

**DISTRICT OF: NOVA SCOTIA**

**DIVISION NO: 01 – HALIFAX**

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

**ESTATE NO: 51-3176229**

**FOURTH 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 INC., RUBY LLP, 3337151  
NOVA SCOTIA LIMITED, AND 4551650 NOVA SCOTIA LIMITED (EACH A "DEBTOR" AND  
COLLECTIVELY THE "DEBTORS" OR THE "CARYI GROUP")**

**May 9, 2025**

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## **APPENDICES**

APPENDIX A – FOURTH CASH FLOW FORECAST

## INTRODUCTION AND BACKGROUND

1. On January 20, 2025 (the “**NOI Filing Date**”), Annapolis Management Inc. (“**AMI**”), BSL Holdings Inc. (“**BSL**”), Ruby LLP (“**Ruby**”), 333715 Nova Scotia Limited (“**333NSL**”) and 4551650 Nova Scotia Limited (“**455NSL**”) 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. Pursuant to section 69(1) of the BIA, the commencement of the NOI Proceedings granted an automatic stay of proceedings in favour of the Debtors for 30 days (the “**Stay of Proceedings**”).
3. On January 24, 2025, the Court heard an application brought forward by certain lenders of the Caryi Group (the “**Lenders**”) to have the Stay of Proceedings lifted and have a receiver (the “**Proposed Receiver**”) appointed over the assets of the Caryi Group (the “**Lender Requested Relief**”).
4. On January 27, 2025, the Court denied the Lender Requested Relief.
5. On February 13, 2025, the Caryi Group filed a written submission of the Debtors (the “**Debtors’ Submission**”) with 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 Agreement**”) 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 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 Lenders and their financial advisor (the “**Lenders’ FA**”); and
    - b. a charge in favour of the lender of the DIP Agreement (the “**DIP Lender Charge**”) in the amount of \$750,000 as security for the Debtors’ obligations under the DIP Agreement;

- iv. approving the proposed sale and investment solicitation process (the "**SISP**") as outlined in the second report of the Proposal Trustee dated February 14, 2025 (the "**Second Report**");
  - v. approving the activities of the Proposal Trustee as detailed in the first report of the Proposal Trustee dated January 23, 2025 (the "**First Report**") and the Second Report;
  - vi. administratively consolidating the separate NOI's filed by the Debtors; and
  - vii. amending the style of cause as enumerated in the Court's administrative consolidation order dated February 18, 2025.
6. On February 18, 2025, the Court issued an order granting the requested relief (the "**February 18 Order**").
7. 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; and
  - ii. approving the conduct of Deloitte in its capacity as Proposal Trustee.
8. On April 4, 2025, the Court issued an order (the "**April 4 Order**") extending the time to file a proposal to May 19, 2025 and also approving the Proposal Trustee's conduct as described in the third report of the proposal trustee dated March 28, 2025 (the "**Third Report**").
9. Reference is made to the First Report, Second Report and Third Report in the NOI Proceedings.

## **PURPOSE**

10. The purpose of this Fourth 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 Third Report;
  - ii. an update on the SISP that was approved by the Court and administered by the Proposal Trustee;
  - iii. a summary of the Debtors' receipts and disbursements for the period March 24 through May 4, 2025 (the "**Reporting Period**") with a comparison to forecast amounts that were included in the Second Report (the "**Variance Analysis**");

- iv. the Debtors' revised cash flow forecast from May 5, 2025 through July 6, 2025 (the "**Revised Cash Flow Period**" and the "**Fourth Cash Flow Forecast**"); and
- v. the Proposal Trustee's recommendations with request to the relief being sought by the Debtors in their motion materials dated May 8, 2025 (the "**Motion**").

## **TERMS OF REFERENCE**

- 11. In preparing this Fourth 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 Fourth 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 Fourth Report in its capacity as Proposal Trustee to provide background to the Court for its consideration of the relief being sought. Parties using this Fourth Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
- 12. Future-oriented financial information referred to in this Fourth 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.
- 13. Unless otherwise indicated, the Proposal Trustee's understanding of the factual matters expressed in this Fourth Report concerning the Debtors and their businesses is based on the Information and not independent factual determinations made by the Proposal Trustee.

