



No. S235026
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

AND

IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985 c. C-44 and THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57

AND

IN THE MATTER OF THE JOSEPH RICHARD HOSPITALITY GROUP LTD. AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

**ORDER MADE AFTER APPLICATION
(INTERIM FINANCING ORDER)**

BEFORE))	
)	THE HONOURABLE)	August 30, 2023
)	JUSTICE MASUHARA)	
))	

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia on this date and on hearing Tevia Jeffries, counsel for the Petitioners and those other counsel listed on Schedule "B" hereto; AND UPON READING the material filed, including the First Affidavit of André Joseph Bourque made July 16, 2023, the Second Affidavit of André Joseph Bourque made July 24, 2023, the Third Affidavit of André Joseph Bourque made August 23, 2023 (the "Third Bourque Affidavit"), and the First Report of Ernst & Young Inc., in its capacity as Monitor of the Petitioners (the "Monitor"); AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charge created herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended, the British Columbia *Supreme Court Civil Rules*, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES that:

1. The time for service and filing of the Notice of Application is hereby abridged and validated such that this Notice of Application is properly returnable today and hereby dispenses with further service thereof.
2. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Amended and Restated Initial Order, dated July 27, 2023.

INTERIM FINANCING

3. The Petitioners are hereby authorized and empowered to obtain and borrow under a credit facility from Canadian Western Bank (the “**Interim Lender**”) in order to finance the continuation of the Business and preservation of the Property, provided that borrowings under such credit facility shall not exceed \$500,000 unless permitted by further Order of this Court.
4. Such credit facility shall be on the terms and subject to the conditions set forth in the Interim Financing Term Sheet between the Petitioners and the Interim Lender dated as of August 29, 2023 (the “**Interim Financing Credit Agreement**”).
5. The Petitioners are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the Interim Financing Credit Agreement or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Petitioners are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Interim Financing Credit Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order or the Amended and Restated Initial Order, granted July 27, 2023 (the “**ARJO**”).
6. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the “**Interim Financing Charge**”) on the Property. The Interim Financing Charge shall not

secure an obligation that exists before this Order is made. The Interim Financing Charge shall have the priority set out in paragraphs 9, 11, and 12 of this Order.

7. Notwithstanding any other provision of this Order or the ARIO:
 - (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Financing Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under any of the Definitive Documents or the Interim Financing Charge, the Interim Lender, upon 5 business days' notice to the Petitioners and the Monitor may exercise any and all of its rights and remedies against the Petitioners or the Property under or pursuant to the Interim Financing Credit Agreement, Definitive Documents and the Interim Financing Charge, including without limitation, to cease making advances to the Petitioners and set off and/or consolidate any amounts owing by the Interim Lender to the Petitioners against the obligations of the Petitioners to the Interim Lender under the Interim Financing Credit Agreement, the Definitive Documents or the Interim Financing Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Petitioners and for the appointment of a trustee in bankruptcy of the Petitioners; and
 - (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Petitioners or the Property.
8. The Interim Lender, in such capacity, shall be treated as unaffected in any plan of arrangement or compromise filed by the Petitioners under the CCAA, or any proposal filed by the Petitioners under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY COURT ORDER

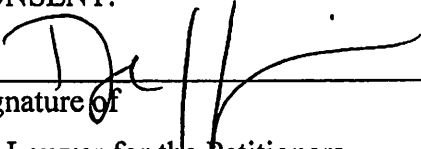
9. Paragraph 39 of the ARIO is hereby amended such that the maximum amount of the Administration Charge is hereby limited to \$250,000.
10. The priorities of the Administration Charge, the Interim Financing Charge, and the Directors' Charge, as among them, shall be as follows:
 - (a) First: Administration Charge (to a maximum amount of \$250,000);
 - (b) Second: Interim Financing Charge (to a maximum amount of \$500,000 plus interest and all applicable fees, costs and other amounts payable under the Interim Financing Credit Agreement);
 - (c) Third: Intercompany Charge; and
 - (d) Fourth: Directors' Charge (to a maximum amount of \$1,000,000).
11. Any security documentation evidencing, or the filing, registration or perfection of the Interim Financing Charge shall not be required, and that the Interim Financing Charge shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Interim Financing Charge coming into existence, notwithstanding any failure to file, register or perfect any such Interim Financing Charge .
12. The Interim Financing Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Interim Financing Charge shall rank in priority to all other security interests, trusts, liens, mortgages, Charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person, save and except for (a) the Administration Charge, (b) those claims contemplated by section 11.8(8) of the CCAA, and (c) those claims secured by valid and enforceable purchase money security interests.
13. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that

rank in priority to, or pari passu with the Interim Financing Charge, unless the Petitioners obtains the prior written consent of the Interim Lender.

