

COLE SCHOTZ P.C.

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

OAK AND FORT CORP., *et al.*,¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 25-11282 (MG)

Jointly Administered

**SUPPLEMENT TO VERIFIED PETITION FOR
ENTRY OF ORDER RECOGNIZING FOREIGN MAIN
PROCEEDINGS AND GRANTING ADDITIONAL RELIEF**

KSV Restructuring Inc. (“KSV”) is the Canadian Court-appointed monitor and duly authorized foreign representative (the “Foreign Representative”) of the above-captioned debtors (the “Debtors”), which are the subject of jointly-administered proceedings under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”) in the Supreme Court of British Columbia, in Vancouver, British Columbia, Canada (the “Canadian Proceedings” and such court, the “Canadian Court”).

¹ The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor’s U.S. Federal Employer Identification Number (“FEIN”) or Canada Revenue Agency Business Number (“BN”), are: Oak and Fort Corp. (BN 0003); 1282339 B.C. Ltd. (BN 0001); Oak and Fort US Group, Inc. (FEIN 1236); Oak and Fort Enterprise (U.S.), Inc. (FEIN 0468), NYM Merger Holdings LLC (FEIN 6949), and Oak and Fort California, LLC (FEIN 6937). The Debtors’ headquarters are located at 100-7 East 6th Ave, Vancouver, British Columbia, Canada.

On June 6, 2025 (the “Petition Date”), the Foreign Representative filed chapter 15 petitions (the “Chapter 15 Petitions”) in this Court and, the following day, filed the *Verified Petition for Entry of Order Recognizing Foreign Main Proceedings and Granting Related Relief* [Docket No. 6] (the “Verified Petition,”² and together with the Chapter 15 Petitions, the “Petitions”) on behalf of each the Debtors, seeking entry of an Order (the “Proposed Recognition Order”)³ granting, among other relief, (i) recognition of the Canadian Proceedings, pursuant to Bankruptcy Code section 1517, as foreign main proceedings or, in the alternative, as foreign nonmain proceedings, (ii) recognizing and giving full force and effect in the United States to the Initial Order issued on June 6, 2025 by the Canadian Court (the “Initial Order”), including any and all extensions, amendments, restatements, and/or supplements thereto authorized by the Canadian Court, and (iii) granting the Debtors all the relief afforded pursuant to Bankruptcy Code section 1520 and certain additional and further relief pursuant to Bankruptcy Code sections 1521 and 1507, all as more fully and particularly set forth in the Verified Petition.

As discussed below, since the Petition Date, the Debtors had their initial “come back” hearing in the Canadian Proceedings on June 16, 2025, following which the Canadian Court entered an Amended and Restated Initial Order dated June 20, 2025 (the “ARIO”),⁴ which provided for certain additional relief (discussed below) and an extension of the stay period under the Initial Order through and including July 4, 2025. Following the issuance of the ARIO, the

² Capitalized terms used but not defined herein have the meanings assigned to them in the Verified Petition.

³ Attached hereto as Exhibits A is an updated and revised form of Proposed Recognition Order, together with a redline copy reflecting the changes against the original form of Proposed Recognition Order that was attached to the Verified Petition.

⁴ On June 24, 2025, the Foreign Representative filed the *Notice of Entry of Amended and Restated Initial Order* [Docket No. 23], which attached a copy the ARIO and was served on June 25, 2025, as set forth in the Certificate of Service filed at Docket No. 24.

Debtors negotiated and entered into a certain Interim Financing Term Sheet dated June 25, 2025 (the “Interim Financing Term Sheet”)⁵ for the provision of interim financing, which will be presented to the Canadian Court for approval at a hearing scheduled for July 4, 2025 (the “July 4th Canadian Court Hearing”) in connection with the Debtors’ request to approve a Second Amended and Restated Initial Order (the “Proposed SARIO”),⁶ which is discussed below.

The Foreign Representative files this supplement to the Verified Petition, together with a Supplemental Declaration of Min Gyoung Kang (the “Supplemental Kang Declaration”) which is being filed separately, as an update to the Verified Petition to discuss and address the additional relief provided under the Proposed SARIO, as presented to the Canadian Court. At the recognition hearing scheduled for July 8, 2025, at 2:00 p.m. (ET) before this Court (the “Recognition Hearing”), the Foreign Representative will be seeking recognition and enforcement by this Court of the SARIO in the form that ultimately approved by the Canadian Court, which is expected to be substantially the same as the form of the Proposed SARIO.⁷

BACKGROUND

I. The Initial Order and Commencement of the Chapter 15 Cases

1. As set forth in the Verified Petition, on the Petition Date, the Canadian Court entered the Initial Order, which, among other things: (a) converted the NOI Proceedings to proceedings under the CCAA; (b) appointed KSV as monitor (in such capacity, the “Monitor”) pursuant to the CCAA to, among other things, assist the Debtors in their business and financial

⁵ A copy of the Interim Financing Term Sheet is attached hereto as **Exhibit B**.

⁶ A copy of the Proposed SARIO submitted to the Canadian Court for approval and entry is attached hereto as **Exhibit C**.

⁷ The Foreign Representative will promptly file the Order that is actually approved by the Canadian Court at the July 4 Canadian Court Hearing (the “SARIO”) as soon as practicable following entry of the SARIO by the Canadian Court.

affairs in accordance with section 23 of the CCAA and the terms of the Initial Order; (c) granted a stay of proceedings against the Debtors, the Monitor, and their respective employees, directors, advisors, officers and representatives acting in such capacities for an initial Stay Period (as defined therein); (d) authorized and empowered KSV to act as a representative of the Debtors in the CCAA proceedings and any foreign proceedings, including for purposes of prosecuting chapter 15 petitions for relief in the United States; and (e) granted an Administration Charge (as defined in the Initial Order) in the maximum amount of CAD \$300,000.

2. On June 7, 2025, the Foreign Representative filed the Verified Petition and certain other motions, including: (a) the *Motion for Order Scheduling Recognition Hearing and Specifying Form and Manner of Service of Notice* [Docket No. 4] (the “Scheduling Motion”) requesting, *inter alia*, an order scheduling the hearing to consider the relief sought in the Petitions and the form and manner of service of notice thereof; and (b) the *Motion of KSV Restructuring Inc., as Foreign Representative of Oak and Fort Corp. and Its Affiliates, for an Order Granting Certain Provisional Relief* [Docket No. 7] (the “Provisional Relief Motion”), seeking, *inter alia*, (i) recognition and enforcement of the Initial Order, including all relief provided therein, in the United States on a provisional basis; and (ii) applying Bankruptcy Code sections 362 and 365(e) on a provisional basis, all as more fully and particularly set forth in the Provisional Relief Motion.

3. Following a “first day” hearing held on June 9, 2025, the Court entered (i) the *Order Scheduling Recognition Hearing and Specifying Form and Manner of Service of Notice* [Docket No. 14] (the “Scheduling Order”) granting the Scheduling Motion and scheduling the Recognition Hearing and related objection deadline; and (ii) the *Order Granting Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code* [Docket No. 13] (the “Initial Provisional Relief Order”)

granting the Provisional Relief Motion and providing for certain injunctive and provisional relief through and including June 23, 2025, which was thereafter extended by the Court.⁸

4. On June 11, 2025, in accordance with the Court's Scheduling Order, the Foreign Representative caused (a) the notice of the Recognition Hearing (in the form approved by the Scheduling Order), together with a copy of the Notice Documents (as defined in the Scheduling Order), and certain other pleadings, to be served upon the Notice Parties (as defined in the Scheduling Order) and (b) the referenced documents to be posted to the Monitor's website at www.ksvadvisory.com/experience/case/oakandfort.

II. The ARIO⁹

5. On June 13, 2025, the Debtors filed an application with the Canadian Court seeking approval and entry of the ARIO. Following the June 16th initial "come back" hearing, on June 20, 2025, the Canadian Court entered the ARIO, which included following additional and/or incremental relief relative to the Initial Order:

- a. an extension of the "Stay Period" through and including July 4, 2025;
- b. the creation of a directors' and officers' charge in the amount of CAD \$3,400,000 (the "Directors' Charge");
- c. the creation of an intercompany charge (the "Intercompany Charge") to secure the repayment of any advances from one Debtor to another (i.e., intercompany advances) during the pendency of the *Canadian Proceedings*;
- d. an increase of the amount of the Administrative Charge to CAD \$500,000;
- e. an order that the aforementioned Directors' Charge, Intercompany Charge and Administrative Charge constitute a charge on the Debtors' assets

⁸ On June 23, 2025, prior to the expiration of the Initial Provisional Relief Order, the Court entered the *Order Granting Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code* [Docket No. 21] (the "Second Provisional Relief Order") extending and continuing the provisional relief granted in the Initial Provisional Relief Order through and including the Recognition Hearing (or the date the Court rules on the Debtors' request for recognition of the Canadian Proceedings as "foreign main" or "foreign nonmain" proceedings).

⁹ The foregoing summary of the ARIO is qualified in its entirety by the actual terms the ARIO.

ranking ahead of all other claims and encumbrances save and except for the security interest of Royal Bank of Canada (“RBC”) in cash collateral in the possession of RBC; and

- f. authorizing the Debtors to undertake a restructuring, including to disclaim agreements, including leases, pursuant to the CCAA.

6. As noted above, on June 24, 2025, the Foreign Representative filed the *Notice of Entry of Amended and Restated Initial Order* [Docket No. 23], attaching a copy the ARIO, which was served as set forth in the Certificate of Service filed at Docket No. 24.

II. The Proposed SARIO¹⁰

7. As indicated above, following the issuance of the ARIO, the Debtors negotiated and executed the Interim Financing Term Sheet (and the facility provided thereby, the “Interim Facility”), the terms of which are summarized and discussed in the Supplemental Kang Declaration. The Interim Financing Term Sheet was the culmination of a marketing process relating to the Debtors’ efforts to attract and negotiate financing terms that were most favorable to the company and aligned with the Debtors’ strategic initiatives.

8. Since the Petition Date, the Debtors, with the assistance of their professionals and advisors, continued in discussions regarding potential interim financing with a lender they had been negotiating with prior to the Petition Date, while also seeking to identify potential alternative sources of such financing. The Debtors approached, or were approached by, over 15 prospective interim lenders. Apart from the Interim Lender (defined below), only one other party (the same party the Debtors had been in discussions with prior to the Petition Date) engaged meaningfully in the opportunity; however, the indicative terms offered by that lender were less favorable than those under the proposed Interim Facility. The former opportunity included a borrowing base

¹⁰ The foregoing summary of the Proposed SARIO is qualified in its entirety by the actual terms of the Proposed SARIO and ultimately subject to the actual SARIO entered by the Canadian Court.

requirement, with inventory forming the collateral package, which created challenges to provide favorable interim financing due to the Debtors' limited inventory and macroeconomic factors impacting the retail industry (such as tariffs, high interest rates etc.).

9. The Debtors, in consultation with their professionals and advisors, and the Foreign Representative (as Monitor) determined that the Interim Facility is in the best interests of stakeholders, as it offers materially better terms than the only other interim financing proposal received. The Interim Facility was negotiated and provided on an arm's length basis, and the Foreign Representative believes that its terms are fair, reasonable, and consistent with market practice in similar circumstances.

10. The Interim Financing Term Sheet includes the following key commercial terms. All capitalized terms in the summary table below are as defined in the Interim Financing Term Sheet:

Borrowers	Oak and Fort Corp.
Guarantors	1282339 B.C. Ltd.; Oak and Fort US Group, Inc.; Oak and Fort Enterprise (U.S.), Inc., NYM Merger Holdings LLC, and Oak and Fort California, LLC.
DIP Facility Size	Up to a maximum principal amount of CAD \$2,500,000
Security	The obligations owing to the DIP Lender in connection with the DIP Financing shall be secured by a Court-ordered super-priority charge, granting liens on substantially all the Debtors' assets, in the principal amount of CAD \$2,500,000 plus interests and fees, in favor of the DIP Lender, subject a carve out for (a) the Administrative Charge in the maximum amount of \$500,000 and (b) the claims of RBC with respect to its security interest in cash collateral in its possession.
Conditions Precedent	Among other requirements and conditions precedent set forth in the DIP Term Sheet, the second Advance is conditioned upon recognition of the DIP Charge in the United States.
Maturity Date	The DIP Facility shall terminate and all DIP Obligations owing to the DIP Lender shall be due and payable on the earliest of the following:

	<p>(a) six (6) months from the date of the Initial Advance (or such later date as the DIP Lender in its sole discretion may agree to in writing with the Borrower);</p> <p>(b) the date on which a Restructuring Transaction, which has been approved by an order of the Court, is implemented;</p> <p>(c) the closing of a sale or similar transaction for all or substantially all of the Property pursuant to a sales process, which has been approved by an order of the Court;</p> <p>(d) the date on which an Event of Default which has not been waived by the DIP Lender has occurred and in respect of which the DIP Lender has elected, in its sole discretion, to accelerate the DIP Obligations; and</p> <p>(e) the date on which (i) the stay of proceedings under the CCAA Proceedings is lifted without the consent of the DIP Lender, or (ii) the date on which the CCAA Proceedings are terminated.</p> <p>(such earliest date, the “Maturity Date”).</p> <p>The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the Borrower and the DIP Lender may agree and, in the case of any material amendments to the terms hereof, to which the Monitor may consent or the Court may approve.</p> <p>The DIP Lender’s commitment to make Advances under the DIP Facility shall expire on the Maturity Date.</p>
Commitment and Exit Fees	<p>The Borrower shall pay a commitment fee in the amount of the lesser of CAD \$50,000 or 2.0% of the Loan Amount (the “Commitment Fee”) from the Initial Advance. The Commitment Fee will be non-refundable and will be fully earned and payable as of July 4, 2025 (the “Court Approval Date”)</p>
Interest	<p>15.00% <i>per annum</i> from the date on which such amount is advanced or becomes owing (as applicable) (the “Interest”).</p> <p>Interest shall be computed on the basis of a year of 365 days and shall accrue and be calculated monthly and payable in cash on the Maturity Date (as defined herein).</p>

