



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

MONITOR'S THIRTEENTH REPORT TO COURT

May 28, 2024

**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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I. INTRODUCTION AND PURPOSE OF THE REPORT

Introduction

1. On April 1, 2022 (the “**Filing Date**”), this Honourable Court (the “**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. Effective December 1, 2022, The Bowra Group Inc. (“**TBGI**”) merged with MNP Ltd. (“**MNP**”), and pursuant to orders granted December 21, 2022 and October 24, 2023, MNP was substituted as monitor (the “**Monitor**”) in place of TBGI in these CCAA proceedings.
3. The Court has extended the stay of proceedings under the Initial Order a number of times, most recently on February 23, 2024, when the Court granted an order extending the stay to May 31, 2024 (the “**Stay Period**”).
4. The Companies own the property at 7960 Alderbridge Way, and 5333 and 5411 No. 3 Road in Richmond, British Columbia (the “**Development Property**”).
5. A more comprehensive background, including the various orders granted in these proceedings is attached as **Appendix A**.
6. As at the date of this Monitor’s Thirteenth Report to Court (the “**Thirteenth Report**”), the Court has authorized and approved debtor in possession financing in the amount of \$8.94 million, as follows:
 - i. \$850,000 from Gatland Development Corporation, REV Investments Inc. and South Street (Alderbridge) Limited Partnership, all of which has been fully advanced and is secured by the Interim Financing Charge;
 - ii. \$1.65 million from Romspen Investment Corporation (“**Romspen**”), all of which has been fully advanced and is secured by the Romspen Interim Financing Charge #1; and
 - iii. \$6.44 million from Romspen, of which \$5.52 million has been advanced and is secured by the Romspen Interim Financing Charge #2, leaving an additional \$920,000 that the Monitor is authorized to borrow.

Purpose of the Report

7. The purpose of this Thirteenth 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 (the "**Building Permit**");
 - ii. an update on the initiation of a sale process (the "**Sale Process**") for the Development Property;
 - iii. an update on the shoring system in place in place for the Development Property;
 - iv. a comparison of the actual cash flow to the forecast cash flow for the period April 1, 2022 to May 24, 2024;
 - v. the cash flow forecast for the period May 25 to September 6, 2024;
 - vi. information and the Monitor's recommendation in respect of its application for authorization to borrow an additional \$460,000 from Romspen by way of interim financing (the "**Additional DIP Financing**") (i.e. increasing the authorized borrowings amount from \$6.44 million to \$6.9 million), along with a corresponding increase in the Romspen Interim Financing Charge #2 from \$6.44 million to \$6.9 million; and
 - vii. information and the Monitor's recommendation in respect of its application to extend the Stay Period to September 6, 2024.

8. This Thirteenth Report should be read in conjunction with the Monitor's previous reports to court filed in these proceedings (collectively, the "**Monitor's Previous Reports**").

Terms of Reference

9. 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.

10. 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.
11. 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

12. In the Monitor's Previous Reports, the Monitor advised the Court that:
 - i. the original building permit for the Development Property had expired;
 - ii. a new Building Permit application was required to prevent a loss of density and loss of value of the Development Property;
 - iii. A new Building Permit application was submitted on November 1, 2023 and remains under review by the City.
13. The Monitor advised in its Twelfth Report to Court dated February 21, 2024 (the "**Twelfth Report**") that the preliminary estimate for City approval and issuance of the Building Permit was on or around March 15, 2024.
14. The approval of the Building Permit has been delayed due to the following:
 - i. outstanding approval from Lulu Island Energy Corporation ("**LIEC**"), a subsidiary of the City, that is responsible for the district energy systems;
 - ii. the Monitor's review and revision of the agreements required by the LIEC; and
 - iii. changes required to the Building Permit as specified by the City's fire chief.