14. Capitalized terms not defined herein have the meaning ascribed to them in the Pre-Filing Report, First Report, Second Report, Third Report and the affidavits of Joanne Caryi (the "**Caryi Affidavits**") filed in these NOI Proceedings.
15. 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 APRIL 4 ORDER**

16. Since the date of the Third 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.
  - 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 HRM regarding the Order to Comply for the property located at 1598-1600 Barrington Street, Halifax Nova Scotia, including providing the HRM with an external structural report on May 6, 2025;
  - vi. corresponding with the Canada Revenue Agency ("**CRA**") to open post-filing excise tax accounts for the Caryi Group;
  - vii. working with the Proposal Trustee to prepare the Fourth Cash Flow Forecast as described further herein; and

viii. assisting the Proposal Trustee with respect to queries from interested parties as part of the SISP.

17. 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**

18. Since the date of the Third Report, the Proposal Trustee's activities have included, but are not limited to, the following:

- i. attending the Court appearance related to the Debtors' motion that was heard by the Court on April 4, 2025;
- ii. participating in daily meetings with Ms. Caryi regarding restructuring matters of the Caryi Group;
- iii. participating in discussions with the Proposal Trustee's legal counsel regarding the administration of the NOI Proceedings;
- iv. 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. weekly updates on the SISP both prior to and subsequent to the bid deadline on April 21, 2025 (the "**Bid Deadline**"); and
  - d. miscellaneous administrative matters such as lender approval of *ad hoc* operational expenses;
- v. working with the Debtors to prepare the bi-weekly variance analyses;
- vi. working with the Debtors to prepare the Variance Analysis and Fourth Cash Flow Forecast contained herein;
- vii. reviewing proposed disbursements of the Debtors;
- viii. conducting site visits of the Caryi Group properties with and responding to queries from potential buyers as part of the SISP;
- iv. maintaining the Proposal Trustee's Website;

- v. monitoring the Proposal Trustee's hotline (1-833-712-5155) and email inbox ([caryihalifax@deloitte.ca](mailto:caryihalifax@deloitte.ca)) in order to address stakeholder considerations; and
- vi. filing this Fourth Report with the Court.

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

- 19. Undefined capitalized terms in this section of the Fourth Report shall have the meanings ascribed to them in the SISP.
- 20. The Bid Deadline of the SISP was April 21, 2025. As part of the SISP, the Proposal Trustee was to receive offers to purchase the Caryi Group's assets on this date.
- 21. The Proposal Trustee can confirm that it received 13 bids as part of the SISP. Since that time, it has been clarifying bids with the relevant bidders and discussing same with the Lenders' FA. The Proposal Trustee notes the following with respect to the bids received by the Bid Deadline:
  - i. most of the bids received were for one or multiple properties however one bid was for an *en bloc* purchase;
  - ii. most of the bidders provided a deposit as required by the SISP, but one bidder declined to do so. This bidder was given until close of business on May 6, 2025 to provide a deposit that was compliant with the SISP. As at the date of the Fourth Report, this bidder has yet to provide a deposit;
  - iii. certain of the bids received included commissions to be paid to real estate brokers; and
  - iv. one bid offered a tax receipt as consideration for its offer.
- 22. The Proposal Trustee continues to discuss the bids with the Lenders' FA and will report back to Court once a final determination in respect of the selected bidder for each property has been identified. All selected bids will be subject to receiving approval from the Court.
- 23. On May 7, 2025, the Caryi Group has received an offer on the Residential Property which has been shared with and approved by the affected secured creditors. The Caryi Group has countered the offer with respect to a deposit. The Proposal Trustee will provide an update to the Court in a future report.



## RECEIPTS AND DISBURSEMENTS DURING THE REPORTING PERIOD

24. The Debtors, with the assistance of the Proposal Trustee, prepared and filed a cash flow forecast for the period March 24 to June 29, 2025 (the “**Third Cash Flow Period**” and the “**Third Cash Flow Forecast**”). The Third Cash Flow Forecast was attached to the Third Report.
25. The following table details the Debtors’ actual receipts and disbursements during the Reporting Period with a comparison to the Third Cash Flow Forecast.

