, dewatering, security and other safety monitoring procedures.

6. A contingency for direct site costs has been forecast for unexpected site costs that may arise during the CCAA Proceedings.
7. Project management costs represents payments to Tatton Development Holdings Corp. for the administration of the development.
8. Restructuring professional fees have been forecast based on projected costs of professional services firms relating to the CCAA Proceedings and include the Company's legal counsel as well as the Monitor and its legal counsel. Payments forecast in Week 2 and Week 4 of the Cash Flow Forecast represents the payment for retainers and the payment of professional fees for services rendered during the lead up to the CCAA Proceedings.
9. The Cash Flow Forecast excludes any costs related to a sales process.

ALDERBRIDGE WAY LIMITED PARTNERSHIP

March 30, 2022

Alvarez & Marsal Canada Inc.
Cathedral Place Building
925 West Georgia Street, Suite 902
Vancouver, BC V6C 3L2

Attention: Anthony Tillman
Senior Vice President

Dear Sirs,

**Re: Proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") for
0989705 B.C. Ltd., Alderbridge Way GP Ltd. and Alderbridge Way Limited Partnership
(collectively, "Alderbridge" or the "Companies")
Responsibilities/Obligations and Disclosure with Respect to Cash-flow Projections**

In connection with the application by Alderbridge for the commencement of proceedings under the CCAA in respect of the Companies, the management of the Companies ("Management") has prepared the attached cash-flow statement and the assumptions on which the cash-flow statement is based.

Alderbridge confirms that:

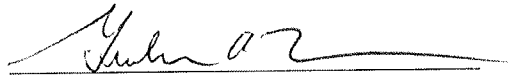
1. the cash-flow statement and the underlying assumptions are the responsibility of Alderbridge;
2. all material information relevant to the cash-flow statement and to the underlying assumptions has been made available to Alvarez & Marsal Canada Inc. in its capacity as Monitor; and
3. Management has taken all actions that it considers necessary to ensure:
 - a) That the individual assumptions underlying the cash-flow statement are appropriate in the circumstances;
 - b) That the assumptions underlying the cash-flow statement, taken as a whole, are appropriate in the circumstances; and
 - c) That all relevant assumptions have been properly presented in the cash-flow statement or in the notes accompanying the cash-flow statement.
4. Management understands and agrees that the determination of what constitutes a material adverse change in the projected cash flow or financial circumstances, for the purposes of our monitoring the on-going activities of the Companies, is ultimately at your sole discretion, notwithstanding that Management may disagree with such determination.



5. Management understands its duties and obligations under the CCAA and that a breach of these duties and obligations could make Alderbridge's Management liable to fines and imprisonment in certain circumstances.
6. The cash-flow statement and assumptions have been reviewed and approved by the Alderbridge's board of directors or Management has been duly authorized by Alderbridge's board of directors to prepare and approve the cash-flow assumptions.

Yours truly,

Alderbridge Way GP Ltd. on behalf of the
Alderbridge Way Limited Partnership



Authorized Signatory

Name: Graham Thom

Title: Director

