



No. **H-261123**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

NATIONAL BANK OF CANADA

Petitioner

and

NOVO TEXTILE COMPANY LTD., NOVO HOLDINGS CO.
LTD., ZANATTA SEABORNE HOLDINGS LTD., ZANATTA
SEABORNE 2 HOLDINGS LTD., ZANATTA FAMILY TRUST
by its trustee JASON MICHAEL ZANATTA, JASON MICHAEL
ZANATTA, HIS MAJESTY THE KING IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA, VANCOUVER CITY
SAVINGS CREDIT UNION and ALL TENANTS OR
OCCUPIERS OF THE SUBJECT LANDS AND PREMISES

Respondents

PETITION TO THE COURT

ON NOTICE TO: the respondents

The address of the registry is: The Supreme Court of British Columbia
The Law Courts
800 Smithe Street
Vancouver, BC

The petitioner estimates that the hearing of the petition will take 5 minutes.

This matter is not an application for judicial review.

This proceeding is brought for the relief set out in Part 1 below, by the person named as petitioner in the style of proceedings above.

If you intend to respond to this petition, you or your lawyer must

- a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- b) serve on the petitioner
 - i) 2 copies of the filed response to petition, and
 - ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to the petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner,

- a) if you were served with the petition anywhere in Canada, within 21 days after that service,
- b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,
- c) if you were served with the petition anywhere else, within 49 days after that service, or
- d) if the time for response has been set by order of the court, within that time.

(1)	THE ADDRESS FOR SERVICE OF THE PETITIONER IS: OWEN BIRD LAW CORPORATION PO Box 1 2900 – 733 Seymour Street Vancouver BC V6B 0S6 (Attention: Scott H. Stephens & Lily Y. Zhang) Fax number address for service (if any) of the petitioner: N/A E-mail address for service of the petitioner: sstephens@owenbird.com , lzhang@owenbird.com and lgrillandini@owenbird.com
(2)	THE NAME AND OFFICE ADDRESS OF THE PETITIONER’S LAWYER IS: Scott H. Stephens & Lily Y. Zhang Owen Bird Law Corporation PO Box 1 2900 – 733 Seymour Street Vancouver BC V6B 0S6

CLAIM OF THE PETITIONER

PART 1: ORDERS SOUGHT

Mortgages

1. A declaration that the mortgage and assignment of rents dated November 14, 2024 made between the respondent, Zanatta Seaborne Holdings Ltd., as mortgagor, and the petitioner, National Bank of Canada, as mortgagee, and registered in the Land Title Office, in the

Province of British Columbia, on November 26, 2024 under numbers CB1731800 and CB1731801 (collectively, the “**Zanatta Mortgage**”), is a mortgage and assignment of rents charging the following lands and premises:

Parcel Identifier: 031-181-368
STRATA LOT 20 SECTION 8 RANGE 1 EAST NEW WESTMINSTER
DISTRICT STRATA PLAN EPS7008
TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN
PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS
SHOWN ON FORM V

(the “**Zanatta Lands**”)

to and in favour of the petitioner in priority to the interests therein or claims thereto of the respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

2. A declaration that the mortgage and assignment of rents dated November 14, 2024 made between the respondent, Zanatta Seaborne 2 Holdings Ltd., as mortgagor, and the petitioner, National Bank of Canada, as mortgagee, and registered in the Land Title Office, in the Province of British Columbia, on November 26, 2024 under numbers CB1732019 and CB1732020 (collectively, the “**Zanatta 2 Mortgage**”, and together with the Zanatta Mortgage, the “**Mortgages**”), is a mortgage and assignment of rents charging the following lands and premises:

Parcel Identifier: 031-906-630
STRATA LOT 9 SECTION 8 BLOCK 6 NORTH RANGE 1 EAST NEW
WESTMINSTER DISTRICT STRATA PLAN EPS9208
TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN
PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS
SHOWN ON FORM V

(the “**Zanatta 2 Lands**”, together with the Zanatta Lands, the “**Lands**”)

to and in favour of the petitioner in priority to the interests therein or claims thereto of the respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

GSAs

3. A declaration that the general security agreement dated November 14, 2024 made between the respondent, Novo Textile Company Ltd., as debtor, and the petitioner, National Bank of Canada, as the secured party, and registered in the British Columbia Personal Property Registry on November 6, 2024, under base registration number 750013Q (the “**Novo Textile GSA**”) is a security agreement charging all of the said respondent’s present and after acquired personal property, including, without limitation, accounts, equipment, inventory, chattel paper, documents of title, instruments, securities, goods, intangibles and all proceeds thereof (collectively, the “**Novo Textile Property**”), to and in favour of the petitioner in priority to the interests therein or claims thereto of the respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.
4. A declaration that the general security agreement dated November 14, 2024 made between the respondent, Novo Holdings Co. Ltd., as debtor, and the petitioner, National Bank of Canada, as the secured party, and registered in the British Columbia Personal Property Registry on November 6, 2024, under base registration number 750025Q (the “**Novo Holdings GSA**”) is a security agreement charging all of the said respondent’s present and after acquired personal property, including, without limitation, accounts, equipment, inventory, chattel paper, documents of title, instruments, securities, goods, intangibles and all proceeds thereof (collectively, the “**Novo Holdings Property**”), to and in favour of the petitioner in priority to the interests therein or claims thereto of the respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.
5. A declaration that the general security agreement dated November 14, 2024 made between the respondent, Zanatta Seaborne Holdings Ltd., as debtor, and the petitioner, National Bank of Canada, as the secured party, and registered in the British Columbia Personal Property Registry on November 6, 2024, under base registration number 750003Q (the “**Zanatta GSA**”) is a security agreement charging all of the said respondent’s present and after acquired personal property, including, without limitation, accounts, equipment,

inventory, chattel paper, documents of title, instruments, securities, goods, intangibles and all proceeds thereof (collectively, the “**Zanatta Property**”), to and in favour of the petitioner in priority to the interests therein or claims thereto of the respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

6. A declaration that the general security agreement dated November 14, 2024 made between the respondent, Zanatta Seaborne 2 Holdings Ltd., as debtor, and the petitioner, National Bank of Canada, as the secured party, and registered in the British Columbia Personal Property Registry on November 6, 2024, under base registration number 750260Q (the “**Zanatta 2 GSA**”, and together with the Novo Textile GSA, the Novo Holdings GSA and the Zanatta GSA, the “**GSAs**”) is a security agreement charging all of the said respondent’s present and after acquired personal property, including, without limitation, accounts, equipment, inventory, chattel paper, documents of title, instruments, securities, goods, intangibles and all proceeds thereof (collectively, the “**Zanatta 2 Property**”, and together with the Novo Textile Property, the Novo Holdings Property, and the Zanatta Property, the “**Property**”), to and in favour of the petitioner in priority to the interests therein or claims thereto of the respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

Crystallized Charges

7. A declaration that the floating charge on land under the Zanatta GSA crystallized and became a fixed charge registered in the Land Title Office on August 14, 2026 under Number CB2981775 (the “**Zanatta Crystallized Charge**”) charging the Zanatta Lands to and in favour of the petitioner in priority to the interests therein or claims thereto of the respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.
8. A declaration that the floating charge on land under the Zanatta 2 GSA crystallized and became a fixed charge registered in the Land Title Office on August 14, 2026 under Number CB2981776 (the “**Zanatta 2 Crystallized Charge**”, and together with the Zanatta Crystallized Charge, the “**Crystallized Charges**”) charging the Zanatta 2 Lands to and in

favour of the petitioner in priority to the interests therein or claims thereto of the respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

