

**DISTRICT OF: NOVA SCOTIA**

**DIVISION NO: 01 – HALIFAX**

**COURT NO: 46008/46006/46009/46007/46005**

**ESTATE NO: 51-3176229**

**FIFTH REPORT OF DELOITTE RESTRUCTURING INC.**

**IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF ANNAPOLIS MANAGEMENT INC., BSL HOLDINGS LIMITED, RUBY LLP,  
3337151 NOVA SCOTIA LIMITED, AND 4551650 NOVA SCOTIA LIMITED (EACH A "DEBTOR"  
AND COLLECTIVELY THE "DEBTORS" OR THE "CARYI GROUP")**

**June 27, 2025**

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## INTRODUCTION AND BACKGROUND

1. On January 20, 2025 (the “**NOI Filing Date**”), Annapolis Management Inc. (“**AMI**”), BSL Holdings Limited (“**BSL**”), Ruby LLP (“**Ruby**”), 3337151 Nova Scotia Limited (“**333NSL**”) and 4551650 Nova Scotia Limited (“**455NSL**”) each filed notices of intention to make a proposal (each, an “**NOI**” and together, the “**NOI Proceedings**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) with the Office of the Superintendent of Bankruptcy (the “**OSB**”). Deloitte Restructuring Inc. (“**Deloitte**” or the “**Proposal Trustee**”) consented to act as the Licensed Insolvency Trustee under each of the NOIs.
2. On February 13, 2025, the Caryi Group filed a written submission of the Debtors (the “**Debtors’ Submission**”) with the Supreme Court of Nova Scotia (the “**Court**”) to seek certain relief, including:
  - i. extending the Stay of Proceedings from and including February 18, 2025, up to and including April 4, 2025;
  - ii. authorizing and approving a debtor in possession credit facility (the “**DIP Facility**”) in the amount of \$750,000;
  - iii. granting the following priority charges against all proceeds thereof (the “**Property**”):
    - a. an administration charge in the amount of \$200,000 (as amended, the “**Administration Charge**”) as security for the payment of the professional fees and disbursements incurred and to be incurred by the Proposal Trustee, counsel to the Proposal Trustee, counsel for the Caryi Group, counsel for the secured lenders of the Caryi Group (the “**Lenders**”) and their financial advisor (the “**Lenders’ FA**”); and
    - b. a charge in favour of the lender of the DIP Facility (the “**DIP Lender Charge**”) in the amount of \$750,000 as security for the Debtors’ obligations under the DIP Facility;
  - iv. approving the activities of the Proposal Trustee as detailed in the first report of the Proposal Trustee dated January 23, 2025 (the “**First Report**”);
  - v. approving the proposed sale and investment solicitation process (the “**SISP**”) as outlined in the Proposal Trustee’s Second Report dated February 14, 2025 (the “**Second Report**”);
  - vi. administratively consolidating the separate NOIs filed by the Debtors; and

- vii. amending the style of cause as enumerated in the Court's administrative consolidation order dated February 18, 2025.
3. On February 18, 2025, the Court issued an order granting the requested relief (the "**February 18 Order**").
4. On March 24, 2025, a Notice of Motion by Correspondence was filed by the Debtors. Such Notice of Motion by Correspondence sought the following relief:
- i. extending the time for the Debtors to file a proposal to their creditors, including extending the stay period provided by the NOIs; and
  - ii. approving the conduct of Deloitte in its capacity as Proposal Trustee as set out in the third report of the Proposal Trustee dated March 28, 2025 (the "**Third Report**").
5. On April 4, 2025, the Court issued an order (the "**April 4 Order**") extending the time to file a proposal to May 19, 2025 (the "**Stay Period**") and also approving the Proposal Trustee's conduct as described in the Third Report.
6. On May 9, 2025, a Notice of Motion by Correspondence and an accompanying Written Submission was filed by the Debtors. Such Notice of Motion by Correspondence sought the following relief:
- i. extending the time for the Debtors to file a proposal to their creditors; and
  - ii. approving the conduct of Deloitte in its capacity as Proposal Trustee.
7. On May 13, 2025, the Court issued an order (the "**May 13 Order**") extending the time to file a proposal to July 5, 2025 and also approving the Proposal Trustee's conduct as described in the Proposal Trustee's Fourth Report dated May 9, 2025 (the "**Fourth Report**").

## **PURPOSE**

8. The purpose of this Fifth Report is to provide the Court with an update on the following:
- i. a summary of the activities of the Debtors and the Proposal Trustee since the date of the Fourth Report;

- ii. an update on the outcome of the SISP, including the Caryi Group's request for an order approving the three agreements of purchase and sale attached as Appendices "**A**", "**B**" and "**C**" (each, an "**APS**") resulting from the SISP administered by the Proposal Trustee;
- iii. details with respect to proposed allocations of costs related to corporate disbursements, professional fees, the Administration Charge and borrowings under the Debtors' DIP Facility;
- iv. a summary of likely next steps in the Debtors' restructuring proceedings;
- v. a summary of the Debtors' receipts and disbursements for the period May 4 through June 22, 2025 (the "**Reporting Period**") with a comparison to forecast amounts that were included in the Fourth Report (the "**Variance Analysis**");
- vi. the Debtors' revised cash flow forecast from June 23, 2025 through July 19, 2025 (the "**Fifth Cash Flow Forecast**"); and
- vii. the Debtors' request for an order approving:
  - a. the Proposal Trustee's activities as contained in this Fifth Report (the "**Fifth Activities Approval Order**");
  - b. the fees and disbursements of the Proposal Trustee and Proposal Trustee's Counsel as described in this Fifth Report (the "**Fee Approval Order**"); and
  - c. extending certain of the Debtors' time to file a proposal to their creditors to July 18, 2025.

## TERMS OF REFERENCE

9. In preparing this Fifth Report, the Proposal Trustee has been provided with, and has relied upon, unaudited, draft and/or internal financial information and information from third-party sources (collectively, the "**Information**"). Except as described in this Fifth Report:
  - i. The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian audit standards ("**CAS**") pursuant to the *CPA Canada Handbook* and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under CAS in respect of the Information;

- ii. Deloitte has prepared this Fifth Report in its capacity as Proposal Trustee to provide background to the Court for its consideration of the relief being sought. Parties using this Fifth Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
10. Future-oriented financial information referred to in this Fifth Report was prepared based on the Debtors' estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
11. Unless otherwise indicated, the Proposal Trustee's understanding of the factual matters expressed in this Fifth Report concerning the Debtors and their businesses is based on the Information and not independent factual determinations made by the Proposal Trustee.
12. Capitalized terms not defined herein have the meaning ascribed to them in the Pre-Filing Report, First Report, Second Report, Third Report, Fourth Report, and the affidavits of Joanne Caryi (the "**Caryi Affidavits**") filed in these NOI Proceedings.
13. Materials filed with the Court can be found on the Proposal Trustee's website at <https://www.insolvencies.deloitte.ca/caryigroup> (the "**Proposal Trustee Website**").

#### **THE DEBTORS' ACTIVITIES SINCE THE DATE OF THE FOURTH REPORT**

14. Since the date of the Fourth Report, the Debtors' activities have included, but were not limited to:
- i. continuing to manage the assets of the Caryi Group in the normal course which, among other things, has included:
    - a. dealing with tenant matters, including negotiating new leases;
    - b. maintaining insurance coverage;
    - c. communicating with stakeholders; and
    - d. arranging for repairs and maintenance to be completed at their properties;

- ii. continuing discussions with the Caryi Group's real estate broker, Royal LePage Atlantic, regarding the sale of the Debtors' residential property located at 545 Young Avenue in Halifax, Nova Scotia (the "**Residential Property**");
- iii. responding to information requests from the Proposal Trustee in a timely fashion;
- iv. submitting disbursement requests (including supporting documentation) to the Proposal Trustee for review prior to any payments being made;
- v. continuing discussions with the Halifax Regional Municipality (the "**HRM**") regarding the Orders to Comply for the property located at 1598 Barrington Street, Halifax Nova Scotia, including arranging for expanded scaffolding on the premises;
- vi. corresponding with the Canada Revenue Agency ("**CRA**") to open post-filing excise tax accounts for the Caryi Group; and
- vii. assisting the Proposal Trustee with respect to queries from interested parties as part of the SISP.

15. In the Proposal Trustee's view, the Debtors have continued to act in good faith and with due diligence during these NOI Proceedings.

#### **PROPOSAL TRUSTEE'S ACTIVITIES SINCE THE DATE OF THE FOURTH REPORT**

16. Since the date of the Fourth Report, the Proposal Trustee's activities have included, but have not been limited to, the following:

- i. participating in daily meetings with Joanne Caryi ("**Ms. Caryi**") regarding restructuring matters of the Caryi Group;
- ii. participating in discussions with its counsel regarding the administration of the NOI Proceedings;
- iii. participating in discussions with the Lenders' FA regarding matters in the NOI Proceedings which have included, among other things:
  - a. discussing bi-weekly financial variance reports;
  - b. discussing details related to DIP Facility draws;

- c. discussing details related to the allocation of the DIP Facility and Administration Charge granted in these NOI Proceedings;
  - d. organizing site visits for prospective buyers of the Caryi Group properties;
  - e. providing weekly updates on the SISP both prior to and subsequent to the bid deadline on April 21, 2025 (the “**Bid Deadline**”); and
  - f. carrying out miscellaneous administrative matters such as lender approval of *ad hoc* operational expenses;
- iv. working with the Debtors to prepare the bi-weekly variance analyses;
  - v. working with the Debtors to prepare the Variance Analysis contained herein;
  - vi. reviewing and approving proposed disbursements of the Debtors;
  - vii. conducting site visits of the Caryi Group properties with and responding to queries from potential buyers as part of the SISP;
  - viii. negotiating with bidders in relation to the offers they submitted as part of the SISP;
  - ix. notifying all bidders that participated in the SISP the outcome of their respective bids and coordinating the return of their deposits, where applicable;
  - x. maintaining the Proposal Trustee’s Website;
  - xi. monitoring the Proposal Trustee’s hotline (1-833-712-5155) and email inbox (caryihalifax@deloitte.ca) in order to address stakeholder concerns; and
  - xii. filing this Fifth Report with the Court.

#### **UPDATE ON THE SISP**

- 17. Undefined capitalized terms in this section of the Fifth Report shall have the meanings ascribed to them in the SISP.
- 18. As reported in prior reports of the Proposal Trustee submitted to this Court and pursuant to the Order dated February 18, 2025, the Proposal Trustee:



- i. prepared a list of 374 prospective purchasers identified by the Proposal Trustee and other stakeholders, such as the Lenders' FA;
- ii. developed a non-confidential summary of the opportunity (the "**Teaser**") in consultation with the Debtors and the stakeholders and circulated this document to this list of prospective purchasers on February 19, 2025;
- iii. developed a Tender Package, including a bid sheet, with a bid deadline of April 21, 2025, and provided it to prospective purchasers (along with a non-disclosure agreement ("**NDA**")) to be executed by all prospective purchasers along with the submission of any related bids received;
- iv. undertook an advertising campaign for the assets, which included, among other things, advertising the SISP in various media sources such as Insolvency Insider, the Charlottetown Guardian, Saltwire, and AllAtlantic;
- v. collected information from the Debtors for showcasing, and set up and maintained, a virtual data room containing such confidential information regarding each of the Debtors' Property in the SISP;
- vi. of the list of prospective purchasers, received 51 executed NDAs from prospective buyers and provided them access to the aforementioned virtual data room;
- vii. on March 14, 2025, amended and circulated an "Addendum to Tender Package" to the aforementioned prospective buyers, which included an eighth parcel to allow for the solicitation of adjacent Halifax properties in an effort to provide increased flexibility and potentially increased value thereto given the collective development potential based on feedback received from stakeholders;
- viii. liaised with, and responded to, information requests from prospective buyers, in consultation with the Debtors and its counsel as well as the Lenders' FA;
- ix. liaised with and facilitated site visit requests from prospective buyers, in consultation with the Debtor;
- x. updated the Lenders' FA on the status of the SISP on an ongoing basis;
- xi. collected and assessed the bids and corresponding deposits received up to the Bid Deadline;

- xii. allowed each prospective buyer an opportunity to submit a best and final bid by May 2, 2025 given the quantum of the bids relative to one another;
- xiii. opened and managed a trust account for the purposes of collecting deposits received for bids on the Debtors' Assets as part of the SISP;
- xiv. reviewed, communicated the status of each bid to the respective bidder, and coordinated the return of deposits, as applicable; and
- xv. reviewed and suggested amendments to the agreements of purchase and sale in coordination with legal counsel of the Proposal Trustee and legal counsel of the Debtors.
19. The Proposal Trustee and its counsel have worked with the respective purchasers of the 1598 Barrington Street (the "**Tramway Building**"), 1669 Granville Street ("**Granville Hall**") and 1674 Hollis Street (the "**Sonic Building**") (collectively, the "**Preferred Bids**"), which has resulted in agreements of purchase and sale attached as Appendices "**A**", "**B**" and "**C**", respectively, to this Fifth Report. The only redactions from such agreements are the respective purchase prices, as further discussed below.
20. The agreements documenting the three transactions are substantially similar as presented in Appendices "**A**", "**B**" and "**C**" but are not yet executed by the respective purchasers. The Proposal Trustee expects that any amendments will be minor in nature given the provisions of the SISP. The Proposal Trustee makes the following observations regarding the non-financial terms of each transaction:

The Tramway Building

Item	Details
<b>Property acquired</b>	<ul style="list-style-type: none"> <li>1598 Barrington Street, Halifax, Nova Scotia (PID 00076455), together with all easements, rights-of-way, and other rights and benefits appurtenant thereto</li> </ul>
<b>Deposit</b>	<ul style="list-style-type: none"> <li>A deposit equal to 15% of the purchase price was retained by the Proposal Trustee with the submission of bids and held in a trust account until closing of the sale whereby it will be released to the Proposal Trustee for the benefit of the stakeholders of the Vendor and in partial satisfaction of the purchase price</li> </ul>
<b>Calculation of the purchase price</b>	<ul style="list-style-type: none"> <li>The purchase price is to be paid to the Proposal Trustee less any adjustments for municipal property taxes, local improvement rates, rentals, as well as adjusting for the above deposit</li> </ul>

	<ul style="list-style-type: none"> <li>Purchase price amounts are also subject to harmonized sales tax (HST)</li> </ul>
<b>'As is, where is' basis</b>	<ul style="list-style-type: none"> <li>The Purchaser acknowledges that the Property is being purchased on an 'as is, where is' basis as they exist at the closing and the Purchaser will accept the Property in such state, condition, and location at the closing, with no adjustments to be allowed by the Vendor or Purchaser unless specifically provided for in the APS</li> </ul>
<b>Permitted encumbrances</b>	<ul style="list-style-type: none"> <li>As set out in Schedule "B" of the APS, includes specific encumbrances such as the lease set forth in Schedule "C" of the APS and the Orders to Comply</li> </ul>
<b>Retained contracts</b>	<ul style="list-style-type: none"> <li>As set out in Schedule "C" of the APS, includes the assumption of the lease dated June 1, 2010 between Morris Strug (as predecessor in title to the Vendor) and Soup Pot Ideas Inc. (as amended)</li> </ul>
<b>Representations</b>	<ul style="list-style-type: none"> <li>The representations and warrants of both the Vendor and Purchaser are typical and pertain to items such as the organization and status, corporate power to enter into the agreement, due authorization and enforceability, HST registration, residence status and the absence of conflicts, governmental consents and brokers from the APS</li> </ul>
<b>Closing</b>	<ul style="list-style-type: none"> <li>The closing is deemed to have occurred following the issuance of an executed copy of the Proposal Trustee's Certificate to the Vendor.</li> </ul>

#### Granville Hall

<b>Item</b>	<b>Details</b>
<b>Property acquired</b>	<ul style="list-style-type: none"> <li>1669 Granville Street, Halifax, Nova Scotia (PID 40042087 and PID 00003251) together with all easements, rights-of-way, and other rights and benefits appurtenant thereto</li> </ul>
<b>Deposit</b>	<ul style="list-style-type: none"> <li>A deposit equal to 15% of the purchase price was retained by the Proposal Trustee with the submission of bids and held in a trust account until closing of the sale whereby it will be released to the Proposal Trustee for the benefit of the stakeholders of the Vendor and in partial satisfaction of the purchase price</li> </ul>
<b>Calculation of the purchase price</b>	<ul style="list-style-type: none"> <li>The purchase price is to be paid to the Proposal Trustee less any adjustments for municipal property taxes, local improvement rates, rentals, as well as adjusting for the above deposit</li> <li>Purchase price amounts are also subject to harmonized sales tax (HST)</li> </ul>
<b>'As is, where is' basis</b>	<ul style="list-style-type: none"> <li>The Purchaser acknowledges that the Property is being purchased on an 'as is, where is' basis as they exist at the closing and the Purchaser will accept the Property in such state, condition, and location at the closing, with no adjustments to be allowed by the Vendor or Purchaser unless specifically provided for in the APS</li> </ul>
<b>Permitted encumbrances</b>	<ul style="list-style-type: none"> <li>As set out in Schedule "B" of the APS, includes specific encumbrances such as the lease set forth in Schedule "C" of the APS</li> </ul>
<b>Retained contracts</b>	<ul style="list-style-type: none"> <li>As set out in Schedule "C" of the APS, includes the assumption of the lease dated September 2016 between BSL, as landlord, and 3298944 Nova Scotia Limited, as tenant</li> </ul>

<b>Representations</b>	<ul style="list-style-type: none"> <li>The representations and warrants of both the Vendor and Purchaser are typical and pertain to items such as the organization and status, corporate power to enter into the agreement, due authorization and enforceability, HST registration, residence status and the absence of conflicts, governmental consents and brokers from the APS</li> </ul>
<b>Closing</b>	<ul style="list-style-type: none"> <li>The closing is deemed to have occurred following the issuance of an executed copy of the Proposal Trustee's Certificate to the Vendor.</li> </ul>

#### The Sonic Building

<b>Item</b>	<b>Details</b>
<b>Property acquired</b>	<ul style="list-style-type: none"> <li>1674 Hollis Street, Halifax, Nova Scotia (PID 00003236) together with all easements, rights-of-way, and other rights and benefits appurtenant thereto</li> </ul>
<b>Deposit</b>	<ul style="list-style-type: none"> <li>A deposit equal to 15% of the purchase price was retained by the Proposal Trustee with the submission of bids and held in a trust account until closing of the sale whereby it will be released to the Proposal Trustee for the benefit of the stakeholders of the Vendor and in partial satisfaction of the purchase price</li> </ul>
<b>Calculation of the purchase price</b>	<ul style="list-style-type: none"> <li>The purchase price is to be paid to the Proposal Trustee less any adjustments for municipal property taxes, local improvement rates, rentals, as well as adjusting for the above deposit</li> <li>Purchase price amounts are also subject to harmonized sales tax (HST)</li> </ul>
<b>'As is, where is' basis</b>	<ul style="list-style-type: none"> <li>The Purchaser acknowledges that the Property is being purchased on an 'as is, where is' basis as they exist at the closing and the Purchaser will accept the Property in such state, condition, and location at the closing, with no adjustments to be allowed by the Vendor or Purchaser unless specifically provided for in the APS</li> </ul>
<b>Permitted encumbrances</b>	<ul style="list-style-type: none"> <li>As set out in Schedule "B" of the APS, includes specific encumbrances</li> </ul>
<b>Retained contracts</b>	<ul style="list-style-type: none"> <li>No contracts have been retained</li> </ul>
<b>Representations</b>	<ul style="list-style-type: none"> <li>The representations and warrants of both the Vendor and Purchaser are typical and pertain to items such as the organization and status, corporate power to enter into the agreement, due authorization and enforceability, HST registration, residence status and the absence of conflicts, governmental consents and brokers from the APS</li> </ul>
<b>Closing</b>	<ul style="list-style-type: none"> <li>The closing is deemed to have occurred following the issuance of an executed copy of the Proposal Trustee's Certificate to the Vendor.</li> </ul>

21. The Proposal Trustee's rationale for recommending these three transactions is guided by subsection 65.13(4) of the BIA. Such requirements, and the Proposal Trustee's views related to each, are set out in the table below:

Requirement	Factors
<ul style="list-style-type: none"> <li>whether the process leading to the proposed sale or disposition was reasonable in the circumstances</li> </ul>	<ul style="list-style-type: none"> <li>The SISP involved a broad canvass of potential investors</li> <li>The length of the SISP allowed for interested parties to undertake site visits and review the information posted to an electronic data room</li> <li>The Proposal Trustee regularly responded to further information requests from interested parties</li> <li>The Proposal Trustee, as permitted by the SISP, sought improved bids from interested parties after the initial Bid Deadline</li> <li>The properties each received multiple offers</li> <li>In the Proposal Trustee's view, the SISP was a reasonable process to market the Debtors' assets</li> </ul>
<ul style="list-style-type: none"> <li>whether the trustee approved the process leading to the proposed sale or disposition</li> </ul>	<ul style="list-style-type: none"> <li>The Proposal Trustee administered the SISP and recommended its approval to the Court</li> </ul>
<ul style="list-style-type: none"> <li>whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy</li> </ul>	<ul style="list-style-type: none"> <li>Each of the secured creditors of the properties related to the Preferred Bids has been consulted throughout the administration of the SISP and have provided their support for the Debtors to sell their collateral in these NOI Proceedings</li> </ul>
<ul style="list-style-type: none"> <li>the extent to which the creditors were consulted</li> </ul>	<ul style="list-style-type: none"> <li>As noted above, the secured creditors have been regularly consulted through these NOI Proceedings and are supportive of the sale transactions being recommended by the Proposal Trustee</li> </ul>
<ul style="list-style-type: none"> <li>the effects of the proposed sale or disposition on the creditors and other interested parties</li> </ul>	<ul style="list-style-type: none"> <li>The sale transactions related to the Preferred Bids are the highest recoveries available to the Debtor's creditors</li> </ul>
<ul style="list-style-type: none"> <li>whether the consideration to be received for the assets is reasonable and fair, taking into account their market value</li> </ul>	<ul style="list-style-type: none"> <li>The SISP was approved by the Court and was reasonable</li> <li>The assets in the SISP were widely marketed and the Proposal Trustee executed in excess of 50 NDAs related to the SISP</li> <li>Each of the properties being sold received multiple offers which leads to the Proposal Trustee to conclude that the value received is the best that can be achieved in the circumstances</li> </ul>

22. The Debtors are seeking the Court's approval to complete the transactions related to the Preferred Bids found in Appendices "A", "B" and "C". To protect sensitive information relating to these proposed transactions, the Proposal Trustee has submitted a Confidential Appendix "1", which provides an overview of the purchase price for the offers received. The Debtors are seeking a protective order to seal certain commercially sensitive information for a period of three months related to the bids received in the SISP in the event that the transactions contemplated in this Fifth Report do not close and the assets need to be remarketed (the "**Confidentiality Order**").

23. The intent of the Confidentiality Order is to maintain confidentiality regarding the offers until such time as the Proposal Trustee can complete the sales, as contemplated by the respective agreements of purchase and sale. For this reason, the Proposal Trustee is supportive of the Debtors' request for the issuance of the Confidentiality Order.

#### *Treatment of proceeds*

24. Each of the APS provides that the Proposal Trustee will hold the proceeds of each sale in trust until such time as each secured lender of the Debtors has confirmed the quantum of the sale proceeds attributable to their property. The reason for this is that certain cash flows, which include borrowings under the DIP Facility, certain corporate costs, the Administration Charge and professional fees need to be allocated between each property.

25. To facilitate this analysis, the Proposal Trustee has provided an interim, draft analysis to the Lenders' FA which provides an interim amount that is currently attributable to each property (the "**Draft Allocation Analysis**"). The outcome of the Draft Allocation Analysis will continue to fluctuate until such time as the Debtors' NOI Proceedings are complete as certain of the inputs in this analysis are based on the Debtors' cash flows, which continue.

26. The Proposal Trustee will continue to engage with the Lenders' FA to formalize a consensual method to allocate corporate costs, professional fees, the Administration Charge and borrowings from the DIP Facility. The Proposal Trustee expects to make one additional Court appearance to address remaining issues in these NOI Proceedings.

#### *Security opinions*

27. Given that the Debtors have numerous secured creditors with an interest in their properties, the Proposal Trustee has instructed its independent counsel, Stewart McKelvey, to review each lender's security registration. Stewart McKelvey's opinions related to the three properties that are subject to an APS are included in **Appendices "D", "E" and "F"**, respectively.

28. Subject to the usual qualifications contained therein, Stewart McKelvey has opined that the mortgage security held by each of 333NSL, BSL and 455NSL in respect of the properties known as the Tramway Building, Granville Hall and the Sonic Building are valid and enforceable as against the respective property of the Debtors.

29. Based on the results of these reviews, the Proposal Trustee recommends that the Court authorize the Proposal Trustee to remit the net proceeds of each lender's security to them once the Draft Allocation Analysis is finalized between the Proposal Trustee and the Lenders' FA.
30. In addition to reviewing the security of lenders to those properties being sold pursuant to the transactions contained herein, the Proposal Trustee requested that its independent counsel review all of the security related to the Debtors' Property. As such, **Appendices "G" through "K"** contain additional security opinions for the Debtors' other properties.
31. Subject to the usual qualifications contained therein, the opinions in **Appendices "G" through "K"** note that the security granted is valid and enforceable. This will be discussed further later in this Fifth Report.

#### **NEXT STEPS IN THE DEBTORS' NOI PROCEEDINGS**

32. As set out above, the Debtors are seeking the Court's approval for only three sale transactions. If such approval is sought and the transactions contemplated by the APS close, the remaining assets of each of the Debtors will be as follows:

<b>Debtor</b>	<b>Remaining Properties</b>
Annapolis	• 1682 Hollis Street, 545 Young Avenue, 1533 Barrington Street, 1572 Barrington Street
BSL	• 165 Prince Street
333NSL	• None
455NSL	• None
Ruby	• None

33. It is the Debtors' intention to close the sale transactions for which approval is currently being sought prior to July 18, 2025. As detailed further herein, the Debtors are seeking stay extensions for only 333NSL, 455NSL and BSL and will allow the stay period for the other Debtors to expire. This will result in the other Debtors being deemed to have made an assignment into bankruptcy on July 5, 2025.
34. Although still not finalized with the Lenders, the Proposal Trustee has discussed the likely next steps to realize upon the real properties of the Caryi Group that remain unsold following the completion of the SISP with the Lenders' FA, but prior to July 18, 2025, would be to:
- propose a Court-Appointed Receiver, if possible, for Annapolis; and

- ii. appoint a private receiver for each of 455NSL, 333NSL and BSL, although discussions continue and are not yet final as it relates to BSL, in particular. The only assets of each of these entities after the closing of the APS will be the cash held in the Proposal Trustee's trust account related to each property sale.

35. As noted above, the Proposal Trustee has not finalized next steps with the Lenders and the Lenders' FA but wanted to provide the Court with the latest information in this respect.

#### RECEIPTS AND DISBURSEMENTS DURING THE REPORTING PERIOD

36. The Debtors, with the assistance of the Proposal Trustee, prepared and filed a cash flow forecast for the period May 5 to July 6, 2025 (the "**Fourth Cash Flow Period**" and the "**Fourth Cash Flow Forecast**"). The Fourth Cash Flow Forecast was attached to the Fourth Report as Appendix "A".

37. The following table details the Debtors' actual receipts and disbursements during the Reporting Period with a comparison to the relevant weeks in the Fourth Cash Flow Forecast.

<b>Caryi Group of Companies Variance Analysis</b>				
<b>Opening Ending Description</b>	<b>5-May-25 22-Jun-25 Forecast</b>	<b>5-May-25 22-Jun-25 Actual</b>	<b>Variance</b>	<b>Variance (%)</b>
<b>Opening cash position</b>	<b>39,267</b>	<b>31,118</b>	<b>(8,148)</b>	<b>(21%)</b>
<b>Receipts</b>				
Revenue - Rent and power recoveries	183,006	191,647	8,642	5%
DIP Financing	200,000	200,000	-	-
HST collected	23,731	26,348	2,617	11%
	<b>406,737</b>	<b>417,995</b>	<b>11,258</b>	<b>3%</b>
<b>Disbursements</b>				
Utilities	48,358	42,642	5,716	12%
Insurance	10,909	15,649	(4,740)	(43%)
Repairs and maintenance	3,978	1,913	2,064	52%
Property management	11,600	7,030	4,570	39%
Corporate disbursements	10,100	10,407	(307)	(3%)
Repairs and maintenance contingency fund	17,500	69,884	(52,384)	(299%)
HST paid	36,262	39,214	(2,952)	(8%)
	<b>138,707</b>	<b>186,739</b>	<b>(48,032)</b>	<b>(35%)</b>
<b>Restructuring costs</b>				
Proposal trustee	150,000	155,656	(5,656)	(4%)
Proposal trustee legal counsel	8,606	-	8,606	100%
Legal counsel to Caryi Group	15,687	16,431	(744)	(5%)
Legal counsel to the Lenders	2,500	2,529	(29)	(1%)
Financial advisor to the Lenders	4,561	-	4,561	100%
	<b>181,353</b>	<b>174,616</b>	<b>6,738</b>	<b>4%</b>
<b>Net inflow/(outflow)</b>	<b>86,677</b>	<b>56,640</b>	<b>(30,037)</b>	<b>(35%)</b>
<b>Ending cash position</b>	<b>125,943</b>	<b>87,758</b>	<b>(38,185)</b>	<b>(30%)</b>



38. The Proposal Trustee makes the following commentary with respect to the above Variance Analysis:

- a. *Revenue – Rent and power recoveries*: the favourable variance is driven by a rental deposit received for a new tenant at the 1533 Barrington Street property and power recoveries received for the 165 Prince Street property.
- b. *Utilities*: the favourable variance in utilities is largely a timing variance due in part to the ransomware attack at Nova Scotia Power that resulted in delayed receipt of related invoices.
- c. *Insurance*: The unfavourable variance results from the cost extending the insurance policy on the 1598 Barrington Street property by one month.
- d. *Repairs and maintenance*: the favourable variance in repairs and maintenance costs results from savings achieved by the property manager being able to complete many of the required repairs and maintenance in house without requiring external service providers.
- e. *Property management*: the favorable variance in property management expenses relates to lower expenses related to cleaning costs being lower than forecast due to the level of occupancy of the buildings. The Caryi Group also incurred fewer expenses than forecast for an occasional maintenance worker.
- f. *Repairs and maintenance contingency fund*: the unfavourable variance in the repairs and maintenance contingency fund relates to the cost of the expanded scaffolding at the 1598 Barrington Street property. This amount was not originally forecast given the timing of the receipt of the Order to Comply received from the Halifax Regional Municipality on May 9, 2025.
- g. *Restructuring costs*: the favorable variance in restructuring costs relates to timing, as invoices for some stakeholders have not yet been received by the Proposal Trustee as at the time of this report.

#### **THE FIFTH CASH FLOW FORECAST**

39. The Debtors, with the assistance of the Proposal Trustee, prepared the Fifth Cash Flow Forecast for the 4-week period from June 23 to July 18, 2025 (the “**Fifth Cash Flow Period**”), a copy of which,

along with supporting declarations and assumptions, are attached as Appendix “L” to this Fifth Report, and summarized herein:

	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	
<b>Week beginning</b>	<b>23-Jun-25</b>	<b>30-Jun-25</b>	<b>7-Jul-25</b>	<b>14-Jul-25</b>	
<b>Week ending</b>	<b>29-Jun-25</b>	<b>6-Jul-25</b>	<b>13-Jul-25</b>	<b>18-Jul-25</b>	<b>Total</b>
<b>Week #</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	
<b>RECEIPTS</b>					
Revenue - Rent and power recoveries	-	103,946	-	-	<b>103,946</b>
DIP Financing	125,000	-	-	-	<b>125,000</b>
HST collected	-	13,864	-	-	<b>13,864</b>
<b>Total Receipts</b>	<b>125,000</b>	<b>117,810</b>	<b>-</b>	<b>-</b>	<b>242,810</b>
<b>OPERATING DISBURSEMENTS</b>					
Utilities	16,638	-	-	22,920	<b>39,558</b>
Insurance	-	10,237	-	672	<b>10,909</b>
Repairs and maintenance	5,769	-	-	2,361	<b>8,130</b>
Property management	-	4,060	-	4,060	<b>8,120</b>
Corporate disbursements	173	5,419	-	3,234	<b>8,826</b>
Repairs and maintenance contingency fund	-	2,500	2,500	2,500	<b>7,500</b>
HST paid	25,362	28	-	31,958	<b>57,348</b>
<b>Total Disbursements</b>	<b>47,941</b>	<b>22,243</b>	<b>2,500</b>	<b>67,706</b>	<b>140,390</b>
<b>RESTRUCTURING COSTS</b>					
Proposal Trustee	78,035	-	-	60,000	<b>138,035</b>
Proposal Trustee legal counsel	50,325	-	-	45,000	<b>95,325</b>
Legal counsel to Caryi Group	-	-	-	25,000	<b>25,000</b>
Financial advisor to Lenders	10,387	-	-	13,596	<b>23,984</b>
<b>Total Restructuring Costs</b>	<b>138,747</b>	<b>-</b>	<b>-</b>	<b>143,596</b>	<b>282,344</b>
<b>Net Inflow/ (Outflow)</b>	<b>(61,688)</b>	<b>95,566</b>	<b>(2,500)</b>	<b>(211,302)</b>	<b>(179,924)</b>
Opening Balance	87,720	26,032	121,599	119,099	<b>87,720</b>
Cash Flow	(61,688)	95,566	(2,500)	(211,302)	<b>(179,924)</b>
Closing Balance	<b>26,032</b>	<b>121,599</b>	<b>119,099</b>	<b>(92,204)</b>	<b>(92,204)</b>

40. The Fifth Cash Flow Forecast is presented on a weekly basis during the Fifth Cash Flow Period and represents the Debtors’ best estimate of their projected cash flows during the Fifth Cash Flow Period. The Fifth Cash Flow Forecast has been prepared by the Debtors, using the probable and hypothetical assumptions set out in the notes to the Fifth Cash Flow Forecast (the “Assumptions”).

41. The Proposal Trustee has reviewed the Fifth Cash Flow Forecast through inquiries, analytical procedures and discussions, and a review of the supporting documents relating to the Information supplied to the Proposal Trustee by the Debtors. Based on the Proposal Trustee's review, nothing has come to its attention that causes it to believe, in all material respects, that:
- i. the Assumptions are not consistent with the purpose of the Fifth Cash Flow Forecast;
  - ii. as at the date of the Fifth Report, the Assumptions are not suitably supported and consistent with the plans for the Debtors or do not provide a reasonable basis for the Fifth Cash Flow Forecast, given the probable and hypothetical assumptions; or
  - iii. the Fifth Cash Flow Forecast does not reflect the Assumptions.
42. Since the Fifth Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Accordingly, the Proposal Trustee expresses no assurance as to whether the results contained within the Fifth Cash Flow Forecast will be achieved. In addition, the Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Fifth Cash Flow Forecast or relied upon by the Proposal Trustee in preparing this Fifth Report.

#### **THE DEBTORS' REQUEST FOR OTHER RELIEF**

43. The Proposal Trustee and Stewart McKelvey (the "**Proposal Trustee's Legal Counsel**") have maintained detailed records of their professional fees and disbursements in the lead up to the initial application and throughout these NOI Proceedings.
44. The fees and administrative charges of the Proposal Trustee for the period November 12, 2024 to May 31, 2025 total \$431,617 plus disbursements of \$15,687 and HST of \$63,346 total \$510,650 (the "**Proposal Trustee's Fees**"). A detailed billing summary, along with copies of the Proposal Trustee's invoices, are contained within the affidavit of James Foran, a copy of which is enclosed as Appendix "**M**".
45. The fees and disbursements of the Proposal Trustee's Legal Counsel, Stewart McKelvey, for the period November 8, 2024 to May 31, 2025 total \$118,212 plus HST of \$17,098 for a total of

\$135,310 (the "**Legal Fees**"). A detailed billing summary along with copies of the invoices of the Proposal Trustee's Legal Counsel are contained within the affidavit of Sara Scott, a copy of which is enclosed as Appendix "**N**".

46. The Debtors are currently seeking the approval of the Court for the Proposal Trustee's fees and disbursements, including the fees and disbursements of the Proposal Trustee's Legal Counsel as described herein, pursuant to the Fee Approval Order.

#### **EXTENSION OF THE STAY PERIOD**

47. The current Stay Period expires on July 5, 2025 and the Debtors are currently seeking an extension of the Stay Period up to and including July 18, 2025 (the "**Extended Stay Period**") for each of 333NSL, 455NSL and BSL. The Proposal Trustee is supportive of the Court extending the Stay Period to the end of the Extended Stay Period as it will allow these Debtors the necessary time to complete the SISP and consummate any transactions that may result therefrom.
48. There is no reason to extend the stay period for the other Debtors and it will be allowed to expire resulting in the deemed bankruptcy of Annapolis and Ruby. Once named bankruptcy trustee (the "**Trustee**"), the Trustee plans to release any interest in the real property owned by Annapolis and Ruby and advise the Lenders of same. The Proposal Trustee's Legal Counsel, as noted above, has opined that such security is valid and enforceable.
49. The Fifth Cash Flow Forecast projects the Debtors will, with the availability of the DIP Facility and the Administrative Charge, have sufficient liquidity through the Extended Stay Period should their requested relief be approved by the Court.
50. The Proposal Trustee is of the view that the Debtors have acted and continue to act in good faith and with due diligence, and no creditor would be materially prejudiced if the extension being applied for were granted. Therefore, the Proposal Trustee is of the view that an extension of the Stay Period is appropriate in the circumstances.

## CONCLUSION

51. The Fifth Report has been prepared to provide the Court with information about the activities of the Debtors and the Proposal Trustee since the Fourth Report and in support of relief being sought by the Debtors.
52. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court grant the relief being sought by the Debtors in their motion materials served on June 26, 2025, which includes:
- a. approving the APAs and sale of 1598 Barrington Street, 1669 Granville Street and 1674 Hollis Street
  - b. extending the Stay Period to July 18, 2025 for 333NSL, 455NSL and BSL;
  - c. approving the activities of the Proposal Trustee as set out in this Fifth Report; and
  - d. approving the fees and disbursements of the Proposal Trustee and its legal counsel.

All of which is respectively this 27<sup>th</sup> day of June, 2025.

## DELOITTE RESTRUCTURING INC.

Acting solely in its capacity as  
Proposal Trustee of the Notices of Intention  
to make a proposal of the Caryi Group  
and not in its personal capacity

Per:



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**James Foran, CPA, CA, CIRP, LIT**  
Senior Vice President



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**Todd Ambachtsheer, CPA, CA, CIRP, LIT**  
Senior Vice President

**APPENDIX "A"**  
**APS FOR 1598 BARRINGTON STREET**

## AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated as of the \_\_\_\_ day of \_\_\_\_\_, 2025.

BETWEEN:

**3337151 NOVA SCOTIA LIMITED**  
(the “**Vendor**”)

OF THE FIRST PART

- and -

**778938 ONTARIO LIMITED**  
(the “**Purchaser**”)

OF THE SECOND PART

WHEREAS:

- A. On January 20, 2025, the Vendor, Annapolis Management, Inc., Ruby, LLP, BSL Holdings Limited, 3337151 Nova Scotia and 4551650 Nova Scotia Limited (collectively, the “**Caryi Group**”) commenced proceedings (the “**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) by filing Notices of Intention to Make a Proposal pursuant to Section 50.4(1) of the BIA, and Deloitte Restructuring Inc. was appointed as proposal trustee of the Caryi Group (in such capacity, the “**Proposal Trustee**”);
- B. Pursuant to an order of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the “**Court**”) dated February 18, 2025, a sale and investment solicitation process for the property and assets of the Caryi Group (the “**SISP**”), to be carried out by the Proposal Trustee, was approved; and
- C. In accordance with the SISP, the Purchaser has made an offer to purchase the Property (as defined herein) from the Vendor and the Vendor and Proposal Trustee have accepted such offer and have agreed to sell the Property to the Purchaser in accordance with the terms of this Agreement (as defined herein).

**NOW THEREFORE**, in consideration of the premises and the covenants contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

**1.1 Definitions.** In this Agreement, in addition to the terms defined in the recitals and preamble hereto, the following terms shall have the meanings set out below:

- (a) “**Agreement**” means this agreement, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time.

- (b) **“Approval and Vesting Order”** means an approval and vesting order of the Court in form and in substance satisfactory to the Vendor, Purchaser, and Proposal Trustee, each acting reasonably, approving this Agreement and vesting in and to the Purchaser the Property, free and clear of and from any and all Encumbrances, other than Permitted Encumbrances, to the extent and as provided for in such approval and vesting order.
- (c) **“Assumed Contracts”** means the Contracts set forth in Schedule “C” hereto.
- (d) **“Building”** means the buildings located on the Lands and all other structures, fixtures and improvements situate on the Lands.
- (e) **“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in the Province of Nova Scotia.
- (f) **“Chattels”** means any equipment and other chattels owned by the Vendor and located at and used solely in connection with the Building and the maintenance, repair and operation of the Property, and for greater certainty does not include any tenant fixtures or other property belonging to tenants or any item leased from third parties.
- (g) **“Closing”** means the closing and consummation of the transaction of purchase and sale contemplated by this Agreement including, without limitation, the satisfaction of the Purchase Price, the delivery of all closing documents contemplated herein on the Closing Date and the conveyance of the Property to the Purchaser.
- (h) **“Closing Date”** means the date that is 5 Business Days following the issuance of the Approval and Vesting Order, or such other date as the parties may agree in writing.
- (i) **“Contracts”** means the contracts, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral, relating to the Property.
- (j) **“Deposit”** has the meaning ascribed thereto in Section 2.3(a).
- (k) **“Encumbrance”** means any mortgage, charge, pledge, hypothec, security interest, deemed trust (statutory or otherwise), assignment, lien (statutory or otherwise), leases, rights of way, title defects, options, claim, adverse claims, encumbrances, easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation.
- (l) **“ETA”** means the *Excise Tax Act* (Canada).
- (m) **“Governmental Authority”** means any federal, provincial, territorial, municipal, state or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any arbitrator, court, or tribunal of competent jurisdiction.



- (n) **“Governmental Order”** means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.
- (o) **“HST”** means harmonized sales tax payable pursuant to the ETA.
- (p) **“Lands”** means the lands and premises legally described in Schedule “A” attached hereto and municipally known as 1598 Barrington Street, Halifax, Nova Scotia, together with all easements, rights-of-way, and other rights and benefits appurtenant thereto.
- (q) **“Notice”** has the meaning given to it in Section 8.3.
- (r) **“Outside Date”** means July 18, 2025.
- (s) **“Permitted Encumbrances”** means those encumbrances listed in Schedule “B” attached hereto.
- (t) **“Person”** means an individual, a partnership, a corporation, company, a trust, an unincorporated organization, a Governmental Authority, and the heirs, executors, administrators or other legal representatives of an individual.
- (u) **“Property”** means the Lands, Building, and Chattels, together with the right, title, and interest of the Vendor in and to the Assumed Contracts.
- (v) **“Proposal Trustee’s Certificate”** means the certificate of the Proposal Trustee customarily attached as a schedule to the Approval and Vesting Order which, among other things, certifies that all of the conditions to this Agreement have been satisfied and Closing has occurred.
- (w) **“Purchase Price”** means the sum of [REDACTED]0, plus HST.

**1.2 Interpretation.** For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, and Schedules mean the Articles and Sections of, and Schedules attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

**1.3 Headings.** The division of this Agreement into Articles and Sections and the insertion of headings into this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**1.4 Currency.** All dollar amounts referred to in this Agreement are in Canadian funds.

## **ARTICLE 2 PURCHASE AND SALE**

**2.1 Purchase and Sale.** The Purchaser agrees to purchase the Property from the Vendor, and the Vendor agrees to sell the Property to the Purchaser, on the terms and subject to the conditions contained in this Agreement for the Purchase Price, subject to adjustment as provided for herein.

**2.2 Closing.** The transactions contemplated in this Agreement will be completed on the Closing Date.

**2.3 Payment of Purchase Price.** The Purchaser shall be paid by the Purchaser to the Vendor as follows: subject to any termination of this Agreement in accordance with the terms hereof, pay to the Proposal Trustee the Purchase Price, and the Vendor hereby irrevocably directs the Purchaser to do so for benefit of the stakeholders of the Vendor, subject to the adjustments referred to herein, in the following manner:

- (a) a deposit in the amount of [REDACTED] (the "**Deposit**"), which the parties acknowledge has been paid by the Purchaser to the Proposal Trustee, in trust, to be held in accordance with Section 2.4;
- (b) the balance of the Purchase Price, subject to adjustment, to be paid by the Purchaser by wire transfer to an account to be provided by the Proposal Trustee at Closing; and
- (c) notwithstanding anything to the contrary herein, the Vendor hereby irrevocably authorizes and directs the Purchaser to pay the Purchase Price, together with all other amounts otherwise payable to the Vendor hereunder, to the Proposal Trustee, to such account or as the Proposal Trustee may otherwise direct, for the benefit of the stakeholders of the Vendor.

**2.4 Termination; Deposit.**

- (a) The Proposal Trustee shall continue to hold the Deposit in a trust account in accordance with this Section 2.4 (or as expressly provided for elsewhere in this Agreement).
- (b) On Closing, the Deposit shall be released from trust to the Proposal Trustee, for the benefit of the stakeholders of the Vendor, in partial satisfaction of the Purchase Price.
- (c) In the event that the Purchaser defaults in the performance any of its obligations hereunder, then the Vendor shall be entitled, in the sole discretion of the Vendor (with the consent of the Proposal Trustee), to either:
  - (i) if the Purchaser is willing to proceed to Closing, waive such default and proceed to Closing in accordance with the terms and provisions hereof; or
  - (ii) declare this Agreement to be terminated, and, in addition to any other claim the Vendor or the Proposal Trustee, for the benefit of the stakeholders of the Vendor, may have against the Purchaser, the Deposit shall be forfeited

to the Proposal Trustee, for the benefit of the stakeholders of the Vendor, as *bona fide* pre-estimated liquidated damages.

- (d) In the event that the Vendor defaults in the performance of any of its obligations hereunder, then the Purchaser shall be entitled, in the sole discretion of the Purchaser, to either:
  - (i) if the Vendor is willing to proceed to Closing, waive such default and proceed to Closing in accordance with the terms and provisions hereof; or
  - (ii) declare this Agreement to be terminated, and the Deposit shall be returned to the Purchaser without further liability of any party to the other.
- (e) In the event that the conditions set out in Section 4.3 have not been satisfied by the Outside Date, then either the Purchaser or Vendor shall be entitled, in their sole discretion, to declare this Agreement to be terminated (unless such failure shall be due to the failure of such party to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing), and the Deposit shall be returned to the Purchaser without further liability of any party to the other.

**2.5 Adjustments.** Any municipal property taxes, local improvement rates, rentals and other items established by usual practice for the purchase and sale of similar properties to the Property shall be apportioned and allowed to the Closing Date, the day of completion itself to be apportioned to Purchaser. The Purchaser shall be solely responsible for all development and similar levies and all other charges and levies with respect to the Property attributable to the period beginning on the Closing Date.

**2.6 Harmonized Sales Tax.** The purchase and sale of the Property will be subject to HST, and the parties agree and acknowledge that HST shall be in addition to the Purchase Price. Notwithstanding the foregoing, the parties hereby agree and acknowledge that the Vendor shall not be required to collect HST on the sale of the Property and the Purchaser shall, pursuant to subsection 228(4) of the ETA, self-assess and remit the HST that is properly chargeable under the ETA, in respect of the sale of the Property within its HST return for the Purchaser's reporting period in which the transaction occurs. The Purchaser shall deliver to the Vendor, on or before Closing, an HST certificate of the Purchaser declaring that the Purchaser is a registrant for HST purposes under the ETA and that it is entitled to self-assess the payment of the HST and an undertaking to indemnify the Vendor and hold it harmless from any liability of the Vendor under the ETA arising because of a breach of the obligations of the Purchaser.

**2.7 Registration and Other Costs.** The Purchaser shall be responsible for and pay any land transfer taxes payable on the transfer of the Property, all registration fees payable in respect of registration by it of any documents on Closing, and all federal and provincial sales and other taxes payable by a purchaser upon or in connection with the conveyance or transfer of the Property, provided, however, that the Purchaser shall not be required to pay HST to the Vendor on Closing if it delivers a HST certificate on Closing as contemplated by Section 2.6.

**2.8 Contracts.**

- (a) The Vendor shall (i) be responsible for the performance and payment of all of the Vendor's obligations and covenants in the Contracts prior to Closing Date; (ii)

terminate and be responsible for payment of all costs and expenses and performing all obligations in all Contracts not assumed by the Purchaser, as herein provided for, and the Vendor; and (iii) indemnify and save the Purchaser harmless for any costs, losses, expenses and liabilities suffered by the Purchaser as a result of the Vendor's breach or non-fulfillment of the foregoing obligations and covenants to be performed by the Vendor, which indemnities shall survive Closing.

- (b) The Purchaser shall (i) assume and be responsible for the performance and payment of all of the Vendor's obligations and covenants in the Assumed Contracts from and after the Closing Date; and (ii) indemnify and save the Vendor harmless for any costs, losses, expenses and liabilities suffered by the Vendor as a result of the Purchaser's breach or non-fulfillment of the foregoing obligations and covenants to be performed by the Purchaser, which indemnities shall survive Closing.
- (c) For greater certainty, the Purchaser shall not assume, and shall not be responsible for the performance and payment of any of the Vendor's obligations and covenants under, any Contracts other than the Assumed Contracts.

**2.9 Non-Transferable and Non-Assignable Rights.** To the extent that any of the Property to be transferred to the Purchaser on the Closing, or any claim, right or benefit arising under or resulting from the Property (collectively, the "**Rights**"), is not capable of being transferred without the approval, consent or waiver of any third Person (other than the Vendor or Purchaser), or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any law unless the approval, consent or waiver of such third Person is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent or waiver has been obtained. After the Closing and for a period of sixty (60) days following the Closing, or such later date as the parties may agree, the Vendor shall, in consultation with the Proposal Trustee:

- (a) hold the Rights in trust for the Purchaser;
- (b) comply with the terms and provisions of the Rights as agent for the Purchaser at the Purchaser's cost and for the Purchaser's benefit;
- (c) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser at the Purchaser's cost; and
- (d) enforce, at the reasonable request of the Purchaser and at the expense and for the account of the Purchaser, any rights of the Vendor arising from such Rights against any third Person, including the right to elect to terminate any such rights in accordance with the terms of such rights upon the written direction of the Purchaser.

To the extent that such approval, consent, waiver or order of such Third Person has not been obtained by the 60<sup>th</sup> day following the Closing, such Right shall be deemed to be excluded from the Property and the Vendor may terminate any agreement pertaining to such Right. The Purchaser shall indemnify and hold the Vendor harmless from and against any claim or liability

under or in respect of such Rights arising because of any action of the Vendor taken in accordance with this Section.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

**3.1 Representations of the Vendor.** The Vendor represents and warrants to and in favour of the Purchaser that, as of the date of this Agreement and as of the Closing Date, unless otherwise specified in this Section:

- (a) Organization and Status of the Vendor. The Vendor is duly incorporated, validly existing under the laws of its jurisdiction of incorporation, and has not been discontinued or dissolved the laws of its jurisdiction of incorporation. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution.
- (b) Corporate Power. The Vendor has the corporate power, authority and capacity to enter into and perform its obligations under this Agreement.
- (c) Due Authorization and Enforceability. Subject to the issuance of the Approval and Vesting Order, the execution and delivery by the Vendor of this Agreement, the performance by Vendor of its obligations hereunder and the consummation by the Vendor of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Vendor. Subject to the issuance of the Approval and Vesting Order, this Agreement has been duly and validly executed by the Vendor and constitutes a valid and binding obligation of the Vendor enforceable against it in accordance with its terms.
- (d) HST. The Vendor is duly registered for the purposes of HST in accordance with the ETA, under the number 73327 3734 RT 0002.
- (e) Residence. The Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).

**3.2 Representations of Purchaser.** The Purchaser represents and warrants to and in favour of the Vendor that, as of the date of this Agreement and as of the Closing Date, unless otherwise specified in this Section:

- (a) Organization and Status of Purchaser. The Purchaser is duly incorporated, validly existing under the laws of its jurisdiction of incorporation, and has not been discontinued or dissolved the laws of its jurisdiction of incorporation. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution.
- (b) Corporate Power. The Purchaser has the power, authority and capacity to enter into and perform its obligations under this Agreement.
- (c) Due Authorization and Enforceability of Obligations. The execution and delivery by the Purchaser of this Agreement, the performance by Purchaser of its obligations hereunder and the consummation by the Purchaser of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Purchaser. This Agreement has been duly and validly executed

by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms.

- (d) HST. The Purchaser is, for the purposes of the ETA, the “recipient” of the supply made to it of the Property and is duly registered for the purposes of HST in accordance with the ETA, under the number [●].
- (e) Residence of Purchaser. The Purchaser is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).
- (f) No Conflicts. The execution, delivery and performance by Purchaser of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not: (a) result in a violation or breach of any provision of the constating documents or any shareholder agreement relating to, Purchaser; (b) result in a violation or breach of any provision of any applicable laws or governmental order applicable to Purchaser; or (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any agreement to which Purchaser is a party.
- (g) No Consents. No consent, approval, permit, order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Purchaser in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.
- (h) Brokers. No broker or finder is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

**3.3 As is, Where is.** Notwithstanding any other provision of this Agreement or any other transaction document, the Purchaser hereby acknowledges and agrees: the representations and warranties made by the Vendor in Section 3.1 are the only representations and warranties of the Vendor in connection with this Agreement and the transactions contemplated hereby;

- (b) the Property is being purchased on an “as is, where is” basis as they exist at the Closing and the Purchaser will accept the Property in such state, condition and location at the Closing. Without limiting the generality of the foregoing, the Property is specifically offered as it exists on closing and with no adjustments to be allowed by the Vendor or Purchaser for changes in conditions, qualities or quantities of the Property from the date hereof to the Closing Date, except as specifically provided for herein;
- (c) it has undertaken to its satisfaction such searches, independent investigations, inspections and other due diligence in connection with entering into this Agreement and based solely thereon, has determined to proceed with the transactions contemplated by this Agreement;
- (d) all written and oral information provided by the Vendor and/or the Proposal Trustee and their respective representatives to the Purchaser, including in any court document, teaser letter, asset listing, confidential information memorandum, tender package, data room, management presentation, site visit, meetings, telephone calls and any other information made available to the Purchaser, in



connection with the Property has been provided for the convenience of the Purchaser only and neither the Vendor nor the Proposal Trustee and their respective representatives have made or are making any representation or warranty, express or implied, statutory or otherwise, as to the accuracy or completeness of any such information;

- (e) any information regarding or describing the Property in this Agreement, or any documents entered in connection with this Agreement is for identification purposes and the convenience of the Purchaser only and neither the Vendor nor the Proposal Trustee is making any representation or warranty, express or implied, statutory or otherwise, as to the accuracy or completeness of any such information; and
- (f) except for representations and warranties made by the Vendor in Section 3.1 (which, for greater certainty, are not made by the Proposal Trustee), the Vendor, the Proposal Trustee and their respective Representatives have made and are making no representations, warranties, conditions, statements or promises whatsoever, express or implied, statutory or otherwise, with respect to the Property, including without limitation with respect to: (i) the Vendor's right, title and interest in or to the Property; (ii) the merchantability, marketability, location, condition, description, fitness for a particular purpose of the Property; (iii) compliance or non-compliance with laws, regulations, including environmental rules; and (iv) existence of any parts or components, latent defects, quality, quantity, encumbrances, liens or charges or any other thing affecting the Property.