Events of Default	<p>The occurrence of any one or more of the following events shall constitute an event of default under this DIP Term Sheet (each an “Event of Default”):</p> <p>(a) failure of the Borrower to pay any amount due hereunder when due and payable;</p> <p>(b) failure of the Borrower to comply with any covenant, Condition Precedent, payment obligation, or other term or condition of this DIP Term Sheet;</p> <p>(c) at any time, failure of the Borrower to conduct its activities and expenditures in accordance with the Cash Flow Projection in force at such time;</p> <p>(d) any representation or warranty made by the Borrower is incorrect or misleading in any material respect when made;</p> <p>(e) an event occurs that will, in the opinion of the DIP Lender, acting reasonably, materially impair the Borrower’s financial condition, operations or ability to perform its obligations under this DIP Term Sheet or any order of the Court made in the CCAA Proceedings;</p> <p>(f) any material adverse change in: (i) the business, operations, or financial condition of the Borrower; (ii) the Property of the Borrower or the realizable value thereof; (iii) the DIP Charge, including its priority; (iv) the ability of the Borrower to perform its obligations under this DIP Term Sheet or any document executed in connection herewith; or (v) the DIP Lender’s ability to enforce any of its rights or remedies against the Property;</p> <p>(g) the Borrower becomes bankrupt, or a receiver, interim receiver, receiver and manager, or trustee in bankruptcy is appointed in respect of the Borrower, or substantially all of its Property; (h) the acceptance of any Restructuring Transaction, or the filing of a motion seeking the Court’s approval of any Restructuring Transaction, that does not provide for the indefeasible repayment in full in cash of the DIP Obligations upon the closing of such Restructuring Transaction unless the terms of the Restructuring Transaction have otherwise been approved by the DIP Lender in writing; and</p> <p>(i) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter against the Borrower (collectively, a “Claim”) that is not being diligently contested by the Borrower, the purpose or result of which would be to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating setting aside, or subordinating the DIP Obligations, (ii)</p>
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	for monetary, injunctive or other relief against the DIP Lender or the Property, or (iii) preventing, hindering or otherwise delaying the exercise by the DIP Lender of any of its rights and remedies hereunder or under applicable law, or the enforcement or realization by the DIP Lender against any of the Property; provided that, if the Borrower is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default.
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11. On June 27, 2025, the Debtors filed an application in the Canadian Proceeding seeking approval and entry of the Proposed SARIO, which is scheduled to be heard by the Canadian Court at the July 4th Canadian Court Hearing.

12. The Proposed SARIO amends and restates the relief granted under the ARIIO and provides for certain additional and/or incremental relief, including, among other things:

- a. an extension of the Stay Period through and including October 3, 2025;
- b. authorization for the Debtors to obtain interim financing to be provided by Klaus Lam, Bo Ra Kim, Min-Seon Scott Park, Bear and Otter Holdings Ltd., and Min Gyoung Kang (collectively, the “Interim Lender”) in an amount not to exceed CAD \$2.5 million (the “Interim Financing”) pursuant to the terms and conditions the Interim Financing Term Sheet; and
- c. creation of an interim lender’s charge on the Property (as defined in the Proposed SARIO) in favor of the Interim Lender to secure the Debtors’ obligations to the Interim Lender under the Interim Financing Term Sheet (the “Interim Lender’s Charge,” and collectively with the Directors’ Charge, the Intercompany Charge, and the Administrative Charge, each as defined in the Proposed SARIO, the “Charges”), which ranks in priority to all other claims and encumbrances save and except for (i) RBC’s security interest in cash collateral in RBC’s possession; and (ii) the Administrative Charge.

THE COURT SHOULD RECOGNIZE AND GIVE EFFECT TO THE TERMS OF THE PROPOSED SARIO (SUBJECT TO APPROVAL OF THE CANADIAN COURT)

13. For sake of efficiency and to avoid repeating the discussion in the Verified Petition, the Kang Declaration and the Supplemental Kang Declaration, the discussion that follows is limited to addressing the additional and/or incremental provisions of the Proposed SARIO (subject

to the Canadian Court's approval) and the revised Proposed Recognition Order, including, approval of the Interim Financing and the Charges as set forth therein.

14. In particular, pursuant to sections 105(a), 362, 364, 365, 1507(a), 1521(a), 1522, 1525(a) of the Bankruptcy Code, the Foreign Representative requests that this Court recognize and enforce the Proposed SARIO (subject to the Canadian Court's approval) in the United States, including, without limitation, the provisions:

- a. authorizing the Debtors to enter into, perform and borrow up to an amount not to exceed CAD \$2.5 million pursuant to the terms of the Proposed SARIO and the Interim Financing Term Sheet;
- b. granting the Charges (including the Administrative Charge, the Interim Lender's Charge, the Directors' Charge, and the Intercreditor Company Charge) in the amounts and priority ranks established in the Proposed SARIO, including certain protections for the benefit of the Interim Lenders, pursuant to sections 364(c), 364(d), and 364(e) of the Bankruptcy Code; and
- c. authorizing the Debtors to disclaim or resiliate (*i.e.*, cancel) leases and contracts, subject to the notice procedures and other requirements in the CCAA.

15. As discussed in the Verified Petition, upon recognition of a foreign proceeding, section 1521(a) authorizes the Court to grant "any appropriate relief" at the request of the recognized foreign representative "where necessary to effectuate the purpose of [chapter 15] and to protect the assets of the debtor or the interests of the creditors." 11 U.S.C. § 1521(a). Such relief may include, among other things, "granting any additional relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a)." 11 U.S.C. § 1521(a)(7). The Court may grant relief under section 1521(a) if the interests of "the creditors and other interested entities, including the debtor, are sufficiently protected." 11 U.S.C. § 1522(a).

16. Thus, section 1521(a)(7) permits the Court to grant any relief (with certain limited exceptions that are not applicable here) that would be available to a bankruptcy trustee, thereby authorizing application of sections 105, 362, 363, 364, and 365(e) of the Bankruptcy Code. Of

particular relevance here is section 364(e), which provides that a reversal or modification of a financing order does not affect the validity or priority of a postpetition lender's claim or lien. Lenders to foreign debtors in chapter 15 cases are entitled to the protection that their claims and liens retain their validity and priority if a recognition order is reversed or modified.

17. As a separate basis for recognition of foreign order, section 1507(a) of the Bankruptcy Code also permits a court to "provide additional assistance to a foreign representative" provided such assistance is consistent with the principles of comity and satisfies the facts set forth in section 1507(b) of the Bankruptcy Code. 11 U.S.C. § 1507. In addition, section 1525(a) of the Bankruptcy Code provides that, "[c]onsistent with section 1501, the court shall cooperate to the maximum extent possible with a foreign court or a foreign representative." 11 U.S.C. § 1525(a).

18. As stated above, the terms of the Interim Financing were negotiated, proposed and entered into without collusion, in good faith and at arm's length. The Debtors will require access the Interim Facility to fund, among other things, working capital requirements, other general corporate expenditures and the costs of administering their bankruptcy cases. The funding provided by the Interim Facility is necessary to make critical payments and give vendors, employees and other critical parties who deal with the Debtors confidence that the Debtors have access to funds to meet their post-filing obligations to such parties. Furthermore, the Interim Lender has conditioned availability of the second Advance (as defined in the Interim Financing Term Sheet) on this Court's recognition of the protections granted by the Canadian Court.

19. As such, the Foreign Representative requests that this Court grant recognition and give effect to the SARIO and any amendment or restatement of such order with respect to assets of the Debtors now or in the future located within the territorial jurisdiction of the United States.

The Interim Financing will preserve and maintain the going concern value of the Debtors' estates, which, in turn, is integral to maximizing value.

20. It is also essential that this Court recognize and give effect to the Debtors' authority (upon grant by the Canadian Court) to disclaim and resiliate (i.e., cancel) leases and other executory contracts (including employment contracts) in the Canadian Proceedings—including the contracts and leases that are either governed by U.S. law or within the territorial jurisdiction of the United States. In a CCAA proceeding, prior to disclaimer, landlords generally may be entitled to payment of rent obligations that become due and owing post-filing. As such, any delay in disclaiming such leases could cause the Debtors to incur substantial additional post-filing rent obligations that will further diminish funds available for claims and thereby negatively affect recoveries for creditors in the Canadian Proceedings.

21. The Foreign Representative respectfully submits that the purpose of chapter 15 is carried out by granting recognition of and giving effect in full to the SARIO, including the relief set forth in the revised Proposed Recognition Order, as it will (a) maximize value of the Debtors' assets, (b) facilitate the fair and efficient cross-border restructuring; and (c) foster cooperation between courts in Canada and the United States.

NOTICE

22. The Foreign Representative will serve notice of this supplement (together with all exhibits and attachments) upon the Notice Parties (as defined in the Scheduling Order) by U.S. first class mail post prepaid.

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CONCLUSION

WHEREFORE, the Foreign Representative respectfully requests that this Court enter an order, substantially in the form of the revised Proposed Recognition Order, granting the relief requested herein (and in the Verified Petition) and such other and further relief as may be just and proper.

Dated: July 2, 2025
New York, New York

Respectfully submitted,

COLE SCHOTZ P.C.

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Counsel for the Foreign Representative

VERIFICATION

I, NOAH GOLDSTEIN, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury under the laws of the United States of America as follows:

I am a Managing Director of KSV Restructuring, Inc. (“KSV”), the authorized foreign representative (in such capacity, the “Foreign Representative”) of the above-captioned Debtors. As such, I have full authority to verify the foregoing supplement to the Verified Petition on behalf of the Foreign Representative.

I have read the foregoing supplement to the Verified Petition, and I am informed and believe that the factual allegations contained therein are true and accurate to the best of my knowledge, information and belief.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 2nd day of July 2025
Toronto, Ontario
Canada

KSV Restructuring, Inc., solely in its capacity as
Foreign Representative and not in its individual
or corporate capacity

By: /s/ Noah Goldstein
Noah Goldstein, Managing Director

EXHIBIT A1

Revised Proposed Recognition Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

OAK AND FORT CORP., *et al.*,¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 25-11282 (MG)

Jointly Administered

**ORDER RECOGNIZING FOREIGN MAIN
PROCEEDINGS AND GRANTING ADDITIONAL RELIEF**

A hearing having been held (the “Hearing”) to consider the chapter 15 petitions for each of the above-captioned debtors (the “Debtors”) and the Verified Petition, filed on June 7, 2025, and the Supplement to Verified Petition, filed on July 2, 2025 (together, the “Verified Petition,” and together with the chapter 15 petitions, the “Petitions”)² by KSV, the duly authorized foreign representative (the “Foreign Representative”) of the above-captioned debtors (the “Debtors”) for entry of an order pursuant to sections 105(a), 362, 364, 365, 1507(a), 1517, 1520, 1521, 1522 and 1525(a) of the Bankruptcy Code: (i) recognizing the Canadian Proceedings as foreign main proceedings pursuant to sections 1517 and 1520 of the Bankruptcy Code, (ii) recognizing the Foreign Representative as the “foreign representative,” as defined in section 101(24) of the Bankruptcy Code, in respect of the Canadian Proceedings, (iii) recognizing and enforcing the SARIO, and any and all existing and future extensions, amendments, restatements, and/or

¹ The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor’s U.S. Federal Employer Identification Number (“FEIN”) or Canada Revenue Agency Business Number (“BN”), are: Oak and Fort Corp. (BN 0003); 1282339 B.C. Ltd. (BN 0001); Oak and Fort US Group, Inc. (FEIN 1236); Oak and Fort Enterprise (U.S.), Inc. (FEIN 0468), NYM Merger Holdings LLC (FEIN 6949), and Oak and Fort California, LLC (FEIN 6937). The Debtors’ headquarters are located at 100-7 East 6th Ave, Vancouver, British Columbia, Canada.