15. The Monitor's revised estimate for the issuance of the Building Permit is on or around June 30, 2024.
16. Once the Building Permit application is approved by the City, a letter is issued and, within 60 days of approval, the Monitor is required to pay the fees, additional development permit fees and various security deposits related to the Building Permit prior to issuance.
17. The Monitor advised in its Twelfth Report that the total fees and security deposits required may be in excess of \$18 million. As at the date of this Thirteenth Report, the City has not confirmed the amounts required and the Monitor is still seeking to determine which fees that might be payable and the amounts of those fees.
18. Once the amounts owing to the City are confirmed, the Monitor will apply to Court for the necessary increase in approved borrowings. The current amount of Additional DIP Financing being sought by the Monitor does not include the amounts required to be paid in relation to the approval and issuance of the Building Permit.

III. TIMING OF RECOMMENCEMENT OF SALE PROCESS

19. The Monitor has engaged into discussions with its legal counsel and its proposed sales agent on initiation of the Sale Process.
20. The Monitor anticipates that it will seek this Court's approval of the Sale Process concurrently with its application for an increase in the approved borrowings required to pay all Building Permit related fees and security deposits.

IV. SHORING SYSTEM

21. The Monitor advised in its Twelfth Report that:
 - i. the Development Property is excavated with a shoring system in place that is temporary in nature;
 - ii. to mitigate the risk of a potential shoring system failure, the Monitor had:
 - a. engaged the geotechnical engineer of record (the “**Geotechnical EOR**”) and surveyor to monitor movement of the shoring wall on a bi-weekly basis;
 - b. maintained insurance for the excavation work; and
 - c. engaged security to be on-site 24/7; and
 - iii. the City’s third-party engineer Thurber Engineering Ltd. (“**Thurber**”) issued a letter on January 10, 2024, expressing concerns with the stability of the shoring system, requiring that the Monitor:
 - a. construct soil berms along the entire perimeter of the excavation; and
 - b. increase the frequency of the monitoring by the Geotechnical EOR to daily.

22. In order to address the City’s concerns, the Monitor:
 - i. engaged a contractor to place the soil berms on the perimeter of the excavation which is approximately 80% complete subject to further comments from the City;
 - ii. increased the frequency of site visits by the Geotechnical EOR from bi-weekly to daily to ensure adequate monitoring of the work performed and stability of the shoring system in place; and
 - iii. provided daily reports to the City from the Geotechnical EOR.

23. To date, the Geotechnical EOR has advised the Monitor that the shoring system remains stable.

V. FORECAST CASH FLOW

Actual vs. Forecast Cash Flow for the Period April 1, 2022 to May 24, 2024

24. The following is a summary of actual versus forecast cash flow for the period April 1, 2022 to May 24, 2024:

	\$000's		
	Actual	Forecast ¹	Variance
Receipts			
DIP - Romspen	7,170	7,872	(702)
DIP - Gatland, REV and South Street	850	850	-
GST and other refunds	307	242	65
	8,327	8,964	(637)
Disbursements			
Building permit costs	2,044	2,039	(5)
Dewatering costs	1,837	1,928	91
Professional fees	1,717	2,015	298
Site management	797	895	98
Site security	374	409	35
Equipment rental	297	323	26
Fuel costs	252	252	-
Wall and Geotechnical monitoring	207	232	25
Interim facility costs and fees	198	200	2
Insurance	198	222	24
Property fence	193	193	-
Project management (Quality Homes)	99	99	-
Utilities	35	49	14
Contingency	-	100	100
	8,248	8,956	708
Net Cash Flow	79	8	71
Opening Cash Position	5	5	-
Ending Cash Position	84	13	71
Notes:			
1. Actual for the period April 1, 2022 to February 16, 2024 plus forecast for the period February 17, 2024 to May 24, 2024 as appended to Monitor's 12th Report to Court.			

25. The disbursements are \$708,000 less than the forecast primarily due to timing of invoices and less than anticipated fees for professional services.