**3.4 Orders to Comply.** Without limiting the generality of Section 3.3, the Purchaser acknowledges and agrees that the Property is subject to Orders to Comply issued by the Halifax Regional Municipality on July 4, 2023, July 24, 2023, April 19, 2024, February 24, 2025, and May 9, 2025, under the *Building Code Act* (Nova Scotia) (the "**Orders to Comply**"), and that such Orders to comply shall not constitute an Encumbrance or an objection to title.

**3.5 Survival.** All representations and warranties in this Agreement shall be deemed to have been made as of the date hereof and shall survive the Closing for a period of 12 months after the Closing (the "**Survival Period**"). Any right of action for the breach of any representation or warranty herein shall not merge with Closing but shall survive the Closing for the Survival Period and before the expiration thereof the party claiming a breach must have filed an action in a court of competent jurisdiction, and any warranty and representation not specified in such action shall expire.

## **ARTICLE 4 CONDITIONS**

**4.1 Closing Conditions of Purchaser.** The Purchaser's obligation to carry out and complete the transaction contemplated by this Agreement is subject to fulfilment of each of the following conditions on or before the date specified herein, which conditions are for the sole benefit of the Purchaser and which may be waived by the Purchaser in its sole discretion:

- (a) On the Closing Date, the representations and warranties of the Vendor set out in Section 3.1 shall be true and accurate in all material respects, with the same effect as though made at and as of such date.

- (b) On Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects on or before the times contemplated in this Agreement.
- (c) The Vendor shall have delivered to the Purchaser the documents and deliveries set forth in Section 5.2.

**4.2 Closing Conditions of Vendor.** The Vendor's obligation to carry out and complete the transaction contemplated by this Agreement is subject to fulfilment of each of the following conditions on or before the date specified herein, which conditions are for the sole benefit of the Vendor and which may be waived by the Vendor in its sole discretion:

- (a) On the Closing Date, the representations and warranties of the Purchaser set out in Section 3.2 shall be true and accurate in all material respects, with the same effect as though made at and as of such date.
- (b) On Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects on or before the times contemplated in this Agreement.
- (c) The Purchaser shall have delivered to the Vendor the documents and deliveries set forth in Section 5.3.

**4.3 Mutual Conditions.** The obligations of each party to carry out and complete the transaction contemplated by this Agreement is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the benefit of each of the Vendor and the Purchaser and may be jointly waived, in whole or in part, by the Vendor and the Purchaser:

- (a) The Approval and Vesting Order shall have been issued and shall not have been appealed, set aside, varied or stayed or, if appealed or stayed, all appeals shall have been dismissed and all stays shall have been lifted, respectively.
- (b) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

## **ARTICLE 5 CLOSING ARRANGEMENTS**

**5.1 Closing.** Upon the terms and subject to the conditions of this Agreement, the Closing shall take place on the Closing Date at the offices of Vendor's solicitors, by exchange of documents and signatures (or their electronic counterparts).

**5.2 Documents of the Vendor.** The Vendor shall deliver to the Purchaser the following documents on the Closing Date or on such other date as may be specified, each in a form and substance satisfactory to the Purchaser, acting reasonably:



- (a) a deed for the Property, transferring the Property to the Purchaser;
- (b) a statement of adjustments, a draft form of which shall be delivered not less than three (3) Business Days prior to the Closing Date;
- (c) a direction from the Vendor issued to the Purchaser as to the payment of the balance of the purchase price;
- (d) a bring-down certificate of the Vendor relating to the representations, warranties, and covenants of the Vendor in this Agreement;
- (e) all deeds, bills of sales, transfers, assignments, assumptions, and such other agreements, documents, and instruments as may be reasonably requested by the Purchaser in order to transfer and assign the Chattels and Contracts, each duly executed by the Vendor;
- (f) all security pass cards, security codes and keys to the Building to the extent in the Vendor's or Proposal Trustee's possession or control; and
- (g) such further documentation relating to the completion of this Agreement as the Purchaser may reasonably require.

**5.3 Documents of the Purchaser.** The Purchaser shall deliver to the Vendor the following funds and documents on the Closing Date, or such other date as may be specified, each in a form and substance satisfactory to the Vendor, acting reasonably:

- (a) the balance of the Purchase Price in accordance with Section 2.3;
- (b) a certificate of an officer of the Purchaser certifying that the Purchaser is an HST registrant, that any HST payable on this transaction will be self-remitted, and indemnifying the Vendor for any HST payable in connection with this transaction, in accordance with Section 2.6;
- (c) a bring-down certificate of the Purchaser relating to the representations, warranties, and covenants of the Vendor in this Agreement;
- (d) all deeds, bills of sales, transfers, assignments, assumptions, and such other agreements, documents, and instruments as may be reasonably requested by the Vendor in order to transfer and assign the Chattels and Assumed Contracts, each duly executed by the Purchaser; and
- (e) such further documentation relating to the completion of this Agreement as the Vendor may reasonably require.

**5.4 Proposal Trustee's Certificate.** When the conditions in ARTICLE 4 have been satisfied or waived, the Vendor shall cause the Proposal Trustee to deliver an executed copy of the Proposal Trustee's Certificate to the Vendor. Upon such delivery, Closing will be deemed to have occurred.

## **ARTICLE 6 DAMAGE BEFORE CLOSING**

### **6.1 Damage Before Closing.**

- (a) The Property shall remain at the risk of the Vendor until Closing. The Vendor shall maintain all existing insurance policies relating to the Property until Closing.
- (b) In the event that, prior to Closing, there is material damage to or destruction of the Property, then the Vendor shall notify the Purchaser within twenty-four (24) hours of such damage or destruction, and the Purchaser shall, within three (3) Business Days thereafter, elect by written notice to the Vendor and the Proposal Trustee either:
  - (i) to terminate this Agreement by delivering notice in writing to the Vendor and the Proposal Trustee, in which case this Agreement shall be terminated and shall be null and void and of no further force or effect whatsoever and the Deposit, shall be promptly returned to the Purchaser without deduction and neither party shall have any claim against the other; or
  - (ii) to complete this Agreement and accept the Property in its damaged or destroyed condition, in which event the insurance proceeds payable in respect of such damage or destruction shall be assigned or paid to the Purchaser (except insofar as such proceeds relate to loss of rental income in respect of the period prior to the Closing Date, which shall be entirely the Vendor's property) and the Purchase Price shall be reduced by an amount equal to the deductible, if any, applicable to the insurance payable in respect of such damage. The Vendor will ensure that such insurance proceeds are assigned or paid to the Purchaser on Closing.

The Purchaser shall make any such election by written Notice to the Vendor and the Proposal Trustee prior to Closing, failing which the Purchaser shall be deemed to have elected to terminate this Agreement, and the Deposit shall be promptly returned to the Purchaser without deduction, and neither party shall have any claim against the other.

- (c) In the event of damage to the Property is not substantial, the Purchaser shall complete the transaction and accept the Property at Closing in damaged condition, in which event the insurance proceeds payable in respect of such damage shall be paid to the Purchaser, and the Purchase Price shall be reduced by an amount equal to the deductible, if any, applicable to the insurance payable in respect of such damage. The Vendor will deliver to the Purchaser, acting reasonably, satisfactory assurances that such insurance proceeds are assigned or paid to the Purchaser on Closing.

## **ARTICLE 7 PROPOSAL TRUSTEE**

**7.1 Proposal Trustee Liability.** In addition to all of the protections granted to the Proposal Trustee under the NOI Proceedings or any order of the Court in the NOI Proceedings, the Vendor

and the Purchaser acknowledge and agree that the Proposal Trustee, acting in its capacity as Proposal Trustee of the Caryi Group and not in its personal capacity, and the Proposal Trustee and its directors, officers, employees, agents, advisors, and successors and assigns will have no liability, in its personal capacity or otherwise, in connection with this Agreement or the transactions contemplated hereby.

**7.2 Indemnity.** The Purchaser shall indemnify the Proposal Trustee and hold the Proposal Trustee harmless against and from all losses, costs, damages and expenses which the Proposal Trustee may sustain, incur or be or become liable for by reason of or arising from any operations of the Purchaser in relation to the Property.

## **ARTICLE 8 GENERAL**

**8.1 Expenses.** Each of the Vendor and Purchaser shall be responsible for its own legal and other expenses (including any taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated hereby.

**8.2 Confidentiality.**

- (a) The Vendor and Purchaser will keep the terms of this Agreement in the strictest confidence both before and after the Closing, except in the course of conveying necessary information to third parties directly involved in this transaction and except as may be required by law (including any obligation to make public disclosure of this transaction) or otherwise mutually agreed upon in writing.
- (b) Notwithstanding anything in this Agreement to the contrary, the Purchaser hereby acknowledges that the Vendor and/or Proposal Trustee shall be required to publicly file a copy of this Agreement and to disclose information concerning the transactions contemplated hereby in seeking the Approval and Vesting Order. The Purchaser hereby consents to such disclosure of this Agreement and information concerning the transactions contemplated hereby.

**8.3 Further Assurances.** Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other transaction documents.

**8.4 Obligations as Covenants.** Each agreement and obligation of any of the parties hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

**8.5 Waiver.** No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver. No failure on the part of the Vendor or the Purchaser to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

**8.6 Notice.** Any notice required or permitted to be given under this Agreement (a “**Notice**”) shall be given in writing by personal delivery or by facsimile or other electronic means of transmission at the addresses set out below. Any Notice given prior to 5:00 p.m. (Halifax time) on a Business Day shall be deemed to have been received on that Business Day. Any Notice given after 5:00 p.m. AST on a Business Day or on a day other than a Business Day shall be deemed to have been received on the next following Business Day. Notices shall be delivered or sent as follows:

To the Vendor: 3337151 Nova Scotia Limited  
[●]

Attention: Joanne Caryi  
Email:

with a copy to the Vendor's solicitors: BoyneClarke LLP  
99 Wyse Road  
Suite 600  
Dartmouth, N.S. B3A 4S5

Attention: Josh Santimaw  
Email: jsantimaw@boyneclarke.ca

with a copy to the Proposal Trustee: Deloitte Restructuring Inc.  
1741 lower Water Street, Suite 800  
Halifax NS B3J 0J2

Attention: James Foran  
Email: jforan@deloitte.ca

with a copy to the Proposal Trustee's solicitors: Stewart McKelvey  
Queen's Marque  
600-1741 Lower Water Street  
Halifax, N.S. B3J 0J2

Attention: Sara Scott  
Email: sscott@stewartmckelvey.com

To the Purchaser: 778938 Ontario Limited  
[●]  
Attention:  
Email:

with a copy to the Purchaser's Solicitors: Stewart McKelvey  
Queen's Marque  
600-1741 Lower Water Street  
Halifax, N.S. B3J 0J2

Attention: Ian Sutherland  
Email: isutherland@stewartmckelvey.com

By giving to the other party at least two (2) days' Notice, any party may, at any time and from time to time, change its address for delivery or communication for the purposes of this Section 8.6.

**8.7 Assignment.** The Purchaser may assign this Agreement to an affiliate of the Purchaser with written consent of the Vendor and Proposal Trustee, such consent not to be unreasonably withheld, provided that such assignment shall relieve the Purchaser of any of its obligations hereunder.

**8.8 Third Party Beneficiaries.**

- (a) Except as set forth in Section 8.8(b) below, each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person, other than the parties hereto and their respective successors and permitted assigns.
- (b) The parties hereto acknowledge and agree that the Proposal Trustee is a third-party beneficiary of this Agreement, having the right to enforce the rights, covenants, directions, waivers, and disclaimers granted to or in favour of the Proposal Trustee herein (including, without limitation, those rights set forth in ARTICLE 7).

**8.9 Successors and Assigns.** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.

**8.10 Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and, except as stated in this Agreement and in the instruments and documents to be executed and delivered pursuant to this Agreement, contains all the representations, undertakings and agreements of the parties. This Agreement supersedes all prior negotiations or agreements between the parties, whether written or verbal with respect to the subject matter of this Agreement.

**8.11 Severability.** If any provision contained in this Agreement or its application to any Person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

**8.12 Non-merger.** None of the provisions of this Agreement shall merge on Closing, except as specifically provided in this Agreement.

**8.13 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.

**8.14 Time.** Time shall be of the essence of this Agreement. If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day. Time limited for performing or completing any matter under this Agreement may be extended or abridged by an agreement in writing signed by the parties or by their respective solicitors.

**8.15 Counterparts and Execution.** This Agreement may be executed in counterparts and may be executed and delivered via facsimile or other electronic transmission, which counterparts

and facsimile or other electronically transmitted copies shall together constitute one and the same Agreement with the same effect as if originally executed and delivered.

**[Signature Page Follows]**

**SIGNED:**

**3337151 NOVA SCOTIA LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

**778938 ONTARIO LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "A"**  
**Property**

**PID 00076455**

All that messuage of tenement and premises, situate, lying and being on the corner of Barrington and Sackville Street, in the City of Halifax, bounded and described as follows: Beginning at the south western angle formed by the intersection of Barrington and Sackville Streets aforesaid;

Thence running south along the western line of Barrington street forty-five feet more or less till it comes to the north line of lot number fifteen, now or formerly owned by William Stevens;

Thence westerly seventy-two feet more or less or to the property of James W. Fenerty;

Thence running northerly along the east line of James W. Fenerty's land forty feet more or less to Sackville Street;

Thence easterly along the southern line of Sackville Street, seventy-two feet more or less to the place of beginning.

Subject to Barrington Street Heritage District Revitalization Notice found at Document Number 95956489 and By Laws at Document number 95956448 both in favour of Halifax Regional Municipality.

\*\*\* Municipal Government Act, Part IX Compliance \*\*\*

Not Subject To:

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.



**SCHEDULE “B”**  
**Permitted Encumbrances**

General Encumbrances

1. Any inchoate statutory liens, charges or similar liabilities and/or rights which may exist from time to time (including, without limitation, any and all statutory rights of expropriation).
2. The reservations, limitations, provisos and conditions, if any, expressed in the original grant from the Crown, in right of Canada or the Province of Nova Scotia.
3. All applicable municipal, provincial or federal statutes, by-laws, regulations or ordinances (including, without limitation, all building and zoning by-laws and regulations) and any subdivision, site plan, development or other similar municipal agreements provided they do not materially and adversely affect the ordinary use or operation of the Property and provided that the terms thereof have been and are being complied with.
4. Any easements and/or agreements relating to drainage, storm or sanitary sewers, public utility lines, telephones lines, cable television lines or other services and all other services and all other easements, servitudes and rights of way which do not materially and adversely affect the present use of the Property and provided that the terms thereof have been and are being complied with.
5. The provisions, restrictions and limitations of the *Land Registration Act* (Nova Scotia).
6. Such other minor encumbrances or defects in title which do not, individually or in the aggregate, materially affect the use, enjoyment or value of the Property or any part thereof, or materially impair the value thereof.
7. Encumbrances respecting minor encroachments by the Property over neighbouring lands permitted under agreements with the owners of such other lands.

Specific Encumbrances

8. By-law registered May 19, 2010 in favour of Halifax Regional Municipality as Document No. 95956448.
9. Heritage Conservation Plan registered May 19, 2010 in favour of Halifax Regional Municipality as Document No. 95956489.
10. The leases set forth in Schedule “C”.
11. The Orders to Comply.

**SCHEDULE "C"**  
**Contracts**

1. Lease dated June 1, 2010, between Morris Strug (as predecessor in title to the Vendor) and Soup Pot Ideas Inc., as amended by amending agreement dated August 13, 2021.

**APPENDIX "B"**  
**APS FOR 1669 GRANVILLE STREET**

## AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated as of the \_\_\_\_ day of \_\_\_\_\_, 2025.

BETWEEN:

**BSL HOLDINGS LIMITED**  
(the “Vendor”)

OF THE FIRST PART

- and -

**3299425 NOVA SCOTIA LIMITED**  
(the “Purchaser”)

OF THE SECOND PART

WHEREAS:

- A. On January 20, 2025, the Vendor, Annapolis Management, Inc., Ruby, LLP, 3337151 Nova Scotia Limited, 3337151 Nova Scotia and 4551650 Nova Scotia Limited (collectively, the “**Caryi Group**”) commenced proceedings (the “**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) by filing Notices of Intention to Make a Proposal pursuant to Section 50.4(1) of the BIA, and Deloitte Restructuring Inc. was appointed as proposal trustee of the Caryi Group (in such capacity, the “**Proposal Trustee**”);
- B. Pursuant to an order of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the “**Court**”) dated February 18, 2025, a sale and investment solicitation process for the property and assets of the Caryi Group (the “**SISP**”), to be carried out by the Proposal Trustee, was approved; and
- C. In accordance with the SISP, the Purchaser has made an offer to purchase the Property (as defined herein) from the Vendor and the Vendor and Proposal Trustee have accepted such offer and have agreed to sell the Property to the Purchaser in accordance with the terms of this Agreement (as defined herein)

**NOW THEREFORE**, in consideration of the premises and the covenants contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

**1.1 Definitions.** In this Agreement, in addition to the terms defined in the recitals and preamble hereto, the following terms shall have the meanings set out below:

- (a) “**Agreement**” means this agreement, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time.

- (b) **“Approval and Vesting Order”** means an approval and vesting order of the Court in form and in substance satisfactory to the Vendor, Purchaser, and Proposal Trustee, each acting reasonably, approving this Agreement and vesting in and to the Purchaser the Property, free and clear of and from any and all Encumbrances, other than Permitted Encumbrances, to the extent and as provided for in such approval and vesting order.
- (c) **“Assumed Contracts”** means the Contracts set forth in Schedule “C” hereto.
- (d) **“Building”** means the buildings located on the Lands and all other structures, fixtures and improvements situate on the Lands.
- (e) **“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in the Province of Nova Scotia.
- (f) **“Chattels”** means any equipment and other chattels owned by the Vendor and located at and used solely in connection with the Building and the maintenance, repair and operation of the Property, and for greater certainty does not include any tenant fixtures or other property belonging to tenants or any item leased from third parties.
- (g) **“Closing”** means the closing and consummation of the transaction of purchase and sale contemplated by this Agreement including, without limitation, the satisfaction of the Purchase Price, the delivery of all closing documents contemplated herein on the Closing Date and the conveyance of the Property to the Purchaser.
- (h) **“Closing Date”** means the date that is 5 Business Days following the issuance of the Approval and Vesting Order, or such other date as the parties may agree in writing.
- (i) **“Contracts”** means the contracts, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral, relating to the Property.
- (j) **“Deposit”** has the meaning ascribed thereto in Section 2.3(a).
- (k) **“Encumbrance”** means any mortgage, charge, pledge, hypothec, security interest, deemed trust (statutory or otherwise), assignment, lien (statutory or otherwise), leases, rights of way, title defects, options, claim, adverse claims, encumbrances, easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation.
- (l) **“ETA”** means the *Excise Tax Act* (Canada).
- (m) **“Governmental Authority”** means any federal, provincial, territorial, municipal, state or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any arbitrator, court, or tribunal of competent jurisdiction.

- (n) **“Governmental Order”** means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.
- (o) **“HST”** means harmonized sales tax payable pursuant to the ETA.
- (p) **“Lands”** means the lands and premises legally described in Schedule “A” attached hereto and municipally known as 1598 Barrington Street, Halifax, Nova Scotia, together with all easements, rights-of-way, and other rights and benefits appurtenant thereto.
- (q) **“Notice”** has the meaning given to it in Section 8.6.
- (r) **“Outside Date”** means July 18, 2025.
- (s) **“Permitted Encumbrances”** means those encumbrances listed in Schedule “B” attached hereto.
- (t) **“Person”** means an individual, a partnership, a corporation, company, a trust, an unincorporated organization, a Governmental Authority, and the heirs, executors, administrators or other legal representatives of an individual.
- (u) **“Property”** means the Lands, Building, and Chattels, together with the right, title, and interest of the Vendor in and to the Assumed Contracts.
- (v) **“Proposal Trustee’s Certificate”** means the certificate of the Proposal Trustee customarily attached as a schedule to the Approval and Vesting Order which, among other things, certifies that all of the conditions to this Agreement have been satisfied and Closing has occurred.
- (w) **“Purchase Price”** means the sum of [REDACTED], plus HST.

**1.2 Interpretation.** For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, and Schedules mean the Articles and Sections of, and Schedules attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

**1.3 Headings.** The division of this Agreement into Articles and Sections and the insertion of headings into this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**1.4 Currency.** All dollar amounts referred to in this Agreement are in Canadian funds.

## **ARTICLE 2 PURCHASE AND SALE**

**2.1 Purchase and Sale.** The Purchaser agrees to purchase the Property from the Vendor, and the Vendor agrees to sell the Property to the Purchaser, on the terms and subject to the conditions contained in this Agreement for the Purchase Price, subject to adjustment as provided for herein.

**2.2 Closing.** The transactions contemplated in this Agreement will be completed on the Closing Date.

**2.3 Payment of Purchase Price.** The Purchaser shall be paid by the Purchaser to the Vendor as follows: subject to any termination of this Agreement in accordance with the terms hereof, pay to the Proposal Trustee the Purchase Price, and the Vendor hereby irrevocably directs the Purchaser to do so for benefit of the stakeholders of the Vendor, subject to the adjustments referred to herein, in the following manner:

- (a) a deposit in the amount of [REDACTED] (the “**Deposit**”), which the parties acknowledge has been paid by the Purchaser to the Proposal Trustee, in trust, to be held in accordance with Section (c);
- (b) the balance of the Purchase Price, subject to adjustment, to be paid by the Purchaser by wire transfer to an account to be provided by the Proposal Trustee at Closing; and
- (c) notwithstanding anything to the contrary herein, the Vendor hereby irrevocably authorizes and directs the Purchaser to pay the Purchase Price, together with all other amounts otherwise payable to the Vendor hereunder, to the Proposal Trustee, to such account or as the Proposal Trustee may otherwise direct, for the benefit of the stakeholders of the Vendor.

**2.4 Termination; Deposit.**

- (a) The Proposal Trustee shall continue to hold the Deposit in a trust account in accordance with this Section 2.3(c) (or as expressly provided for elsewhere in this Agreement).
- (b) On Closing, the Deposit shall be released from trust to the Proposal Trustee, for the benefit of the stakeholders of the Vendor, in partial satisfaction of the Purchase Price.
- (c) In the event that the Purchaser defaults in the performance any of its obligations hereunder, then the Vendor shall be entitled, in the sole discretion of the Vendor (with the consent of the Proposal Trustee), to either:
  - (i) if the Purchaser is willing to proceed to Closing, waive such default and proceed to Closing in accordance with the terms and provisions hereof; or
  - (ii) declare this Agreement to be terminated, and, in addition to any other claim the Vendor or the Proposal Trustee, for the benefit of the stakeholders of the Vendor, may have against the Purchaser, the Deposit shall be forfeited

to the Proposal Trustee, for the benefit of the stakeholders of the Vendor, as *bona fide* pre-estimated liquidated damages.

- (d) In the event that the Vendor defaults in the performance of any of its obligations hereunder, then the Purchaser shall be entitled, in the sole discretion of the Purchaser, to either:
  - (i) if the Vendor is willing to proceed to Closing, waive such default and proceed to Closing in accordance with the terms and provisions hereof; or
  - (ii) declare this Agreement to be terminated, and the Deposit shall be returned to the Purchaser without further liability of any party to the other.
- (e) In the event that the conditions set out in Section 4.3 have not been satisfied by the Outside Date, then either the Purchaser or Vendor shall be entitled, in their sole discretion, to declare this Agreement to be terminated (unless such failure shall be due to the failure of such party to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing), and the Deposit shall be returned to the Purchaser without further liability of any party to the other.

**2.5 Adjustments.** Any municipal property taxes, local improvement rates, rentals, and other items established by usual practice for the purchase and sale of similar properties to the Property shall be apportioned and allowed to the Closing Date, the day of completion itself to be apportioned to the Purchaser. The Purchaser shall be solely responsible for all development and similar levies and all other charges and levies with respect to the Property attributable to the period beginning on the Closing Date.

**2.6 Harmonized Sales Tax.** The purchase and sale of the Property will be subject to HST, and the parties agree and acknowledge that HST shall be in addition to the Purchase Price. Notwithstanding the foregoing, the parties hereby agree and acknowledge that the Vendor shall not be required to collect HST on the sale of the Property and the Purchaser shall, pursuant to subsection 228(4) of the ETA, self-assess and remit the HST that is properly chargeable under the ETA, in respect of the sale of the Property within its HST return for the Purchaser's reporting period in which the transaction occurs. The Purchaser shall deliver to the Vendor, on or before Closing, an HST certificate of the Purchaser declaring that the Purchaser is a registrant for HST purposes under the ETA and that it is entitled to self-assess the payment of the HST and an undertaking to indemnify the Vendor and hold it harmless from any liability of the Vendor under the ETA arising because of a breach of the obligations of the Purchaser.

**2.7 Registration and Other Costs.** The Purchaser shall be responsible for and pay any land transfer taxes payable on the transfer of the Property, all registration fees payable in respect of registration by it of any documents on Closing, and all federal and provincial sales and other taxes payable by a purchaser upon or in connection with the conveyance or transfer of the Property, provided, however, that the Purchaser shall not be required to pay HST to the Vendor on Closing if it delivers a HST certificate on Closing as contemplated by Section 2.6.

**2.8 Contracts.**

- (a) The Vendor shall (i) be responsible for the performance and payment of all of the Vendor's obligations and covenants in the Contracts prior to Closing Date; (ii)



terminate and be responsible for payment of all costs and expenses and performing all obligations in all Contracts not assumed by the Purchaser, as herein provided for, and the Vendor; and (iii) indemnify and save the Purchaser harmless for any costs, losses, expenses and liabilities suffered by the Purchaser as a result of the Vendor's breach or non-fulfillment of the foregoing obligations and covenants to be performed by the Vendor, which indemnities shall survive Closing.

- (b) The Purchaser shall (i) assume and be responsible for the performance and payment of all of the Vendor's obligations and covenants in the Assumed Contracts from and after the Closing Date; and (ii) indemnify and save the Vendor harmless for any costs, losses, expenses and liabilities suffered by the Vendor as a result of the Purchaser's breach or non-fulfillment of the foregoing obligations and covenants to be performed by the Purchaser, which indemnities shall survive Closing.
- (c) For greater certainty, the Purchaser shall not assume, and shall not be responsible for the performance and payment of any of the Vendor's obligations and covenants under, any Contracts other than the Assumed Contracts.

**2.9 Non-Transferable and Non-Assignable Rights.** To the extent that any of the Property to be transferred to the Purchaser on the Closing, or any claim, right or benefit arising under or resulting from the Property (collectively, the "**Rights**"), is not capable of being transferred without the approval, consent or waiver of any third Person (other than the Vendor or Purchaser), or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any law unless the approval, consent or waiver of such third Person is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent or waiver has been obtained. After the Closing and for a period of sixty (60) days following the Closing, or such later date as the parties may agree, the Vendor shall, in consultation with the Proposal Trustee:

- (a) hold the Rights in trust for the Purchaser;
- (b) comply with the terms and provisions of the Rights as agent for the Purchaser at the Purchaser's cost and for the Purchaser's benefit;
- (c) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser at the Purchaser's cost; and
- (d) enforce, at the reasonable request of the Purchaser and at the expense and for the account of the Purchaser, any rights of the Vendor arising from such Rights against any third Person, including the right to elect to terminate any such rights in accordance with the terms of such rights upon the written direction of the Purchaser.

To the extent that such approval, consent, waiver or order of such Third Person has not been obtained by the 60<sup>th</sup> day following the Closing, such Right shall be deemed to be excluded from the Property and the Vendor may terminate any agreement pertaining to such Right. The Purchaser shall indemnify and hold the Vendor harmless from and against any claim or liability

under or in respect of such Rights arising because of any action of the Vendor taken in accordance with this Section.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

**3.1 Representations of the Vendor.** The Vendor represents and warrants to and in favour of the Purchaser that, as of the date of this Agreement and as of the Closing Date, unless otherwise specified in this Section:

- (a) Organization and Status of the Vendor. The Vendor is duly incorporated, validly existing under the laws of its jurisdiction of incorporation, and has not been discontinued or dissolved the laws of its jurisdiction of incorporation. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution.
- (b) Corporate Power. The Vendor has the corporate power, authority and capacity to enter into and perform its obligations under this Agreement.
- (c) Due Authorization and Enforceability. Subject to the issuance of the Approval and Vesting Order, the execution and delivery by the Vendor of this Agreement, the performance by Vendor of its obligations hereunder and the consummation by the Vendor of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Vendor. Subject to the issuance of the Approval and Vesting Order, this Agreement has been duly and validly executed by the Vendor and constitutes a valid and binding obligation of the Vendor enforceable against it in accordance with its terms.
- (d) HST. The Vendor is duly registered for the purposes of HST in accordance with the ETA, under the number 136589801 RT 0002.
- (e) Residence. The Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).

**3.2 Representations of Purchaser.** The Purchaser represents and warrants to and in favour of the Vendor that, as of the date of this Agreement and as of the Closing Date, unless otherwise specified in this Section:

- (a) Organization and Status of Purchaser. The Purchaser is duly incorporated, validly existing under the laws of its jurisdiction of incorporation, and has not been discontinued or dissolved the laws of its jurisdiction of incorporation. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution.
- (b) Corporate Power. The Purchaser has the power, authority and capacity to enter into and perform its obligations under this Agreement.
- (c) Due Authorization and Enforceability of Obligations. The execution and delivery by the Purchaser of this Agreement, the performance by Purchaser of its obligations hereunder and the consummation by the Purchaser of the transactions contemplated hereby have been duly authorized by all requisite corporate action

on the part of the Purchaser. This Agreement has been duly and validly executed by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms.

- (d) HST. The Purchaser is, for the purposes of the ETA, the “recipient” of the supply made to it of the Property and is duly registered for the purposes of HST in accordance with the ETA, under the number [●].
- (e) Residence of Purchaser. The Purchaser is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).
- (f) No Conflicts. The execution, delivery and performance by Purchaser of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not: (a) result in a violation or breach of any provision of the constating documents or any shareholder agreement relating to, Purchaser; (b) result in a violation or breach of any provision of any applicable laws or governmental order applicable to Purchaser; or (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any agreement to which Purchaser is a party.
- (g) No Consents. No consent, approval, permit, order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Purchaser in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.
- (h) Brokers. No broker or finder is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

**3.3 As is, Where is.** Notwithstanding any other provision of this Agreement or any other transaction document, the Purchaser hereby acknowledges and agrees: the representations and warranties made by the Vendor in Section 3.1 are the only representations and warranties of the Vendor in connection with this Agreement and the transactions contemplated hereby;

- (b) the Property is being purchased on an “as is, where is” basis as they exist at the Closing and the Purchaser will accept the Property in such state, condition and location at the Closing. Without limiting the generality of the foregoing, the Property is specifically offered as it exists on closing and with no adjustments to be allowed by the Vendor or Purchaser for changes in conditions, qualities or quantities of the Property from the date hereof to the Closing Date, except as specifically provided for herein;
- (c) it has undertaken to its satisfaction such searches, independent investigations, inspections and other due diligence in connection with entering into this Agreement and based solely thereon, has determined to proceed with the transactions contemplated by this Agreement;
- (d) all written and oral information provided by the Vendor and/or the Proposal Trustee and their respective representatives to the Purchaser, including in any court document, teaser letter, asset listing, confidential information memorandum, tender package, data room, management presentation, site visit, meetings,

telephone calls and any other information made available to the Purchaser, in connection with the Property has been provided for the convenience of the Purchaser only and neither the Vendor nor the Proposal Trustee and their respective representatives have made or are making any representation or warranty, express or implied, statutory or otherwise, as to the accuracy or completeness of any such information;

- (e) any information regarding or describing the Property in this Agreement or any documents entered in connection with this Agreement is for identification purposes and the convenience of the Purchaser only and neither the Vendor nor the Proposal Trustee is making any representation or warranty, express or implied, statutory or otherwise, as to the accuracy or completeness of any such information; and
- (f) except for representations and warranties made by the Vendor in Section 3.1 (which, for greater certainty, are not made by the Proposal Trustee), the Vendor, the Proposal Trustee and their respective Representatives have made and are making no representations, warranties, conditions, statements or promises whatsoever, express or implied, statutory or otherwise, with respect to the Property, including without limitation with respect to: (i) the Vendor's right, title and interest in or to the Property; (ii) the merchantability, marketability, location, condition, description, fitness for a particular purpose of the Property; (iii) compliance or non-compliance with laws, regulations, including environmental rules; and (iv) existence of any parts or components, latent defects, quality, quantity, encumbrances, liens or charges or any other thing affecting the Property.

**3.4 Survival.** All representations and warranties in this Agreement shall be deemed to have been made as of the date hereof and shall survive the Closing for a period of 12 months after the Closing (the "**Survival Period**"). Any right of action for the breach of any representation or warranty herein shall not merge with Closing but shall survive the Closing for the Survival Period and before the expiration thereof the party claiming a breach must have filed an action in a court of competent jurisdiction, and any warranty and representation not specified in such action shall expire.

## **ARTICLE 4 CONDITIONS**

**4.1 Closing Conditions of Purchaser.** The Purchaser's obligation to carry out and complete the transaction contemplated by this Agreement is subject to fulfilment of each of the following conditions on or before the date specified herein, which conditions are for the sole benefit of the Purchaser and which may be waived by the Purchaser in its sole discretion:

- (a) On the Closing Date, the representations and warranties of the Vendor set out in Section 3.1 shall be true and accurate in all material respects, with the same effect as though made at and as of such date.
- (b) On Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects on or before the times contemplated in this Agreement.

- (c) The Vendor shall have delivered to the Purchaser the documents and deliveries set forth in Section 5.2.

**4.2 Closing Conditions of Vendor.** The Vendor's obligation to carry out and complete the transaction contemplated by this Agreement is subject to fulfillment of each of the following conditions on or before the date specified herein, which conditions are for the sole benefit of the Vendor and which may be waived by the Vendor in its sole discretion:

- (a) On the Closing Date, the representations and warranties of the Purchaser set out in Section 3.2 shall be true and accurate in all material respects, with the same effect as though made at and as of such date
- (b) On Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects on or before the times contemplated in this Agreement.
- (c) The Purchaser shall have delivered to the Vendor the documents and deliveries set forth in Section 5.3.

**4.3 Mutual Conditions.** The obligations of each party to carry out and complete the transaction contemplated by this Agreement is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the benefit of each of the Vendor and the Purchaser and may be jointly waived, in whole or in part, by the Vendor and the Purchaser:

- (a) The Approval and Vesting Order shall have been issued and shall not have been appealed, set aside, varied or stayed or, if appealed or stayed, all appeals shall have been dismissed and all stays shall have been lifted, respectively.
- (b) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

## **ARTICLE 5 CLOSING ARRANGEMENTS**

**5.1 Closing.** Upon the terms and subject to the conditions of this Agreement, the Closing shall take place on the Closing Date at the offices of Vendor's solicitors, by exchange of documents and signatures (or their electronic counterparts).

**5.2 Documents of the Vendor.** The Vendor shall deliver to the Purchaser the following documents on the Closing Date, or on such other date as may be specified, each in a form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a deed for the Property, transferring the Property to the Purchaser;
- (b) a statement of adjustments, a draft form of which shall be delivered not less than three (3) Business Days prior to the Closing Date;

- (c) a direction from the Vendor issued to the Purchaser as to the payment of the balance of the purchase price;
- (d) a bring-down certificate of the Vendor relating to the representations, warranties, and covenants of the Vendor in this Agreement;
- (e) all deeds, bills of sales, transfers, assignments, assumptions, and such other agreements, documents, and instruments as may be reasonably requested by the Purchaser in order to transfer and assign the Chattels and Contracts, each duly executed by the Vendor;
- (f) all security pass cards, security codes and keys to the Building to the extent in the Vendor's or Proposal Trustee's possession or control; and
- (g) such further documentation relating to the completion of this Agreement as the Purchaser may reasonably require.

**5.3 Documents of the Purchaser.** The Purchaser shall deliver to the Vendor the following funds and documents on the Closing Date or such other date as may be specified, each in a form and substance satisfactory to the Vendor, acting reasonably:

- (a) the balance of the Purchase Price in accordance with Section 2.3;
- (b) a certificate of an officer of the Purchaser certifying that the Purchaser is an HST registrant, that any HST payable on this transaction will be self-remitted, and indemnifying the Vendor for any HST payable in connection with this transaction, in accordance with Section 2.6;
- (c) a bring-down certificate of the Purchaser relating to the representations, warranties, and covenants of the Vendor in this Agreement;
- (d) all deeds, bills of sales, transfers, assignments, assumptions, and such other agreements, documents, and instruments as may be reasonably requested by the Vendor in order to transfer and assign the Chattels and Assumed Contracts, each duly executed by the Purchaser; and
- (e) such further documentation relating to the completion of this Agreement as the Vendor may reasonably require.

**5.4 Proposal Trustee's Certificate.** When the conditions in ARTICLE 4 have been satisfied or waived, the Vendor shall cause the Proposal Trustee to deliver an executed copy of the Proposal Trustee's Certificate to the Vendor. Upon such delivery, Closing will be deemed to have occurred.

## **ARTICLE 6 DAMAGE BEFORE CLOSING**

### **6.1 Damage Before Closing.**

- (a) The Property shall remain at the risk of the Vendor until Closing.



- (b) The Vendor shall maintain all existing insurance policies relating to the Property until Closing.
- (c) In the event that, prior to Closing, there is material damage to or destruction of the Property, then the Vendor shall notify the Purchaser within twenty-four (24) hours of such damage or destruction, and the Purchaser shall, within three (3) Business Days thereafter, elect by written notice to the Vendor and the Proposal Trustee either:
  - (i) to terminate this Agreement by delivering notice in writing to the Vendor and the Proposal Trustee, in which case this Agreement shall be terminated and shall be null and void and of no further force or effect whatsoever and the Deposit, shall be promptly returned to the Purchaser without deduction and neither party shall have any claim against the other; or
  - (ii) to complete this Agreement and accept the Property in its damaged or destroyed condition, in which event the insurance proceeds payable in respect of such damage or destruction shall be assigned or paid to the Purchaser (except insofar as such proceeds relate to loss of rental income in respect of the period prior to the Closing Date, which shall be entirely the Vendor's property) and the Purchase Price shall be reduced by an amount equal to the deductible, if any, applicable to the insurance payable in respect of such damage. The Vendor will ensure that such insurance proceeds are assigned or paid to the Purchaser on Closing.

The Purchaser shall make any such election by written Notice to the Vendor and the Proposal Trustee prior to Closing, failing which the Purchaser shall be deemed to have elected to terminate this Agreement, and the Deposit, shall be promptly returned to the Purchaser without deduction, and neither party shall have any claim against the other.

- (d) In the event of damage to the Property is not substantial, the Purchaser shall complete the transaction and accept the Property at Closing in damaged condition, in which event the insurance proceeds payable in respect of such damage shall be paid to the Purchaser, and the Purchase Price shall be reduced by an amount equal to the deductible, if any, applicable to the insurance payable in respect of such damage. The Vendor will deliver to the Purchaser, acting reasonably, satisfactory assurances that such insurance proceeds are assigned or paid to the Purchaser on Closing.

## **ARTICLE 7 PROPOSAL TRUSTEE**

**7.1 Proposal Trustee Liability.** In addition to all of the protections granted to the Proposal Trustee under the NOI Proceedings or any order of the Court in the NOI Proceedings, the Vendor and the Purchaser acknowledge and agree that the Proposal Trustee, acting in its capacity as Proposal Trustee of the Caryi Group and not in its personal capacity, and the Proposal Trustee and its directors, officers, employees, agents, advisors, and successors and assigns will have no liability, in its personal capacity or otherwise, in connection with this Agreement or the transactions contemplated hereby.

**7.2 Indemnity.** The Purchaser shall indemnify the Proposal Trustee and hold the Proposal Trustee harmless against and from all losses, costs, damages and expenses which the Proposal Trustee may sustain, incur or be or become liable for by reason of or arising from any operations of the Purchaser in relation to the Property.

## **ARTICLE 8 GENERAL**

**8.1 Expenses.** Each of the Vendor and Purchaser shall be responsible for its own legal and other expenses (including any taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated hereby.

**8.2 Confidentiality.**

- (a) The Vendor and Purchaser will keep the terms of this Agreement in the strictest confidence both before and after the Closing, except in the course of conveying necessary information to third parties directly involved in this transaction and except as may be required by law (including any obligation to make public disclosure of this transaction) or otherwise mutually agreed upon in writing.
- (b) Notwithstanding anything in this Agreement to the contrary, the Purchaser hereby acknowledges that the Vendor and/or Proposal Trustee shall be required to publicly file a copy of this Agreement and to disclose information concerning the transactions contemplated hereby in seeking the Approval and Vesting Order. The Purchaser hereby consents to such disclosure of this Agreement and information concerning the transactions contemplated hereby.

**8.3 Further Assurances.** Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other transaction documents.

**8.4 Obligations as Covenants.** Each agreement and obligation of any of the parties hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

**8.5 Waiver.** No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver. No failure on the part of the Vendor or the Purchaser to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

**8.6 Notice.** Any notice required or permitted to be given under this Agreement (a “**Notice**”) shall be given in writing by personal delivery or by facsimile or other electronic means of transmission at the addresses set out below. Any Notice given prior to 5:00 p.m. (Halifax time) on a Business Day shall be deemed to have been received on that Business Day. Any Notice given after 5:00 p.m. AST on a Business Day or on a day other than a Business Day shall be



deemed to have been received on the next following Business Day. Notices shall be delivered or sent as follows:

To the Vendor:	BSL Holdings Limited 99 Wyse Road Suite 600 Dartmouth, N.S. B3A 4S5  Attention: Joanne Caryi Email: rubyllp1537@gmail.com
with a copy to the Vendor's solicitors:	BoyneClarke LLP 99 Wyse Road Suite 600 Dartmouth, N.S. B3A 4S5  Attention: Josh Santimaw Email: jsantimaw@boyneclarke.ca
with a copy to the Proposal Trustee:	Deloitte Restructuring Inc. 1741 Lower Water Street, Suite 800 Halifax, N.S. B3J 0J2  Attention: James Foran Email: jforan@deloitte.ca
with a copy to the Proposal Trustee's solicitors:	Stewart McKelvey Queen's Marque Suite 600 1741 Lower Water Street Halifax, N.S. B3J 0J2  Attention: Sara Scott Email: sscott@stewartmckelvey.com
To the Purchaser:	3299425 Nova Scotia Limited [●]
with a copy to the Purchaser's solicitors:	[●]

By giving to the other party at least two (2) days' Notice, any party may, at any time and from time to time, change its address for delivery or communication for the purposes of this Section 8.6.

**8.7 Assignment.** The Purchaser may assign this Agreement to an affiliate of the Purchaser with written consent of the Vendor and Proposal Trustee, such consent not to be unreasonably withheld, provided that such assignment shall relieve the Purchaser of any of its obligations hereunder.

**8.8 Third Party Beneficiaries.**

- (a) Except as set forth in Section 8.8(b) below, each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person, other than the parties hereto and their respective successors and permitted assigns.
- (b) The parties hereto acknowledge and agree that the Proposal Trustee is a third-party beneficiary of this Agreement, having the right to enforce the rights, covenants, directions, waivers, and disclaimers granted to or in favour of the Proposal Trustee herein (including, without limitation, those rights set forth in ARTICLE 7).

**8.9 Successors and Assigns.** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.

**8.10 Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and, except as stated in this Agreement and in the instruments and documents to be executed and delivered pursuant to this Agreement, contains all the representations, undertakings and agreements of the parties. This Agreement supersedes all prior negotiations or agreements between the parties, whether written or verbal with respect to the subject matter of this Agreement.

**8.11 Severability.** If any provision contained in this Agreement or its application to any Person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

**8.12 Non-merger.** None of the provisions of this Agreement shall merge on Closing, except as specifically provided in this Agreement.

**8.13 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.

**8.14 Time.** Time shall be of the essence of this Agreement. If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day. Time limited for performing or completing any matter under this Agreement may be extended or abridged by an agreement in writing signed by the parties or by their respective solicitors.

**8.15 Counterparts and Execution.** This Agreement may be executed in counterparts and may be executed and delivered via facsimile or other electronic transmission, which counterparts and facsimile or other electronically transmitted copies shall together constitute one and the same Agreement with the same effect as if originally executed and delivered.

**[Signature Page Follows]**

**SIGNED:**

**BSL HOLDINGS LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

**3299425 NOVA SCOTIA LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "A"**  
**Property**

**PID 40042087**

All that certain lot in the City of Halifax which was conveyed to one William M.D. Pearman in his lifetime by deed dated the 23rd day of October, 1903 and registered among the records of the Deeds at Halifax in Book 383 at pages 754-760 and therein described as follows:

All that certain lot piece and parcel of land situate, lying and being on the east side of Granville Street in said City of Halifax, being part of lot number five (5), Letter B in Ewer's Division of the Town of Halifax;

Beginning at the northwest angle of the lot lately owned by James W. Hutt and sold by said Hutt to John D. Nash;

Thence easterly by the northern line of said east mentioned lot sixty-two feet (62 feet) more or less to the northeast corner of said lot;

Thence northerly on a line parallel with said Granville Street nine feet five inches (9 feet 5 inches) more or less;

Thence westerly and parallel with the line first described sixty-two feet (62 feet) more or less to Granville Street aforesaid;

Thence southerly by said Street nine feet five inches (9 feet 5 inches) more or less to the place of beginning.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act.

**PID 00003251**

All that certain lot piece and parcel of land situate, lying and being in said Halifax City part of said lot number Five (5) in Ewer's Division more particularly described as follows:

Bounded westerly by Granville Street and there measuring twenty-six feet (26 feet) more or less;

Northerly by premises formerly of George Smithers now owned by the Halifax Club and there measuring sixty feet (60 feet) more or less;

Easterly by premises formerly of George Johnstone now owned by Hunter and there measuring twenty-six feet (26 feet) more or less;

Southerly by premises of William J. Almon and there measuring sixty feet (60 feet) more or less;

Being the lands conveyed to said James W. Hutt by James J. Morse, and others, by deed dated June 1, 1872.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act..

**SCHEDULE “B”**  
**Permitted Encumbrances**

General Encumbrances

1. Any inchoate statutory liens, charges or similar liabilities and/or rights which may exist from time to time (including, without limitation, any and all statutory rights of expropriation).
2. The reservations, limitations, provisos and conditions, if any, expressed in the original grant from the Crown, in right of Canada or the Province of Nova Scotia.
3. All applicable municipal, provincial or federal statutes, by-laws, regulations or ordinances (including, without limitation, all building and zoning by-laws and regulations) and any subdivision, site plan, development or other similar municipal agreements provided they do not materially and adversely affect the ordinary use or operation of the Property and provided that the terms thereof have been and are being complied with.
4. Any easements and/or agreements relating to drainage, storm or sanitary sewers, public utility lines, telephones lines, cable television lines or other services and all other services and all other easements, servitudes and rights of way which do not materially and adversely affect the present use of the Property and provided that the terms thereof have been and are being complied with.
5. The provisions, restrictions and limitations of the *Land Registration Act* (Nova Scotia).
6. Such other minor encumbrances or defects in title which do not, individually or in the aggregate, materially affect the use, enjoyment or value of the Property or any part thereof, or materially impair the value thereof.
7. Encumbrances respecting minor encroachments by the Property over neighbouring lands permitted under agreements with the owners of such other lands.

Specific Encumbrances

8. The leases set forth in Schedule “C”.

**SCHEDULE "C"**  
**Contracts**

1. Lease dated September, 2016, between BSL Holdings Ltd., as landlord, and 3298944 Nova Scotia Limited, as tenant.

**APPENDIX "C"**  
**APS FOR 1674 HOLLIS STREET**



## AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated as of the \_\_\_\_ day of \_\_\_\_\_, 2025.

BETWEEN:

**4551650 NOVA SCOTIA LIMITED**  
(the “**Vendor**”)

OF THE FIRST PART

- and -

**YOSHIMI INVESTMENTS INC.**  
(the “**Purchaser**”)

OF THE SECOND PART

WHEREAS:

- A. On January 20, 2025, the Vendor, BSL Holdings Limited, Annapolis Management, Inc., Ruby, LLP, 3337151 Nova Scotia Limited (collectively, the “**Caryi Group**”) commenced proceedings (the “**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) by filing Notices of Intention to Make a Proposal pursuant to Section 50.4(1) of the BIA, and Deloitte Restructuring Inc. was appointed as proposal trustee of the Caryi Group (in such capacity, the “**Proposal Trustee**”);
- B. Pursuant to an order of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the “**Court**”) dated February 18, 2025, a sale and investment solicitation process for the property and assets of the Caryi Group (the “**SISP**”), to be carried out by the Proposal Trustee, was approved; and
- C. In accordance with the SISP, the Purchaser has made an offer to purchase the Property (as defined herein) from the Vendor and the Vendor and Proposal Trustee have accepted such offer and have agreed to sell the Property to the Purchaser in accordance with the terms of this Agreement (as defined herein)

**NOW THEREFORE**, in consideration of the premises and the covenants contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

**1.1 Definitions.** In this Agreement, in addition to the terms defined in the recitals and preamble hereto, the following terms shall have the meanings set out below:

- (a) “**Agreement**” means this agreement, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time.

- (b) **“Approval and Vesting Order”** means an approval and vesting order of the Court in form and in substance satisfactory to the Vendor, Purchaser, and Proposal Trustee, each acting reasonably, approving this Agreement and vesting in and to the Purchaser the Property, free and clear of and from any and all Encumbrances, other than Permitted Encumbrances, to the extent and as provided for in such approval and vesting order.
- (c) **“Assumed Contracts”** means the Contracts set forth in Schedule “C” hereto.
- (d) **“Building”** means the buildings located on the Lands and all other structures, fixtures and improvements situate on the Lands.
- (e) **“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in the Province of Nova Scotia.
- (f) **“Chattels”** means any equipment and other chattels owned by the Vendor and located at and used solely in connection with the Building and the maintenance, repair and operation of the Property, and for greater certainty does not include any tenant fixtures or other property belonging to tenants or any item leased from third parties.
- (g) **“Closing”** means the closing and consummation of the transaction of purchase and sale contemplated by this Agreement including, without limitation, the satisfaction of the Purchase Price, the delivery of all closing documents contemplated herein on the Closing Date and the conveyance of the Property to the Purchaser.
- (h) **“Closing Date”** means the date that is 5 Business Days following the issuance of the Approval and Vesting Order, or such other date as the parties may agree in writing.
- (i) **“Contracts”** means the contracts, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral, relating to the Property.
- (j) **“Deposit”** has the meaning ascribed thereto in Section 2.3(a).
- (k) **“Encumbrance”** means any mortgage, charge, pledge, hypothec, security interest, deemed trust (statutory or otherwise), assignment, lien (statutory or otherwise), leases, rights of way, title defects, options, claim, adverse claims, encumbrances, easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation.
- (l) **“ETA”** means the *Excise Tax Act* (Canada).
- (m) **“Governmental Authority”** means any federal, provincial, territorial, municipal, state or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any arbitrator, court, or tribunal of competent jurisdiction.

- (n) **"Governmental Order"** means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.
- (o) **"HST"** means harmonized sales tax payable pursuant to the ETA.
- (p) **"Lands"** means the lands and premises legally described in Schedule "A" attached hereto and municipally known as 1598 Barrington Street, Halifax, Nova Scotia, together with all easements, rights-of-way, and other rights and benefits appurtenant thereto.
- (q) **"Notice"** has the meaning given to it in Section 8.6.
- (r) **"Outside Date"** means July 18, 2025.
- (s) **"Permitted Encumbrances"** means those encumbrances listed in Schedule "B" attached hereto.
- (t) **"Person"** means an individual, a partnership, a corporation, company, a trust, an unincorporated organization, a Governmental Authority, and the heirs, executors, administrators or other legal representatives of an individual.
- (u) **"Property"** means the Lands, Building, and Chattels, together with the right, title, and interest of the Vendor in and to the Assumed Contracts.
- (v) **"Proposal Trustee's Certificate"** means the certificate of the Proposal Trustee customarily attached as a schedule to the Approval and Vesting Order which, among other things, certifies that all of the conditions to this Agreement have been satisfied and Closing has occurred.
- (w) **"Purchase Price"** means the sum of [REDACTED], plus HST.

**1.2 Interpretation.** For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, and Schedules mean the Articles and Sections of, and Schedules attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

**1.3 Headings.** The division of this Agreement into Articles and Sections and the insertion of headings into this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**1.4 Currency.** All dollar amounts referred to in this Agreement are in Canadian funds.

## **ARTICLE 2 PURCHASE AND SALE**

**2.1 Purchase and Sale.** The Purchaser agrees to purchase the Property from the Vendor, and the Vendor agrees to sell the Property to the Purchaser, on the terms and subject to the conditions contained in this Agreement for the Purchase Price, subject to adjustment as provided for herein.

**2.2 Closing.** The transactions contemplated in this Agreement will be completed on the Closing Date.

**2.3 Payment of Purchase Price.** The Purchaser shall be paid by the Purchaser to the Vendor as follows: subject to any termination of this Agreement in accordance with the terms hereof, pay to the Proposal Trustee the Purchase Price, and the Vendor hereby irrevocably directs the Purchaser to do so for benefit of the stakeholders of the Vendor, subject to the adjustments referred to herein, in the following manner:

- (a) a deposit in the amount of [REDACTED] (the "**Deposit**"), which the parties acknowledge has been paid by the Purchaser to the Proposal Trustee, in trust, to be held in accordance with Section 2.4;
- (b) the balance of the Purchase Price, subject to adjustment, to be paid by the Purchaser by wire transfer to an account to be provided by the Proposal Trustee at Closing; and
- (c) notwithstanding anything to the contrary herein, the Vendor hereby irrevocably authorizes and directs the Purchaser to pay the Purchase Price, together with all other amounts otherwise payable to the Vendor hereunder, to the Proposal Trustee, to such account or as the Proposal Trustee may otherwise direct, for the benefit of the stakeholders of the Vendor.

**2.4 Termination; Deposit.**

- (a) The Proposal Trustee shall continue to hold the Deposit in a trust account in accordance with this Section 2.4 (or as expressly provided for elsewhere in this Agreement).
- (b) On Closing, the Deposit shall be released from trust to the Proposal Trustee, for the benefit of the stakeholders of the Vendor, in partial satisfaction of the Purchase Price.
- (c) In the event that the Purchaser defaults in the performance any of its obligations hereunder, then the Vendor shall be entitled, in the sole discretion of the Vendor (with the consent of the Proposal Trustee), to either:
  - (i) if the Purchaser is willing to proceed to Closing, waive such default and proceed to Closing in accordance with the terms and provisions hereof; or
  - (ii) declare this Agreement to be terminated, and, in addition to any other claim the Vendor or the Proposal Trustee, for the benefit of the stakeholders of the Vendor, may have against the Purchaser, the Deposit shall be forfeited

to the Proposal Trustee, for the benefit of the stakeholders of the Vendor, as *bona fide* pre-estimated liquidated damages.

- (d) In the event that the Vendor defaults in the performance of any of its obligations hereunder, then the Purchaser shall be entitled, in the sole discretion of the Purchaser, to either:
  - (i) if the Vendor is willing to proceed to Closing, waive such default and proceed to Closing in accordance with the terms and provisions hereof; or
  - (ii) declare this Agreement to be terminated, and the Deposit shall be returned to the Purchaser without further liability of any party to the other.
- (e) In the event that the conditions set out in Section 4.3 have not been satisfied by the Outside Date, then either the Purchaser or Vendor shall be entitled, in their sole discretion, to declare this Agreement to be terminated (unless such failure shall be due to the failure of such party to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing), and the Deposit shall be returned to the Purchaser without further liability of any party to the other.

**2.5 Adjustments.** Any municipal property taxes, local improvement rates, rentals, and other items established by usual practice for the purchase and sale of similar properties to the Property shall be apportioned and allowed to the Closing Date, the day of completion itself to be apportioned to the Purchaser. The Purchaser shall be solely responsible for all development and similar levies and all other charges and levies with respect to the Property attributable to the period beginning on the Closing Date.

