



No. S-222758  
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 A PLAN OF COMPROMISE AND ARRANGEMENT OF  
0989705 B.C. LTD., ALDERBRIDGE WAY GP LTD. AND  
ALDERBRIDGE WAY LIMITED PARTNERSHIP**

**PETITIONERS**

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**MONITOR'S TENTH REPORT TO COURT**

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**September 22, 2023**

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

**AND IN THE MATTER OF 0989705 B.C. LTD., ALDERBRIDGE WAY GP LTD. AND  
ALDERBRIDGE WAY LIMITED PARTNERSHIP**

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- B. Cash Flow Forecast For the Period September 16, 2023 to December 1, 2023

## I. INTRODUCTION AND PURPOSE OF THE REPORT

### Introduction

1. Effective December 1, 2022, The Bowra Group Inc. (“**TBGI**”) merged with MNP Ltd. (“**MNP**”), and pursuant to a Substitution Order granted December 21, 2022, MNP was substituted as Monitor in place of TBGI in these CCAA proceedings.
2. On April 1, 2022 (the “**Filing Date**”), this Honourable Court made an order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”) granting Alderbridge Way GP Ltd., Alderbridge Way Limited Partnership (“**Alderbridge LP**”) and 0989705 B.C. Ltd. (collectively the “**Companies**” or the “**Petitioners**”) protection from their creditors.
3. On May 31, 2023, the Court granted an Order that, among other things:
  - i. extended the Stay Period to September 29, 2023; and
  - ii. approved an additional \$2.2 million in DIP Financing to be advanced by Romspen and a corresponding increase in the DIP Financing Charge from \$3.7 million to \$5.9 million.

A more comprehensive background of the various orders granted in these proceedings is attached as **Appendix A**.

4. In summary, as at the date of this Monitor’s Tenth Report to Court (the “**Tenth Report**”), the Court has authorized and approved debtor in possession financing in the amount of \$8.4 million, as follows:
  - i. \$850,000 from Gatland, REV and South Street, all of which has been fully advanced and is secured by the Interim Financing Charge;
  - ii. \$1.65 million from Romspen, all of which has been fully advanced and is secured by the Romspen Interim Financing Charge #1; and,
  - iii. \$5.9 million from Romspen, of which \$2.6 million has been advanced and is secured by the Romspen Interim Financing Charge #2, leaving an additional \$3.3 million that the Monitor is authorized to borrow.

## **Purpose of the Report**

5. The purpose of this Tenth Report is to provide the Court with:
  - i. an update on the status of the Companies' application to the City of Richmond (the "City") for a new building permit;
  - ii. a comparison of the actual cash flow to the forecast cash flow for the period April 1, 2022 to September 15, 2023 ;
  - iii. the cash flow forecast for the period September 16, 2023 to December 1, 2023; and
  - iv. information and the Monitor's recommendation with respect to its application for an extension of the Stay Period from September 29, 2023 to December 1, 2023.
6. This Tenth Report should be read in conjunction with the Monitor's previous reports to court filed in these proceedings (collectively, the "**Previous Reports**").

## **Terms of Reference**

7. In preparing this report and in making the comments herein, the Monitor has been provided with and relied upon information received from the Companies including financial information prepared by the Companies, none of which has been audited. Further, the Monitor has relied upon discussions with the Companies and their legal counsel, legal counsel to the lenders, the general contractor and its counsel and various trades. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this report.
8. Certain information referred to in this report consists of forecasts and projections. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the information.
9. This report has been prepared for the use of this Honourable Court and the Companies' stakeholders as general information relating to the restructuring proceedings. Accordingly, the reader is cautioned that this report may not be appropriate for any other purpose. The Monitor assumes no responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

## II. BUILDING PERMIT APPLICATION

10. In the Previous Reports, the Monitor advised that:
  - i. the original building permit for the Development Property had expired;
  - ii. a new building permit application, in a form acceptable to the City, was required including to prevent a loss of density and loss of value of the Development Project;
  - iii. additional work would be required in order to submit a new building permit application, as a new building code had been adopted in 2018 (“**2018 Building Code**”) and the original building permit was issued under the 2012 building code;
  - iv. the Monitor had engaged GBL Architects (GBL) and various other development consultants to prepare a feasibility report (the “**Feasibility Report**”), which confirmed that the Development Property can comply with the 2018 Building Code without the need for an amendment to the existing development permit;
  - v. the City confirmed that, based on the results of the Feasibility Report, it supports the Monitor submitting a new building permit application;
  - vi. the City advised that the new building permit application needed to be submitted before November 1, 2023 as there will be additional amendments to the building code that will likely be adopted in December 2023;
  - vii. the Monitor had engaged GBL and respective development consultants to prepare and submit the new building permit application;
  - viii. the City advised the Monitor that a new building permit will likely be issued within a few months of the submission of the building permit application, subject to it being fully compliant; and
  - ix. additional fees would be due to the City before the new building permit is issued.
  
11. The Monitor continues to work with GBL and the other consultants to submit the new building permit application to the City before November 1, 2023. Based on the Monitor’s updates from GBL, meetings and discussions with the City, and the bi-weekly project meetings with the project consultants, the Monitor believes that the submission of a new building permit application to the City by November 1, 2023 is achievable.