Forecast Cash Flow

26. The Monitor has prepared a forecast cash flow on a weekly basis for the period May 25 to September 6, 2024 (the “**Forecast Cash Flow**”) which is summarized below:

	\$000's
Receipts	
DIP Financing	920
Proposed Interim Financing	460
	1,380
Disbursements	
Professional fees	473
Site management and security	376
Dewatering costs	263
Wall and Geotechnical monitoring	94
Building permit costs	74
Property fence and equipment rental	44
Utilities and Insurance	25
Interim facility costs and fees	4
Contingency	100
	1,453
Net Cash Flow	(73)
Opening Cash Position	84
Closing Cash Position	11

27. The Forecast Cash Flow does not include the anticipated borrowings and the fees payable to the City in relation to the approval and issuance of the Building Permit.
28. Since the Forecast Cash Flow 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 the accuracy of the Forecast Cash Flow. 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.
29. A copy of the weekly Forecast Cash Flow including notes and assumptions is attached as **Appendix B**. The Forecast Cash Flow has been prepared solely for the purpose described in Note 1 to the Forecast Cash Flow, and readers are cautioned that it may not be appropriate for other purposes.

VI. INCREASE IN DIP FINANCING

30. As at the date of this Thirteenth Report, Romspen has advanced \$5.52 million of the \$6.44 million of the authorized interim financing facility.
31. As set out in the Forecast Cash Flow, the Monitor estimates it will require the Additional DIP Financing, in the amount of \$460,000, during the period May 25 to September 6, 2024, constituting an increase from \$6.44 million to \$6.9 million of authorized borrowings.
32. Romspen has agreed to provide the Additional DIP Financing.
33. The Monitor recommends that the Court authorize and approve the Additional DIP Financing and the corresponding increase in the Romspen Interim Financing Charge #2 from \$6.44 million to \$6.9 million.

VII. EXTENSION OF STAY OF PROCEEDINGS

Conduct of Petitioners

34. Based upon the circumstances discussed, 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

35. The Stay Period currently expires on May 31, 2024. An extension of the Stay Period is being sought to September 6, 2024.
36. The Monitor supports the extension of the Stay Period for the following reasons:
 - i. additional time is required to obtain the Building Permit;
 - ii. additional time is required to initiate the Sale Process and complete a sale of the Development Property;
 - iii. Romspen has consented to an extension of the Stay Period; and
 - iv. no creditor of the Companies will be materially prejudiced by the extension of the Stay Period.

VIII. RECOMMENDATIONS

37. The Monitor recommends that the Court approve:

- i. the Additional DIP Financing and the corresponding increase in the Romspen Interim Financing Charge #2 from \$6.44 million to \$6.9 million; and,
- ii. the extension of the Stay Period from May 31, 2024 to September 6, 2024.

All of which is respectfully submitted this 28th day of May, 2024.

MNP Ltd.

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

Per:



Mario Mainella, CPA, CA, CIRP

Per:



Kevin Koo, CPA, 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
ALDERBRIDGE WAY LIMITED PARTNERSHIP**

MONITOR'S THIRTEENTH 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.

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.

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.

12. On September 27, 2023, the Court granted an Order extending the Stay Period to December 1, 2023.

13. On December 1, 2023, the Court granted an Order extending the Stay Period to March 1, 2024.

14. On February 23, 2024, the Court granted an Order that:
 - i. extended the Stay Period to May 31, 2024; and,
 - ii. approved an additional \$540,000 in DIP Financing to be advanced by Romspen and a corresponding increase in the DIP Financing Charge from \$5.9 million to \$6.44 million.

Appendix B

Forecast Cash Flow

For the Period May 25, 2024 to September 6, 2024

Alderbridge Way Limited Partnership, Alderbridge Way GP Ltd. and 0989705 B.C. Ltd.
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 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”).
 - 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 \$6.44 million pursuant to an Order granted February 23, 2024. As at the date of this report, \$5.52 million of the \$6.44 million available has been advanced. Accordingly, the Monitor is only authorized to borrow an additional \$920,000.
3. The Cash Flow Forecast includes the proposed increase in the DIP Financing Charge from \$6.44 million to \$6.9 million being sought with this Report.
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 discussions with development consultants and the City of Richmond.
8. The Cash Flow Forecast excludes any costs related to a sales process.