² Except as otherwise stated herein, capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Verified Petition and, if not therein, the SARIO (including by cross reference herein).

supplements authorized by the Canadian Court, (iv) granting a stay of enforcement and execution against the Debtors' assets and applying section 362 of the Bankruptcy Code in these Chapter 15 Cases pursuant to sections 1520(a)(1), 1521(a) and 105(a) of the Bankruptcy Code, and (v) granting certain additional relief pursuant to sections 1507(a), 1521, and 1525(a) of the Bankruptcy Code; and upon this Court's review and consideration of the Petitions, the Kang Declaration, the Supplemental Kang Declaration, the declaration of Kibben Jackson dated July 2, 2025, the Provisional Relief Motion, and the evidence admitted at the Hearing to consider the Petitions; and due and proper notice of the Petitions having been provided; and no other or further notice being necessary or required; and no objections or other responses having been filed that have not been overruled, withdrawn, or otherwise resolved; and all interested parties having had an opportunity to be heard at the Hearing; and after due deliberation and sufficient cause appearing therefor, the Court makes the following findings of fact and conclusions of law:³

- a. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference to Bankruptcy Judges of the District Court for the Southern District of New York*, dated January 31, 2012 (Preska, C.J.).
- b. This is a core proceeding under 28 U.S.C. § 157(b)(2)(P).
- c. Venue is proper in this district pursuant to 28 U.S.C. § 1410(1) and (3).
- d. The Foreign Representative is the duly appointed "foreign representative" of the Debtors, as such term is defined in 11 U.S.C. § 101(24).

³ The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, or any of the following conclusions of law constitute findings of fact, they are adopted as such.

- e. These chapter 15 cases were properly commenced pursuant to 11 U.S.C. §§ 1504, 1509 and 1515.
- f. The Foreign Representative has satisfied the requirements of 11 U.S.C. § 1515 and Fed. R. Bankr. P. 1007(a)(4) and 2002(q).
- g. The Debtors have satisfied the eligibility requirements of 11 U.S.C. §§ 109(a) and 1517(a).
- h. The Canadian Proceedings currently pending before the Canadian Court and provisions made thereunder for the protection, administration and distribution of the Debtors' assets, are "foreign proceedings," as such term is defined in 11 U.S.C. § 101(23).
- i. The Canadian Proceedings are entitled to recognition by this Court pursuant to 11 U.S.C. § 1517.
- j. The Canadian Proceedings are pending in the country where each Debtor's center of main interests is located, are "foreign main proceedings," as such term is defined in 11 U.S.C. § 1502(4), and are entitled to recognition as "foreign main proceedings" pursuant to 11 U.S.C. § 1517(b)(1).
- k. The Foreign Representative is entitled to all the relief provided pursuant to 11 U.S.C. § 1520, without limitation.
- l. Appropriate notice of the filing of, and the Hearing on, the Petition for Recognition was given, which notice is deemed adequate for all purposes, and no other or further notice need be given.
- m. The Foreign Representative is further entitled to all relief expressly set forth in 11 U.S.C. §§ 1521(a)-(b).

- n. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, is consistent with the public policy of the United States, is warranted under 11 U.S.C. §§ 105(a), 362, 364, 365(a), 365(e), 1504, 1507, 1509, 1517, 1520, 1521, 1522 and 1525, and will not cause hardship to creditors of the Debtors or other parties in interests that is not outweighed by the benefits of granting such relief.
- o. The relief granted hereby is necessary to effectuate the purposes and objectives of chapter 15 and to protect the Debtors and the interests of their creditors and other parties in interest.
- p. Absent the requested relief, the efforts of the Debtors, the Canadian Court and the Foreign Representative in conducting the Canadian Proceedings and effecting their restructuring therein may be thwarted by the actions of certain creditors, a result that will obstruct the purposes of chapter 15 as reflected in section 1501(a) of the Bankruptcy Code.
- q. Each of the injunctions contained in this Order (i) is within the Court's jurisdiction, (ii) is essential to the prospects for success of the Debtors' restructuring in the Canadian Proceedings, (iii) confers material benefits on, and is in the best interests of, the Debtors and their creditors, and (iv) is necessary to the overall objectives of such restructuring.
- r. On June 6, 2025, the Canadian Court entered the Initial Order.
- s. On June 20, 2025, the Canadian Court entered the ARIO.
- t. On June 23, 2025, the Court entered the Provisional Relief Order.
- u. On July [●], 2025, the Canadian Court entered the SARIO.

- v. The SARIO, among other things, (i) authorized and empowered Oak and Fort Corp. to obtain and borrow under a credit facility on the terms and subject to the conditions set forth in the Interim Financing Term Sheet, provided that borrowings under such credit facility shall not exceed CAD \$2,500,000 unless permitted by further Order of the Canadian Court, (ii) authorized and directed each of the Debtors to pay and perform all of its obligations to the Interim Lender (the “Interim Financing Obligations”) under and pursuant to the Interim Financing Term Sheet and the Definitive Documents (such facility, the “Interim Facility”) as and when the same become due and are to be performed, and (iii) as security for the Interim Financing Obligations (but, for the avoidance of doubt, no obligations incurred before the entry of the SARIO), the SARIO granted the Interim Lender the Interim Lender’s Charge on the Debtors’ Property, having the characteristics, attributes, and priority as set forth in the SARIO.
- w. In addition to the Interim Lender’s Charge, the SARIO also provides for additional Charges with respect to the Debtors’ Property—the Administration Charge, Directors’ Charge, and Intercompany Charge, with all Charges having the respective characteristics, attributes, priorities, and limitations set forth in the SARIO, including specifically, paragraphs 48 and 50 therein. The Directors’ Charge and Intercompany Charge are subordinate to the Administration Charge and Interim Lender’s Charge.
- x. In the SARIO, the Canadian Court requested the aid and recognition of courts in the United States in enforcing and carrying out the relief granted in the SARIO.

- y. Entry of this Order, recognizing and enforcing the SARIO in the United States and applying (i) the Interim Lender's Charge (subject to termination thereof pursuant to the SARIO) to the Debtors' Property that is within the territorial jurisdiction of the United States, including the proceeds thereof (collectively, the "US Property") and (ii) the protections provided by the Bankruptcy Code as contained in this Order, including pursuant to Section 364(c), (d) and (e) of the Bankruptcy Code, is necessary to implement the SARIO as it relates to the Debtors and their US Property, and entry of this Order is a condition precedent to the Debtors' ability to draw the Second Advance under the Interim Facility.
- z. The Foreign Representative has demonstrated that recognition of the SARIO is warranted and that, based on the record before this Court, including the SARIO itself, (i) the Debtors are unable to obtain the requisite financing on an unsecured basis (even if such unsecured credit were to be a super-priority administrative expense), (ii) the Interim Facility is necessary to preserve the Property of the Debtors, (iii) the terms of the Interim Facility are fair, reasonable, and adequate, given the circumstances and in the Debtors' reasonable business judgment, (iv) the Debtors are unable to obtain credit that does not have the priority set forth in the SARIO, and (v) the terms of the Interim Facility were entered into in good faith by the Debtors and the Interim Lender.
- aa. Each of the injunctions contained in this Order (i) is within the Court's jurisdiction, (ii) is essential to the success of the Debtors' restructuring in the Canadian Proceedings, (iii) confers material benefits on, and is in the best interests of, the

Debtors and their creditors, and (iv) is important to the overall objectives of such restructuring.

- bb. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, and warranted under 11 U.S.C. §§ 105(a), 362, 364, 365, 1507, 1509, 1517, 1520, 1521, 1522 and 1525, and will not cause hardship to creditors of the Debtors or other parties in interests that is not outweighed by the benefits of granting that relief.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Petitions and the relief requested therein are GRANTED as set forth herein.
2. The Canadian Proceedings are granted recognition with respect to each of the Debtors as a foreign main proceeding pursuant to 11 U.S.C. §§ 1517(a) and 1517(b)(1).
3. KSV is recognized as the “foreign representative” as defined in section 101(24) of the Bankruptcy Code in respect of the Canadian Proceedings.
4. The Debtors and the Foreign Representative are granted all relief set forth in 11 U.S.C. § 1520.
5. The SARIO, including any and all existing and future extensions, amendments, restatements, and/or supplements thereof authorized by the Canadian Court, and all terms and provisions therein are hereby given full force and effect, on a final basis, with respect to the Debtors and the Debtors’ property that now or in the future is located within the territorial jurisdiction of the United States, including, without limitation, (a) staying the commencement or continuation of any actions against the Debtors or its assets (except as otherwise expressly provided herein or therein); and (b) the approval of the Interim Facility consistent with the SARIO and the Interim Financing Term Sheet, and the indemnity and releases contained therein.

6. The Court recognizes the Interim Lender's Charge, as defined in the SARIO, which applies to all of Debtors' assets located in the United States, subject to the priorities, terms, and conditions of the SARIO, to secure current and future amounts outstanding under the Debtors' Interim Financing Obligations and the Interim Facility.

7. The claims of the Interim Lender with respect to the Interim Financing Obligations to the extent of the Interim Lender's Charge shall be secured by super-priority liens in all US Property (collectively, the "DIP Liens") and (to the extent that claims against the Debtors are adjudicated or paid within the territorial jurisdiction of the United States) shall be allowed super-priority administrative expense claims against the Debtors with priority over all other liens in the US Property or claims of any kind against the Debtors (to the extent that claims against the Debtors are adjudicated or paid within the territorial jurisdiction of the United States), now existing or hereafter arising, subject only to, and consistent with, the rank and priorities set forth in the SARIO.

8. Within the territorial jurisdiction of this Court, this Order shall be sufficient and conclusive notice and evidence of the grant, validity, perfection, and priority of the DIP Liens without the necessity of executing any guarantee, security or other document or filing or recording this Order or any financing statement, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction; provided that the Debtors are authorized to execute, and the Interim Lender may, within the territorial jurisdiction of this Court, file or record, any financing statements, mortgages, other instruments or any other document to further evidence the liens authorized, granted, and perfected hereby and by the SARIO.

9. To the extent this Court's approval is required, the Debtors are hereby authorized and empowered to execute and deliver the Interim Financing Term Sheet and the Definitive Documents, as applicable, and the Debtors are hereby authorized and directed to pay and perform

all of their indebtedness, interest, fees, liabilities, and obligations to the Interim Lender due under and pursuant to the Interim Financing Obligations, Interim Facility, the Interim Financing Term Sheet, and the Definitive Documents and SARIO including, but not limited to, the fees and expenses of the Interim Lender's Canadian and United States counsel, and other advisors, as and when the same become due and are to be performed, notwithstanding any other provision of this Order and without any further order of this Court.

10. The terms of the Interim Financing Obligations and the Interim Facility have been negotiated in good faith and at arm's-length between the Debtors and the Interim Lender. Any financial accommodations made to the Debtors by the Interim Lender in connection with and pursuant to the Interim Facility (pursuant to, and consistent with, the SARIO,) shall be deemed to have been made by the Interim Lender, in good faith, as that term is used in section 364(e) of the Bankruptcy Code. Accordingly, pursuant to sections 364(e), 1519(a)(3), 1521(a)(7), and 105(a) of the Bankruptcy Code, section 364(e) of the Bankruptcy Code hereby applies for the benefit of the Interim Lender, and the validity of the indebtedness, and the DIP Liens and the priority thereof pursuant to the SARIO, shall not be affected by any reversal or modification of this Order on appeal.

11. Pursuant to 11 U.S.C. § 1520(a)(1), the automatic stay authorized by 11 U.S.C. § 362 shall apply with respect to the Debtors and the Debtors' property that now or in the future is located within the territorial jurisdiction of the United States; *provided however*, the foregoing relief shall not abridge or modify, and shall rather in all respects be subject to, the rights and protections of the Interim Lender as provided by this Order, the SARIO, and/or any other order of the Canadian Court in the Canadian Proceedings.

12. The Foreign Representative is authorized to operate the business of the Debtors that is the subject of the Canadian Proceedings and is granted (and is authorized to exercise) the rights and powers of a trustee in a bankruptcy in the United States during these chapter 15 cases to the extent provided by 11 U.S.C. § 1520(a)(3).

13. Pursuant to 11 U.S.C. § 1521(a)(1)-(3), all persons and entities, other than the Foreign Representative and its representatives and agents are hereby enjoined (to the extent they have not been stayed under section 1520(a)) from:

- a. enforcement and execution against any of the Debtors' assets;
- b. the commencement or continuation, including the issuance or employment of process, of a judicial, quasi-judicial, administrative, regulatory, arbitral, or other action or proceeding, or to recover a claim, including, without limitation, any and all unpaid judgments, settlements or otherwise against the Debtors, which in either case is in any way related to, or would interfere with, the administration of the Debtors' estates in the Canadian Proceedings;
- c. taking or continuing any act to create, perfect or enforce a lien or other security interest, setoff or other claim against the Debtors or any of their property or proceeds thereof;
- d. transferring, relinquishing or disposing of any property of the Debtors to any person or entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative;
- e. commencing or continuing an individual action or proceeding concerning the Debtors' assets, rights, obligations or liabilities; and

f. declaring or considering the insolvency of the Debtors, the Initial CCAA Order, SARIO, the Provisional Relief Order, this Order or filing of the Canadian Proceedings or these Chapter 15 Cases a default or event of default under any agreement, contract or arrangement;

provided, in each case, that such injunctions shall be effective solely within the territorial jurisdiction of the United States; and *provided further* that nothing herein shall: (a) prevent any entity from filing any claims against the Debtors in the Canadian Proceedings or (b) prevent any entity from seeking relief from the Canadian Court in the Canadian Proceedings or this Court in these Chapter 15 Cases, as applicable, for relief from the injunctions contained in the Order or (c) abridge or modify, and shall rather in all respects be subject to, the rights and protections of the Interim Lender as provided by this Order, the SARIO, and/or any other order of the Canadian Court in the Canadian Proceedings.