Guarantees of Novo Textile

9. A declaration that the guarantee dated November 14, 2024 made between the respondent, Novo Holdings Co. Ltd., as guarantor, and the petitioner, National Bank of Canada, as lender, is an unlimited, unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Novo Textile Company Ltd., to the petitioner (the “**Novo Holdings Guarantee of Novo Textile**”).
10. A declaration that the guarantee dated November 14, 2024 made between the respondent, Zanatta Seaborne Holdings Ltd., as guarantor, and the petitioner, National Bank of Canada, as lender, is an unlimited, unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Novo Textile Company Ltd., to the petitioner (the “**Zanatta Guarantee of Novo Textile**”).
11. A declaration that the guarantee dated November 14, 2024 made between the respondent, Zanatta Family Trust by its trustee Jason Michael Zanatta, as guarantor, and the petitioner, National Bank of Canada, as lender, is an unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Novo Textile Company Ltd., to the petitioner, up to a limit of \$1,610,000.00 plus interest at the rate set out in paragraph 24(a) from and after July 6, 2026 (the “**Trust Guarantee of Novo Textile**”).
12. A declaration that the guarantee dated November 14, 2024 made between the respondent, Jason Michael Zanatta, as guarantor, and the petitioner, National Bank of Canada, as lender, is an unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Novo Textile Company Ltd., to the petitioner, up to a limit of \$1,610,000.00 plus interest at the rate set out in paragraph 24(a) from and after July 6, 2026 (the “**Jason Guarantee of Novo**”).

Textile”, together with the Novo Holdings Guarantee of Novo Textile, the Zanatta Guarantee of Novo Textile, and the Trust Guarantee of Novo Textile, the “**Guarantees of Novo Textile**”).

Guarantees of Zanatta

13. A declaration that the guarantee dated November 14, 2024 made between the respondent, Novo Textile Company Ltd., as guarantor, and the petitioner, National Bank of Canada, as lender, is an unlimited, unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Zanatta Seaborne Holdings Ltd., to the petitioner (the “**Novo Textile Guarantee of Zanatta**”).
14. A declaration that the guarantee dated November 14, 2024 made between the respondent, Novo Holdings Co. Ltd., as guarantor, and the petitioner, National Bank of Canada, as lender, is an unlimited, unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Zanatta Seaborne Holdings Ltd., to the petitioner (the “**Novo Holdings Guarantee of Zanatta**”).
15. A declaration that the guarantee dated November 14, 2024 made between the respondent, Zanatta Family Trust by its trustee Jason Michael Zanatta, as guarantor, and the petitioner, National Bank of Canada, as lender, is an unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Zanatta Seaborne Holdings Ltd., to the petitioner, up to a limit of \$300,500.00 plus interest at the rate set out in paragraph 24(d) from and after July 6, 2026 (the “**Trust Guarantee of Zanatta**”).
16. A declaration that the guarantee dated November 14, 2024 made between the respondent, Jason Michael Zanatta, as guarantor, and the petitioner, National Bank of Canada, as lender, is an unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Zanatta Seaborne Holdings Ltd., to the petitioner, up to a limit of \$300,500.00 plus interest at the rate set out

in paragraph 24(d) from and after July 6, 2026 (the “**Jason Guarantee of Zanatta**”, together with the Novo Textile Guarantee of Zanatta, the Novo Holdings Guarantee of Zanatta, and the Trust Guarantee of Zanatta, the “**Guarantees of Zanatta**”).

Guarantees of Zanatta 2

17. A declaration that the guarantee dated November 14, 2024 made between the respondent, Novo Textile Company Ltd., as guarantor, and the petitioner, National Bank of Canada, as lender, is an unlimited, unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Zanatta Seaborne 2 Holdings Ltd., to the petitioner (the “**Novo Textile Guarantee of Zanatta 2**”).
18. A declaration that the guarantee dated November 14, 2024 made between the respondent, Novo Holdings Co. Ltd., as guarantor, and the petitioner, National Bank of Canada, as lender, is an unlimited, unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Zanatta Seaborne 2 Holdings Ltd., to the petitioner (the “**Novo Holdings Guarantee of Zanatta 2**”).
19. A declaration that the guarantee dated November 14, 2024 made between the respondent, Zanatta Family Trust by its trustee Jason Michael Zanatta, as guarantor, and the petitioner, National Bank of Canada, as lender, is an unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Zanatta Seaborne 2 Holdings Ltd., to the petitioner, up to a limit of \$496,500.00 plus interest at the rate set out in paragraph 24(e) from and after July 6, 2026 (the “**Trust Guarantee of Zanatta 2**”).
20. A declaration that the guarantee dated November 14, 2024 made between the respondent, Jason Michael Zanatta, as guarantor, and the petitioner, National Bank of Canada, as lender, is an unconditional guarantee of payment of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respondent, Zanatta Seaborne 2 Holdings Ltd., to the petitioner, up to a limit of \$498,500.00 plus interest at the rate set

out in paragraph 24(e) from and after July 6, 2026 (the “**Jason Guarantee of Zanatta 2**”, together with the Novo Textile Guarantee of Zanatta 2, the Novo Holdings Guarantee of Zanatta 2, and the Trust Guarantee of Zanatta 2, the “**Guarantees of Zanatta 2**”, and collectively with the Guarantees of Novo Textile and the Guarantees of Zanatta, the “**Guarantees**”).

Default

21. A declaration that the respondents, Novo Textile Company Ltd., Novo Holdings Co. Ltd., Zanatta Seaborne Holdings Ltd., Zanatta Seaborne 2 Holdings Ltd., Zanatta Family Trust by its trustee Jason Michael Zanatta, and Jason Michael Zanatta, have made default under the Letter Agreements (as defined below), the Mortgages, the GSAs, the Crystallized Charges and the Guarantees (collectively, the “**Security**”) and, as a result, the full balance due and owing thereunder is now due and payable to the petitioner.

Redemption Amount

22. A declaration that the amount of money due and owing under the Novo Textile Letter Agreement (as defined below), the Zanatta Letter Agreement (as defined below), the Zanatta Mortgage, the Novo Textile GSA, the Novo Holdings GSA, the Zanatta GSA, the Zanatta Crystallized Charge, and the amount of money required to redeem the Zanatta Lands, the Novo Textile Property, the Novo Holdings Property and the Zanatta Property, is the combined sum of \$9,555,207.24 as of August 28, 2026, particulars of which are as follows:

- a) under the Novo Textile Line of Credit, Novo Textile Special Credit, and Novo Textile Mastercard (all of which are defined below): \$6,354,963.01;
- b) under the Zanatta Term Loan (as defined below): \$1,201,147.31; and
- c) under the Zanatta 2 Term Loan (as defined below): \$1,999,096.92,

plus interest from and after August 29, 2026 at the rates set out under paragraph 24(a) to (d) together with the petitioner’s costs of this proceeding.