### III. CASH FLOW FORECAST

#### Comparison of Actual vs. Cash Flow Forecast for the Period

12. Following is a comparison of the actual cash flow to the cash flow forecast for the period April 1, 2022 to September 15, 2023

	\$000's		
	Actual	Forecast <sup>1</sup>	Variance
<b>Receipts</b>			
DIP - Romspen	4,255	6,860	(2,605)
DIP - Gatland, REV and South Street	850	850	-
GST and other refunds	178	-	178
	5,283	7,710	(2,427)
<b>Disbursements</b>			
Professional fees	1,517	2,036	519
Dewatering costs	1,454	1,616	162
Building permit costs	561	1,727	1,166
Site management	297	363	66
Equipment rental	260	278	18
Fuel costs	252	330	78
Site security	234	244	10
Property fence	193	233	40
Interim facility costs and fees	193	145	(48)
Wall and Geotechnical monitoring	137	164	27
Project management (Quality Homes)	99	141	42
Insurance	55	155	100
Utilities	25	30	5
Contingency	-	200	200
	5,277	7,662	2,385
Net Cash Flow	6	48	(42)
Opening Cash Position	4	4	-
<b>Ending Cash Position</b>	<b>10</b>	<b>52</b>	<b>(42)</b>
<b>Notes:</b>			
1. Actual for the period April 1, 2022 to June 2, 2023 plus forecast for the period June 3 to September 15, 2023 as appended to Monitor's 8th Report to Court.			

13. The cash burn over the period was less than that forecasted due to the timing of payments related to obtaining a new building permit. Those amounts will be invoiced and paid over the next few months.
14. Of the estimated \$1.7 million in building permit costs, only \$561,000 were paid during the period April 1, 2022 to September 15, 2023 .

**Cash Flow Forecast**

15. The Monitor has prepared a cash flow forecast on a weekly basis for the period September 16, 2023 to December 1, 2023 (the “Cash Flow Forecast”) which is summarized below:

	\$000's
<b>Receipts</b>	
DIP Financing	2,930
<b>Disbursements</b>	
Building permit costs	1,594
Professional fees	659
Dewatering costs	267
Site management and security	116
Utilities and Insurance	71
Wall and Geotechnical monitoring	69
Property fence and equipment rental	49
Interim facility costs and fees	5
Contingency	100
	2,930
Net Cash Flow	-
Opening Cash Position	10
<b>Closing Cash Position</b>	<b>10</b>

16. Since the 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, the Monitor expresses no assurance as to whether the Cash Flow Forecast will be accurate. The Monitor expresses no 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.

17. A copy of the Cash Flow Forecast along with notes and assumptions is attached as **Appendix B**. The Cash Flow Forecast has been prepared solely for the purpose described in Note 1 to the Cash Flow Forecast, and readers are cautioned that it may not be appropriate for other purposes.

#### **IV. EXTENSION OF STAY OF PROCEEDINGS**

##### **Conduct of Petitioners**

18. Based upon the circumstances discussed herein, the Monitor believes that the Companies have continued to act in good faith and with due diligence during the course of these proceedings.

##### **Extension of Stay of Proceedings**

19. The Stay Period currently expires on September 29, 2023. An extension of the Stay Period is being sought to December 1, 2023.
20. The Monitor supports the extension of the Stay Period for the following reasons:
- i. the SISF did not result in an acceptable transaction;
  - ii. the successful application for a new building permit under the current development permit will preserve the value of the Development Property;
  - iii. more time is needed to obtain a new building permit and, subsequently, negotiate a transaction that is acceptable to the Monitor and Romspen;
  - iv. Romspen has consented to an extension of the Stay Period; and,
  - v. no creditor of the Companies will be materially prejudiced by the extension of the Stay Period.



**V. RECOMMENDATIONS**

21. The Monitor recommends that the Court approve the extension of the Stay Period from September 29, 2023 to December 1, 2023.

All of which is respectfully submitted this 22<sup>nd</sup> day of September, 2023.

**MNP Ltd.**

in its capacity as Monitor of 0989705 B.C. Ltd.,  
Alderbridge Way GP Ltd., and Alderbridge Way Limited Partnership

Per:

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned below the 'Per:' label.

