NO. VLC-S-S205095
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

PORT CAPITAL DEVELOPMENT (EV) INC. and EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP

FOURTH REPORT OF THE MONITOR

ERNST & YOUNG INC.

FEBRUARY 23, 2021

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INTRODUCTION

1. Port Capital Development (EV) Inc. (the "**General Partner**") and Evergreen House Development Limited Partnership ("**Evergreen LP**"), (each a "**Petitioner**", and collectively, the "**Petitioners**") own a real estate development project called the "**Terrace House Project**".

2. The Petitioners are subsidiaries of the "**Port Capital Group**", which is in the business of real estate development and management primarily in British Columbia, but also Toronto, Ontario.

3. On May 29, 2020, this Honourable Court pronounced an Order (the "**Initial Order**") which, *inter alia*:

   a) appointed Ernst & Young Inc. ("**EY**") as monitor of the Petitioners (the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**");

   b) granted a "**Stay of Proceedings**" to June 8, 2020 (the "**Stay Period**"); and

   c) granted the Monitor "**Enhanced Powers**" to execute control over the Petitioners and to explore restructuring opportunities for the Terrace House Project and administer a "dual-track" sale and investment solicitation process (the "**SISP**") to obtain an equity investment, a refinancing or alternatively a sale of the Terrace House.

4. On June 8, 2020, this Honourable Court granted an order amending the Initial Order (the "**Amended and Restated Initial Order**" or "**ARIO**") that among other things:

   a) extended the Stay Period to and including September 3, 2020;

   b) approved the DIP Commitment Letter and the DIP Lender's Charge (both as defined in the First Report).

5. On December 1, 2020, this Honourable Court granted an order that among other things:

   a) extended the Stay Period to and including February 26, 2021;

b) approved the Monitor's execution of the Bid Offer Agreement (as defined herein); and

c) approved the Break Fee (as defined herein) on the terms and conditions provided in the Bid Offer Agreement.

6. The Stay Period is currently set to expire on February 26, 2021.

7. The Monitor has previously filed four reports in these CCAA proceedings: the "**Proposed Monitor's Report**", the "**First Report**", the "**Second Report**", and the "**Third Report**". These reports are posted on the Monitor's website at www.ey.com/ca/terracehouse.

8. The purpose of this "**Fourth Report**" is to provide information to this Honourable Court with respect to the following:

a) activities of the Monitor since the Third Report;

b) an update on the SISP;

c) the budget to actual analysis from November 1, 2020 through to February 19, 2021 (covering the Third Report Forecast);

d) an updated cash flow forecast for the Petitioners;

e) the DIP Facility and request for an Order approving an increase to the DIP Lender's Charge from $1,250,000 to $1,500,000;

f) a request for an extension to the Stay Period to April 30, 2021; and

g) the Monitor's conclusions and recommendation.

TERMS OF REFERENCE

9. In preparing this Fourth Report and making the comments herein, the Monitor has been provided with and has herein relied upon, unaudited financial information, books, records and financial information prepared by the Petitioners, discussions with management of the Petitioners ("**Management**"), and information from other third party sources (collectively, the "**Information**"). Except as described in this Fourth Report in respect of the Cash Flow Forecast:

    a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

    b) some of the information referred to in this Fourth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.

10. Future oriented financial information referred to in this Fourth Report was prepared based on Management's and the Monitor's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not readily and currently ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.

11. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Fourth Report concerning the Petitioners and their business is based on the Information, and not independent factual determinations made by the Monitor.

12. All capitalized terms used herein that are undefined have the meanings ascribed thereto in the Proposed Monitor's Report, the First Report, the Second Report, the Third Report and the Amended and Restated Initial Order.

13. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

CONDENSED BACKGROUND INFORMATION

14. The background of the Terrace House Project and the cause of insolvency of the Petitioners is detailed in the previous reports the Monitor has prepared for this Honourable Court and are not repeated herein.

