

District of: British Columbia
Division No.: 03 – Vancouver
Court No.: B-240536
Estate No.: 11-3149370



IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
LAMBDA SOLUTIONS INC.

BEFORE

Mr. Justice Gottardi

)

)

)

~~FRIDAY, THE 29TH DAY~~

Wednesday the 4th

~~OF NOVEMBER, 2024~~

December

ORDER

UPON THE APPLICATION of Lambda Solutions Inc. ("**Lambda**"), coming on for a hearing at Vancouver, British Columbia, on the ~~29th~~ day of ~~November~~ ^{December} 2024; AND ON HEARING Cody Reedman, counsel for Lambda, 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 Motion and materials referred to herein be and is hereby abridged and the Notice of Application is properly returnable today.

Extension of Period for Filing Proposal

2. The time for filing a proposal with the Official Receiver under Part III of Division I of the BIA be and is hereby extended to 11:59 p.m. on January 15, 2025.

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**"), any counsel retained or to be retained by the Proposal Trustee, and Cody Reedman 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 Lambda, 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 \$100,000.00 as security for their professional fees and disbursements incurred at their standard rates and charges, both



before and after making this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 10 below.

DIP Charge

4. Lambda is authorized and empowered to borrow under an interim financing facility term sheet dated for reference December 3, 2024 (the "**DIP Financing Term Sheet**") between Lambda, as borrower, and Evergreen Gap Debt GP Inc, as Agent for itself and on behalf of Evergreen Gap Debt LP, and Firepower Gap Debt II LP, by its general partner Firepower Debt GP Inc., as lender (in such capacity, the "**DIP Lender**"). Lambda is authorized and empowered to perform its obligations under the DIP Financing Term Sheet (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 Financing Term Sheet, provided that borrowing under such credit facility shall not exceed the principal amount of \$125,000.00.
5. Lambda 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 Financing Term Sheet, collectively, the "**Definitive Documents**"), as are contemplated by the DIP Financing Term Sheet or as may reasonably be required by the DIP Lender pursuant to the terms thereof, and Lambda 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 Documents.
8. All claims of the DIP Lender pursuant to the Definitive Documents are not claims that may be comprised pursuant to any proposal under the BIA filed by Lambda without the consent of the DIP Lender and the DIP Lender shall be treated as unaffected in any proposal filed by Lambda 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 Lambda to CRA.

10. The priorities among the Charges shall be:
- (a) First – the Administration Charge, up to the maximum amount of \$100,000.00; and
 - (b) 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 effected 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 the 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 Lambda, 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 Lambda 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 Lambda 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 Lambda 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.

Suppliers

13. Subject to the prior written approval of the Proposal Trustee, Lambda is authorized, but not directed, to pay amounts owed to employees and suppliers which were incurred prior to November 1, 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 Lambda's continued operations.
-

Endorsement

14. Endorsement of this Order by counsel appearing on this application, other than counsel for Lambda, 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:

A handwritten signature in black ink, appearing to be 'Cody Reedman', written over a horizontal line.

Signature of Cody Reedman,
Lawyer for the Applicant

BY THE COURT

A handwritten signature in black ink, appearing to be 'Chie Galt', written over a horizontal line.

REGISTRAR IN BANKRUPTCY

SCHEDULE "A"

COUNSEL LIST

Cody Reedmund and Grace	Counsel to Lambda Solutions Inc.
VICKI TICKLE	Counsel to Evergreen Gap Debt GP Inc,
	as agent for itself + on behalf of
	Evergreen Gap Debt LP, + Fire Power
	Gap Debt ILP by its general partner
	Firepower Debt GP Inc.
Bonita Lewis-Hend.	Counsel to ED Crowe Mackay
	& Company Ltd., the
	Proposal Trustee

DENNIS FITZPATRICK

BUSINESS DEVELOPMENT
BANK OF CANADA