23. A declaration that the amount of money due and owing under the Zanatta 2 Letter Agreement (as defined below), the Zanatta 2 Mortgage, the Zanatta 2 Crystallized Charge and the Zanatta 2 GSA, and the amount of money required to redeem the Zanatta 2 Lands and the Zanatta 2 Property, is the sum of \$9,555,207.24 as of August 28, 2026 plus interest from and after August 29, 2026 at the rate set out under paragraph 24(e) together with the petitioner's costs of this proceeding.

Interest Rate

24. A declaration that the rates of interest chargeable under the facilities (as each is defined below) and secured by the Security are as follows:
- a) on the amount outstanding under the Novo Textile Line of Credit: 0.50% above the petitioner's prime commercial lending rate as declared from time to time, which said rate is currently 4.45% per annum, so that the rate of interest currently chargeable is 4.95% per annum, compounded monthly;
 - b) on the amounts outstanding under the Novo Textile Special Credit: 5.15% per annum, compounded monthly;
 - c) on the amounts outstanding under the Novo Textile Mastercard: 20.99%;
 - d) on the amounts outstanding under the Zanatta Term Loan: 1.20% above the petitioner's prime commercial lending rate as declared from time to time, which said rate is currently 4.45% per annum, so that the rate of interest currently chargeable is 5.65% per annum, compounded monthly; and
 - e) on the amounts outstanding under the Zanatta 2 Term Loan: 1.20% above the petitioner's prime commercial lending rate as declared from time to time, which said rate is currently 4.45% per annum, so that the rate of interest currently chargeable is 5.65% per annum, compounded monthly.

Redemption Period

25. An order that the last date for redemption be one (1) day after the date of pronouncement of any order made herein, or such other period of time as the petitioner may seek and this court may order.

Judgment and Costs

26. An order that the petitioner recovers judgment on a joint and several basis against the respondents:

- a) Novo Textile Company Ltd., Novo Holdings Co. Ltd., Zanatta Seaborne Holdings Ltd., in the total combined amount set out in paragraph 22 plus interest from and after August 29, 2026 at the rates set out under paragraph 24 together with the petitioner's costs of this proceeding;
- b) Zanatta Seaborne 2 Holdings Ltd. in the amount set out in paragraph 23 plus interest from and after August 29, 2026 at the rate set out in paragraph 24(e) together with the petitioner's costs of this proceeding; and
- c) Zanatta Family Trust by its trustee Jason Michael Zanatta and Jason Michael Zanatta:
 - i) in the amount of \$1,610,000.00 plus interest from and after July 6, 2026 at the rate set out in paragraph 24(a);
 - ii) in the amount of \$300,500.00 plus interest from and after July 6, 2026 at the rate set out in paragraph 24(d); and
 - iii) in the amount of \$496,500.00 plus interest from and after July 6, 2026 at the rate set out in paragraph 24(e),

in each case together with the petitioner's costs of this proceeding.

27. An order that the petitioner recovers its costs of this proceeding on an indemnity basis or, alternatively, a party and party costs basis pursuant to Scale B or such other scale as may

be appropriate and that such costs form a part of the amount required to redeem the Lands and the Property.

Order Absolute

28. An order that upon the respondents, or any of them, paying into Court to the credit of this proceeding at The Law Courts, 800 Smithe Street, Vancouver, BC, or paying to the solicitor of record for the petitioner or, if no such solicitor exists then paying to the petitioner, the amount required to redeem the Lands and Property as aforesaid, together with the petitioner's costs of this proceeding, before pronouncement of either an order absolute of foreclosure or an order confirming the sale of the Lands, the petitioner shall reconvey the Lands and Property free and clear of all encumbrances in favour of it or any person claiming by, through or under it and shall deliver up, upon oath if required, all deeds, titles and documents in its custody, possession or power relating thereto to the respondents so paying or to whom they shall appoint.
29. An order that if the Lands and Property are not redeemed, the petitioner shall be at liberty to apply for an order absolute of foreclosure and upon pronouncement of the order absolute of foreclosure the respondents and all persons claiming by, through or under them shall henceforth stand absolutely debarred and foreclosed of and from all right, title, interest and equity of redemption in and to the Lands and Property and all monies paid under the Security shall become the property of the petitioner free from any right of the respondents and that thereupon the petitioner shall recover vacant possession of the Lands and Property.

Receivership

30. An order substantially in the form attached as **Schedule "A"** or as the court may otherwise order appointing a receiver of all of the assets, undertakings and property of the respondents, Novo Textile Company Ltd., Novo Holdings Co. Ltd., Zanatta Seaborne Holdings Ltd., and Zanatta Seaborne 2 Holdings Ltd., and/or of the Lands and Property and/or of the rents and mesne profits arising from the Lands and Property.

Order for Sale

31. An order for sale of the Lands and/or Property subject to the approval of the court and for the petitioner to have exclusive conduct of such sale.

Summary Accounting, CPL and Other Relief

32. An order that the petitioner may apply to this court for a further summary accounting of any amounts which become due to the petitioner for interest, taxes, arrears of taxes, insurance premiums, costs, charges, expenses or otherwise since the date of pronouncement of this order.
33. A certificate of pending litigation.
34. An order for any further relief that the court may deem just.

PART 2: FACTUAL BASIS

The Loans and Security

1. The petitioner, National Bank of Canada ("**National Bank**"), is a federal chartered bank with an address for service in these proceedings c/o 2900 – 733 Seymour Street, Vancouver, BC V6B 0S6.
2. Pursuant to a letter agreement dated October 30, 2024 between National Bank, as lender, Novo Textile Company Ltd. ("**Novo Textile**"), as borrower, and Novo Holdings Co. Ltd. ("**Novo Holdings**"), Zanatta Seaborne Holdings Ltd. ("**Zanatta**"), Zanatta Family Trust by its trustee Jason Michael Zanatta ("**Trust**"), and Jason Michael Zanatta ("**Jason**"), as guarantor, as amended by amendment letters dated April 15, 2025 and July 28, 2025 (collectively, the "**Novo Textile Letter Agreement**"), National Bank made available to Novo Textile the following credit facilities:
 - a) a line of credit with an approved limit of \$2,800,000.00 (the "**Novo Textile Line of Credit**") to finance Novo Textile's day-to-day operations;

- b) a non-revolving special credit for capital expenditures in the principal amount of \$3,870,000.00 (the “**Novo Textile Special Credit**”) to repay the outstanding balance of pre-existing equipment loans;
 - c) a global net risk line for derivatives with an approved limit of \$20,000.00 (the “**Novo Textile Line for Derivatives**”) to cover National Bank’s net risks of the use of derivatives by Novo Textile; and
 - d) a Mastercard with an approved limit of \$50,000.00 (the “**Novo Textile Mastercard**”) to finance day-to-day purchases made with credit card.
3. The debtors’ obligations under the Novo Textile Letter Agreement are secured and supplemented by, *inter alia*:
- a) the Zanatta Mortgage;
 - b) the Novo Textile GSA;
 - c) the Novo Holdings GSA;
 - d) the Zanatta GSA; and
 - e) the Guarantees of Novo Textile.
4. Pursuant to a letter agreement dated October 18, 2024 between National Bank, as lender, Zanatta, as borrower, and Novo Textile, Novo Holdings, Trust, and Jason, as guarantor (the “**Zanatta Letter Agreement**”), National Bank made available to Zanatta a term loan in the principal amount of \$1,201,000.00 (the “**Zanatta Term Loan**”) to repay pre-existing debt.
5. The debtors’ obligations under the Zanatta Letter Agreement are secured and supplemented by, *inter alia*:
- a) the Zanatta Mortgage;
 - b) the Novo Textile GSA;