15. The Terrace House Project is a high-rise luxury residential strata development located at 1250 West Hastings St. (Coal Harbour area), Vancouver, BC. It is a 19-storey mixed-used development, providing a total of 20 residential units and 2 commercial retail units ("**CRU**"), above a 3-level underground parkade. The Terrace House Property is unique in that its primary structural material is timber.

16. Abatement and demolition of a pre-existing structure at the current site of the Terrace House Project occurred in 2017, excavation and shoring occurred in 2018, and construction of the Terrace House Project commenced, with the underground parkade, in late 2018.

17. A three (3) level parkade and structure for the first level of the building comprising the Terrace House Project are substantially complete and the underground services (i.e. electrical and

mechanical) have been installed. Construction on the remainder of the building has not yet started.

18. CMLS Financial Ltd ("**CMLS**") is the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**Construction Loan**"). The Construction Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the Construction Loan was approximately $20.1 million at the start of these CCAA Proceedings.

19. Aviva Insurance Company of Canada ("**Aviva**" and together with CMLS, the "**Secured Creditors**") provided a deposit protection insurance facility to permit the Petitioners to have access to the pre-sale purchasers' deposit monies for the payment of project costs. Management estimated that approximately $14.7 million would be owing pursuant to Aviva's insurance deposit facility contingent upon the return of deposits to the pre-sale purchasers. Total secured indebtedness of the Petitioners owed to the Secured Creditors is approximately $34.8 million, as described above. Additionally, Management estimates that there are approximately $4.0 million in lien claimants and $2.3 million in unsecured creditors. The unsecured indebtedness and lien claimants of the Petitioners primarily consist of amounts owing on account of trade debt, property taxes and unpaid professional firms and consultants fees.

20. The "**Building Permit**" issued by the City of Vancouver with respect to the Terrace House Project was to expire on January 3, 2021. The Monitor has obtained an extension to the Building Permit to July 5, 2021.

ACTIVITIES OF THE MONITOR SINCE THE THIRD REPORT

21. This Honourable Court provided the Monitor with Enhanced Powers to execute control over the Petitioners and to explore restructuring opportunities for the Terrace House Project and administer a SISP to obtain an equity investment, a refinancing or alternatively a sale of the Terrace House. To that end, since the date of the Third Report, the Monitor has, *inter alia*:

    a) managed the site preservation of the Terrace House Project, including payment to vendors and suppliers with respect to post-filing activity;

    b) managed the cash flows of the Petitioners, prepared reporting packages and corresponded with the DIP Lender with respect to the DIP Facility;

    c) obtained an extension of property insurance for the Terrace House Project;

    d) assisted with due diligence procedures of the Selected Offeror (defined below) pursuant to the Bid Offer Agreement, as described in detail herein;

    e) reviewed and considered the Confidential Feasibility Study (as defined herein);

    f) participated in meetings and telephone discussions with the Terrace House Project's Secured Creditors;

    g) responded to numerous inquiries from various financial stakeholders of the Terrace House Project as well as other third parties; and

    h) prepared this Fourth Report.

UPDATE ON THE SALE INVESTMENT AND SOLICITATION PROCESS

22. On May 29, 2020 this Honourable Court granted the Initial Order which authorized the Monitor to administer a two-phased SISP to obtain an equity investment, a refinancing or alternatively a sale of the Terrace House Project.

23. The Second Report and the Third Report provide extensive detail on the administration of the SISP that resulted in six (6) offers to acquire or refinance the Terrace House Project (the "**Qualified Offerors**"). The Monitor filed copies of the these offers under seal in the Confidential Supplement to the Third Report.

24. Following consultation with the Secured Creditors, the Monitor executed a "**Bid Offer Agreement**" on behalf of the Petitioners with Bosa Properties (OC) Inc. (the "**Bid Offeror**"), the execution of which was approved by this Honourable Court on December 1, 2020. The Monitor filed the Bid Offer Agreement in the Confidential Supplement to the Third Report.