Mario Mainella, CPA, CA, CIRP

## **Appendix A**

Background of the various Orders granted in these proceedings

**IN THE MATTER OF THE CCAA PROCEEDINGS OF  
0989705 B.C. LTD., ALDERBRIDGE WAY GP LTD. AND LP**

**MONITOR'S TENTH THE REPORT TO COURT – APPENDIX A**

1. On April 1, 2022 (the "**Filing Date**"), this Honourable Court made an order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**") granting Alderbridge Way GP Ltd., Alderbridge Way Limited Partnership ("**Alderbridge LP**") and 0989705 B.C. Ltd. (collectively the "**Companies**" or the "**Petitioners**") protection from their creditors.
2. Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. ("**A&M**") as monitor of the Companies and authorized the Companies to borrow up to \$850,000 by way of debtor in possession financing from Gatland Development Corporation ("**Gatland**"), REV Investments Inc. ("**REV**") and South Street (Alderbridge) Limited Partnership ("**South Street**"), as lender.
3. On April 11, 2022, the Court granted an Order extending the stay of proceedings (the "**Stay Period**") to April 25, 2022.
4. On April 25, 2022, the Court granted:
  - i. an Amended and Restated Initial Order that:
    - a. extended the Stay Period to August 3, 2022;
    - b. substituted TBGI as monitor (in such capacity, the "**Monitor**") in place of A&M; and
    - c. authorized the Companies to borrow an additional \$1.65 million of debtor in possession financing from Romspen Investment Corporation ("**Romspen**"); and
  - ii. a Sales and Investment Solicitation Process (the "**SISP**") Order (the "**SISP Order**") for the property at 7960 Alderbridge Way, and 5333 and 5411 No. 3 Road, Richmond, British Columbia (the "**Development Property**") which authorized and directed the Monitor to carry out the SISP.

## MONITOR'S TENTH THE REPORT TO COURT – APPENDIX A

5. On July 22, 2022, the Court granted an Order extending the Stay Period to August 12, 2022.
6. On August 11, 2022, the Court granted the Second Amended and Restated Initial Order (the “**SARIO**”) that, among other things:
  - i. extended the Stay Period to October 7, 2022;
  - ii. expanded and enhanced the Monitor's powers to authorize it to, among other things:
    - a. exercise control over the Development Property; and
    - b. engage consultants and experts to preserve, protect and enhance the Development Property; and
  - iii. approved an additional \$2.5 million of debtor in possession financing (the “**DIP Financing**”) to be advanced by Romspen and secured by a corresponding charge in favour of Romspen over the assets, property and undertakings of the Companies (the “**DIP Financing Charge**”).
7. On October 7, 2022, the Court granted an Order extending the Stay Period to December 9, 2022.
8. Effective December 7, 2022, with the consent of Romspen, the Monitor terminated the SISP in light of the expectation that any offers received from any prospective purchaser would be significantly lower if there was no building permit in place or would be subject to obtaining a building permit.
9. On December 9, 2022, the Court granted an Order extending the Stay Period to February 24, 2023.

## MONITOR'S TENTH THE REPORT TO COURT – APPENDIX A

10. On February 24, 2023, the Court granted an Order that, among other things:
  - i. extended the Stay Period to June 2, 2023;
  - ii. approved an additional \$1.2 million in DIP Financing to be advanced by Romspen and a corresponding increase in the DIP Financing Charge from \$2.5 million to \$3.7 million; and
  - iii. approved a charge in favour of GBL Architects Inc. (“**GBL**”) in the amount of \$250,000 over the assets, property and undertakings of the Companies as security for any amounts which the Petitioners are or become indebted to GBL for the supply of services.
  
11. On May 31, 2023, the Court granted an Order that, among other things:
  - i. extended the Stay Period to September 29, 2023; and
  - ii. approved an additional \$2.2 million in DIP Financing to be advanced by Romspen and a corresponding increase in the DIP Financing Charge from \$3.7 million to \$5.9 million.

## **Appendix B**

Cash Flow Forecast For the Period September 16, 2023 to December 1,  
2023



**Alderbridge Way Limited Partnership, Alderbridge Way GP Ltd. and 09889705 B.C. Ltd.  
Extended Cash Flow Forecast  
Notes and Assumptions**

1. The cash flow statement (the “**Cash Flow Forecast**”) has been prepared with support from management of Alderbridge Way Limited Partnership, Alderbridge Way GP Ltd. and 09889705 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**”).
  - i. The Cash Flow Forecast has been prepared with support by Management based on unaudited financial information, and Management and the Monitor’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, the Monitor will update its cash flow forecast accordingly as included herein.
2. Advances under the DIP lending facility are detailed as follows:
  - i. DIP financing from Gatland Development Corporation, REV Investments Inc. and South Street (Alderbridge) Limited Partnership of up to \$850,000 which has been fully advanced;
  - ii. DIP financing from Romspen Investment Corporation (“**Romspen**”) of up to \$1.65 million under Romspen’s term sheet dated April 25, 2022 which has been fully advanced; and,
  - iii. DIP financing from Romspen of \$2.5 million under Romspen’s term sheet dated August 22, 2022. The DIP financing provided under this facility was increased to \$5.9 million pursuant to an Order granted May 31, 2023. As at the date of this report, \$2.6 million of the \$5.9 million available has been advanced. Accordingly, the Monitor is only authorized to borrow an additional \$3.3 million.
3. The Cash Flow Forecast assumes that an increase in the DIP Financing Charge is not required.
4. The Company does not expect to collect any significant receipts, other than advances from the DIP lending facility during the CCAA Proceedings.
5. Direct site services 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 site services has been forecast for unexpected site costs that may arise during the CCAA Proceedings.
7. Building permit costs have been forecast based on Company records that indicate amounts owed to key creditors and fee proposals obtained from consultants for the building permit application.
8. The Cash Flow Forecast excludes any costs related to a sales process.