- c) the Novo Holdings GSA;
 - d) the Zanatta GSA; and
 - e) the Guarantees of Zanatta.
6. Pursuant to a letter agreement dated October 18, 2024 between National Bank, as lender, Zanatta Seaborne 2 Holdings Ltd. (“**Zanatta 2**”, and together with Novo Textile and Zanatta, the “**Borrowers**”), as borrower, and Novo Textile, Novo Holdings, Trust, and Jason, as guarantor (the “**Zanatta 2 Letter Agreement**”, and together with the Novo Textile Letter Agreement and the Zanatta Letter Agreement, the “**Letter Agreements**”), National Bank made available to Zanatta 2 a term loan in the principal amount of \$1,985,000.00 (the “**Zanatta 2 Term Loan**”) to repay pre-existing debt.
7. The debtors’ obligations under the Zanatta 2 Letter Agreement are secured and supplemented by, *inter alia*:
- a) the Zanatta 2 Mortgage;
 - b) the Novo Textile GSA;
 - c) the Novo Holdings GSA;
 - d) the Zanatta 2 GSA; and
 - e) the Guarantees of Zanatta 2.
8. Zanatta is the registered owner of the Zanatta Lands and the person entitled to the equity of redemption under the Zanatta Mortgage.
9. Zanatta 2 is the registered owner of the Zanatta 2 Lands and the person entitled to the equity of redemption under the Zanatta 2 Mortgage.
10. The Mortgages are registered against the Lands in first position in favour of National Bank in priority to the interests therein or claims thereto of the respondents and their respective

heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

11. The GSAs charge the Property in favour of National Bank in priority to the interests therein or claims thereto of the respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.
12. Under the terms of the Mortgages and the GSAs, National Bank is entitled to the appointment of a receiver of Novo Textile, Novo Holdings, Zanatta, and Zanatta 2 upon the occurrence of an event of default.
13. Pursuant to good and valid Guarantees, the respective guarantors under each of the Guarantees unconditionally guaranteed all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the respective borrower, with the guarantees provided by Trust and Jason limited to the amounts set out therein.

Defaults and Indebtedness

14. The Borrowers breached various obligations owed to National Bank under the Letter Agreements and the Security, including the following:
 - a) Failure to remit payments on time or at all: Under the Letter Agreements, the Borrowers are required to make monthly payments. Each of the Borrowers has failed to do so for an extended period of time. By continuing to operate while failing to remit required payments, the Borrowers are necessarily paying unsecured/subordinate creditors in preference to National Bank, notwithstanding its first priority security position. Particulars of the Borrowers' failure to remit are as follows:
 - i) Novo Textile has failed to remit required monthly payments under the Novo Textile Special Credit since October 1, 2025 and under the Novo Textile Line of Credit since April 27, 2025. It made two lump sum principal payments and two lump sum interest payments in May 2026 under the Novo

Textile Special Credit, and no payments have been made under any of the facilities since then;

- ii) Zanatta has failed to remit required monthly payments since December 1, 2025. It made one lump sum interest payment in May 2026, and no payments have been made since then; and
 - iii) Zanatta 2 has failed to remit required monthly payments since October 28, 2025. It made one lump sum principal payment and one lump sum interest payment in May 2026, and no payments have been made since then.
- b) Failure to pay property taxes: As of June 5, 2026, a total of \$80,471.17 is owed for 2025 and 2026 property taxes for the Lands. Interest on arrears continues to accrue, and penalties will be applied if the arrears continue to be unpaid. The Borrowers' failure to pay property taxes results in an erosion of National Bank's security position.
- a) Failure to deliver required reporting on time or at all: The Borrowers have failed to provide required monthly, quarterly, and annual reporting. They have not provided their annual financial statements for the 2025 fiscal year. Novo Textile has not provided quarterly reporting beyond Q4 2025. Additionally, Novo Textile has not provided monthly reporting since May 1, 2026, which was for the reporting period ending March 31, 2025. As set out in more detail below, National Bank has been unable to calculate financial ratios or otherwise assess the Borrowers' current financial condition or the current value or condition of its inventory, accounts receivable, and equipment. In further default, the Borrowers have failed to provide required annual financial report for Novo Holdings Co. Ltd.
- c) Failure to provide evidence of insurance: The insurance policies that National Bank has on file for the Lands expired on April 1, 2026. Further, the coverage under the expired policies did not extend to the Zanatta 2 Lands. The Borrowers have neglected or failed to provide evidence confirming that adequate insurance

coverages are in place. If insurance for the Lands has lapsed, then that places National Bank's security at significant risk.

- b) Permitting further encumbrances of assets without consent: Zanita and Zanita 2 permitted the registration by Vancouver City Savings Credit Union of a general security agreement in the Personal Property Registry against their present and after-acquired personal property. There also exists a Crown charge for employer health tax registered in the Personal Property Registry against Novo Textile's present and after-acquired personal property.
- 15. By letters dated July 6, 2026, National Bank sent demands for repayment and notice of intention to enforce security to the Borrowers. Concurrent demands were issued under the Guarantees.
- 16. National Bank offered forbearance terms, but no agreement was reached. The debtors neglected or refused to repay the indebtedness despite demand.
- 17. The sums due and owing pursuant to the Letter Agreements and under the Security as of August 28, 2026 are as set out in paragraphs 22 and 23 of Part 1. The said amounts claimed do not include any penalty or bonus. Interest accrues on the sums due and owing at the rates set out in paragraph 24 of Part 1.

Other Conduct that Informed the Decision to Seek the Appointment of a Receiver

- 18. The serious nature of the Borrowers' various defaults caused National Bank to lose confidence in management. National Bank's loss of confidence was further informed and compounded by the following.

Non-Revolving Line of Credit

- 19. The indebtedness under the Novo Textile Line of Credit has consistently remained at or near the authorized credit limit, and at times over the authorized credit limit. Further, rather than a credit facility with constantly revolving balances due to utilization for day-to-day operations, as is the stated purpose of this facility, the Novo Textile Line of Credit has instead been effectively used as a permanent non-revolving debt facility. Multiple non-

sufficient funds transactions have been recorded on the account, and the volume and dollar value of transactions through the account have declined.

Alternative Banking Arrangements

20. Related to the foregoing, the Borrowers appear to maintain some of their day-to-day banking with financial institutions other than National Bank. By maintaining bank accounts elsewhere, the Borrowers have prevented National Bank from effectively monitoring their day-to-day operations and have kept collateral for the extension of credit (i.e., cash) outside of National Bank's control.