14. The the Interim Financing Credit Agreement, the Definitive Documents and the Interim Financing Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Interim Lender shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an “Agreement”) which binds the Petitioners; and notwithstanding any provision to the contrary in any Agreement:
- (a) neither the creation of the Interim Financing Charge nor the execution, delivery, perfection, registration or performance of the Interim Financing Credit Agreement or the Definitive Documents shall create or be deemed to constitute a breach by the Petitioners of any Agreement to which it is a party;
 - (b) the Interim Lender shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Petitioners’ entering into the Interim Financing Credit Agreement, the creation of the Interim Financing Charge, or the execution, delivery or performance of the Definitive Documents; and
 - (c) the payments made by the Petitioners pursuant to this Order, the Interim Financing Credit Agreement or the Definitive Documents, and the granting of the Interim Financing Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

15. To the extent the Interim Lender's Charge attaches over any leases of real property in Canada, it shall only be a charge on the Petitioners' interest in such real property leases.
16. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunals, regulatory or administrative bodies to act in aid of and to be complementary to this Court in carrying out the terms of this Interim Financing Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Interim Financing Order.
17. Endorsement of this Interim Financing Order by counsel appearing on this application, other than counsel for the Petitioners, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT.



Signature of

Lawyer for the Petitioners
Tevia R.M. Jeffries



By the Court



Registrar



Schedule "A"
List of Petitioners

1138279 B.C. Ltd.
1164312 B.C. Ltd.
Ad Prolem Capital Investments Ltd.
Clover 67 Private Dining Room Ltd.
Edith & Arthur Public House Ltd.
Joseph Bourque Investments Ltd.
Joseph Richard Hospitality Group Ltd.
Joseph Richard Investments Ltd
Joseph Richard IP Holdings Ltd.
Joseph Richard Management Ltd.
JRG Canteen Virtual Kitchen Ltd.
JRG Clover Station LRS Ltd.
JRG Cloverdale Holdings Ltd.
JRG Cloverdale Ventures Ltd.
JRG Foodhall (Vancouver) Ventures Ltd.
JRG Glass House Estates Winery Ltd.
JRG Ledgeview Holdings Ltd.
JRG Steveston Hotels Ltd.
JRG Systems Ltd.
JRG Whiskey Charlie Cafe, Pitt Meadows Ltd.
Livelyhood Public House Ltd.
Lowercase Capital Consulting Ltd.
Micky's Investments (Coquitlam) Ltd.
Monkey See Tiki Bar Ltd.
Oak & Thorne Public House Ltd.
Oceanside Yacht Club And Public House Ltd.
S & L Kitchen & Bar Holdings Abbotsford Ltd.
S & L Kitchen & Bar Holdings Langley Ltd.
S & L Kitchen & Bar Holdings South Surrey Ltd.
Steveston Hospitality Services Ltd.
Sudo Asian Kitchen Holdings (Langley) Ltd.
The Italian Osteria and Cheese Bar Ltd.
The Phat Bird Public House Ltd.
The Study Public House Ltd.
Townhall Holdings (Abbotsford) Ltd.

Townhall Holdings (Chilliwack) Ltd.
Townhall Holdings (Coquitlam) Ltd.
Townhall Holdings (Maple Ridge) Ltd.
Townhall Holdings (South Surrey) Ltd.
Townhall Holdings Ltd.
Whiskey Charlie Holdings Ltd.

Non-Petitioner Entities:

Blank Canvas Catering Ltd.
JRG Queens LRS Ventures Ltd.
JRG Chilliwack Holdings Ltd.
JRG Growth Ventures Ltd.
JRG Published Holdings Ltd.
JRG Whip Holdings Ltd.

Schedule "B"
List of Counsel

NAME OF COUNSEL	PARTY REPRESENTING
Tevia Jeffries	Petitioners
David Gruber Mia Laity	Ernst & Young Inc.
William Roberts & Kimia Jallvand Nor Mann	Bank of Montreal
Fergus McDonnell	Canadian Western Bank