**2.6 Harmonized Sales Tax.** The purchase and sale of the Property will be subject to HST, and the parties agree and acknowledge that HST shall be in addition to the Purchase Price. Notwithstanding the foregoing, the parties hereby agree and acknowledge that the Vendor shall not be required to collect HST on the sale of the Property and the Purchaser shall, pursuant to subsection 228(4) of the ETA, self-assess and remit the HST that is properly chargeable under the ETA, in respect of the sale of the Property within its HST return for the Purchaser's reporting period in which the transaction occurs. The Purchaser shall deliver to the Vendor, on or before Closing, an HST certificate of the Purchaser declaring that the Purchaser is a registrant for HST purposes under the ETA and that it is entitled to self-assess the payment of the HST and an undertaking to indemnify the Vendor and hold it harmless from any liability of the Vendor under the ETA arising because of a breach of the obligations of the Purchaser.

**2.7 Registration and Other Costs.** The Purchaser shall be responsible for and pay any land transfer taxes payable on the transfer of the Property, all registration fees payable in respect of registration by it of any documents on Closing, and all federal and provincial sales and other taxes payable by a purchaser upon or in connection with the conveyance or transfer of the Property, provided, however, that the Purchaser shall not be required to pay HST to the Vendor on Closing if it delivers a HST certificate on Closing as contemplated by Section 2.6.

**2.8 Contracts.**

- (a) The Vendor shall (i) be responsible for the performance and payment of all of the Vendor's obligations and covenants in the Contracts prior to Closing Date; (ii)

terminate and be responsible for payment of all costs and expenses and performing all obligations in all Contracts not assumed by the Purchaser, as herein provided for, and the Vendor; and (iii) indemnify and save the Purchaser harmless for any costs, losses, expenses and liabilities suffered by the Purchaser as a result of the Vendor's breach or non-fulfillment of the foregoing obligations and covenants to be performed by the Vendor, which indemnities shall survive Closing.

- (b) The Purchaser shall (i) assume and be responsible for the performance and payment of all of the Vendor's obligations and covenants in the Assumed Contracts from and after the Closing Date; and (ii) indemnify and save the Vendor harmless for any costs, losses, expenses and liabilities suffered by the Vendor as a result of the Purchaser's breach or non-fulfillment of the foregoing obligations and covenants to be performed by the Purchaser, which indemnities shall survive Closing.
- (c) For greater certainty, the Purchaser shall not assume, and shall not be responsible for the performance and payment of any of the Vendor's obligations and covenants under, any Contracts other than the Assumed Contracts.

**2.9 Non-Transferable and Non-Assignable Rights.** To the extent that any of the Property to be transferred to the Purchaser on the Closing, or any claim, right or benefit arising under or resulting from the Property (collectively, the "**Rights**"), is not capable of being transferred without the approval, consent or waiver of any third Person (other than the Vendor or Purchaser), or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any law unless the approval, consent or waiver of such third Person is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent or waiver has been obtained. After the Closing and for a period of sixty (60) days following the Closing, or such later date as the parties may agree, the Vendor shall, in consultation with the Proposal Trustee:

- (a) hold the Rights in trust for the Purchaser;
- (b) comply with the terms and provisions of the Rights as agent for the Purchaser at the Purchaser's cost and for the Purchaser's benefit;
- (c) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser at the Purchaser's cost; and
- (d) enforce, at the reasonable request of the Purchaser and at the expense and for the account of the Purchaser, any rights of the Vendor arising from such Rights against any third Person, including the right to elect to terminate any such rights in accordance with the terms of such rights upon the written direction of the Purchaser.

To the extent that such approval, consent, waiver or order of such Third Person has not been obtained by the 60<sup>th</sup> day following the Closing, such Right shall be deemed to be excluded from the Property and the Vendor may terminate any agreement pertaining to such Right. The Purchaser shall indemnify and hold the Vendor harmless from and against any claim or liability

under or in respect of such Rights arising because of any action of the Vendor taken in accordance with this Section.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

**3.1 Representations of the Vendor.** The Vendor represents and warrants to and in favour of the Purchaser that, as of the date of this Agreement and as of the Closing Date, unless otherwise specified in this Section:

- (a) Organization and Status of the Vendor. The Vendor is duly incorporated, validly existing under the laws of its jurisdiction of incorporation, and has not been discontinued or dissolved the laws of its jurisdiction of incorporation. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution.
- (b) Corporate Power. The Vendor has the corporate power, authority and capacity to enter into and perform its obligations under this Agreement.
- (c) Due Authorization and Enforceability. Subject to the issuance of the Approval and Vesting Order, the execution and delivery by the Vendor of this Agreement, the performance by Vendor of its obligations hereunder and the consummation by the Vendor of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Vendor. Subject to the issuance of the Approval and Vesting Order, this Agreement has been duly and validly executed by the Vendor and constitutes a valid and binding obligation of the Vendor enforceable against it in accordance with its terms.
- (d) HST. The Vendor is duly registered for the purposes of HST in accordance with the ETA, under the number 78385 2759 RT 0002.
- (e) Residence. The Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).

**3.2 Representations of Purchaser.** The Purchaser represents and warrants to and in favour of the Vendor that, as of the date of this Agreement and as of the Closing Date, unless otherwise specified in this Section:

- (a) Organization and Status of Purchaser. The Purchaser is duly incorporated, validly existing under the laws of its jurisdiction of incorporation, and has not been discontinued or dissolved the laws of its jurisdiction of incorporation. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution.
- (b) Corporate Power. The Purchaser has the power, authority and capacity to enter into and perform its obligations under this Agreement.
- (c) Due Authorization and Enforceability of Obligations. The execution and delivery by the Purchaser of this Agreement, the performance by Purchaser of its obligations hereunder and the consummation by the Purchaser of the transactions contemplated hereby have been duly authorized by all requisite corporate action



on the part of the Purchaser. This Agreement has been duly and validly executed by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms.

- (d) HST. The Purchaser is, for the purposes of the ETA, the “recipient” of the supply made to it of the Property and is duly registered for the purposes of HST in accordance with the ETA, under the number [●].
- (e) Residence of Purchaser. The Purchaser is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).
- (f) No Conflicts. The execution, delivery and performance by Purchaser of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not: (a) result in a violation or breach of any provision of the constating documents or any shareholder agreement relating to, Purchaser; (b) result in a violation or breach of any provision of any applicable laws or governmental order applicable to Purchaser; or (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any agreement to which Purchaser is a party.
- (g) No Consents. No consent, approval, permit, order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Purchaser in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.
- (h) Brokers. No broker or finder is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

**3.3 As is, Where is.** Notwithstanding any other provision of this Agreement or any other transaction document, the Purchaser hereby acknowledges and agrees: the representations and warranties made by the Vendor in Section 3.1 are the only representations and warranties of the Vendor in connection with this Agreement and the transactions contemplated hereby;

- (b) the Property is being purchased on an “as is, where is” basis as they exist at the Closing and the Purchaser will accept the Property in such state, condition and location at the Closing. Without limiting the generality of the foregoing, the Property is specifically offered as it exists on closing and with no adjustments to be allowed by the Vendor or Purchaser for changes in conditions, qualities or quantities of the Property from the date hereof to the Closing Date, except as specifically provided for herein;
- (c) it has undertaken to its satisfaction such searches, independent investigations, inspections and other due diligence in connection with entering into this Agreement and based solely thereon, has determined to proceed with the transactions contemplated by this Agreement;
- (d) all written and oral information provided by the Vendor and/or the Proposal Trustee and their respective representatives to the Purchaser, including in any court document, teaser letter, asset listing, confidential information memorandum, tender package, data room, management presentation, site visit, meetings,



telephone calls and any other information made available to the Purchaser, in connection with the Property has been provided for the convenience of the Purchaser only and neither the Vendor nor the Proposal Trustee and their respective representatives have made or are making any representation or warranty, express or implied, statutory or otherwise, as to the accuracy or completeness of any such information;

- (e) any information regarding or describing the Property in this Agreement or any documents entered in connection with this Agreement is for identification purposes and the convenience of the Purchaser only and neither the Vendor nor the Proposal Trustee is making any representation or warranty, express or implied, statutory or otherwise, as to the accuracy or completeness of any such information; and
- (f) except for representations and warranties made by the Vendor in Section 3.1 (which, for greater certainty, are not made by the Proposal Trustee), the Vendor, the Proposal Trustee and their respective Representatives have made and are making no representations, warranties, conditions, statements or promises whatsoever, express or implied, statutory or otherwise, with respect to the Property, including without limitation with respect to: (i) the Vendor's right, title and interest in or to the Property; (ii) the merchantability, marketability, location, condition, description, fitness for a particular purpose of the Property; (iii) compliance or non-compliance with laws, regulations, including environmental rules; and (iv) existence of any parts or components, latent defects, quality, quantity, encumbrances, liens or charges or any other thing affecting the Property.

**3.4 Survival.** All representations and warranties in this Agreement shall be deemed to have been made as of the date hereof and shall survive the Closing for a period of 12 months after the Closing (the "**Survival Period**"). Any right of action for the breach of any representation or warranty herein shall not merge with Closing but shall survive the Closing for the Survival Period and before the expiration thereof the party claiming a breach must have filed an action in a court of competent jurisdiction, and any warranty and representation not specified in such action shall expire.

## **ARTICLE 4 CONDITIONS**

**4.1 Closing Conditions of Purchaser.** The Purchaser's obligation to carry out and complete the transaction contemplated by this Agreement is subject to fulfilment of each of the following conditions on or before the date specified herein, which conditions are for the sole benefit of the Purchaser and which may be waived by the Purchaser in its sole discretion:

- (a) On the Closing Date, the representations and warranties of the Vendor set out in Section 3.1 shall be true and accurate in all material respects, with the same effect as though made at and as of such date.
- (b) On Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects on or before the times contemplated in this Agreement.

- (c) The Vendor shall have delivered to the Purchaser the documents and deliveries set forth in Section 5.2.

**4.2 Closing Conditions of Vendor.** The Vendor's obligation to carry out and complete the transaction contemplated by this Agreement is subject to fulfillment of each of the following conditions on or before the date specified herein, which conditions are for the sole benefit of the Vendor and which may be waived by the Vendor in its sole discretion:

- (a) On the Closing Date, the representations and warranties of the Purchaser set out in Section 3.2 shall be true and accurate in all material respects, with the same effect as though made at and as of such date
- (b) On Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects on or before the times contemplated in this Agreement.
- (c) The Purchaser shall have delivered to the Vendor the documents and deliveries set forth in Section 5.3.

**4.3 Mutual Conditions.** The obligations of each party to carry out and complete the transaction contemplated by this Agreement is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the benefit of each of the Vendor and the Purchaser and may be jointly waived, in whole or in part, by the Vendor and the Purchaser:

- (a) The Approval and Vesting Order shall have been issued and shall not have been appealed, set aside, varied or stayed or, if appealed or stayed, all appeals shall have been dismissed and all stays shall have been lifted, respectively.
- (b) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

## **ARTICLE 5 CLOSING ARRANGEMENTS**

**5.1 Closing.** Upon the terms and subject to the conditions of this Agreement, the Closing shall take place on the Closing Date at the offices of Vendor's solicitors, by exchange of documents and signatures (or their electronic counterparts).

**5.2 Documents of the Vendor.** The Vendor shall deliver to the Purchaser the following documents on the Closing Date or on such other date as may be specified, each in a form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a deed for the Property, transferring the Property to the Purchaser;
- (b) a statement of adjustments, a draft form of which shall be delivered not less than three (3) Business Days prior to the Closing Date;

- (c) a direction from the Vendor issued to the Purchaser as to the payment of the balance of the purchase price;
- (d) a bring-down certificate of the Vendor relating to the representations, warranties, and covenants of the Vendor in this Agreement;
- (e) all deeds, bills of sales, transfers, assignments, assumptions, and such other agreements, documents, and instruments as may be reasonably requested by the Purchaser in order to transfer and assign the Chattels and Contracts, each duly executed by the Vendor;
- (f) all security pass cards, security codes and keys to the Building to the extent in the Vendor's or Proposal Trustee's possession or control; and
- (g) such further documentation relating to the completion of this Agreement as the Purchaser may reasonably require.

**5.3 Documents of the Purchaser.** The Purchaser shall deliver to the Vendor the following funds and documents on the Closing Date or such other date as may be specified, each in a form and substance satisfactory to the Vendor, acting reasonably:

- (a) the balance of the Purchase Price in accordance with Section 2.3;
- (b) a certificate of an officer of the Purchaser certifying that the Purchaser is an HST registrant, that any HST payable on this transaction will be self-remitted, and indemnifying the Vendor for any HST payable in connection with this transaction, in accordance with Section 2.6;
- (c) a bring-down certificate of the Purchaser relating to the representations, warranties, and covenants of the Vendor in this Agreement;
- (d) all deeds, bills of sales, transfers, assignments, assumptions, and such other agreements, documents, and instruments as may be reasonably requested by the Vendor in order to transfer and assign the Chattels and Assumed Contracts, each duly executed by the Purchaser; and
- (e) such further documentation relating to the completion of this Agreement as the Vendor may reasonably require.

**5.4 Proposal Trustee's Certificate.** When the conditions in ARTICLE 4 have been satisfied or waived, the Vendor shall cause the Proposal Trustee to deliver an executed copy of the Proposal Trustee's Certificate to the Vendor. Upon such delivery, Closing will be deemed to have occurred.

## **ARTICLE 6 DAMAGE BEFORE CLOSING**

### **6.1 Damage Before Closing.**

- (a) The Property shall remain at the risk of the Vendor until Closing.

- (b) The Vendor shall maintain all existing insurance policies relating to the Property until Closing.
- (c) In the event that, prior to Closing, there is material damage to or destruction of the Property, then the Vendor shall notify the Purchaser within twenty-four (24) hours of such damage or destruction, and the Purchaser shall, within three (3) Business Days thereafter, elect by written notice to the Vendor and the Proposal Trustee either:
  - (i) to terminate this Agreement by delivering notice in writing to the Vendor and the Proposal Trustee, in which case this Agreement shall be terminated and shall be null and void and of no further force or effect whatsoever and the Deposit, shall be promptly returned to the Purchaser without deduction and neither party shall have any claim against the other; or
  - (ii) to complete this Agreement and accept the Property in its damaged or destroyed condition, in which event the insurance proceeds payable in respect of such damage or destruction shall be assigned or paid to the Purchaser (except insofar as such proceeds relate to loss of rental income in respect of the period prior to the Closing Date, which shall be entirely the Vendor's property) and the Purchase Price shall be reduced by an amount equal to the deductible, if any, applicable to the insurance payable in respect of such damage. The Vendor will ensure that such insurance proceeds are assigned or paid to the Purchaser on Closing.

The Purchaser shall make any such election by written Notice to the Vendor and the Proposal Trustee prior to Closing, failing which the Purchaser shall be deemed to have elected to terminate this Agreement, and the Deposit, shall be promptly returned to the Purchaser without deduction, and neither party shall have any claim against the other.

- (d) In the event of damage to the Property is not substantial, the Purchaser shall complete the transaction and accept the Property at Closing in damaged condition, in which event the insurance proceeds payable in respect of such damage shall be paid to the Purchaser, and the Purchase Price shall be reduced by an amount equal to the deductible, if any, applicable to the insurance payable in respect of such damage. The Vendor will deliver to the Purchaser, acting reasonably, satisfactory assurances that such insurance proceeds are assigned or paid to the Purchaser on Closing.

## **ARTICLE 7 PROPOSAL TRUSTEE**

**7.1 Proposal Trustee Liability.** In addition to all of the protections granted to the Proposal Trustee under the NOI Proceedings or any order of the Court in the NOI Proceedings, the Vendor and the Purchaser acknowledge and agree that the Proposal Trustee, acting in its capacity as Proposal Trustee of the Caryi Group and not in its personal capacity, and the Proposal Trustee and its directors, officers, employees, agents, advisors, and successors and assigns will have no liability, in its personal capacity or otherwise, in connection with this Agreement or the transactions contemplated hereby.

**7.2 Indemnity.** The Purchaser shall indemnify the Proposal Trustee and hold the Proposal Trustee harmless against and from all losses, costs, damages and expenses which the Proposal Trustee may sustain, incur or be or become liable for by reason of or arising from any operations of the Purchaser in relation to the Property.

## **ARTICLE 8 GENERAL**

**8.1 Expenses.** Each of the Vendor and Purchaser shall be responsible for its own legal and other expenses (including any taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated hereby.

**8.2 Confidentiality.**

- (a) The Vendor and Purchaser will keep the terms of this Agreement in the strictest confidence both before and after the Closing, except in the course of conveying necessary information to third parties directly involved in this transaction and except as may be required by law (including any obligation to make public disclosure of this transaction) or otherwise mutually agreed upon in writing.
- (b) Notwithstanding anything in this Agreement to the contrary, the Purchaser hereby acknowledges that the Vendor and/or Proposal Trustee shall be required to publicly file a copy of this Agreement and to disclose information concerning the transactions contemplated hereby in seeking the Approval and Vesting Order. The Purchaser hereby consents to such disclosure of this Agreement and information concerning the transactions contemplated hereby.

**8.3 Further Assurances.** Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other transaction documents.

**8.4 Obligations as Covenants.** Each agreement and obligation of any of the parties hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

**8.5 Waiver.** No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver. No failure on the part of the Vendor or the Purchaser to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

**8.6 Notice.** Any notice required or permitted to be given under this Agreement (a “**Notice**”) shall be given in writing by personal delivery or by facsimile or other electronic means of transmission at the addresses set out below. Any Notice given prior to 5:00 p.m. (Halifax time) on a Business Day shall be deemed to have been received on that Business Day. Any Notice given after 5:00 p.m. AST on a Business Day or on a day other than a Business Day shall be

deemed to have been received on the next following Business Day. Notices shall be delivered or sent as follows:

To the Vendor: 4551650 Nova Scotia Limited  
99 Wyse Road  
Suite 600  
Dartmouth, N.S. B3A 4S5  
  
Attention: Joanne Caryi  
Email: rubyllp1537@gmail.com

with a copy to the Vendor's solicitors: BoyneClarke LLP  
99 Wyse Road  
Suite 600  
Dartmouth, N.S. B3A 4S5  
  
Attention: Josh Santimaw  
Email: jsantimaw@boyneclarke.ca

with a copy to the Proposal Trustee: Deloitte Restructuring Inc.  
1741 Lower Water Street,  
Suite 800  
Halifax, N.S. B3J 0J2  
  
Attention: James Foran  
Email: jforan@deloitte.ca

with a copy to the Proposal Trustee's solicitors: Stewart McKelvey  
Queen's Marque  
Suite 600  
1741 Lower Water Street  
Halifax, N.S. B3J 0J2  
  
Attention: Sara Scott  
Email: sscott@stewartmckelvey.com

To the Purchaser: Yoshimi Investments Inc.  
[●]

with a copy to the Purchaser's solicitors: [●]

By giving to the other party at least two (2) days' Notice, any party may, at any time and from time to time, change its address for delivery or communication for the purposes of this Section 8.6.

**8.7 Assignment.** The Purchaser may assign this Agreement to an affiliate of the Purchaser with written consent of the Vendor and Proposal Trustee, such consent not to be unreasonably withheld, provided that such assignment shall relieve the Purchaser of any of its obligations hereunder.

**8.8 Third Party Beneficiaries.**

- (a) Except as set forth in Section 8.8(b) below, each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person, other than the parties hereto and their respective successors and permitted assigns.
- (b) The parties hereto acknowledge and agree that the Proposal Trustee is a third-party beneficiary of this Agreement, having the right to enforce the rights, covenants, directions, waivers, and disclaimers granted to or in favour of the Proposal Trustee herein (including, without limitation, those rights set forth in ARTICLE 7).

**8.9 Successors and Assigns.** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.

**8.10 Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and, except as stated in this Agreement and in the instruments and documents to be executed and delivered pursuant to this Agreement, contains all the representations, undertakings and agreements of the parties. This Agreement supersedes all prior negotiations or agreements between the parties, whether written or verbal with respect to the subject matter of this Agreement.

**8.11 Severability.** If any provision contained in this Agreement or its application to any Person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

**8.12 Non-merger.** None of the provisions of this Agreement shall merge on Closing, except as specifically provided in this Agreement.

**8.13 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.

**8.14 Time.** Time shall be of the essence of this Agreement. If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day. Time limited for performing or completing any matter under this Agreement may be extended or abridged by an agreement in writing signed by the parties or by their respective solicitors.

**8.15 Counterparts and Execution.** This Agreement may be executed in counterparts and may be executed and delivered via facsimile or other electronic transmission, which counterparts and facsimile or other electronically transmitted copies shall together constitute one and the same Agreement with the same effect as if originally executed and delivered.

**[Signature Page Follows]**

**SIGNED:**

**4551650 NOVA SCOTIA LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

**YOSHIMI INVESTMENTS INC.**

By: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE "A"**  
**Property**

**PID 00003236**

ALL that certain lot, piece or parcel of land and premises thereon, lying on the western side of Hollis Street in the City and County of Halifax and being the southern moiety or half part of Lot Number 13, Block Letter B, Gallands Division and the northern quarter part of Lot Number 12 in the said Block and Division before mentioned, and which said land may be more particularly described as follows:

BEGINNING at a point on the western side line of Hollis Street distant measured in a southerly direction 142 feet from the intersection formed by the said western side line of Hollis Street with the southern side line of Prince Street, said point of beginning being also the southwestern angle of the stone and masonry building now occupied and known as the Halifax Club;

THENCE to run westerly along the southern face of the southern wall of the said Halifax Club and the prolongation westerly thereof 62 feet;

THENCE southerly parallel to Hollis Street 30.5 feet;

THENCE easterly parallel to the first described line 62 feet to Hollis Street;

AND THENCE northerly by the same 30.5 feet to the place of beginning.

THE street lines herein referred to are those now laid down on the City Official Plan.

Subject to a Notice of Heritage Designation as recorded in the Halifax Registry of Deeds in Book 3531 at Page 1162.

Subject to an Agreement registered in 2011 Document Number 98291249.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

**SCHEDULE “B”**  
**Permitted Encumbrances**

General Encumbrances

1. Any inchoate statutory liens, charges or similar liabilities and/or rights which may exist from time to time (including, without limitation, any and all statutory rights of expropriation).
2. The reservations, limitations, provisos and conditions, if any, expressed in the original grant from the Crown, in right of Canada or the Province of Nova Scotia.
3. All applicable municipal, provincial or federal statutes, by-laws, regulations or ordinances (including, without limitation, all building and zoning by-laws and regulations) and any subdivision, site plan, development or other similar municipal agreements provided they do not materially and adversely affect the ordinary use or operation of the Property and provided that the terms thereof have been and are being complied with.
4. Any easements and/or agreements relating to drainage, storm or sanitary sewers, public utility lines, telephones lines, cable television lines or other services and all other services and all other easements, servitudes and rights of way which do not materially and adversely affect the present use of the Property and provided that the terms thereof have been and are being complied with.
5. The provisions, restrictions and limitations of the *Land Registration Act* (Nova Scotia).
6. Such other minor encumbrances or defects in title which do not, individually or in the aggregate, materially affect the use, enjoyment or value of the Property or any part thereof, or materially impair the value thereof.
7. Encumbrances respecting minor encroachments by the Property over neighbouring lands permitted under agreements with the owners of such other lands.

Specific Encumbrances

1. Notice of Heritage Designation in favour of Halifax Regional Municipality dated November 2, 1981 and recorded in the Halifax Registry of Deeds in Book 3531 at Page 1162.
2. Agreement in favour of Halifax Regional Municipality dated May 2, 2011, and registered as Document Number 98291249.

**SCHEDULE "C"**  
**Contracts**

1. [●]

**APPENDIX "D"**  
**SECURITY REVIEW OF 1598 BARRINGTON STREET**

File Reference: SM043375.00009

June 11, 2025

**Via Electronic Mail**

Deloitte Restructuring Inc.  
Suite 800 - 1741 Lower Water Street  
Halifax, NS B3J 0J2

**Attention: James Foran, Senior Vice President**

Dear James:

**Re: Tramway Building (1598 Barrington Street) – Review of Security**

At your request, we have performed a limited review of the security charging the real property of 3337151 Nova Scotia Limited ("**333NSL**"), located at 1598 Barrington Street, Halifax, NS (PID no. 00076455) (the "**Property**") to confirm the validity of such security interests. The results of our review are set out below.

This opinion is being delivered to you in connection with the notices of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) filed by each of Annapolis Management Inc., BSL Holdings Limited, Ruby LLP, 3337151 Nova Scotia Limited, and 4551650 Nova Scotia Limited on or about January 20, 2025, in your capacity as proposal trustee.

**I. Security Documents**

Security and Documentation

In connection with our review, we have examined an executed copy of each of the following loan and security documents (collectively, the "**Loan Documents**"):

1. an offer of financing letter dated May 31, 2020, between 333NSL, as borrower, and League Savings and Mortgage Company ("**League**") as lender, in respect of a loan in the amount of \$6,300,000 (the "**Loan Agreement**");
2. a term promissory note in the principal amount of \$6,300,000 together with interest at the greater of (i) League's prime rate plus 1.50% per annum, or (ii) 4.25% per annum dated May 28, 2020, made by 333NSL in favour of League;
3. a demand promissory note in the principal amount of \$6,300,000 together with interest at League's prime rate plus 1.50% per annum made by 333NSL in favour of League;
4. extending agreements dated October 26, 2021, June 28, 2022, December 8, 2022, June 19, 2023, and October 4, 2023 extending the payment term under the Loan Agreement and notes;

4130-4345-6604

5. a collateral mortgage from 333NSL, as mortgagor, dated May 28, 2020 (the "**Mortgage**") in favour of League, charging the Property. The Mortgage secures all debts and liabilities, present or future, at any time owing from 333NSL to League;
6. a general assignment of rents and leases from 333NSL, dated May 28, 2020 (the "**GAR**") in favour of League, charging all rents and leases relating to the Property;
7. a security agreement from 333NSL dated May 28, 2020 (the "**GSA**") in favour of League, charging all present and after-acquired personal property of 333NSL;
8. a guarantee and postponement of claim from Steven Caryi ("**Steven**") dated May 28, 2020, in favour of League, in respect of the obligations of 333NSL to League;
9. a guarantee and postponement of claim from Annapolis Management, Inc., in its capacity as general partner of Ruby, LLP, ("**Ruby**") dated May 28, 2020, in favour of League, in respect of the obligations of 333NSL to League;
10. a guarantee and postponement of claim from Annapolis Management, Inc., in its own capacity ("**Annapolis**") dated May 28, 2020, in favour of League, in respect of the obligations of 333NSL to League;
11. a cost overrun and completion guarantee agreement between 333NSL, Annapolis, Ruby, and Steven dated May 28, 2020, in favour of League;
12. an insurance assignment, warranty and undertaking between 333NSL dated May 28, 2020, in favour of League;
13. an assignment of material contracts between 333NSL, dated May 28, 2020, in favour of League; and
14. an agreement dated October 31, 2024 between Annapolis, Ruby, 333NSL, and League (the "**Shortfall Agreement**"), which provides as follows:
  - (a) 333NSL is indebted to League which is secured by the Property;
  - (b) Ruby and Annapolis are indebted to League pursuant to the commitment Letter which is secured by the National Film Board property;
  - (c) a proposed sale of the Tramway property may result in sale proceeds that are insufficient to payout the 333NSL loan;
  - (d) Ruby and Annapolis guaranteed the obligations of 333NSL to League;
  - (e) if (i) there is a shortfall on the Property, and (ii) the National Film Board property is sold, then Ruby and Annapolis will use any remaining proceeds to pay the 333NSL shortfall, and each of Annapolis, Ruby, and 333NSL guarantee the payment of such amount;

- (f) as security for Ruby's and Annapolis' obligations to pay the shortfall amount, they will grant League a mortgage on the National Film Board property; and
- (g) League will have no obligation to release its security relating to the Property until the shortfall amount has been paid by Ruby and Annapolis.

In this opinion letter, the Mortgage, GAR, and GSA, are sometimes collectively referred to as the **"Security Documents"**.

### Execution of Documents

The Loan Documents, except for the Shortfall Agreement,<sup>1</sup> appear to have been executed by Steven, as President of 333NSL. As more particularly set forth below, we have assumed that each of the Loan Documents has been duly authorized, executed and delivered by 333NSL, and that each of the Loan Documents is enforceable against it.

## **II. Assumptions**

For the purposes of the opinions expressed herein, we have, without independent investigation or verification, assumed:

- (a) the genuineness of all signatures on documents examined by us, the authenticity of all documents submitted to us as originals, the authenticity of all documents filed or registered in public offices, the legal capacity of all natural persons executing documents and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic, or facsimile copies;
- (b) that:
  - (i) 333NSL is duly incorporated or otherwise duly formed and organized and is validly subsisting under the laws of its jurisdiction of incorporation or formation;
  - (ii) 333NSL has the corporate power and capacity to own or lease property and assets, to carry on its business as presently conducted, and to execute, deliver and perform its obligations under the Loan Documents to which it is a party;
  - (iii) 333NSL has taken all necessary corporate action to authorize the execution, delivery and performance by 333NSL of each of the Loan Documents to which it is a party;
  - (iv) 333NSL has duly executed and delivered each of the Loan Documents to which it is a party; and

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<sup>1</sup> The Shortfall Agreement was executed by Laurie Caryi, as President of Annapolis and Ruby, and Laurie Caryi as personal representative of the estate of Steven for 333 NSL.

- (v) the exercise by 333NSL, of its rights and the performance of its obligations under each Loan Document is not contrary to its constating documents or its governing legislation;
- (c) that each of the Loan Documents constitutes the legal, valid and binding obligation of the parties thereto, enforceable against each of them in accordance with its terms;
- (d) that value has been given;
- (e) that 333NSL has rights in any personal property charged by 333NSL in the GSA (the “**Collateral**”);
- (f) that League has not agreed to postpone the time for attachment of any of the security interests created by the Security Documents (collectively, the “**Security Interests**” and individually, a “**Security Interest**”);
- (g) the currency and accuracy of (i) any printed search result from the Personal Property Registry in the Province of Nova Scotia (the “**PPR**”), and (ii) the indices and records maintained at the other public offices where we have conducted searches or made inquiries or caused searches or inquiries to be made; and
- (h) that the Loan Documents have not been amended, restated or replaced and there are no agreements or understandings between the parties thereto, whether written or oral, and there is no usage of trade or course of dealing between the parties that would, in either case, define, supplement, limit or qualify the terms of the Loan Documents.

In addition to the Loan Documents, we have also examined such statutes, public and corporate records and documents and considered such questions of law as we have deemed necessary for the opinions hereinafter expressed.

### **III. Laws Addressed**

We are qualified to practice law in the Province of Nova Scotia and have made no investigation of the laws of any jurisdiction other than the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The opinions hereinafter expressed are limited to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein in effect on the date hereof. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests as a result of the application of conflict of laws rules of the Province of Nova Scotia including, without limitation, sections 6 to 9 of the *Personal Property Security Act* (Nova Scotia) (the “**PPSA**”). In addition, we express no opinion whether, pursuant to those conflict of laws rules, the laws of the Province of Nova Scotia would govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests.



#### IV. Searches

We have conducted or caused to be conducted searches in the Province of Nova Scotia, as indicated below, current to the dates noted below, with respect to names or other search criteria listed below for registrations or filings of security:

Legislation / Public Office	Names Searched	Current to
<i>Personal Property Security Act</i>	3337151 Nova Scotia Limited	May 12, 2025
<i>Bank Act</i> (Canada)	3337151 Nova Scotia Limited	May 12, 2025
Judgment Roll (Halifax County)	3337151 Nova Scotia Limited	May 13, 2025
<i>Land Registration Act</i> (Statement of Registered and Recorded Interests)	The Property	May 12, 2025
Property Taxes	The Property	May 12, 2025

Subject to the currency and accuracy of the registry and filing systems searched, our searches revealed the following:

1. *Personal Property Security Act* – PPSA searches conducted in the PPR revealed the following results:
  - (a) Registration no. 40755522 dated January 15, 2025, against 333NSL in favour of League in relation to personal property pertaining to or situate on 1598 – 1600 Barrington Street, Halifax, Nova Scotia (PID 76455).
2. *Bank Act* (Canada) – Searches were conducted for notices of intention to give security under Section 427 of the *Bank Act* registered in the Province of Nova Scotia. No results were returned.
3. *Judgment Roll* (Halifax County) – Searches were conducted of the records maintained by the Land Registration Office in the Property Online database pursuant to the *Land Registration Act* (Nova Scotia) (the “**LRA**”) for documents registered in the judgment roll in Halifax County. The searches revealed no results.
4. *Land Registration Act* (Statement of Registered and Recorded Interests) – We have obtained a statement of registered and recorded interests for the Property dated May 12, 2025 (the “**SRRI**”). The SRRI disclosed the following:
  - (a) 333NSL is the registered owner of the Property.
  - (b) The Mortgage and GAR were each recorded against title to the Property on June 3, 2020, as document nos. 116420143 and 116420150 respectively.

5. Property Taxes – We have obtained a tax certificate for the Property from the Halifax Regional Municipality Property dated May 12, 2025, which indicates that taxes in the amount of \$53,032.74 are due and owing.

## **V. Opinions**

Based and relying upon and subject to the foregoing, and the qualifications and limitations set forth below, we are of the opinion that:

### Personal Property Security

1. The GSA creates a valid security interest in favour of League in the Collateral described therein in which 333NSL now has rights, and is sufficient to create a valid security interest in favour of League in any such Collateral in which 333NSL acquires rights when those rights are acquired by 333NSL, in each case to secure payment and performance of the obligations of 333NSL described in the GSA as being secured thereunder.
2. As noted above, there is a PPSA registration against 333NSL in favour of League in relation to personal property pertaining to or situate on 1598 – 1600 Barrington Street, Halifax, Nova Scotia (PID 76455). By virtue of such registration, the Security Interest in favour of League created by the GSA in the Collateral described in such registration, to the extent capable of perfection by registration of a financing statement under the PPSA, has been perfected.<sup>2</sup>
3. Based solely upon the date of registration in the PPR, the PPSA security interests and liens charging the personal property of Annapolis and Ruby located at or arising from Property rank in the following priority (to the extent capable of perfection by registration under the PPSA):
  - (a) first, the registration in favour of League.

### Real Property Security

4. Based on the SRRI, the Mortgage and GAR constitute a valid mortgage and charge against the Property, as security for the obligations of 333NSL to League described therein.
5. Based on the SRRI, the recorded security interests and liens charging the Property rank in the following priority:<sup>3</sup>

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<sup>2</sup> While the GSAs secure all present and after-acquired property of 333 NSL, League's PPSA registration is limited to personal property arising from the Property. As a result, League's perfected security interest is limited to this personal property described in its registration.

<sup>3</sup> For greater certainty, the priority of the recorded security interests and mortgages charging the property is subject to all applicable qualifications set out herein, including with respect to unregistered statutory liens or deemed trusts which would rank prior to the security interests and mortgages.

- (a) first, the Mortgage and GAR.

## VI. Qualifications

In addition to any other qualifications, limitations and restrictions set forth in this opinion letter, our opinions herein are subject to the following qualifications, limitations and restrictions:

1. The enforcement of the Loan Documents and Security Interests is subject to applicable laws relating to bankruptcy, moratorium, reorganization, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, including the power of a court to stay proceedings in the enforcement of remedies and to impose limitations on the rights of creditors to require immediate payment of amounts stated to be payable on demand prior to the expiration of a reasonable period of time after such demand is made.
2. The discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies and, more generally, the enforcement of the Loan Documents and Security Interests is subject to general principles of equity, whether applied by a court of law or equity, which include principles:
  - (a) governing the availability of specific performance, injunctive relief, the power to grant relief from forfeiture, to stay proceedings before it, to stay execution of judgments or other traditional equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which the application for such relief is made;
  - (b) limiting or affecting the enforceability of provisions governing judicial discretion regarding the determination of damages and entitlement to legal fees and other costs; and
  - (c) limiting the right to require immediate payment of amounts which are stated to be payable on demand.
3. If any of the provisions of the Loan Documents are held to be illegal, invalid or unenforceable, the severance of such provisions from the remaining provisions thereof will be subject to the exercise of the discretion of the Court.
4. The Security Interests may not be enforceable in respect of proceeds which are not identifiable or traceable.
5. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of Crown debts which does not comply with such Act is ineffective as between the assignor and the assignee and as against the Crown. Consequently, a secured party would not have a valid security interest in Crown debts unless there is compliance with such Act.
6. No searches have been made with respect to any the Security Documents under, and no opinion is given with respect to the creation of a security interest pursuant to, the Canada

*Shipping Act (Canada), the Copyright Act (Canada), the Industrial Design Act (Canada), the Integrated Circuit Topography Act (Canada), the Patent Act (Canada), the Plant Breeders' Rights Act (Canada), the Canada Transportation Act (Canada) and the Trademarks Act (Canada) or the consequences of compliance or non-compliance with such statutes.*

7. No searches have been made with respect to the Security Interests insofar as such security interests relate to any of the following collateral:
  - (a) any crops or mineral claims; or
  - (b) any permits, quotas, licences or other similar property which is not personal property.
8. We express no opinion as to the validity or perfection of the Security Interests in respect of any contractual rights, which by their terms or by the nature of the contract, or any permits, quotas, licenses or other similar property, which by its terms, its nature or by the nature of the business of 333NSL cannot be the subject of a lien or other interest without the consent, authorization or approval of a third person.
9. We have not made any inquiries or any investigations with regard to any consents or approvals which may be required in connection with the transfer of any contractual interests made subject to a Security Interest.
10. If the Collateral now or hereafter includes any motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat situate in the Province of Nova Scotia within the meaning of those terms under the general regulations made under the PPSA which is not held by 333NSL as inventory (as such term is defined in the PPSA), the security interests in such Collateral or their proceeds must be registered against the applicable serial number description in order to maintain the perfection of such security interests in such Collateral as against certain persons who may have an interest in such Collateral.
11. If the Collateral now or hereafter includes an interest or claim in or under a contract of annuity or policy of insurance, no opinion is expressed herein as to the creation, validity or perfection of the security interest created therein other than in respect of the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation for loss of, or damage to, Collateral.
12. No opinion is expressed herein as to:
  - (a) the title of 333NSL to, or ownership of, the Collateral; or
  - (b) except as expressly set out herein, the priority of any security interest.
13. With respect to the priority of security interests in the Collateral:
  - (a) no opinion is provided as to security and other interests which arise outside the PPSA and which may have or obtain priority over security interests pursuant to the PPSA;

- (b) notwithstanding that, subject to attachment, registration under the PPSA will generally perfect a security interest in all forms of personal property to the extent that the PPSA applies to such personal property, perfection by possession or control of certain types of personal property may provide additional rights to a secured party;
  - (c) notwithstanding the order of registration in the PPR, a properly constituted purchase-money security interest has priority over any other security interest in the same Collateral; and
  - (d) the rank and priority of security interests may be affected by facts, matters or circumstances other than the date of registration, as more particularly set forth in the PPSA.
14. We express no opinion as to whether a security interest may be created in any Collateral consisting of a receivable (other than a receivable subject to section 42(10) of the PPSA), licence, approval, privilege, franchise, permit, lease or agreement (collectively, "**Special Property**") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require a consent, approval or other authorization or registration which has not been made or given.
15. With respect to the Property, we express no opinion as to any:
- (a) unregistered services agreements, subdivision agreements, site plan control agreements, development or similar agreements;
  - (b) unregistered easements, rights-of-ways, rights in the nature of easements and agreements with respect thereto;
  - (c) the actual boundaries of the Property or any encroachments affecting the Property;
  - (d) current or past compliance or non-compliance of 333NSL or any predecessors with applicable provincial or federal environmental protection or rehabilitation legislation nor do we express any opinion with respect to the environmental status of the Property;
  - (e) whether the Property, or any buildings or improvements constructed thereon, comply with any applicable enactments governing location and use, including, without limitation, zoning, land use and building restrictions, bylaws, regulations and ordinances of any governmental authority having jurisdiction;
  - (f) whether any native or aboriginal land claims now or hereafter affect the Property;  
or
  - (g) subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including, without limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown, as the same may be varied by statute and any statutory limitations, exceptions, reservations and qualifications.

16. Title to the Property is subject to any rights which may have been acquired by prescription or by adverse possession in respect of the Property and we have not inquired concerning and consequently express no opinion as to any rights which may have been acquired by prescription or by adverse possession in respect of the Property.
17. Title to the Property is subject to the overriding interests set out in Sections 73, 74, 75 and 76 of the *Land Registration Act* (Nova Scotia) and being:
  - (a) interests of His Majesty in right of the Province of Nova Scotia being reserved in or excepted from the original grant of the fee simple absolute from His Majesty, or that has been vested in His Majesty pursuant to an enactment;
  - (b) liens in favour of a municipality or His Majesty in right of the Province of Nova Scotia pursuant to an enactment, such as liens for assessments pursuant to the Workers' Compensation Act (Nova Scotia);
  - (c) a leasehold interest for a term of three years or less if there is actual possession under the lease;
  - (d) a "utility interest", being an easement or other right in or to use land (including a fee simple interest), in existence before the coming into force of the Act, in favour of a public utility or a municipality;
  - (e) an easement or right of way that is being used and enjoyed; and
  - (f) rights granted by or pursuant to an enactment of Canada or of the Province of Nova Scotia to enter, cross or do things on land for the purpose expressed in the enactment; to recover municipal taxes, duties, rates, assessments; or to control, regulate or restrict the use of land or subdivision of land.
18. Except as and against the person making the instrument, no instrument, until registered or recorded pursuant to the *Land Registration Act* (Nova Scotia), passes any estate or interest in a registered parcel.
19. In addition to the other qualifications set out herein, the priority of the mortgages and charges created by the Security Documents against the Property is subject to:
  - (a) those registered or recorded instruments registered in priority as disclosed on the SRRI; and
  - (b) any encroachments not registered at the applicable Land Registration Office in accordance with the applicable laws of the Province of Nova Scotia.
20. There may be unregistered statutory liens or deemed trusts, which would rank prior to the security interests, mortgages, charges and assignments contained in the Security Documents. We have not conducted searches or made inquiries in respect of any statutory liens or deemed trusts which may arise against the Collateral or Property pursuant to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein

(other than in respect of real property taxes, the arrears of which form a priority lien against the Property).

For greater certainty, a specific assumption, limitation or qualification in this opinion is not to be interpreted to restrict the generality of an assumption, limitation or qualification expressed in general terms that includes the subject matter of the specific assumption, limitation or qualification.

## **VII. Reliance**

The opinions expressed in this opinion letter are provided solely for the benefit of the addressees hereof for the purposes of the transactions contemplated by this opinion letter in connection with the Loan Documents. Accordingly, this opinion letter may not be relied upon by or disclosed to anyone else or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent.

Yours truly,

**Stewart McKelvey**



RDW/wmi

Enclosures

**APPENDIX "E"**  
**SECURITY REVIEW OF 1669 GRANVILLE STREET**



File Reference: SM043375.00009

June 11, 2025

**Via Electronic Mail**

Deloitte Restructuring Inc.  
Suite 800 - 1741 Lower Water Street  
Halifax, NS B3J 0J2

**Attention: James Foran, Senior Vice President**

Dear James:

**Re: Granville Hall (1665 Granville Street and 1669 Granville Street) – Review of Security**

At your request, we have performed a limited review of the security charging the real property of BSL Holdings Ltd. (“**BSL**”) located at 1665 Granville Street (PID 40042087) and 1669 Granville Street (PID 00003251) (collectively, the “**Property**”) to confirm the validity of such security interests. The results of our review are set out below.

This opinion is being delivered to you in connection with the notices of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) filed by each of Annapolis Management Inc., BSL Holdings Limited, Ruby LLP, 3337151 Nova Scotia Limited, and 4551650 Nova Scotia Limited on or about January 20, 2025, in your capacity as proposal trustee.

**I. Security Documents**

Security and Documentation

In connection with our review, we have examined an executed copy of each of the following loan and security documents (collectively, the “**Loan Documents**”):

Atlantic Loan Documents

1. Offer of financing dated June 13, 2022 between BSL, as borrower, and Atlantic Central (“**Atlantic**”), as lender, in respect of a loan in the amount of \$2,250,000;
2. a demand promissory note dated June 21, 2022, from BSL in favour of Atlantic in the principal amount of \$2,250,000 together with interest at a rate of 4.60% per annum;
3. a collateral mortgage from BSL dated June 21, 2022, favour of Atlantic, charging the Property. The Mortgage secures all debts and liabilities, present or future, at any time owing from BSL to Atlantic;
4. an unlimited guarantee and postponement of claim from Steven Caryi (“**Steven**”) dated June 21, 2022, in favour of Atlantic in respect of the obligations of BSL to Atlantic;

4140-7217-5708

5. a general assignment of rents and leases from BSL dated June 21, 2022 (the “**Atlantic GAR**”) in favour of Atlantic, charging all rents and leases relating to the Property;
6. a general security agreement from BSL dated June 21, 2022 (the “**Atlantic GSA**”) in favour of Atlantic, charging all present and after-acquired property of BSL;
7. an assignment of material contracts from BSL dated June 21, 2022, in favour of Atlantic;
8. an assignment of insurance from BSL, in favour of Atlantic, dated June 21, 2022;

Graysbrook Loan Documents<sup>1</sup>

9. a mortgage commitment dated June 6, 2023 between BSL, Annapolis, and Ruby, as borrowers, and Atlantic Signature Mortgage (Graysbrook), as lender, in respect of a loan in the amount of \$2,000,000.00 together with interest at a rate of 12.99% per annum;
10. a collateral mortgage from BSL and Annapolis Management, Inc. (“**Annapolis**”), in its capacity as general partner of Ruby LLP (“**Ruby**”), as mortgagor, and Steven, as guarantor dated June 13, 2023 (the “**Graysbrook Mortgage**”) in favour of Graysbrook Capital Ltd., doing business as Atlantic Signature Mortgages and Loans (“**Graysbrook**”), charging the Property. The Graysbrook Mortgage secures all debts and liabilities, present or future, at any time owing from Ruby and BSL to Graysbrook, limited to the principal amount of \$2,000,000;
11. a general assignment of rents and leases from Annapolis, as general partner of Ruby, and BSL dated June 13, 2023 (the “**Graysbrook GAR**”) in favour of Graysbrook, charging all rents and leases relating to the Property;
12. a full recourse guarantee dated June 13, 2023, from Steven in favour of Graysbrook in respect of the obligations of Annapolis, as general partner of Ruby, and BSL to Graysbrook; and
13. a general security agreement dated June 13, 2023, from BSL and Annapolis, as general partner of Ruby, and in favour of Graysbrook, charging the assets located at the Property (the “**Graysbrook GSA**”).

In this opinion letter, the Atlantic Mortgage, the Atlantic GAR, the Atlantic GSA, the Graysbrook Mortgage, Graysbrook GAR, and Graysbrook GSA are sometimes collectively referred to as the “**Security Documents**”.

With respect to the Graysbrook GSA, the personal property subject of the Graysbrook GSA is described as “*the assets more particularly described in Schedule “A” attached hereto and located at the Premises and all proceeds thereof and therefrom*”, however the list of personal property in Schedule “A” is blank. We assume the intention was to charge all personal property located at or

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<sup>1</sup> We note that the Graysbrook Mortgage, Graysbrook GAR, and Graysbrook GSA also charge the real property located at 1673, 1675, 1677 Granville Street and 1680, 1682 and 1684 Hollis Street, Halifax, NS (PID no. 00003228) (the Halifax Club property) registered in the name of Annapolis.

relating to the Property. The lack of a clear description of personal property may render the Graysbrook GSA deficient and ineffective to create a security interest in the personal property of BSL.

### Execution of Documents

The Loan Documents appear to have been executed by Steven, as President of BSL and Annapolis. As more particularly set forth below, we have assumed that each of the Loan Documents has been duly authorized, executed and delivered by BSL, and that each of the Loan Documents is enforceable against it.

## **II. Assumptions**

For the purposes of the opinions expressed herein, we have, without independent investigation or verification, assumed:

- (a) the genuineness of all signatures on documents examined by us, the authenticity of all documents submitted to us as originals, the authenticity of all documents filed or registered in public offices, the legal capacity of all natural persons executing documents and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic, or facsimile copies;
- (b) that:
  - (i) BSL is duly incorporated or otherwise duly formed and organized and is validly subsisting under the laws of its jurisdiction of incorporation or formation;
  - (ii) BSL has the corporate power and capacity to own or lease property and assets, to carry on its business as presently conducted, and to execute, deliver and perform its obligations under the Loan Documents to which it is a party;
  - (iii) BSL has taken all necessary corporate action to authorize the execution, delivery and performance of the Loan Documents to which it is a party;
  - (iv) BSL has duly executed and delivered the Loan Documents to which it is a party; and
  - (v) the exercise by BSL of its rights and the performance of its obligations under each Loan Document is not contrary to its constating documents or its governing legislation;
- (c) that each of the Loan Documents constitutes the legal, valid and binding obligation of the parties thereto, enforceable against each of them in accordance with its terms;
- (d) that value has been given;

- (e) that BSL has rights in any personal property charged by BSL in the Atlantic GSA and Graysbrook GSA (the “**Collateral**”);<sup>2</sup>
- (f) that neither Atlantic nor Graysbrook has agreed to postpone the time for attachment of any of the security interests created by the Security Documents (collectively, the “**Security Interests**” and individually, a “**Security Interest**”);
- (g) the currency and accuracy of (i) any printed search result from the Personal Property Registry in the Province of Nova Scotia (the “**PPR**”), and (ii) the indices and records maintained at the other public offices where we have conducted searches or made inquiries or caused searches or inquiries to be made; and
- (h) that the Loan Documents have not been amended, restated or replaced and there are no agreements or understandings between the parties thereto, whether written or oral, and there is no usage of trade or course of dealing between the parties that would, in either case, define, supplement, limit or qualify the terms of the Loan Documents.

In addition to the Loan Documents, we have also examined such statutes, public and corporate records and documents and considered such questions of law as we have deemed necessary for the opinions hereinafter expressed.

### III. Laws Addressed

We are qualified to practice law in the Province of Nova Scotia and have made no investigation of the laws of any jurisdiction other than the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The opinions hereinafter expressed are limited to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein in effect on the date hereof. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests as a result of the application of conflict of laws rules of the Province of Nova Scotia including, without limitation, sections 6 to 9 of the *Personal Property Security Act* (Nova Scotia) (the “**PPSA**”). In addition, we express no opinion whether, pursuant to those conflict of laws rules, the laws of the Province of Nova Scotia would govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests.

### IV. Searches

We have conducted or caused to be conducted searches in the Province of Nova Scotia, as indicated below, current to the dates noted below, with respect to names or other search criteria listed below for registrations or filings of security:

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<sup>2</sup> Note our previous comments concerning the potential deficiencies of the description of the personal property in the Graysbrook GSA.

Legislation / Public Office	Names Searched	Current to
<i>Personal Property Security Act</i>	BSL Holdings Ltd.	May 15, 2025
<i>Bank Act</i> (Canada)	BSL Holdings Ltd.	May 15, 2025
Judgment Roll (Halifax County)	BSL Holdings Ltd.	May 13, 2025
<i>Land Registration Act</i> (Statement of Registered and Recorded Interests)	The Property	May 13, 2025
Property Taxes	The Property	May 12, 2025

Subject to the currency and accuracy of the registry and filing systems searched, our searches revealed the following:

1. *Personal Property Security Act* – PPSA searches conducted in the PPR revealed the following results:
  - (a) Registration no. 38636916 dated October 26, 2023 against BSL and Steven in favour of 3046475 Nova Scotia Limited in relation to all debts and liabilities, present or future, owed or owing, to 4551650 Nova Scotia Limited by the debtors.
  - (b) Registration no. 40755498 dated January 15, 2025 against BSL in favour of Atlantic in relation to personal property pertaining to, located at, derived from or situated at or on 1665 and 1669 Granville Street, Halifax, Nova Scotia, PID numbers 40042087 and 3251.
2. *Bank Act* (Canada) – Searches were conducted for notices of intention to give security under Section 427 of the *Bank Act* registered in the Province of Nova Scotia. No results were returned.
3. *Judgment Roll* (Halifax County) – Searches were conducted of the records maintained by the Land Registration Office in the Property Online database pursuant to the *Land Registration Act* (Nova Scotia) (the “**LRA**”) for documents registered in the judgment roll in Halifax County. No results were found.
4. *Land Registration Act* (Statement of Registered and Recorded Interests) – We have obtained a statement of registered and recorded interests for 1665 Granville Street (PID 40042087) dated May 12, 2025 (the “**1665 SRRI**”) and for 1669 Granville Street (PID 00003251) dated May 12, 2025 (the “**1669 SRRI**” and collectively with the 1665 SRRI, the “**SRRI**s”). The SRRI's disclosed the following:
  - (a) BSL is the registered owner of the Property.
  - (b) The Atlantic Mortgage and Atlantic GAR were each recorded against title to the Property on June 27, 2022, as document nos. 120834305 and 120834917, respectively.

- (c) The Graysbrook Mortgage and Graysbrook GAR were each recorded against title to the Property on June 15, 2023, as document nos. 122600563 and 122600597, respectively.
5. Property Taxes – We have obtained a tax certificate for the Property from the Halifax Regional Municipality Property dated May 12, 2025, which indicates that no taxes are due and owing.

## V. Opinions

Based and relying upon and subject to the foregoing, and the qualifications and limitations set forth below, we are of the opinion that:

### Personal Property Security

1. The Atlantic GSA creates a valid security interest in favour of Atlantic in the Collateral described therein in which BSL now has rights, and is sufficient to create a valid security interest in favour of Atlantic in any such Collateral in which BSL acquires rights when those rights are acquired by BSL, in each case to secure payment and performance of the obligations of BSL described in the Atlantic GSA as being secured thereunder.
2. As noted above, there is a PPSA registration against BSL in favour of Atlantic in relation to personal property pertaining to, located at, derived from or situated at or on 1665 and 1669 Granville Street, Halifax, Nova Scotia (PID 40042087 and 3251). By virtue of such registration, the Security Interests in favour of Atlantic created by the Atlantic GSA in the Collateral described in such registration, to the extent capable of perfection by registration of a financing statement under the PPSA, has been perfected.<sup>3</sup>
3. Subject to our comments concerning the description of the personal property in the Graysbrook GSA, the Graysbrook GSA creates a valid security interest in favour of Graysbrook in the Collateral described therein in which BSL now has rights, and is sufficient to create a valid security interest in favour of Graysbrook in any such Collateral in which BSL acquires rights when those rights are acquired by BSL, in each case to secure payment and performance of the obligations of BSL described in the Graysbrook GSA as being secured thereunder.
4. As our searches of the PPR did not return a registration against BSL in favour of Graysbrook in respect of the Graysbrook GSA, Graysbrook does not have a perfected security interest in the Collateral of BSL created by the Graysbrook GSA.<sup>4</sup>

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<sup>3</sup> While the Atlantic GSA secures all present and after-acquired property of BSL, Atlantic's PPSA registration is limited to personal property arising from the Property. As a result, Atlantic's perfected security interest is limited to this personal property described in its registration.

<sup>4</sup> Graysbrook may obtain a perfected security interest by methods other than registration, such as possession of Collateral.

5. Based solely upon the date of registration in the PPR, the PPSA security interests and liens charging the personal property of BSL located at or arising from Property rank in the following priority (to the extent capable of perfection by registration under the PPSA):

(a) first, the registration in favour of Atlantic.

Real Property Security

6. Based on the SRRI, the:

(a) Atlantic Mortgage and Atlantic GAR constitute a valid mortgage and charge against the Property, as security for the obligations of BSL to Atlantic described therein; and

(b) Graysbrook Mortgage and Graysbrook GAR constitute a valid mortgage and charge against the Property, as security for the obligations of BSL to Graysbrook described therein.