<b>Caryi Group of Companies Variance Analysis</b>				
<b>Opening Ending Description</b>	<b>24-Mar-25 4-May-25 Forecast</b>	<b>24-Mar-25 4-May-25 Actual</b>	<b>Variance</b>	<b>Variance (%)</b>
<b>Opening cash position</b>	<b>40,186</b>	<b>50,952</b>	<b>10,765</b>	<b>27%</b>
<b>Receipts</b>				
Revenue - Rent and power recoveries	194,688	108,097	(86,591)	(44%)
Corporate receivable - Cox & Palmer	29,646	-	(29,646)	(100%)
DIP Financing	200,000	149,962	(50,038)	(25%)
HST collected	26,573	13,743	(12,830)	(48%)
	<b>450,908</b>	<b>271,802</b>	<b>(179,105)</b>	<b>(40%)</b>
<b>Disbursements</b>				
Utilities	63,383	28,507	34,876	55%
Insurance	21,966	21,126	841	4%
Repairs and maintenance	46,650	29,395	17,255	37%
Property management	12,000	7,221	4,779	40%
Corporate disbursements	11,000	6,826	4,174	38%
Repairs and maintenance contingency fund	15,000	7,404	7,596	51%
HST paid	50,282	31,876	18,406	37%
HST remittances	17,675	-	17,675	(100%)
	<b>237,957</b>	<b>132,356</b>	<b>105,601</b>	<b>44%</b>
<b>Restructuring costs</b>				
Proposal trustee	147,080	97,077	50,003	34%
Proposal trustee legal counsel	16,938	4,726	12,211	72%
Legal counsel to Caryi Group	17,500	25,992	(8,492)	(49%)
Legal counsel to the Lenders	9,853	26,569	(16,716)	(170%)
Financial advisor to the Lenders	22,500	4,282	18,218	81%
	<b>213,871</b>	<b>158,646</b>	<b>55,225</b>	<b>26%</b>
<b>Net inflow/ (outflow)</b>	<b>(920)</b>	<b>(19,199)</b>	<b>(18,280)</b>	<b>(1988%)</b>
<b>Ending cash position</b>	<b>39,267</b>	<b>31,752</b>	<b>(7,514)</b>	<b>(19%)</b>

26. The Proposal Trustee makes the following commentary with respect to the above Variance Analysis:
- The following paragraphs detail the Debtors’ actual receipts and disbursements, along with the significant variances for the Third Cash Flow Period:

- a. *Revenue – Rent and power recoveries:* the unfavourable variance is a timing variance only and is driven from uncollected rental payments which are expected to be collected during the week ending May 11, 2025.
- b. *Corporate receivable - Cox & Palmer:* the unfavourable variance relates to the fact that discussions with Cox & Palmer are ongoing as at the date of this Fourth Report. The Proposal Trustee will provide the Court with an update in a subsequent report.
- c. *DIP Financing:* The favourable variance in DIP Financing proceeds relates to timing and correlates with the lower than anticipated disbursements during the Third Cash Flow Period. *Utilities:* the favourable variance in utilities is partly a timing variance and also results from a milder than expected winter season resulting in lower than anticipated power and heating costs for the Caryi Group's properties.
- 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 thereby incurring fewer costs related to external service providers in the area.
- 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 favourable variance in the repairs and maintenance contingency fund relates to fewer-than-expected *ad hoc* repairs and maintenance service requests being received for the properties during the Third Cash Flow Period.
- g. *Restructuring costs:* the favorable variance in restructuring costs relates to timing, as any savings for the fees of the Proposal Trustee are offset by a disbursement to the Proposed Receiver's (and now Lenders FA) legal counsel that was not disclosed to the Proposal Trustee during the preparation of the Third Cash Flow Forecast.

## THE FOURTH CASH FLOW FORECAST

27. The Debtors, with the assistance of the Proposal Trustee, prepared the Fourth Cash Flow Forecast for the 9-week period from May 5 to July 6, 2025 (the “**Fourth Cash Flow Period**”), a copy of which, along with supporting declarations and assumptions, are attached as Appendix “**A**” to this Fourth Report, and summarized herein:

<b>9 Week Cash Flow Forecast (CAD)</b>	
<b>RECEIPTS</b>	
Revenue - Rent and power recoveries	291,129
DIP Financing	200,000
HST collected	38,314
<b>Total Receipts</b>	<b>529,444</b>
<b>OPERATING DISBURSEMENTS</b>	
Utilities	71,731
Insurance	21,818
Repairs and maintenance	7,080
Property management	14,500
Corporate disbursements	15,200
Repairs and maintenance contingency fund	22,500
HST paid	61,978
<b>Total Disbursements</b>	<b>214,807</b>
<b>RESTRUCTURING COSTS</b>	
Proposal Trustee	225,000
Proposal Trustee legal counsel	28,606
Legal counsel to Caryi Group	25,687
Legal counsel to Lenders	12,500
Financial advisor to Lenders	14,561
<b>Total Restructuring Costs</b>	<b>306,353</b>
<b>Net Inflow/ (Outflow)</b>	<b>8,283</b>
Opening Balance	<b>31,118</b>
Cash Flow	8,283
Closing Balance	<b>39,402</b>