Lack of and Inadequate Financial Reporting

21. The Borrowers' failure to deliver required reporting on time or at all and failure to respond to National Bank's request for documents and information rendered National Bank unable to monitor and assess their operations and financial condition notwithstanding that National Bank was financing its operations.
22. In relation to Novo Textile, National Bank has been unable to determine the current value of its inventory as it has failed to provide updated inventory reporting since March 2026. Novo Textile's inventory is comprised primarily of disposable masks and packaging. Disposable masks have a shelf life that varies depending on the type of mask and storage conditions, and prolonged or improper storage may degrade the materials, reducing their effectiveness and value. National Bank has been unable to assess whether the inventory is being stored under appropriate conditions to maintain shelf life and usability.
23. In addition, due to the lack of and inadequate financial reporting, National Bank has been unable to establish a complete picture of Novo Textile's accounts receivable. The limited accounts receivable information received from Novo Textile shows only two customers, BC Provincial Health Services Authority ("**PHSA**") and Vereburn. That information was provided as of March 31, 2026, and National Bank is unable to determine whether it remains complete or accurate.

24. Accurate and current information regarding Novo Textile's accounts receivable and inventory is essential because the Novo Textile Line of Credit is a borrowing base facility, meaning that the authorized credit limit is calculated as a percentage of the value of eligible accounts receivable and inventory. Without current and reliable reporting, National Bank cannot verify whether the collateral supporting the Novo Textile Line of Credit actually exists, remains collectible (in the case of receivables) or retains its value or quantity (in the case of inventory, which have declined since the last reporting date), or whether the outstanding advances exceed the properly calculated borrowing base, thereby exposing National Bank to under-secured lending risk.
25. Novo Textile uses the Zanatta Lands as a storage or warehouse facility for its inventory. The Zanatta Lands were listed for sale on the MLS from June 18, 2025 to December 31, 2025 with Cushman & Wakefield ("C&W"). The listing is not currently active on the MLS but is still being marketed on C&W's website. The interior photos in the listing brochure show an empty premise, which is inconsistent with the use of the premises as a storage or warehouse facility for inventory. If the photos reflect the current state of the interior of the Zanatta Lands, this raises significant concerns, as National Bank does not know where Novo Textile is storing its inventory or whether any inventory remains.
26. Account statements reviewed by National Bank suggest that the number and dollar value of payments from PHSA have decreased. The originating credit submission for Novo Textile indicated that PHSA was Novo Textile's primary customer pursuant to a contract in place until January 2027 with monthly minimum order commitments. Given National Bank's limited insight into Novo Textile's current financial performance, it is unclear whether the contract with PHSA remains in good standing and whether it will be renewed upon expiry. The decreases in payments from PHSA would suggest that either their business with PHSA has declined or the deposits from PHSA (and other customers) are being directed to accounts with other financial institutions.
27. The last available values for Novo Textile's equipment are the net book values shown on the internal, unaudited December 31, 2025 balance sheet. Most of the equipment has been classified as shop equipment, which National Bank understands to relate to high-speed

medical mask and N95 production machines that are highly specialized and may have a limited resale market; their current condition and value are unknown.

Lease of the Zanatta 2 Lands

28. The Zanatta 2 Lands are leased exclusively to a tenant, Felix Pharmacy West Inc., pursuant to an amended and restated lease agreement dated January 9, 2024. Under the lease, the tenant is currently required to pay basic rent in the amount of \$6,331.29 per month or \$75,975.50 per year plus operating costs, utilities, and property taxes. Accordingly, the Borrowers are generating rental income from the Lands, while not remitting payments to National Bank nor remitting payments on account of other priority payables.
29. The lease term is set to expire on January 20, 2027, and provided that the tenant is not in default, the tenant has the option to renew for two additional three-year terms by giving notice of renewal as early as 12 months before and no later than 6 months before the start of the renewal term. National Bank does not know whether the tenant has exercised the option to renew, and if so, the terms of the renewal.
30. National Bank could not identify rent deposits specially from the tenant in its review of the account statements for Zanatta 2. The last transaction in the bank account was a deposit by Novo Textile on May 13, 2026 for \$25,000, and there were no additional deposits since. Further, there were months where there were no transactions at all (other than National Bank's standard service charges) and months where it would appear that the only deposit came from Novo Textile. National Bank is concerned that rents are being diverted on an ongoing basis, that the tenant may be in default of its lease obligations, that a replacement tenant may be required for the Zanatta 2 Lands, and that the Lands are not being managed in a manner that maximizes return.
31. The only financial statements of Zanatta 2 that National Bank has are its financial statements for the year ending December 31, 2024. The financial statements show rental income for 2024 in the amount of \$318,000, which is significantly higher than the annual rent due under the lease even if recoveries for operating costs, utilities, and property taxes are accounted for. National Bank does not have Zanatta 2's financial statements for 2025

and is therefore unable to reconcile or assess the nature of this discrepancy, determine whether it has continued or worsened, or verify the current state of rental income from the Zanatta 2 Lands.

32. National Bank understands that Zanatta 2 is a single asset real estate holding company. The rent due under the lease alone is insufficient to fully cover the monthly payments required under the Zanatta 2 Letter Agreement, and in light of the transactions in Zanatta 2's bank account, it is likely that Novo Textile was supplementing the rental income in order to cover the monthly payments. As National Bank has no insight into the current financial performance of Novo Textile, it does not know whether this financial support is continuing. The delinquent loan payments would suggest that it is not.

Non-Compliance with Tax Obligations

33. On or around April 8, 2025, National Bank received a demand notice in the amount of \$65,967.75 from the Ministry of Finance in connection with amounts owed by Novo Textile for employer health tax.
34. On or around May 13, 2026, National Bank received a second demand notice in the amount of \$53,517.66 from the Ministry of Finance in connection with amounts owed by Novo Textile for employer health tax.
35. These demands demonstrate a pattern of non-compliance by Novo Textile, and Novo Textile's non-compliance with its statutory obligation to pay employer health tax has resulted in a Crown charge registered against its personal property in the Personal Property Registry.
36. The Borrowers have also refused to confirm that amounts owed to the Canada Revenue Agency ("CRA") are current. Outstanding CRA obligations, including source deductions and GST remittances, would give rise to deemed trust claims that rank in priority to National Bank's mortgage and security interests, further eroding National Bank's position. In light of the Borrowers' failure to pay property taxes, and the amounts owed to the Ministry of Finance for employer health tax, a significant risk exists that the Borrowers are similarly failing to remit required amounts to CRA.

Inability to Repay the Indebtedness

37. On October 1, 2025, Mr. Zanatta advised National Bank that he was working on a contemplated transaction that would pay out the Novo Textile Line of Credit and Special Credit, and that the parties were working towards closing by October 31, 2025.
38. On November 25, 2025, Mr. Zanatta advised that the transaction was still being negotiated and that the parties were close to signing the agreement.
39. On March 2, 2026, Mr. Zanatta provided National Bank with a signed share purchase agreement that contemplated the purchaser, 1567420 B.C. Ltd., acquiring 64% of the shares in Novo Textile with a closing date of March 17, 2026.
40. The transaction did not complete.
41. On June 12, 2026, Mr. Zanatta provided National Bank with a copy of a non-binding letter of intent that contemplated the purchaser, 54 North Asset Management Ltd., acquiring all of the shares in Novo Textile. Mr. Zanatta advised that the transaction would result in repayment of the debt owed by Novo Textile, and the target closing date of the transaction was June 30, 2026 but acknowledged more realistic timing would be July 15, 2026. Mr. Zanatta further advised that commercial mortgages to be funded by Vancouver City Savings Credit Union in parallel to the transaction would result in the repayment of the debts owed by Zanatta and Zanatta 2.
42. On July 7, 2026, the Borrowers' solicitor advised that the share purchase agreement with 54 North Asset Management Ltd. remained under negotiation and that a closing of mid-July could not be guaranteed.
43. As set out above, the Zanatta Lands continue to be marketed for sale on C&W's website. This ongoing marketing activity is inconsistent with Mr. Zanatta's representation that the commercial mortgages would be repaid through refinancing.
44. Given the inordinate amount of time a share transaction has been under negotiation, the continually shifting closing dates, and the apparent inconsistency in the Borrowers' stated plan with respect to the repayment of the commercial mortgages, National Bank has serious

doubts as to the viability of the current transaction and the Borrowers' ability to otherwise repay the indebtedness.