7. Based on the SRRI, the recorded security interests and liens charging the Property rank in the following priority:<sup>5</sup>

(a) first, Atlantic Mortgage and Atlantic GAR; and

(b) second, the Graysbrook Mortgage and Graysbrook GAR.

## **VI. Qualifications**

In addition to any other qualifications, limitations and restrictions set forth in this opinion letter, our opinions herein are subject to the following qualifications, limitations and restrictions:

1. The enforcement of the Loan Documents and Security Interests is subject to applicable laws relating to bankruptcy, moratorium, reorganization, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, including the power of a court to stay proceedings in the enforcement of remedies and to impose limitations on the rights of creditors to require immediate payment of amounts stated to be payable on demand prior to the expiration of a reasonable period of time after such demand is made.
2. The discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies and, more generally, the enforcement of the Loan Documents and Security Interests is subject to general principles of equity, whether applied by a court of law or equity, which include principles:

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<sup>5</sup> For greater certainty, the priority of the recorded security interests and mortgages charging the property is subject to all applicable qualifications set out herein, including with respect to unregistered statutory liens or deemed trusts which would rank prior to the security interests and mortgages.



- (a) governing the availability of specific performance, injunctive relief, the power to grant relief from forfeiture, to stay proceedings before it, to stay execution of judgments or other traditional equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which the application for such relief is made;
  - (b) limiting or affecting the enforceability of provisions governing judicial discretion regarding the determination of damages and entitlement to legal fees and other costs; and
  - (c) limiting the right to require immediate payment of amounts which are stated to be payable on demand.
- 3. If any of the provisions of the Loan Documents are held to be illegal, invalid or unenforceable, the severance of such provisions from the remaining provisions thereof will be subject to the exercise of the discretion of the Court.
- 4. The Security Interests may not be enforceable in respect of proceeds which are not identifiable or traceable.
- 5. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of Crown debts which does not comply with such Act is ineffective as between the assignor and the assignee and as against the Crown. Consequently, a secured party would not have a valid security interest in Crown debts unless there is compliance with such Act.
- 6. No searches have been made with respect to any the Security Documents under, and no opinion is given with respect to the creation of a security interest pursuant to, the *Canada Shipping Act* (Canada), the *Copyright Act* (Canada), the *Industrial Design Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Patent Act* (Canada), the *Plant Breeders' Rights Act* (Canada), the *Canada Transportation Act* (Canada) and the *Trademarks Act* (Canada) or the consequences of compliance or non-compliance with such statutes.
- 7. No searches have been made with respect to the Security Interests insofar as such security interests relate to any of the following collateral:
  - (a) any crops or mineral claims; or
  - (b) any permits, quotas, licences or other similar property which is not personal property.
- 8. We express no opinion as to the validity or perfection of the Security Interests in respect of any contractual rights, which by their terms or by the nature of the contract, or any permits, quotas, licenses or other similar property, which by its terms, its nature or by the nature of the business of BSL cannot be the subject of a lien or other interest without the consent, authorization or approval of a third person.



9. We have not made any inquiries or any investigations with regard to any consents or approvals which may be required in connection with the transfer of any contractual interests made subject to a Security Interest.
10. If the Collateral now or hereafter includes any motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat situate in the Province of Nova Scotia within the meaning of those terms under the general regulations made under the PPSA which is not held by BSL as inventory (as such term is defined in the PPSA), the security interests in such Collateral or their proceeds must be registered against the applicable serial number description in order to maintain the perfection of such security interests in such Collateral as against certain persons who may have an interest in such Collateral.
11. If the Collateral now or hereafter includes an interest or claim in or under a contract of annuity or policy of insurance, no opinion is expressed herein as to the creation, validity or perfection of the security interest created therein other than in respect of the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation for loss of, or damage to, Collateral.
12. No opinion is expressed herein as to:
  - (a) the title of BSL to, or ownership of, the Collateral; or
  - (b) except as expressly set out herein, the priority of any security interest.
13. With respect to the priority of security interests in the Collateral:
  - (a) no opinion is provided as to security and other interests which arise outside the PPSA and which may have or obtain priority over security interests pursuant to the PPSA;
  - (b) notwithstanding that, subject to attachment, registration under the PPSA will generally perfect a security interest in all forms of personal property to the extent that the PPSA applies to such personal property, perfection by possession or control of certain types of personal property may provide additional rights to a secured party;
  - (c) notwithstanding the order of registration in the PPR, a properly constituted purchase-money security interest has priority over any other security interest in the same Collateral; and
  - (d) the rank and priority of security interests may be affected by facts, matters or circumstances other than the date of registration, as more particularly set forth in the PPSA.
14. We express no opinion as to whether a security interest may be created in any Collateral consisting of a receivable (other than a receivable subject to section 42(10) of the PPSA), licence, approval, privilege, franchise, permit, lease or agreement (collectively, "**Special Property**") to the extent that the terms of the Special Property or any applicable law

prohibit its assignment or require a consent, approval or other authorization or registration which has not been made or given.

15. With respect to the Property, we express no opinion as to any:
- (a) unregistered services agreements, subdivision agreements, site plan control agreements, development or similar agreements;
  - (b) unregistered easements, rights-of-ways, rights in the nature of easements and agreements with respect thereto;
  - (c) the actual boundaries of the Property or any encroachments affecting the Property;
  - (d) current or past compliance or non-compliance of BSL or any predecessors with applicable provincial or federal environmental protection or rehabilitation legislation nor do we express any opinion with respect to the environmental status of the Property;
  - (e) whether the Property, or any buildings or improvements constructed thereon, comply with any applicable enactments governing location and use, including, without limitation, zoning, land use and building restrictions, bylaws, regulations and ordinances of any governmental authority having jurisdiction;
  - (f) whether any native or aboriginal land claims now or hereafter affect the Property; or
  - (g) subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including, without limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown, as the same may be varied by statute and any statutory limitations, exceptions, reservations and qualifications.
16. Title to the Property is subject to any rights which may have been acquired by prescription or by adverse possession in respect of the Property and we have not inquired concerning and consequently express no opinion as to any rights which may have been acquired by prescription or by adverse possession in respect of the Property.
17. Title to the Property is subject to the overriding interests set out in Sections 73, 74, 75 and 76 of the *Land Registration Act* (Nova Scotia) and being:
- (a) interests of His Majesty in right of the Province of Nova Scotia being reserved in or excepted from the original grant of the fee simple absolute from His Majesty, or that has been vested in His Majesty pursuant to an enactment;
  - (b) liens in favour of a municipality or His Majesty in right of the Province of Nova Scotia pursuant to an enactment, such as liens for assessments pursuant to the Workers' Compensation Act (Nova Scotia);

- (c) a leasehold interest for a term of three years or less if there is actual possession under the lease;
  - (d) a “utility interest”, being an easement or other right in or to use land (including a fee simple interest), in existence before the coming into force of the Act, in favour of a public utility or a municipality;
  - (e) an easement or right of way that is being used and enjoyed; and
  - (f) rights granted by or pursuant to an enactment of Canada or of the Province of Nova Scotia to enter, cross or do things on land for the purpose expressed in the enactment; to recover municipal taxes, duties, rates, assessments; or to control, regulate or restrict the use of land or subdivision of land.
18. Except as and against the person making the instrument, no instrument, until registered or recorded pursuant to the *Land Registration Act* (Nova Scotia), passes any estate or interest in a registered parcel.
19. In addition to the other qualifications set out herein, the priority of the mortgages and charges created by the Security Documents against the Property is subject to:
- (a) those registered and recorded instruments registered in priority as disclosed on the SRRI; and
  - (b) any encroachments not registered at the applicable Land Registration Office in accordance with the applicable laws of the Province of Nova Scotia.
20. There may be unregistered statutory liens or deemed trusts, which would rank prior to the security interests, mortgages, charges and assignments contained in the Security Documents. We have not conducted searches or made inquiries in respect of any statutory liens or deemed trusts which may arise against the Collateral or Property pursuant to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein (other than in respect of real property taxes, the arrears of which form a priority lien against the Property).

For greater certainty, a specific assumption, limitation or qualification in this opinion is not to be interpreted to restrict the generality of an assumption, limitation or qualification expressed in general terms that includes the subject matter of the specific assumption, limitation or qualification.

## **VII. Reliance**

The opinions expressed in this opinion letter are provided solely for the benefit of the addressees hereof for the purposes of the transactions contemplated by this opinion letter in connection with the Loan Documents. Accordingly, this opinion letter may not be relied upon by or disclosed to anyone else or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent.

James Foran  
June 11, 2025  
Page 12

Yours truly,

**Stewart McKelvey**

A handwritten signature in blue ink that reads "Stewart McKelvey". The signature is written in a cursive, flowing style.

RDW/wmi

Enclosures

**APPENDIX "F"**  
**SECURITY REVIEW OF 1662 HOLLIS STREET**

File Reference: SM043375.00009

June 11, 2025

**Via Electronic Mail**

Deloitte Restructuring Inc.  
Suite 800 - 1741 Lower Water Street  
Halifax, NS B3J 0J2

**Attention: James Foran, Senior Vice President**

Dear James:

**Re: Sonic Building - 1674 Hollis Street (PID 00003236)**

At your request, we have performed a limited review of the security charging the real property of 4551650 Nova Scotia Limited ("**455NSL**"), located at 1674 Hollis Street, Halifax, NS (PID no. 00003236) (the "**Property**") to confirm the validity of such security interests. The results of our review are set out below.

This opinion is being delivered to you in connection with the notices of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) filed by each of Annapolis Management Inc., BSL Holdings Limited, Ruby LLP, 3337151 Nova Scotia Limited, and 4551650 Nova Scotia Limited on or about January 20, 2025, in your capacity as proposal trustee.

**I. Security Documents**

Security and Documentation

In connection with our review, we have examined an executed copy of each of the following loan and security documents (collectively, the "**Loan Documents**"):

1. a loan agreement dated October 16, 2023, between 455NSL, as borrower, Annapolis Management Inc. ("**Annapolis**"), in its own capacity and in its capacity as general partner of Ruby, LLP ("**Ruby**"), and Steven Caryi ("**Steven**"), as guarantors, and 4518276 Nova Scotia Limited (now Douro Capital Limited)<sup>1</sup> ("**DCL**") as lender, in respect of a loan in the amount of \$1,800,000 together with interest at a rate of 14% per annum (the "**Loan Agreement**");<sup>2</sup>

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<sup>1</sup> We understand that 4518276 Nova Scotia Limited changed its name to Douro Capital Limited.

<sup>2</sup> We note that the Loan Agreement was not signed by DCL. We assume that the Loan Agreement is operative among the parties, and on this basis do not expect that this will invalidate the enforceability of the Loan Agreement as against 455NSL.

2. a term promissory note in the principal amount of \$1,800,000 together with interest as defined in the Loan Agreement, dated October 16, 2023, made by 455NSL, in favour of DCL;
3. a collateral mortgage from 455NSL, as mortgagor, dated October 16, 2023 (the **"Mortgage"**) in favour of DCL, charging the Property. The Mortgage secures all debts and liabilities, present or future, at any time owing from 455NSL and DCL;<sup>3</sup>
4. a general assignment of rents and leases from 455NSL dated October 16, 2023 (the **"GAR"**) in favour of DCL, charging all rents and leases relating to the Property;
5. a general security agreement from 455NSL dated October 16, 2023 (the **"455NSL GSA"**) in favour of DCL, charging all present and after-acquired personal property of 455NSL;
6. a general security agreement from Annapolis, dated October 16, 2023 (the **"Annapolis GSA"**) in favour of DCL, charging all present and after-acquired personal property of Annapolis;
7. a general security agreement from Annapolis, in its capacity as general partner of Ruby Ruby, dated October 16, 2023 (the **"Ruby GSA"**) in favour of DCL, charging all present and after-acquired personal property of Ruby;
8. a guarantee from Steven dated October 16, 2023, in favour of DCL, in respect of the obligations of 455NSL to DCL;
9. a guarantee from Annapolis dated October 16, 2023, in favour of DCL, in respect of the obligations of 455NSL to DCL;
10. a guarantee from Annapolis, in its capacity as general partner of Ruby Ruby, dated October 16, 2023, in favour of DCL, in respect of the obligations of 455NSL to DCL; and
11. an insurance assignment from 455NSL dated October 16, 2023, in favour of DCL.

In this opinion letter, the Mortgage, GAR, 455NSL GSA, Ruby GSA, and Annapolis GSA, are sometimes collectively referred to as the **"Security Documents"**.

### Execution of Documents

The Loan Documents appear to have been executed by Steven, as President of 455NSL and Annapolis. As more particularly set forth below, we have assumed that each of the Loan Documents has been duly authorized, executed and delivered by 455NSL, and that each of the Loan Documents is enforceable against them.

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<sup>3</sup> We note that the Mortgage contains a typographic error, where Annapolis is defined as the Borrower. However, we do not expect that this invalidates the enforceability of the Mortgage, as secures all obligations of 455NSL, Annapolis, Ruby, and Steven to DCL.

## II. Assumptions

For the purposes of the opinions expressed herein, we have, without independent investigation or verification, assumed:

- (a) the genuineness of all signatures on documents examined by us, the authenticity of all documents submitted to us as originals, the authenticity of all documents filed or registered in public offices, the legal capacity of all natural persons executing documents and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic, or facsimile copies;
- (b) that:
  - (i) 455NSL is duly incorporated or otherwise duly formed and organized and is validly subsisting under the laws of its jurisdiction of incorporation or formation;
  - (ii) 455NSL has the corporate power and capacity to own or lease property and assets, to carry on its business as presently conducted, and to execute, deliver and perform its obligations under the Loan Documents to which it is a party;
  - (iii) 455NSL has taken all necessary corporate action, and all necessary action, to authorize the execution, delivery and performance of each of the Loan Documents to which it is a party;
  - (iv) 455NSL has duly executed and delivered the Loan Documents to which it is a party; and
  - (v) the exercise by 455NSL, of its rights and the performance of its obligations under each Loan Document is not contrary to its constating documents or its governing legislation;
- (c) that each of the Loan Documents constitutes the legal, valid and binding obligation of the parties thereto, enforceable against each of them in accordance with its terms;
- (d) that each of 455NSL, Annapolis, and Ruby have rights in any personal property charged by them in the, 455NSL GSA, Annapolis GSA, and Ruby GSA, respectively (collectively, the “**Collateral**”);
- (e) that DCL has not agreed to postpone the time for attachment of any of the security interests created by the Security Documents (collectively, the “**Security Interests**” and individually, a “**Security Interest**”);
- (f) the currency and accuracy of (i) any printed search result from the Personal Property Registry in the Province of Nova Scotia (the “**PPR**”), and (ii) the indices and records maintained at the other public offices where we have conducted searches or made inquiries or caused searches or inquiries to be made; and



- (g) that the Loan Documents have not been amended, restated or replaced and there are no agreements or understandings between the parties thereto, whether written or oral, and there is no usage of trade or course of dealing between the parties that would, in either case, define, supplement, limit or qualify the terms of the Loan Documents.

In addition to the Loan Documents, we have also examined such statutes, public and corporate records and documents and considered such questions of law as we have deemed necessary for the opinions hereinafter expressed.

### III. Laws Addressed

We are qualified to practice law in the Province of Nova Scotia and have made no investigation of the laws of any jurisdiction other than the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The opinions hereinafter expressed are limited to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein in effect on the date hereof. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests as a result of the application of conflict of laws rules of the Province of Nova Scotia including, without limitation, sections 6 to 9 of the *Personal Property Security Act* (Nova Scotia) (the “PPSA”). In addition, we express no opinion whether, pursuant to those conflict of laws rules, the laws of the Province of Nova Scotia would govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests.

### IV. Searches

We have conducted or caused to be conducted searches in the Province of Nova Scotia, as indicated below, current to the dates noted below, with respect to names or other search criteria listed below for registrations or filings of security:

Legislation / Public Office	Names Searched	Current to
<i>Personal Property Security Act</i>	4551650 Nova Scotia Limited Annapolis Management, Inc. Ruby, LLP	June 3, 2025
<i>Bank Act</i> (Canada)	4551650 Nova Scotia Limited	June 3, 2025
Judgment Roll (Halifax County)	4551650 Nova Scotia Limited	June 2, 2025
<i>Land Registration Act</i> (Statement of Registered and Recorded Interests)	The Property	June 2, 2025
Property Taxes	The Property	June 2, 2025

Subject to the currency and accuracy of the registry and filing systems searched, our searches revealed the following:

1. Personal Property Security Act – PPSA searches conducted in the PPR against 455NSL revealed no results.

PPSA searches conducted in the PPR against Annapolis and Ruby revealed the following results:

- (a) Registration no. 33123522 dated July 28, 2020 against Ruby and Annapolis (as general partner of Ruby) in favour of Assumption Life Insurance Company in relation to personal property pertaining to or situate on 1680 - 1684 Hollis Street/1673 - 1677 Granville Street, Halifax, Nova Scotia (PID 00003228).
  - (b) Registration no. 33140203 dated July 30, 2020 against Ruby and Annapolis in favour of League Savings and Mortgage Company in relation to personal property pertaining to, located at, derived from or situated at or on 1572 – 1576 Barrington Street, Halifax, Nova Scotia (PID 41353202).
  - (c) Registration no. 34579870 dated June 1, 2021 against Ruby in favour of Parker Plumbing and Heating Limited in relation to a judgment of the Small Claims Court of Nova Scotia in the amount of \$7930.10.
  - (d) Registration no. 35851039 dated February 28, 2022 against Ruby, Annapolis (as general partner of Ruby), and Steven in favour of Bank of Montreal in relation to liabilities of BSL Holdings Limited to the debtors.
  - (e) Registration no. 36094746 dated April 19, 2022 against Ruby, Annapolis (as general partner of Ruby), and Steven in favour of Bank of Montreal in relation to liabilities of Comvest Commercial Real Estate Inc. to the debtors.
  - (f) Registration no. 36951986 dated October 13, 2022 against Ruby and Annapolis in favour of 778938 Ontario Limited in relation to a judgment of the Supreme Court of Nova Scotia in the amount of \$165,510.99.
  - (g) Registration no. 38810909 dated December 2, 2023 against Ruby and Annapolis in favour of 778938 Ontario Limited in relation to \$5000.00 for costs per judgment order.
  - (h) Registration no. 40755514 dated January 1, 2025 against Ruby and Annapolis in favour of Atlantic Central in relation to personal property located at or upon, otherwise used or held in connection with, civic address 1533 Barrington Street, Halifax, Nova Scotia, PID number 444141.
  - (i) Registration no. 40767584 dated January 17, 2025 against Ruby and Annapolis in favour of Graysbrook Capital Ltd in relation to personal property located at 1533 Barrington street, 1532-1536 Granville street, and 5187 Salter street, Halifax, NS designated as PID 00444141.
2. Judgment Roll (Halifax County) – Searches were conducted of the records maintained by the Land Registration Office in the Property Online database pursuant to the *Land*

*Registration Act* (Nova Scotia) (the “**LRA**”) for documents registered in the judgment roll in Halifax County. The searches revealed no results.

3. *Land Registration Act (Statement of Registered and Recorded Interests)* – We have obtained a statement of registered and recorded interests for the Property dated June 2, 2025 (the “**SRRI**”). The SRRI disclosed the following:
  - (a) 455NSL is the registered owner of the Property.
  - (b) The Mortgage and GAR were each recorded against title to the Property on October 25, 2023 as document nos. 123258437 and 123258445, respectively.<sup>4</sup>
  - (c) A collateral mortgage granted by 455NSL, in favour of 3046475 Nova Scotia Limited recorded on October 26, 2023 as document no. 123260862 (the “**304NSL Mortgage**”).<sup>5</sup>
4. *Property Taxes* – We have obtained a tax certificate for the Property from the Halifax Regional Municipality Property dated June 2, 2025, which indicates that taxes in the amount of \$39,713.38 are due and owing.

## V. Opinions

Based and relying upon and subject to the foregoing, and the qualifications and limitations set forth below, we are of the opinion that:

### Personal Property Security

1. Each of the 455NSL GSA, Annapolis GSA, and Ruby GSA creates a valid security interest in favour of DCL in the Collateral described therein in which 455NSL, Annapolis, and Ruby, as applicable, now has rights, and is sufficient to create a valid security interest in favour of Assumption in any such Collateral in which 455NSL, Annapolis, and Ruby, as applicable, acquires rights when those rights are acquired by it, in each case to secure payment and performance of the obligations of 455NSL, Annapolis, and Ruby, as applicable, described in therein as being secured thereunder.
2. As our searches of the PPR did not return a registration against 455NSL, Annapolis, or Ruby in favour of DCL in respect of the 455NSL GSA, Annapolis GSA, or the Ruby GSA, DCL does not have a perfected security interest in the Collateral created by the 455NSL GSA, Annapolis GSA, or Ruby GSA.<sup>6</sup>

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<sup>4</sup> We note that the GAR is recorded in favour of 4518276 Nova Scotia Limited (being the former name of DCL).

<sup>5</sup> We have not been provided with or reviewed any loan agreements or other documents associated with the 304NSL Mortgage.

<sup>6</sup> DCL may obtain a perfected security interest by methods other than registration, such as possession of Collateral.

3. Based solely upon the date of registration in the PPR, the PPSA security interests and liens charging the personal property of Annapolis and Ruby, pursuant to the Annapolis GSA, and Ruby GSA located at or arising from Property rank in the following priority (to the extent capable of perfection by registration under the PPSA):
  - (a) first, the registration in favour of Parker Plumbing and Heating Limited; and
  - (b) second, the registration in favour of 778938 Ontario Limited.

#### Real Property Security

4. Based on the SRRI, the Mortgage and GAR constitute a valid mortgage and charge against the Property, as security for the obligations of 455NSL to DCL described therein.
5. Based on the SRRI the recorded security interests and liens charging the Property rank in the following priority:<sup>7</sup>
  - (a) first, the DCL Mortgage and GAR; and
  - (b) second, the 304NSL Mortgage.

#### **VI. Qualifications**

In addition to any other qualifications, limitations and restrictions set forth in this opinion letter, our opinions herein are subject to the following qualifications, limitations and restrictions:

1. The enforcement of the Loan Documents and Security Interests is subject to applicable laws relating to bankruptcy, moratorium, reorganization, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, including the power of a court to stay proceedings in the enforcement of remedies and to impose limitations on the rights of creditors to require immediate payment of amounts stated to be payable on demand prior to the expiration of a reasonable period of time after such demand is made.
2. The discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies and, more generally, the enforcement of the Loan Documents and Security Interests is subject to general principles of equity, whether applied by a court of law or equity, which include principles:
  - (a) governing the availability of specific performance, injunctive relief, the power to grant relief from forfeiture, to stay proceedings before it, to stay execution of judgments or other traditional equitable remedies, which generally place the award

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<sup>7</sup> For greater certainty, the priority of the recorded security interests and mortgages charging the property is subject to all applicable qualifications set out herein, including with respect to unregistered statutory liens or deemed trusts which would rank prior to the security interests and mortgages.

of such remedies, subject to certain guidelines, in the discretion of the court to which the application for such relief is made;

- (b) limiting or affecting the enforceability of provisions governing judicial discretion regarding the determination of damages and entitlement to legal fees and other costs; and
  - (c) limiting the right to require immediate payment of amounts which are stated to be payable on demand.
- 3. If any of the provisions of the Loan Documents are held to be illegal, invalid or unenforceable, the severance of such provisions from the remaining provisions thereof will be subject to the exercise of the discretion of the Court.
- 4. The Security Interests may not be enforceable in respect of proceeds which are not identifiable or traceable.
- 5. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of Crown debts which does not comply with such Act is ineffective as between the assignor and the assignee and as against the Crown. Consequently, a secured party would not have a valid security interest in Crown debts unless there is compliance with such Act.
- 6. No searches have been made with respect to any the Security Documents under, and no opinion is given with respect to the creation of a security interest pursuant to, the *Canada Shipping Act* (Canada), the *Copyright Act* (Canada), the *Industrial Design Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Patent Act* (Canada), the *Plant Breeders' Rights Act* (Canada), the *Canada Transportation Act* (Canada) and the *Trademarks Act* (Canada) or the consequences of compliance or non-compliance with such statutes.
- 7. No searches have been made with respect to the Security Interests insofar as such security interests relate to any of the following collateral:
  - (a) any crops or mineral claims; or
  - (b) any permits, quotas, licences or other similar property which is not personal property.
- 8. We express no opinion as to the validity or perfection of the Security Interests in respect of any contractual rights, which by their terms or by the nature of the contract, or any permits, quotas, licenses or other similar property, which by its terms, its nature or by the nature of the business of Annapolis or Ruby cannot be the subject of a lien or other interest without the consent, authorization or approval of a third person.
- 9. We have not made any inquiries or any investigations with regard to any consents or approvals which may be required in connection with the transfer of any contractual interests made subject to a Security Interest.

10. If the Collateral now or hereafter includes any motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat situate in the Province of Nova Scotia within the meaning of those terms under the general regulations made under the PPSA which is not held by 455NSL, Annapolis or Ruby as inventory (as such term is defined in the PPSA), the security interests in such Collateral or their proceeds must be registered against the applicable serial number description in order to maintain the perfection of such security interests in such Collateral as against certain persons who may have an interest in such Collateral.
11. If the Collateral now or hereafter includes an interest or claim in or under a contract of annuity or policy of insurance, no opinion is expressed herein as to the creation, validity or perfection of the security interest created therein other than in respect of the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation for loss of, or damage to, Collateral.
12. No opinion is expressed herein as to:
  - (a) the title of 455NSL, Annapolis or Ruby to, or ownership of, the Collateral; or
  - (b) except as expressly set out herein, the priority of any security interest.
13. With respect to the priority of security interests in the Collateral:
  - (a) no opinion is provided as to security and other interests which arise outside the PPSA and which may have or obtain priority over security interests pursuant to the PPSA;
  - (b) notwithstanding that, subject to attachment, registration under the PPSA will generally perfect a security interest in all forms of personal property to the extent that the PPSA applies to such personal property, perfection by possession or control of certain types of personal property may provide additional rights to a secured party;
  - (c) notwithstanding the order of registration in the PPR, a properly constituted purchase-money security interest has priority over any other security interest in the same Collateral; and
  - (d) the rank and priority of security interests may be affected by facts, matters or circumstances other than the date of registration, as more particularly set forth in the PPSA.
14. We express no opinion as to whether a security interest may be created in any Collateral consisting of a receivable (other than a receivable subject to section 42(10) of the PPSA), licence, approval, privilege, franchise, permit, lease or agreement (collectively, "**Special Property**") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require a consent, approval or other authorization or registration which has not been made or given.
15. With respect to the Property, we express no opinion as to any:

- (a) unregistered services agreements, subdivision agreements, site plan control agreements, development or similar agreements;
  - (b) unregistered easements, rights-of-ways, rights in the nature of easements and agreements with respect thereto;
  - (c) the actual boundaries of the Property or any encroachments affecting the Property;
  - (d) current or past compliance or non-compliance of Annapolis or Ruby or any predecessors with applicable provincial or federal environmental protection or rehabilitation legislation nor do we express any opinion with respect to the environmental status of the Property;
  - (e) whether the Property, or any buildings or improvements constructed thereon, comply with any applicable enactments governing location and use, including, without limitation, zoning, land use and building restrictions, bylaws, regulations and ordinances of any governmental authority having jurisdiction;
  - (f) whether any native or aboriginal land claims now or hereafter affect the Property;  
or
  - (g) subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including, without limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown, as the same may be varied by statute and any statutory limitations, exceptions, reservations and qualifications.
16. Title to the Property is subject to any rights which may have been acquired by prescription or by adverse possession in respect of the Property and we have not inquired concerning and consequently express no opinion as to any rights which may have been acquired by prescription or by adverse possession in respect of the Property.
17. Title to the Property is subject to the overriding interests set out in Sections 73, 74, 75 and 76 of the *Land Registration Act* (Nova Scotia) and being:
- (a) interests of His Majesty in right of the Province of Nova Scotia being reserved in or excepted from the original grant of the fee simple absolute from His Majesty, or that has been vested in His Majesty pursuant to an enactment;
  - (b) liens in favour of a municipality or His Majesty in right of the Province of Nova Scotia pursuant to an enactment, such as liens for assessments pursuant to the Workers' Compensation Act (Nova Scotia);
  - (c) a leasehold interest for a term of three years or less if there is actual possession under the lease;
  - (d) a "utility interest", being an easement or other right in or to use land (including a fee simple interest), in existence before the coming into force of the Act, in favour of a public utility or a municipality;



- (e) an easement or right of way that is being used and enjoyed; and
  - (f) rights granted by or pursuant to an enactment of Canada or of the Province of Nova Scotia to enter, cross or do things on land for the purpose expressed in the enactment; to recover municipal taxes, duties, rates, assessments; or to control, regulate or restrict the use of land or subdivision of land.
- 18. Except as and against the person making the instrument, no instrument, until registered or recorded pursuant to the *Land Registration Act* (Nova Scotia), passes any estate or interest in a registered parcel.
- 19. In addition to the other qualifications set out herein, the priority of the mortgages and charges created by the Security Documents against the Property is subject to:
  - (a) those registered and recorded instruments registered in priority as disclosed on the SRRI; and
  - (b) any encroachments not registered at the applicable Land Registration Office in accordance with the applicable laws of the Province of Nova Scotia.
- 20. There may be unregistered statutory liens or deemed trusts, which would rank prior to the security interests, mortgages, charges and assignments contained in the Security Documents. We have not conducted searches or made inquiries in respect of any statutory liens or deemed trusts which may arise against the Collateral or Property pursuant to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein (other than in respect of real property taxes, the arrears of which form a priority lien against the Property).

For greater certainty, a specific assumption, limitation or qualification in this opinion is not to be interpreted to restrict the generality of an assumption, limitation or qualification expressed in general terms that includes the subject matter of the specific assumption, limitation or qualification.

## **VII. Reliance**

The opinions expressed in this opinion letter are provided solely for the benefit of the addressees hereof for the purposes of the transactions contemplated by this opinion letter in connection with the Loan Documents. Accordingly, this opinion letter may not be relied upon by or disclosed to anyone else or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent.



James Foran  
June 11, 2025  
Page 12

Yours truly,

**Stewart McKelvey**

A handwritten signature in blue ink that reads "Stewart McKelvey". The signature is written in a cursive, flowing style with a prominent loop at the end of the last name.

RDW/wmi

Enclosures

**APPENDIX "G"**  
**SECURITY REVIEW OF 1682 HOLLIS STREET**

File Reference: SM043375.00009

June 11, 2025

**Via Electronic Mail**

Deloitte Restructuring Inc.  
Suite 800 - 1741 Lower Water Street  
Halifax, NS B3J 0J2

**Attention: James Foran, Senior Vice President**

Dear James:

**Re: Halifax Club (1673, 1675, 1677 Granville Street and 1680, 1682 and 1684 Hollis Street) – Review of Security**

At your request, we have performed a limited review of the security charging the real property of Annapolis Management, Inc. ("**Annapolis**"), as general partner of Ruby, LLP ("**Ruby**") located at 1673, 1675, 1677 Granville Street and 1680, 1682 and 1684 Hollis Street, Halifax, NS (PID no. 00003228) (the "**Property**") to confirm the validity of such security interests. The results of our review are set out below.

This opinion is being delivered to you in connection with the notices of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) filed by each of Annapolis Management Inc., BSL Holdings Limited, Ruby LLP, 3337151 Nova Scotia Limited, and 4551650 Nova Scotia Limited on or about January 20, 2025, in your capacity as proposal trustee.

**I. Security Documents**

Security and Documentation

In connection with our review, we have examined an executed copy of each of the following loan and security documents (collectively, the "**Loan Documents**"):

Assumption Life Loan Documents

1. a commercial letter of offer dated June 26, 2020 between Assumption Life Insurance Company ("**Assumption Life**") and Annapolis, as general partner of Ruby;
2. a mortgage in the principal amount of \$4,000,000 from Annapolis, as general partner of Ruby, as mortgagor, and Steven Caryi ("**Steven**"), as guarantor dated July 28, 2020 (the "**Assumption Life Mortgage**") in favour of Assumption Life, charging the Property. The interest chargeable under the Assumption Life is 3.95% per annum;
3. an assignment of rents and leases from Annapolis, as general partner of Ruby dated July 28, 2020 (the "**Assumption Life GAR**") in favour of Assumption Life, charging all rents and leases relating to the Property;

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4. a general security agreement from Annapolis, as general partner of Ruby dated July 28, 2020 (the "**Assumption Life GSA**") in favour of Assumption Life, charging all present and after-acquired property of Ruby;
5. a guarantee dated July 28, 2020 made by Steven in favour of Assumption Life, guaranteeing the obligations of Ruby to Assumption Life in connection with the mortgage loan;

Graysbrook Loan Documents<sup>1</sup>

6. a mortgage commitment dated June 6, 2023 between BSL, Annapolis, and Ruby, as borrowers, and Atlantic Signature Mortgage (Graysbrook), as lender, in respect of a loan in the amount of \$2,000,000.00 together with interest at a rate of 12.99% per annum (the "**Graysbrook Loan Agreement**");
7. a collateral mortgage from BSL Holdings Inc. ("**BSL**") and Annapolis, in its capacity as general partner of Ruby, as mortgagor, and Steven, as guarantor dated June 13, 2023 (the "**Graysbrook Mortgage**") in favour of Graysbrook Capital Ltd., doing business as Atlantic Signature Mortgages and Loans ("**Graysbrook**"), charging the Property. The Graysbrook Mortgage secures all debts and liabilities, present or future, at any time owing from Ruby and BSL to Graysbrook, limited to the principal amount of \$2,000,000;
8. a general assignment of rents and leases from Annapolis, as general partner of Ruby, and BSL dated June 13, 2023 (the "**Graysbrook GAR**") in favour of Graysbrook, charging all rents and leases relating to the Property;
9. a full recourse guarantee dated June 13, 2023, from Steven in favour of Graysbrook in respect of the obligations of Annapolis, as general partner of Ruby, and BSL to Graysbrook; and
10. a general security agreement dated June 13, 2023, from BSL and Annapolis, as general partner of Ruby, and in favour of Graysbrook, charging the assets located at the Property (the "**Graysbrook GSA**").

In this opinion letter, the Assumption Life Mortgage, Assumption Life GAR, Assumption Life GSA, Graysbrook Mortgage, Graysbrook GAR, and Graysbrook GSA are sometimes collectively referred to as the "**Security Documents**".

With respect to the Graysbrook GSA, the personal property subject of the Graysbrook GSA is described as "*the assets more particularly described in Schedule "A" attached hereto and located at the Premises and all proceeds thereof and therefrom*", however the list of personal property in Schedule "A" is blank. We assume the intention was to charge all personal property located at or relating to the Property. The lack of a clear description of personal property may render the

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<sup>1</sup> We note that the Graysbrook Mortgage and Graysbrook GAR also charged the real property located at 1665 Granville Street, registered in the name of BSL.

Graysbrook GSA deficient and ineffective to create a security interest in the personal property of Ruby.

### Execution of Documents

The Loan Documents appear to have been executed by Steven, as President of Annapolis and BSL. As more particularly set forth below, we have assumed that each of the Loan Documents has been duly authorized, executed and delivered by Ruby and/or Annapolis, and that each of the Loan Documents is enforceable against them.

## **II. Assumptions**

For the purposes of the opinions expressed herein, we have, without independent investigation or verification, assumed:

- (a) the genuineness of all signatures on documents examined by us, the authenticity of all documents submitted to us as originals, the authenticity of all documents filed or registered in public offices, the legal capacity of all natural persons executing documents and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic, or facsimile copies;
- (b) that:
  - (i) each of Annapolis and Ruby is duly incorporated or otherwise duly formed and organized and is validly subsisting under the laws of its jurisdiction of incorporation or formation;
  - (ii) Annapolis is the sole general partner of Ruby;
  - (iii) Annapolis has the corporate power and capacity to own or lease property and assets, to carry on its business as presently conducted, including the business of Ruby, and to execute, deliver and perform its obligations under the limited liability partnership agreement establishing Ruby and the Loan Documents to which it is a party (in its own capacity and in its capacity as general partner of Ruby);
  - (iv) Annapolis has taken all necessary corporate action, and all necessary action in accordance with the provisions of the limited liability partnership agreement establishing Ruby has been taken, to authorize the execution, delivery and performance by Annapolis of each of (i) the Loan Documents to which it is a party, and (ii) the Loan Documents to which Ruby is a party, by or on behalf of Ruby;
  - (v) Annapolis has duly executed and delivered each of (i) the Loan Documents to which it is a party, and (ii) the Loan Documents to which Ruby is a party, by or on behalf of Ruby; and
  - (vi) the exercise by each of Ruby and Annapolis, of its rights and the performance of its obligations under each Loan Document is not contrary

to its constating documents (including the limited liability partnership agreement establishing Ruby) or its governing legislation;

- (c) that each of the Loan Documents constitutes the legal, valid and binding obligation of the parties thereto, enforceable against each of them in accordance with its terms;
- (d) that value has been given;
- (e) that Ruby has rights in any personal property charged by Ruby in the Assumption Life GSA and Graysbrook GSA (the “**Collateral**”);<sup>2</sup>
- (f) that neither Assumption Life nor Graysbrook has agreed to postpone the time for attachment of any of the security interests created by the Security Documents (collectively, the “**Security Interests**” and individually, a “**Security Interest**”);
- (g) the currency and accuracy of (i) any printed search result from the Personal Property Registry in the Province of Nova Scotia (the “**PPR**”), and (ii) the indices and records maintained at the other public offices where we have conducted searches or made inquiries or caused searches or inquiries to be made; and
- (h) that the Loan Documents have not been amended, restated or replaced and there are no agreements or understandings between the parties thereto, whether written or oral, and there is no usage of trade or course of dealing between the parties that would, in either case, define, supplement, limit or qualify the terms of the Loan Documents.

In addition to the Loan Documents, we have also examined such statutes, public and corporate records and documents and considered such questions of law as we have deemed necessary for the opinions hereinafter expressed.

### III. Laws Addressed

We are qualified to practice law in the Province of Nova Scotia and have made no investigation of the laws of any jurisdiction other than the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The opinions hereinafter expressed are limited to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein in effect on the date hereof. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests as a result of the application of conflict of laws rules of the Province of Nova Scotia including, without limitation, sections 6 to 9 of the *Personal Property Security Act* (Nova Scotia) (the “**PPSA**”). In addition, we express no opinion whether, pursuant to those conflict of laws rules,

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<sup>2</sup> Note our previous comments concerning the potential deficiencies of the description of the personal property in the Graysbrook GSA.

the laws of the Province of Nova Scotia would govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests.

#### IV. Searches

We have conducted or caused to be conducted searches in the Province of Nova Scotia, as indicated below, current to the dates noted below, with respect to names or other search criteria listed below for registrations or filings of security:

Legislation / Public Office	Names Searched	Current to
<i>Personal Property Security Act</i>	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
<i>Bank Act</i> (Canada)	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
Judgment Roll (Halifax County)	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
<i>Land Registration Act</i> (Statement of Registered and Recorded Interests)	The Property	June 2, 2025
Property Taxes	The Property	June 2, 2025

Subject to the currency and accuracy of the registry and filing systems searched, our searches revealed the following:

1. *Personal Property Security Act* – PPSA searches conducted in the PPR revealed the following results:
  - (a) Registration no. 33123522 dated July 28, 2020 against Ruby and Annapolis (as general partner of Ruby) in favour of Assumption Life Insurance Company in relation to personal property pertaining to or situate on 1680 - 1684 Hollis Street/1673 - 1677 Granville Street, Halifax, Nova Scotia (PID 00003228).
  - (b) Registration no. 33140203 dated July 30, 2020 against Ruby and Annapolis in favour of League Savings and Mortgage Company in relation to personal property pertaining to, located at, derived from or situated at or on 1572 – 1576 Barrington Street, Halifax, Nova Scotia (PID 41353202).
  - (c) Registration no. 34579870 dated June 1, 2021 against Ruby in favour of Parker Plumbing and Heating Limited in relation to a judgment of the Small Claims Court of Nova Scotia in the amount of \$7930.10.
  - (d) Registration no. 35851039 dated February 28, 2022 against Ruby, Annapolis (as general partner of Ruby), and Steven in favour of Bank of Montreal in relation to liabilities of BSL Holdings Limited to the debtors.

- (e) Registration no. 36094746 dated April 19, 2022 against Ruby, Annapolis (as general partner of Ruby), and Steven in favour of Bank of Montreal in relation to liabilities of Comvest Commercial Real Estate Inc. to the debtors.
  - (f) Registration no. 36951986 dated October 13, 2022 against Ruby and Annapolis in favour of 778938 Ontario Limited in relation to a judgment of the Supreme Court of Nova Scotia in the amount of \$165,510.99.
  - (g) Registration no. 38810909 dated December 2, 2023 against Ruby and Annapolis in favour of 778938 Ontario Limited in relation to \$5000.00 for costs per judgment order.
  - (h) Registration no. 40755514 dated January 1, 2025 against Ruby and Annapolis in favour of Atlantic Central in relation to personal property located at or upon, otherwise used or held in connection with, civic address 1533 Barrington Street, Halifax, Nova Scotia, PID number 444141.
  - (i) Registration no. 40767584 dated January 17, 2025 against Ruby and Annapolis in favour of Graysbrook Capital Ltd in relation to personal property located at 1533 Barrington street, 1532-1536 Granville street, and 5187 Salter street, Halifax, NS designated as PID 00444141.
2. Bank Act (Canada) – Searches were conducted for notices of intention to give security under Section 427 of the *Bank Act* registered in the Province of Nova Scotia. No results were returned.
3. Judgment Roll (Halifax County) – Searches were conducted of the records maintained by the Land Registration Office in the Property Online database pursuant to the *Land Registration Act* (Nova Scotia) (the “**LRA**”) for documents registered in the judgment roll in Halifax County. The searches revealed the following results:
- (a) Judgment dated May 14, 2021 and registered on June 1, 2021 as document no. 118672188 against Ruby in favour of Parker Plumbing and Heating Limited in the amount of \$7930.10 as of April 22, 2021 (the “**Parker Plumbing Judgment**”).
4. Land Registration Act (Statement of Registered and Recorded Interests) – We have obtained a statement of registered and recorded interests for the Property dated June 2, 2025 (the “**SRRI**”). The SRRI disclosed the following:
- (a) Annapolis is the registered owner of the Property.
  - (b) The Assumption Life Mortgage and Assumption Life GAR were each recorded against title to the Property on August 4, 2020 as document no. 116750614 and on August 10, 2020 as document no. 116777252, respectively.
  - (c) The Graysbrook Mortgage and Graysbrook GAR were each recorded against title to the Property on June 15, 2023 as document nos. 122600563 and 122600597, respectively.



5. Property Taxes – We have obtained a tax certificate for the Property from the Halifax Regional Municipality Property dated June 2, 2025April 7, 2025, which indicates that taxes in the amount of \$ \$236,016.22 are due and owing.

## V. Opinions

Based and relying upon and subject to the foregoing, and the qualifications and limitations set forth below, we are of the opinion that:

### Personal Property Security

1. The Assumption Life GSA creates a valid security interest in favour of Atlantic in the PPSA Collateral described therein in which Ruby now has rights, and is sufficient to create a valid security interest in favour of Assumption Life in any such PPSA Collateral in which Ruby acquires rights when those rights are acquired by Ruby, in each case to secure payment and performance of the obligations of Ruby described in the Assumption Life GSA as being secured thereunder.
2. As noted above, there is a PPSA registration against Ruby and Annapolis in favour of Assumption Life in relation to personal property pertaining to or situate on 1680 - 1684 Hollis Street/1673 - 1677 Granville Street, Halifax, Nova Scotia (PID 00003228). By virtue of such registration, the Security Interests in favour of Assumption Life created by the Assumption Life GSA in the PPSA Collateral described in such registration, to the extent capable of perfection by registration of a financing statement under the PPSA, has been perfected.<sup>3</sup>
3. Subject to our comments concerning the description of the personal property in the Graysbrook GSA, the Graysbrook GSA creates a valid security interest in favour of Graysbrook in the PPSA Collateral described therein in which Ruby now has rights, and is sufficient to create a valid security interest in favour of Graysbrook in any such PPSA Collateral in which BSL acquires rights when those rights are acquired by Ruby, in each case to secure payment and performance of the obligations of Ruby described in the Graysbrook GSA as being secured thereunder.
4. As our searches of the PPR did not return a registration against Ruby in favour of Graysbrook in respect of the Graysbrook GSA, Graysbrook does not have a perfected security interest in the PPSA Collateral of Ruby created by the Graysbrook GSA (to the extent capable of perfection by registration under the PPSA).<sup>4</sup>
5. Based solely upon the date of registration in the PPR, the PPSA security interests and liens charging the personal property of Annapolis and Ruby located at or arising from

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<sup>3</sup> While the Assumption Life GSA secures all present and after-acquired property of Ruby, Assumption Life's PPSA registration is limited to personal property arising from the Property. As a result, Assumption Life's perfected security interest is limited to this personal property described in its registration.

<sup>4</sup> Graysbrook may obtain a perfected security interest by methods other than registration, such as possession of Collateral.

Property rank in the following priority (to the extent capable of perfection by registration under the PPSA):

- (a) first, the registration in favour of Assumption Life;
- (b) second, the registration in favour of Parker Plumbing and Heating Limited; and
- (c) third, the registration in favour of 778938 Ontario Limited.

Real Property Security

6. Based on the SRRI, the:

- (a) Assumption Life Mortgage and Assumption Life GAR constitute a valid mortgage and charge against the Property, as security for the obligations of Ruby to Assumption Life described therein; and
- (b) Graysbrook Mortgage and Graysbrook GAR constitute a valid mortgage and charge against the Property, as security for the obligations of Ruby to Graysbrook described therein.

7. Based on the SRRI and subject to our comments below concerning the Parker Plumbing Judgment, the recorded security interests and liens charging the Property rank in the following priority:<sup>5</sup>

- (a) first, Assumption Life Mortgage and Assumption Life GAR;
- (b) second, the Parker Plumbing Judgment; and
- (c) third, the Graysbrook Mortgage and Graysbrook GAR.

The Parker Plumbing Judgment was recorded in the judgment roll for Halifax County on June 1, 2021 against Ruby. Pursuant to the LRA, a judgment is a charge as effectually and to the same extent as a recorded mortgage upon the interest of the judgment debtor in the amount of the judgment. We note that the Parker Plumbing Judgment was recorded against Ruby, while title to the Property is registered in the name of Annapolis. We assume that Ruby is the beneficial owner of the Property, as the current deed for the Property is granted to Annapolis, in its capacity as general partner of Ruby.<sup>6</sup> In our view, the Parker Plumbing Judgment forms a lien against Ruby's beneficial interest in the Property. As the Parker Plumbing Judgment was recorded prior to the

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<sup>5</sup> For greater certainty, the priority of the recorded security interests and mortgages charging the property is subject to all applicable qualifications set out herein, including with respect to unregistered statutory liens or deemed trusts which would rank prior to the security interests and mortgages.

<sup>6</sup> In addition, the *Limited Partnerships Act* (Nova Scotia) requires that only the general partners be shown at the registry of deeds as owners of any interest of the limited partnership in real property. While Ruby is a Florida limited liability partnership, our searches of the Registry of Joint Stock Companies show that Ruby is registered as an extra-provincial limited partnership in Nova Scotia, and accordingly Ruby may be subject the foregoing requirement under the *Limited Partnerships Act* (Nova Scotia).

Graysbrook Mortgage, the Parker Plumbing Judgment forms a lien against Ruby's beneficial interest in the Property in priority to the Graysbrook Mortgage.

## **VI. Qualifications**

In addition to any other qualifications, limitations and restrictions set forth in this opinion letter, our opinions herein are subject to the following qualifications, limitations and restrictions:

1. The enforcement of the Loan Documents and Security Interests is subject to applicable laws relating to bankruptcy, moratorium, reorganization, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, including the power of a court to stay proceedings in the enforcement of remedies and to impose limitations on the rights of creditors to require immediate payment of amounts stated to be payable on demand prior to the expiration of a reasonable period of time after such demand is made.
2. The discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies and, more generally, the enforcement of the Loan Documents and Security Interests is subject to general principles of equity, whether applied by a court of law or equity, which include principles:
  - (a) governing the availability of specific performance, injunctive relief, the power to grant relief from forfeiture, to stay proceedings before it, to stay execution of judgments or other traditional equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which the application for such relief is made;
  - (b) limiting or affecting the enforceability of provisions governing judicial discretion regarding the determination of damages and entitlement to legal fees and other costs; and
  - (c) limiting the right to require immediate payment of amounts which are stated to be payable on demand.
3. If any of the provisions of the Loan Documents are held to be illegal, invalid or unenforceable, the severance of such provisions from the remaining provisions thereof will be subject to the exercise of the discretion of the Court.
4. The Security Interests may not be enforceable in respect of proceeds which are not identifiable or traceable.
5. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of Crown debts which does not comply with such Act is ineffective as between the assignor and the assignee and as against the Crown. Consequently, a secured party would not have a valid security interest in Crown debts unless there is compliance with such Act.

6. No searches have been made with respect to any the Security Documents under, and no opinion is given with respect to the creation of a security interest pursuant to, the *Canada Shipping Act* (Canada), the *Copyright Act* (Canada), the *Industrial Design Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Patent Act* (Canada), the *Plant Breeders' Rights Act* (Canada), the *Canada Transportation Act* (Canada) and the *Trademarks Act* (Canada) or the consequences of compliance or non-compliance with such statutes.
7. No searches have been made with respect to the Security Interests insofar as such security interests relate to any of the following collateral:
  - (a) any crops or mineral claims; or
  - (b) any permits, quotas, licences or other similar property which is not personal property.
8. We express no opinion as to the validity or perfection of the Security Interests in respect of any contractual rights, which by their terms or by the nature of the contract, or any permits, quotas, licenses or other similar property, which by its terms, its nature or by the nature of the business of Annapolis or Ruby cannot be the subject of a lien or other interest without the consent, authorization or approval of a third person.
9. We have not made any inquiries or any investigations with regard to any consents or approvals which may be required in connection with the transfer of any contractual interests made subject to a Security Interest.
10. If the Collateral now or hereafter includes any motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat situate in the Province of Nova Scotia within the meaning of those terms under the general regulations made under the PPSA which is not held by Annapolis or Ruby as inventory (as such term is defined in the PPSA), the security interests in such Collateral or their proceeds must be registered against the applicable serial number description in order to maintain the perfection of such security interests in such Collateral as against certain persons who may have an interest in such Collateral.
11. If the Collateral now or hereafter includes an interest or claim in or under a contract of annuity or policy of insurance, no opinion is expressed herein as to the creation, validity or perfection of the security interest created therein other than in respect of the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation for loss of, or damage to, Collateral.
12. No opinion is expressed herein as to:
  - (a) the title of Annapolis or Ruby to, or ownership of, the Collateral; or
  - (b) except as expressly set out herein, the priority of any security interest.
13. With respect to the priority of security interests in the Collateral:

- (a) no opinion is provided as to security and other interests which arise outside the PPSA and which may have or obtain priority over security interests pursuant to the PPSA;
  - (b) notwithstanding that, subject to attachment, registration under the PPSA will generally perfect a security interest in all forms of personal property to the extent that the PPSA applies to such personal property, perfection by possession or control of certain types of personal property may provide additional rights to a secured party;
  - (c) notwithstanding the order of registration in the PPR, a properly constituted purchase-money security interest has priority over any other security interest in the same Collateral; and
  - (d) the rank and priority of security interests may be affected by facts, matters or circumstances other than the date of registration, as more particularly set forth in the PPSA.
14. We express no opinion as to whether a security interest may be created in any Collateral consisting of a receivable (other than a receivable subject to section 42(10) of the PPSA), licence, approval, privilege, franchise, permit, lease or agreement (collectively, "**Special Property**") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require a consent, approval or other authorization or registration which has not been made or given.
15. With respect to the Property, we express no opinion as to any:
- (a) unregistered services agreements, subdivision agreements, site plan control agreements, development or similar agreements;
  - (b) unregistered easements, rights-of-ways, rights in the nature of easements and agreements with respect thereto;
  - (c) the actual boundaries of the Property or any encroachments affecting the Property;
  - (d) current or past compliance or non-compliance of Annapolis or Ruby or any predecessors with applicable provincial or federal environmental protection or rehabilitation legislation nor do we express any opinion with respect to the environmental status of the Property;
  - (e) whether the Property, or any buildings or improvements constructed thereon, comply with any applicable enactments governing location and use, including, without limitation, zoning, land use and building restrictions, bylaws, regulations and ordinances of any governmental authority having jurisdiction;
  - (f) whether any native or aboriginal land claims now or hereafter affect the Property;  
or

- (g) subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including, without limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown, as the same may be varied by statute and any statutory limitations, exceptions, reservations and qualifications.
16. Title to the Property is subject to any rights which may have been acquired by prescription or by adverse possession in respect of the Property and we have not inquired concerning and consequently express no opinion as to any rights which may have been acquired by prescription or by adverse possession in respect of the Property.
17. Title to the Property is subject to the overriding interests set out in Sections 73, 74, 75 and 76 of the *Land Registration Act* (Nova Scotia) and being:
- (a) interests of His Majesty in right of the Province of Nova Scotia being reserved in or excepted from the original grant of the fee simple absolute from His Majesty, or that has been vested in His Majesty pursuant to an enactment;
  - (b) liens in favour of a municipality or Her Majesty in right of the Province of Nova Scotia pursuant to an enactment, such as liens for assessments pursuant to the Workers' Compensation Act (Nova Scotia);
  - (c) a leasehold interest for a term of three years or less if there is actual possession under the lease;
  - (d) a "utility interest", being an easement or other right in or to use land (including a fee simple interest), in existence before the coming into force of the Act, in favour of a public utility or a municipality;
  - (e) an easement or right of way that is being used and enjoyed; and
  - (f) rights granted by or pursuant to an enactment of Canada or of the Province of Nova Scotia to enter, cross or do things on land for the purpose expressed in the enactment; to recover municipal taxes, duties, rates, assessments; or to control, regulate or restrict the use of land or subdivision of land.
18. Except as and against the person making the instrument, no instrument, until registered or recorded pursuant to the *Land Registration Act* (Nova Scotia), passes any estate or interest in a registered parcel.
19. In addition to the other qualifications set out herein, the priority of the mortgages and charges created by the Security Documents against the Property is subject to:
- (a) those registered and recorded instruments registered in priority as disclosed on the SRRl; and
  - (b) any encroachments not registered at the applicable Land Registration Office in accordance with the applicable laws of the Province of Nova Scotia.

20. There may be unregistered statutory liens or deemed trusts, which would rank prior to the security interests, mortgages, charges and assignments contained in the Security Documents. We have not conducted searches or made inquiries in respect of any statutory liens or deemed trusts which may arise against the Collateral or Property pursuant to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein (other than in respect of real property taxes, the arrears of which form a priority lien against the Property).

For greater certainty, a specific assumption, limitation or qualification in this opinion is not to be interpreted to restrict the generality of an assumption, limitation or qualification expressed in general terms that includes the subject matter of the specific assumption, limitation or qualification.

## **VII. Reliance**

The opinions expressed in this opinion letter are provided solely for the benefit of the addressees hereof for the purposes of the transactions contemplated by this opinion letter in connection with the Loan Documents. Accordingly, this opinion letter may not be relied upon by or disclosed to anyone else or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent.

Yours truly,

**Stewart McKelvey**



RDW/wmi

Enclosures

**APPENDIX "H"**  
**SECURITY REVIEW OF 1572 BARRINGTON STREET**



File Reference: SM043375.00009

June 11, 2025

**Via Electronic Mail**

Deloitte Restructuring Inc.  
Suite 800 - 1741 Lower Water Street  
Halifax, NS B3J 0J2

**Attention: James Foran, Senior Vice President**

Dear James:

**Re: National Film Board Building (1572, 1574, 1576 Barrington Street) – Review of Security**

At your request, we have performed a limited review of the security charging the real property of Annapolis Management, Inc. ("**Annapolis**"), as general partner of Ruby, LLP ("**Ruby**") and Annapolis in its own capacity, located at 1572, 1574, & 1576 Barrington Street, Halifax, NS (PID no. 41353202) (the "**Property**") to confirm the validity of such security interests. The results of our review are set out below.