25. The Third Report noted that the Bid Offer Agreement was conditional in nature only and set out the framework of the initial main business terms for a purchase and sale agreement for the Terrace House Project (a "**Formal Agreement**"). The Bid Offer Agreement provided the Bid Offeror a 75-day period (the "**Due Diligence Period**") to complete a satisfactory feasibility study and due diligence analysis relating to the economics of the Terrace House Project and to obtain construction financing.

26. Throughout the Due Diligence Period, the Monitor made itself available to respond to questions, facilitated document requests, and coordinated site visits to assist with the due diligence procedures of the Bid Offeror.

27. On February 16, 2021, the Bid Offeror provided the Monitor with the feasibility study (the "**Confidential Feasibility Study**") on the Terrace House Project and put forward a proposal that varied from the Bid Offer. On February 17, 2021, the Monitor convened a videoconference with the Bid Offeror and the Secured Creditors to discuss the Confidential Feasibility Study, to review the Bid Offeror's proposal, and to consider the path forward for the Terrace House Project.

28. Given these circumstances, the Monitor is continuing to consult with the Secured Creditors and other stakeholders and intends to re-approach one or more of the Qualified Offerors under a further bid process to solicit their interest in putting forward their best cash offers.

29. The Monitor seeks an extension of the Stay of Proceedings from February 26, 2021 to April 30, 2021 to enable this process and these discussions to occur.

THIRD CASH FLOW FORECAST BUDGET TO ACTUALS

30. Appendix "C" of the Third Report contained a weekly cash flow projection for the Petitioners (the "**Third Report Cash Flow Forecast**") for the period of November 21, 2020 to February 26, 2021.

31. The table below provides a variance analysis of the actual cash flow activity versus the Third Report Cash Flow Forecast for the period of November 21, 2020 to February 19, 2021.

	Projection	Actuals	Variance
Beginning Cash	**50,659**	**50,659**	-
Receipts	-	-	-
Disbursements			
Insurance	(21,320)	-	21,320
Site preservation	(38,282)	(42,129)	(3,847)
Glass storage costs	(19,647)	(19,647)	-
Consultants – city requirements	(9,390)	(8,449)	941
Crane Lease	(24,255)	(16,170)	8,085
Permit Costs	(4,965)	(9,434)	(4,469)
General, admin & miscellaneous	(34,667)	(36,084)	(1,417)
Restructuring costs	(290,000)	(159,554)	130,446
Brokerage work fee	(36,750)	(36,750)	-
DIP interest, legal and commitment fee	(28,384)	(21,518)	6,866
Contingency	(60,000)	-	60,000
Total Disbursements	**(567,660)**	**(349,735)**	**217,925**
Ending Cash before DIP Financing	(517,001)	(299,076)	217,925
DIP Draw	543,384	300,000	(243,384)
Ending Cash	**26,383**	**924**	**(25,459)**

32. Broadly speaking, the positive variance in disbursements noted above is attributable to timing differences and spending restraint.

FOURTH CASH FLOW FORECAST

33. The Monitor, on behalf of the Petitioners, has prepared a weekly cash flow projection (the **"Fourth Report Forecast"**) for the period of February 20, 2021 to April 30, 2021 (the **"Fourth Report Cash Flow Period"**).

34. A copy of the Fourth Report Forecast along with its notes and assumptions are attached hereto as **Appendix "A"** and is summarized and compared to actual expenses incurred below:

	Actual May 29 to December 1	Actual December 2 to February 19	Forecast February 20 to April 30
Beginning Cash	**-**	**50,659**	**924**
Receipts	**-**	**-**	**209,139**
Disbursements	**(649,341)**	**(349,735)**	**(701,716)**
Insurance	(61,991)	-	(152,940)
Site preservation	(61,495)	(42,129)	(29,875)
Glass storage	(26,195)	(19,647)	(19,647)
Consultants – city requirements	(9,955)	(8,449)	(5,970)
Crane lease	(48,510)	(16,170)	(16,170)
Permit costs	(7,137)	(9,434)	(2,088)
General, admin & misc	(43,922)	(36,084)	(37,771)
Contingency	-	-	(123,000)
Restructuring costs	(331,073)	(159,554)	(239,157)
Brokerage work fee	-	(36,750)	-
DIP interest & fee payments	(59,063)	(21,518)	(75,098)
Total Cash before DIP Financing	**(649,341)**	**(299,076)**	**(491,653)**
DIP Financing Draw	700,000	300,000	500,000
Ending Cash after DIP Financing	**50,659**	**924**	**8,347**