14. Pursuant to 11 U.S.C. § 1521(a)(5), the administration or realization of the Debtors' assets within the territorial jurisdiction of the United States is entrusted to the Foreign Representative and the Foreign Representative is hereby established as the exclusive representative of the Debtors in the United States.

15. Pursuant to 11 U.S.C. §§ 1521(a)(6) and 1521(a)(7), all prior relief granted to the Debtors or the Foreign Representative by this Court pursuant to section 1519(a) or 1521 of the Bankruptcy Code shall be extended and that certain Provisional Relief Order shall remain in full force and effect, notwithstanding anything to the contrary contained therein.

16. Pursuant to 11 U.S.C. § 1521(a)(7), 11 U.S.C. § 365(e) shall apply such that no provision in (or right or obligation under) an executory contract or unexpired lease may be terminated or modified solely because of a provision in such contract or lease that is conditioned

on the insolvency of the Debtors, the filing of the Canadian Proceedings, or the filing of these Chapter 15 Cases.

17. The Canadian Proceedings and all prior orders of the Canadian Court shall be and hereby are granted comity and given full force and effect in the United States.

18. The Foreign Representative, the Debtors and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or the local rules of this Court.

19. No action taken by the Foreign Representative, the Debtors, or their respective successors, agents, representatives, advisors, or counsel in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Canadian Proceedings, this Order, these Chapter 15 Cases, or any adversary proceeding herein, or any further proceeding commenced hereunder, shall be deemed to constitute a waiver of the rights or benefits afforded such persons under 11 U.S.C. §§ 306 and 1510.

20. Notwithstanding any provision in the Bankruptcy Rules to the contrary, including, but not limited to, Bankruptcy Rules 7062 and 1018, (i) this Order shall be effective immediately and enforceable upon its entry; (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order; and (iii) the Foreign Representative and the Debtors are authorized and empowered, and may in their discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

21. A copy of this Order shall be served (i) within three business days of entry of this Order, by electronic mail to the extent email addresses are available and otherwise by United States mail, overnight or first-class postage prepaid, upon the Notice Parties (as defined in the *Order Scheduling Recognition Hearing and Specifying Form and Manner of Service of Notice* [Docket

No. 14]), the Office of the United States Trustee, and such other entities as the Court may direct and (ii) by posting on the Monitor's web site at <http://www.ksvadvisory.com/experience/case/oakandfort>. Such service shall constitute good and sufficient service and adequate notice for all purposes.

22. The Court shall retain jurisdiction with respect to: (i) the enforcement, amendment or modification of this Order; (ii) any requests for additional relief or any adversary proceeding brought in or through these Chapter 15 Cases; and (iii) any request by an entity for relief from the provisions of this Order, for cause shown, as to any of the foregoing, and provided the same is properly commenced and within the jurisdiction of this Court.

23. This Order shall be effective and enforceable immediately upon entry and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

IT IS SO ORDERED.

Dated: New York, New York
July __, 2025

MARTIN GLENN
Chief United States Bankruptcy Judge

EXHIBIT A2

Redline of Revised Proposed Recognition Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

OAK AND FORT CORP., *et al.*,¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 25-11282 (MG)

~~Joint Administration Requested~~ Jointly
Administered

**ORDER RECOGNIZING FOREIGN MAIN
PROCEEDINGS AND GRANTING ADDITIONAL RELIEF**

A hearing having been held (the “Hearing”) to consider the chapter 15 petitions for each of the above-captioned debtors (the “Debtors”) and the Verified Petition, filed on June ~~67, 2025,~~ and the Supplement to Verified Petition, filed on July 2, 2025 (together, the “Verified Petition,” and together with the chapter 15 petitions, the “Petitions”)² by KSV, the duly authorized foreign representative (the “Foreign Representative”) of the above-captioned debtors (the “Debtors”) for entry of an order pursuant to sections 105(a), 362, 364, 365, 1507(a), 1517, 1520 ~~and,~~ 1521, 1522 and 1525(a) of the Bankruptcy Code: (i) recognizing the Canadian Proceedings as foreign main proceedings pursuant to sections 1517 and 1520 of the Bankruptcy Code, (ii) recognizing the Foreign Representative as the “foreign representative,” as defined in section 101(24) of the Bankruptcy Code, in respect of the Canadian Proceedings, (iii) recognizing and enforcing the

¹ The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor’s U.S. Federal Employer Identification Number (“FEIN”) or Canada Revenue Agency Business Number (“BN”), are: Oak and Fort Corp. (BN 0003); 1282339 B.C. Ltd. (BN 0001); Oak and Fort US Group, Inc. (FEIN 1236); Oak and Fort Enterprise (U.S.), Inc. (FEIN 0468), NYM Merger Holdings LLC (FEIN 6949), and Oak and Fort California, LLC (FEIN 6937). The Debtors’ headquarters are located at 100-7 East 6th Ave, Vancouver, British Columbia, Canada.

² ~~Capitalized~~ Except as otherwise stated herein, capitalized terms used but not otherwise defined herein ~~shall~~ have the meanings ascribed to ~~such terms~~ them in the Verified Petition and, if not therein, the SARIO (including by cross reference herein).

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~~Initial CCAA Order~~SARIO, and any and all existing and future extensions, amendments, restatements, and/or supplements authorized by the Canadian Court, (iv) granting a stay of enforcement and execution against the Debtors' assets and applying section 362 of the Bankruptcy Code in these Chapter 15 Cases pursuant to sections 1520(a)(1), 1521(a) and 105(a) of the Bankruptcy Code, and (v) granting certain additional relief pursuant to ~~section~~sections 1507(a), 1521, and 1525(a) of the Bankruptcy Code; and upon this Court's review and consideration of the Petitions, the Kang Declaration, ~~and~~the Supplemental Kang Declaration, the declaration of Kibben Jackson dated July 2, 2025, the Provisional Relief Motion, ~~each filed contemporaneously therewith,~~ and the evidence admitted at the Hearing to consider the Petitions; and due and proper notice of the Petitions having been provided; and no other or further notice being necessary or required; and no objections or other responses having been filed that have not been overruled, withdrawn, or otherwise resolved; and all interested parties having had an opportunity to be heard at the Hearing; and after due deliberation and sufficient cause appearing therefor, the Court makes the following findings of fact and conclusions of law:³

- a. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference to Bankruptcy Judges of the District Court for the Southern District of New York*, dated January 31, 2012 (Preska, C.J.).
- b. This is a core proceeding under 28 U.S.C. § 157(b)(2)(P).
- c. Venue is proper in this district pursuant to 28 U.S.C. § 1410(1) and (3).

³ The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, or any of the following conclusions of law constitute findings of fact, they are adopted as such.

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- d. The Foreign Representative is the duly appointed “foreign representative” of the Debtors, as such term is defined in 11 U.S.C. § 101(24).
- e. These chapter 15 cases were properly commenced pursuant to 11 U.S.C. §§ 1504, 1509 and 1515.
- f. The Foreign Representative has satisfied the requirements of 11 U.S.C. § 1515 and Fed. R. Bankr. P. 1007(a)(4) and 2002(q).
- g. The Debtors have satisfied the eligibility requirements of 11 U.S.C. §§ 109(a) and 1517(a).
- h. The Canadian Proceedings currently pending before the Canadian Court and provisions made thereunder for the protection, administration and distribution of the Debtors’ assets, are “foreign proceedings,” as such term is defined in 11 U.S.C. § 101(23).
- i. The Canadian Proceedings are entitled to recognition by this Court pursuant to 11 U.S.C. § 1517.
- j. The Canadian Proceedings are pending in the country where ~~the Debtors’ each~~ Debtor’s center of main interests is located, are “foreign main proceedings,” as such term is defined in 11 U.S.C. § 1502(4), and are entitled to recognition as “foreign main proceedings” pursuant to 11 U.S.C. § 1517(b)(1).
- k. The Foreign Representative is entitled to all the relief provided pursuant to 11 U.S.C. § 1520, without limitation.
- l. Appropriate notice of the filing of, and the Hearing on, the Petition for Recognition was given, which notice is deemed adequate for all purposes, and no other or further notice need be given.

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- m. The Foreign Representative is further entitled to all relief expressly set forth in 11 U.S.C. §§ 1521(a)~~(1)~~-(3b).
- n. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, is consistent with the public policy of the United States, is warranted under 11 U.S.C. §§ 105(a), 362, 364, 365(a), 365(e), 1504, 1507, 1509, 1517, 1520, 1521, 1522 and 1525, and will not cause hardship to creditors of the Debtors or other parties in interests that is not outweighed by the benefits of granting such relief.
- o. The relief granted hereby is necessary to effectuate the purposes and objectives of chapter 15 and to protect the Debtors and the interests of their creditors and other parties in interest.
- p. Absent the requested relief, the efforts of the Debtors, the Canadian Court and the Foreign Representative in conducting the Canadian Proceedings and effecting their restructuring therein may be thwarted by the actions of certain creditors, a result that will obstruct the purposes of chapter 15 as reflected in section 1501(a) of the Bankruptcy Code.
- q. Each of the injunctions contained in this Order (i) is within the Court's jurisdiction, (ii) is essential to the prospects for success of the Debtors' restructuring in the Canadian Proceedings, (iii) confers material benefits on, and is in the best interests of, the Debtors and their creditors, and (iv) is necessary to the overall objectives of ~~the~~ such restructuring.
- r. [On June 6, 2025, the Canadian Court entered the Initial Order.](#)
- s. [On June 20, 2025, the Canadian Court entered the ARIO.](#)

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- t. On June 23, 2025, the Court entered the Provisional Relief Order.
- u. On July [●], 2025, the Canadian Court entered the SARIO.
- v. The SARIO, among other things, (i) authorized and empowered Oak and Fort Corp. to obtain and borrow under a credit facility on the terms and subject to the conditions set forth in the Interim Financing Term Sheet, provided that borrowings under such credit facility shall not exceed CAD \$2,500,000 unless permitted by further Order of the Canadian Court, (ii) authorized and directed each of the Debtors to pay and perform all of its obligations to the Interim Lender (the “Interim Financing Obligations”) under and pursuant to the Interim Financing Term Sheet and the Definitive Documents (such facility, the “Interim Facility”) as and when the same become due and are to be performed, and (iii) as security for the Interim Financing Obligations (but, for the avoidance of doubt, no obligations incurred before the entry of the SARIO), the SARIO granted the Interim Lender the Interim Lender’s Charge on the Debtors’ Property, having the characteristics, attributes, and priority as set forth in the SARIO.
- w. In addition to the Interim Lender’s Charge, the SARIO also provides for additional Charges with respect to the Debtors’ Property—the Administration Charge, Directors’ Charge, and Intercompany Charge, with all Charges having the respective characteristics, attributes, priorities, and limitations set forth in the SARIO, including specifically, paragraphs 48 and 50 therein. The Directors’ Charge and Intercompany Charge are subordinate to the Administration Charge and Interim Lender’s Charge.

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- x. In the SARIO, the Canadian Court requested the aid and recognition of courts in the United States in enforcing and carrying out the relief granted in the SARIO.
- y. Entry of this Order, recognizing and enforcing the SARIO in the United States and applying (i) the Interim Lender's Charge (subject to termination thereof pursuant to the SARIO) to the Debtors' Property that is within the territorial jurisdiction of the United States, including the proceeds thereof (collectively, the "US Property") and (ii) the protections provided by the Bankruptcy Code as contained in this Order, including pursuant to Section 364(c), (d) and (e) of the Bankruptcy Code, is necessary to implement the SARIO as it relates to the Debtors and their US Property, and entry of this Order is a condition precedent to the Debtors' ability to draw the Second Advance under the Interim Facility.
- z. The Foreign Representative has demonstrated that recognition of the SARIO is warranted and that, based on the record before this Court, including the SARIO itself, (i) the Debtors are unable to obtain the requisite financing on an unsecured basis (even if such unsecured credit were to be a super-priority administrative expense), (ii) the Interim Facility is necessary to preserve the Property of the Debtors, (iii) the terms of the Interim Facility are fair, reasonable, and adequate, given the circumstances and in the Debtors' reasonable business judgment, (iv) the Debtors are unable to obtain credit that does not have the priority set forth in the SARIO, and (v) the terms of the Interim Facility were entered into in good faith by the Debtors and the Interim Lender.
- aa. Each of the injunctions contained in this Order (i) is within the Court's jurisdiction, (ii) is essential to the success of the Debtors' restructuring in the

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Canadian Proceedings, (iii) confers material benefits on, and is in the best interests of, the Debtors and their creditors, and (iv) is important to the overall objectives of such restructuring.

bb. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, and warranted under 11 U.S.C. §§ 105(a), 362, 364, 365, 1507, 1509, 1517, 1520, 1521, 1522 and 1525, and will not cause hardship to creditors of the Debtors or other parties in interests that is not outweighed by the benefits of granting that relief.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Petitions and the relief requested therein are GRANTED as set forth herein.
2. The Canadian Proceedings are granted recognition with respect to each of the Debtors as a foreign main proceeding pursuant to 11 U.S.C. §§ 1517(a) and 1517(b)(1).
3. KSV is recognized as the “foreign representative” as defined in section 101(24) of the Bankruptcy Code in respect of the Canadian Proceedings.
4. The Debtors and the Foreign Representative are granted all relief set forth in 11 U.S.C. § 1520.
5. The ~~Initial CCAA Order~~SARIO, including any and all existing and future extensions, amendments, restatements, and/or supplements thereof authorized by the Canadian Court, and all terms and provisions therein are hereby given full force and effect, on a final basis, with respect to the Debtors and the Debtors’ property that now or in the future is located within the territorial jurisdiction of the United States, including, without limitation, (a) staying the commencement or continuation of any actions against the Debtors or its assets (except as

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otherwise expressly provided herein or therein); and (b) the approval of the Interim Facility consistent with the SARIO and the Interim Financing Term Sheet, and the indemnity and releases contained therein.