This opinion is being delivered to you in connection with the notices of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) filed by each of Annapolis Management Inc., BSL Holdings Limited, Ruby LLP, 3337151 Nova Scotia Limited, and 4551650 Nova Scotia Limited on or about January 20, 2025, in your capacity as proposal trustee.

**I. Security Documents**

Security and Documentation

In connection with our review, we have examined an executed copy of each of the following loan and security documents (collectively, the "**Loan Documents**"):

1. a commitment letter dated April 28, 2022, between Annapolis, as general partner of Ruby, and in its own capacity, as borrower, Steven Caryi ("**Steven**"), as guarantor, and League Savings and Mortgage Company ("**League**") as lender, in respect of a loan in the amount of \$8,000,000 (the "**Commitment Letter**");
2. a term promissory note in the principal amount of \$8,000,000 together with interest at a rate of 3.8% per annum dated May 10, 2022, made by Annapolis, as general partner of Ruby, and in its own capacity, in favour of League;
3. a collateral mortgage from Annapolis, in its capacity as general partner of Ruby, as mortgagor, dated May 10, 2022 (the "**Mortgage**") in favour of League, charging the Property. The Mortgage secures all debts and liabilities, present or future, at any time owing from Ruby to League;

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4. a general assignment of rents and leases from Annapolis, in its capacity as general partner of Ruby, dated May 10, 2022 (the “**GAR**”) in favour of League, charging all rents and leases relating to the Property;
5. a general security agreement from Annapolis, in its capacity as general partner of Ruby, dated May 10, 2022 (the “**Ruby GSA**”) in favour of League, charging all present and after-acquired personal property of Ruby;
6. a general security agreement from Annapolis, dated May 10, 2022 (the “**Annapolis GSA**”) in favour of League, charging all present and after-acquired personal property of Annapolis;
7. a guarantee and postponement of claim from Steven dated May 10, 2022, in favour of League, in respect of the obligations of Annapolis and Ruby to League;
8. an insurance assignment, warranty and undertaking from Annapolis and Ruby dated May 10, 2022, in favour of League;
9. an assignment of material contracts from Annapolis and Ruby dated May 10, 2022, in favour of League; and
10. an agreement dated October 31, 2024 between Annapolis, Ruby, 3337151 Nova Scotia Limited (“**333NSL**”), and League (the “**Shortfall Agreement**”), which provides as follows:
  - (a) 333NSL is indebted to League which is secured by the Tramway property;
  - (b) Ruby and Annapolis are indebted to League pursuant to the Commitment Letter which is secured by the Property;
  - (c) a proposed sale of the Tramway property may result in sale proceeds that are insufficient to payout the 333NSL loan;
  - (d) Ruby and Annapolis guaranteed the obligations of 333NSL to League;
  - (e) if (i) there is a shortfall on the Tramway property, and (ii) the Property is sold, then Ruby and Annapolis will use any remaining proceeds to pay the 333NSL shortfall, and each of Annapolis, Ruby, and 333NSL guarantee the payment of such amount;
  - (f) as security for Ruby’s and Annapolis’ obligations to pay the shortfall amount, they will grant League a mortgage on the Property; and
  - (g) League will have no obligation to release its security relating to the Tramway property until the shortfall amount has been paid by Ruby and Annapolis.

In this opinion letter, the Mortgage, GAR, Ruby GSA, and Annapolis GSA, are sometimes collectively referred to as the “**Security Documents**”.

### Execution of Documents

The Loan Documents, except for the Shortfall Agreement,<sup>1</sup> appear to have been executed by Steven, as President of Annapolis. As more particularly set forth below, we have assumed that each of the Loan Documents has been duly authorized, executed and delivered by Ruby and/or Annapolis, and that each of the Loan Documents is enforceable against them.

## **II. Assumptions**

For the purposes of the opinions expressed herein, we have, without independent investigation or verification, assumed:

- (a) the genuineness of all signatures on documents examined by us, the authenticity of all documents submitted to us as originals, the authenticity of all documents filed or registered in public offices, the legal capacity of all natural persons executing documents and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic, or facsimile copies;
- (b) that:
  - (i) each of Annapolis and Ruby is duly incorporated or otherwise duly formed and organized and is validly subsisting under the laws of its jurisdiction of incorporation or formation;
  - (ii) Annapolis is the sole general partner of Ruby;
  - (iii) Annapolis has the corporate power and capacity to own or lease property and assets, to carry on its business as presently conducted, including the business of Ruby, and to execute, deliver and perform its obligations under the limited liability partnership agreement establishing Ruby and the Loan Documents to which it is a party (in its own capacity and in its capacity as general partner of Ruby);
  - (iv) Annapolis has taken all necessary corporate action, and all necessary action in accordance with the provisions of the limited liability partnership agreement establishing Ruby has been taken, to authorize the execution, delivery and performance by Annapolis of each of (i) the Loan Documents to which it is a party, and (ii) the Loan Documents to which Ruby is a party, by or on behalf of Ruby;
  - (v) Annapolis has duly executed and delivered each of (i) the Loan Documents to which it is a party, and (ii) the Loan Documents to which Ruby is a party, by or on behalf of Ruby; and

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<sup>1</sup> The Shortfall Agreement was executed by Laurie Caryi, as President of Annapolis and Ruby, and Laurie Caryi as personal representative of the estate of Steven for 333 NSL.

- (vi) the exercise by each of Ruby and Annapolis, of its rights and the performance of its obligations under each Loan Document is not contrary to its constating documents (including the limited liability partnership agreement establishing Ruby) or its governing legislation;
- (c) that each of the Loan Documents constitutes the legal, valid and binding obligation of the parties thereto, enforceable against each of them in accordance with its terms;
- (d) that value has been given;
- (e) that each of Ruby and Annapolis has rights in any personal property charged by them in the Ruby GSA and Annapolis GSA, respectively (collectively, the **"Collateral"**);
- (f) that League has not agreed to postpone the time for attachment of any of the security interests created by the Security Documents (collectively, the **"Security Interests"** and individually, a **"Security Interest"**);
- (g) the currency and accuracy of (i) any printed search result from the Personal Property Registry in the Province of Nova Scotia (the **"PPR"**), and (ii) the indices and records maintained at the other public offices where we have conducted searches or made inquiries or caused searches or inquiries to be made; and
- (h) that the Loan Documents have not been amended, restated or replaced and there are no agreements or understandings between the parties thereto, whether written or oral, and there is no usage of trade or course of dealing between the parties that would, in either case, define, supplement, limit or qualify the terms of the Loan Documents.

In addition to the Loan Documents, we have also examined such statutes, public and corporate records and documents and considered such questions of law as we have deemed necessary for the opinions hereinafter expressed.

### III. Laws Addressed

We are qualified to practice law in the Province of Nova Scotia and have made no investigation of the laws of any jurisdiction other than the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The opinions hereinafter expressed are limited to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein in effect on the date hereof. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests as a result of the application of conflict of laws rules of the Province of Nova Scotia including, without limitation, sections 6 to 9 of the *Personal Property Security Act* (Nova Scotia) (the **"PPSA"**). In addition, we express no opinion whether, pursuant to those conflict of laws rules, the laws of the Province of Nova Scotia would govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests.

#### IV. Searches

We have conducted or caused to be conducted searches in the Province of Nova Scotia, as indicated below, current to the dates noted below, with respect to names or other search criteria listed below for registrations or filings of security:

Legislation / Public Office	Names Searched	Current to
<i>Personal Property Security Act</i>	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
<i>Bank Act</i> (Canada)	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
Judgment Roll (Halifax County)	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
<i>Land Registration Act</i> (Statement of Registered and Recorded Interests)	The Property	May 12, 2025
Property Taxes	The Property	May 12, 2025

Subject to the currency and accuracy of the registry and filing systems searched, our searches revealed the following:

1. *Personal Property Security Act* – PPSA searches conducted in the PPR revealed the following results:
  - (a) Registration no. 33123522 dated July 28, 2020 against Ruby and Annapolis (as general partner of Ruby) in favour of Assumption Life Insurance Company in relation to personal property pertaining to or situate on 1680 - 1684 Hollis Street/1673 - 1677 Granville Street, Halifax, Nova Scotia (PID 00003228).
  - (b) Registration no. 33140203 dated July 30, 2020 against Ruby and Annapolis in favour of League Savings and Mortgage Company in relation to personal property pertaining to, located at, derived from or situated at or on 1572 – 1576 Barrington Street, Halifax, Nova Scotia (PID 41353202).
  - (c) Registration no. 34579870 dated June 1, 2021 against Ruby in favour of Parker Plumbing and Heating Limited in relation to a judgment of the Small Claims Court of Nova Scotia in the amount of \$7930.10.
  - (d) Registration no. 35851039 dated February 28, 2022 against Ruby, Annapolis (as general partner of Ruby), and Steven in favour of Bank of Montreal in relation to liabilities of BSL Holdings Limited to the debtors.
  - (e) Registration no. 36094746 dated April 19, 2022 against Ruby, Annapolis (as general partner of Ruby), and Steven in favour of Bank of Montreal in relation to liabilities of Comvest Commercial Real Estate Inc. to the debtors.

- (f) Registration no. 36951986 dated October 13, 2022 against Ruby and Annapolis in favour of 778938 Ontario Limited in relation to a judgment of the Supreme Court of Nova Scotia in the amount of \$165,510.99.
  - (g) Registration no. 38810909 dated December 2, 2023 against Ruby and Annapolis in favour of 778938 Ontario Limited in relation to \$5000.00 for costs per judgment order.
  - (h) Registration no. 40755514 dated January 1, 2025 against Ruby and Annapolis in favour of Atlantic Central in relation to personal property located at or upon, otherwise used or held in connection with, civic address 1533 Barrington Street, Halifax, Nova Scotia, PID number 444141.
  - (i) Registration no. 40767584 dated January 17, 2025 against Ruby and Annapolis in favour of Graysbrook Capital Ltd in relation to personal property located at 1533 Barrington street, 1532-1536 Granville street, and 5187 Salter street, Halifax, NS designated as PID 00444141.
2. Bank Act (Canada) – Searches were conducted for notices of intention to give security under Section 427 of the *Bank Act* registered in the Province of Nova Scotia. No results were returned.
3. Judgment Roll (Halifax County) – Searches were conducted of the records maintained by the Land Registration Office in the Property Online database pursuant to the *Land Registration Act* (Nova Scotia) (the “**LRA**”) for documents registered in the judgment roll in Halifax County. The searches revealed the following results:
- (a) Judgment dated May 14, 2021 and registered on June 1, 2021 as document no. 118672188 against Ruby in favour of Parker Plumbing and Heating Limited in the amount of \$7930.10 as of April 22, 2021 (the “**Parker Plumbing Judgment**”).
4. Land Registration Act (Statement of Registered and Recorded Interests) – We have obtained a statement of registered and recorded interests for the Property dated May 12, 2025 (the “**SRRI**”). The SRRI disclosed the following:
- (a) Annapolis is the registered owner of the Property.
  - (b) The Mortgage and GAR were each recorded against title to the Property on May 18, 2022 as document nos. 120600516 and 120600524 respectively.
  - (c) The following additional security in favour of Leage is recorded against title to the Property:
    - (i) a collateral mortgage and general assignment of rents of leases granted by Annapolis, as general partner of Ruby, each recorded on August 6, 2020 (the “**Prior League Mortgage**”); and
    - (ii) a collateral mortgage granted by Annapolis, as general partner of Ruby, recorded on November 6, 2024 (the “**Subsequent League Mortgage**”);

- (d) An agreement with the Halifax Regional Municipality concerning the Property and grants and other accommodations provided to Ruby which agreement, among other things, restricts any demolition of the Property (the “**HRM Agreement**”).

We note that the Commitment Letter states that the purpose of the League financing was to payout existing debt with League and therefore we assume that the Prior League Mortgage, while it remains recorded against the Property, has been paid out and replaced by the current Mortgage.

We assume that the Subsequent League Mortgage relates to the obligations of Ruby and Annapolis under the Shortfall Agreement.

- 5. Property Taxes – We have obtained a tax certificate for the Property from the Halifax Regional Municipality Property dated May 12, 2025, which indicates that taxes in the amount of \$41,132.33 are due and owing.

## V. Opinions

Based and relying upon and subject to the foregoing, and the qualifications and limitations set forth below, we are of the opinion that:

### Personal Property Security

- 1. The Ruby GSA creates a valid security interest in favour of League in the Collateral described therein in which Ruby now has rights, and is sufficient to create a valid security interest in favour of League in any such Collateral in which Ruby acquires rights when those rights are acquired by Ruby, in each case to secure payment and performance of the obligations of Ruby described in the Ruby GSA as being secured thereunder.
- 2. The Annapolis GSA creates a valid security interest in favour of League in the Collateral described therein in which Annapolis now has rights, and is sufficient to create a valid security interest in favour of League in any such Collateral in which Annapolis acquires rights when those rights are acquired by Annapolis, in each case to secure payment and performance of the obligations of Annapolis described in the Annapolis GSA as being secured thereunder.
- 3. As noted above, there is a PPSA registration against Ruby and Annapolis in favour of League in relation to personal property pertaining to, located at, derived from or situated at or on 1572 – 1576 Barrington Street, Halifax, Nova Scotia (PID 41353202). By virtue of such registration, the Security Interests in favour of League created by the Annapolis GSA and Ruby GSA in the Collateral described in such registration, to the extent capable of perfection by registration of a financing statement under the PPSA, has been perfected.<sup>2</sup>

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<sup>2</sup> While the Annapolis GSA and Ruby GSA secure all present and after-acquired property of Annapolis and Ruby, League's PPSA registration is limited to personal property arising from the Property. As a result, League's perfected security interest is limited to this personal property described in its registration.



4. Based solely upon the date of registration in the PPR, the PPSA security interests and liens charging the personal property of Annapolis and Ruby located at or arising from Property rank in the following priority (to the extent capable of perfection by registration under the PPSA):
  - (a) first, the registration in favour of League;
  - (b) second, the registration in favour of Parker Plumbing and Heating Limited; and
  - (c) third, the registration in favour of 778938 Ontario Limited.

#### Real Property Security

5. Based on the SRRI, the Mortgage and GAR constitute a valid mortgage and charge against the Property, as security for the obligations of Ruby to League described therein.
6. Based on the SRRI and subject to our comments below concerning the Parker Plumbing Judgment, the recorded security interests and liens charging the Property rank in the following priority:<sup>3</sup>
  - (a) first, the Prior League Mortgage (if it remains effective);
  - (b) second, the Parker Plumbing Judgment;
  - (c) third, the Mortgage and GAR; and
  - (d) fourth, the Subsequent League Mortgage.
7. As the HRM Agreement was recorded against title to the Property prior to the Mortgage and GAR and Subsequent League Mortgage, the rights of League under such agreements with respect to the Property is subject to the HRM Agreement.

The Parker Plumbing Judgment was recorded in the judgment roll for Halifax County on June 1, 2021 against Ruby. Pursuant to the LRA, a judgment is a charge as effectually and to the same extent as a recorded mortgage upon the interest of the judgment debtor in the amount of the judgment. We note that the Parker Plumbing Judgment was recorded against Ruby, while title to the Property is registered in the name of Annapolis. We assume that Ruby is the beneficial owner of the Property, as the current deed for the Property is granted to Annapolis, in its capacity as general partner of Ruby.<sup>4</sup> In our view, the Parker Plumbing Judgment forms a lien against Ruby's beneficial interest in the Property. As the Parker Plumbing Judgment was recorded prior to the

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<sup>3</sup> For greater certainty, the priority of the recorded security interests and mortgages charging the property is subject to all applicable qualifications set out herein, including with respect to unregistered statutory liens or deemed trusts which would rank prior to the security interests and mortgages.

<sup>4</sup> In addition, the *Limited Partnerships Act* (Nova Scotia) requires that only the general partners be shown at the registry of deeds as owners of any interest of the limited partnership in real property. While Ruby is a Florida limited liability partnership, our searches of the Registry of Joint Stock Companies show that Ruby is registered as an extra-provincial limited partnership in Nova Scotia, and accordingly Ruby may be subject the foregoing requirement under the *Limited Partnerships Act* (Nova Scotia).



Mortgage, the Parker Plumbing Judgment forms a lien against Ruby's beneficial interest in the Property in priority to the Mortgage.

## **VI. Qualifications**

In addition to any other qualifications, limitations and restrictions set forth in this opinion letter, our opinions herein are subject to the following qualifications, limitations and restrictions:

1. The enforcement of the Loan Documents and Security Interests is subject to applicable laws relating to bankruptcy, moratorium, reorganization, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, including the power of a court to stay proceedings in the enforcement of remedies and to impose limitations on the rights of creditors to require immediate payment of amounts stated to be payable on demand prior to the expiration of a reasonable period of time after such demand is made.
2. The discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies and, more generally, the enforcement of the Loan Documents and Security Interests is subject to general principles of equity, whether applied by a court of law or equity, which include principles:
  - (a) governing the availability of specific performance, injunctive relief, the power to grant relief from forfeiture, to stay proceedings before it, to stay execution of judgments or other traditional equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which the application for such relief is made;
  - (b) limiting or affecting the enforceability of provisions governing judicial discretion regarding the determination of damages and entitlement to legal fees and other costs; and
  - (c) limiting the right to require immediate payment of amounts which are stated to be payable on demand.
3. If any of the provisions of the Loan Documents are held to be illegal, invalid or unenforceable, the severance of such provisions from the remaining provisions thereof will be subject to the exercise of the discretion of the Court.
4. The Security Interests may not be enforceable in respect of proceeds which are not identifiable or traceable.
5. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of Crown debts which does not comply with such Act is ineffective as between the assignor and the assignee and as against the Crown. Consequently, a secured party would not have a valid security interest in Crown debts unless there is compliance with such Act.

6. No searches have been made with respect to any the Security Documents under, and no opinion is given with respect to the creation of a security interest pursuant to, the *Canada Shipping Act* (Canada), the *Copyright Act* (Canada), the *Industrial Design Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Patent Act* (Canada), the *Plant Breeders' Rights Act* (Canada), the *Canada Transportation Act* (Canada) and the *Trademarks Act* (Canada) or the consequences of compliance or non-compliance with such statutes.
7. No searches have been made with respect to the Security Interests insofar as such security interests relate to any of the following collateral:
  - (a) any crops or mineral claims; or
  - (b) any permits, quotas, licences or other similar property which is not personal property.
8. We express no opinion as to the validity or perfection of the Security Interests in respect of any contractual rights, which by their terms or by the nature of the contract, or any permits, quotas, licenses or other similar property, which by its terms, its nature or by the nature of the business of Annapolis or Ruby cannot be the subject of a lien or other interest without the consent, authorization or approval of a third person.
9. We have not made any inquiries or any investigations with regard to any consents or approvals which may be required in connection with the transfer of any contractual interests made subject to a Security Interest.
10. If the Collateral now or hereafter includes any motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat situate in the Province of Nova Scotia within the meaning of those terms under the general regulations made under the PPSA which is not held by Annapolis or Ruby as inventory (as such term is defined in the PPSA), the security interests in such Collateral or their proceeds must be registered against the applicable serial number description in order to maintain the perfection of such security interests in such Collateral as against certain persons who may have an interest in such Collateral.
11. If the Collateral now or hereafter includes an interest or claim in or under a contract of annuity or policy of insurance, no opinion is expressed herein as to the creation, validity or perfection of the security interest created therein other than in respect of the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation for loss of, or damage to, Collateral.
12. No opinion is expressed herein as to:
  - (a) the title of Annapolis or Ruby to, or ownership of, the Collateral; or
  - (b) except as expressly set out herein, the priority of any security interest.
13. With respect to the priority of security interests in the Collateral:

- (a) no opinion is provided as to security and other interests which arise outside the PPSA and which may have or obtain priority over security interests pursuant to the PPSA;
  - (b) notwithstanding that, subject to attachment, registration under the PPSA will generally perfect a security interest in all forms of personal property to the extent that the PPSA applies to such personal property, perfection by possession or control of certain types of personal property may provide additional rights to a secured party;
  - (c) notwithstanding the order of registration in the PPR, a properly constituted purchase-money security interest has priority over any other security interest in the same Collateral; and
  - (d) the rank and priority of security interests may be affected by facts, matters or circumstances other than the date of registration, as more particularly set forth in the PPSA.
14. We express no opinion as to whether a security interest may be created in any Collateral consisting of a receivable (other than a receivable subject to section 42(10) of the PPSA), licence, approval, privilege, franchise, permit, lease or agreement (collectively, "**Special Property**") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require a consent, approval or other authorization or registration which has not been made or given.
15. With respect to the Property, we express no opinion as to any:
- (a) unregistered services agreements, subdivision agreements, site plan control agreements, development or similar agreements;
  - (b) unregistered easements, rights-of-ways, rights in the nature of easements and agreements with respect thereto;
  - (c) the actual boundaries of the Property or any encroachments affecting the Property;
  - (d) current or past compliance or non-compliance of Annapolis or Ruby or any predecessors with applicable provincial or federal environmental protection or rehabilitation legislation nor do we express any opinion with respect to the environmental status of the Property;
  - (e) whether the Property, or any buildings or improvements constructed thereon, comply with any applicable enactments governing location and use, including, without limitation, zoning, land use and building restrictions, bylaws, regulations and ordinances of any governmental authority having jurisdiction;
  - (f) whether any native or aboriginal land claims now or hereafter affect the Property; or

- (g) subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including, without limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown, as the same may be varied by statute and any statutory limitations, exceptions, reservations and qualifications.
16. Title to the Property is subject to any rights which may have been acquired by prescription or by adverse possession in respect of the Property and we have not inquired concerning and consequently express no opinion as to any rights which may have been acquired by prescription or by adverse possession in respect of the Property.
17. Title to the Property is subject to the overriding interests set out in Sections 73, 74, 75 and 76 of the *Land Registration Act* (Nova Scotia) and being:
- (a) interests of His Majesty in right of the Province of Nova Scotia being reserved in or excepted from the original grant of the fee simple absolute from His Majesty, or that has been vested in His Majesty pursuant to an enactment;
  - (b) liens in favour of a municipality or His Majesty in right of the Province of Nova Scotia pursuant to an enactment, such as liens for assessments pursuant to the Workers' Compensation Act (Nova Scotia);
  - (c) a leasehold interest for a term of three years or less if there is actual possession under the lease;
  - (d) a "utility interest", being an easement or other right in or to use land (including a fee simple interest), in existence before the coming into force of the Act, in favour of a public utility or a municipality;
  - (e) an easement or right of way that is being used and enjoyed; and
  - (f) rights granted by or pursuant to an enactment of Canada or of the Province of Nova Scotia to enter, cross or do things on land for the purpose expressed in the enactment; to recover municipal taxes, duties, rates, assessments; or to control, regulate or restrict the use of land or subdivision of land.
18. Except as and against the person making the instrument, no instrument, until registered or recorded pursuant to the *Land Registration Act* (Nova Scotia), passes any estate or interest in a registered parcel.
19. In addition to the other qualifications set out herein, the priority of the mortgages and charges created by the Security Documents against the Property is subject to:
- (a) those registered or recorded instruments registered in priority as disclosed on the SRR; and
  - (b) any encroachments not registered at the applicable Land Registration Office in accordance with the applicable laws of the Province of Nova Scotia.

20. There may be unregistered statutory liens or deemed trusts, which would rank prior to the security interests, mortgages, charges and assignments contained in the Security Documents. We have not conducted searches or made inquiries in respect of any statutory liens or deemed trusts which may arise against the Collateral or Property pursuant to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein (other than in respect of real property taxes, the arrears of which form a priority lien against the Property).

For greater certainty, a specific assumption, limitation or qualification in this opinion is not to be interpreted to restrict the generality of an assumption, limitation or qualification expressed in general terms that includes the subject matter of the specific assumption, limitation or qualification.

## **VII. Reliance**

The opinions expressed in this opinion letter are provided solely for the benefit of the addressees hereof for the purposes of the transactions contemplated by this opinion letter in connection with the Loan Documents. Accordingly, this opinion letter may not be relied upon by or disclosed to anyone else or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent.

Yours truly,

**Stewart McKelvey**



RDW/wmi

Enclosures

**APPENDIX "I"**  
**SECURITY REVIEW OF 1533 BARRINGTON STREET**

File Reference: SM043375.00009

June 11, 2025

**Via Electronic Mail**

Deloitte Restructuring Inc.  
Suite 800 - 1741 Lower Water Street  
Halifax, NS B3J 0J2

**Attention: James Foran, Senior Vice President**

Dear James:

**Re: Freemasons Hall (532 and 1536 Granville Street, 1533 Barrington Street and 5187 Salter Street) – Review of Security**

At your request, we have performed a limited review of the security charging the real property of Annapolis Management, Inc. ("**Annapolis**"), as general partner of Ruby, LLP ("**Ruby**") located at 532 and 1536 Granville Street, 1533 Barrington Street and 5187 Salter Street (PID 00444141) (the "**Property**") to confirm the validity of such security interests. The results of our review are set out below.

This opinion is being delivered to you in connection with the notices of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) filed by each of Annapolis Management Inc., BSL Holdings Limited, Ruby LLP, 3337151 Nova Scotia Limited, and 4551650 Nova Scotia Limited on or about January 20, 2025, in your capacity as proposal trustee.

**I. Security Documents**

Security and Documentation

In connection with our review, we have examined an executed copy of each of the following loan and security documents (collectively, the "**Loan Documents**"):

Atlantic Loan Documents

1. a letter of offer dated December 2, 2020 (as renewed by renewal agreements dated December 7, 2022, June 9, 2022, November 21, 2023, and June 6, 2023) between Annapolis, as general partner of Ruby, and in its own capacity, as borrowers, and Atlantic Central ("**Atlantic**"), as lender, in respect of a loan in the amount of \$13,375,000 (the "**Atlantic Loan Agreement**");
2. a demand promissory note dated December 11, 2020, from Annapolis, as general partner of Ruby, and in its own capacity, in favour of Atlantic in the amount of \$13,375,000.00, together with interest at the greater of (i) Atlantic's prime rate plus 1.50% per annum, or (ii) 4.30% per annum;

4127-5115-5548

3. a collateral mortgage from Annapolis, in its capacity as general partner of Ruby, as mortgagor, dated December 11, 2020 (the "**Atlantic Mortgage**") in favour of Atlantic, charging the Property. The Mortgage secures all debts and liabilities, present or future, at any time owing from Ruby to Atlantic;
4. a general assignment of rents and leases from Annapolis, in its capacity as general partner of Ruby, dated December 11, 2020 (the "**Atlantic GAR**") in favour of Atlantic, charging all rents and leases relating to the Property;
5. an unlimited guarantee and postponement of claim from Steven Caryi ("**Steven**") dated December 11, 2020, in favour of Atlantic in respect of the obligations of Annapolis and Ruby to Atlantic (the "**Atlantic Guarantee**");
6. a cost overrun and completion guarantee agreement between Annapolis, Ruby, and Steven dated December 11, 2020, in favour of Atlantic;
7. a general security agreement from Annapolis, in its capacity as general partner of Ruby, dated December 11, 2020 (the "**Atlantic Ruby GSA**") in favour of Atlantic, charging the assets located at the Property;
8. a security agreement from Annapolis, in its capacity as general partner of Ruby, dated December 11, 2020 (the "**Atlantic Annapolis GSA**") in favour of Atlantic, charging the assets located at the Property;
9. an assignment of material contracts between Annapolis and Ruby dated December 11, 2020, in favour of Atlantic;
10. an assignment of insurance from Annapolis, in its capacity as general partner of Ruby, and in its own capacity, in favour of Atlantic, dated December 11, 2020;

#### Graysbrook Loan Documents

11. a promissory note in the principal amount of \$3,500,000 together with interest at a rate of 12.99% per annum dated September 28, 2023, made by Annapolis, as general partner of Ruby, in favour of Graysbrook Capital Ltd. ("**Graysbrook**");
12. a collateral mortgage from Annapolis, in its capacity as general partner of Ruby, as mortgagor, and Steven, as guarantor, dated September 28, 2023 in favour of Graysbrook Capital Ltd. (the "**Graysbrook Mortgage**"), charging the Property. The Mortgage secures all debts and liabilities, present or future, at any time owing from Ruby to Graysbrook;
13. a general assignment of rents and leases from Annapolis, in its capacity as general partner of Ruby, dated September 28, 2023 (the "**Graysbrook GAR**") in favour of Graysbrook, charging all rents and leases relating to the Property;
14. a full recourse guarantee dated September 28, 2023, from Steven in favour of Graysbrook in respect of the obligations of Ruby to Atlantic;



15. a general security agreement dated September 28, 2023, from Annapolis, in its capacity as general partner of Ruby, in favour of Graysbrook, charging the assets located at the Property (the “**Graysbrook GSA**”); and
16. a subordination agreement dated October 18, 2023 (the “**Subordination Agreement**”) between Atlantic, Graysbrook, and Annapolis, in its own capacity and in its capacity as general partner of Ruby, whereby Graysbrook agreed to subordinate and postpone in favour of Atlantic the indebtedness and security under a loan agreement dated September 27, 2023 in favour of the indebtedness and security under the Atlantic Loan Agreement.<sup>1</sup>

In this opinion letter, the Atlantic Mortgage, Atlantic GAR, Atlantic Ruby GSA, Atlantic Annapolis Graysbrook Mortgage, Graysbrook GAR, and Graysbrook GSA are sometimes collectively referred to as the “**Security Documents**”.

With respect to the Graysbrook GSA, the personal property subject of the Graysbrook GSA is described as “*the assets more particularly described in Schedule "A" attached hereto and located at the Premises and all proceeds thereof and therefrom*”, however the list of personal property in Schedule “A” is blank. We assume the intention was to charge all personal property located at or relating to the Property. The lack of a clear description of personal property may render the Graysbrook GSA deficient and ineffective to create a security interest in the personal property of Ruby.

#### Execution of Documents

The Loan Documents appear to have been executed by Steven, as President of Annapolis. As more particularly set forth below, we have assumed that each of the Loan Documents has been duly authorized, executed and delivered by Ruby and/or Annapolis, and that each of the Loan Documents is enforceable against them.

## **II. Assumptions**

For the purposes of the opinions expressed herein, we have, without independent investigation or verification, assumed:

- (a) the genuineness of all signatures on documents examined by us, the authenticity of all documents submitted to us as originals, the authenticity of all documents filed or registered in public offices, the legal capacity of all natural persons executing documents and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic, or facsimile copies;
- (b) that:

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<sup>1</sup> We have not been provided with our reviewed the Graysbrook loan agreement date dated September 27, 2023. We assume that it relates to the promissory note and security charging the Property.

- (i) each of Annapolis and Ruby is duly incorporated or otherwise duly formed and organized and is validly subsisting under the laws of its jurisdiction of incorporation or formation;
  - (ii) Annapolis is the sole general partner of Ruby;
  - (iii) Annapolis has the corporate power and capacity to own or lease property and assets, to carry on its business as presently conducted, including the business of Ruby, and to execute, deliver and perform its obligations under the limited liability partnership agreement establishing Ruby and the Loan Documents to which it is a party (in its own capacity and in its capacity as general partner of Ruby);
  - (iv) Annapolis has taken all necessary corporate action, and all necessary action in accordance with the provisions of the limited liability partnership agreement establishing Ruby has been taken, to authorize the execution, delivery and performance by Annapolis of each of (i) the Loan Documents to which it is a party, and (ii) the Loan Documents to which Ruby is a party, by or on behalf of Ruby;
  - (v) Annapolis has duly executed and delivered each of (i) the Loan Documents to which it is a party, and (ii) the Loan Documents to which Ruby is a party, by or on behalf of Ruby; and
  - (vi) the exercise by each of Ruby and Annapolis, of its rights and the performance of its obligations under each Loan Document is not contrary to its constating documents (including the limited liability partnership agreement establishing Ruby) or its governing legislation;
- (c) that each of the Loan Documents constitutes the legal, valid and binding obligation of the parties thereto, enforceable against each of them in accordance with its terms;
  - (d) that value has been given;
  - (e) that each of Ruby and Annapolis have rights in any personal property charged by either of them in any of the Security Documents (the “**Collateral**”);<sup>2</sup>
  - (f) that Graysbrook or Atlantic have not agreed to postpone the time for attachment of any of their respective security interests created by the Security Documents (collectively, the “**Security Interests**” and individually, a “**Security Interest**”);
  - (g) the currency and accuracy of (i) any printed search result from the Personal Property Registry in the Province of Nova Scotia (the “**PPR**”), and (ii) the indices

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<sup>2</sup> Note our previous comments concerning the potential deficiencies of the description of the personal property in the Graysbrook GSA.

and records maintained at the other public offices where we have conducted searches or made inquiries or caused searches or inquiries to be made; and

- (h) that the Loan Documents have not been amended, restated or replaced and there are no agreements or understandings between the parties thereto, whether written or oral, and there is no usage of trade or course of dealing between the parties that would, in either case, define, supplement, limit or qualify the terms of the Loan Documents.

In addition to the Loan Documents, we have also examined such statutes, public and corporate records and documents and considered such questions of law as we have deemed necessary for the opinions hereinafter expressed.

### III. Laws Addressed

We are qualified to practice law in the Province of Nova Scotia and have made no investigation of the laws of any jurisdiction other than the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The opinions hereinafter expressed are limited to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein in effect on the date hereof. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests as a result of the application of conflict of laws rules of the Province of Nova Scotia including, without limitation, sections 6 to 9 of the *Personal Property Security Act* (Nova Scotia) (the “PPSA”). In addition, we express no opinion whether, pursuant to those conflict of laws rules, the laws of the Province of Nova Scotia would govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests.

### IV. Searches

We have conducted or caused to be conducted searches in the Province of Nova Scotia, as indicated below, current to the dates noted below, with respect to names or other search criteria listed below for registrations or filings of security:

Legislation / Public Office	Names Searched	Current to
<i>Personal Property Security Act</i>	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
<i>Bank Act</i> (Canada)	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
Judgment Roll (Halifax County)	Annapolis Management, Inc. Ruby, LLP	May 13, 2025
<i>Land Registration Act</i> (Statement of Registered and Recorded Interests)	The Property	May 12, 2025
Property Taxes	The Property	May 12, 2025

Subject to the currency and accuracy of the registry and filing systems searched, our searches revealed the following:

1. Personal Property Security Act – PPSA searches conducted in the PPR revealed the following results:
  - (a) Registration no. 33123522 dated July 28, 2020 against Ruby and Annapolis (as general partner of Ruby) in favour of Assumption Life Insurance Company in relation to personal property pertaining to or situate on 1680 – 1684 Hollis Street/1673 – 1677 Granville Street, Halifax, Nova Scotia (PID 00003228).
  - (b) Registration no. 33140203 dated July 30, 2020 against Ruby and Annapolis in favour of League Savings and Mortgage Company in relation to personal property pertaining to, located at, derived from or situated at or on 1572 – 1576 Barrington Street, Halifax, Nova Scotia (PID 41353202).
  - (c) Registration no. 34579870 dated June 1, 2021 against Ruby in favour of Parker Plumbing and Heating Limited in relation to a judgment of the Small Claims Court of Nova Scotia in the amount of \$7930.10.
  - (d) Registration no. 35851039 dated February 28, 2022 against Ruby, Annapolis (as general partner of Ruby), and Steven in favour of Bank of Montreal in relation to liabilities of BSL Holdings Limited to the debtors.
  - (e) Registration no. 36094746 dated April 19, 2022 against Ruby, Annapolis (as general partner of Ruby), and Steven in favour of Bank of Montreal in relation to liabilities of Comvest Commercial Real Estate Inc. to the debtors.
  - (f) Registration no. 36951986 dated October 13, 2022 against Ruby and Annapolis in favour of 778938 Ontario Limited in relation to a judgment of the Supreme Court of Nova Scotia in the amount of \$165,510.99.
  - (g) Registration no. 38810909 dated December 2, 2023 against Ruby and Annapolis in favour of 778938 Ontario Limited in relation to \$5000.00 for costs per judgment order.
  - (h) Registration no. 40755514 dated January 1, 2025 against Ruby and Annapolis in favour of Atlantic Central in relation to personal property located at or upon, otherwise used or held in connection with, civic address 1533 Barrington Street, Halifax, Nova Scotia, PID number 444141.
  - (i) Registration no. 40767584 dated January 17, 2025 against Ruby and Annapolis in favour of Graysbrook Capital Ltd in relation to personal property located at 1533 Barrington street, 1532-1536 Granville street, and 5187 Salter street, Halifax, NS designated as PID 00444141.

2. Bank Act (Canada) – Searches were conducted for notices of intention to give security under Section 427 of the *Bank Act* registered in the Province of Nova Scotia. No results were returned.
3. Judgment Roll (Halifax County) – Searches were conducted of the records maintained by the Land Registration Office in the Property Online database pursuant to the *Land Registration Act* (Nova Scotia) (the “**LRA**”) for documents registered in the judgment roll in Halifax County. The searches revealed the following results:
  - (a) Judgment dated May 14, 2021 and registered on June 1, 2021 as document no. 118672188 against Ruby in favour of Parker Plumbing and Heating Limited in the amount of \$7930.10 as of April 22, 2021 (the “**Parker Plumbing Judgment**”).
4. Land Registration Act (Statement of Registered and Recorded Interests) – We have obtained a statement of registered and recorded interests for the Property dated May 12, 2025 (the “**SRRI**”). The SRRI disclosed the following:
  - (a) Annapolis is the registered owner of the Property.
  - (b) An agreement with the Halifax Regional Municipality concerning the Property and grants and other accommodations provided to Ruby which agreement, among other things, restricts any demolition of the Property (the “**HRM Agreement**”).
  - (c) The Atlantic Mortgage and Atlantic GAR were each recorded against title to the Property on December 17, 2020, as document nos. 117677816 and 117677824, respectively.
  - (d) The Graysbrook Mortgage and Graysbrook GAR were each recorded against title to the Property on October 1, 2023, as document nos. 123149701 and 123149719, respectively.
  - (e) The Subordination was recorded against title to the Property on October 19, 2023, as document no. 123226673.
5. Property Taxes – We have obtained a tax certificate for the Property from the Halifax Regional Municipality Property dated May 12, 2025, which indicates that taxes in the amount of \$204,504.46 are due and owing.

## V. Opinions

Based and relying upon and subject to the foregoing, and the qualifications and limitations set forth below, we are of the opinion that:

### Personal Property Security

1. The Atlantic Ruby GSA creates a valid security interest in favour of Atlantic in the Collateral described therein in which Ruby now has rights, and is sufficient to create a valid security interest in favour of Atlantic in any such Collateral in which Ruby acquires rights when

those rights are acquired by Ruby, in each case to secure payment and performance of the obligations of Ruby described in the Atlantic Ruby GSA as being secured thereunder.

2. The Atlantic Annapolis GSA creates a valid security interest in favour of Atlantic in the Collateral described therein in which Ruby now has rights, and is sufficient to create a valid security interest in favour of Atlantic in any such Collateral in which Annapolis acquires rights when those rights are acquired by Annapolis, in each case to secure payment and performance of the obligations of Annapolis described in the Atlantic Annapolis GSA as being secured thereunder.
3. As noted above, there is a PPSA registration against Ruby and Annapolis in favour of Atlantic in relation to personal property located at or upon, otherwise used or held in connection with, civic address 1533 Barrington Street, Halifax, Nova Scotia (PID number 444141). By virtue of such registration, the Security Interests in favour of Atlantic created by the Atlantic Annapolis GSA and Atlantic Ruby GSA in the Collateral described in such registration, to the extent capable of perfection by registration of a financing statement under the PPSA, has been perfected.
4. Subject to our comments concerning the description of the personal property in the Graysbrook GSA, the Graysbrook GSA creates a valid security interest in favour of Graysbrook in the Collateral described therein in which Ruby now has rights, and is sufficient to create a valid security interest in favour of Graysbrook in any such Collateral in which Ruby acquires rights when those rights are acquired by Ruby, in each case to secure payment and performance of the obligations of Ruby described in the Graysbrook GSA as being secured thereunder.
5. As noted above, there is a PPSA registration against Ruby and Annapolis in favour of Grasybrook in relation to personal property located at 1533 Barrington street, 1532-1536 Granville street, and 5187 Salter street, Halifax, NS (PID 444141). By virtue of such registration, the Security Interests in favour of Graysbrook created by the Graysbrook GSA in the Collateral described in such registration, to the extent capable of perfection by registration of a financing statement under the PPSA (and to the extent that the Graysrbook GSA is determined to properly describe personal property in accordance with the requirements in the PPSA), has been perfected.<sup>3</sup>
6. Based solely upon the date of registration in the PPR, the PPSA security interests and liens charging the personal property of Annapolis and Ruby located at or arising from Property rank in the following priority (to the extent capable of perfection by registration under the PPSA):
  - (a) first, the registration in favour of Parker Plumbing and Heating Limited;
  - (b) second, the registration in favour of 778938 Ontario Limited;

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<sup>3</sup> Note our previous comments concerning the potential deficiencies of the description of the personal property in the Graysbrook GSA.

- (c) third, the registration in favour of Atlantic; and
- (d) fourth, (if a security interest exists) the registration in favour of Graysbrook.

Real Property Security

7. Based on the SRRI, the:
- (a) Atlantic Mortgage and Atlantic GAR constitute a valid mortgage and charge against the Property, as security for the obligations of Ruby to Atlantic described therein; and
  - (b) Graysbrook Mortgage and Graysbrook GAR constitute a valid mortgage and charge against the Property, as security for the obligations of Ruby to Graysbrook described therein.
8. Based on the SRRI and subject to our comments below concerning the Parker Plumbing Judgment, the recorded security interests and liens charging the Property rank in the following priority:<sup>4</sup>
- (a) first, the Atlantic Mortgage and Atlantic GAR;
  - (b) second, the Parker Plumbing Judgment; and
  - (c) third, the Graysbrook Mortgage and Graysbrook GAR.
9. As the HRM Agreement was recorded against title to the Property prior to the Atlantic Mortgage and Atlantic GAR and Graysbrook Mortgage and Graysbrook GAR, the rights of Atlantic and Graysbrook under such agreements with respect to the Property are subject to the HRM Agreement.

The Parker Plumbing Judgment was recorded in the judgment roll for Halifax County on June 1, 2021 against Ruby. Pursuant to the LRA, a judgment is a charge as effectually and to the same extent as a recorded mortgage upon the interest of the judgment debtor in the amount of the judgment. We note that the Parker Plumbing Judgment was recorded against Ruby, while title to the Property is registered in the name of Annapolis. We assume that Ruby is the beneficial owner of the Property, as the current deed for the Property is granted to Annapolis, in its capacity as general partner of Ruby.<sup>5</sup> In our view, the Parker Plumbing Judgment forms a lien against Ruby's beneficial interest in the Property. As the Parker Plumbing Judgment was recorded prior to the

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<sup>4</sup> For greater certainty, the priority of the recorded security interests and mortgages charging the property is subject to all applicable qualifications set out herein, including with respect to unregistered statutory liens or deemed trusts which would rank prior to the security interests and mortgages.

<sup>5</sup> In addition, the *Limited Partnerships Act* (Nova Scotia) requires that only the general partners be shown at the registry of deeds as owners of any interest of the limited partnership in real property. While Ruby is a Florida limited liability partnership, our searches of the Registry of Joint Stock Companies show that Ruby is registered as an extra-provincial limited partnership in Nova Scotia, and accordingly Ruby may be subject the foregoing requirement under the *Limited Partnerships Act* (Nova Scotia).



Graysbrook Mortgage, the Parker Plumbing Judgment forms a lien against Ruby's beneficial interest in the Property in priority to the Graysbrook Mortgage.

Pursuant to the Subordination Agreement, the Graysbrook indebtedness and Graysbrook security is subordinated and postponed to the Atlantic indebtedness and Atlantic security.

## **VI. Qualifications**

In addition to any other qualifications, limitations and restrictions set forth in this opinion letter, our opinions herein are subject to the following qualifications, limitations and restrictions:

1. The enforcement of the Loan Documents and Security Interests is subject to applicable laws relating to bankruptcy, moratorium, reorganization, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, including the power of a court to stay proceedings in the enforcement of remedies and to impose limitations on the rights of creditors to require immediate payment of amounts stated to be payable on demand prior to the expiration of a reasonable period of time after such demand is made.
2. The discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies and, more generally, the enforcement of the Loan Documents and Security Interests is subject to general principles of equity, whether applied by a court of law or equity, which include principles:
  - (a) governing the availability of specific performance, injunctive relief, the power to grant relief from forfeiture, to stay proceedings before it, to stay execution of judgments or other traditional equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which the application for such relief is made;
  - (b) limiting or affecting the enforceability of provisions governing judicial discretion regarding the determination of damages and entitlement to legal fees and other costs; and
  - (c) limiting the right to require immediate payment of amounts which are stated to be payable on demand.
3. If any of the provisions of the Loan Documents are held to be illegal, invalid or unenforceable, the severance of such provisions from the remaining provisions thereof will be subject to the exercise of the discretion of the Court.
4. The Security Interests may not be enforceable in respect of proceeds which are not identifiable or traceable.
5. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of Crown debts which does not comply with such Act is ineffective as between the assignor and the assignee and as against the Crown.



Consequently, a secured party would not have a valid security interest in Crown debts unless there is compliance with such Act.

6. No searches have been made with respect to any the Security Documents under, and no opinion is given with respect to the creation of a security interest pursuant to, the *Canada Shipping Act* (Canada), the *Copyright Act* (Canada), the *Industrial Design Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Patent Act* (Canada), the *Plant Breeders' Rights Act* (Canada), the *Canada Transportation Act* (Canada) and the *Trademarks Act* (Canada) or the consequences of compliance or non-compliance with such statutes.
7. No searches have been made with respect to the Security Interests insofar as such security interests relate to any of the following collateral:
  - (a) any crops or mineral claims; or
  - (b) any permits, quotas, licences or other similar property which is not personal property.
8. We express no opinion as to the validity or perfection of the Security Interests in respect of any contractual rights, which by their terms or by the nature of the contract, or any permits, quotas, licenses or other similar property, which by its terms, its nature or by the nature of the business of Annapolis or Ruby cannot be the subject of a lien or other interest without the consent, authorization or approval of a third person.
9. We have not made any inquiries or any investigations with regard to any consents or approvals which may be required in connection with the transfer of any contractual interests made subject to a Security Interest.
10. If the Collateral now or hereafter includes any motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat situate in the Province of Nova Scotia within the meaning of those terms under the general regulations made under the PPSA which is not held by Annapolis or Ruby as inventory (as such term is defined in the PPSA), the security interests in such Collateral or their proceeds must be registered against the applicable serial number description in order to maintain the perfection of such security interests in such Collateral as against certain persons who may have an interest in such Collateral.
11. If the Collateral now or hereafter includes an interest or claim in or under a contract of annuity or policy of insurance, no opinion is expressed herein as to the creation, validity or perfection of the security interest created therein other than in respect of the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation for loss of, or damage to, Collateral.
12. No opinion is expressed herein as to:
  - (a) the title of Annapolis or Ruby to, or ownership of, the Collateral; or
  - (b) except as expressly set out herein, the priority of any security interest.

13. With respect to the priority of security interests in the Collateral:
- (a) no opinion is provided as to security and other interests which arise outside the PPSA and which may have or obtain priority over security interests pursuant to the PPSA;
  - (b) notwithstanding that, subject to attachment, registration under the PPSA will generally perfect a security interest in all forms of personal property to the extent that the PPSA applies to such personal property, perfection by possession or control of certain types of personal property may provide additional rights to a secured party;
  - (c) notwithstanding the order of registration in the PPR, a properly constituted purchase-money security interest has priority over any other security interest in the same Collateral; and
  - (d) the rank and priority of security interests may be affected by facts, matters or circumstances other than the date of registration, as more particularly set forth in the PPSA.
14. We express no opinion as to whether a security interest may be created in any Collateral consisting of a receivable (other than a receivable subject to section 42(10) of the PPSA), licence, approval, privilege, franchise, permit, lease or agreement (collectively, "**Special Property**") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require a consent, approval or other authorization or registration which has not been made or given.
15. With respect to the Property, we express no opinion as to any:
- (a) unregistered services agreements, subdivision agreements, site plan control agreements, development or similar agreements;
  - (b) unregistered easements, rights-of-ways, rights in the nature of easements and agreements with respect thereto;
  - (c) the actual boundaries of the Property or any encroachments affecting the Property;
  - (d) current or past compliance or non-compliance of Annapolis or Ruby or any predecessors with applicable provincial or federal environmental protection or rehabilitation legislation nor do we express any opinion with respect to the environmental status of the Property;
  - (e) whether the Property, or any buildings or improvements constructed thereon, comply with any applicable enactments governing location and use, including, without limitation, zoning, land use and building restrictions, bylaws, regulations and ordinances of any governmental authority having jurisdiction;
  - (f) whether any native or aboriginal land claims now or hereafter affect the Property; or

- (g) subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including, without limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown, as the same may be varied by statute and any statutory limitations, exceptions, reservations and qualifications.
16. Title to the Property is subject to any rights which may have been acquired by prescription or by adverse possession in respect of the Property and we have not inquired concerning and consequently express no opinion as to any rights which may have been acquired by prescription or by adverse possession in respect of the Property.
17. Title to the Property is subject to the overriding interests set out in Sections 73, 74, 75 and 76 of the *Land Registration Act* (Nova Scotia) and being:
- (a) interests of His Majesty in right of the Province of Nova Scotia being reserved in or excepted from the original grant of the fee simple absolute from His Majesty, or that has been vested in His Majesty pursuant to an enactment;
  - (b) liens in favour of a municipality or His Majesty in right of the Province of Nova Scotia pursuant to an enactment, such as liens for assessments pursuant to the Workers' Compensation Act (Nova Scotia);
  - (c) a leasehold interest for a term of three years or less if there is actual possession under the lease;
  - (d) a "utility interest", being an easement or other right in or to use land (including a fee simple interest), in existence before the coming into force of the Act, in favour of a public utility or a municipality;
  - (e) an easement or right of way that is being used and enjoyed; and
  - (f) rights granted by or pursuant to an enactment of Canada or of the Province of Nova Scotia to enter, cross or do things on land for the purpose expressed in the enactment; to recover municipal taxes, duties, rates, assessments; or to control, regulate or restrict the use of land or subdivision of land.
18. Except as and against the person making the instrument, no instrument, until registered or recorded pursuant to the *Land Registration Act* (Nova Scotia), passes any estate or interest in a registered parcel.
19. In addition to the other qualifications set out herein, the priority of the mortgages and charges created by the Security Documents against the Property is subject to:
- (a) those registered and recorded instruments registered in priority as disclosed on the SRRl; and
  - (b) any encroachments not registered at the applicable Land Registration Office in accordance with the applicable laws of the Province of Nova Scotia.

20. There may be unregistered statutory liens or deemed trusts, which would rank prior to the security interests, mortgages, charges and assignments contained in the Security Documents. We have not conducted searches or made inquiries in respect of any statutory liens or deemed trusts which may arise against the Collateral or Property pursuant to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein (other than in respect of real property taxes, the arrears of which form a priority lien against the Property).

For greater certainty, a specific assumption, limitation or qualification in this opinion is not to be interpreted to restrict the generality of an assumption, limitation or qualification expressed in general terms that includes the subject matter of the specific assumption, limitation or qualification.

## **VII. Reliance**

The opinions expressed in this opinion letter are provided solely for the benefit of the addressees hereof for the purposes of the transactions contemplated by this opinion letter in connection with the Loan Documents. Accordingly, this opinion letter may not be relied upon by or disclosed to anyone else or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent.

Yours truly,

**Stewart McKelvey**



RDW/wmi

Enclosures

**APPENDIX "J"**  
**SECURITY REVIEW OF 545 YOUNG AVENUE**

File Reference: SM043375.00009

June 11, 2025

**Via Electronic Mail**

Deloitte Restructuring Inc.  
Suite 800 - 1741 Lower Water Street  
Halifax, NS B3J 0J2

**Attention: James Foran, Senior Vice President**

Dear James:

**Re: 545 Young Avenue – Review of Security**

At your request, we have performed a limited review of the security charging the real property of Annapolis Management, Inc. ("**Annapolis**"), as general partner of Ruby, LLP ("**Ruby**") located at 545 Young Avenue, Halifax, NS (PID no. 00047183) (the "**Property**") to confirm the validity of such security interests. The results of our review are set out below.

This opinion is being delivered to you in connection with the notices of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) filed by each of Annapolis Management Inc., BSL Holdings Limited, Ruby LLP, 3337151 Nova Scotia Limited, and 4551650 Nova Scotia Limited on or about January 20, 2025, in your capacity as proposal trustee.

**I. Security Documents**

Security and Documentation

In connection with our review, we have examined an executed copy of each of the following loan and security documents (collectively, the "**Loan Documents**"):

Graysbrook Loan Documents<sup>1</sup>

1. a promissory note in the principal amount of \$1,286,000 together with interest at a rate of 12.99% per annum dated July 31, 2023 made by Annapolis, as general partner of Ruby, in favour of Graysbrook Capital Ltd. ("**Graysbrook**");
2. a collateral mortgage from Annapolis, as general partner of Ruby, as mortgagor, and Steven Caryi ("**Steven**"), as guarantor dated July 31, 2023 (the "**Graysbrook Mortgage**") in favour of Graysbrook, charging the Property. The Graysbrook Mortgage secures all debts and liabilities, present or future, at any time owing from Ruby to Graysbrook;

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<sup>1</sup> The Graysbrook loan documents also relate to the 5668 Ogilvie Street property, however the Graysbrook Mortgage and Graysbrook GAR has been released as against this property.

3. a general assignment of rents and leases from Annapolis, as general partner of Ruby, dated July 31, 2023 (the “**Graysbrook GAR**”) in favour of Graysbrook, charging all rents and leases relating to the Property;
4. a security agreement from Annapolis, as general partner of Ruby, dated July 31, 2023 (the “**Graysbrook GSA**”) in favour of Graysbrook, charging the assets located at the Property (subject to our comments below);
5. a full recourse guarantee from Steven dated July 31, 2023 in favour of Graysbrook, in respect of the obligations of Ruby to Graysbrook, limited to the principal amount of \$676,250;

#### CIBC Loan Documents

6. a mortgage in the principal amount of \$1,975,000 from Annapolis, as general partner of Ruby, as mortgagor, and Steven, as guarantor dated January 8, 2016 (the “**CIBC Mortgage**”) in favour of the Canadian Imperial Bank of Commerce (CIBC), charging the Property. The interest chargeable under the CIBC Mortgage is equal to the CIBC prime rate of interest minus 0.450% per annum;

In this opinion letter, the Graysbrook Mortgage, Graysbrook GAR, Graysbrook GSA, and CIBC Mortgage are sometimes collectively referred to as the “**Security Documents**”.

With respect to the Graysbrook GSA, the personal property subject of the Graysbrook GSA is described as “*the assets more particularly described in Schedule "A" attached hereto and located at the Premises and all proceeds thereof and therefrom*”, however the list of personal property in Schedule “A” is blank. We assume the intention was to charge all personal property located at or relating to the Property. The lack of a clear description of personal property may render the Graysbrook GSA deficient and ineffective to create a security interest in the personal property of Ruby.

#### Execution of Documents

The Loan Documents appear to have been executed by Steven, as President of Annapolis. As more particularly set forth below, we have assumed that each of the Loan Documents has been duly authorized, executed and delivered by Ruby and/or Annapolis, and that each of the Loan Documents is enforceable against them.