Need for the Appointment of a Receiver

45. For the reasons set out above, National Bank has lost trust and confidence in the Borrowers' management and their ability to manage and preserve the value of their business and the Lands. National Bank therefore seeks the appointment of a receiver to take possession of and secure the Lands, secure and maintain adequate insurance, preserve, collect and remit rental income generated from the Lands, bring priority payables current, and maximize recovery for stakeholders through a professional marketing and sales process.

Financial Information about the Borrowers

46. As set out above, the Borrowers have failed to provide required financial reporting, and National Bank has been unable to assess the Borrowers' current financial circumstances and business operations.
47. A receiver would be empowered to compile and obtain accurate and complete financial information regarding the Borrowers' business and operations, including current inventory levels, accounts receivable, equipment condition, and banking activity.

Realizing Value of Business as Going Concern

48. Relatedly, National Bank wishes to realize on the value of Borrowers' business, including inventory, accounts receivable, equipment, the Lands (to the extent they form part of the Borrowers' business), and going concern value.
49. There is no practical means of doing so absent the appointment of a receiver and without fulsome and accurate information about the Borrowers' finances and business operations.

Income from the Lands

50. As set out above, the Zanatta 2 Lands are occupied by a tenant, and the lease is set to expire in January 2027. It is unknown whether the lease is in default or whether the lease will continue beyond that date. Rental income from the tenant appears to have been diverted.
51. A receiver, if appointed, would be empowered to enforce the existing lease and collect and remit rent in accordance with proper priorities. Further, as the existing lease is nearing expiry, the receiver would be empowered to ensure continuity of the tenancy and minimize or eliminate any interruption in rental income, including through the negotiation of renewals or securing replacement tenants. This, in turn, would preserve the Lands' value as income-generating assets.

Protection of the Lands

52. The Borrowers have neglected or failed to provide evidence confirming that required insurance coverages are in place. If insurance for the Lands has lapsed, that places National Bank's security at significant risk. A receiver would ensure that the Lands are adequately protected and insured.

Marketing and Sale of the Lands

53. National Bank wishes to have the assistance of a receiver to develop and implement a sales process for the Lands to maximize recoveries. Given that the Lands are income-producing assets, the involvement of a receiver is necessary to mitigate or eliminate the risk of vacancies, mismanagement of leases, and the diversion of rental income.

The Proposed Receiver

54. Deloitte Restructuring Inc. ("**Deloitte**") is a licensed insolvency trustee and has substantial experience as a receiver and officer of the court, including in connection with appointments of this nature. Deloitte has consented to act as receiver and manager herein.

Subordinate Charges and Other Standard Foreclosure Pleadings

55. The following sets out the holders of charges, nature of charges and registration numbers of the charges registered in the Land Title Office against the Lands, all of which charges rank in priority behind the interest of National Bank:

CHARGEHOLDERS	NATURE OF CHARGES	REGISTRATION NO
N/A		

56. The following sets out the holders of charges, nature of charges and registration numbers of the charges registered in the British Columbia Personal Property Registry in respect of which National Bank claims its Security has priority in this proceeding:

CHARGEHOLDERS	NATURE OF CHARGES	REGISTRATION NO.
Receivables Management Office – Laura Cruz	Crown charge	143178S
Vancouver City Savings Credit Union	Security interest	568718R

57. There are no other persons having a registered interest in the Lands and/or Property with respect to which National Bank seeks a declaration in this proceeding that the Security has priority.
58. National Bank has not entered into nor taken possession of the Lands and Property.
59. The respondents, “all tenants or occupiers of the subject lands and premises,” include any tenant or other occupant of the Lands.

PART 3: LEGAL BASIS

General

60. National Bank relies on Rules 1-3, 10-2, 13-5, 14-1, 16-1, 21-7, and 22-1 of the Rules of the Court, the *Bankruptcy and Insolvency Act*, including s. 243, the *Law and Equity Act*, including s. 39, and the *Personal Property Security Act*.

Receivership

61. The court will appoint a receiver and manager when “just or convenient”.

Textron Financial Canada Ltd. v. Chetwynd Motels Ltd., 2010 BCSC 477 [*Textron*]

62. The court determines whether an appointment would be just or convenient based on the specific circumstances of each individual case. There is no exhaustive list of relevant factors. Factors considered relevant on other applications have included:

- a) the risk to the security holder taking into consideration the size of the debtor’s equity in the assets and the need for protection or safeguarding of the assets;
- b) the preservation and protection of the property;
- c) the balance of convenience to the parties;
- d) whether the applicant has a contractual right to the appointment of a receiver;
- e) whether irreparable harm might be caused if no order is made;
- f) whether a court appointment is necessary to enable the receiver to carry out its duties more efficiently;
- g) the costs to the parties;
- h) the likelihood of maximizing return to the parties; and
- i) the goal of facilitating the duties of the receiver.

Textron

Maple Trade Financing Inc. v. CY Oriental Holdings Ltd., 2009 BCSC 1527

63. Where the security instrument governing the relationship between the debtor and the secured creditor provides for a right to appoint a receiver on default, the burden on the applicant is relaxed. While the appointment of a receiver is generally regarded as an extraordinary equitable remedy, the nature of the remedy is not extraordinary or equitable

in circumstances where commercial parties have expressly contemplated the appointment in a contract governing their relationship.

Textron at paras 50 and 75

United Savings Credit Union v. F & R Brokers Inc., 2003 BCSC 640

Canadian Imperial Bank of Commerce v. Can-Pacific Farms Inc., 2012 BCSC 437

BCIMC Construction Fund Corporation et al. v. The Clover on Yonge Inc., 2020 ONSC 1953 at paras 42 to 51

Bank of Nova Scotia v. Freure Village on Clair Creek, [1996] O.J. No. 5088 (G.D.) at para 12

Canadian Tire Corp. v. Healy, [2011] O.J. No. 3498 (S.C.J.) at para 18

Bank of Montreal v. Carnival National Leasing Limited, [2011] O.J. No. 671 (S.C.J.) at para 27

Farallon Investments Ltd. v. Bruce Pallett Fruit Farms Ltd., [1992] O.J. No. 330 (G.D.) at paras 2 – 6

Foremost Financial Corporation et al. v. Alai Developments Inc. et al., Court File No. CV-23-00702528-00CL (July 24, 2023)

64. In the present case, the Borrowers agreed to the appointment of a receiver upon default in the contracts governing their relationship, including under the terms of the Mortgage and the GSAs.
65. Other factors mitigating in favour of the appointment of a receiver and manager include:
 - a) This is a commercial loan involving sophisticated commercial parties and, as part of the balancing of the parties' respective rights and obligations, National Bank was granted the contractual right to appoint a receiver under the terms of the Mortgage and GSA;
 - b) For the reasons set out above, National Bank has justifiably lost trust and confidence in the Borrowers' management and in their ability to repay the indebtedness owing to National Bank.
 - c) With respect to the equities between the parties, National Bank upheld its end of the bargain, and, in contrast, the Borrowers have repeatedly breached their contractual obligations; and
 - d) A receiver is required to:
 - i) take possession of and secure the Lands;

- ii) secure and maintain adequate insurance coverages;
- iii) collect, preserve, and apply rental income generated from the Lands;
- iv) collect accounts receivable and realize on going concern value;
- v) distribute revenues in accordance with proper legal priorities;
- vi) bring priority payables current, including any outstanding tax obligations;
- vii) compile and obtain accurate and complete financial information regarding the Borrowers' business and operations;
- viii) assess and preserve the value of Novo Textile's inventory, accounts receivable, and equipment; and
- ix) maximize recovery for stakeholders through a professional marketing and sales process.

