

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

NEXII BUILDING SOLUTIONS INC., et al.,¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 24-10026 (JKS)

(Jointly Administered)

DECLARATION OF WILLIAM TUCKER IN SUPPORT OF FOREIGN REPRESENTATIVE’S MOTION PURSUANT TO SECTIONS 105(A), 363, 365, 1501, 1507, 1520, AND 1521 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 6004, 6006, AND 9014, FOR ENTRY OF AN ORDER (I) RECOGNIZING AND ENFORCING THE APPROVAL AND VESTING ORDER, (II) APPROVING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS’ ASSETS FREE AND CLEAR OF LIENS, CLAIMS, AND ENCUMBRANCES, AND (III) GRANTING RELATED RELIEF

I, WILLIAM TUCKER, to the best of my information and belief, state as follows:

1. I am the former Chief Executive Officer of the Debtors (as defined below) and currently an independent contractor of the Debtors providing, among other things, the services of a Chief Executive Office. I am intimately familiar with the above-captioned debtors (collectively, the “Debtors”) which are the subject of jointly-administered proceedings (the “CCAA Proceedings”) under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 (as amended, the “CCAA”) in the Superior Court of British Columbia, (the “Canadian Court”), and, as such, have knowledge of the matters contained in this declaration (the “Declaration”).

2. I submit this declaration in support of the *Foreign Representative’s Motion Pursuant to Sections 105(A), 363, 1501, 1507, 1520, and 1521 of the Bankruptcy Code, and Bankruptcy Rules 2002, 6004, 6005, and 9014, for Entry of an Order (I) Recognizing and Enforcing the Approval and Vesting Order, (II) Approving the Sale of Substantially All of the*

¹ The Debtors in these chapter 15 cases (the “Chapter 15 Cases”), along with the last four digits of each Debtor’s unique identifier, are Nexii Building Solutions Inc. (0911), Nexii Construction Inc. (1333), NBS IP Inc. (9930), and Nexii Holdings Inc. (5873). The Debtors’ service address for purposes of these Chapter 15 Cases is 1455 West Georgia Street, #200, Vancouver, British Columbia V6G 2T3.

*Debtors' Assets Free and Clear of Lien, Claims, and Encumbrances, (III) Recognizing and Enforcing the Administrative Reserves Order, and (IV) Granting Related Relief (the "Motion")*² filed contemporaneously herewith.

3. Except as otherwise stated herein, the statements in this Declaration are based on my personal knowledge or opinion except as otherwise noted. If I were called upon to testify, I could and would testify competently to the facts set forth herein. I am authorized to submit this Declaration on behalf of the Debtors.

Events Leading to a Sale of Substantially All of the Debtors' Assets and the Asset Purchase Agreement

4. Since commencing the CCAA Proceedings and these Chapter 15 Cases, the Debtors, through the Monitor and with the close involvement of the Canadian Court approved investment banker Origin, have been focused on a value maximizing sale of all or substantially all of the Debtor's assets pursuant to the CCAA to a strategic partner or partners that can utilize the Debtors' proprietary technology.

5. Following entry of the Sale Process Order and approval of Origin's engagement, Origin commenced the Sale Process, which involved comprehensive marketing with the goal of consummating a sale under the supervision of the Canadian Court. On January 24, 2024, Origin launched the Sale Process by distributing the Teaser, which detailed the acquisition opportunity to potential purchasers and investors. The Teaser was distributed to 188 interested parties, which included Canadian and United States operators in the construction industry, financial groups, and other strategic parties, including certain parties that contacted the Monitor and/or Origin following the commencement of the CCAA Proceedings.

6. Parties that executed the NDA attached to the Teaser were provided with access to

² Capitalized terms used but not defined herein shall have the meaning given to them in the Motion.

an online dataroom, which contained historical and projected financial information and other relevant diligence information, such as operational metrics, personnel information, and material contracts and agreements. In total, 26 interested parties executed an NDA and were provided access to the dataroom, 11 of which were interested in exploring transaction opportunities with the Debtors.

7. Pursuant to the Sale Process Order, the deadline for interested parties to submit a binding qualified bid, including a 10% purchase price deposit, was March 7, 2024. As of such date, however, the Debtors had not received any Qualified Bids that were in a form for which approval could be sought in the CCAA Proceedings. However, the Debtors, Origin, and the Monitor continued to market the Debtors' assets and engage in discussions with potential purchasers of the Debtors' assets.

8. Notwithstanding that Origin spent nearly six (6) months marketing the Debtors' assets, the only qualified bid that was submitted for the Debtors' assets in the Sale Process came from third-party bidders Nexiican Holdings Inc. and Nexii, Inc., the Buyers under the Asset Purchase Agreement. Although the Buyers have names that are similar to the Debtors, the principals of the Buyers are not related to the Debtors and the Buyers were incorporated for the purpose of implementing the transactions subject to the Asset Purchase Agreement.

9. Pursuant to the Asset Purchase Agreement³ the Buyers are purchasing the Purchased Assets, which comprise substantially all of the Debtors' assets, in exchange for a Purchas Price of more than \$22,500,000.00 of total consideration, which includes \$22,200,000.00 of assumed secured indebtedness, \$500,000.00 of cash consideration, and assumption of additional liabilities relating to Resale Warranty Obligations (as defined in the Asset Purchase Agreement)

³ A true and correct copy of the Asset Purchase Agreement is attached to the Approval and Vesting Order as Schedule B, which is attached as Exhibit 1 to the proposed form of order submitted contemporaneously herewith.

and assumed contracts and leases. The Purchased Assets will be conveyed to the Buyers free and clear of Encumbrances (other than Permitted Encumbrances).

10. On or about June 27, 2024, the Buyers paid a good faith deposit in the amount of CAD 250,000 to the Debtors as required under the Asset Purchase Agreement.

11. The Asset Purchase Agreement requires that closing take place on or before August 15, 2024 at 11:59 p.m. (Vancouver time). The Asset Purchase Agreement authorizes the Buyers, in their sole discretion, to make written offers of employment to the Debtors' employees that are contingent on the Closing.

12. I believe a sale of the Purchased Assets other than one free and clear of all interests, except as otherwise provided in the Asset Purchase Agreement and the Approval and Vesting Order would yield substantially less value for the Debtors and their creditors than the alternative. Therefore, I believe a sale free and clear of all interests is in the best interests of the Debtors, their creditors, and other parties in interest.

13. I believe the Sale is the best transaction available to the Debtors under the circumstances, and to ensure the Debtors' assets are maximized for the benefit of their stakeholders, including employees and counterparties to contracts and leases that are being assumed by the Buyers. I believe that failure to consummate the Sale would be detrimental to the Debtors, their stakeholders, and the public interest.

14. I believe the Asset Purchase Agreement was negotiated without fraud or collusion, in good faith, and from an arm's-length bargaining position. I believe the Debtors did not enter into the Asset Purchase Agreement for the purpose of hindering, delaying, or defrauding the Debtors' present or future creditors.

Executed on this 1st day of July, 2024 British Columbia, Canada

/s/ William Tucker