## **II. Assumptions**

For the purposes of the opinions expressed herein, we have, without independent investigation or verification, assumed:

- (a) the genuineness of all signatures on documents examined by us, the authenticity of all documents submitted to us as originals, the authenticity of all documents filed or registered in public offices, the legal capacity of all natural persons executing documents and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic, or facsimile copies;

- (b) that:
- (i) each of Annapolis and Ruby is duly incorporated or otherwise duly formed and organized and is validly subsisting under the laws of its jurisdiction of incorporation or formation;
  - (ii) Annapolis is the sole general partner of Ruby;
  - (iii) Annapolis has the corporate power and capacity to own or lease property and assets, to carry on its business as presently conducted, including the business of Ruby, and to execute, deliver and perform its obligations under the limited liability partnership agreement establishing Ruby and the Loan Documents to which it is a party (in its own capacity and in its capacity as general partner of Ruby);
  - (iv) Annapolis has taken all necessary corporate action, and all necessary action in accordance with the provisions of the limited liability partnership agreement establishing Ruby has been taken, to authorize the execution, delivery and performance by Annapolis of each of (i) the Loan Documents to which it is a party, and (ii) the Loan Documents to which Ruby is a party, by or on behalf of Ruby;
  - (v) Annapolis has duly executed and delivered each of (i) the Loan Documents to which it is a party, and (ii) the Loan Documents to which Ruby is a party, by or on behalf of Ruby; and
  - (vi) the exercise by each of Ruby and Annapolis, of its rights and the performance of its obligations under each Loan Document is not contrary to its constating documents (including the limited liability partnership agreement establishing Ruby) or its governing legislation;
- (c) that each of the Loan Documents constitutes the legal, valid and binding obligation of the parties thereto, enforceable against each of them in accordance with its terms;
- (d) that value has been given;
- (e) that Ruby has rights in any personal property charged by Ruby in the Graysbrook GSA (the “**Collateral**”);<sup>2</sup>
- (f) that neither Graysbrook nor CIBC has agreed to postpone the time for attachment of any of the security interests created by the Security Documents (collectively, the “**Security Interests**” and individually, a “**Security Interest**”);

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<sup>2</sup> Note our previous comments concerning the potential deficiencies of the description of the personal property in the Graysbrook GSA.



- (g) the currency and accuracy of (i) any printed search result from the Personal Property Registry in the Province of Nova Scotia (the “PPR”), and (ii) the indices and records maintained at the other public offices where we have conducted searches or made inquiries or caused searches or inquiries to be made; and
- (h) that the Loan Documents have not been amended, restated or replaced and there are no agreements or understandings between the parties thereto, whether written or oral, and there is no usage of trade or course of dealing between the parties that would, in either case, define, supplement, limit or qualify the terms of the Loan Documents.

In addition to the Loan Documents, we have also examined such statutes, public and corporate records and documents and considered such questions of law as we have deemed necessary for the opinions hereinafter expressed.

### III. Laws Addressed

We are qualified to practice law in the Province of Nova Scotia and have made no investigation of the laws of any jurisdiction other than the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The opinions hereinafter expressed are limited to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein in effect on the date hereof. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests as a result of the application of conflict of laws rules of the Province of Nova Scotia including, without limitation, sections 6 to 9 of the *Personal Property Security Act* (Nova Scotia) (the “PPSA”). In addition, we express no opinion whether, pursuant to those conflict of laws rules, the laws of the Province of Nova Scotia would govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests.

### IV. Searches

We have conducted or caused to be conducted searches in the Province of Nova Scotia, as indicated below, current to the dates noted below, with respect to names or other search criteria listed below for registrations or filings of security:

Legislation / Public Office	Names Searched	Current to
<i>Personal Property Security Act</i>	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
<i>Bank Act</i> (Canada)	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
Judgment Roll (Halifax County)	Annapolis Management, Inc. Ruby, LLP	May 12, 2025
<i>Land Registration Act</i> (Statement of Registered and Recorded Interests)	The Property	April 7, 2025

Property Taxes	The Property	April 7, 2025
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Subject to the currency and accuracy of the registry and filing systems searched, our searches revealed the following:

1. Personal Property Security Act – PPSA searches conducted in the PPR revealed the following results:
  - (a) Registration no. 33123522 dated July 28, 2020 against Ruby and Annapolis (as general partner of Ruby) in favour of Assumption Life Insurance Company in relation to personal property pertaining to or situate on 1680 - 1684 Hollis Street/1673 - 1677 Granville Street, Halifax, Nova Scotia (PID 00003228).
  - (b) Registration no. 33140203 dated July 30, 2020 against Ruby and Annapolis in favour of League Savings and Mortgage Company in relation to personal property pertaining to, located at, derived from or situated at or on 1572 – 1576 Barrington Street, Halifax, Nova Scotia (PID 41353202).
  - (c) Registration no. 34579870 dated June 1, 2021 against Ruby in favour of Parker Plumbing and Heating Limited in relation to a judgment of the Small Claims Court of Nova Scotia in the amount of \$7930.10.
  - (d) Registration no. 35851039 dated February 28, 2022 against Ruby, Annapolis (as general partner of Ruby), and Steven in favour of Bank of Montreal in relation to liabilities of BSL Holdings Limited to the debtors.
  - (e) Registration no. 36094746 dated April 19, 2022 against Ruby, Annapolis (as general partner of Ruby), and Steven in favour of Bank of Montreal in relation to liabilities of Comvest Commercial Real Estate Inc. to the debtors.
  - (f) Registration no. 36951986 dated October 13, 2022 against Ruby and Annapolis in favour of 778938 Ontario Limited in relation to a judgment of the Supreme Court of Nova Scotia in the amount of \$165,510.99.
  - (g) Registration no. 38810909 dated December 2, 2023 against Ruby and Annapolis in favour of 778938 Ontario Limited in relation to \$5000.00 for costs per judgment order.
  - (h) Registration no. 40755514 dated January 1, 2025 against Ruby and Annapolis in favour of Atlantic Central in relation to personal property located at or upon, otherwise used or held in connection with, civic address 1533 Barrington Street, Halifax, Nova Scotia, PID number 444141.
  - (i) Registration no. 40767584 dated January 17, 2025 against Ruby and Annapolis in favour of Graysbrook Capital Ltd in relation to personal property located at 1533 Barrington street, 1532-1536 Granville street, and 5187 Salter street, Halifax, NS designated as PID 00444141.

2. Bank Act (Canada) – Searches were conducted for notices of intention to give security under Section 427 of the *Bank Act* registered in the Province of Nova Scotia. No results were returned.
3. Judgment Roll (Halifax County) – Searches were conducted of the records maintained by the Land Registration Office in the Property Online database pursuant to the *Land Registration Act* (Nova Scotia) (the “**LRA**”) for documents registered in the judgment roll in Halifax County. The searches revealed the following results:
  - (a) Judgment dated May 14, 2021 and registered on June 1, 2021 as document no. 118672188 against Ruby in favour of Parker Plumbing and Heating Limited in the amount of \$7930.10 as of April 22, 2021 (the “**Parker Plumbing Judgment**”).
4. Land Registration Act (Statement of Registered and Recorded Interests) – We have obtained a statement of registered and recorded interests for the Property dated April 7, 2025 (the “**SRRI**”). The SRRI disclosed the following:
  - (a) Annapolis is the registered owner of the Property.
  - (b) The CIBC Mortgage was recorded against title to the Property on January 12, 2016 as document no. 108375412.
  - (c) The Graysbrook Mortgage and Graysbrook GAR were each recorded against title to the Property on August 2, 2023 as document nos. 122849640 and 122849657, respectively.
5. Property Taxes – We have obtained a tax certificate for the Property from the Halifax Regional Municipality Property dated April 7, 2025, which indicates that taxes in the amount of \$52,888.69 are due and owing.

## V. Opinions

Based and relying upon and subject to the foregoing, and the qualifications and limitations set forth below, we are of the opinion that:

### Personal Property Security

1. Subject to our comments concerning the description of the personal property in the Graysbrook GSA, the Graysbrook GSA creates a valid security interest in favour of Graysbrook in the Collateral described therein in which Ruby now has rights, and is sufficient to create a valid security interest in favour of Graysbrook in any such Collateral in which Ruby acquires rights when those rights are acquired by Ruby, in each case to secure payment and performance of the obligations of Ruby described in the Graysbrook GSA as being secured thereunder.

2. As our searches of the PPR did not return a registration against Annapolis or Ruby in favour of Graysbrook in respect of the Graysbrook GSA, Graysbrook does not have a perfected security interest in the Collateral of Ruby created by the Graysbrook GSA.<sup>3</sup>
3. Based solely upon the date of registration in the PPR, the PPSA security interests and liens charging the personal property of Annapolis and Ruby located at or arising from Property rank in the following priority (to the extent capable of perfection by registration under the PPSA):
  - (a) first, the registration in favour of Parker Plumbing and Heating Limited; and
  - (b) second, the registration in favour of 778938 Ontario Limited.

Real Property Security

4. Based on the SRRI, the:
  - (a) CIBC Mortgage constitutes a valid mortgage and charge against the Property, as security for the obligations of Ruby to CIBC described therein; and
  - (b) Graysbrook Mortgage and Graysbrook GAR constitute a valid mortgage and charge against the Property, as security for the obligations of Ruby to Graysbrook described therein.
5. Based on the SRRI and subject to our comments below concerning the Parker Plumbing Judgment, the recorded security interests and liens charging the Property rank in the following priority:<sup>4</sup>
  - (a) first, the CIBC Mortgage;
  - (b) second, the Parker Plumbing Judgment; and
  - (c) third, the Graysbrook Mortgage and Graysbrook GAR.

The Parker Plumbing Judgment was recorded in the judgment roll for Halifax County on June 1, 2021 against Ruby. Pursuant to the LRA, a judgment is a charge as effectually and to the same extent as a recorded mortgage upon the interest of the judgment debtor in the amount of the judgment. We note that the Parker Plumbing Judgment was recorded against Ruby, while title to the Property is registered in the name of Annapolis. We assume that Ruby is the beneficial owner of the Property, as the current deed for the Property is granted to Annapolis, in its capacity as general partner of Ruby.<sup>5</sup> In our view, the Parker Plumbing Judgment forms a lien against Ruby's

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<sup>3</sup> Graysbrook may obtain a perfected security interest by methods other than registration, such as possession of Collateral.

<sup>4</sup> For greater certainty, the priority of the recorded security interests and mortgages charging the property is subject to all applicable qualifications set out herein, including with respect to unregistered statutory liens or deemed trusts which would rank prior to the security interests and mortgages.

<sup>5</sup> In addition, the *Limited Partnerships Act* (Nova Scotia) requires that only the general partners be shown at the registry of deeds as owners of any interest of the limited partnership in real property. While Ruby

beneficial interest in the Property. As the Parker Plumbing Judgment was recorded prior to the Graysbrook Mortgage, the Parker Plumbing Judgment forms a lien against Ruby's beneficial interest in the Property in priority to the Graysbrook Mortgage.

## VI. Qualifications

In addition to any other qualifications, limitations and restrictions set forth in this opinion letter, our opinions herein are subject to the following qualifications, limitations and restrictions:

1. The enforcement of the Loan Documents and Security Interests is subject to applicable laws relating to bankruptcy, moratorium, reorganization, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, including the power of a court to stay proceedings in the enforcement of remedies and to impose limitations on the rights of creditors to require immediate payment of amounts stated to be payable on demand prior to the expiration of a reasonable period of time after such demand is made.
2. The discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies and, more generally, the enforcement of the Loan Documents and Security Interests is subject to general principles of equity, whether applied by a court of law or equity, which include principles:
  - (a) governing the availability of specific performance, injunctive relief, the power to grant relief from forfeiture, to stay proceedings before it, to stay execution of judgments or other traditional equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which the application for such relief is made;
  - (b) limiting or affecting the enforceability of provisions governing judicial discretion regarding the determination of damages and entitlement to legal fees and other costs; and
  - (c) limiting the right to require immediate payment of amounts which are stated to be payable on demand.
3. If any of the provisions of the Loan Documents are held to be illegal, invalid or unenforceable, the severance of such provisions from the remaining provisions thereof will be subject to the exercise of the discretion of the Court.
4. The Security Interests may not be enforceable in respect of proceeds which are not identifiable or traceable.
5. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in the *Financial Administration Act* (Canada) relating to the assignment of

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is a Florida limited liability partnership, our searches of the Registry of Joint Stock Companies show that Ruby is registered as an extra-provincial limited partnership in Nova Scotia, and accordingly Ruby may be subject the foregoing requirement under the *Limited Partnerships Act* (Nova Scotia).

federal Crown debts. An assignment of Crown debts which does not comply with such Act is ineffective as between the assignor and the assignee and as against the Crown. Consequently, a secured party would not have a valid security interest in Crown debts unless there is compliance with such Act.

6. No searches have been made with respect to any the Security Documents under, and no opinion is given with respect to the creation of a security interest pursuant to, the *Canada Shipping Act* (Canada), the *Copyright Act* (Canada), the *Industrial Design Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Patent Act* (Canada), the *Plant Breeders' Rights Act* (Canada), the *Canada Transportation Act* (Canada) and the *Trademarks Act* (Canada) or the consequences of compliance or non-compliance with such statutes.
7. No searches have been made with respect to the Security Interests insofar as such security interests relate to any of the following collateral:
  - (a) any crops or mineral claims; or
  - (b) any permits, quotas, licences or other similar property which is not personal property.
8. We express no opinion as to the validity or perfection of the Security Interests in respect of any contractual rights, which by their terms or by the nature of the contract, or any permits, quotas, licenses or other similar property, which by its terms, its nature or by the nature of the business of Annapolis or Ruby cannot be the subject of a lien or other interest without the consent, authorization or approval of a third person.
9. We have not made any inquiries or any investigations with regard to any consents or approvals which may be required in connection with the transfer of any contractual interests made subject to a Security Interest.
10. If the Collateral now or hereafter includes any motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat situate in the Province of Nova Scotia within the meaning of those terms under the general regulations made under the PPSA which is not held by Annapolis or Ruby as inventory (as such term is defined in the PPSA), the security interests in such Collateral or their proceeds must be registered against the applicable serial number description in order to maintain the perfection of such security interests in such Collateral as against certain persons who may have an interest in such Collateral.
11. If the Collateral now or hereafter includes an interest or claim in or under a contract of annuity or policy of insurance, no opinion is expressed herein as to the creation, validity or perfection of the security interest created therein other than in respect of the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation for loss of, or damage to, Collateral.
12. No opinion is expressed herein as to:
  - (a) the title of Annapolis or Ruby to, or ownership of, the Collateral; or

- (b) except as expressly set out herein, the priority of any security interest.
13. With respect to the priority of security interests in the Collateral:
- (a) no opinion is provided as to security and other interests which arise outside the PPSA and which may have or obtain priority over security interests pursuant to the PPSA;
  - (b) notwithstanding that, subject to attachment, registration under the PPSA will generally perfect a security interest in all forms of personal property to the extent that the PPSA applies to such personal property, perfection by possession or control of certain types of personal property may provide additional rights to a secured party;
  - (c) notwithstanding the order of registration in the PPR, a properly constituted purchase-money security interest has priority over any other security interest in the same Collateral; and
  - (d) the rank and priority of security interests may be affected by facts, matters or circumstances other than the date of registration, as more particularly set forth in the PPSA.
14. We express no opinion as to whether a security interest may be created in any Collateral consisting of a receivable (other than a receivable subject to section 42(10) of the PPSA), licence, approval, privilege, franchise, permit, lease or agreement (collectively, “**Special Property**”) to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require a consent, approval or other authorization or registration which has not been made or given.
15. With respect to the Property, we express no opinion as to any:
- (a) unregistered services agreements, subdivision agreements, site plan control agreements, development or similar agreements;
  - (b) unregistered easements, rights-of-ways, rights in the nature of easements and agreements with respect thereto;
  - (c) the actual boundaries of the Property or any encroachments affecting the Property;
  - (d) current or past compliance or non-compliance of Annapolis or Ruby or any predecessors with applicable provincial or federal environmental protection or rehabilitation legislation nor do we express any opinion with respect to the environmental status of the Property;
  - (e) whether the Property, or any buildings or improvements constructed thereon, comply with any applicable enactments governing location and use, including, without limitation, zoning, land use and building restrictions, bylaws, regulations and ordinances of any governmental authority having jurisdiction;



- (f) whether any native or aboriginal land claims now or hereafter affect the Property;  
or
  - (g) subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including, without limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown, as the same may be varied by statute and any statutory limitations, exceptions, reservations and qualifications.
16. Title to the Property is subject to any rights which may have been acquired by prescription or by adverse possession in respect of the Property and we have not inquired concerning and consequently express no opinion as to any rights which may have been acquired by prescription or by adverse possession in respect of the Property.
17. Title to the Property is subject to the overriding interests set out in Sections 73, 74, 75 and 76 of the *Land Registration Act* (Nova Scotia) and being:
- (a) interests of His Majesty in right of the Province of Nova Scotia being reserved in or excepted from the original grant of the fee simple absolute from His Majesty, or that has been vested in His Majesty pursuant to an enactment;
  - (b) liens in favour of a municipality or His Majesty in right of the Province of Nova Scotia pursuant to an enactment, such as liens for assessments pursuant to the Workers' Compensation Act (Nova Scotia);
  - (c) a leasehold interest for a term of three years or less if there is actual possession under the lease;
  - (d) a "utility interest", being an easement or other right in or to use land (including a fee simple interest), in existence before the coming into force of the Act, in favour of a public utility or a municipality;
  - (e) an easement or right of way that is being used and enjoyed; and
  - (f) rights granted by or pursuant to an enactment of Canada or of the Province of Nova Scotia to enter, cross or do things on land for the purpose expressed in the enactment; to recover municipal taxes, duties, rates, assessments; or to control, regulate or restrict the use of land or subdivision of land.
18. Except as and against the person making the instrument, no instrument, until registered or recorded pursuant to the *Land Registration Act* (Nova Scotia), passes any estate or interest in a registered parcel.
19. In addition to the other qualifications set out herein, the priority of the mortgages and charges created by the Security Documents against the Property is subject to:
- (a) those registered and recorded instruments registered in priority as disclosed on the SRRI; and



- (b) any encroachments not registered at the applicable Land Registration Office in accordance with the applicable laws of the Province of Nova Scotia.
20. There may be unregistered statutory liens or deemed trusts, which would rank prior to the security interests, mortgages, charges and assignments contained in the Security Documents. We have not conducted searches or made inquiries in respect of any statutory liens or deemed trusts which may arise against the Collateral or Property pursuant to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein (other than in respect of real property taxes, the arrears of which form a priority lien against the Property).

For greater certainty, a specific assumption, limitation or qualification in this opinion is not to be interpreted to restrict the generality of an assumption, limitation or qualification expressed in general terms that includes the subject matter of the specific assumption, limitation or qualification.

## **VII. Reliance**

The opinions expressed in this opinion letter are provided solely for the benefit of the addressees hereof for the purposes of the transactions contemplated by this opinion letter in connection with the Loan Documents. Accordingly, this opinion letter may not be relied upon by or disclosed to anyone else or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent.

Yours truly,

**Stewart McKelvey**



RDW/wmi

Enclosures

**APPENDIX "K"**  
**SECURITY REVIEW OF 165 PRINCE STREET**

File Reference: SM043375.00009

June 11, 2025

**Via Electronic Mail**

Deloitte Restructuring Inc.  
Suite 800 - 1741 Lower Water Street  
Halifax, NS B3J 0J2

**Attention: James Foran, Senior Vice President**

Dear James:

**Re: 165 Prince Street, Charlottetown – Review of Security**

At your request, we have performed a limited review of the security charging the real property of BSL Holdings Limited (“**BSL**”), located at 165 Prince Street, Charlottetown, PE (PID no. 342600) (the “**Property**”) to confirm the validity of such security interests. The results of our review are set out below.

This opinion is being delivered to you in connection with the notices of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) filed by each of Annapolis Management Inc., BSL Holdings Limited, Ruby LLP, 3337151 Nova Scotia Limited, and 4551650 Nova Scotia Limited on or about January 20, 2025, in your capacity as proposal trustee.

**I. Security Documents**

Security and Documentation

In connection with our review, we have examined an executed copy of each of the following loan and security documents (collectively, the “**Loan Documents**”):

1. a financing offer – commercial loan agreement with a principal amount of \$2,372,500 together with interest at a rate of 5.45% per annum dated June 20, 2022 (the “**Financing Offer**”) made by BSL in favour of Assumption Mural Life Insurance Company, doing business under the name Assumption Life (“**Assumption**”);
2. a collateral mortgage from BSL, as mortgagor, and Steven Caryi (“**Steven**”), as guarantor dated June 23, 2022 (the “**Assumption Mortgage**”) in favour of Assumption, charging the Property. The Assumption Mortgage secures all “Secured Obligations” as defined in the Assumption Mortgage owing from BSL to Assumption;
3. a general assignment of rents and leases from BSL dated June 23, 2022 (the “**Assumption GAR**”) in favour of Assumption, charging all rents and leases relating to the Property;

4142-6537-3532

4. a general security agreement from BSL dated June 23, 2022 (the “**Assumption GSA**”) in favour of Assumption, charging all present and after-acquired personal property of the BSL; and
5. a full recourse guarantee from Steven dated June 23, 2022 in favour of Assumption, in respect of the obligations of BSL, limited to the principal amount of \$2,372,500.00.

In this opinion letter, the Assumption Mortgage, Assumption GAR, Assumption GSA, are sometimes collectively referred to as the “**Security Documents**”.

### Execution of Documents

The Loan Documents appear to have been executed by Steven, as President of BSL. As more particularly set forth below, we have assumed that each of the Loan Documents has been duly authorized, executed and delivered by BSL, and that each of the Loan Documents is enforceable against it.

## **II. Assumptions**

For the purposes of the opinions expressed herein, we have, without independent investigation or verification, assumed:

- (a) the genuineness of all signatures on documents examined by us, the authenticity of all documents submitted to us as originals, the authenticity of all documents filed or registered in public offices, the legal capacity of all natural persons executing documents and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic, or facsimile copies;
- (b) that:
  - (i) BSL is duly incorporated or otherwise duly formed and organized and is validly subsisting under the laws of its jurisdiction of incorporation or formation;
  - (ii) BSL has the corporate power and capacity to own or lease property and assets, to carry on its business as presently conducted, and to execute, deliver and perform its obligations under the Loan Documents to which it is a party;
  - (iii) BSL has taken all necessary corporate action to authorize the execution, delivery and performance by BSL of each of the Loan Documents to which it is a party;
  - (iv) BSL has duly executed and delivered each of the Loan Documents to which it is a party; and
  - (v) the exercise by BSL of its rights and the performance of its obligations under each Loan Document is not contrary to its constating documents or its governing legislation;

- (c) that each of the Loan Documents constitutes a legal, valid and binding obligation of the parties thereto, enforceable against each of them in accordance with its terms;
- (d) that value has been given;
- (e) that BSL has rights in any personal property charged by BSL in the Assumption GSA (the “**Collateral**”);
- (f) that Assumption has not agreed to postpone the time for attachment of any of the security interests created by the Security Documents (collectively, the “**Security Interests**” and individually, a “**Security Interest**”);
- (g) the currency and accuracy of (i) any printed search result from the Personal Property Registry in the Province of Prince Edward Island (the “**PPR**”), and (ii) the indices and records maintained at the other public offices where we have conducted searches or made inquiries or caused searches or inquiries to be made; and
- (h) that the Loan Documents have not been amended, restated or replaced and there are no agreements or understandings between the parties thereto, whether written or oral, and there is no usage of trade or course of dealing between the parties that would, in either case, define, supplement, limit or qualify the terms of the Loan Documents.

In addition to the Loan Documents, we have also examined such statutes, public and corporate records and documents and considered such questions of law as we have deemed necessary for the opinions hereinafter expressed.

### III. Laws Addressed

We are qualified to practice law in the Province of Prince Edward Island and have made no investigation of the laws of any jurisdiction other than the laws of the Province of Prince Edward Island and the federal laws of Canada applicable therein. The opinions hereinafter expressed are limited to the laws of the Province of Prince Edward Island and the federal laws of Canada applicable therein in effect on the date hereof. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests as a result of the application of conflict of laws rules of the Province of Prince Edward Island including, without limitation, sections 5 to 8 of the *Personal Property Security Act* (Prince Edward Island) (the “**PPSA**”). In addition, we express no opinion whether, pursuant to those conflict of laws rules, the laws of the Province of Prince Edward Island would govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests.

#### IV. Searches

We have conducted or caused to be conducted searches in the Province of Prince Edward Island, as indicated below, current to the dates noted below, with respect to names or other search criteria listed below for registrations or filings of security:

Legislation / Public Office	Names Searched	Current to
<i>Personal Property Security Act</i>	BSL Holdings Limited	May 14, 2025
<i>Bank Act</i> (Canada)	BSL Holdings Limited	May 14, 2025
<i>Judicature Act</i> and <i>Judgement and Executions Act</i> (Prince Edward Island)	BSL Holdings Limited	May 14, 2025
<i>Registry Act</i> (Prince Edward Island)	The Property	May 14, 2025
<i>Real Property Tax Act</i> (Prince Edward Island) <sup>1</sup>	The Property	May 15, 2025

Subject to the currency and accuracy of the registry and filing systems searched, our searches revealed the following:

1. *Personal Property Security Act* – PPSA searches conducted in the PPR revealed the following results:
  - (a) Registration no. 5911971 dated June 27, 2022, against BSL in favour of Assumption in relation to all present and after acquired personal property of BSL.
2. *Bank Act* (Canada) – Searches were conducted for notices of intention to give security under Section 427 of the *Bank Act* registered in the Province of Prince Edward Island. No results were returned.
3. *Judicature Act* (Prince Edward Island) & *Judgement and Execution Act* (Prince Edward Island) – Searches were conducted of the records maintained by the Registrar of the Court of Appeal and the Supreme Court of Prince Edward Island pursuant to the *Judicature Act* and the *Judgment and Execution Act* (Prince Edward Island) for documents registered in the judgment register in Prince Edward Island. The searches revealed no outstanding judgements against BSL.
4. *Registration Act* (Prince Edward Island) – We have conducted a search of the Queens County Registry Office in relation to the property (the “**Title Search**”). The Title Search disclosed the following:

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<sup>1</sup> Please note that this search is a verbal summary received from the Department of Taxation and Property Records with no physical confirmation.

- (a) BSL is the registered owner of the Property.
  - (b) A collateral mortgage from BSL in favour of Saltwire Network Inc. dated August 2, 2019 and registered against title to the Property in the Queens County Registry Office on August 30, 2019 as document no. 6751 (the “**Saltwire Mortgage**”).<sup>2</sup>
  - (c) The Assumption Mortgage and Assumption GAR were each dated as of June 23, 2022 and registered against title to the Property in the Queens County Registry Office on June 29, 2022 as document nos. 6033 and 6034, respectively.
  - (d) The Property is subject to a Boundary Line Agreement dated January 29, 2022 and registered against title to the Property in the Queens County Registry Office on February 16, 2022 as Document Number 1330 (the “**Boundary Line Agreement**”).
5. Real Property Tax Act (Prince Edward Island) – We have contacted the Taxation Department of the Province of Prince Edward Island to confirm that the Real Property Tax account with respect to the Property currently has a balance of \$124,340.55, with per-diem interest in the amount of \$29.57. The Real Property Tax levy for 2025 is \$33,965.91, the first installment of which will become due and payable on May 31, 2025.

## V. Opinions

Based and relying upon and subject to the foregoing, and the qualifications and limitations set forth below, we are of the opinion that:

### Personal Property Security

- 1. The Assumption GSA creates a valid security interest in favour of Assumption in the Collateral described therein in which BSL now has rights, and is sufficient to create a valid security interest in favour of Assumption in any such Collateral in which BSL acquires rights when those rights are acquired by BSL, in each case to secure payment and performance of the obligations of BSL described in the Assumption GSA as being secured thereunder.
- 2. As noted above, there is a PPSA registration against BSL in favour of Assumption in relation to all present and after-acquired personal property of BSL. By virtue of such registration, the Security Interests in favour of Assumption created by the Assumption GSA in the Collateral described in such registration, to the extent capable of perfection by registration of a financing statement under the PPSA, has been perfected.
- 3. Based solely upon the date of registration in the PPR, the PPSA security interests and liens charging the personal property of BSL located at or arising from Property rank in the following priority (to the extent capable of perfection by registration under the PPSA):

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<sup>2</sup> We have not been provided with or reviewed any loan agreement, credit letters, or similar documents establishing credit facilities by Saltwire Network Inc. in favour of BSL in relation to the Property.

- (a) first, the registration in favour of Assumption.

Real Property Security

- 4. Based on the Title Search, the Assumption Mortgage and Assumption GAR constitute a valid mortgage and charge against the Property, as security for the obligations of BSL to Assumption described therein.
- 5. Based on the SRRI, the recorded security interests and liens charging the Property rank in the following priority:<sup>3</sup>
  - (a) first, Saltwire Mortgage; and
  - (b) second, the Assumption Mortgage and Assumption GAR.

**VI. Qualifications**

In addition to any other qualifications, limitations and restrictions set forth in this opinion letter, our opinions herein are subject to the following qualifications, limitations and restrictions:

- 1. The enforcement of the Loan Documents and Security Interests is subject to applicable laws relating to bankruptcy, moratorium, reorganization, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, including the power of a court to stay proceedings in the enforcement of remedies and to impose limitations on the rights of creditors to require immediate payment of amounts stated to be payable on demand prior to the expiration of a reasonable period of time after such demand is made.
- 2. The discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies and, more generally, the enforcement of the Loan Documents and Security Interests is subject to general principles of equity, whether applied by a court of law or equity, which include principles:
  - (a) governing the availability of specific performance, injunctive relief, the power to grant relief from forfeiture, to stay proceedings before it, to stay execution of judgments or other traditional equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which the application for such relief is made;
  - (b) limiting or affecting the enforceability of provisions governing judicial discretion regarding the determination of damages and entitlement to legal fees and other costs; and

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<sup>3</sup> For greater certainty, the priority of the recorded security interests and mortgages charging the property is subject to all applicable qualifications set out herein, including with respect to unregistered statutory liens or deemed trusts which would rank prior to the security interests and mortgages.



- (c) limiting the right to require immediate payment of amounts which are stated to be payable on demand.
- 3. If any of the provisions of the Loan Documents are held to be illegal, invalid or unenforceable, the severance of such provisions from the remaining provisions thereof will be subject to the exercise of the discretion of the Court.
- 4. The Security Interests may not be enforceable in respect of proceeds which are not identifiable or traceable.
- 5. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of Crown debts which does not comply with such Act is ineffective as between the assignor and the assignee and as against the Crown. Consequently, a secured party would not have a valid security interest in Crown debts unless there is compliance with such Act.
- 6. No searches have been made with respect to any the Security Documents under, and no opinion is given with respect to the creation of a security interest pursuant to, the *Canada Shipping Act* (Canada), the *Copyright Act* (Canada), the *Industrial Design Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Patent Act* (Canada), the *Plant Breeders' Rights Act* (Canada), the *Canada Transportation Act* (Canada) and the *Trademarks Act* (Canada) or the consequences of compliance or non-compliance with such statutes.
- 7. No searches have been made with respect to the Security Interests insofar as such security interests relate to any of the following collateral:
  - (a) any crops or mineral claims; or
  - (b) any permits, quotas, licences or other similar property which is not personal property.
- 8. We express no opinion as to the validity or perfection of the Security Interests in respect of any contractual rights, which by their terms or by the nature of the contract, or any permits, quotas, licenses or other similar property, which by its terms, its nature or by the nature of the business of BSL cannot be the subject of a lien or other interest without the consent, authorization or approval of a third person.
- 9. We have not made any inquiries or any investigations with regard to any consents or approvals which may be required in connection with the transfer of any contractual interests made subject to a Security Interest.
- 10. If the Collateral now or hereafter includes any motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat situate in the Province of Prince Edward Island within the meaning of those terms under the general regulations made under the PPSA which is not held by BSL as inventory (as such term is defined in the PPSA), the security interests in such Collateral or their proceeds must be registered against the applicable serial

number description in order to maintain the perfection of such security interests in such Collateral as against certain persons who may have an interest in such Collateral.

11. If the Collateral now or hereafter includes an interest or claim in or under a contract of annuity or policy of insurance, no opinion is expressed herein as to the creation, validity or perfection of the security interest created therein other than in respect of the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation for loss of, or damage to, Collateral.
12. No opinion is expressed herein as to:
  - (a) the title of BSL to, or ownership of, the Collateral; or
  - (b) except as expressly set out herein, the priority of any security interest.
13. With respect to the priority of security interests in the Collateral:
  - (a) no opinion is provided as to security and other interests which arise outside the PPSA and which may have or obtain priority over security interests pursuant to the PPSA;
  - (b) notwithstanding that, subject to attachment, registration under the PPSA will generally perfect a security interest in all forms of personal property to the extent that the PPSA applies to such personal property, perfection by possession or control of certain types of personal property may provide additional rights to a secured party;
  - (c) notwithstanding the order of registration in the PPR, a properly constituted purchase-money security interest has priority over any other security interest in the same Collateral; and
  - (d) the rank and priority of security interests may be affected by facts, matters or circumstances other than the date of registration, as more particularly set forth in the PPSA.
14. We express no opinion as to whether a security interest may be created in any Collateral consisting of a receivable (other than a receivable subject to section 41(10) of the PPSA), licence, approval, privilege, franchise, permit, lease or agreement (collectively, "**Special Property**") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require a consent, approval or other authorization or registration which has not been made or given.
15. With respect to the Property, we express no opinion as to any:
  - (a) unregistered services agreements, subdivision agreements, site plan control agreements, development or similar agreements;
  - (b) unregistered easements, rights-of-ways, rights in the nature of easements and agreements with respect thereto;

- (c) any interests obtained by possession or statute which do not appear in offices of public record;
  - (d) the actual boundaries of the Property or any encroachments affecting the Property;
  - (e) whether the Property, or any buildings or improvements constructed thereon, comply with any applicable enactments governing location and use, including, without limitation, zoning, land use and building restrictions, bylaws, regulations and ordinances of any governmental authority having jurisdiction;
  - (f) whether any native or aboriginal land claims now or hereafter affect the Property; or
  - (g) subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including, without limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown, as the same may be varied by statute and any statutory limitations, exceptions, reservations and qualifications.
16. Title to the Property is subject to any rights which may have been acquired by prescription or by adverse possession in respect of the Property and we have not inquired concerning and consequently express no opinion as to any rights which may have been acquired by prescription or by adverse possession in respect of the Property.
17. Title to the Property is also subject to the following overriding interests whether or not recorded or registered:
- (a) interests of His Majesty in right of the Province of Prince Edward Island being reserved in or excepted from the original grant of the fee simple absolute from His Majesty, or that has been vested in His Majesty pursuant to an enactment;
  - (b) liens in favour of a municipality or His Majesty in right of the Province of Prince Edward Island pursuant to an enactment, such as liens for assessments pursuant to the *Workers' Compensation Act* (Prince Edward Island);
  - (c) a leasehold interest for a term of three years or less if there is actual possession under the lease;
  - (d) an easement or right of way that is being used and enjoyed; and
  - (e) rights granted by or pursuant to an enactment of Canada or of the Province of Prince Edward Island to enter, cross or do things on land for the purpose expressed in the enactment; to recover municipal taxes, duties, rates, assessments; or to control, regulate or restrict the use of land or subdivision of land.
18. Except as and against the person making the instrument, no instrument, until registered or recorded pursuant to the *Registry Act* (Prince Edward Island), passes any estate or interest in a registered parcel.

19. In addition to the other qualifications set out herein, the priority of the mortgages and charges created by the Security Documents against the Property is subject to the Boundary Line Agreement and any encroachments not registered at the applicable Registry Office in accordance with the applicable laws of the Province of Prince Edward Island.
20. There may be unregistered statutory liens or deemed trusts, which would rank prior to the security interests, mortgages, charges and assignments contained in the Security Documents. We have not conducted searches or made inquiries in respect of any statutory liens or deemed trusts which may arise against the Collateral or Property pursuant to the laws of the Province of Prince Edward Island and the federal laws of Canada applicable therein (other than in respect of real property taxes, the arrears of which form a priority lien against the Property).

For greater certainty, a specific assumption, limitation or qualification in this opinion is not to be interpreted to restrict the generality of an assumption, limitation or qualification expressed in general terms that includes the subject matter of the specific assumption, limitation or qualification.

## **VII. Reliance**

The opinions expressed in this opinion letter are provided solely for the benefit of the addressees hereof for the purposes of the transactions contemplated by this opinion letter in connection with the Loan Documents. Accordingly, this opinion letter may not be relied upon by or disclosed to anyone else or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent.

Yours truly,

**Stewart McKelvey**



GWS/

Enclosures

**APPENDIX "L"**  
**FIFTH CASH FLOW FORECAST**

Week beginning Week ending Week #	Forecast 23-Jun-25 29-Jun-25 1	Forecast 30-Jun-25 6-Jul-25 2	Forecast 7-Jul-25 13-Jul-25 3	Forecast 14-Jul-25 18-Jul-25 4	Total
<b>RECEIPTS</b>					
Revenue - Rent and power recoveries	-	103,946	-	-	<b>103,946</b>
DIP Financing	125,000	-	-	-	<b>125,000</b>
HST collected	-	13,864	-	-	<b>13,864</b>
<b>Total Receipts</b>	<b>125,000</b>	<b>117,810</b>	<b>-</b>	<b>-</b>	<b>242,810</b>
<b>OPERATING DISBURSEMENTS</b>					
Utilities	16,638	-	-	22,920	<b>39,558</b>
Insurance	-	10,237	-	672	<b>10,909</b>
Repairs and maintenance	5,769	-	-	2,361	<b>8,130</b>
Property management	-	4,060	-	4,060	<b>8,120</b>
Corporate disbursements	173	5,419	-	3,234	<b>8,826</b>
Repairs and maintenance contingency fund	-	2,500	2,500	2,500	<b>7,500</b>
HST paid	25,362	28	-	31,958	<b>57,348</b>
<b>Total Disbursements</b>	<b>47,941</b>	<b>22,243</b>	<b>2,500</b>	<b>67,706</b>	<b>140,390</b>
<b>RESTRUCTURING COSTS</b>					
Proposal Trustee	78,035	-	-	60,000	<b>138,035</b>
Proposal Trustee legal counsel	50,325	-	-	45,000	<b>95,325</b>
Legal counsel to Caryi Group	-	-	-	25,000	<b>25,000</b>
Financial advisor to Lenders	10,387	-	-	13,596	<b>23,984</b>
<b>Total Restructuring Costs</b>	<b>138,747</b>	<b>-</b>	<b>-</b>	<b>143,596</b>	<b>282,344</b>
<b>Net Inflow/ (Outflow)</b>	<b>(61,688)</b>	<b>95,566</b>	<b>(2,500)</b>	<b>(211,302)</b>	<b>(179,924)</b>
Opening Balance	87,720	26,032	121,599	119,099	<b>87,720</b>
Cash Flow	(61,688)	95,566	(2,500)	(211,302)	<b>(179,924)</b>
Closing Balance	<b>26,032</b>	<b>121,599</b>	<b>119,099</b>	<b>(92,204)</b>	<b>(92,204)</b>

Dated at Halifax, Nova Scotia this 27th day of June, 2025

**As prepared by the Applicants detailed in Appendix "L"**

On Behalf of the Caryi Group of Companies:

DocuSigned by:  
  
 Signed (Ms. Joanne Caryi)  
**Director**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL (the "NOI") OF THE  
CARYI GROUP OF COMPANIES**

**NOTES TO STATEMENT OF THE CONSOLIDATED PROJECTED CASH FLOW (the "FIFTH CASH  
FLOW STATEMENT")**

**FOR THE PERIOD JUNE 23 TO JULY 18, 2025 (the "FIFTH CASH FLOW PERIOD")**

The Fifth Cash Flow Statement is to be read in conjunction with the attached Form 29 – Trustee's Report on Cash-flow Statement and Form 30 – Report on Cash-flow Statement by the Person making the Proposal.

Management has prepared the Fifth Cash Flow Statement solely for the purpose of determining the ability of:

Annapolis Management Inc.;  
BSL Holdings Limited;  
Ruby LLP;  
3337151 Nova Scotia Limited; and  
4551650 Nova Scotia Limited (each a "**Debtor**" and collectively, the "**Debtors**" or the "**Caryi Group**") to fund the operating activities of the Caryi Group during the stay of proceedings until July 18, 2025.

Readers are cautioned that the Fifth Cash Flow Forecast may not be appropriate for any other purpose.

The Fifth Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results may vary from the projection and such variances may be material.

1. The Fifth Cash Flow Statement incorporates the operations of the five individual companies comprising the Caryi Group.
2. The Fifth Cash Flow Statement for the Fifth Cash Flow Period was prepared by the Debtors detailed in Appendix "**L**" for the Caryi Group with the assistance of Deloitte Restructuring Inc. ("**Deloitte**"). Deloitte relied on the Caryi Group's internal books and records, discussions with management of the Caryi Group ("**Management**") and forecast realizations during the Cash Flow Period to assist in the preparation of the Fifth Cash Flow Statement. Deloitte notes that while the Fifth Cash Flow Statement was prepared on a consolidated basis, each Debtor comprising the Caryi Group has forecast its own cash flows.
3. Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the financial information in the Fifth Cash Flow Statement in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the *CPA Canada Handbook* (the "**CPA Handbook**") and, accordingly, Deloitte expresses no opinion or other form of assurance in respect of the financial information contained in the Fifth Cash Flow Statement.
4. Some of the information referred to in the Fifth Cash Flow Statement and these notes consists of financial forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook has not been performed.
5. Future-oriented financial information referred to in the accompanying Fifth Cash Flow Statement was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.
6. The information and assumptions contained in the Fifth Cash Flow Statement and these notes is not intended to be relied upon by any prospective purchaser or investor in any transactions with the Caryi Group. All amounts referenced herein are in Canadian dollars unless otherwise noted.

## 7. RECEIPTS

*Revenue – Rent and power recoveries - \$103,946*

This line item includes rental receipts from the Caryi Group's residential and commercial tenants that is forecast to be collected during the first week of each month. Management has made estimates regarding tenants whose leases expire during the Fifth Cash Flow Period.

*Debtor-in-possession (DIP) financing - \$125,000*

This line item corresponds to the forecasted funds required by the Caryi Group and is in accordance with the DIP Facility Agreement.

*HST collected - \$13,864*

This line item includes harmonized sales tax collected by the Caryi Group from eligible commercial rent payments and recoveries based on a rate of 14% for the properties in Nova Scotia and 15% for the property in PEI.

## 8. DISBURSEMENTS

*Utilities - \$24,938*

This amount represents utility costs at each of the Debtors' properties, including electricity, water and heat.

*Insurance - \$10,909*

Includes payment of insurance premiums, paid on a monthly basis. This estimate has been revised based on the expectation that the properties would be sold before June 29<sup>th</sup>, 2025.

*Repairs and maintenance - \$5,769*

These costs include payments for maintenance at each of the Debtors' properties. They are assumed to be paid over the course of each month. They also relate to carrying out actions related to the Order to Comply for the 5212 Sackville Street property and include an associated fixed cost outlay for scaffolding and similar minor expenses.

*Property management - \$8,120*

These costs represent those amounts assumed to be paid to contractors to manage the Debtors' properties in the Halifax area.

*Corporate disbursements - \$8,826*

These amounts represent amounts that are not attributable to specific properties and represent payments to certain contractors/individuals engaged in the NOI Proceedings.

*Repairs and maintenance contingency fund - \$7,500*

A weekly allowance of \$2,500 has been estimated to accommodate unforeseeable events necessitating repair and maintenance expenses in line with the operational functioning of the Debtors' properties.

*HST paid - \$49,694*

This line item includes harmonized sales tax paid by the Debtors on expenses primarily related to professional fees, power, heat and maintenance based on a rate of 14% for the properties in Nova Scotia and 15% for the property in PEI.

*Restructuring costs - \$143,596*

These amounts are based on incurred and anticipated effort by the Professionals involved in the NOI Proceedings and are based on past experiences in similar mandates.

On Behalf of the Caryi Group of Companies:

DocuSigned by:

Per:



FFA96D17BE4F4AA

Signed (Ms. Joanne Caryi)

**Director**



District of: Nova Scotia  
Division No. 01-Halifax  
Court No. 46008/46006/46009/46007/46005  
Estate No. 51-3176229

-- FORM 29 --

Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

The attached statement of projected cash flow of the Caryi Group, as of June 23, 2025, consisting of the four-week period ending July 18, 2025, has been prepared by the management of the insolvent debtor for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Halifax in the Province of Nova Scotia, this 27<sup>th</sup> day of June 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee

Per:



---

James Foran – Licensed Insolvency Trustee  
1741 Lower Water Street, Suite 800,  
Halifax, NS B3J 0J2  
(902) 422-8541



---

Todd Ambachtsheer – Licensed Insolvency Trustee  
8 Adelaide Street West, Suite 200,  
Toronto, ON, M5H 0A9  
(416) 607-0781

District of: Nova Scotia  
Division No. 01-Halifax  
Court No. 46008/46006/46009/46007/46005  
Estate No. 51-3176229

-- FORM 29 -- Attachment --  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

Purpose:

To support the Debtors' intent to file a proposal

Projection Notes:

Attached to Form 30.

Assumptions:

Set out in Notes 1 through 8.

Dated at the City of Halifax in the Province of Nova Scotia, this 27<sup>th</sup> day of June 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee

Per:



---

James Foran – Licensed Insolvency Trustee  
1741 Lower Water Street, Suite 800,  
Halifax, NS B3J 0J2  
(902) 422-8541



---

Todd Ambachtsheer – Licensed Insolvency Trustee  
8 Adelaide Street West, Suite 200,  
Toronto, ON, M5H 0A9  
(416) 607-0781

District of: Nova Scotia  
Division No. 01-Halifax  
Court No. 46008/46006/46009/46007/46005  
Estate No. 51-3176229

-- FORM 30--  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

The management of the Caryi Group has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent debtors, as of June 23, 2025, consisting of the four-week period ending July 18, 2025.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent debtor and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

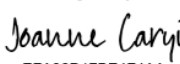
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Halifax in the Province of Nova Scotia, this 27<sup>th</sup> day of June 2025.

On Behalf of the Caryi Group:

Per:

DocuSigned by:  
  
EEA96D17BE4E4AA  
Signed (Ms. Joanne Caryi)  
**Director**

District of: Nova Scotia  
Division No. 01-Halifax  
Court No. 46008/46006/46009/46007/46005  
Estate No. 51-3176229

-- FORM 30-Attachment--  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

Purpose:  
To support the Debtors' intent to file a proposal

Projection Notes:  
Attached to Form 30.

Assumptions:  
Set out in Notes 1 through 8.

Dated at the City of Halifax in the Province of Nova Scotia, this 27<sup>th</sup> day of June 2025.

DocuSigned by:

  
EFA96D17BE4F4AA...

Signed (Ms. Joanne Caryi)  
**Director**

**Appendix "A"**  
**List of Applicants**

Annapolis Management Inc.  
BSL Holdings Limited  
Ruby LLP  
3337151 Nova Scotia Limited  
4551650 Nova Scotia Limited

**APPENDIX "M"**  
**AFFIDAVIT OF JAMES FORAN**

Form 39.08

2025

Hfx No. 539955

**Supreme Court of Nova Scotia**

**In Bankruptcy and Insolvency**

**Between:**

**Duoro Capital Limited, Graysbook Capital Limited, League Savings and Mortgage Company, Atlantic Credit, Assumption Mutual Life Insurance Company, and 3046475 Nova Scotia Limited**

**Applicant**

**-and-**

**Annapolis Management, Inc., Ruby, LLP, BSL Holdings Limited, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited**

**Respondent**

**AFFIDAVIT OF JAMES FORAN  
(sworn June 26, 2025)**

I, **JAMES FORAN**, of the City of Halifax, in the Province of Nova Scotia, **SWEAR AND SAY AS FOLLOWS:**

1. I am a Chartered Professional Accountant, a Chartered Accountant, a Chartered Insolvency and Restructuring Professional, a Licensed Insolvency Trustee and a Senior Vice President with Deloitte Restructuring Inc. ("**Deloitte**"), and as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to Annapolis Management, Inc., Ruby, LLP, BSL Holdings Limited, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited filing notices of intention to make a proposal (each, an "**NOI**" and together, the "**NOI Proceedings**"), on January 20, 2025, Deloitte consented to act as the Licensed Insolvency Trustee (the "**Proposal Trustee**") under each of the NOIs.
3. Attached hereto and marked as Exhibit "**A**" is a copy of the six interim invoices (the "**Invoices**") rendered by the Proposal Trustee in respect of the period from November 12, 2024 to May 31, 2025. The Invoices contain the fees (including details of the billing rates and total hours of each of the members of Deloitte who acted on behalf of the Proposal Trustee in these NOI Proceedings), disbursements and HST charged by the Proposal Trustee in these NOI Proceedings.
4. Attached hereto and marked as Exhibit "**B**" is a schedule summarizing each invoice in Exhibit "**A**", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice. The Proposal Trustee expended a total of 865.70 hours at an average

hourly rate of approximately \$465.96 in connection with this matter during the period from November 12, 2024 to May 31, 2025, giving rise to fees of \$403,380.00, administrative fees of \$28,236.61, disbursements of \$15,686.72, plus HST of \$63,346.00 for a total of \$510,649.33.

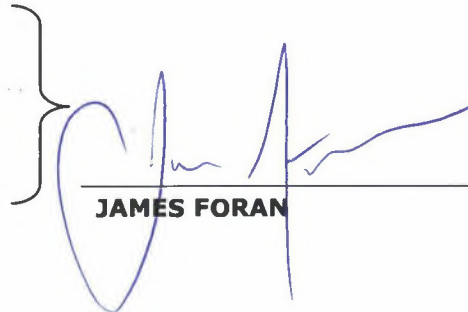
5. The Invoices are a fair and accurate description of the services provided and the amounts charged by the Proposal Trustee. To the best of my knowledge, the Proposal Trustee's rates and disbursements are consistent with those in the Atlantic Canada market for these types of matters and the hourly billing rates charged by the Proposal Trustee are comparable to the rates charged by the Proposal Trustee for services rendered in similar proceedings.

6. I make this affidavit in support of a motion by the Proposal Trustee, Deloitte Restructuring Inc., for, among other things, approval of the fees and disbursements of the Proposal Trustee.

**SWORN** in person before me at the City of Halifax in the Province of Nova Scotia on June 26, 2025.



Sara L. Scott  
A Barrister of the Supreme Court of Nova Scotia

  
**JAMES FORAN**



THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF  
JAMES FORAN SWORN BEFORE ME THIS 26<sup>th</sup> DAY OF JUNE,  
2025.



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Sara L. Scott  
A Barrister of the Supreme Court of Nova Scotia

**Caryl Group**  
**Summary of invoices of Deloitte Restructuring Inc. ("Deloitte") - Proposal Trustee**  
**For the period November 12, 2024 to May 31, 2025**  
**Prepared on June 25, 2025**

Invoice #	Period	Hours	Net Fees	Average Rate	Administrative fee	Disbursements	HST	Total
8005893569	November 12, 2024 to December 19, 2024	65.5	28,835.00	440.23	2,018.45	8,910.50	5,566.95	45,330.90
8005804506	January 1, 2025 to January 31, 2025	133.0	67,620.00	508.42	4,733.40	-	10,853.01	83,206.41
8005893571	February 3, 2025 to February 28, 2025	188.0	89,002.50	473.42	6,230.18	1,800.00	13,584.58	110,617.26
8006027152	March 1 2025 to March 31, 2025	147.7	67,925.00	459.88	4,754.75	1,047.00	10,321.75	84,048.50
8006163210	April 1 2025 to April 30, 2025	168.4	72,930.00	433.08	5,105.10	3,806.57	11,457.83	93,299.50
8006186273	May 1 2025 to May 31, 2025	163.1	77,067.50	472.52	5,394.73	122.65	11,561.88	94,146.76
<b>Total</b>		<b>865.7</b>	<b>403,380.00</b>	<b>465.96</b>	<b>28,236.61</b>	<b>15,686.72</b>	<b>63,346.00</b>	<b>510,649.33</b>

**Invoice 8005893569****Deloitte Restructuring Inc.**

1741 Lower Water Street, Suite 800  
Halifax NS B3J 0J2

Ruby LLP  
PO Box 1011 Station Central  
Halifax NS B3J 2X1  
Canada

Tel: (902) 422-8541  
Fax: (902) 423-5820  
www.deloitte.ca

Date: April 04, 2025  
Client No.: 1758663  
WBS#: CAR06934  
Engagement Partner: James Foran

GST/HST Registration: 122893605RT0001  
QST Registration: 1000870419TQ0002

**For professional services rendered****Fees**

For work performed with respect to our engagement letter dated November 13, 2024 related to 3337151 Nova Scotia Limited, Annapolis Management Inc., Ruby LLP, Comvest Commercial Real Estate Inc., BSL Holdings Inc., and 4551650 NS Ltd. (collectively, the Caryi Group), including but not limited to the following:

- Meeting with debtor, legal counsel and financial advisor;
- Prepare for and attend meeting with stakeholders;
- Work with debtors to create a cash flow forecast;
- Discussions with debtors and stakeholders; and
- Discussions with legal counsel and financial advisors.

Please see the attached appendix for details.

The retainer on account has been applied to clear the Total Amount Due.