6. The Court recognizes the Interim Lender's Charge, as defined in the SARIO, which applies to all of Debtors' assets located in the United States, subject to the priorities, terms, and conditions of the SARIO, to secure current and future amounts outstanding under the Debtors' Interim Financing Obligations and the Interim Facility.

7. The claims of the Interim Lender with respect to the Interim Financing Obligations to the extent of the Interim Lender's Charge shall be secured by super-priority liens in all US Property (collectively, the "DIP Liens") and (to the extent that claims against the Debtors are adjudicated or paid within the territorial jurisdiction of the United States) shall be allowed super-priority administrative expense claims against the Debtors with priority over all other liens in the US Property or claims of any kind against the Debtors (to the extent that claims against the Debtors are adjudicated or paid within the territorial jurisdiction of the United States), now existing or hereafter arising, subject only to, and consistent with, the rank and priorities set forth in the SARIO.

8. Within the territorial jurisdiction of this Court, this Order shall be sufficient and conclusive notice and evidence of the grant, validity, perfection, and priority of the DIP Liens without the necessity of executing any guarantee, security or other document or filing or recording this Order or any financing statement, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction; provided that the Debtors are authorized to execute, and the Interim Lender may, within the territorial jurisdiction of this Court, file or record, any financing statements, mortgages, other instruments or any other

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document to further evidence the liens authorized, granted, and perfected hereby and by the SARIO.

9. To the extent this Court's approval is required, the Debtors are hereby authorized and empowered to execute and deliver the Interim Financing Term Sheet and the Definitive Documents, as applicable, and the Debtors are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the Interim Lender due under and pursuant to the Interim Financing Obligations, Interim Facility, the Interim Financing Term Sheet, and the Definitive Documents and SARIO including, but not limited to, the fees and expenses of the Interim Lender's Canadian and United States counsel, and other advisors, as and when the same become due and are to be performed, notwithstanding any other provision of this Order and without any further order of this Court.

10. The terms of the Interim Financing Obligations and the Interim Facility have been negotiated in good faith and at arm's-length between the Debtors and the Interim Lender. Any financial accommodations made to the Debtors by the Interim Lender in connection with and pursuant to the Interim Facility (pursuant to, and consistent with, the SARIO,) shall be deemed to have been made by the Interim Lender, in good faith, as that term is used in section 364(e) of the Bankruptcy Code. Accordingly, pursuant to sections 364(e), 1519(a)(3), 1521(a)(7), and 105(a) of the Bankruptcy Code, section 364(e) of the Bankruptcy Code hereby applies for the benefit of the Interim Lender, and the validity of the indebtedness, and the DIP Liens and the priority thereof pursuant to the SARIO, shall not be affected by any reversal or modification of this Order on appeal.

11. ~~6-~~Pursuant to 11 U.S.C. § 1520(a)(1), ~~11 U.S.C. § 362, including, without limitation,~~ the automatic stay authorized by 11 U.S.C. § 362, shall apply with respect to the

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Debtors and the Debtors' property that now or in the future is located within the territorial jurisdiction of the United States; provided however, the foregoing relief shall not abridge or modify, and shall rather in all respects be subject to, the rights and protections of the Interim Lender as provided by this Order, the SARIO, and/or any other order of the Canadian Court in the Canadian Proceedings.

12. ~~7.~~ The Foreign Representative is authorized to operate the business of the Debtors that is the subject of the Canadian Proceedings and is granted (and is authorized to exercise) the rights and powers of a trustee in a bankruptcy in the United States during these chapter 15 cases to the extent provided by 11 U.S.C. § 1520(a)(3).

13. ~~8.~~ Pursuant to 11 U.S.C. § 1521(a)(1)-(3), all persons and entities, other than the Foreign Representative and its representatives and agents are hereby enjoined (to the extent they have not been stayed under section 1520(a)) from:

- a. enforcement and execution against any of the Debtors' assets;
- b. the commencement or continuation, including the issuance or employment of process, of a judicial, quasi-judicial, administrative, regulatory, arbitrational, or other action or proceeding, or to recover a claim, including, without limitation, any and all unpaid judgments, settlements or otherwise against the Debtors, which in either case is in any way related to, or would interfere with, the administration of the Debtors' estates in the Canadian Proceedings;
- c. taking or continuing any act to create, perfect or enforce a lien or other security interest, setoff or other claim against the Debtors or any of their property or proceeds thereof;

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- d. transferring, relinquishing or disposing of any property of the Debtors to any person or entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative;
- e. commencing or continuing an individual action or proceeding concerning the Debtors' assets, rights, obligations or liabilities; and
- f. declaring or considering the insolvency of the Debtors, the Initial CCAA Order, SARIO, the Provisional Relief Order, this Order or filing of the Canadian Proceedings or these Chapter 15 Cases a default or event of default under any agreement, contract or arrangement;

provided, in each case, that such injunctions shall be effective solely within the territorial jurisdiction of the United States; and *provided further* that nothing herein shall:

(a) prevent any entity from filing any claims against the Debtors in the Canadian Proceedings or (b) prevent any entity from seeking relief from the Canadian Court in the Canadian Proceedings or this Court in these Chapter 15 Cases, as applicable, for relief from the injunctions contained in the Order or (c) abridge or modify, and shall rather in all respects be subject to, the rights and protections of the Interim Lender as provided by this Order, the SARIO, and/or any other order of the Canadian Court in the Canadian Proceedings.

14. ~~9.~~ Pursuant to 11 U.S.C. § 1521(a)(5), the administration or realization of the Debtors' assets within the territorial jurisdiction of the United States is entrusted to the Foreign Representative and the Foreign Representative is hereby established as the exclusive representative of the Debtors in the United States.

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15. ~~10.~~ Pursuant to 11 U.S.C. §§ 1521(a)(6) and 1521(a)(7), all prior relief granted to the Debtors or the Foreign Representative by this Court pursuant to section 1519(a) or 1521 of the Bankruptcy Code shall be extended and that certain Provisional Relief Order shall remain in full force and effect, notwithstanding anything to the contrary contained therein.

16. Pursuant to 11 U.S.C. § 1521(a)(7), 11 U.S.C. § 365(e) shall apply such that no provision in (or right or obligation under) an executory contract or unexpired lease may be terminated or modified solely because of a provision in such contract or lease that is conditioned on the insolvency of the Debtors, the filing of the Canadian Proceedings, or the filing of these Chapter 15 Cases.

17. ~~11.~~ The Canadian Proceedings and all prior orders of the Canadian Court shall be and hereby are granted comity and given full force and effect in the United States.

18. ~~12.~~ The Foreign Representative, the Debtors and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or the local rules of this Court.

19. ~~13.~~ No action taken by the Foreign Representative, the Debtors, or their respective successors, agents, representatives, advisors, or counsel in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Canadian Proceedings, this ~~order~~Order, these Chapter 15 Cases, or any adversary proceeding herein, or any further proceeding commenced hereunder, shall be deemed to constitute a waiver of the rights or benefits afforded such persons under 11 U.S.C. §§ 306 and 1510.

20. ~~14.~~ Notwithstanding any provision in the Bankruptcy Rules to the contrary, including, but not limited to, Bankruptcy Rules 7062 and 1018, (i) this Order shall be effective immediately and enforceable upon its entry; (ii) the Foreign Representative is not subject to any

stay in the implementation, enforcement or realization of the relief granted in this Order; and
(iii) the Foreign Representative and the Debtors are authorized and empowered, and may in their discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

21. ~~15.~~ A copy of this Order shall be served (i) within three business days of entry of this ~~order~~Order, by electronic mail to the extent email addresses are available and otherwise by United States mail, overnight or first-class postage prepaid, upon the Notice Parties (as defined in the ~~Motion for~~ *Order Scheduling Recognition Hearing and Specifying Form and Manner of Service of Notice* [Docket No. 14]), the Office of the United States Trustee, and such other entities as the Court may direct and (ii) by posting on the Monitor's web site at ~~<https://www.ksvadvisory.com/experience/case/oakandfort>~~<http://www.ksvadvisory.com/experience/case/oakandfort>. Such service shall constitute good and sufficient service and adequate notice for all purposes.

22. ~~16.~~ The Court shall retain jurisdiction with respect to: (i) the enforcement, amendment or modification of this ~~order~~Order; (ii) any requests for additional relief or any adversary proceeding brought in or through these Chapter 15 Cases; and (iii) any request by an entity for relief from the provisions of this ~~order~~Order, for cause shown, as to any of the foregoing, and provided the same is properly commenced and within the jurisdiction of this Court.

23. ~~17.~~ This Order shall be effective and enforceable immediately upon entry and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

IT IS SO ORDERED.

Dated: New York, New York
July, 2025

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~~UNITED STATES BANKRUPTCY JUDGE~~

MARTIN GLENN
Chief United States Bankruptcy Judge

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Summary report: Litera Compare for Word 11.8.0.56 Document comparison done on 7/2/2025 1:06:48 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: Oak and Fort - First PROPOSED Order for Verified Petition for Recognition.docx	
Modified DMS: iw://coleschotz-mobility.imanage.work/CSDOCS/50367817/1	
Changes:	
<u>Add</u>	93
Delete	37
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	130

EXHIBIT B

Interim Facility Term Sheet

***DEBTOR IN POSSESSION FINANCING TERM SHEET DATED
AS OF JUNE 25, 2025
(the “DIP Term Sheet”)***

OAK AND FORT CORP.

100 – 7 East 6th Avenue,
Vancouver, BC V5T 1J3

Attention: Min Kang

RE: Debtor in Possession Financing to Oak and Fort Corp.

- A. On June 2, 2025 and June 3, 2025, as applicable, each of the Loan Parties filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**NOI Proceedings**”);
- B. On June 6, 2025, the Loan Parties obtained an order (the “**Initial Order**”) from the Supreme Court of British Columbia (the “**Court**”) converting the NOI Proceedings to proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”, and such proceedings, the “**CCAA Proceedings**”);
- C. On June 7, 2025, the Loan Parties filed chapter 15 petitions in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) seeking recognition of the CCAA Proceedings in the United States, and, on June 9, 2025, obtained provisional relief recognizing and enforcing the Initial Order and providing for a stay of proceedings in the United States;
- D. The Loan Parties have requested that the DIP Lender (as defined below) provide financing to the Loan Parties in the context of the CCAA Proceedings in accordance with the terms and conditions set out herein; and
- E. The DIP Lender has agreed to advance a debtor-in-possession loan to the Borrower in the maximum aggregate principal amount of CAD\$2,500,000 to allow the Borrower to pursue and implement a Restructuring Transaction subject to and in accordance with the terms and conditions of this DIP Term Sheet.

- 1. BORROWER:** Oak and Fort Corp. (the “**Borrower**”)
- 2. GUARANTORS:** Oak and Fort US Group, Inc., 1282339 B.C. Ltd. (dba Modu Atelier),
Oak and Fort Enterprise (US) Inc., NYM Merger Holdings LLC, and
Oak and Fort California LLC

(collectively, the “**Guarantors**”)
- 3. LOAN PARTIES:** The Borrower and the Guarantors

(collectively, the “**Loan Parties**”, and “**Loan Party**” means each of them)
- 4. DIP LENDER:** Klaus Lam (CAD\$1,000,000)

Bo Ra Kim and Min-Seon Scott Park (CAD\$300,000)

Bear and Otter Holdings Ltd. (CAD\$500,000)

Min Kang (CAD\$700,000)

and a group of additional private lenders that are in the process of being identified.

(collectively, the “**DIP Lender**”)

5. **MONITOR:** KSV Restructuring Inc. (the “**Monitor**”)
6. **LOAN AMOUNT:** Up to a maximum aggregate principal amount of CAD\$2,500,000 (the “**Loan Amount**”).
7. **CURRENCY:** Unless otherwise expressly stated, all monetary amounts set forth herein refer to Canadian Dollars.
8. **BANKING DAY:** “**Banking Day**” means any day, other than Saturday and Sunday, on which banks generally are open for business in Vancouver, British Columbia.
9. **DIP FACILITY:** A debtor-in-possession super-priority non-revolving multiple draw credit facility (the “**DIP Facility**”).
- The DIP Facility shall be used for short-term liquidity and other general corporate purposes, including working capital requirements and restructuring fees and expenses, all in accordance with the Cash Flow Projection (as defined herein) while the Borrower pursues a plan of compromise or arrangement within the CCAA Proceedings (as defined herein) (collectively, a “**Restructuring Transaction**”).
- The amount and purpose of the DIP Facility may be amended by agreement of the Borrower and the DIP Lender subject to the consent of the Monitor and the approval of the Court. The Borrower may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrower, except with the consent of the DIP Lender and the Monitor and in accordance with the Cash Flow Projection and any applicable orders of the Court .
10. **CASH FLOW PROJECTION:** Attached hereto as Schedule “A” is a detailed cash flow projection (the “**Cash Flow Projection**”), which the DIP Lender acknowledges and agrees has been reviewed and approved by the DIP Lender and is in form and substance satisfactory to the DIP Lender. Every second Friday commencing on the second Friday after the initial disbursement of funds, the Borrower, with the assistance of the Monitor, shall provide the DIP Lender with (a) an updated cash flow projection (the “**Updated Cash Flow**”) substantially in the form of the Cash Flow Projection and (b) a variance report showing on a line-by-line basis (i) the cumulative

actual receipts and disbursements and (ii) the cumulative variances from the amounts in the Cash Flow Projection for the period from the start of the Cash Flow Projection to the prior Friday and noting therein all variances on a line-by-line basis from the amounts in the Cash Flow Projection, with summary explanations for any material variances.

