



District of British Columbia
Division No.: 02-Victoria
Court No.: VIC-S-B-246902
Estate No.: 11-3089419
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF CLOUD DIAGNOSTICS CANADA ULC

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
JUSTICE SHARMA) 11 /JUN/2024
)

THE APPLICATION of Cloud Diagnostics Canada ULC ("Cloud DX"), coming on for hearing at ^{Vancouver}Victoria, British Columbia on the 11 day of June, 2024, AND ON HEARING Jonathan L. Williams, counsel for Cloud DX, and those other counsel listed in Schedule "A" hereto; AND UPON READING the material filed AND PURSUANT TO the Bankruptcy and Insolvency Act, R.S.C. 1985 c. B-3 as amended (the "BIA") and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS THAT:

Service

1. The time for service of the Notice of Application and materials referred to herein be and is hereby abridged and the Notice of Application is properly returnable today.

Extension of Period or Filing Proposal

2. The time for filing a proposal with the Official Receiver under Part III of Division I of the Bankruptcy and Insolvency Act (the "BIA") be and is hereby extended to 11:59 p.m. on August 19, 2024.

Administration Charge

3. For the fees incurred in connection with these proceedings, including those incurred prior to commencement of these proceedings, Crowe MacKay & Company Ltd. (the "Proposal Trustee") and Owen Bird Law Corporation shall be entitled to the benefit of, and are hereby granted, a charge (the "Administration Charge") on all current and future assets, undertakings and properties of Cloud DX, of every nature and kind whatsoever, and wherever situated including all proceeds thereof (collectively, the "Charged Property"), which Administration Charge shall not exceed an aggregate amount of \$200,000.00, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 10 below.

Interim Financing Charge

4. Cloud DX is authorized and empowered to borrow under an interim financing facility agreement dated for reference June 7, 2024 (the "DIP Loan Agreement") between Cloud DX, as borrower, and Brad Miller, Michele Middlemore, Guarav Puri and Constatine Zachos, collectively, as lender (in such capacity, the "DIP Lender"). Cloud DX is authorized and empowered to perform its obligations under the DIP Loan Agreement (subject to obtaining such Court and other approvals as may be required in connection with any step or transaction contemplated therein) and to obtain and borrow under the DIP Loan Agreement, provided that borrowing under such credit facility shall not exceed the principal amount of \$120,000.00.

5. Cloud DX is authorized and empowered to execute and deliver such mortgages, charges, hypothecs and security documents and other definitive documents (such documents, together with the DIP Loan Agreement, collectively, the "Definitive Documents"), as are contemplated by the DIP Loan Agreement or as may reasonably be required by the DIP Lender pursuant to the terms thereof, and Cloud DX is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provisions of this Order.
6. The DIP Lender shall be entitled to the benefit of and is granted a charge (the "DIP Charge") on the Charged Property, which DIP Charge shall not secure an obligation that exists before this Order is made. The DIP Charge shall attach to the Charged Property and shall secure all obligations under the Definitive Documents.
7. Notwithstanding any other provisions of this Order, the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the Definitive Agreements.
8. All claims of the DIP Lender pursuant to the Definitive Documents are not claims that may be compromised pursuant to any proposal under the BIA filed by Cloud DX without the consent of the DIP Lender and the DIP Lender shall be treated as unaffected in any proposal filed by Cloud DX under the BIA with respect to any obligations outstanding to the DIP Lender under or in respect of the Definitive Documents.

Validity and Priority of Charges Created by this Order

9. The Administration Charge and the DIP Charge (together, the "Charges") each constitute a mortgage, security interest, assignment by way of security and charge on the Charged Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors,

statutory or otherwise (collectively, the "Encumbrances"), in favour of any person, notwithstanding the order of perfection or attachment, except that the DIP Charge shall rank subordinate to the interest of the Canada Revenue Agency ("CRA") on account of unpaid source deductions owing by Cloud DX to CRA.

10. The priorities as among the Charges shall be:

First - the Administration Charge, up to the maximum amount of \$75,000.00;
and

Second (subject to CRA) - the DIP Charge.

11. Any security documentation evidencing, or the filing, registration or perfection of, the Charges shall not be required, and the Charges shall be effective as against the Charged. Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect such Charges.

12. The Charges and Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the beneficiaries of the Charges (the "Chargees") 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 application(s); (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 (each, an "Agreement") which binds Cloud DX, and notwithstanding any provision to the contrary in any Agreement:

- a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or deemed to constitute a breach by Cloud DX of any Agreement to which it is a party;
 - b) none of the Chargees shall have any liability to any person entity whatsoever as a result of any breach of any Agreement caused by or resulting from Cloud DX entering into the Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
 - c) the payments made by Cloud DX pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.
13. The Charges created by this order over leases of real property in Canada shall only be a charge of Cloud DX's interest in such real property leases.

Suppliers

14. Subject to the prior written approval of the Proposal Trustee, Cloud DX is authorized, but not directed, to pay amounts owed to employees and suppliers which were incurred prior to June 6, 2024 where the Proposal Trustee is satisfied payment of such amounts are necessary to ensure the supply of goods or services which are critical to Cloud DX's continued operations.

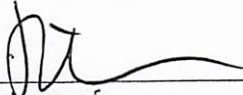
Transfer of proceedings

15. Pursuant to section 187(7) of the *Bankruptcy and Insolvency Act*, the proceedings herein be transferred for all purposes to the Vancouver bankruptcy division.

Endorsement

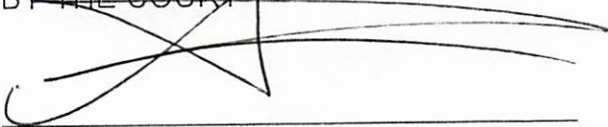
16. Endorsement of this Order by counsel appearing on this application, other than counsel for Cloud DX, is hereby dispensed with.

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
 Party Lawyer for the applicant

CHECKED


~~BY THE COURT~~


REGISTRAR IN BANKRUPTCY

17. Leave is granted to enter this order in Vancouver, BC. court registry.

Schedule A – List of Counsel

NIL

District of British Columbia
Division No.: 02-Victoria
Court No.: VIC-S-B-246902
Estate No.: 11-3089419
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF CLOUD
DIAGNOSTICS CANADA ULC

Owen Bird Law Corporation
PO Box 1, Vancouver Centre II
2900-733 Seymour Street
Vancouver, British Columbia, V6B 0S6
Attention: Jonathan L. Williams