HST applicable	28,835.00
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**Expense**

Out of pocket expenses

HST applicable	8,910.50
Administrative Expense	2,018.45

**Sales Tax**

HST at 14.00 %	5,566.95
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<b>Total Amount Due (CAD)</b>	<b>45,330.90</b>
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Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

## Fee Summary

For the period November 13, 2024 to December 19, 2024

Professional	Position	Hours	Hourly Rate	Fees
James Foran	Senior Vice President	25.8	575.00	14,835.00
Ambachtsheer, Todd	Senior Vice President	7.6	575.00	4,370.00
Mohamed Mohamoud	Senior Associate	32.1	300.00	9,630.00
<b>Total</b>		<b>65.5</b>		<b>28,835.00</b>

Expense Type	Expense Amount
Legal Fees	8,910.50
<b>Total</b>	<b>8,910.50</b>

Date	Name	Hours	Descriptions
11/12/2024	Foran, James	0.80	Discussions with David Boyd, discussions with Josh Santimaw, documentation review, emails
11/13/2024	Foran, James	0.70	Discussions with David Boyd, review of documentation, review of emails
11/15/2024	Foran, James	1.10	Review of Property Registry details, amend debtor debt schedule, discuss with engagement team members, share with David Boyd, emails
11/18/2024	Foran, James	1.60	Update to property debt scheduled based on discussions with Joanne Caryi and David Boyd, discuss same with legal counsel and Deloitte engagement team, emails and calls
11/19/2024	Mohamoud, Mohamed	2.60	Set-up initial 9 month Cashflow for receipts and disbursements.
11/19/2024	Foran, James	0.70	Calls re: potential CCAA filing, discuss structure of US entities
11/20/2024	Mohamoud, Mohamed	0.40	Call with Deloitte engagement team to discuss initial plan and needs.
11/20/2024	Foran, James	0.40	emails from Joanne Caryi and David Boyd
11/21/2024	Foran, James	0.40	discuss DIP with parties, call with David Boyd

Date	Name	Hours	Descriptions
11/25/2024	Mohamoud, Mohamed	0.80	Create preliminary entity org chart
11/25/2024	Foran, James	1.10	Discussion with Todd Ambachtsheer, work on organizational structure and email to engagement team and Sara Scott
11/26/2024	Mohamoud, Mohamed	4.80	Build cash flow forecast by property and consolidate
11/26/2024	Foran, James	2.20	Prepare for and meeting at Boyne Clarke with stakeholders and legal counsel
11/27/2024	Mohamoud, Mohamed	3.90	Complete cash flow by property and consolidate
11/27/2024	Foran, James	0.30	Call with Joanne Caryi
11/29/2024	Mohamoud, Mohamed	0.90	Assess preliminary cash flow review notes
11/29/2024	Foran, James	0.60	Telephone call with Joanne Caryi, Laurie Caryi and David Boyd.
12/2/2024	Foran, James	2.80	Meeting with Joanne Caryi and David Boyd, site visits of Halifax properties
12/3/2024	Mohamoud, Mohamed	4.90	Updating and clearing cash flow review notes from Todd Ambachtsheer
12/4/2024	Mohamoud, Mohamed	3.80	Cash flow updates and follow-ups to Joanne Caryi
12/4/2024	Mohamoud, Mohamed	0.40	Call with engagement team on cash flow
12/4/2024	Ambachtsheer, Todd	0.40	Group planning call
12/5/2024	Mohamoud, Mohamed	2.60	Cash flow updates and follow-ups
12/5/2024	Mohamoud, Mohamed	0.40	Call with debtor and Deloitte to discuss cash flow questions

Date	Name	Hours	Descriptions
12/5/2024	Ambachtsheer, Todd	0.90	Planning call; review cash flows
12/5/2024	Foran, James	0.80	Email from Joanne Caryi re: meetings with lenders and real estate, discuss same with stakeholders
12/6/2024	Mohamoud, Mohamed	1.90	Cash flow updates and follow-ups with Joanne Caryi
12/6/2024	Ambachtsheer, Todd	0.60	Calls with Joanne Caryi re: cash flows and other matters
12/9/2024	Ambachtsheer, Todd	0.40	Calls with J. Caryi re: cash flows and other filing matters
12/10/2024	Ambachtsheer, Todd	0.90	Stakeholder call
12/11/2024	Mohamoud, Mohamed	0.80	Make adjustments to cash flow before creditor call
12/11/2024	Foran, James	1.10	Call with Tim Gillis, emails to/from stakeholders re: update to lender call, calls with Deloitte engagement team,
12/12/2024	Ambachtsheer, Todd	0.90	Group call between professionals and debtors
12/12/2024	Foran, James	0.80	Discussions with professionals re: CCAA filing, cash flow, DIP, lender discussions
12/13/2024	Ambachtsheer, Todd	0.40	Call on stakeholder memo
12/13/2024	Foran, James	1.80	Call with engagement team and legal counsel re: memo, commence drafting of memo, calls and emails, call with Tim Gillis, emails and calls with CIBC
12/16/2024	Mohamoud, Mohamed	0.40	Call with James Foran and Todd Ambachstheer for memo to stakeholders
12/16/2024	Mohamoud, Mohamed	0.60	Updating organizational chart and lender amounts/priorities



Date	Name	Hours	Descriptions
12/16/2024	Foran, James	2.90	Draft lender memo, discuss same with engagement team, calls with David Boyd, emails and calls with Joanne Caryi, discussions with Josh Santimaw
12/17/2024	Ambachtsheer, Todd	1.40	Review memo; discussions with Mohammed Mohamoud
12/17/2024	Mohamoud, Mohamed	2.90	Update/format to organizational chart, cashflows and summaries for memo to stakeholders.
12/17/2024	Foran, James	2.60	Call with David Boyd, call with Joanne Caryi, site visit at Sonic Building with Duoro Capital, share property debt schedule with Joanne Caryi and review, share lender memo with group for review and comments
12/18/2024	Ambachtsheer, Todd	0.80	Review memo and provide comments
12/18/2024	Foran, James	1.30	Emails with Caryi Group re: organizational chart and debt stack, emails to professionals re: status of Comvest and CCAA filing, email re: potential NOI filing of group, call with Joanne Caryi, call with David Boyd, call with Josh Santimaw
12/19/2024	Ambachtsheer, Todd	0.90	Update call with lending group
12/19/2024	Foran, James	1.80	Prepare for and attend professionals call, discussions with Joanne Caryi, call with Tim Gillis, discussions with Todd Ambachtsheer, emails
<b>Total</b>		<b>65.50</b>	



Ruby LLP  
PO Box 1011 Station Central  
Halifax NS B3J 2X1  
Canada

## Invoice 8005804506

**Deloitte Restructuring Inc.**  
1741 Lower Water Street, Suite 800  
Halifax NS B3J 0J2

Tel: (902) 422-8541  
Fax: (902) 423-5820  
www.deloitte.ca

Date: March 14, 2025  
Client No.: 1758663  
WBS#: CAR06934  
Engagement Partner: James Foran

GST/HST Registration: 122893605RT0001  
QST Registration: 1000870419TQ0002

### For professional services rendered

#### Fees

For work performed with respect to our engagement letter dated November 13, 2024 related to 3337151 Nova Scotia Limited, Annapolis Management Inc., Ruby LLP, Comvest Commercial Real Estate Inc., BSL Holdings Inc., and 4551650 NS Ltd. (collectively, the Caryi Group), including but not limited to the following:

- Activities relating to the CCAA Filing, including the filing of the Pre-Filing Report of the Monitor and Cash Flow Forecast;
- Prepare NOI filings for five entities along with statutory documents and participate in discussions with stakeholders;
- Prepare for and attend Court hearing re: motion of lift the stay of proceedings including the filing of the First Report of the Proposal Trustee;
- Participate in discussions with Doane Grant Thornton regarding the SISP and Cash Flow Forecast;
- Prepare and file the Second Report of the Proposal Trustee;
- Activities relating to the SISP; and
- Discussions with stakeholders.

Please see the attached appendix for details.

#### Sales Tax

HST applicable	67,620.00
Administrative Expense	4,733.40

HST at 15.00 %	10,853.01
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<b>Total Amount Due (CAD)</b>	<b>83,206.41</b>
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Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



**Fee Summary****For the period January 1, 2025 to January 31, 2025**

Professional	Position	Hours	Hourly Rate	Fees
Robert Jeffery	Senior Vice President	0.2	600.00	120.00
Todd Ambachtsheer	Senior Vice President	10.5	600.00	6,300.00
James Foran	Senior Vice President	57.8	600.00	34,680.00
Karine Forget	Senior Manager	5.7	500.00	2,850.00
Fraser Macinnes	Senior Manager	24.0	500.00	12,000.00
Mélanie Ayotte	Manager	0.7	325.00	227.50
Colleen O'Brien	Manager	4.8	400.00	1,920.00
Ian Lewis	Senior Associate	2.6	325.00	845.00
Mohamed Mohamoud	Senior Associate	26.7	325.00	8,677.50
<b>Total</b>		<b>133.0</b>		<b>67,620.00</b>

Date	Name	Hours	Descriptions
1/6/2025	Foran, James	1.90	Calls with David Boyd, review and suggested changes to Pre Filing Report, discussions with engagement team, call with Joanne Caryi, emails
1/6/2025	Ambachtsheer, Todd	1.80	Review draft filing materials
1/7/2025	Ambachtsheer, Todd	3.50	Review Court filings; update report; call with Sara Scott
1/7/2025	Mohamoud, Mohamed	0.50	Regroup Deloitte Team
1/7/2025	Mohamoud, Mohamed	0.50	Regroup with Counsel
1/7/2025	Mohamoud, Mohamed	2.30	Cashflows Updates + Set-up email, website and phone number.
1/7/2025	Foran, James	3.90	Prepare for and attend internal calls re: CCAA filing documents, discussions with estate stakeholders
1/8/2025	Ambachtsheer, Todd	3.70	Calls to prepare for filing; update report; review filing materials and provide comments on same
1/8/2025	Mohamoud, Mohamed	3.50	Cashflow updates for initial monitor report

Date	Name	Hours	Descriptions
1/8/2025	Foran, James	3.80	Work on Pre-Filing Report of the Proposed Monitor, internal discussions, calls with legal counsel, calls and emails with stakeholders
1/9/2025	Mohamoud, Mohamed	5.60	Cashflow updates for initial monitor report
1/9/2025	Foran, James	3.90	Work on Pre-Filing Report, review of Cash Flow Forecast, internal discussions with engagement team, discussions with stakeholders, discussions with legal counsel
1/10/2025	Mohamoud, Mohamed	7.40	Cashflow updates for initial monitor report
1/10/2025	Foran, James	3.90	Work to finalize Court filings including Pre-Filing Report and Cash Flow Forecast, discussions with David Boyd on filings along with DIP, calls and emails with Joanne Caryi, calls and emails with legal counsel
1/10/2025	Ambachtsheer, Todd	0.50	Finalize report
1/13/2025	Mohamoud, Mohamed	5.50	Set-up creditor package, creditor list, newspaper ad, form 1 and form 2
1/13/2025	Foran, James	2.90	Review of creditor Court filings, discussions with stakeholders, emails
1/15/2025	Foran, James	1.70	Discussions with legal counsel, outline potential NOI Filings to Caryi Group and advisors, emails
1/16/2025	Foran, James	2.50	Emails with stakeholders re: NOI filing, meeting with Bill MacAvoy of CWA, calls to/from Joanne Caryi, discussions with legal counsel
1/20/2025	Forget, Karine	5.70	Working with James Foran on the filing of five NOI's
1/20/2025	Mohamoud, Mohamed	1.40	Set-up website, email and phone to go live.
1/20/2025	Foran, James	3.10	NOI filings for five entities and associated discussions with legal counsel, stakeholders and Deloitte engagement team, call with OSB
1/20/2025	Macinnes, Fraser	0.80	Call to discuss NOI filing with Stewart McKelvey, Resolve Advisory, Joanne Caryi, Boyne Clarke, Deloitte, etc.
1/21/2025	O'Brien, Colleen	1.90	Prepare NOI packages for mail out and send to James Foran for review.
1/21/2025	Foran, James	2.10	Discuss mail out with Colleen O'Brien, review and creditor letter, emails to stakeholders re: filings, calls with OSB, discuss Form 78 issue

Date	Name	Hours	Descriptions
1/22/2025	Ambachtsheer, Todd	1.00	Calls with James Foran; review report
1/22/2025	O'Brien, Colleen	2.00	NOI creditor mail out, discussions with James Foran
1/22/2025	Foran, James	4.70	Creditor notices, review and approve disbursements, draft First Report of Proposal Trustee, discuss same with Deloitte engagement team and legal counsel, update on status of cash flow from engagement team
1/23/2025	Ayotte, Mélanie	0.70	Update and maintain Monitor's website
1/23/2025	Foran, James	3.90	Finalize and file First Report of Proposal Trustee, review Court filings and discuss same with legal counsel and Deloitte engagement team, discussions with Joanne Caryi, Josh Santimaw and David Boyd, disbursement review and approval, emails
1/23/2025	MacInnes, Fraser	1.60	First Report finalization
1/24/2025	Foran, James	5.00	Prepare for and attend Court hearing re: Duoro Capital including discussions ahead of and subsequent to the hearing
1/27/2025	Foran, James	2.60	attend Court hearing, planning meeting subsequently with stakeholders, cash flow discussions, emails to/from Liam Murphy
1/27/2025	MacInnes, Fraser	2.10	Cash flow update, attend Court hearing and follow up discussion
1/28/2025	O'Brien, Colleen	0.90	Amend the form 78's for BSI and 455, e filing for forms with OSB, discuss same with James Foran
1/28/2025	Foran, James	3.30	Meeting with Liam Murphy, calls and emails with Joanne Caryi re: cash flow filing and real estate listings, internal meetings to review cash flow for filing, proposed requested relief upcoming,
1/28/2025	MacInnes, Fraser	6.40	Cash flow meeting with Joanne Caryi and David Boyd on site; Amendments to cash flow and discussions with James Foran/Joanne Caryi; Drafting of notes/filing
1/29/2025	Foran, James	3.90	Review BIA for precedent on disclaimer of agreements, review of cash flow and comments to engagement team, final approval and filing of cash flow, emails to/from stakeholders, discuss SISP with engagement team
1/29/2025	Lewis, Ian	1.90	Discussions with Fraser MacInnes re: tender package, teaser, NOI sale process; Review engagement materials; Prepare debtor information request list.



Date	Name	Hours	Descriptions
1/29/2025	MacInnes, Fraser	6.60	Report and cash flow finalization and filing; SISP organizing
1/30/2025	Jeffery, Robert	0.20	Introductory email to Joanne Caryi with general overview of considerations on s. 116 process for expected structure, request for follow up call or meeting to discuss corporate structure in additional detail.
1/30/2025	Foran, James	1.80	Discussions with Joanne Caryi, David Boyd and Josh Santimaw, discussions with Deloitte engagement team, discussions with legal counsel, disbursement review and approval, Second Report
1/30/2025	Lewis, Ian	0.70	Discussions with Fraser MacInnes re: tender package, teaser, advertising; Review engagement materials; Prepare debtor information request list.
1/30/2025	MacInnes, Fraser	6.50	Discussion with James Foran and Ian Lewis about SISP, Second Report of Proposal Trustee, emails to client; report drafting
1/31/2025	Foran, James	2.90	Discuss Comvest/Square payments with Joanne Caryi, discuss same with Fraser MacInnes, review supporting documentation, calls and emails with Charles Ackerman re: Lenders questions and discuss same with Fraser MacInnes
<b>Total</b>		<b>133.00</b>	



Ruby LLP  
PO Box 1011 Station Central  
Halifax NS B3J 2X1  
Canada

## Invoice 8005893571

**Deloitte Restructuring Inc.**  
1741 Lower Water Street, Suite 800  
Halifax NS B3J 0J2

Tel: (902) 422-8541  
Fax: (902) 423-5820  
www.deloitte.ca

Date: April 04, 2025  
Client No.: 1758663  
WBS#: CAR06934  
Engagement Partner: James Foran

GST/HST Registration: 122893605RT0001  
QST Registration: 1000870419TQ0002

### For professional services rendered

#### Fees

For work performed with respect to our engagement letter dated November 13, 2024 related to 3337151 Nova Scotia Limited, Annapolis Management Inc., Ruby LLP, Comvest Commercial Real Estate Inc., BSL Holdings Inc., and 4551650 NS Ltd. (collectively, the Caryi Group), including but not limited to the following:

- Activities surrounding the SISP, including the creation of the Teaser, Tender Package and Data Room;
- Prepare analysis of financial position of the Caryi Group;
- Assist the Caryi Group with the initial DIP draw, including the creation of a DIP draw sheet;
- Discussions and meetings with Joanne Caryi;
- Discussions with interested parties; and
- Participate in discussions with professionals, including Doane Grant Thorton and legal counsel.

Please see attached appendix for details.

HST applicable	89,002.50
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#### Expense

Out of pocket expenses.

HST applicable	1,800.00
Administrative Expense	6,230.18

#### Sales Tax

HST at 14.00 %	13,584.58
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<b>Total Amount Due (CAD)</b>	<b>110,617.26</b>
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Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

## Summary of Fees

For the period from February 3, 2025 to February 28, 2025

Professional	Position	Hours	Hourly Rate	Fees
James Foran	Senior Vice President	37.8	600.00	22,680.00
Todd Ambachtsheer	Vice President	9.9	600.00	5,940.00
Fraser MacInnes	Vice President	84.1	500.00	42,050.00
Colleen O'Brien	Manager	0.9	400.00	360.00
Ian Lewis	Senior Associate	55.3	325.00	17,972.50
<b>Total:</b>		<b>188.0</b>		<b>89,002.50</b>

Expense Type	Expense Amount
Court Fees	750.00
Advertising	1,050.00
<b>Total</b>	<b>1,800.00</b>

Date	Name	Hours	Descriptions
2/3/2025	Macinnes, Fraser	4.8	Analysis of Square payments; workbook analysis of Prince street property, preparing information request list for teaser, call with lenders
2/4/2025	Macinnes, Fraser	2.7	Updating of cash flow forecast
2/5/2025	Macinnes, Fraser	5.3	Summarizing information request emails from Charles Ackerman and pulling together responses, discussion with Todd Ambachtsheer regarding cash flow review, email and call with Joanne Caryi about cash balance reconciliation
2/6/2025	Macinnes, Fraser	5.2	Finalizing cash flow, working on cash balance reconciliation, several emails to Joanne Caryi and Doane Grant Thornton, meeting with Ian Lewis about teaser/tender offer
2/7/2025	Macinnes, Fraser	3.7	Cash flow, confirming WIP with Colleen O'Brien, email to Joanne Caryi about outstanding documents for teaser/tender package, discussion with Ian Lewis, finishing 19-week cash flow model following lender feedback
2/10/2025	Ambachtsheer, Todd	1.3	Review and comment on Second Report of Proposal Trustee
2/10/2025	Lewis, Ian	6.9	Prepare Tender Package, Teaser, distribution list; Discussions with Mathieu Laforest re: NOI tombstones; Emails to/from Joanne Caryi re: residential tenants, material to include in the data room).
2/10/2025	Foran, James	5.4	Discussion with Liam Murphy, detailed review of cash flow forecast and discuss same with Joanne Caryi and Fraser Macinnes, disbursement review and approval, emails and calls with tenants, create financial analysis pre NOI filing, insurance matters
2/11/2025	Ambachtsheer, Todd	3.7	Call with engagement team on Second Report of Proposal Trustee

Date	Name	Hours	Descriptions
2/11/2025	Lewis, Ian	6.8	Prepare tender package, teaser, distribution list; discussions with Fraser MacInnes and Todd Ambachtsheer re: finalizing tender package, teaser, advertisements; emails to/from Joanne Caryi re: Parcels #1, #2, #3 and #6.
2/11/2025	Foran, James	3.7	Work on Second Report of Proposal Trustee, discussions with Deloitte engagement team, discussions with Liam Murphy re: DIP and other matters, emails to/from legal counsel and Caryi Group
2/12/2025	Ambachtsheer, Todd	2.2	Updates to Second Report of Proposal Trustee
2/12/2025	Lewis, Ian	5.2	Prepare tender package, teaser, distribution list; Discussions with Fraser MacInnes and Debtor re: tender package, teaser, operations, prepare material to include in the virtual data room.
2/12/2025	Macinnes, Fraser	3.9	Reviewing and assisting on tender offer/teaser, cash flow variance analysis
2/12/2025	Foran, James	4.4	Prepare for and attend meeting with Fraser Macinnes re: file matters, review of DIP term sheet and share comments, meeting on cash flow forecast, emails to/from legal counsels and stakeholders re: Tender Process, discuss interested parties, Second Report
2/13/2025	Ambachtsheer, Todd	0.6	Review Second Report of Proposal Trustee and comments to engagement team
2/13/2025	Macinnes, Fraser	4.1	Finalizing cash flow for Second Report of Proposal Trustee
2/13/2025	Lewis, Ian	5.4	Prepare tender package, teaser, distribution list; Discussions with Fraser MacInnes, James Foran and Todd Ambachtsheer re: SISF. Prepare material to include in the virtual data room.
2/13/2025	Foran, James	3.9	Review of Teaser and comments to engagement team, review cash flow with Fraser Macinnes, discussions with Joanne Caryi, internal discussions, discussions with DGT, emails and calls, changes to Second Report of Proposal Trustee
2/14/2025	Ambachtsheer, Todd	1.3	Review comments from Caryi Group and legal counsel on Second Report, call with engagement team
2/14/2025	Macinnes, Fraser	3.8	Work on Second Report and provide to legal counsel for filing, call with Joanne Caryi about expenses, review of expenses, distribution list review and discussion with Ian Lewis
2/14/2025	Lewis, Ian	2.1	Prepare advertisements; Discussions with Fraser MacInnes re: advertisements. Prepare material to include in the virtual data room; Discussions with Mathieu Laforest re: prospective purchasers.
2/14/2025	Foran, James	3.1	Work to finalize Second Report of Proposal Trustee along with Appendices, internal conference calls, discussions with legal counsel, review of banking transactions, call and emails to/from Liam Murphy



Date	Name	Hours	Descriptions
2/17/2025	MacInnes, Fraser	4.1	Invoice review and approvals for various properties, email to Stewart McKelvey [REDACTED], other miscellaneous tasks (e.g. orders Teams folders, reviewing documents received from client)
2/18/2025	Ambachtsheer, Todd	0.4	Review NDA
2/18/2025	Foran, James	3.2	Prepare for and attend Court hearing, maintain Proposal Trustee website, discussion with Liam Murphy, meeting with Fraser MacInnes re: interested parties and financial reporting, disbursement review and approval, emails
2/18/2025	Lewis, Ian	0.4	Call with Fraser MacInnes re: distribution list, data room material, outreach process.
2/18/2025	MacInnes, Fraser	5.3	Prepare for and attend Court for comeback hearing, meeting with James Foran re: payments process, work on NDA, creation/merging/chasing regarding distribution list for SISP
2/19/2025	Ambachtsheer, Todd	0.2	Review SISP documents
2/19/2025	Lewis, Ian	4.9	In-person meeting with James Foran and Fraser MacInnes re: data room material; working session with Fraser MacInnes re: material for sales process; calls and emails to/from potential purchasers.
2/19/2025	MacInnes, Fraser	6.1	Finalizing NDA for SISP, Teaser, Transmittal Letter, Distribution List and drafting/sending email to potential buyers, setting up Firmex, organizing data for data room, invoice review and approval
2/19/2025	Foran, James	1.9	Calls with Joanne Caryi, discussions with legal counsel, discussions with engagement team, meeting with engagement team on virtual data room, emails
2/20/2025	Ambachtsheer, Todd	0.2	Review SISP documents
2/20/2025	Lewis, Ian	2.8	Working session with Fraser MacInnes re: data room material; call and emails to/from potential purchasers; call with Susie Therrien re: publishing advertisements.
2/20/2025	MacInnes, Fraser	4.8	Several emails and calls responding to potential buyers for the SISP, assisting Ian Lewis with advertising campaign, receipt/disbursement workbook creation, call with Joanne Caryi, email to Joanne Caryi, payment process template creation
2/20/2025	Foran, James	2.7	Discuss SISP advertising program with engagement team, discuss missing documentation for virtual data room, share Teaser with various interested parties, discussions with Joanne Caryi, emails
2/21/2025	Foran, James	0.9	Call with Joanne Caryi, discussions with Deloitte engagement team re: advertising and SISP, emails, data room meeting, call with Todd Ambachtsheer



Date	Name	Hours	Descriptions
2/21/2025	Lewis, Ian	5.9	Activities pertaining to the sales process (i.e., discussions with the engagement team re: advertisements, residential rents; calls with Joanne Caryi re: leases, launching the data room; in-person meeting with James Foran and Fraser MacInnes).
2/21/2025	Macinnes, Fraser	3.9	Call with Joanne Caryi about receipt/disbursement workbook and payment process, responding to potential buyer inquiries
2/24/2025	Macinnes, Fraser	4.8	Prepare variance analysis and discuss with James Foran, NDA signing and communications with intested parties, organizing data room with Ian Lewis
2/24/2025	Lewis, Ian	4.7	Activities pertaining to managing the SISP (i.e., discussions with Fraser MacInnes and Debtor re: marketing material, emails to/from prospective purchasers re: sales process, buyer due diligence, managing the virtual data room, publishing advertisements).
2/24/2025	Foran, James	2.3	Attend weekly update call with engagement team, provide PID documentation for data room, discuss woodworking shop with Liam Murphy and share appraisal, discussions with Joanne Caryi, share HST letter with Joanne Caryi, security deposit issue
2/25/2025	Macinnes, Fraser	6.2	Meeting with James Foran on on variance report and reformat reporting for lenders, updating of potential buyers list, Firmex and Sharepoint walkthrough with Ian Lewis, NDA signing and potential buyer reachout, rent roll work
2/25/2025	O'Brien, Colleen	0.9	Prepare financial analysis for James Foran for Joanne Caryi
2/25/2025	Lewis, Ian	3.8	Activities pertaining to managing the SISP (i.e., discussions with Fraser MacInnes and Debtor re: marketing material, emails to/from prospective purchasers re: sales process, buyer due diligence, managing the virtual data room, publishing advertisements).
2/25/2025	Foran, James	1.6	Review variance analysis reporting with Fraser Macinnes, share with Todd Ambachtsheer, share with Joanne Caryi,
2/26/2025	Macinnes, Fraser	5.4	Site visit (Sonic building), several calls with potential buyers and liaising by email to answer questions, Caryi group inbox monitoring, call with Joanne Caryi, update of Firmex information and organizing of utilities information/redacting
2/26/2025	Lewis, Ian	2.9	Activities pertaining to managing the SISP (i.e., discussions with Fraser MacInnes and James Foran marketing material, emails to/from prospective purchasers re: sales process, buyer due diligence, managing the virtual data room).
2/26/2025	Foran, James	2.7	Call with interested parties, discussions with engagement team re: SISP, share variance reporting with DGT, create DIP advance form and share with stakeholders, emails, [REDACTED]

Date	Name	Hours	Descriptions
2/27/2025	MacInnes, Fraser	5.2	Preparation of bi-weekly invoice/payment analysis; responding to several investor queries and sending documentation, organizing the data room
2/27/2025	Lewis, Ian	2.8	Activities pertaining to managing the SISP (i.e., discussions with Fraser MacInnes and Debtor re: marketing material, emails to/from prospective purchasers re: sales process, buyer due diligence, managing the virtual data room, publishing advertisements).
2/27/2025	Foran, James	0.9	Update call with DGT, discussions with engagement team, review and approval of disbursements, emails
2/28/2025	MacInnes, Fraser	4.8	Updating of bi-weekly cash flow analysis; call with Ian Lewis and Joanne Caryi; NDA completion and correspondence with potential buyers
2/28/2025	Lewis, Ian	0.7	Call with Fraser MacInnes and Joanne Caryi re: Kone Elevator, leases, day-to-day operations.
2/28/2025	Foran, James	1.1	Emails, discussions with Joanne Caryi, discussions with engagement team
<b>Total</b>		<b>188.0</b>	



Ruby LLP  
PO Box 1011 Station Central  
Halifax NS B3J 2X1  
Canada

## Invoice 8006027152

**Deloitte Restructuring Inc.**  
1741 Lower Water Street, Suite 800  
Halifax NS B3J 0J2

Tel: (902) 422-8541  
Fax: (902) 423-5820  
www.deloitte.ca

Date: May 12, 2025  
Client No.: 1758663  
WBS#: CAR06934  
Engagement Partner: James Foran

GST/HST Registration: 122893605RT0001  
QST Registration: 1000870419TQ0002

### For professional services rendered

#### Fees

For work performed with respect to our engagement letter dated November 13, 2024 related to 3337151 Nova Scotia Limited, Annapolis Management Inc., Ruby LLP, Comvest Commercial Real Estate Inc., BSL.

- (i) Activities pertaining to the SISP, including site visits and discussions with interested parties;
- (ii) Reviewing cash flow of the Caryi Group and discussing same with Joanne Caryi;
- (iii) Participating in discussions with DGT regarding the SISP and other administrative matters;
- (iv) Discussions with Joanne Caryi;
- (v) Drafting the Third Report of the Proposal Trustee; and
- (vi) Discussions with legal counsel.

Please see attached appendix for details.

HST applicable	67,925.00
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#### Expense

Out of pocket expenses.

HST applicable	1,047.00
Administrative Expense	4,754.75

#### Sales Tax

HST at 14.00 %	10,321.75
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<b>Total Amount Due (CAD)</b>	<b>84,048.50</b>
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Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

**Fee Summary****For the period March 1, 2025 to March 31, 2025**

Professional	Position	Hours	Hourly Rate	Fees
James Foran	Senior Vice President	18.1	600.0	\$ 10,860.00
Todd Ambachtsheer	Senior Vice President	12.8	\$ 600.00	\$ 7,680.00
Jorden Sleeth	Senior Vice President	0.5	\$ 600.00	\$ 300.00
Fraser MacInnes	Senior Manager	64.5	\$ 500.00	\$ 32,250.00
Ian Lewis	Senior Associate	51.8	\$ 325.00	\$ 16,835.00
<b>Total</b>		<b>147.7</b>		<b>\$ 67,925.00</b>

Expense Type	Expense Amount
Subcontractor Fees	\$ 1,047.00
<b>Total</b>	<b>\$ 1,047.00</b>

Date	Name	Hours	Descriptions
3/3/2025	Lewis, Ian	1.80	Activities pertaining to the sales process (i.e., emails to/from potential purchasers re: NDA's, site visits, prepare material for the data room, prepare summary of sales activity for Liam Murphy; Emails to/from Sara Scott re: PID 342600.
3/3/2025	Ambachtsheer, Todd	0.80	Update Court Rport and send to Stewart McKelvey; discussions with James Foran
3/3/2025	Foran, James	3.90	Disbursement review and approval, review of financial position and rent roll with Fraser MacInnes, prepare for and attend meeting with Joanne Caryi with HRM re: Tramway Ordinance Notice, discussions with DGT on restructuring issues, calls with counsel
3/3/2025	MacInnes, Fraser	3.10	Updating of receipts/disbursements reconciliation; calls with potential buyers and to Hank McClocklin to arrange site visit; Meeting with James Foran and Ian Lewis about SISP/general progress
3/4/2025	Lewis, Ian	1.20	Emails to/from potential purchasers re: site visits, data room material, non-disclosure agreements; Review marketing materials provided by the debtor.
3/4/2025	Foran, James	0.60	Discuss financial position and DIP requirement with Fraser MacInnes, emails
3/4/2025	MacInnes, Fraser	3.30	Emails to potential buyers, organization of site visits, finalization of reconciliation from Jan 20 - February 28, Call with Joanne Caryi, Meeting with Ian Lewis to discuss data room/SISP
3/5/2025	Lewis, Ian	2.20	Emails to/from potential purchasers re: site visits, data room material, non-disclosure agreements; Emails to/from Fraser MacInnes re: site visits; Review marketing materials provided by the debtor.
3/5/2025	Foran, James	0.60	Review and approval of professional fee invoices and discuss same with Fraser MacInnes,
3/5/2025	MacInnes, Fraser	3.80	Work on payment reconciliation/schedule B and C creation; call with Joanne Caryi to clarify some transactions; organization of site visits; call with Ian Lewis about SISP; replying to potential buyers/managing Caryi Group inbox
3/6/2025	Lewis, Ian	1.30	Activities pertaining to the sales process (i.e., emails to/from potential purchasers re: NDA's, site visits; Call with Joanne Caryi and emails to/from James Foran re: lease #3153580; Review NS Personal Property Registry re: lease #3153580.
3/6/2025	Foran, James	1.30	Discussions with engagement team, discussions with legal counsel, outline of Third Report of Proposal Trustee, disbursement review and approval, call with Liam Murphy
3/6/2025	MacInnes, Fraser	3.20	Site visits of the Tramway and Cameo buildings, emails to lawyers for payment instructions,
3/7/2025	Lewis, Ian	1.30	Site visit at 1572 Barrington Street; Emails to/from potential purchasers re: data room access, building conditions; Discussions with Fraser MacInnes re: scheduled site visits, marketing material to request from the debtor.



3/7/2025	Ambachtsheer, Todd	0.20	Discussions with James Foran
3/7/2025	MacInnes, Fraser	2.10	Site visit of the Freemasons' building; payment approval and review; coordinating site visits with potential buyers
3/10/2025	Lewis, Ian	2.80	Activities pertaining to the proceeding (i.e., Discussions with Fraser MacInnes re: marketing material for the SISP; Emails to/from the Lenders FA re: progress of the SISP; Support prospective purchasers with their due diligence activities).
3/10/2025	MacInnes, Fraser	2.90	Call with Joanne Caryi, updating of week March 3-9 receipts and disbursements Excel, email to James Foran, review of data room files, correspondence with potential buyers
3/11/2025	Lewis, Ian	2.30	Activities pertaining to the proceeding (i.e., Discussions with Fraser MacInnes and the Debtor re: marketing material for the SISP; Site tours at all the Halifax properties; Support prospective purchasers with their due diligence activities).
3/11/2025	Ambachtsheer, Todd	0.40	Discuss parcels in SISP with engagement team
3/11/2025	MacInnes, Fraser	3.30	Analysis of unpaid invoices for DIP draw, email exchange with potential buyer, correspondence with professionals regarding invoicing issuance, payment review and approvals, update of Variance analysis for Liam Murphy/DGT
3/12/2025	Lewis, Ian	3.30	Site visit at 1674 Hollis Street with potential purchaser; Emails to/from Todd Ambachtsheer re: tender package addendum; Prepare the tender package amendments; Activities pertaining to the SISP (i.e., reviewing material for the data room).
3/12/2025	MacInnes, Fraser	3.20	Finalization of variance analysis up to March 9th for James Foran, reply to unsecured creditor about a potential claim, finalization of SISP Transmittal Letter Addendum, review of new documentation for virtual data room, review of amended Tender Package
3/13/2025	Lewis, Ian	2.20	Call with Fraser MacInnes and emails to/from Todd Ambachtsheer re: tender package addendum; Prepare the tender package amendments; Activities pertaining to the SISP (i.e., managing the data room, emails to/from potential purchasers).
3/13/2025	Ambachtsheer, Todd	0.60	Review updated tender package
3/13/2025	MacInnes, Fraser	3.10	Review of architectural drawings and facade report for data room, call with Ian Lewis to discuss data room and Caryi Group inbox, Call with Sara Scott and Todd Ambachtsheer about legal issue around leases, liaising with potential buyers
3/14/2025	Lewis, Ian	2.00	Call with Fraser MacInnes and emails to/from James Foran re: SISP transmittal letter, tender package addendum; Review tender package addendum; Activities pertaining to the SISP (i.e., managing the data room, emails to/from potential purchasers).
3/14/2025	Foran, James	0.80	Reconciliation of DIP financing question from Joanne Caryi, emails with engagement team
3/14/2025	MacInnes, Fraser	2.60	Discussion with Ian Lewis about updating request list for data room, finalizing tender package addendum, review of documentation provided by Joanne Caryi for Cash Flow
3/17/2025	Lewis, Ian	3.70	Emails to/from Liam Murphy and discussions with Fraser MacInnes re: SISP progress; Discussions with Fraser MacInnes re: potential purchaser due diligence, Emails to/from potential purchasers re: site visit, appraisers, site inspections.
3/17/2025	Foran, James	1.20	Discuss financial reporting with Fraser MacInnes, discuss funds held by Cox and Palmer with Josh Santimaw, meeting with Sara Scott
3/17/2025	MacInnes, Fraser	2.60	Call with Joanne Caryi regarding payments, DIP financing, Virtual Data Room, etc.; Call with Ian Lewis regarding SISP process and request list; Amendment of payment/receipt tracker for the week ended March 14; Emails to professionals for updated invoices
3/18/2025	Lewis, Ian	1.60	Activities pertaining to the SISP (i.e., responding to potential purchasers due diligence questions; scheduling site visits, managing the data room, discussions with the Debtor re: 165 Prince Street, reviewing the First and Second Report.
3/18/2025	Ambachtsheer, Todd	0.30	Discussions with Fraser MacInnes
3/18/2025	Foran, James	0.80	Discuss cash position with engagement team, call with Joanne Caryi, emails
3/18/2025	MacInnes, Fraser	3.10	Liaising with professionals and Joanne Caryi to pay professional fees; Email exchange with city officials regarding Tramway issue; work on variance analysis for the week ended March 16
3/19/2025	Lewis, Ian	3.80	Site visit at the Halifax properties (i.e., Parcel #1, #3 - #7); Discussions with Fraser MacInnes re: occupancy permits, Third Report, environmental site assessments, Parcel #2, Facade Issue; Activities pertaining to preparing the Third Report.
3/19/2025	Foran, James	1.10	Discussion with engagement team, calls and emails with stakeholders, disbursement review and approval
3/19/2025	MacInnes, Fraser	2.80	Meeting with Ian Lewis to discuss progress of the SISP and plan Third Report; email to Sara Scott about question from potential buyer; email to Joanne Caryi about Halifax Club Development Agreement and related issues; finalization of the variance analysis
3/20/2025	Lewis, Ian	2.80	Site visit at the Halifax properties (i.e., Parcel #1, #3 - #7); Emails to/from potential purchasers re: leases, tenant deposits, financial information site visits; Discussions with Fraser MacInnes re: the foregoing.

3/20/2025	Foran, James	1.30	Review of variance analysis prepared by Fraser MacInnes and provide commentary, emails, call with Joanne Caryi
3/20/2025	MacInnes, Fraser	2.40	Drafting of Third Report; several emails to Joanne Caryi regarding engagement progress; review and approval of payments; emails to Boyne Clarke and Stewart McKelvey
3/21/2025	Lewis, Ian	4.10	Activities pertaining to the Third Report of the Proposal Trustee (i.e., Draft the SISP update and Facade Issue, Discussions with Fraser MacInnes re: Facade Issue, Third Report, Review correspondence pertaining to the Facade Issue).
3/21/2025	Foran, James	0.90	Call with Joanne Caryi, discussion with engagement team
3/21/2025	MacInnes, Fraser	2.40	Call with Joanne Caryi regarding cash flow and Third Report, site visit of Sonic building, emails to professionals regarding March WIP, drafting of third report, meeting with Ian Lewis about third report/SISP
3/24/2025	Lewis, Ian	4.60	Activities pertaining to the SISP (i.e., assisting prospective purchasers with due diligence, corresponding with stakeholders re: SISP; Preparing the Third Report).
3/24/2025	Ambachtsheer, Todd	1.20	Comments on Joanne Caryi affidavit and other court materials
3/24/2025	Foran, James	2.30	Review affidavit provided by Josh Santimaw, meeting with engagement team re: Third Report of Proposal Trustee, discussions with Joanne Caryi on Tramway matters and share with DGT and discuss same,
3/24/2025	MacInnes, Fraser	4.60	Call with Joanne Caryi regarding update of cash flow for Third Report; updating cash flow for Third Report; finalization of Variance report as at 03.23 and discussion with James Foran; Review of payments with Joanne Caryi
3/25/2025	Lewis, Ian	4.10	Site visit with a prospective purchaser; Prepare Third Report of the Proposal Trustee; Working session with James Foran and Fraser MacInnes re: Third Report of the Proposal Trustee; Review materials to include in the virtual data room.
3/25/2025	Ambachtsheer, Todd	2.80	Review Third Report and provide comments on same; call with James Foran and Sara Scott; review cash flow forecast
3/25/2025	Foran, James	3.30	Detailed review of Cash Flow Statement and meeting with engagement team, review of Third Report of Proposal Trustee, call with legal counsel to discuss specific issues, emails, call with Joanne Caryi
3/25/2025	MacInnes, Fraser	4.20	Finalization of first draft of cash flow for Third Report; discussion with Ian Lewis regarding Third Report; Drafting of Third Report; meeting with James Foran and Ian Lewis regarding cash flow for Third Report
3/26/2025	Lewis, Ian	4.10	Site visit with a prospective purchaser; Emails to/from Fraser MacInnes re: marketing material, buyer due diligence; Review marketing material to include in the data room; Emails to/from prospective purchasers.
3/26/2025	Ambachtsheer, Todd	1.50	Review revised Report; correspondence re: ad for Sonic Building; call re: Third Report
3/26/2025	MacInnes, Fraser	3.90	Coordinating with team to post legal documents on insolvency website; finalization of first draft of Third Report with Ian Lewis and circularizing professionals; Call with Todd Ambachtsheer regarding Third Cash Flow and related amending.
3/27/2025	Lewis, Ian	1.90	Call with Liam Murphy re: SISP Update, Review marketing materials for the virtual data room; Discussions with Fraser MacInnes re: PEI Visit, Prospective Purchasers, Tender Package; Finalize the Third Report.
3/27/2025	Ambachtsheer, Todd	2.10	Update Court Report and discussions re: same; review cash flow forecast
3/27/2025	MacInnes, Fraser	4.30	Revision of Third Report following professional feedback; call with Joanne Caryi about Tramway issue and Third Cash Flow; discussion with Todd Ambachtsheer regarding Variance Analysis; weekly call with Liam Murphy from Doane Grant Thornton
3/28/2025	Lewis, Ian	0.70	Call and emails to/from prospective purchasers re: acquiring assets "free and clear", Parcel #2, offer process, residential rents; Activities pertaining to managing the virtual data room.
3/28/2025	Ambachtsheer, Todd	2.50	Finalize Third Report; call with Josh Santimaw and Joanne Caryi; call with HRM re Tramway Building
3/28/2025	Sleeth, Jorden	0.50	QA of Third Report and provide comments to engagement team
3/28/2025	MacInnes, Fraser	1.80	Finalization of Third Report and cash flow; arranging signing with Joanne Caryi and Todd Ambachtsheer; call with Ian Lewis regarding SISP and Virtual Data Room
3/31/2025	Ambachtsheer, Todd	0.40	Updates re: Halifax Regional Municipality
3/31/2025	MacInnes, Fraser	1.80	Drafting update on SISP process to lenders; liaising with potential buyers/answering queries regarding properties; preparing request list for Joanne Caryi; updating Third Cash Flow
		<b>147.70</b>	



Ruby LLP  
PO Box 1011 Station Central  
Halifax NS B3J 2X1  
Canada

## Invoice 8006163210

### Deloitte LLP

1741 Lower Water Street, Suite 800  
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Tel: (902) 422-8541  
Fax: (902) 423-5820  
www.deloitte.ca

Date: June 16, 2025  
Client No.: 1758663  
WBS#: CAR06934  
Engagement Partner: James Foran

GST/HST Registration: 133245290RT0001  
QST Registration: 1012314163TQ0001

### For professional services rendered

#### Fees

Please see attached appendices for details.

HST applicable 72,930.00

#### Expense

Out of Pocket Expenses.

HST applicable 3,806.57

Administrative Expense 5,105.10

#### Sales Tax

HST at 14.00 % 11,457.83

**Total Amount Due (CAD) 93,299.50**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.





### Fee Summary

For the period April 1, 2025 to April 30, 2025

Professional	Position	Hours	Hourly Rate	Fees
James Foran	Senior Vice President	19.00	600.00	11,400.00
Todd Ambachtsheer	Senior Vice President	6.90	600.00	4,140.00
Fraser MacInnes	Senior Manager	62.70	500.00	31,350.00
Colleen O'Brien	Manager	0.60	400.00	240.00
Rose Brown	Manager	0.80	400.00	320.00
Ian Lewis	Senior Associate	78.40	325.00	25,480.00
<b>Total</b>		<b>168.40</b>		<b>72,930.00</b>

Expense Type	Expense Amount
Subscription - Data Room	3,100.00
Office Rental	77.74
Mileage	410.72
Tolls	50.25
Meals	167.86
<b>Total</b>	<b>3,806.57</b>

Date	Name	Hours	Descriptions
4/1/2025	Ambachtsheer, Todd	0.80	Calls with Fraser MacInnes re: SISP; review materials to be posted to data room
4/1/2025	Lewis, Ian	6.30	Call and emails to/from Fraser MacInnes re: variance analysis, March 24 - 30 transactions; prepare the variance analysis for the period March 24 - 30; emails to/from AJ Del Rosario (Firmex) re: data room access.
4/1/2025	MacInnes, Fraser	3.40	[REDACTED]; liaising with potential buyers and countersigning NDAs; updating of buyers' list; meeting with Ian Lewis regarding variance analysis
4/2/2025	Ambachtsheer, Todd	0.40	Discussions re: Court hearing
4/2/2025	Lewis, Ian	5.30	Discussions with Fraser MacInnes re: variance analysis, requests for the debtor; prepare the variance analysis for the period March 24 - 30; Emails to/from AJ Del Rosario re: data room notifications; SISP related activities



Date	Name	Hours	Descriptions
4/2/2025	MacInnes, Fraser	4.10	Call with potential buyer; Call to supplier regarding fire monitoring; Meeting with Ian Lewis regarding Variance Analysis; liaising with several potential buyers/coordinating site visits; reviewing variance analysis
4/3/2025	Foran, James	1.10	Discuss upcoming Court hearing with legal counsel and engagement team, update meeting with engagement team, call with Josh Santimaw, call with Joanne Caryi, emails
4/3/2025	Ambachtsheer, Todd	0.70	Review tender package updates
4/3/2025	Lewis, Ian	5.10	Discussions with Fraser MacInnes and James Foran re: variance analysis, SISP marketing material, debtors operating activities; review SISP marketing material; discussions with the Debtor re: operating activities.
4/3/2025	MacInnes, Fraser	4.30	Meeting with James Foran and Ian Lewis; review of variance analysis and discussion with Ian Lewis; emails to professionals to request March invoices; arranging site visits with potential buyers; call with potential buyer
4/4/2025	Lewis, Ian	5.20	Discussions with Fraser MacInnes re: variance analysis, SISP marketing material; Review documents requested from the debtor re: SISP marketing material; Support prospective purchasers with their due diligence activities.
4/4/2025	Ambachtsheer, Todd	0.90	Court hearing
4/4/2025	MacInnes, Fraser	4.50	Site visit at Sonic Building; reviewing and redacting several documents for virtual data room; meeting with Ian Lewis about SISP; responding to potential buyers
4/4/2025	Foran, James	2.10	Discussion with legal counsel, prepare for and attend Court hearing call
4/7/2025	Foran, James	1.70	Meeting with Joanne Caryi, meeting with Sara Scott and David Wedlake, emails and calls from interested parties
4/7/2025	Lewis, Ian	8.00	Travel from Halifax to 165 Prince Street. Charlottetown for a site visit, return trip to Halifax.
4/8/2025	Foran, James	0.90	Review variance reporting with Fraser MacInnes, call with Liam Murphy, calls with Joanne Caryi, review of second DIP request
4/8/2025	MacInnes, Fraser	7.10	Preparation of Second DIP request; site visits of multiple properties; requesting/following up on professional invoices; finalization of the variance analysis for the week ended April 6; meeting with James Foran; Responding to potential buyers and site visit

Date	Name	Hours	Descriptions
4/8/2025	Lewis, Ian	4.30	Activities pertaining to the Caryi Group SISP (i.e., discussions with Fraser MacInnes re: offers summary, prepare the weekly variance analysis, discussions with debtor re: prior week transactions, assist prospective purchasers with their due diligence.
4/9/2025	Macinnes, Fraser	3.80	Site visit with potential buyer; discussion with Todd Ambachtsheer about variance analysis; coordinating second dip request with lenders; review and payment approvals
4/9/2025	Foran, James	0.70	Discuss DIP request and variance report with engagement team, call with Joanne Caryi
4/10/2025	Lewis, Ian	4.40	Prepare rent roll; assist prospective purchasers with due diligence; discussions with Fraser MacInnes re: rent roll, offers summary; Coordinate site visits.
4/10/2025	Macinnes, Fraser	2.40	Weekly call with DGT; answering questions of potential buyers; email to Josh Santimaw; meeting with Ian Lewis about bid summary and SISP
4/10/2025	Foran, James	1.40	Call with legal counsel, emails re: DIP, call with Josh Santimaw, discussions with engagement team
4/11/2025	Macinnes, Fraser	0.90	Payment review and approvals, organizing site visits with potential buyers; working on bid summary
4/11/2025	Foran, James	0.60	Discussions with engagement team on questions from bidders, emails
4/14/2025	Foran, James	0.40	Emails to/from Joanne Caryi and Deloitte engagement team
4/14/2025	Macinnes, Fraser	1.80	Review and finalization of offer summary; email to Joanne Caryi and drafting summary of DIP payments; responding to potential buyers; drafting weekly update to lenders and review of potential buyers list
4/14/2025	Lewis, Ian	4.20	Activities pertaining to the Caryi Group sales process (i.e., prepare offers summary, discussions with Fraser MacInnes re: offers summary, prepare weekly update for the lenders financial advisor, assist prospective purchasers with their due diligence).
4/15/2025	Lewis, Ian	5.70	Site visits with two groups of prospective purchasers.
4/15/2025	Macinnes, Fraser	1.50	Calls with and responding to questions from potential buyers via email;
4/16/2025	Foran, James	0.70	Emails to/from engagement team re: data room, discussions with Ian Lewis, call from interested party in PEI
4/16/2025	Macinnes, Fraser	1.90	Site visit of Cameo building; responding to questions from potential buyers; discussion with Ian Lewis and drafting of communication to potential buyers regarding bank account information for SISP

Date	Name	Hours	Descriptions
4/16/2025	Lewis, Ian	5.30	Trip to bank to deposit a bidders deposit, prepare the rent roll analysis, discussions with Fraser MacInnes re: proposal trustee's bank wire information, emails to/from prospective purchasers re: submitting an offer
4/17/2025	Macinnes, Fraser	1.90	Calls and emails with potential buyers regarding bids
4/17/2025	Lewis, Ian	2.30	Activities pertaining to the Caryi Group SISP (trip to bank to deposit a bidders deposit, site visit at one property, prepare the rent roll analysis, emails to/from the debtor re: variance analysis).
4/21/2025	Brown, Rose	0.30	Trust Banking - request banking report from RBC and send to the team.
4/21/2025	Lewis, Ian	4.40	Emails to/from and calls with bidders re: deposits, prepare the offers summary (i.e., review offers, discussions with Fraser MacInnes re: offers), Prepare the weekly update email for the lenders financial advisor.
4/21/2025	Macinnes, Fraser	5.70	Bid deadline day: Drafting of final SISP update to lenders; liaising with potential buyers for bids including in-person meetings; setting up trust account for Caryi Group bids and liaising with Deloitte team regarding deposits;
4/21/2025	Foran, James	0.90	Discussions with engagement team re: preliminary bids
4/22/2025	Ambachtsheer, Todd	1.10	Review bids
4/22/2025	Brown, Rose	0.50	Trust Banking - request banking report from RBC and send to the team, input receipts into Ascend as accrual and discuss with Ian Lewis
4/22/2025	Lewis, Ian	3.70	Prepare the offers summary, in-person meeting with James Foran and Fraser MacInnes re: preliminary bid review, the Proposal Trustees recommended realization strategy, administrative activities pertaining to the bidders deposits.
4/22/2025	Macinnes, Fraser	6.10	Work on variance analysis for the week ended April 20; call with Joanne Caryi, Laurie Caryi, and Josh Santimaw about SISP offers; preparation presentation for meeting and bid summary; discussion/meeting with Ian Lewis
4/22/2025	Foran, James	3.40	Meeting with engagement team to review preliminary bids, review and suggest edits to schedule, discussions with Joanne Caryi, Josh Santimaw and Sara Scott, discussions with Liam Murphy, disbursement approval
4/23/2025	Ambachtsheer, Todd	0.80	Review variance analysis; discussion with Fraser Macinnes re: comments



Date	Name	Hours	Descriptions
4/23/2025	Lewis, Ian	3.40	Discussions with Rose Brown and Madeline Davis re: support for bidders deposits, review the rent receipts and ending cash balance variance, discussions with Fraser MacInnes re: cash flow variances, Trip to bank to deposit bidders deposits.
4/23/2025	Macinnes, Fraser	3.10	Finalization of variance analysis for the week ended April 20; liaising with potential buyers; finalizing report of offers for meeting with lenders
4/23/2025	Foran, James	2.40	Prepare for and attend meeting with Liam Murphy of DGT to complete a detailed review of offers and discuss next steps, review of variance report and comments to engagement team
4/24/2025	Lewis, Ian	0.70	Compile bidders deposit information, discussions with Madeline Davis re: bidders deposits, activities pertaining to the preliminary bid review.
4/24/2025	Foran, James	1.40	Discussions with engagement team, discussions with Joanne Caryi re: offers and other administrative matters with the estate, discussions with Liam Murphy, disbursement review and approval
4/25/2025	Macinnes, Fraser	0.20	Calls with Joanne Caryi; responding to potential buyers
4/25/2025	Ambachtsheer, Todd	1.10	Discuss offers with engagement team and Fourth Report
4/25/2025	Foran, James	1.30	Calls with Joanne Caryi, discuss offer with engagement team, discuss outline of Fourth Report with Fraser Macinnes
4/28/2025	Ambachtsheer, Todd	0.50	Review and discuss feedback from Grant Thornton
4/28/2025	Macinnes, Fraser	2.90	Reviewing lender bid summaries; discussion with Ian Lewis about past files; review of variance analysis for the week ended April 27
4/28/2025	Lewis, Ian	3.60	Review mapping (i.e., property and company allocation) for all periods in the variance analysis; Discussions with Fraser MacInnes re: lenders bid feedback and requests; Prepare the variance analysis for the period April 21-27; Emails to/from Colleen O'Brien
4/28/2025	O'Brien, Colleen	0.60	Update Ascend, enter in deposits received
4/29/2025	Ambachtsheer, Todd	0.30	Discussion re: lender feedback on bids
4/29/2025	Macinnes, Fraser	4.40	Calls with potential buyers regarding upped bid possibility; compiling and review of information package for lenders' Call with Todd Ambachtsheer and Ian Lewis about email received from lenders

Date	Name	Hours	Descriptions
4/29/2025	Lewis, Ian	3.90	Activities pertaining to the lenders bid feedback and requests (i.e., Emails to bidders re: best and final offers; Prepare an analysis of the estimated holding costs; Planning meeting with Todd Ambachtsheer and Fraser MacInnes).
4/30/2025	Ambachtsheer, Todd	0.30	Review holding cost analysis requested by DGT
4/30/2025	Macinnes, Fraser	2.70	Review of monthly holding costs for lenders; call with Joanne Caryi; compiling documents for lenders
4/30/2025	Lewis, Ian	2.60	Activities pertaining to the lenders bid feedback and requests (i.e., prepare an analysis of the estimated holding costs; Investigate the outstanding items required to complete the lenders feedback and requests).
		<b>168.40</b>	



Ruby LLP  
PO Box 1011 Station Central  
Halifax NS B3J 2X1  
Canada

## Invoice 8006186273

**Deloitte Restructuring Inc.**  
1741 Lower Water Street, Suite 800  
Halifax NS B3J 0J2

Tel: (902) 422-8541  
Fax: (902) 423-5820  
www.deloitte.ca

Date: June 24, 2025  
Client No.: 1758663  
WBS#: CAR06934  
Engagement Partner: James Foran

GST/HST Registration: 12289 3605 RT0001  
QST Registration: 1000870419 TQ0002

### For professional services rendered

#### Fees

For work performed with respect to our engagement letter dated November 13, 2024 related to 3337151 Nova Scotia Limited, Annapolis Management Inc., Ruby LLP, Comvest Commercial Real Estate Inc., BSL Holdings Inc., and 4551650 NS Ltd. (collectively, the Caryi Group), including but not limited to the following:

- Activities pertaining to the SISP, including a review of revised offers;
- Discussions with Doane Grant Thorton regarding the SISP and other restructuring matters;
- Discussions with Joanne Caryi;
- Discussions with successful parties from the SISP;
- Participate in property viewings for properties not transacted in the SISP;
- Review and approve disbursements;
- Prepare financial workbook to allocate out professional fees and DIP; and
- Participate in discussions with legal counsel.

Please see attached appendix for details.

HST applicable 77,067.50

#### Expense

Out of pocket expenses

HST applicable 122.65

Administrative Expense 5,394.73

#### Sales Tax

HST at 14.00 % 11,561.88

**Total Amount Due (CAD) 94,146.76**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



## Fee Summary

For the period May 1, 2025 to May 30, 2025

Professional	Position	Hours	Hourly Rate	Fees
James Foran	Senior Vice President	43.7	600.00	26,220.00
Todd Ambachtsheer	Senior Vice President	5.0	600.00	3,000.00
Jorden Sleeth	Senior Vice President	0.0	600.00	0.00
Fraser Macinnes	Senior Manager	60.4	500.00	30,200.00
Colleen O'Brien	Manager	0.9	400.00	360.00
Rose Brown	Manager	0.4	400.00	160.00
Ian Lewis	Senior Associate	52.5	325.00	17,062.50
Laura Conorton	Associate	0.2	325.00	65.00
<b>Total</b>		<b>163.1</b>		<b>77,067.50</b>

Expense Type	Expense Amount
Postage	122.65
<b>Total</b>	<b>122.65</b>

Date	Name	Hours	Descriptions
5/1/2025	Ambachtsheer, Todd	0.20	Call with Fraser Macinnes re: tenant and leasing issues.
5/1/2025	Lewis, Ian	1.60	Activities pertaining to the Barrington Street Heritage Conservation District Incentive Program Grant #13-03 (1572 Barrington Street) (i.e., review correspondence between the debtor and the Municipality; Prepare an analysis of the remaining tax credits).
5/1/2025	Macinnes, Fraser	2.90	Call with potential bidder; emails to potential bidders; various emails to Lenders/Doane Grant Thornton; payment approvals; discussion with Ian Lewis regarding revised bid process.
5/2/2025	Lewis, Ian	1.10	Call with an unsecured creditor re: wedding deposit, s. 136 of the Bankruptcy and Insolvency Act; Calls with prospective purchasers re: best and final offers; Update the offers deck and emails to/from Fraser MacInnes re: best and final offers.
5/5/2025	Ambachtsheer, Todd	0.40	Call re: updated bids.
5/5/2025	Foran, James	1.90	Attend conference call with engagement team re: revised offers and Court report, call with Todd Ambachsteer, review of revised bid summary, emails from bidders, call with Tim Gillis, call with Josh Santimaw, emails.