If within three (3) Banking Days of receipt of an Updated Cash Flow, the DIP Lender provides to the Borrower a written notice (an “**Updated Cash Flow Acceptance Notice**”) confirming that the Updated Cash Flow has been accepted as satisfactory to the DIP Lender then the Cash Flow Projection shall be substituted by the Updated Cash Flow and the Updated Cash Flow shall thereafter be deemed to be the effective Cash Flow Projection for the purposes hereof. If the DIP Lender does not deliver an Updated Cash Flow Acceptance Notice within three (3) Banking Days of receipt of an Updated Cash Flow then the existing Cash Flow Projection shall remain in effect unless and until the Borrower has delivered a revised Updated Cash Flow in respect of which the DIP Lender shall have delivered an Updated Cash Flow Acceptance Notice

11. ADVANCES:

Subject to the satisfaction of the Conditions Precedent (as defined herein) set out in Section 19 of this DIP Term Sheet, and the Borrower being in compliance with the provisions of this DIP Term Sheet, the DIP Lender shall make the DIP Facility available to the Borrower by advances as follows, subject to the terms hereof:

- (a) an amount of up to CAD\$1,800,000 shall be advanced by the DIP Lender to the Borrower as needed and as approved by the Monitor (the “**Initial Advance**”); and
- (b) after the Initial Advance, the balance of the DIP Facility shall be advanced by the DIP Lender to the Borrower as needed and as approved by the Monitor (each, a “**Subsequent Advance**” and collectively, the “**Subsequent Advances**”, and together with the Initial Advance, the “**Advances**”, and each an “**Advance**”).

Each Advance shall be requested by the Borrower in writing (each, an “**Advance Request**”). Any Advance made pursuant to the terms of this DIP Term Sheet shall be funded by the DIP Lender within three (3) Banking Days following the receipt by the DIP Lender of an Advance Request which complies with the terms hereof.

Nothing in this DIP Term Sheet creates a legally binding obligation on the DIP Lender to advance any amount under the DIP Facility at any time unless the Borrower has complied with the provisions of this DIP Term Sheet as of such time.

Any Advance made hereunder shall be funded by wire transfer into an account designated by the Borrower or such other means as the DIP Lender and Borrower may agree upon in writing from time to time.

12. INTEREST:

Amounts outstanding hereunder, including amounts due on account of principal, overdue interest, fees and expenses, shall bear interest at the rate of 15.00% *per annum* from the date on which such amount is advanced or becomes owing (as applicable) (the “**Interest**”).

Interest shall be computed on the basis of a year of 365 days and shall accrue and be calculated monthly and payable in cash on the Maturity Date (as defined herein).

For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or fee to be paid under this Agreement is to be calculated on the basis of a period that is less than a calendar year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period that is less than a calendar year.

13. RECOVERABLE EXPENSES:

The Borrower shall be responsible for and pay all reasonable costs and expenses incurred by the DIP Lender (including all invoiced fees, expenses and disbursements of its legal counsel) (a) in connection with the DIP Facility, including the preparation of this DIP Term Sheet, the administration of the DIP Facility, the enforcement of any of its rights and remedies available hereunder; and (b) otherwise in connection with the CCAA Proceedings (collectively, “**Recoverable Expenses**”).

14. COMMITMENT AND EXIT FEES:

The Borrower shall pay a commitment fee in the amount of the lesser of CAD\$50,000 or 2.0% of the Loan Amount (the “**Commitment Fee**”) from the Initial Advance. The Commitment Fee will be non-refundable and will be fully earned and payable as of July 4, 2025 (the “**Court Approval Date**”).

In addition, the Borrower shall pay an exit fee in the amount of the lesser of CAD\$50,000 or 2.0% of the Loan Amount (the “**Exit Fee**”) upon the earlier of the Repayment Date and the Maturity Date.

15. PAYMENT OF COMMITMENT FEE AND RECOVERABLE EXPENSES:

The Recoverable Expenses outstanding as of the Court Approval Date, together with the Commitment Fee, shall be immediately and permanently deducted by the DIP Lender from the available Loan Amount and paid from the proceeds thereof. All other Recoverable Expenses shall be paid by the Borrower within five (5) Banking Days of receipt of a summary or redacted invoice therefor.

16. SECURITY:

All debts, liabilities and obligations of the Borrower to the DIP Lender under or in connection with the DIP Facility, this DIP Term Sheet, and any other documents executed in connection therewith, including the obligation hereunder to pay all principal and interest and the Recoverable Expenses and the Commitment Fee (collectively, the “**DIP Obligations**”) shall be secured by, *inter alia*:

- (a) a Court-ordered super-priority charge (the “**DIP Charge**”), in a principal amount of CAD\$2,500,000 plus interest and fees, granted in favour of the DIP Lender;
- (b) general security agreements over all present and after- acquired assets, property and undertakings of the Loan Parties, including all real and personal property (whether tangible or intangible) and all proceeds therefrom (collectively, the “**Property**”) to the extent required by the DIP Lender;
- (c) unlimited guarantees from the Guarantors;
- (d) all supporting authorizations, certificates and acknowledgements as DIP Lender and its counsel may reasonably require; and
- (e) such further security from Loan Parties and other documentation that the DIP Lender and its counsel may reasonably require,

(collectively, the “**Security**”).

The DIP Charge shall be a super-priority charge which shall rank ahead of all existing liens, claims, trusts and charges, but shall be subject to and shall rank behind an administration charge (the “**Administration Charge**”) in the maximum amount of CAD\$500,000 to secure payment of the fees, expenses and disbursements of: (i) the Borrower’s counsel; (ii) the Monitor and its legal counsel and (iii) the Loan Parties’ Chief Restructuring Officer, Reflect Advisors, LLC.

The DIP Charge shall be recognized in the US prior to the second Advance.

17. MATURITY DATE:

The DIP Facility shall terminate and all DIP Obligations owing to the DIP Lender shall be due and payable on the earliest of the following:

- (a) six (6) months from the date of the Initial Advance (or such later date as the DIP Lender in its sole discretion may agree to in writing with the Borrower);
- (b) the date on which a Restructuring Transaction, which has been approved by an order of the Court, is implemented;
- (c) the closing of a sale or similar transaction for all or substantially all of the Property pursuant to a sales process, which has been approved by an order of the Court;

- (d) the date on which an Event of Default which has not been waived by the DIP Lender has occurred and in respect of which the DIP Lender has elected, in its sole discretion, to accelerate the DIP Obligations; and
- (e) the date on which (i) the stay of proceedings under the CCAA Proceedings is lifted without the consent of the DIP Lender, or (ii) the date on which the CCAA Proceedings are terminated.

(such earliest date, the “**Maturity Date**”).

The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the Borrower and the DIP Lender may agree and, in the case of any material amendments to the terms hereof, to which the Monitor may consent or the Court may approve.

The DIP Lender’s commitment to make Advances under the DIP Facility shall expire on the Maturity Date.

18. REPAYMENT:

All unpaid DIP Obligations shall become immediately due and payable on the Maturity Date. The DIP Facility may be pre-paid at any time, without penalty, provided that all accrued and unpaid Interest, Recoverable Expenses and the Commitment Fee and the Exit Fee owing pursuant to the terms hereof have been indefeasibly repaid in full in cash. If the Borrower chooses to pre-pay any amount owing under the DIP Facility, any such payment shall be applied: (a) first, to all accrued and unpaid Interest; (b) second, to the Commitment Fee and the Exit Fee and all Recoverable Expenses; and (c) third, to any principal amount outstanding under the DIP Facility.

19. CONDITIONS PRECEDENT:

The obligation of the DIP Lender to make each Advance hereunder will not become effective unless each of the following conditions precedent listed below is satisfied (collectively, the “**Conditions Precedent**”):

- (a) the Borrower shall have executed and delivered this DIP Term Sheet to the DIP Lender in accordance with the terms hereof;
- (b) no later than 5:00 p.m. (Vancouver time) on July 4, 2025, the Court shall have granted, in the CCAA Proceedings, an order substantially in the form of the draft order attached hereto as Schedule “B” and otherwise in form and substance satisfactory to the DIP Lender, approving this DIP Term Sheet and establishing the DIP Charge, provided that order is not stayed or subject to an application for a stay nor a pending appeal or leave to appeal;

- (c) the DIP Lender shall, acting reasonably, be satisfied that the Borrower has complied with and is continuing to comply, in all material respects, with all applicable laws, regulations and policies in relation to its business other than as may be permitted by an order of the Court in the CCAA Proceedings, provided that the issuance of any such order does not result in the occurrence of an Event of Default;
- (d) each DIP Lender shall have entered into a participation agreement with respect to their proportionate interest in the DIP Facility;
- (e) no Event of Default has occurred or will occur as a result of the Advance;
- (f) the Borrower shall have conducted all activities at all times in accordance with the Cash Flow Projection in force at such time; and
- (g) the DIP Lender shall have received an Advance Request from the Borrower, which may come from counsel to the Borrower, which is in accordance with the terms of this DIP Term Sheet and the Cash Flow Projection in force at such time.

**20. REPRESENTATIONS
AND WARRANTIES:**

The Borrower represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this DIP Term Sheet, that:

- (a) the transactions contemplated by this DIP Term Sheet:
 - i) are, subject to obtaining Court approval, within the powers of the Borrower;
 - ii) have been duly authorized by all necessary corporate approvals of the Borrower;
 - iii) have been duly executed and delivered by or on behalf of the Borrower;
 - iv) constitute legal, valid and binding obligations of the Borrower; and
 - v) do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Charge or any security granted to the DIP Lender;
- (b) the Borrower is a corporation existing under the laws of Alberta;

- (c) save to the extent disclosed by the Borrower to the DIP Lender or reflected in the Cash Flow Projection, the Borrower has paid, where due, its tax and other obligations, including in respect of payroll, employee source deductions, and sales tax, and is not in arrears in respect of these obligations;
- (d) the Borrower maintains, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar business and operating in the same or similar locations as the Borrower; and
- (e) all factual information provided by or on behalf of the Borrower to the DIP Lender for the purposes of or in connection with this DIP Term Sheet or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and such information is not materially misleading.

21. COVENANTS:

So long as any part of the DIP Obligations remains outstanding, the Borrower covenants and agrees with the DIP Lender to:

- (a) use reasonable efforts to keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Borrower;
- (b) promptly, upon receipt by the Borrower of same, give the DIP Lender a copy of any application to the Court for an order granting new or additional security that will or may have priority over or rank *pari passu* with the DIP Charge or otherwise for the variation of the priority of the DIP Charge;
- (c) not to apply for or support any application to the Court for an order granting a charge or additional security that will or may have priority or rank *pari passu* with the DIP Charge;
- (d) prior to service, provide the DIP Lender with all materials the Borrower intends to file in the CCAA Proceedings and provide the DIP Lender and its counsel a reasonable opportunity to review same given the applicable deadlines and related circumstances;
- (e) provide the DIP Lender with any additional financial information reasonably requested by the DIP Lender;
- (f) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 9 of this DIP Term Sheet, or such other purposes that may be agreed upon by the DIP Lender and the Borrower with the consent of the Monitor and approval of the Court;

- (g) comply with the provisions of any order made by the Court in the CCAA Proceedings; provided that if any Court Order in the CCAA Proceedings contravenes this DIP Term Sheet or any document executed in connection therewith so as to adversely affect the rights or interests of the DIP Lender in a material manner, the same shall automatically constitute an Event of Default;
- (h) provide the DIP Lender with prompt written notice of any event that constitutes, or would, with notice, lapse of time, or both, constitute an Event of Default, a breach of any covenant, or other term or condition of this DIP Term Sheet, or of any document executed in connection with this DIP Term Sheet;
- (i) at any time, conduct all activities and expenditures in a manner consistent with the Cash Flow Projection in effect at such time;
- (j) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (k) not declare any dividend, or make any other distributions with respect to any shares of the Borrower without the prior written consent of the DIP Lender and the consent of the Monitor and approval of the Court;
- (l) not make any payment to any director, officer, investor or related party (except salary and wages paid in the ordinary course and consistent with past practices) without the prior written consent of the DIP Lender and the consent of the Monitor and approval of the Court;
- (m) keep the Borrower's assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets in Canada;
- (n) not, without the prior written consent of the DIP Lender and the consent of the Monitor and approval of the Court, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Obligations, or create or grant any security, other than the DIP Charge and the charges authorized in this agreement, over any of its Property, whether ranking in priority to or subordinate to the DIP Charge;
- (o) not sell, transfer, assign, convey or lease any Property, other than in the ordinary course of operations unless consented to by the DIP Lender and the Monitor and approved by the Court; and

- (p) not enter into a Restructuring Transaction, unless it provides for the indefeasible repayment in full in cash of all outstanding DIP Obligations upon the closing of such Restructuring Transaction, unless the terms of the Restructuring Transaction have otherwise been approved by the DIP Lender in writing.

