

This is the Second Affidavit of
Jeffrey Burt in this case and
was made on August 28, 2026

Court File No. S-258845
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF 1061511 B.C. LTD., JAMESON BROADWAY & BIRCH GENERAL PARTNERSHIP LTD., AND JAMESON BROADWAY & BIRCH LIMITED PARTNERSHIP

PETITIONERS

AFFIDAVIT OF JEFFREY BURT

I, Jeffrey Burt, of the City of Vancouver, in the Province of British Columbia, **MAKE OATH AND SAY AS FOLLOWS**:

1. I am a Director of the Special Servicing and Loan Workouts group at CMLS Financial Ltd. ("**CMLS**"), a respondent in these proceedings. As such, I have personal knowledge of the truth of the matters herein, except where stated to be based upon information and belief, in which case, I verily believe the same to be true.

2. I am authorized to make this Affidavit on behalf of CMLS, Computershare Trust Company of Canada ("**Computershare**"), RBC Global Asset Management Inc. ("**RBC GAM**"), and Portage Capital Corporation ("**Portage**", and collectively with CMLS, Computershare, and RBC GAM, the "**Portage Lenders**"). For simplicity, RBC GAM, Portage, CMLS, and Computershare shall be collectively referred to herein as the "**Portage Lenders**".

3. In swearing this Affidavit, I have also reviewed the true copies of entries made in the books or records of CMLS. These books or records were part of the ordinary books or records of CMLS at the time of making the entries, and such entries were made in the usual and ordinary course of business. The books and records remain in the custody or control of CMLS.

4. I swear this affidavit in response to the 9th Affidavit of Thomas James Pappajohn dated August 19, 2026 (the "**Thomas Affidavit**") filed in opposition to the Notice of Application brought by CMLS, on behalf of Computershare, to lift the stay of proceedings (the "**Stay**") in this *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("***CCAA***") proceeding as it applies to James Holdings Ltd. ("**James Holdings**").

Background

5. All capitalized terms used herein are as defined in my First Affidavit of Jeffrey Burt dated July 27, 2026 (the "**Burt Affidavit**").

6. While all of the Portage Lenders were kept apprised of the Loan Agreement with the Borrowers, Andrew Jones, the Managing Partner at Portage, personally had direct communications with the Pappajohn directors from the outset of the Loan Agreement and into the CCAA Proceedings.

7. On August 28, 2026, I had a call with, among others, Glen Malcolm and Evan Ward of RBC GAM and Andrew Jones to discuss the discrepancies in the Burt Affidavit that are raised in the Thomas Affidavit. Based on this discussion, I verily believe the following to be true:

   a. In response to paragraph 59(f): It was the Portage Lenders' belief that the Granville Rent Surplus income from the Granville Properties, after payment of the obligations owing to the first mortgagee on the Granville Properties, Van City, would be used to make the monthly payments on the Portage Loan. The Portage Lenders were aware that the Granville Rent Surplus would be insufficient to satisfy the full amount of the monthly payments, which is why the Interest Reserve Agreement was entered into, to cover the shortfall.

      The Portage Lenders were generally aware that James Holdings had other real estate projects that were income producing, that were being re-financed, or that would generate proceeds of sale. When the Interest Reserve Payments ceased, due to the interest reserve being depleted, it was believed that the Borrowers were sourcing the funds for the shortfall from other real property, as James Holdings has no other lines of business to service the Loan with. It was not known what specific properties were providing the source of the funds nor was it known whether the funds were being generated from rental income, re-financing, or sale proceeds.

   b. In response to paragraph 59(g): The Portage Lenders maintain that the primary security on the Granville Properties was always expected to be the source of repayment of the Loan. It was believed that the additional security provided by the Borrowers, in respect of the Larch Property and the Birch Property, would accelerate the repayment of the Loan but it was not at any time believed by the Portage Lenders that these properties would be the source of the full Loan repayment.

c. In response to paragraph 59(h): Prior to February of 2026, the Portage Lenders were never provided cash flows for properties other than the Granville Properties and would not have been aware of any amounts generated from any one particular property or project. The Portage Lenders received pro formas relating to the Birch Property and Larch Property in or around February of 2026 and James Holdings periodically provided its consolidated financial statements, but none of the Portage Lenders received any other cash flow or similar information on an asset by asset-basis.

d. In response to paragraph 59(k): In Andrew Jones' discussions with one of the Pappajohn brothers prior to the commencement of the CCAA Proceedings, he was told that the Portage Lenders would not be captured by the Stay and that the Stay would just apply to the Birch Property. It was a result of these discussions that there was confusion about whether the Portage Lenders would be able to enforce their security against the Granville Properties during this CCAA Proceeding.

e. In response to paragraph 59(l): It is unclear on this evidence what is being claimed in this paragraph. At no point were the Portage Lenders made aware that Van City would be registering a new mortgage charge behind the Granville Mortgage on the Granville Properties. Any discussions relating to the Van City mortgages on the Granville Properties were understood to relate to renewals of the existing Van City security and creating a blanket charge on all of the Granville Properties. The Portage Lenders would not have agreed to a new mortgage being registered subsequent to the Granville Mortgage.

None of the Portage Lenders received a formal notice relating to Van City registering a new, subordinate charge on the Granville Properties. The Portage Lenders did not sign any priority agreements or standstill agreements relating to Van City as there were already existing agreements between the parties relating to Van City's first priority mortgage on the Granville Properties.

In or around March of 2025, Thomas Pappajohn informed Andrew Jones that there was nothing for the Portage Lenders to do as James Holdings was just renewing its loans with Van City.

f. In response to paragraph 59(m): The Portage Lenders maintain that they expected to receive the Granville Rent Surplus towards some or all of their monthly payments, pursuant to the GARL. If the Granville Rent Surplus was insufficient, the Borrowers were still expected to make their full payments towards the Loan.

g. In response to paragraph 59(n): After the commencement of the CCAA Proceeding, the Borrowers and Portage Lenders negotiated the Forbearance Agreement as the Granville Rent Surplus stopped being paid towards the Loan and were diverted. As no payments

had been received since November 1, 2025, the Portage Lenders believed their only recourse was through the Forbearance Agreement, which was anticipated to provide swifter enforcement against the Granville Properties. The Forbearance Period provided that any redemption period in a foreclosure or receivership proceeding in respect of any of the Borrowers would be reduced day for day by the term of the Forbearance Agreement. When the Forbearance Agreement expired on July 31, 2026, the Portage Lenders intended to take steps to pursue the Granville Properties and are now seeking to have the Stay lifted to do so.

8. The Portage Lenders are not creditors of the Birch Companies but have been stayed from taking enforcement steps under their Security granted by the Borrowers for a period of 9 months. The Portage Lenders should not continue to be prevented from enforcing against their Security while the Portage Lenders are effectively held hostage in this CCAA Proceeding.

9. I make this Affidavit for no improper purpose.

10. I acknowledge the solemnity of making a sworn statement and acknowledge the consequences of making an untrue statement.

SWORN before me at the City of Vancouver, in the Province of British Columbia, this 28th day of August, 2026.

A Commissioner of Oaths in and for the Province of British Columbia

JEFFREY BURT

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