66. It would be just or convenient for the court to appoint Deloitte as receiver and manager.

Indemnity Costs

67. National Bank seeks costs on an indemnity basis pursuant to the terms of the Letter Agreements (Schedule "A", Security Fees and Indemnification sections), the Mortgages (s. 1.1, "Costs" and s. 2.2), the GSAs (s. 2.2(i)) and the Guarantees (s. 1 included in the definition of "Secured Indebtedness").

68. Under s. 20 of the *Law and Equity Act*, the court "may" order costs as party and party costs despite a covenant or term of a mortgage to the contrary. Section 20 states as follows:

20(1) In this section:

"**foreclosure**", in respect of an agreement for sale, as defined in section 16 (1), means a foreclosure as defined in that section;

"**mortgage**" includes an agreement for sale as defined in section 16 (1).

(2) In a foreclosure in which costs are awarded, the court may,

(a) despite any covenant or term of a mortgage respecting the payment and calculation or manner of determining costs and expenses in, arising out of, or in connection with a foreclosure, and

(b) instead of making an order in accordance with that covenant or term, order that costs be assessed as party and party costs or as special costs under the Supreme Court Civil Rules, and the court may make no order for costs if it would otherwise make no order but for the covenant or term referred to in this subsection.

(3) This section applies to all proceedings commenced before April 14, 1986 other than a proceeding in which a court has made an order for costs.

[emphasis added]

69. The legislature chose only to refer to a term or covenant of a mortgage in s. 20 of the *Law and Equity Act*. The legislature could have, but did not, refer to a term or covenant of a loan agreement or the other forms of non-mortgage security commonly granted in favour of commercial lenders. As a matter of statutory interpretation, that omission must be considered intentional (which would accord with the general view that s. 20 was principally aimed at legal costs in residential foreclosures).
70. In *Blueshore Financial v. 1134038 B.C. Ltd.*, 2023 BCSC 2304, this court set out certain considerations that would likely guide the exercise of its discretion under s. 20 of the *Law and Equity Act*:
- a) the mortgage term agreed to by the parties provides for such costs which, but for s. 20 of the *Law and Equity Act*, the mortgagee would be awarded;
 - b) the sophistication of the parties and involvement of legal counsel in the preparation and execution of the lending documents;
 - c) whether the matter is a commercial matter where the use of the lender's funds was intended to generate an opportunity to profit or earn income;
 - d) whether, although being brought as a foreclosure under R. 21-7, other agreements are being enforced as part of the proceeding (e.g., personal property security and guarantees) that include indemnity cost provisions;

- e) whether there have been delays in prosecuting the matter such that the mortgagor had extended use of the borrowed funds post default; and
- f) the overall complexity of the proceedings including the number of parties, and extent of the security and collateral.

71. The foregoing considerations amply support an award of indemnity costs in the present case. This is a commercial loan, and National Bank's funds were intended to be used by sophisticated debtors to generate profit. Counsel was involved in the loan transaction. The matter is complex relative to a standard residential foreclosure, with various loan parties and loan facilities and a variety of forms of security having been taken by National Bank. Furthermore, as noted above, the Letter Agreements, the GSAs and the Guarantees provide for indemnity costs outside of any term of the Mortgage (i.e., and thus pursuant to terms not captured by the language of s. 20 of the *Law and Equity Act*).

72. The last point noted above gives rise to an additional matter not directly considered in the *Blueshore* decision. The Court of Appeal recently considered contractual costs provisions in *Peace River Partnership v. Cardero Coal Ltd.*, 2023 BCCA 351. After discussing contractual costs provisions generally, the Court of Appeal held at paragraph 148 as follows:

[148] Thus, where a contractual indemnity provision meets the threshold test of "clearly and unequivocally" establishing the right to indemnification (Eisler Estate (SC) at para. 31), that provision will, in our view, be presumptively enforceable. The burden then shifts to the party opposing indemnification to establish why the court should exercise its discretion to depart from the terms of the contract.

73. In short, in circumstances where a litigant holds a contractual right to an indemnity costs award, then the court presumptively ought to enforce that right – subject to the counterparty meeting its burden to establish a reason why the court ought to depart from the contractual terms. This approach respects freedom of contract and accords with the various important policy considerations militating in favour of enforcement of bargains struck by parties.

74. There is no principled reason why a foreclosing commercial lender's cost recovery ought to be less (by orders of magnitude) relative to every other litigant holding a contractual claim for indemnity costs. That a mortgage happens to form part of its contractual

arrangements does not logically justify that outcome. In circumstances where a foreclosing lender holds a contractual right to costs outside of the terms of a mortgage, then the analysis in *Peace River* applies – i.e., presumptive entitlement to contractual costs absent one or more of the respondents meeting their burden to justify the court’s exercise of discretion otherwise.

75. An additional matter militating in favour of a contractual costs award that was not considered in the *Blueshore* decision is proportionality. This matter involves a significant amount of money. In that context, the court providing a substantial benefit to defaulting Borrowers by awarding the lender only a fraction of its costs contrary to express contractual terms would strike any rational observer as an absurdity (particularly where no other litigant gets that indulgence outside of a foreclosure proceeding).
76. The debtor respondents cannot justify a departure from the agreed contractual costs provisions. Accordingly, National Bank ought to be awarded its costs of this proceeding on an indemnity basis.

PART 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of C. Stark made August 31, 2026
2. Affidavit #1 of Zhao (Vivienne) Zhang made August 31, 2026

Date: August 31, 2026


Signature of lawyer for petitioner
Scott H. Stephens / Lily Y. Zhang

TO BE COMPLETED BY THE COURT ONLY:

Order made

☐ in the terms requested in paragraphs _____ of Part 1 of this petition

☐ with the following variations and additional terms:

Date: _____

Signature of ☐ Judge ☐ Master

**ENDORSEMENT ON ORIGINATING PLEADING OR PETITION
FOR SERVICE OUTSIDE BRITISH COLUMBIA**

The petitioner claims the right to serve this petition on the respondents, or any of them, outside British Columbia on the grounds, *inter alia*, that the proceeding:

- (a) is brought to enforce, assert, declare or determine proprietary or possessory rights or a security interest in property in British Columbia that is immovable or movable property;
- (b) is brought to interpret, rectify, or enforce any deed, contract, or other instrument in relation to property in British Columbia that is immovable or movable property;
- (c) concerns contractual obligations, and the contractual obligations, to a substantial extent, were to be performed in British Columbia;
- (d) concerns contractual obligations, and by its express terms, the contract is governed by the law of British Columbia.