22. INDEMNITY:

The Borrower agrees to indemnify and hold harmless the DIP Lender and its affiliates and officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the “**Indemnified Persons**”) from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever that may be incurred by or asserted against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, the proposed or actual use of proceeds of the DIP Facility, this DIP Term Sheet, the CCAA Proceedings, or any agreements entered into between the DIP Lender and the Borrower in connection with the foregoing. Notwithstanding the foregoing, the Borrower does not have any obligation to indemnify any Indemnified Person against any loss, liability, cost or expense (a) that is found by a final judgment of a court of competent jurisdiction to have arisen from (i) gross negligence, bad faith or wilful misconduct on the part of such Indemnified Person or (ii) a breach of this DIP Term Sheet or any document executed in connection herewith by such Indemnified Person, or (b) that has arisen from any dispute solely among Indemnified Persons and not arising directly out of any act or omission on the part of the Borrower. The DIP Lender shall not be responsible or liable to the Borrower or any other person for consequential or punitive damages.

23. EVENTS OF DEFAULT:

The occurrence of any one or more of the following events shall constitute an event of default under this DIP Term Sheet (each an “**Event of Default**”):

- (a) failure of the Borrower to pay any amount due hereunder when due and payable;
- (b) failure of the Borrower to comply with any covenant, Condition Precedent, payment obligation, or other term or condition of this DIP Term Sheet;
- (c) at any time, failure of the Borrower to conduct its activities and expenditures in accordance with the Cash Flow Projection in force at such time;
- (d) any representation or warranty made by the Borrower is incorrect or misleading in any material respect when made;
- (e) an event occurs that will, in the opinion of the DIP Lender, acting reasonably, materially impair the Borrower’s financial

condition, operations or ability to perform its obligations under this DIP Term Sheet or any order of the Court made in the CCAA Proceedings;

- (f) any material adverse change in: (i) the business, operations, or financial condition of the Borrower; (ii) the Property of the Borrower or the realizable value thereof; (iii) the DIP Charge, including its priority; (iv) the ability of the Borrower to perform its obligations under this DIP Term Sheet or any document executed in connection herewith; or (v) the DIP Lender's ability to enforce any of its rights or remedies against the Property;
- (g) the Borrower becomes bankrupt, or a receiver, interim receiver, receiver and manager, or trustee in bankruptcy is appointed in respect of the Borrower, or substantially all of its Property;
- (h) the acceptance of any Restructuring Transaction, or the filing of a motion seeking the Court's approval of any Restructuring Transaction, that does not provide for the indefeasible repayment in full in cash of the DIP Obligations upon the closing of such Restructuring Transaction unless the terms of the Restructuring Transaction have otherwise been approved by the DIP Lender in writing; and
- (i) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter against the Borrower (collectively, a "**Claim**") that is not being diligently contested by the Borrower, the purpose or result of which would be to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating setting aside, or subordinating the DIP Obligations, (ii) for monetary, injunctive or other relief against the DIP Lender or the Property, or (iii) preventing, hindering or otherwise delaying the exercise by the DIP Lender of any of its rights and remedies hereunder or under applicable law, or the enforcement or realization by the DIP Lender against any of the Property; provided that, if the Borrower is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default.

24. REMEDIES AND ENFORCEMENT:

Upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, by way of written notice to the Borrower, elect to terminate this DIP Term Sheet and accelerate all unpaid DIP Obligations. In addition, upon the occurrence of an Event of Default, the DIP Lender may, upon providing four (4) Banking Days' written notice to the Borrower and the Monitor:

- (a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Property, or for the appointment of a trustee in bankruptcy of the Borrower;

- (b) apply to the Court to be allowed to exercise the rights and powers of a secured lender pursuant to the Personal Property Security Act (British Columbia), or any legislation of similar effect; and
- (c) exercise all such other rights and remedies available to the DIP Lender under this DIP Term Sheet or any documents executed in connection herewith or any other order of the Court made in the CCAA Proceedings or applicable law.

25. NOTICES:

Any notice, request, consent, approval, instruction or other expression or communication required hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the persons set forth below:

In the case of the DIP Lender:

Klaus Lam
9551 Bakerview Drive
Richmond, BC
V7A 2A2

Bo Ra Kim and Min-Seon Scott Park
2995 Woodbine Drive
North Vancouver, BC
V7R 2R9

Bear and Otter Holdings Ltd.
c/o McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5

Min Gyoung Kang
3095 St Annes Drive
North Vancouver, BC
V7R 1E7

With a copy to:

McCarthy Tétrault LLP
Attention: Lance Williams
Email: lwilliams@mccarthy.ca

In the case of the Borrower:

OAK AND FORT CORP.
100 – 7 East 6th Avenue
Vancouver, BC V5T 1J3

With a copy to:

Fasken Martineau DuMoulin LLP
Attention: Brent C. Clark
Email: bcclark@fasken.com

In either case, with a copy to the Monitor:

KSV Restructuring Inc.
Attention: Noah Goldstein
Email: ngoldstein@ksvadvisory.com

With a copy to:

Bennett Jones LLP
Attention: Sean Zweig
E-mail: ZweigS@bennettjones.com

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 p.m. (Vancouver time) or on a day other than a Banking Day, in which case the notice shall be deemed to be received the next Banking Day.

- 26. FURTHER ASSURANCES:** The Borrower will, at its own expense and promptly on demand by the DIP Lender at any time, do such acts and things and execute and deliver such documents as the DIP Lender may reasonably request to give effect to the provisions of this DIP Term Sheet
- 27. ENTIRE AGREEMENT; CONFLICT:** This DIP Term Sheet constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this DIP Term Sheet and any of the other documentation that the DIP Lender requires the Borrower to execute, this DIP Term Sheet shall govern.
- 28. WAIVERS:** No waiver or delay on the part of the DIP Lender in exercising any right, remedy or privilege hereunder will operate as a waiver hereof or thereof unless such waiver is made expressly in writing by the DIP Lender and delivered in accordance with the terms of this DIP Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.
- 29. SEVERABILITY:** Any provision in this DIP Term Sheet which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
- 30. ASSIGNMENT:** The Borrower shall not assign this DIP Term Sheet or any of the provisions hereof without the prior written consent of the DIP Lender.
- The DIP Lender may assign or sell its rights or obligations with respect to this DIP Term Sheet to any person without the prior written consent of the Borrower.
- 31. TIME OF ESSENCE:** Time is of the essence in all respects of this DIP Term Sheet.

32. INTERPRETATION

In this DIP Term Sheet, words signifying the singular include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this DIP Term Sheet is to be construed as meaning “including, without limitation”. The division of this DIP Term Sheet into sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this DIP Term Sheet. References in this DIP Term Sheet to a Section or Schedule are to be construed as references to a section or Schedule of or to this DIP Term Sheet unless the context requires otherwise. Subject to any limitations set forth herein, references to contracts, agreements or instruments are deemed to include all amendments, supplements, restatements or replacements to or of such contracts, agreements or instruments. References to a person includes that person’s successors and permitted assigns.

**33. RULE OF
CONSTRUCTION:**

This DIP Term Sheet has been negotiated by each party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this DIP Term Sheet.

34. COUNTERPARTS:

This DIP Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission, each of which when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same instrument.

**35. GOVERNING LAW;
JURISDICTION:**

This DIP Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties hereby attorn and submit to the non-exclusive jurisdiction of the Court.

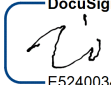
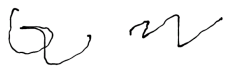

*[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK;
SIGNATURE PAGES FOLLOW]*

IN WITNESS WHEREOF, the parties have executed this DIP Term Sheet as of the date first written above.

Klaus Lam, as DIP Lender

Signed by:
KLAUS LAM
Per:  6012CC72075A4B7...
Name: Klaus Lam
Title: Businessman

Bo Ra Kim, as DIP Lender

DocuSigned by:
 
Per:  E524003482AB4AF...
Name: Bo Ra Kim
Title: Businesswoman

Min-Seon Scott Park, as DIP Lender

Signed by:

Per:  225D49254BAF487...
Name: Min-Seon Scott Park
Title: Businessman

Min Gyoung Kang, as DIP Lender

DocuSigned by:

Per:  95BD82244C74461...
Name: Min Gyoung Kang
Title: Businesswoman

Bear and Otter Holdings Ltd., as DIP Lender

DocuSigned by:

3E84A5637F29487...

Per:

Name: Davis Yung

Title: Director

We have authority to bind the DIP Lender.

OAK AND FORT CORP., as Borrower

By: 

Name: Min Gyoung Kang

Title: Director

OAK AND FORT US GROUP INC., as Guarantor

By: 

Name: Min Gyoung Kang

Title: Director

1282339 B.C. LTD., as Guarantor

By: 

Name: Min Gyoung Kang

Title: Director

OAK AND FORT ENTERPRISE (US) INC., as Guarantor

By: 

Name: Min Gyoung Kang

Title: Director

NYM MERGER HOLDINGS LLC, as Guarantor

By: 

Name: Min Gyoung Kang

Title: Director

OAK AND FORT ENTERPRISE CALIFORNIA LLC, as
Guarantor

By: 

Name: Min Gyoung Kang

Title: Director

Schedule "A"
Cash Flow Forecast

(attached)

Schedule "B"
Court Order

(attached)

EXHIBIT C

Proposed SARIO

No. S-254287
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, as amended**

and

**IN THE MATTER OF OAK AND FORT CORP., 1282339 B.C. LTD.,
OAK AND FORT US GROUP, INC., OAK AND FORT ENTERPRISE (U.S.), INC., NYM
MERGER HOLDINGS LLC AND OAK AND FORT CALIFORNIA, LLC**

PETITIONERS

ORDER MADE AFTER APPLICATION
(Second Amended and Restated Initial Order)

BEFORE THE HONOURABLE MADAM)
JUSTICE FITZPATRICK) JULY 4 2025
)

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on this 4th day of July, 2025 (the “**Order Date**”); **AND ON HEARING** Lisa Hiebert and Tiffany Bennett counsel for the Petitioners, and those other counsel listed on **Schedule “A”** hereto; **AND UPON READING** the application material filed, including the First Affidavit of Min Gyoung Kang made affirmed June 6, 2025 (the “**First Kang Affidavit**”), the Second Affidavit of Min Gyoung Kang affirmed June 12, 2025, the Third Affidavit of Min Gyoung Kang affirmed June 27, 2025, the First Report of the Monitor dated June 13, 2025, and the Second Report of the Monitor dated June 30, 2025; **AND PURSUANT TO** the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), the *Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. This Second Amended and Restated Initial Order (“**SARIO**”) amends and restates the Amended and Restated Initial Order of this Court made in these proceedings on June 16, 2025.

SERVICE

2. The time for service of the Notice of Application and the materials filed in support of the application for this SARIO (collectively, the “**Application**”) is hereby abridged such that service of the Application is declared to be good and sufficient and the Application is properly returnable today, and further service thereof is thereby dispensed, except as otherwise expressly stated in this SARIO.

JURISDICTION

3. Each of the Petitioners is a company to which the CCAA applies.

CONTINUANCE UNDER THE CCAA

4. The proposal proceedings commenced by the Petitioners under Division I of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”), on June 2 and 3, 2025 (as applicable for each entity, the “**Filing Date**”) by:

- (a) Oak and Fort Corp. under Estate No.: 11-3231322 (June 2, 2025);
- (b) 1282339 B.C. Ltd. under Estate No.: 11-3231319 (June 2, 2025);
- (c) Oak and Fort US Group, Inc. under Estate No.: 11-3231324 (June 2, 2025);
- (d) Oak and Fort Enterprise (U.S.), Inc. under Estate No.: 11-3231323 (June 2, 2025);
- (e) NYM Merger Holdings LLC under Estate File No.: 11-3231408 (June 3, 2025);
and
- (f) Oak and Fort California, LLC under Estate No.: 11-3231410 (June 3, 2025)

(collectively, the “**NOI Proceedings**”)

are hereby taken up and continued under the CCAA. The NOI Proceedings shall have no further force or effect, and are hereby terminated save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Petitioners during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, the approval of the Monitor’s and its counsel’s fees and disbursements and approval of the Monitor’s activities in this proceeding shall be deemed approval of the fees, disbursements and activities of KSV in its capacity as the proposal trustee of the Petitioners (in such capacity, the “**Proposal Trustee**”) and the fees and disbursements of the Proposal Trustee’s counsel in the NOI Proceedings. Notwithstanding the Proposal Trustee’s discharge, the termination of the NOI Proceedings or any other provision of this Order or any Order made under the CCAA, nothing herein shall affect, vary, derogate from, limit or amend, and KSV and its counsel shall continue to have the benefit of, any and all of the rights, approval and protections in favour of the Proposal Trustee and its counsel at law or pursuant to the BIA or any subsequent Order of this Court.