35. Cash receipts contemplated in the Fourth Report Forecast are comprised of the following:

a) an estimated refund of $34,139 for GST paid on disbursements incurred during these CCAA proceedings; and

b) an estimated refund of $175,000 for a deposit held by BC Hydro for design fees associated with a proposed electrical system for the Terrace House Project.

36. Restructuring costs contemplated in the Fourth Report Forecast include the payment of professional fees of the Monitor, the Monitor's legal counsel, and the Petitioner's legal counsel some of which relate to services already rendered.

37. The Fourth Report Forecast contemplates payments of $76,470 for insurance premiums through March 31, 2021 and an additional payment of $76,470 to extend the insurance policies beyond March 31, 2021 (as required).

38. The Fourth Report Forecast does not contemplate any cash outlay for construction costs, other than those required for site preservation.

THE DIP FACILITY

39. On June 8, 2020, this Honourable Court approved a "**Commitment Letter**" issued by Desjardins Financial Security Life Assurance Company (the "**DIP Lender**") to provide a debtor-in-possession financing facility (the "**DIP Facility**") to the Petitioners. The maximum amount permitted to be borrowed under the Commitment Letter is $1,250,000 unless permitted by further order of this Court. A related charge in the same amount (the "**DIP Lender's Charge**") was granted by this Honourable Court with respect to the DIP Facility.

40. The Monitor notes that the DIP Facility was intended to fund the costs of the within proceedings through to September 3, 2020. Through cost reduction measures, the Monitor has been able to extend this DIP Facility to cover the costs incurred during these proceedings through to the expiry of the current Stay Period.

41. To date, the Petitioners have drawn $1 million under the existing approved DIP Facility of $1,250,000. The Fourth Report Forecast that is summarized above projects that the Petitioners will require continued access to the DIP Facility in the gross amount of $1,500,000; and accordingly, the Monitor, on behalf of the Petitioners, is seeking an Order which

authorizes the Petitioners to borrow up to $1,500,000 under the DIP Facility and to increase the DIP Charge by $250,000 to $1,500,000 million. The Monitor has confirmed with the DIP Lender that it is prepared to continue to loan funds to the Petitioners on the terms and subject to the conditions set forth in the Commitment Letter, subject to such amendments as may be reasonably necessary to accommodate the proposed stay extension, and to increase the maximum amount permitted to be borrowed under that Commitment Letter from $1,250,000 to $1,500,000.

REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

42. The Stay Period is currently set to expire on February 26, 2021. The Monitor on behalf of the Petitioners is requesting an extension of the Stay Period until April 30, 2021, being the approximate anticipated timeframe for the completion of the steps identified in paragraph 28 herein.

43. The Monitor has considered the onus that resides with the Petitioners to demonstrate that an extension of the Stay of Proceedings by this Honourable Court is warranted, having regard to:

   a) the circumstances that justify the making of an extension order;

   b) the good faith efforts of the Petitioners to effect the restructuring; and

   c) the due diligence with which the Petitioners are advancing the restructuring.

<u>Circumstances that justify the extension sought</u>

44. In the Monitor's view, the extension of the Stay of Proceedings is necessary in order to:

   a) administer the above noted process to seek a transaction for the Terrace House Project; and

b) maintain operational control and preserve the Terrace House Project.

45. Moreover, as is depicted in the Fourth Report Cash Flow Forecast, the Monitor projects that the Petitioners will have sufficient liquidity and cash on hand to fund their ongoing obligations through April 30, 2021 should this Honourable Court grant an order authorizing the Petitioners to borrow up to $1,500,000 under the DIP Facility and increasing the DIP Lender's Charge to this same amount.