INFORMATIONAL NOTICE FOR FORECLOSURE PROCEEDINGS

This is a foreclosure proceeding. You have been served with the enclosed materials because you appear to have an interest in the property described in the petition to the court.

Within this proceeding, the court may make orders concerning distribution of sale proceeds that impact you.

To ensure that you are informed of any court orders concerning distribution of funds, you must make the court and the petitioner aware of your contact information. This can be done by filing a response to petition or notifying the petitioner in writing of your current contact information.

If at any stage of this proceeding you wish to take a position on the relief sought in this proceeding, a response to petition and supporting affidavit must be filed and served on the petitioner within the timelines set out in the Supreme Court Civil Rules.

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

NATIONAL BANK OF CANADA

Petitioner

and

NOVO TEXTILE COMPANY LTD., NOVO HOLDINGS CO.
LTD., ZANATTA SEABORNE HOLDINGS LTD., ZANATTA
SEABORNE 2 HOLDINGS LTD., ZANATTA FAMILY TRUST
by its trustee JASON MICHAEL ZANATTA, JASON MICHAEL
ZANATTA, HIS MAJESTY THE KING IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA, VANCOUVER CITY
SAVINGS CREDIT UNION and ALL TENANTS OR
OCCUPIERS OF THE SUBJECT LANDS AND PREMISES

Respondents

ORDER MADE AFTER APPLICATION
(RECEIVERSHIP ORDER)

BEFORE THE HONOURABLE)
JUSTICE)
)
)

ON THE APPLICATION of the petitioner, National Bank of Canada, for an order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "**LEA**") appointing Deloitte Restructuring Inc. as Receiver and Manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and property of the respondents, Novo Textile Company Ltd., Novo Holdings Co. Ltd., Zanatta Seaborne Holdings Ltd., and Zanatta Seaborne 2 Holdings Ltd. (collectively, the "**Debtors**"), acquired for, or used in relation to a business carried on by the Debtors, coming on for hearing this day at Vancouver, British Columbia.

AND ON READING the affidavit #1 of Cory Stark made August 31, 2026, the affidavit #1 of Zhao (Vivienne) Zhang made August 31, 2026 and the consent of Deloitte Restructuring Inc. to act as the Receiver; AND ON HEARING Scott H. Stephens and Lily Y. Zhang, counsel for the petitioner and other counsel as listed on **Schedule "A"** hereto, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to section 243(1) of the BIA and section 39 of the LEA Deloitte Restructuring Inc. is appointed Receiver, without security, of all of the assets, undertakings and property of the Debtors, including the lands and premises legally described as:

Parcel Identifier: 031-181-368

STRATA LOT 20 SECTION 8 RANGE 1 EAST NEW WESTMINSTER DISTRICT
STRATA PLAN EPS7008

Parcel Identifier: 031-906-630

STRATA LOT 9 SECTION 8 BLOCK 6 NORTH RANGE 1 EAST NEW
WESTMINSTER DISTRICT STRATA PLAN EPS9208

and all proceeds thereof (collectively, the “**Property**”).

RECEIVER’S POWERS

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property, including, without limitation, to collect all rent and lease payments;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including, without limitation, those conferred by this Order;
 - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting these amounts, including, without limitation, enforcement of any security held by the Debtor;

- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtor, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of a single transaction for consideration up to \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) to file an assignment into bankruptcy under the Bankruptcy and Insolvency Act (Canada) on behalf of the Debtors at any time, and to act as trustee in bankruptcy in respect of such bankruptcy; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtors; (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to

the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are stayed and suspended pending further order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtors and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtors, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any “eligible financial contract” as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing

out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates 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 Debtors are 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 Receiver, and the Receiver shall be entitled to the continued use of the Debtors' current 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 date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to the employees' right to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtors, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection*

Act, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing in this Order shall require the Receiver 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 relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.
16. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’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 the Receiver is actually in possession.
17. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Receiver’s appointment; or,
 - (b) after the Receiver’s appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver’s gross negligence or wilful misconduct.
18. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or

would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
- (a) any gross negligence or wilful misconduct on its part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
21. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands:
- (a) against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court;
 - (b) in payment of any charges of taxes, utilities, or insurance premiums which relate to any of the Property; and
 - (c) in payment of any claims reasonably determined by the Receiver to be in priority to the petitioner's security.

FUNDING OF THE RECEIVERSHIP

23. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater

amount as this Court may by further order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. Neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
25. The Receiver is authorized to issue certificates substantially in the form annexed as **Schedule “B”** hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.
26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

ALLOCATION

27. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver’s Charge and Receiver’s Borrowings Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: www.insolvencies.deloitte.ca/novo (the “**Website**”) and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the petitioner a demand for notice in the form attached as **Schedule “C”** (the “**Demand for Notice**”). The Receiver and the petitioner need only provide further notice in respect of these proceedings to Persons that have delivered a properly

completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the petitioner from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

30. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the “**Service List**”). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
32. Notwithstanding paragraph 31 of this Order, service of the Petition [OR the Notice of Application] and any affidavits filed in support 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 its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
33. The Receiver and its counsel are authorized to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL

34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days’ notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
35. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
36. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
37. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be

necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

38. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver 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.
39. The petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the petitioner's security or, if not so provided by the petitioner's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
40. Endorsement of this Order by counsel appearing on this application other than the petitioner is dispensed with.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:

Signature of Scott H. Stephens,
Lawyer for the National Bank of Canada

BY THE COURT

DISTRICT REGISTRAR

SCHEDULE "A"

APPEARANCE LIST

Counsel Name	Party Represented

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the Receiver and Manager (the "**Receiver**") of all of the assets, undertakings and properties of Novo Textile Company Ltd., Novo Holdings Co. Ltd., Zanatta Seaborne Holdings Ltd., and Zanatta Seaborne 2 Holdings Ltd. acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (the "**Court**") dated the _____ day of _____, 2026 (the "**Order**") made in SCBC File No. _____ has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2026.

Deloitte Restructuring Inc., solely in its
capacity as Receiver of the Property, and not
in its personal capacity

Per:
Name:
Title:

SCHEDULE "C"

DEMAND FOR NOTICE

TO: National Bank of Canada
c/o Owen Bird Law Corporation
Attention: Scott H. Stephens and Lily Zhang
Email: sstephens@owenbird.com and lzhang@owenbird.com

AND TO: Deloitte Restructuring Inc.
Attention: Jeff Keeble and Aveshin Govender
Email: jkeeble@deloitte.ca and jkeeble@deloitte.ca

Re: In the matter of the Receivership of Novo Textile Company Ltd., Novo Holdings Co. Ltd., Zanatta Seaborne Holdings Ltd., and Zanatta Seaborne 2 Holdings Ltd.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

OR

2. By facsimile, at the following facsimile number (or numbers):

OR

3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____

Action No. _____

IN THE SUPREME COURT OF BRITISH
COLUMBIA

No. _____
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

Between

NATIONAL BANK OF
CANADA

Petitioner

and

NOVO TEXTILE
COMPANY LTD. et al

Respondents

RECEIVERSHIP ORDER