PLAN OF ARRANGEMENT

5. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

6. Subject to this Order and any further Order of this Court, the Petitioners shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”) and continue to carry on their business (the “**Business**”) in the ordinary course, or as otherwise agreed by the Monitor, and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such

other persons (collectively, “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as the Petitioners deem reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

7. The Petitioners shall be entitled to continue to utilize the cash management system currently in place as described in the First Kang Affidavit or, with the prior written consent of the Monitor, replace it with another substantially similar cash management system (the “**Cash Management System**”), and any present or future bank providing the Cash Management System (i) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Petitioners of funds transferred, paid, collected or otherwise dealt with in the Cash Management System; (ii) are hereby authorized to continue to maintain, service, and administer the Petitioners’ bank accounts, without interruption and in the ordinary course of business consistent with historical practices, and to receive, process, honor, and pay, to the extent of available funds, any and all cheques, drafts, wires, credit card payments, and automated clearing house transfers issued and drawn on the Petitioners’ bank accounts after the Filing Date by the holders or makers thereof, as the case may be; (iii) shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Petitioners, pursuant to the terms of the documentation applicable to the Cash Management System and (iv) shall be, in their capacities as providers of the Cash Management System, unaffected creditors under any Plan with regard to any claims or expenses they may suffer or incur in connection with the provision of the Cash Management System.

8. The Petitioners shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the Filing Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Filing Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation

policies and arrangements existing at the time incurred (collectively “**Wages**”);
and

- (b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to the Petitioners’ restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioners, whenever and wherever incurred, in respect of: (i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioners are domiciled; (ii) any litigation in which any of the Petitioners is named as a party or is otherwise involved, whether commenced before or after the Filing Date; and (iii) any related corporate matters.

9. Except as otherwise provided herein, the Petitioners shall be entitled to pay all expenses reasonably incurred by the Petitioners in carrying on the Business in the ordinary course following the Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers’ insurance), maintenance and security services, provided that any capital expenditure shall be approved by the Monitor;
- (b) all obligations incurred by the Petitioners after the Filing Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Filing Date (including those under purchase orders outstanding at the Filing Date but excluding any interest on the Petitioners’ obligations incurred prior to the Filing Date); and
- (c) fees and disbursements of the kind referred to in paragraph 8(b) which may be incurred after the Filing Date.

10. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
- (b) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Petitioners in connection with the sale of goods and services by the Petitioners, but only where such Sales Taxes accrue or are collected after the Filing Date, or where such Sales Taxes accrued or were collected prior to the Filing Date but not required to be remitted until on or after the Filing Date; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

11. Until such time as a real property lease is disclaimed in accordance with the CCAA or subject to further Order of this Court, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease, but, for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Petitioners or the making of this Order) based on the terms of existing lease arrangements or as otherwise may be negotiated between the Petitioners and the landlord from time to time (“**Rent**”), for the period commencing from and including the Filing Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including Filing Date shall also be paid.

12. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioners to any of their creditors as of the Filing Date except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trusts, mortgages, liens, charges or encumbrances upon or in respect of any of the Property, nor become guarantors or sureties, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business only to their customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Petitioners to such customers as of the Filing Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

13. Subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), the Petitioners shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of their Business or operations and commence marketing efforts in respect of any of their redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$2,000,000 in the aggregate;

- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate;
- (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor or further order of this Court, any of their arrangements or agreements of any nature whatsoever and with whomsoever, whether oral or written, as the Petitioners deem appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing for their Business or Property, in whole or part,

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

14. The Petitioners shall provide each of the relevant landlords with notice of the Petitioners’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioners’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioners, or by further Order of this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days’ notice to the other parties. If the Petitioners disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioners’ claim to the fixtures in dispute.

15. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioners and the Monitor 24 hours’ prior written notice; and (b) at the effective time of the disclaimer, the

landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioners, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioners of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

16. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the “**Relevant Enactment**”), the Petitioners, in the course of these proceedings, are permitted to, and hereby shall, disclose personal information of identifiable individuals in their possession or control to stakeholders, their advisors, prospective investors, financiers, buyers or strategic partners (collectively, “**Third Parties**”), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement any Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

17. Until and including October 3, 2025, or such later date as this Court may subsequently order (the “**Stay Period**”), no action, suit or proceeding in any court or tribunal (each, a “**Proceeding**”) against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

18. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.

19. Except with the written consent of the Petitioners and the Monitor or pursuant to a further order of this Court, no Person shall be entitled to set off any amounts that: (i) are or may become due to any of the Petitioners in respect of obligations arising prior to the date hereof against any amounts that are or may become due from any of the Petitioners in respect of obligations arising after the Filing Date; or (ii) are or may become due from any of the Petitioners in respect of obligations arising prior to the Filing Date against any amounts that are or may become due to any of the Petitioners in respect of obligations arising on or after the Filing Date, provided that nothing in this Order shall prejudice any position or arguments of any Person who may subsequently seek an order of this Court permitting it to effect any such setoff.

20. Nothing in this Order, including paragraphs 18 and 19, shall: (i) empower the Petitioners to carry on any business which they are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim

for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

21. The granting of this Order, the Application and any affidavits and other materials filed in support of the Application shall not, in and of themselves, constitute a default or failure to comply by the Petitioners under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.

NO INTERFERENCE WITH RIGHTS

22. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract or agreement, licence or permit in favour of or held by the Petitioners except with the written consent of the Petitioners and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

23. During the Stay Period, all Persons having oral or written agreements with the Petitioners or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Petitioners are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Petitioners and the Petitioners shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Filing Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

24. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Filing Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Petitioners on or after the Filing Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

25. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of the Petitioners with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of the Petitioners that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

26. The Petitioners shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioners after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

27. The directors and officers of the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$3,400,000, as security for the indemnity provided in paragraph 25 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 48 and 50 herein.

28. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the Petitioner’s directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 25 of this Order.

APPOINTMENT OF MONITOR

29. KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

30. The Monitor, in addition to its prescribed rights and obligations under the CCAA and applicable law, and without altering in any way the obligations of the Petitioners in this CCAA proceeding, is hereby empowered, but not required, to:

- (a) monitor the Petitioners’ receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) assist the Petitioners in their preparation of cash flow statements;
- (d) assist the Petitioners, to the extent required by the Petitioners, in their dissemination, to the Interim Lender (as hereinafter defined) of financial and other information as agreed to between the Petitioners and the Interim Lender which may be used in these proceedings including reporting on a basis to be agreed with the Interim Lender;
- (e) advise the Petitioners in their preparation of the Petitioners' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender on a periodic basis, or as otherwise agreed to by the Interim Lender;
- (f) advise the Petitioners in their development of the Plan and any amendments to the Plan;
- (g) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;
- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (j) perform such other duties as are required by this Order or by this Court from time to time; and

- (k) take any steps reasonably incidental to the exercise by the Monitor of the powers listed above or the performance by the Monitor of any statutory obligations

(collectively, the “**Monitor’s Powers**”).

31. The Monitor shall not take possession of the Property or Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

32. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act* and the *British Columbia Environmental Management Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

33. The Monitor shall provide any creditor of the Petitioners and the Interim Lender with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is

confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

34. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

ENGAGEMENT OF CRO

35. The Petitioners are hereby authorized, *nunc pro tunc*, to engage Reflect Advisors, LLC (the “**CRO**”) as Chief Restructuring Officer on the terms of the engagement letter attached as Exhibit “B” to the First Kang Affidavit.

ADMINISTRATION CHARGE

36. The Monitor, counsel to the Monitor and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis.

37. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

38. The Monitor, the CRO, counsel to the Monitor and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their

respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioners' restructuring. The Administration Charge shall have the priority set out in paragraphs 48 and 50 hereof.

INTERIM FINANCING

39. The Petitioners are hereby authorized and empowered to obtain and borrow under a credit facility from Klaus Lam, Bo Ra Kim, Min-Seon Scott Park, Bear and Otter Holdings Ltd., and Min Kang (collectively, 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 \$2,500,000 unless permitted by further Order of this Court.

40. Such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Petitioners and the Interim Lender dated as of June 25, 2025 (the **"Interim Financing Term Sheet"**).

41. 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 Term Sheet 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 Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

42. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the **"Interim Lender's Charge"**) on the Property as security for all amounts owing by the Petitioners to the Interim Lender under the Interim Financing Term Sheet. The Interim Lender's Charge shall not secure an obligation that exists before this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 48 and 50 hereof.

43. Notwithstanding any other provision of this Order:

- (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 Lender's 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 Lender's Charge, the Interim Lender, upon four (4) 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 Term Sheet, Definitive Documents and the Interim Lender's 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 Term Sheet, the Definitive Documents or the Interim Lender's 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.

44. 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, with respect to any advances made under the Definitive Documents.

INTERCOMPANY CHARGE

45. The Petitioners are hereby authorized and empowered to receive funds (each such receipt an "**Intercompany Transaction**") funds from any one or more of the other Petitioners

(collectively, the “**Transferor Petitioners**”) in order to finance the continuation of the business of the Petitioners and the preservation of the Property, provided that such Intercompany Transaction does not bear interest and is not subject to repayment until and unless so ordered by the Court.

46. The Transferor Petitioners, or any of them, shall be entitled to the benefit of and are hereby granted a charge (the “**Intercompany Charge**”) on the Property of the recipients of funds to any such Intercompany Transaction (collectively, the “**Transferee Petitioners**”) as security for the repayment, if required, of funds transferred under an Intercompany Transaction. The Intercompany Charge shall have the priority set out in paragraphs 48 and 50 hereof.

47. The claims of the Transferor Petitioners, or any of them, in respect of the Intercompany Transactions shall be treated as unaffected and shall not be compromised pursuant to any Plan or these proceedings, however, the exercise of any recourse by the Transferor Petitioners, or any of them, in connection with an Intercompany Transaction or the Intercompany Charge shall be subject to the stay of Proceedings set out herein.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

48. The priorities of the Administration Charge, the Interim Lender’s Charge, the Directors’ Charge and the Intercompany Charge, as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of \$500,000);
- (b) Second – Interim Lender’s Charge;
- (c) Third – Directors’ Charge (to the maximum amount of \$3,400,000); and
- (d) Fourth – Intercompany Charge.

49. Any security documentation evidencing, or the filing, registration or perfection of the Administration Charge, the Interim Lender’s Charge, the Directors’ Charge and the

Intercompany Charge (collectively, the “**Charges**”) shall not be required, and the 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 Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

50. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges 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 the claims of the Royal Bank of Canada (“**RBC**”) in respect of its security interest in the cash collateral in its possession, as detailed at paragraph 45 of the First Kang Affidavit.

51. 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 Charges, unless the Petitioners obtain the prior written consent of the Monitor, the Interim Lender and the beneficiaries of the Administration Charge and the Director’s Charge.

52. The Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the beneficiaries of the Charges (collectively, 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 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 Charges nor the execution, delivery, perfection, registration or performance of the Interim Financing Term Sheet or the Definitive

Documents shall create or be deemed to constitute a breach by the Petitioners of any Agreement to which they are a party;

- (b) none of the Chargees shall 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 Term Sheet, the creation of the Charges, 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 Term Sheet or 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.

53. Any Charge created by this Order shall only be a Charge in the Petitioners' interest in any real property leases.

SERVICE AND NOTICE

54. The Monitor shall (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) post a copy of this Order on its website at: <https://www.ksvadvisory.com/experience/case/oakandfort> (the "**Case Website**"), and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the names and addresses of individuals who are creditors publicly available unless otherwise ordered by this Court.

55. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission (including by e-mail) to the Petitioners' creditors or other interested parties at their respective addresses as

last shown on the records of the Petitioners and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

56. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the “**Service List**”) to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on the Case Website.

57. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List.

58. Notwithstanding paragraphs 55 and 57 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

59. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

60. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Petitioners, the Business or the Property.

61. **THIS COURT REQUESTS** the aid and recognition of other Canadian and foreign Courts, tribunals, and regulatory or administrative bodies, including any court or administrative

tribunal of any federal or State Court or administrative body in the United States of America (each a “**Foreign Court**”), to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, and 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 Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

62. Each of the Petitioners and the Monitor is at liberty and is hereby authorized and empowered to apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Petitioners to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.

63. **THIS COURT DECLARES** that, without prejudice to the determination to be made by any Foreign Court as to the Petitioners’ centre of main interest, this Court has jurisdiction over the Petitioners on the basis that the Petitioners’ centre of main interest is Vancouver, British Columbia, Canada.

64. The Petitioners may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if the Petitioners determine that such a filing is appropriate.

65. The Petitioners are at liberty to apply for such further interim or interlocutory relief as they deem advisable within the time limited for Persons to file and serve Responses to the Petition.

66. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of a Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

67. Any interested party (including the Petitioners and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

68. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioners, is hereby dispensed with.

69. This Order and all its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

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 Kibben Jackson/Lisa Hiebert
Lawyer for the Petitioners

BY THE COURT

REGISTRAR

Schedule “A”

Appearance List

Counsel Name	Party Represented
	KSV Restructuring Inc.