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

29. The Proposal Trustee has reviewed the Fourth 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 Fourth Cash Flow Forecast;
  - ii. as at the date of the Fourth Report, the Assumptions are not suitably supported and consistent with the plans for the Debtors or do not provide a reasonable basis for the Fourth Cash Flow Forecast, given the probable and hypothetical assumptions; or
  - iii. the Fourth Cash Flow Forecast does not reflect the Assumptions.
30. Since the Fourth 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 Fourth 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 Fourth Cash Flow Forecast or relied upon by the Proposal Trustee in preparing this Fourth Report.
31. As contained within the Fourth Cash Flow Forecast, the Debtors are forecasting to require access to interim financing of up to an additional \$200,000 from the DIP Facility during the Fourth Cash Flow Period. Such liquidity is currently available pursuant to the DIP Facility.

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

32. The current Stay Period expires on May 19, 2025 and the Debtors are currently seeking an extension of the Stay Period up to and including July 5, 2025 (the "**Extended Stay Period**"). The Proposal Trustee is supportive of the Court extending the Stay Period to the end of the Extended Stay Period as it will allow the Debtors the necessary time to complete the SISP and consummate any transactions that may result therefrom.
33. The Fourth Cash Flow Forecast projects the Debtors will, with the availability of the DIP Facility, have sufficient liquidity through the Extended Stay Period should their requested relief be approved by the Court.

34. The Proposal Trustee is of the view that the Debtors have acted and continue to act in good faith and with due diligence, they would likely be able to make a viable proposal if the extension being applied for were granted, 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**

35. The Fourth Report has been prepared to provide the Court with information about the activities of the Debtors and the Proposal Trustee since the Third Report and in support of relief being sought by the Debtors.

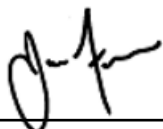
36. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court grant the relief being sought by the Debtors in their motion materials served on May 8, 2025.

All of which is respectively this 9<sup>th</sup> day of May, 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"**  
**FOURTH CASH FLOW STATEMENT**

<b>Caryi Group of Companies</b> <b>9 Week Cash Flow Forecast (CAD)</b> <b>For the period May 5 to July 6, 2025</b>										
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Week beginning	5-May-25	12-May-25	19-May-25	26-May-25	2-Jun-25	9-Jun-25	16-Jun-25	23-Jun-25	30-Jun-25	
Week ending	11-May-25	18-May-25	25-May-25	1-Jun-25	8-Jun-25	15-Jun-25	22-Jun-25	29-Jun-25	6-Jul-25	Total
Week #	1	2	3	4	5	6	7	8	9	
<b>RECEIPTS</b>										
Revenue - Rent and power recoveries	73,270	-	-	109,736	-	-	-	-	108,124	<b>291,129</b>
DIP Financing	-	100,000	-	100,000	-	-	-	-	-	<b>200,000</b>
HST collected	10,258	-	-	13,473	-	-	-	-	14,584	<b>38,314</b>
<b>Total Receipts</b>	<b>83,528</b>	<b>100,000</b>	<b>-</b>	<b>223,209</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,707</b>	<b>529,444</b>
<b>OPERATING DISBURSEMENTS</b>										
Utilities	16,705	-	-	31,653	-	-	-	23,373	-	<b>71,731</b>
Insurance	-	-	-	10,909	-	-	-	-	10,909	<b>21,818</b>
Repairs and maintenance	175	175	175	2,928	175	175	175	175	2,928	<b>7,080</b>
Property management	2,900	-	2,900	-	2,900	-	2,900	-	2,900	<b>14,500</b>
Corporate disbursements	5,000	-	-	5,100	-	-	-	-	5,100	<b>15,200</b>
Repairs and maintenance contingency fund	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	<b>22,500</b>
HST paid	2,714	11,625	375	20,424	375	375	375	375	25,341	<b>61,978</b>
<b>Total Disbursements</b>	<b>29,994</b>	<b>14,300</b>	<b>5,950</b>	<b>73,513</b>	<b>5,950</b>	<b>3,050</b>	<b>5,950</b>	<b>26,423</b>	<b>49,677</b>	<b>214,807</b>
<b>RESTRUCTURING COSTS</b>										
Proposal Trustee	-	75,000	-	75,000	-	-	-	-	75,000	<b>225,000</b>
Proposal Trustee legal counsel	-	-	-	8,606	-	-	-	-	20,000	<b>28,606</b>
Legal counsel to Caryi Group	-	-	-	15,687	-	-	-	-	10,000	<b>25,687</b>
Legal counsel to Lenders	-	-	-	2,500	-	-	-	-	10,000	<b>12,500</b>
Financial advisor to Lenders	-	-	-	4,561	-	-	-	-	10,000	<b>14,561</b>
<b>Total Restructuring Costs</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>106,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,000</b>	<b>306,353</b>
<b>Net Inflow/ (Outflow)</b>	<b>53,534</b>	<b>10,700</b>	<b>(5,950)</b>	<b>43,342</b>	<b>(5,950)</b>	<b>(3,050)</b>	<b>(5,950)</b>	<b>(26,423)</b>	<b>(51,970)</b>	<b>8,283</b>
Opening Balance	31,118	84,653	95,353	89,403	132,745	126,795	123,745	117,795	91,372	<b>31,118</b>
Cash Flow	53,534	10,700	(5,950)	43,342	(5,950)	(3,050)	(5,950)	(26,423)	(51,970)	<b>8,283</b>
Closing Balance	<b>84,653</b>	<b>95,353</b>	<b>89,403</b>	<b>132,745</b>	<b>126,795</b>	<b>123,745</b>	<b>117,795</b>	<b>91,372</b>	<b>39,402</b>	<b>39,402</b>