Date	Name	Hours	Descriptions
5/5/2025	MacInnes, Fraser	2.40	Working with Ian Lewis on revised bid tables and review; [REDACTED]; discussion with Joanne Caryi; communications with prospective buyers; bid discussion with Deloitte engagement team.
5/5/2025	Lewis, Ian	4.80	Review the best and final offers and prepare the revised offers summary; Prepare the variance analysis for the period April 28-May 4; Call with James Foran, Todd Ambachtsheer, and Fraser MacInnes re: responding to the lenders financial advisor.
5/6/2025	Ambachtsheer, Todd	1.10	Call with Sara Scott and James Foran re: bids; review BMR report; review variance report and provide comments on same.
5/6/2025	MacInnes, Fraser	3.40	Revision of offer summaries and discussion with James Foran/Ian Lewis; preparation of cash flow inputs and transmission to Joanne Caryi; preparation of variance analysis for the week ended May 4.
5/6/2025	Lewis, Ian	4.30	Site visit at 1533 Barrington Street with the Atlantic Central Credit Union group; Prepare the offers summary deck; Emails to/from Todd Ambachtsheer and Fraser MacInnes re: the revised offers summary and offers summary deck.
5/6/2025	Foran, James	2.90	[REDACTED] review of financial information requested by the lenders, discussions with engagement team, review revised bid summary, calls.
5/7/2025	MacInnes, Fraser	3.10	Working on cash flow for Fourth Report and Fourth Report itself; site visit with [REDACTED] and lender; circularizing professionals for April invoices.
5/7/2025	Foran, James	2.30	Calls with Joanne Caryi, calls with legal counsel, discussions with Deloitte engagement team, review of Proposal Trustee report, comments on Court filings.
5/8/2025	MacInnes, Fraser	2.90	Updating of cash flow for Fourth Report, drafting of bid acceptance/rejection letters; call with Joanne Caryi; call with Todd Ambachtsheer.
5/8/2025	O'Brien, Colleen	0.60	Update ascend posting of deposits received.
5/8/2025	Lewis, Ian	1.40	Prepare letters for the successful and unsuccessful offerors; Call with Colleen O'Brien re: refunding deposits; Emails to/from Fraser MacInnes re: responding to offerors.
5/8/2025	Foran, James	2.40	Comments on Fourth Report of Proposal Trustee, discussions with Liam Murphy of DGT, discussions with Joanne Caryi, discussions with engagement team, discussions with legal counsel, discuss offer on residential property and summary email to DGT.
5/9/2025	MacInnes, Fraser	3.40	Liasing with DGT about lender questions and discussions with Joanne Caryi; organization of site visit for Tramway property and liaising with lenders; call with potential bidder; finalization of report and appendices.



Date	Name	Hours	Descriptions
5/9/2025	Foran, James	4.70	Finalizing Fourth Report of Proposal Trustee including discussions with stakeholders and sharing draft version of Report, discuss cash flow with engagement team, call with Liam Murphy re: lenders and offers, calls with HRM re: Tramway Building.
5/9/2025	Lewis, Ian	0.40	Draft emails re: update on the Sales and Investment Solicitation Process.; Discussions with Fraser MacInnes re: responding to offerors.
5/12/2025	Macinnes, Fraser	3.30	Site visit with Lenders at Tramway Building; responding to lender/DGT queries; preparing Third DIP request; discussion with James Foran; call with Joanne Caryi.
5/12/2025	Foran, James	1.80	Discussion with engagement team, discussions with Fraser MacInnes re: cash position and DIP, call with Joanne Caryi, communications with Liam Murphy, call with Josh Santimaw, communications with legal counsel, emails.
5/12/2025	Lewis, Ian	1.40	Discussions with Fraser MacInnes, Joanne Caryi and Hank McClocklin re: site visit; Discussions with Fraser MacInnes re: professional fee summary, documents to file with the OSB.
5/13/2025	Foran, James	2.10	Discussions on HRM/Tramway issues, discussions with Fraser Macinnes re: DIP draw and share with debtor, review of letter from Justice Keith, prepare for and attend call with debtor, legal counsel and Deloitte, emails.
5/13/2025	Ambachtsheer, Todd	0.80	Update call with Joanne Caryi, James Foran, Fraser Macinnes and Josh Santimaw.
5/13/2025	Macinnes, Fraser	1.30	Email to League/lenders; review of variance report for the week ended May 11; payment review and approvals; email to bidder; organization of site visit with lenders.
5/13/2025	Lewis, Ian	3.10	Site visit at 1682 Hollis Street with [REDACTED]; prepare the variance analysis for the period of May 5-11; discussions with Fraser MacInnes regarding May 5-11 transactions; emails to/from bidders regarding the bid review process.
5/14/2025	Foran, James	3.60	Calls with legal counsel, calls with debtor, review of quotes on scaffolding and discuss same with Joanne Caryi and share with Lenders FA, discussions with Josh Santimaw, emails to/from Lenders legal counsel and lenders, discussions with Fraser MacInnes.
5/14/2025	Macinnes, Fraser	2.90	Call with Joanne Caryi; coordination of PEI site visit with lenders; analyzing scaffolding quotes and emails to James Foran; Preparing of a table/chart for sales and bids and discussion with James Foran; finalization and submission of DIP request.
5/14/2025	Lewis, Ian	2.20	Discussions with Fraser MacInnes regarding variance analysis for the period of May 5-11; emails to/from Joanne Caryi regarding May 5-11 transactions and allocating rent receipts; prepare a workbook to assist the debtor with allocating rent receipts.


Date	Name	Hours	Descriptions
5/15/2025	MacInnes, Fraser	1.90	Review of updated draft letter for Justice Keith; discussion with Ian Lewis and review of rent reconciliation; site visit at Freemasons' building with League with interested party.
5/15/2025	Lewis, Ian	2.60	Call with Joanne Caryi re: allocating rent receipts; respond to emails from Fraser MacInnes, including notes to explain rent receipt variance; Update the rent roll for May 2025 and revise the variance analysis following discussions with Joanne Caryi.
5/15/2025	Foran, James	3.70	Prepare for and attend weekly catch up call with engagement team, emails to Liam Murphy re: restructuring matters including Tramway and scaffolding costs, discuss liquidity with Fraser MacInnes, emails and calls with Joanne Caryi, emails to/from legal.
5/16/2025	MacInnes, Fraser	1.20	Organization website; response to a potential bidder; review of communication to O'Keefe Sullivan.
5/16/2025	Foran, James	1.10	Draft response email to lender legal counsel, call with Liam Murphy, calls with Joanne Caryi, wording on letter to C&P re: funds in trust, call with Sara Scott, discussions with engagement team.
5/19/2025	Foran, James	0.60	Email correspondence with stakeholders, including legal counsel to lenders, debtor and its legal counsel.
5/20/2025	MacInnes, Fraser	3.70	Variance analysis for the period ended May 18; conversation with James Foran; payment approvals; updating of cash flow data on a company-by-company basis; email to lenders; email to bidder.
5/20/2025	Foran, James	0.80	Calls with Joanne Caryi, emails to/from legal counsel, review correspondence from Lenders legal counsel, call with Liam Murphy, discuss DIP allocation with Fraser MacInnes.
5/20/2025	Lewis, Ian	3.40	Activities pertaining to the DIP repayment allocation including preparing a consolidated summary of the debtor's activities during the period from February 10 to May 18, 2025; preparing certain sections of the variance report.
5/21/2025	Ambachtsheer, Todd	0.40	Review variance; review Stewart McKelvey memo.
5/21/2025	Foran, James	1.30	Calls with Joanne Caryi, emails with stakeholders, call with interested parties, call with Josh Santimaw, discussion with engagement team on DIP allocation workbook.
5/21/2025	MacInnes, Fraser	3.80	Meeting with James Foran and Ian Lewis; review of cash flow by company over period to date/DIP company allocation; creation of variance report for the week ended May 18 and discussion with Todd Ambachtsheer; emails to potential buyers.
5/21/2025	Lewis, Ian	3.70	Activities pertaining to the DIP repayment allocation including preparing a consolidated summary of the debtor's activities during the period February 10 to May 18, 2025, and conducting in-person discussions with Fraser MacInnes and James Foran.



Date	Name	Hours	Descriptions
5/22/2025	Foran, James	1.20	Review of offers and correspondence in advance of meeting, calls with Joanne Caryi re: real estate, discussions with legal counsel, review of DIP allocation workbook and comments to engagement team.
5/22/2025	MacInnes, Fraser	2.10	Payment review and approvals; call with potential buyer; call with Joanne Caryi.
5/22/2025	Lewis, Ian	2.70	Activities related to assisting the Caryi Group with HST filings; Discussions with Fraser MacInnes re: unsuccessful bidders; Call with bidder re: bid review process.
5/23/2025	Ambachtsheer, Todd	1.60	Call with lender group re: path forward; bidder call.
5/23/2025	MacInnes, Fraser	2.20	Review of energy expense reconciliation; organization of site visit with League; follow up on wire payment to interested party; email to James Foran and Todd Ambachtsheer regarding order to comply (May 9).
5/23/2025	Brown, Rose	0.40	Review emails request - Send email to RBC to obtain Banking print out, Discuss Wire confirmation request with Laura Conorton and Ian Lewis.
5/23/2025	Conorton, Laura	0.20	Correspondence with team and bank with regards to wire processed from Halifax office, providing backup support in Colleen's absence.
5/23/2025	Lewis, Ian	1.80	Site visit at 1533 Barrington Street with [REDACTED] and interested party; emails to/from Rose Brown and discussions with Fraser MacInnes regarding the return of bidders' deposits; activities related to assisting the Caryi Group with HST filings.
5/23/2025	O'Brien, Colleen	0.30	Prepare wire transfer and fax to the bank.
5/23/2025	Foran, James	2.10	Prepare for and attend professional meeting at Stewart McKelvey with Lender's advisors, Proposal Trustee and its legal counsel, call with preferred bidder.
5/26/2025	MacInnes, Fraser	4.10	Emails to Sara Scott and David Wedlake; emails to Joanne Caryi regarding Obladee lease; drafting bid acceptance letter; meeting with Tramway tenant; call with interested party; arranging meeting with bidder; email to Todd Ambachtsheer and James Foran.
5/26/2025	Lewis, Ian	4.40	Prepare the DIP allocation by company and property; In-person discussions with Fraser MacInnes and James Foran re: DIP allocation, bid acceptance, corresponding with stakeholders.
5/26/2025	Foran, James	2.90	Prepare for and attend meeting with [REDACTED], call with Kelly Reardon re: 545 Young Avenue, discussions with interested parties, discussions with DGT, discussions with legal counsel, emails.
5/27/2025	Foran, James	2.30	Lender correspondence, discussion with Liam Murphy, discussion with engagement team, calls with Joanne Caryi, discuss revised cash flow, call with legal counsel.

Date	Name	Hours	Descriptions
5/27/2025	MacInnes, Fraser	3.80	In-person meeting with bidder on Tramway; follow ups with bidder on the Sonic and Guardian buildings; revision of bid acceptance letter; discussion with James Foran regarding Granville Hall and Skyrise invoice; drafting of letter to Lenders.
5/27/2025	Lewis, Ian	4.10	Prepare the DIP allocation by company and property; In-person discussions with Fraser MacInnes re: DIP allocation; Prepare the variance analysis for the period May 19-25.
5/28/2025	MacInnes, Fraser	4.30	Review of letter to lenders; arranging site visits with lenders/potential bidder; calls with Joanne Caryi; creation of a 6-week cash flow forecast.
5/28/2025	Lewis, Ian	2.40	Activities pertaining to rent roll for the period Feb 10-May 18, 2025; Discussions with Fraser MacInnes re: unsuccessful and successful bidders,including preparing correspondence re: bid accepted or rejection.
5/28/2025	Foran, James	2.30	Email to engagement team re: revised forecast, email to lender re: update on SISP, correspondence letter to Lenders, review email from broker of interested party, discussion and email to DGT re: Tramway transaction, review and share email from agent.
5/29/2025	Ambachtsheer, Todd	0.30	Review bidder correspondence.
5/29/2025	MacInnes, Fraser	3.90	Site visit of Tramway building and in-person meeting with interested party; finalization of variance analysis for the week ended May 25; emails to interested party properties; call with Joanne Caryi; arranging of site visits; email to Liam Murphy/DGT.
5/29/2025	Lewis, Ian	3.40	Activities pertaining to the utilities reconciliation for the period Feb 10-May 18, 2025 (i.e., prepare an analysis of the quoted price vs. actual quantity delivered, discussions with Fraser MacInnes re: utilities reconciliation , Call with Joanne Caryi.
5/29/2025	Foran, James	1.60	Update SISP status to organizational chart and share with larger group, emails to/from DGT re: Tramway and calls and emails to interested party, approval of fund transfer for scaffolding.
5/30/2025	Ambachtsheer, Todd	0.20	Review bidder correspondence.
5/30/2025	Foran, James	2.10	Discussions with real estate broker of interested bidder, emails and calls with Liam Murphy, discussions with engagement team, calls with Josh Santimaw, calls with interested party, emails.
5/30/2025	MacInnes, Fraser	3.80	Review of utilities reconciliation; finalization of bid acceptance letter for properties; meeting with Ian Lewis; call with Sara Scott; email to potential buyer.
5/30/2025	Lewis, Ian	3.70	Activities pertaining to the utilities reconciliation for the period Feb 10-May 18, 2025 (i.e., prepare an analysis of the quoted price vs. actual quantity delivered, Emails to/from Joanne); Prepare amendments to the letters for the bidders.
		<b>163.10</b>	

THIS IS EXHIBIT "**B**" REFERRED TO IN THE AFFIDAVIT OF  
JAMES FORAN SWORN BEFORE ME THIS 26<sup>th</sup> DAY OF JUNE,  
2025.



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Sara L. Scott  
A Barrister of the Supreme Court of Nova Scotia

**Caryi Group**  
**Summary by individual of Deloitte Restructuring Inc. ("Deloitte") - Proposal Trustee**  
**For the period November 12, 2024 to May 31, 2025**  
**Prepared on June 25, 2025**

Individual	Title	Hours	Rate	Fees	Disbursements	HST	Total
James Foran	Senior Vice President	202.20	596.81	120,675.00	628.83	17,329.34	138,633.17
Todd Ambachtsheer	Senior Vice President	52.70	596.39	31,430.00	-	4,463.20	35,893.20
Jorden Sleeth	Senior Vice President	0.50	600.00	300.00	-	42.00	342.00
Rob Jeffery	Senior Vice President	0.20	600.00	120.00	-	18.00	138.00
Fraser Macinnes	Vice President	295.70	500.00	147,850.00	-	20,819.00	168,669.00
Karine Forget	Vice President	5.70	500.00	2,850.00	-	427.50	3,277.50
Colleen O'Brien	Manager	7.20	400.00	2,880.00	-	422.40	3,302.40
Rose Brown	Manager	1.20	400.00	480.00	-	67.20	547.20
Melanie Ayotte	Senior Associate	0.70	325.00	227.50	-	34.13	261.63
Laura Conorton	Senior Associate	0.20	325.00	65.00	-	9.10	74.10
Ian Lewis	Senior Associate	240.60	325.00	78,195.00	-	10,955.75	89,150.75
Mohamed Mohamoud	Senior Associate	58.80	300.00	18,307.50	-	2,649.83	20,957.33
		865.70	465.96	403,380.00	628.83	57,237.44	461,246.27
Legal fees					8,910.50	1,247.47	10,157.97
Court fees					750.00	105.00	855.00
Advertising					1,050.00	147.00	1,197.00
Advertising					1,047.00	146.58	1,193.58
Subscription- Data Room					3,100.00	434.00	3,534.00
Office Rental					77.74	10.88	88.62
Administrative Fee				4,733.40	-	710.01	5,443.41
Administrative Fee				23,503.21	-	3,290.45	26,793.66
Postage					122.65	17.17	139.82
				28,236.61	15,057.89	6,108.56	49,403.06
					15,686.72	63,346.00	510,649.33
Total				431,616.61	15,686.72	63,346.00	510,649.33

**APPENDIX "N"**  
**AFFIDAVIT OF SARA SCOTT**

Hfx No. 539955  
Estate No. 51-3176229  
Estate No. 51-3176186  
Estate No. 51-3175914  
Estate No. 51-3176190  
Estate No. 51-3176175

Supreme Court of Nova Scotia  
In Bankruptcy and Insolvency

**In the Matter of the Notice of Intention to Make a Proposal under the  
*Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, of Annapolis  
Management, Inc., Ruby, LLP, BSL Holdings Limited, 3337151 Nova Scotia  
Limited and 4551650 Nova Scotia Limited**

**AFFIDAVIT**

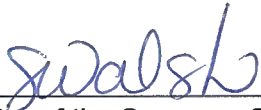
I, Sara L. Scott, of Halifax, Province of Nova Scotia, make oath and give evidence as follows:

1. I am a Partner at Stewart McKelvey, solicitors for Deloitte Restructuring Inc., the Proposal Trustee of the Applicants in the within proceeding.
2. I have personal knowledge of the evidence sworn in this affidavit except where otherwise stated to be based on information or belief.
3. I state, in this affidavit, the source of any information that is not based on my own personal knowledge, and I state my belief of the source.
4. Attached hereto and marked as **Exhibit "1"** is a copy of the 6 interim invoices (the "**Invoices**") rendered by Stewart McKelvey in respect of the period from November 8, 2024 to May 31, 2025. The Invoices contain the fees (including details of the billing rates and total hours of each of the members of Stewart McKelvey who acted on behalf of the Receiver in these proceedings), disbursements and HST charged by Stewart McKelvey in these proceedings.
5. Attached hereto and marked as **Exhibit "2"** is a schedule summarizing each invoice in Exhibit "1", including the total billable hours charged, total fees charged, total disbursements charged and the average hourly rate.



6. Stewart McKelvey expended a total of 296.8 hours at an average hourly rate of approximately \$296.29 in connection with this matter during the period from November 8, 2024 to May 31, 2025, giving rise to fees of \$114,992.50, plus disbursements of \$3,218.85, plus HST of \$17,097.64, amounting in all to \$135,308.99.
7. The Invoices are a fair and accurate description of the services provided and the amounts charged by Stewart McKelvey. To the best of my knowledge, Stewart McKelvey's rates and disbursements are consistent with those in the Atlantic Canada market for these types of matters and the hourly billing rates charged by Stewart McKelvey are comparable to the rates charged by Stewart McKelvey for services rendered in similar proceedings.
8. I make this affidavit in support of the Receiver's motion for, among other things, approval of the fees and disbursements of the Receiver and its legal counsel.

**SWORN** to before me at Halifax,  
Nova Scotia on June 26, 2025.



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A Barrister of the Supreme Court of Nova  
Scotia

**SARAH A. WALSH**  
A Barrister of the Supreme  
Court of Nova Scotia



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**Sara L. Scott**

Hfx No. 539955  
Estate No. 51-3176229  
Estate No. 51-3176186  
Estate No. 51-3175914  
Estate No. 51-3176190  
Estate No. 51-3176175

This is Exhibit "1" to the affidavit of Sara L.  
Scott sworn to before me at Halifax, Nova  
Scotia on June 26, 2025



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A Barrister of the Supreme Court of Nova  
Scotia

**SARAH A. WALSH**  
A Barrister of the Supreme  
Court of Nova Scotia



Queen's Marque  
600-1741 Lower Water Street, PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417

Deloitte Restructuring Inc.  
James Foran  
1741 Lower Water Street, Suite 800  
Halifax NS B3J 0J2

December 31, 2024  
Invoice: 91177442  
SM043375 - 00009  
Billing Timekeeper: Sara Scott  
GST Registration No. R121769053  
jforan@deloitte.ca

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For Professional Services Rendered  
Re: Proposal of Ruby LLP et al

FEES

Nov 8, 2024	SLS	Telephone call with J. Foran and others regarding potential CCAA.	0.70
Nov 18, 2024	SLS	Review and response to email communications and review of encumbrances on PEI property.	0.40
Nov 18, 2024	GWS	Email correspondence with S. Scott. Review file materials.	0.50
Nov 19, 2024	GWS	Email correspondence with title searchers requesting search of the property. Email correspondence with C. Nickles.	0.50
Nov 20, 2024	SLS	Meeting with Deloitte.	0.70
Nov 24, 2024	SLS	Review and response to email communication from J. Foran.	0.10
Nov 26, 2024	SLS	Meeting with Company representatives. Review of law on US entities and CCAA protection. Drafting email communication to Court regarding hearing dates.	4.00
Nov 26, 2024	CS	Correspondence with S. Scott. Review file materials.	0.20
Nov 27, 2024	HME	Conduct preliminary research into whether CCAA protection applies to foreign entities and whether foreign creditors can take enforcement proceedings against assets in Canada. Office meeting with C. Smith relating to same.	1.20
Nov 27, 2024	NDM	Attendance at the Registry Office to search title to property	4.30
Nov 27, 2024	CS	Meeting with H. Metler regarding legal issues. Review and consider legal issues.	0.60
Nov 27, 2024	GWS	Review title search. Prepare search summary.	1.20
Nov 28, 2024	SLS	Discussion with D. Boyd regarding hearing date. Communications regarding same.	0.80

Deloitte Restructuring Inc.  
1741 Lower Water Street, Suite 800  
Halifax, NS B3J 0J2

December 31, 2024  
Our File: SM043375-00009  
Invoice: 91177442  
GST Reg#: R121769053

RE: Proposal of Ruby LLP et al

Page 2

Nov 28, 2024	CS	Correspondence with H. Metler and S. Scott regarding legal issues.	0.20
Nov 29, 2024	CS	Review and consider legal issues related to potential CCAA application. Correspondence with S. Scott regarding same.	0.40
Dec 2, 2024	SLS	Drafting email communication to counsel regarding filing deadlines. Review of summary of properties. Review of summary of applicability of CCAA.	0.70
Dec 3, 2024	SLS	Review and response to email communications regarding potential CCAA proceeding.	0.30
Dec 6, 2024	SLS	Drafting email communication to J. Santimaw regarding status update. Discussion with J.Santimaw and J. Foran regarding timelines and DIP financing.	1.00
Dec 8, 2024	SLS	Meeting regarding cashflow and filing timelines.	0.80
Dec 11, 2024	SLS	Review and response to email communications regarding meeting of creditors.	0.50
Dec 12, 2024	SLS	Review and response to email communications regarding meeting of creditors. Attendance at meeting of creditors.	1.80
Dec 12, 2024	GWS	Email correspondence with S. Scott regarding the status of the title search.	0.40
Dec 13, 2024	SLS	Meeting with Deloitte regarding memo to creditors and outstanding issues.	1.10
Dec 14, 2024	SLS	Review and response to email communications.	0.20
Dec 16, 2024	SLS	Review and response to email communications regarding CCAA filing.	0.40
Dec 17, 2024	SLS	Review and response to email communications regarding update to borrowers.	0.80
Dec 18, 2024	SLS	Review and response to email communications regarding potential CCAA filing.	0.40
Dec 19, 2024	SLS	Attendance at meeting of creditors.	0.60
Total Hours			24.80
Total Fees			\$8,896.50

Timekeeper Summary		Rate	Hours	Fees
CS	Colton Smith	275.00	1.40	385.00
GWS	Graeme W. Stetson	310.00	2.60	806.00
HME	Harper Metler	240.00	1.20	288.00
NDM	Natasha D Perry	34.88	4.30	150.00
SLS	Sara L. Scott	475.00	15.30	7,267.50
Total Hours and Fees:			24.80	\$8,896.50

#### DISBURSEMENT SUMMARY

Deloitte Restructuring Inc.  
1741 Lower Water Street, Suite 800  
Halifax, NS B3J 0J2

December 31, 2024  
Our File: SM043375-00009  
Invoice: 91177442  
GST Reg#: R121769053

RE: Proposal of Ruby LLP et al

Page 3

Search Fees	14.00
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Total Disbursements	\$14.00
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\*Items not subject to GST/HST

#### SUMMARY

Total Fees, Other Charges and Disbursements	8,910.50
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15% HST on Taxable Fees, Other Charges & Disbursements	1,336.58
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Total Account Due:	<u>\$10,247.08</u>
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Please return this Remittance Page along with your payment to ensure payment is correctly applied to your account balance.

Important details to note when making a payment:

Client Code: **SM043375**  
Matter Number: **00009**  
Bill Number: **91177442**  
Invoice Amount: **\$10,247.08**  
Invoice Amount Outstanding: **\$10,247.08**

For payment options, please refer to <https://www.stewartmckelvey.com/payment/>  
or

For more information please contact the Accounts Receivable Team at  
[receivables@stewartmckelvey.com](mailto:receivables@stewartmckelvey.com)

All services and accounts are payable upon receipt and are rendered in Canada in Canadian Dollars



NOVA SCOTIA OFFICE Halifax  
Remit to: PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417  
GST Registration No. R121769053

---

Deloitte Restructuring Inc.  
James Foran  
1741 Lower Water Street, Suite 800  
Halifax NS B3J 0J2

Our File: SM043375-00009  
Invoice: 91177442  
Date: December 31, 2024

RE: Proposal of Ruby LLP et al

For Professional Services Rendered and Other Charges:	\$8,896.50
Disbursements Incurred:	14.00
15% HST on Taxable Fees, Other Charges & Disbursements	1,336.58
Total Account Due:	<u>\$10,247.08</u>





NOVA SCOTIA OFFICE Halifax  
Remit to: PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417  
GST Registration No. R121769053

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### OUTSTANDING INVOICE SUMMARY

<b>Date</b>	<b>Invoice Number</b>	<b>Total Billed</b>	<b>Balance</b>
February 19, 2025	91189234	47,465.45	47,465.45
	<b>Outstanding Balance</b>		<b>47,465.45</b>



Queen's Marque  
600-1741 Lower Water Street, PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417

Deloitte Restructuring Inc.  
James Foran  
1741 Lower Water Street, Suite 800  
Halifax NS B3J 0J2

February 19, 2025  
Invoice: 91189234  
SM043375 - 00009  
Billing Timekeeper: Sara Scott  
GST Registration No. R121769053  
jforan@deloitte.ca

For Professional Services Rendered  
Re: Proposal of Ruby LLP et al

#### FEES

Jan 2, 2025	SLS	Review and response to email communication from J. Santimaw.	0.20
Jan 6, 2025	SLS	Review of draft court documents. Telephone call with J. Santimaw.	1.00
Jan 7, 2025	SLS	Review of draft court documents.	2.20
Jan 8, 2025	SLS	Review of draft court documents. Meeting with Deloitte and D. Boyd and J. Santimaw regarding court application. Review of draft monitor's report.	3.10
Jan 8, 2025	DRW	Review and revise DIP term sheet. Email to S. Scott. Review email from T. Ambachtsheer and revise DIP term sheet and per T. Ambachtsheer comments. Email to T. Ambachtsheer. Review monitor's report. Review email correspondence concerning application materials.	3.50
Jan 9, 2025	SLS	Telephone call with J. Santimaw regarding court filing. Review of revised DIP term sheet. Communications regarding DIP and court documents.	1.00
Jan 9, 2025	DRW	Review email from D. Boyd and revisions to DIP term sheet. Email to J. Foran and T. Ambachtsheer concerning same. Review motion materials.	0.70
Jan 10, 2025	SLS	Review of revised monitor's report. Review and response to email communications regarding interim financing and other issues. Meeting with Deloitte regarding proposed report.	3.40
Jan 10, 2025	DRW	Review Monitor's pre-filing report. Meeting with J. Foran and T. Ambachtsheer. Discussions with J. Foran, T. Ambachtsheer, and S. Scott concerning CCAA filing. Review finalized report.	1.70

Jan 12, 2025	SLS	Review and response to email communications and meetings regarding CCAA hearing.	1.50
Jan 12, 2025	DRW	Review email correspondence concerning CCAA motion. Review motion materials.	0.70
Jan 13, 2025	SLS	Meetings and preparation for CCAA initial hearing.	3.90
Jan 13, 2025	DRW	Review email correspondence concerning CCAA matters. Review motion materials and prepare for application hearing.	2.00
Jan 15, 2025	SLS	Meetings and phone calls regarding the filing of a notice of intention.	3.20
Jan 16, 2025	SLS	Attendance at meeting regarding proposal. Review and response to email communications regarding same.	0.80
Jan 16, 2025	DRW	Discussion with S. Scott and H. Metler concerning research.	0.20
Jan 17, 2025	SLS	Telephone call with J. Foran. Review of liquidating CCAA.	0.50
Jan 18, 2025	SLS	Telephone call with J. Foran regarding NOI filing.	0.50
Jan 19, 2025	SLS	Meeting and phone calls regarding filing of notices of intention.	1.10
Jan 20, 2025	SLS	Review and response to email communications regarding NOIs. Telephone calls with J. Santimaw and J. Foran regarding same.	1.00
Jan 20, 2025	DRW	Review email correspondence concerning receivership application. Review email from H. Metler. Review BIA proposal provisions. Consider stay of proceedings matters. Email to H. Metler.	1.50
Jan 21, 2025	SLS	Review and response to email communications. Telephone calls with J. Santimaw and J. Foran.	1.30
Jan 22, 2025	KCL	Research sections of the BIA at the request of D. Wedlake.	1.20
Jan 22, 2025	SLS	Review of proposed report of the Proposal Trustee and motion material for lifting the stay and appointment of receiver.	4.70
Jan 22, 2025	LMS	Receipt, review and organization of court applications in preparation for hearing.	0.90
Jan 22, 2025	DRW	Review draft proposal trustee's report. Meeting with S. Scott and J. Foran concerning the same. Research concerning receivership application matters. Email to H. Metler.	4.70
Jan 23, 2025	KCL	Research sections of the BIA at the request of S. Scott.	1.90
Jan 23, 2025	SLS	Preparation for court hearing. Review of law on curative provisions of the BIA.	11.80
Jan 23, 2025	LMS	Prepare caselaw, reports and other materials for Court. Email correspondence and office conferences with S. Scott regarding same. Correspondence to Court regarding First Report. Email to Service List regarding First Report. Email to	5.60

		A. Sabean regarding same. Assist with hearing preparation.	
Jan 23, 2025	DRW	Review receivership application materials. Review proposal trustee's report. Draft comments to proposal trustee's report. Email to J. Foran. Meeting with S. Scott to prepare for receivership application hearing.	4.10
Jan 24, 2025	SLS	Preparation for and attendance at court hearing.	6.90
Jan 24, 2025	DRW	Prepare for and attend hearing concerning receivership application.	6.50
Jan 27, 2025	SLS	Attendance at decision. Meeting regarding relief to be sought at comeback hearing.	3.80
Jan 28, 2025	SLS	Review and response to email communications from J. Foran regarding cash flows.	0.50
Jan 29, 2025	SLS	Review of cashflows and communications regarding SISP and other relief.	0.50
Jan 29, 2025	DRW	Review email from J. Foran. Review BIA disclaimer provisions. Email correspondence with S. Scott and J. Foran.	0.50
Jan 31, 2025	SLS	Review and response to email communication from the Proposal Trustee regarding payment of employees.	0.40
Jan 31, 2025	DRW	Review emails from J. Foran and C. Ackerman.	0.20
Total Hours			89.20
Total Fees			\$39,145.00

Timekeeper Summary		Rate	Hours	Fees
DRW	David R Wedlake	375.00	26.30	9,862.50
KCL	Kaitlyn Clarke	0.00	3.10	0.00
LMS	Laura M Smith	200.00	6.50	1,300.00
SLS	Sara L. Scott	525.00	53.30	27,982.50
Total Hours and Fees:			89.20	\$39,145.00

Other Charges		
Photocopies		1,977.50
Courier/Delivery		15.60
Stationery/Bookbinding/Seals		136.20
Total Other Charges		\$2,129.30
Total Fees and Other Charges		\$41,274.30

SUMMARY		
Total Fees, Other Charges and Disbursements		41,274.30
15% HST on Taxable Fees, Other Charges & Disbursements		6,191.15

Deloitte Restructuring Inc.  
1741 Lower Water Street, Suite 800  
Halifax, NS B3J 0J2

February 19, 2025  
Our File: SM043375-00009  
Invoice: 91189234  
GST Reg#: R121769053

RE: Proposal of Ruby LLP et al

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Page 4

Total Account Due:

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\$47,465.45

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NOVA SCOTIA OFFICE Halifax  
Remit to: PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417  
GST Registration No. R121769053

---

Please return this Remittance Page along with your payment to ensure payment is correctly applied to your account balance.

Important details to note when making a payment:

Client Code: **SM043375**  
Matter Number: **00009**  
Bill Number: **91189234**  
Invoice Amount: **\$47,465.45**  
Invoice Amount Outstanding: **\$47,465.45**

For payment options, please refer to <https://www.stewartmckelvey.com/payment/>  
or

For more information please contact the Accounts Receivable Team at  
[receivables@stewartmckelvey.com](mailto:receivables@stewartmckelvey.com)

All services and accounts are payable upon receipt and are rendered in Canada in Canadian Dollars



NOVA SCOTIA OFFICE Halifax  
Remit to: PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417  
GST Registration No. R121769053

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Deloitte Restructuring Inc.  
James Foran  
1741 Lower Water Street, Suite 800  
Halifax NS B3J 0J2

Our File: SM043375-00009  
Invoice: 91189234  
Date: February 19, 2025

RE: Proposal of Ruby LLP et al

For Professional Services Rendered and Other Charges:	\$41,274.30
Disbursements Incurred:	0.00
15% HST on Taxable Fees, Other Charges & Disbursements	6,191.15
Total Account Due:	<u>\$47,465.45</u>



NOVA SCOTIA OFFICE Halifax  
Remit to: PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417  
GST Registration No. R121769053

---

### OUTSTANDING INVOICE SUMMARY

<b>Date</b>	<b>Invoice Number</b>	<b>Total Billed</b>	<b>Balance</b>
February 19, 2025	91189234	47,465.45	47,465.45
	<b>Outstanding Balance</b>		<b>47,465.45</b>





Queen's Marque  
600-1741 Lower Water Street, PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417

Ruby LLP  
PO Box 1011 Station Central,  
Halifax NS B3J 2X1

March 18, 2025  
Invoice: 91194905  
SM043375 - 00009  
Billing Timekeeper: Sara Scott  
GST Registration No. R121769053  
fmacinnes@deloitte.ca; jforan@deloitte.ca

For Professional Services Rendered  
Re: Proposal of Ruby LLP et al

#### FEES

Feb 2, 2025	SLS	Review and response to email communication from J. Foran regarding response to lender concerns.	0.30
Feb 2, 2025	DRW	Review email correspondence from J. Foran.	0.10
Feb 4, 2025	SLS	Review and response to email communications regarding SISP and cash flow.	0.40
Feb 4, 2025	DRW	Review email correspondence from J. Froan. Email to S. Scott concerning lender representatives.	0.30
Feb 5, 2025	SLS	Discussion with J. Foran regarding application. Telephone call with A. Sabean regarding Court request for new hearing date. Drafting email communication to counsel regarding same.	0.60
Feb 6, 2025	SLS	Drafting email communication to Court regarding amended comeback hearing date.	0.90
Feb 7, 2025	SLS	Review and response to email communication from J. Foran regarding relief for comeback hearing.	0.50
Feb 7, 2025	DRW	Review email correspondence concerning comeback hearing.	0.10
Feb 10, 2025	SLS	Meeting with J. Foran regarding proposal trustee's report and outstanding issues. Review of proposal trustee's report.	1.60
Feb 11, 2025	SLS	Meeting regarding proposal trustee's report. Review of draft report and court documents.	3.50
Feb 12, 2025	SLS	Review of draft report and court documents.	2.40
Feb 12, 2025	LMS	Drafting correspondence to Court regarding filing of Second Report.	0.20
Feb 13, 2025	SLS	Review and revisions to court documents.	1.70
Feb 14, 2025	SLS	Final review and filing of proposal trustee's second report.	1.30
Feb 14, 2025	LMS	Correspondence to Court regarding Second Report	0.40

Ruby LLP  
PO Box 1011 Station Central,  
Halifax NS B3J 2X1

March 18, 2025  
Our File: SM043375-00009  
Invoice: 91194905  
GST Reg#: R121769053

RE: Proposal of Ruby LLP et al

Page 2

		and attend to filing of same. Email to Service List regarding service of Second Report. Email to A. Sabeau regarding report.	
Feb 16, 2025	SLS	Preparation for court hearing.	1.60
Feb 17, 2025	SLS	Preparation for court hearing.	0.80
Feb 17, 2025	DRW	Review motion materials from M. Dunning.	0.10
Feb 18, 2025	SLS	Preparation for and attendance at court.	3.00
Feb 19, 2025	SLS	Review of Non-Disclosure Agreement and email communications regarding SISP/	1.80
Feb 20, 2025	SLS	Review and response to email communications.regarding sales process and funds being held.	0.40
Feb 21, 2025	SLS	Drafting email communication to J. Santimaw regarding funds from sale of Ogilvie property.	0.40
Feb 24, 2025	HME	Review memorandum relating to residential security deposit issues.	0.30
Feb 24, 2025	SLS	Review of residential tenancies provisions and security deposits.	1.10
Feb 24, 2025	LMS	Review and compile loan and security documents in relation to security review.	0.60
Feb 24, 2025	DRW	Email correspondence with S. Scott concerning trust claim and tenant deposits. Review research concerning the same. Email correspondence with H. Metler concerning revisions to memorandum. Review and update same.	0.70
Feb 25, 2025	SLS	Review and response to email communications regarding financial variances.	0.20
Feb 27, 2025	SLS	Review and response to email communications regarding revised DIP term sheet.	0.40
Total Hours			25.70
Total Fees			\$12,822.00

Timekeeper Summary		Rate	Hours	Fees
DRW	David R Wedlake	375.00	1.30	487.50
HME	Harper Metler	240.00	0.30	72.00
LMS	Laura M Smith	200.00	1.20	240.00
SLS	Sara L. Scott	525.00	22.90	12,022.50
Total Hours and Fees:			25.70	\$12,822.00

Other Charges		
Photocopies		180.25
Stationery/Bookbinding/Seals		16.60
Total Other Charges		\$196.85
Total Fees and Other Charges		\$13,018.85

Ruby LLP  
PO Box 1011 Station Central,  
Halifax NS B3J 2X1

March 18, 2025  
Our File: SM043375-00009  
Invoice: 91194905  
GST Reg#: R121769053

RE: Proposal of Ruby LLP et al

Page 3

SUMMARY

Total Fees, Other Charges and Disbursements	13,018.85
15% HST on Taxable Fees, Other Charges & Disbursements	<u>1,952.83</u>
Total Account Due:	<u><u>\$14,971.68</u></u>



NOVA SCOTIA OFFICE Halifax  
Remit to: PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417  
GST Registration No. R121769053

---

Please return this Remittance Page along with your payment to ensure payment is correctly applied to your account balance.

Important details to note when making a payment:

Client Code: **SM043375**  
Matter Number: **00009**  
Bill Number: **91194905**  
Invoice Amount: **\$14,971.68**  
Invoice Amount Outstanding: **\$14,971.68**

For payment options, please refer to <https://www.stewartmckelvey.com/payment/>  
or

For more information please contact the Accounts Receivable Team at  
[receivables@stewartmckelvey.com](mailto:receivables@stewartmckelvey.com)

All services and accounts are payable upon receipt and are rendered in Canada in Canadian Dollars



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GST Registration No. R121769053

---

Ruby LLP  
PO Box 1011 Station Central,  
Halifax NS B3J 2X1

Our File: SM043375-00009  
Invoice: 91194905  
Date: March 18, 2025

RE: Proposal of Ruby LLP et al

For Professional Services Rendered and Other Charges:	\$13,018.85
Disbursements Incurred:	0.00
15% HST on Taxable Fees, Other Charges & Disbursements	1,952.83
Total Account Due:	<u>\$14,971.68</u>



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Remit to: PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417  
GST Registration No. R121769053

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### OUTSTANDING INVOICE SUMMARY

Date	Invoice Number	Total Billed	Balance
February 19, 2025	91189234	47,465.45	47,465.45
March 18, 2025	91194905	14,971.68	14,971.68
Outstanding Balance			62,437.13



Queen's Marque  
600-1741 Lower Water Street, PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417

Ruby LLP  
Fraser MacInnes  
PO Box 1011 Station Central  
Halifax NS B3J 2X1

April 4, 2025  
Invoice: 91199302  
SM043375 - 00009  
Billing Timekeeper: Sara Scott  
GST Registration No. R121769053  
fmacinnes@deloitte.ca; jforan@deloitte.ca

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For Professional Services Rendered  
Re: Proposal of Ruby LLP et al

FEES

Mar 3, 2025	SLS	Review and response to email communication from I. Lewis regarding PEI property. Telephone call with J. Foran regarding Cox payment of invoices.	0.50
Mar 4, 2025	LMS	Email from L. Murphy regarding Service List. Drafting Service List.	0.50
Mar 5, 2025	SLS	Review and response to email communication from F. MacInnes regarding work-in-progress.	0.20
Mar 13, 2025	SLS	Review and response to email communications regarding leasing issues. Review of potential for disclaimer of leases. Meeting with T. Ambachtsheer and F. MacInnes.	2.10
Mar 17, 2025	SLS	Review and response to email communication regarding court report.	0.50
Mar 20, 2025	SLS	Review and response to email communication from F. MacInnes regarding deposits.	0.20
Mar 24, 2025	SLS	Review of draft affidavit of J. Caryi regarding stay extension.	0.50
Mar 25, 2025	SLS	Review of draft motion documents. Meeting with Proposal Trustee regarding HRM ordinance issue.	2.30
Mar 26, 2025	SLS	Review and response to email communications regarding SISP and motion documents.	0.30
Mar 27, 2025	SLS	Review of draft proposal trustee's report.	0.60
Mar 27, 2025	LMS	Review and compile additional security provided in relation to security review.	1.60
Mar 27, 2025	LMS	Revise Service List. Email to S. Scott and F. MacInnes regarding style of cause. Drafting correspondence to Court regarding Third Report.	0.40
Mar 28, 2025	SLS	Filing of Proposal Trustee Report.	0.50
Mar 28, 2025	LMS	Drafting correspondence to Court. Receipt of Third	0.70

Ruby LLP  
PO Box 1011 Station Central  
Halifax, NS B3J 2X1

April 4, 2025  
Our File: SM043375-00009  
Invoice: 91199302  
GST Reg#: R121769053

RE: Proposal of Ruby LLP et al

Page 2

Report and attendance to filing. Email to Service List  
regarding Third Report. Email to A. Sabeau  
regarding filing.

Total Hours 10.90

Total Fees \$4,682.50

Timekeeper Summary	Rate	Hours	Fees
LMS Laura M Smith	200.00	3.20	640.00
SLS Sara L. Scott	525.00	7.70	4,042.50
Total Hours and Fees:		10.90	\$4,682.50

SUMMARY

Total Fees, Other Charges and Disbursements	4,682.50
14% HST on Taxable Fees, Other Charges & Disbursements	655.55
Total Account Due:	<u>\$5,338.05</u>



Please return this Remittance Page along with your payment to ensure payment is correctly applied to your account balance.

Important details to note when making a payment:

Client Code: **SM043375**  
Matter Number: **00009**  
Bill Number: **91199302**  
Invoice Amount: **\$5,338.05**  
Invoice Amount Outstanding: **\$5,338.05**

For payment options, please refer to <https://www.stewartmckelvey.com/payment/>  
or

For more information please contact the Accounts Receivable Team at  
[receivables@stewartmckelvey.com](mailto:receivables@stewartmckelvey.com)

All services and accounts are payable upon receipt and are rendered in Canada in Canadian Dollars



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Telephone 902.420.3200 Facsimile 902.420.1417  
GST Registration No. R121769053

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Ruby LLP  
Fraser MacInnes  
PO Box 1011 Station Central  
Halifax NS B3J 2X1

Our File: SM043375-00009  
Invoice: 91199302  
Date: April 4, 2025

RE: Proposal of Ruby LLP et al

For Professional Services Rendered and Other Charges:	\$4,682.50
Disbursements Incurred:	0.00
14% HST on Taxable Fees, Other Charges & Disbursements	655.55
Total Account Due:	<u>\$5,338.05</u>



NOVA SCOTIA OFFICE Halifax  
Remit to: PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417  
GST Registration No. R121769053

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### OUTSTANDING INVOICE SUMMARY

<b>Date</b>	<b>Invoice Number</b>	<b>Total Billed</b>	<b>Balance</b>
April 4, 2025	91199302	5,338.05	5,338.05
	<b>Outstanding Balance</b>		<b>5,338.05</b>



Queen's Marque  
600-1741 Lower Water Street, PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417

Ruby LLP  
Fraser MacInnes  
PO Box 1011 Station Central  
Halifax NS B3J 2X1

May 8, 2025  
Invoice: 91207167  
SM043375 - 00009  
Billing Timekeeper: Sara Scott  
GST Registration No. R121769053  
fmacinnes@deloitte.ca; jforan@deloitte.ca

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For Professional Services Rendered  
Re: Proposal of Ruby LLP et al

FEES

Apr 2, 2025	SLS	Review and response to email communication from Court. Review of the Third Report of the Proposal Trustee.	0.70
Apr 3, 2025	SLS	Review of Proposal Trustee's report and preparation for court hearing.	1.30
Apr 3, 2025	DRW	Review email from F. MacInnes. Review parcel registers and file material. Email correspondence with S. Scott.	0.60
Apr 4, 2025	SLS	Preparation for and attendance at Court appearance. Meeting regarding outstanding issues.	2.30
Apr 4, 2025	DRW	Email to F. MacInnes. Email correspondence with S. Scott. Review proposal trustee's report. Review affidavits and file material. Review security documents. Review parcel register. Email to S. Scott concerning 5668 Ogilvie Street property.	2.60
Apr 6, 2025	DRW	Review loan and security documents. Review parcel register for 545 Young Avenue property. Draft security review.	2.10
Apr 7, 2025	MBL	Perform PPSA (x2) and Bank Act (x2) searches respecting Annapolis Management, Inc. and Ruby, LLP at the request of D. Wedlake.	0.30
Apr 7, 2025	JPM	Perform judgment search against Annapolis Management Inc & Ruby LLP. Obtain all registered and recorded interests on parcel and obtain property tax certificate for PID #00047183 - 545 Young Avenue, Halifax, NS. As per D. Wedlake.	0.60
Apr 7, 2025	SLS	Review of draft security opinion regarding sale of Ogilvie Street property. Meeting with J. Foran regarding security.	1.00

Ruby LLP  
PO Box 1011 Station Central  
Halifax, NS B3J 2X1

May 8, 2025  
Our File: SM043375-00009  
Invoice: 91207167  
GST Reg#: R121769053

RE: Proposal of Ruby LLP et al

Page 2

Apr 7, 2025	DRW	Email correspondence with F. MacInnes. Meeting with S. Scott and J. Foran. Review loan and security documents. Request and review due diligence searches. Draft security review for Young Avenue property.	2.00
Apr 8, 2025	DRW	Review loan and security documents. Draft notes to file.	1.10
Apr 10, 2025	LMS	Review of initial security documents provided by M. Dunning. Email to D. Wedlake regarding same.	0.30
Apr 10, 2025	DRW	Email correspondence with L. Smith concerning security documents.	0.40
Apr 11, 2025	CS	Correspondence with D. Wedlake regarding security reviews.	0.20
Apr 11, 2025	LMS	Review and compile searches in relation to Young Avenue property.	0.20
Apr 11, 2025	DRW	Email to C. Smith concerning security review and opinions.	0.40
Apr 15, 2025	SLS	Telephone call with J. Santimaw regarding filing dates.	0.10
Apr 21, 2025	EG	Call with D. Wedlake to discuss the file.	0.30
Apr 21, 2025	DRW	Meeting with E. Gregory concerning security reviews.	0.10
Apr 22, 2025	SLS	Review and response to email communication from J. Foran regarding offers received.	0.20
Apr 22, 2025	DRW	Draft memorandum concerning payment direction.	0.70
Apr 23, 2025	CS	Begin security review.	0.30
Apr 23, 2025	DRW	Discussion with C. Smith concerning security reviews.	0.20
Apr 24, 2025	DRW	Email to E. Gregory concerning security reviews.	0.10
Apr 29, 2025	EG	Email correspondence with D. Wedlake. Review the security and loan documents. Draft the security review memorandum.	0.90
Apr 30, 2025	EG	Email correspondence with D. Wedlake. Review the security and loan documents. Draft the security review memorandum.	0.30
Apr 30, 2025	SLS	Telephone call with T. Ambachsteer regarding tenancy issues. Discussion with C. Smith regarding same.	0.80
Apr 30, 2025	CS	Review and consider legal issues related to disclaimer of lease agreements.	1.20
Apr 30, 2025	DRW	Email correspondence with E. Gregory. Review emails from S. Scott concerning tenancy matters.	0.20
Total Hours			21.50
Total Fees			\$8,458.50

Timekeeper Summary	Rate	Hours	Fees
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Ruby LLP  
PO Box 1011 Station Central  
Halifax, NS B3J 2X1

May 8, 2025  
Our File: SM043375-00009  
Invoice: 91207167  
GST Reg#: R121769053

RE: Proposal of Ruby LLP et al

Page 3

Timekeeper Summary		Rate	Hours	Fees
CS	Colton Smith	300.00	1.70	510.00
DRW	David R Wedlake	375.00	10.50	3,937.50
EG	Eryka Gregory	300.00	1.50	450.00
JPM	Jeremy P. MacLeod	110.00	0.60	66.00
LMS	Laura M Smith	200.00	0.50	100.00
MBL	Breanna Meghan Langley	116.67	0.30	35.00
SLS	Sara L. Scott	525.00	6.40	3,360.00
Total Hours and Fees:			21.50	\$8,458.50

#### DISBURSEMENT SUMMARY

Search Fees	30.00
* Property Taxes	100.00
PPSA Search Fees	17.50
Total Disbursements	\$147.50

\*Items not subject to GST/HST

#### SUMMARY

Total Fees, Other Charges and Disbursements	8,606.00
14% HST on Taxable Fees, Other Charges & Disbursements	1,190.84
Total Account Due:	<u>\$9,796.84</u>

Please return this Remittance Page along with your payment to ensure payment is correctly applied to your account balance.

Important details to note when making a payment:

Client Code: **SM043375**  
Matter Number: **00009**  
Bill Number: **91207167**  
Invoice Amount: **\$9,796.84**  
Invoice Amount Outstanding: **\$9,796.84**

For payment options, please refer to <https://www.stewartmckelvey.com/payment/>  
or

For more information please contact the Accounts Receivable Team at  
[receivables@stewartmckelvey.com](mailto:receivables@stewartmckelvey.com)

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GST Registration No. R121769053

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Ruby LLP  
Fraser MacInnes  
PO Box 1011 Station Central  
Halifax NS B3J 2X1

Our File: SM043375-00009  
Invoice: 91207167  
Date: May 8, 2025

RE: Proposal of Ruby LLP et al

For Professional Services Rendered and Other Charges:	\$8,458.50
Disbursements Incurred:	147.50
14% HST on Taxable Fees, Other Charges & Disbursements	1,190.84
Total Account Due:	<u>\$9,796.84</u>





NOVA SCOTIA OFFICE Halifax  
Remit to: PO Box 997, Halifax NS Canada B3J 2X2  
Telephone 902.420.3200 Facsimile 902.420.1417  
GST Registration No. R121769053

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### OUTSTANDING INVOICE SUMMARY

<b>Date</b>	<b>Invoice Number</b>	<b>Total Billed</b>	<b>Balance</b>
May 8, 2025	91207167	9,796.84	9,796.84
	<b>Outstanding Balance</b>		<b>9,796.84</b>

Hfx No. 539955  
Estate No. 51-3176229  
Estate No. 51-3176186  
Estate No. 51-3175914  
Estate No. 51-3176190  
Estate No. 51-3176175

This is Exhibit "2" to the affidavit of Sara L.  
Scott sworn to before me at Halifax, Nova  
Scotia on June 26, 2025



---

A Barrister of the Supreme Court of Nova  
Scotia

**SARAH A. WALSH**  
A Barrister of the Supreme  
Court of Nova Scotia

**Summary of Accounts Rendered by Stewart McKelvey for the period of November 8, 2024 to May 31, 2025**

Client	Matter	Invoice	Date	Total Billed	Fees	Hard Disb	Soft Disb	HST	Average Hourly Rate
SM043375	9	91177442	December 31, 2024	\$ 10,247.08	\$ 8,896.50	\$ -	\$ 14.00	\$ 1,336.58	\$ 266.98
SM043375	9	91189234	February 19, 2025	\$ 47,465.45	\$ 39,145.00	\$ -	\$ 2,129.30	\$ 6,191.15	\$ 275.00
SM043375	9	91194905	March 18, 2025	\$ 14,971.68	\$ 12,822.00	\$ -	\$ 196.85	\$ 1,952.83	\$ 335.00
SM043375	9	91199302	April 4, 2025	\$ 5,338.05	\$ 4,682.50	\$ -	\$ -	\$ 655.55	\$ 362.50
SM043375	9	91207167	May 8, 2025	\$ 9,796.84	\$ 8,458.50	\$ 100.00	\$ 47.50	\$ 1,190.84	\$ 275.24
SM043375	9	91218450	June 25, 2025	\$ 47,489.89	\$ 40,988.00	\$ 566.70	\$ 164.50	\$ 5,770.69	\$ 263.00
<b>TOTAL</b>				<b>\$ 135,308.99</b>	<b>\$ 114,992.50</b>	<b>\$ 666.70</b>	<b>\$ 2,552.15</b>	<b>\$ 17,097.64</b>	<b>\$ 296.29</b>

**SUMMARY**

Fees	\$ 114,992.50
Disbursements	\$ 3,218.85
HST	<u>\$ 17,097.64</u>
<b>TOTAL</b>	<b>\$ 135,308.99</b>

### Summary of Individual Timekeepers

Individual	Title	Hours		Fees
Clarke, Kaitlyn	Articled Clerk	4.4	\$	312.00
Delaney, Kayla	Paralegal	0.3	\$	33.00
Dunlavy, Christa D.	Paralegal	1.8	\$	315.00
Gregory, Eryka	Associate	18.0	\$	5,400.00
Keddy, Sarah	Paralegal	1.1	\$	110.00
Langley, Breanna M.	Paralegal	0.3	\$	35.00
MacLeod, Jeremy P	Paralegal	0.6	\$	66.00
MacNeil, Melissa K.	Paralegal	1.0	\$	100.00
Marshall, Shana A.	Paralegal	0.3	\$	45.00
Metler, Harper	Articled Clerk	28.1	\$	4,248.00
Perry, Natasha D.	Paralegal	4.3	\$	150.00
Saah, Aba	Summer Student	6.0	\$	1,470.00
Scott, Sara L.	Partner	133.2	\$	69,165.00
Shanks, John T.	Partner	3.1	\$	1,705.00
Smith, Colton	Associate	12.0	\$	3,565.00
Smith, Laura M.	Paralegal	12.8	\$	2,560.00
Stetson, Graeme W.	Associate	7.1	\$	2,313.50
Wedlake, David R.	Partner	62.4	\$	23,400.00
		<b>296.8</b>	<b>\$</b>	<b>114,992.50</b>