

Justice John A. Keith

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The Law Courts
1815 Upper Water Street
Halifax Nova Scotia
B3J 1S7

May 13, 2025

VIA E-MAIL

cc. The Service List

Dear counsel:

RE: HFX 539955, Annapolis Management Inc.

Regarding: Motion by Correspondence for Stay Extension

I have reviewed the materials filed in support of a request for a further 45 day extension, ending July 5, 2025.

At this stage, it is my intention to deal with this issue in writing – assuming no problems arise that would require an appearance in Court.

Based on the Proposal Trustee's Fourth Report, I understand that:

1. The SISP bid process ended as of April 7, 2025, as previously directed. 13 bids were received for the commercial development properties, including 1 *en bloc* offer. The Proposal Trustee, the lenders representing almost all of the Debtor's debt (the "Lenders" collectively represented by Mr. O'Keefe and Mr. Dunning), and the Debtor are in the process of reviewing these offers and hope to soon begin negotiating agreements with successful bidder(s);
2. The Proposal Trustee is also in negotiations for the sale of the residential property on Young Avenue in Halifax and has delivered a counteroffer to a potential purchaser;
3. An aggregate of five months after the 30-day period referred to in subsection 50.4(8) has not expired;
4. The Proposal Trustee:
 - a. Requires additional time to review the offers received; negotiate a binding agreement with the successful bidder(s); and then schedule a hearing forthwith to consider and approve a transaction(s);
 - b. Recommends the requested extension of time on the basis that:
 - i. To its knowledge, the Debtor has acted, and is acting in good faith; and
 - ii. To its knowledge, neither the Lender nor any other interested party opposes the extension or identified any material prejudice should the extension be granted. On this, I note that no person has filed any

materials with the Court raising an objection to the proposed extension; and

- iii. To its knowledge, there are no significant issues that would prohibit the Debtor from filing a viable proposal.

5. The actual financial results are generally aligned with the prior cash flow projections - subject to the Proposal's Trustee's comments in its Fourth Report regarding certain variance. I harbour certain concerns regarding certain legal fees that exceeded the existing cash flow projections. At the same time, certain other projected professional fees were well below those projections. I also recognize that the Proposal Trustee has been contending with various legal matters including certain building code issues and an ongoing issue regarding funds held by Cox & Palmer. Finally, the cash flow projections in the Fourth Report include professional fees and that all professionals covered by these projections have been provided a copy of these cash flow projections. Overall, at this stage, I am certainly not prepared to deny an extension based on this issue alone. I reserve the right to revisit this issue in the future when I have more information and am in a better position to more fully consider any problems.

Given that this matter is proceeding in writing and before formally issuing the Order, could the Proposal Trustee, as the Court's eyes and ears, please confirm in writing:


1. That my basic understanding summarized above is accurate to the best of its knowledge; and
2. Whether it is aware of any existing serious concerns or problems that are not included in my summary above and that undermines the extension request and should be brought to the Court's attention at this time?

The current extension ends on Monday, May 19, 2025, and so I would be grateful to receive a response by no later than Thursday, May 15, 2025.

Assuming I receive the requested confirmation and no further issues arise, the form of Order is acceptable, and the requested extension seems reasonable, compliant with the statutory conditions, and uncontentious.

A copy of this letter is being sent to all parties on the service list.

Sincerely,



John A. Keith
Justice
JAK/as