Good Faith Efforts and Due Diligence

46. The Monitor, in conjunction with the Petitioners, have been working in good faith and with due diligence on a plan to identify, if possible, a buyer or investor for the Terrace House Project.

47. The Petitioners have complied with all of the requirements under the CCAA, as well as the various orders granted by this Honourable Court in this proceeding.

48. For the foregoing reasons, the Monitor supports the Petitioners' request for an order extending the Stay Period to April 30, 2021.

CONCLUSIONS AND RECOMMENDATIONS

49. Based on the foregoing, the Monitor recommends that this Honourable Court grant Order(s) approving the following:

a) extending the Stay Period from February 26, 2021 to April 30, 2021;

b) authorizing the Petitioners to borrow up to $1,500,000 under the DIP Facility; and

c) approving an increase to the DIP Lender's Charge to $1,500,000.

All of which is respectfully submitted this 23rd day of February, 2021.

ERNST & YOUNG INC.
in its capacity as Monitor
of Port Capital Development (EV) Inc. and
Evergreen House Development Limited Partnership
and not in its personal or corporate capacity

Per:

Michael Bell, CPA, CA, CIRP LIT
Senior Vice President

Appendix A

In the matter of the CCAA of Port Capital Development (EV) Inc. and Evergreen House Development Limited Partnership
Weekly Cash Flow Projection for the Period February 20, 2021 to April 30, 2021
$CAD

		1	2	3	4	5	6	7	8	9	10	
	Week Ending	**26-Feb-21 Forecast**	**5-Mar-21 Forecast**	**12-Mar-21 Forecast**	**19-Mar-21 Forecast**	**26-Mar-21 Forecast**	**2-Apr-21 Forecast**	**9-Apr-21 Forecast**	**16-Apr-21 Forecast**	**23-Apr-21 Forecast**	**30-Apr-21 Forecast**	**Total**
Receipts												
Refund from BC Hydro	1	-	-	-	-	175,000	-	-	-	-	-	**175,000**
GST Refund	2	-	-	-	-	-	34,139	-	-	-	-	**34,139**
		-	**-**	**-**	**-**	**175,000**	**34,139**	**-**	**-**	**-**	**-**	**209,139**
Disbursements												
Insurance	3	(76,470)	-	-	-	-	-	-	-	(76,470)	-	**(152,940)**
Site preservation	4	-	(5,413)	(3,000)	-	-	(10,731)	-	-	-	(10,731)	**(29,875)**
Glass storage costs	5	-	(6,549)	-	-	-	(6,549)	-	-	-	(6,549)	**(19,647)**
Consultants - city requirements	6	-	(1,500)	-	-	-	(2,235)	-	-	-	(2,235)	**(5,970)**
Crane lease	7	-	(8,085)	-	-	-	(8,085)	-	-	-		**(16,170)**
Permit costs	8	-	-	-	-	(2,088)	-	-	-	-	-	**(2,088)**
General, admin & miscellaneous expenses	9	(1,473)	(8,899)	(2,000)	(4,250)	(8,899)	(2,000)	(2,000)	(4,250)	(2,000)	(2,000)	**(37,771)**
Contingency	10	-	(3,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	**(123,000)**
		(77,943)	**(33,447)**	**(20,000)**	**(19,250)**	**(25,987)**	**(44,600)**	**(17,000)**	**(19,250)**	**(93,470)**	**(36,515)**	**(387,462)**
Restructuring Disbursements												
Restructuring costs	11	-	(139,157)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	**(239,157)**
Brokerage work fee	12	-	-	-	-	-	-	-	-	-	-	**-**
		-	**(139,157)**	**(12,500)**	**(12,500)**	**(12,500)**	**(12,500)**	**(12,500)**	**(12,500)**	**(12,500)**	**(12,500)**	**(239,157)**
Net Cash Flow		**(77,943)**	**(172,604)**	**(32,500)**	**(31,750)**	**136,513**	**(22,961)**	**(29,500)**	**(31,750)**	**(105,970)**	**(49,015)**	**(417,480)**
Cash Balance												
Opening Available Cash Balance		924	172,981	378	(32,122)	36,128	172,640	149,679	120,179	163,332	57,362	**924**
Net Cash Flow		(77,943)	(172,604)	(32,500)	(31,750)	136,513	(22,961)	(29,500)	(31,750)	(105,970)	(49,015)	**(417,480)**
DIP Draw/(Payback)		250,000	-	-	100,000	-	-	-	74,903	-		**424,903**
Closing Available Cash Balance		**172,981**	**378**	**(32,122)**	**36,128**	**172,640**	**149,679**	**120,179**	**163,332**	**57,362**	**8,347**	**8,347**
DIP Balance												
Opening Balance		1,000,000	1,281,300	1,299,248	1,302,238	1,405,235	1,408,469	1,411,711	1,414,960	1,493,119	1,496,555	**1,000,000**
Draw/(Payback)		250,000	-	-	100,000	-	-	-	74,903	-	-	**424,903**
Legal Fees	13	-	15,000	-	-	-	-	-	-	-	-	**15,000**
Commitment Fee		-	-	-	-	-	-	-	-	-	-	**-**
DIP Interest	13	31,300	2,949	2,990	2,997	3,234	3,241	3,249	3,256	3,436	3,444	**60,097**
DIP Balance		**1,281,300**	**1,299,248**	**1,302,238**	**1,405,235**	**1,408,469**	**1,411,711**	**1,414,960**	**1,493,119**	**1,496,555**	**1,499,999**	**1,500,000**