Dated at Halifax, Nova Scotia this 9th day of May, 2025

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

On Behalf of the Cary Group of Companies:

DocuSigned by:

*Joanne Caryi*

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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 "FOURTH CASH  
FLOW STATEMENT")**

**FOR THE PERIOD MAY 5 TO JULY 6, 2025 (the "FOURTH CASH FLOW PERIOD")**

The Fourth 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 Fourth Cash Flow Statement solely for the purpose of determining the ability of:

Annapolis Management Inc.;  
BSL Holdings Inc.;  
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 May 19, 2025.

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

The Fourth 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 Fourth Cash Flow Statement incorporates the operations of the five individual companies comprising the Caryi Group.
2. The Fourth Cash Flow Statement for the Fourth Cash Flow Period was prepared by the Debtors detailed in Appendix "**A**" 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 Fourth Cash Flow Statement. Deloitte notes that while the Fourth 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 Fourth 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 Fourth Cash Flow Statement.
4. Some of the information referred to in the Fourth 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 Fourth 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 Fourth 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

### *Collection of rent - \$291,129*

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 Fourth Cash Flow Period.

### *Debtor-in-possession (DIP) financing - \$200,000*

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

### *HST collected - \$38,314*

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%.

## 8. DISBURSEMENTS

### *Utilities - \$71,731*

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

### *Insurance - \$21,818*

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 - \$7,080*

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 - \$14,500*

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

### *Corporate disbursements - \$15,200*

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 - \$22,500*

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 - \$61,978*

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%.

### *Restructuring costs - \$306,353*

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:

Per:

DocuSigned by:  
*Joanne Caryi*  
1521CD63B8904A0...

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 May 9, 2025, consisting of the nine-week period ending July 6, 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 9<sup>th</sup> day of May 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee

Per:



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Todd Ambachtsheer – Licensed Insolvency Trustee  
Suite 200, 8 Adelaide St. West,  
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 9<sup>th</sup> day of May 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee

Per:



---

Todd Ambachtsheer – Licensed Insolvency Trustee  
Suite 200, 8 Adelaide St. West,  
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 May 9, 2025, consisting of the nine-week period ending July 6, 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 9<sup>th</sup> day of May 2025.

On Behalf of the Caryi Group:

Per:

DocuSigned by:  
  
1521CD63B8904A0...  
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 9<sup>th</sup> day of May 2025.

DocuSigned by:  
  
1521CD63B8904A0...  
Signed (Ms. Joanne Caryi)  
**Director**

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

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