



NO. S086704  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C., 1985, c. C-36**

**AND**

**IN THE MATTER OF THE *BRITISH COLUMBIA BUSINESS CORPORATIONS ACT*  
R.S.B.C. 2002 c. 57**

**AND**

**IN THE MATTER OF THE *CASCADES RESIDENCE INC.*  
*and MARONA ESTATES LTD.***

**PETITIONERS**

**ORDER**

BEFORE THE HONOURABLE )  
MR. JUSTICE RICE ) TUESDAY, THE 4<sup>th</sup> DAY  
 ) OF NOVEMBER, 2008

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 4<sup>th</sup> day of November; AND ON HEARING Peter J. Reardon and Cindy M. Cheuk, counsel for the Petitioners and other counsel as listed on Schedule "A" hereto; AND UPON READING the material filed, including the Affidavit #2 of K. Lois Marshall sworn October 30, 2008; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 (the "CCAA") ss. 11(4) and 11(6) and Rules 3, 10, 12, 13(1), 13(6), 14 and 44 of the *Rules of Court* and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS that:

1. the time for service of the Notice of Motion, Affidavit #2 of K. Lois Marshall, sworn October 30, 2008 and the Notice of Hearing be and it is hereby abridged such that the application is properly returnable this day;
2. the time for expiry of the interim relief provided by the Initial Order granted by the Honourable Mr. Justice Rice pronounced on September 24, 2008 and amended by the Order of Mr. Justice Rice on September 25, 2008 (together the "Initial Order") and extended by Order dated October 23, 2008 be further extended from November 4, 2008 to December 4, 2008;
3. the Petitioners shall be deemed to have complied with the service requirements of paragraphs 2 and 46 of the Initial Order;
4. the relief set out in the Initial Order (as extended by this Order) be varied as follows:
  - (a) paragraph 26 be varied by adding the following:

“(k) advise and assist the Petitioners with regards to winterization of the building on Lot B and the potential subdivision and rezoning of any of the property provided that any contracts in regards thereto shall be approved by the Monitor but entered into by the Petitioners;

(l) advise and assist the Petitioners with regards to locating a DIP Lender (as defined in paragraph 35) and negotiating terms of a DIP Facility (as defined in paragraph 35) in an amount not exceeding an additional \$600,000;

(m) receive any funds advanced by the DIP Lender and disburse those funds for the winterization costs as provided in this Order in consultation with the Petitioners and only with the consent of the Monitor.”
  - (b) paragraph 35 be deleted and in its place the following be substituted:

"35. THIS COURT ORDERS that the Petitioners are hereby authorized and empowered, with the consent of the Monitor, to obtain and borrow under a credit facility (the "DIP Facility") from a Lender and upon terms approved by the Monitor (the "DIP Lender") in order to finance the winterization of the building located on Lot "B", provided that borrowings under such credit facility shall not exceed an additional \$600,000 unless permitted by further Order of this Court.";

(c) paragraph 41 be deleted and in its place the following be substituted:

"41. THIS COURT ORDERS that the priorities of the Administration Charge, the Director's Charge and the DIP Lender's Charge shall be as follows:

First – Administration Charge (to the maximum amount of \$300,000);

Second – Directors' Charge (to the maximum amount of \$75,000);

Third – DIP Lender's Charge (to the maximum amount of \$650,000)."

5. the applications of Power Playss Investment Ltd., Mission Creek Mortgage Ltd. and Interior Savings Credit Union and the application of the Petitioners relating to allocation of charges are adjourned to December 4, 2008; and

6. approval as to the form of the Order herein be dispensed with, except for counsel for the Petitioners.

BY THE COURT  
  
DISTRICT REGISTRAR

APPROVED AS TO FORM:

Counsel for the Petitioners

### Schedule "A"

Kieran Siddall Farris Vaughan, Wills & Murphy LLP	Solicitor for Interior Savings Credit Union
Steven A. Wilson Pushor Mitchell LLP	Solicitor for Mission Creek Mortgage Ltd.
Christopher Ramsay Fraser Milner Casgrain LLP	Solicitor for Concentra Financial Services
Alan A. Frydenlund Owen Bird Law Corporation	Solicitor for Power Playss Investments Ltd.
Kimberly S. Campbell Shapiro Hankinson & Knutson Law Corporation	Solicitor for Vic Van Isle Construction Ltd.
Jock Craddock Doak Shirreff LLP	Solicitor for Lang's Ventures Inc.
Heather Ferris Lawson Lundell LLP	Solicitor for The Monitor
Mark W. Baron Pushor Mitchell LLP	Solicitor for Warnaar Steel Tech Ltd.
John McLean Gowlings Lafleur Henderson LLP	Solicitor for MCAP

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**ORDER**

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Peter J. Reardon,  
Lang Michener LLP  
1500 – 1055 West Georgia Street  
Vancouver, BC

Matter No: 57865-21