See attached disclaimer

In the Matter of CCAA of the Port Capital Development (EV) Inc. and Evergreen House Development Limited Partnership (the "Petitioners")

Notes to the Unaudited Cash Flow Forecast of the Petitioners

Disclaimer:

In preparing this cash flow forecast (the "**Cash Flow Forecast**"), the Petitioners have relied upon unaudited financial information and the Petitioners have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Petitioners and additional assumptions discussed below with respect to the requirements and impact of a Companies' Creditor Arrangement Act ("**CCAA**") filing. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

The Cash Flow Forecast includes the receipts and disbursements of all the Petitioners during the Cash Flow Forecast Period (the "**Period**"). Ernst & Young Inc., in its capacity as the Monitor of the Petitioners (the "**Monitor**"), with the assistance of the Petitioners, have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the CCAA proceedings and the ongoing construction project (Terrace House).

The Cash Flow Forecast assumes that the Petitioners obtain a stay of proceedings under the CCAA until April 30, 2021. The Cash Flow Forecast covers the period from February 20, 2021 to April 30, 2021 (the "**Period**").

1. **Refund from BC Hydro**: an estimated refund for a deposit held by BC Hydro for design fees associated with a proposed electrical systems for the Terrace House Project.

2. **GST Refund**: The estimated refund for GST paid on disbursements incurred during these CCAA proceedings.

3. **Insurance:** Amount has been estimated for a renewal of site specific insurance policies.

4. **Site Preservation:** Includes site security, scaffolding and fence rental and other items related to site preservation.

5. **Glass Storage Costs**: Costs associated with the storage of acquired glass and related materials.

6. **Consultants – City Requirements**: Represents management's estimates of required cash outlay to meet basic city requirements.

7. **Crane Lease** – Costs associated with the lease for the crane that remains on site.

8. **Permit Costs** – Costs associated with City of Vancouver permitting required for site preservation.

9. **General, Admin & Miscellaneous Expenses**: Includes equipment repairs & maintenance, office expenses, showroom lease costs and other miscellaneous items. These have been estimated based on historical run rates.

10. **Contingency:** A small weekly contingency is built into the Cash Flow Forecast for unforeseen expenses.

11. **Restructuring Costs**: Represents professional fee payments to counsel to the Petitioners, the Monitor and the Monitor's counsel.

12. **Brokerage Fee:** Represents fees paid to a brokerage firm to market and solicit offers pursuant to the sale and investment solicitation process.

13. **DIP Interest and Fees:** Interest, legal, and other fees associated with the DIP facility.