

Court Administration

JAN 21 2025

Halifax, N.S.

Court File No. 539955

**THE SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, C B-3, AS AMENDED, AND 43(9) OF
THE JUDICATURE ACT, R.S.N.S. 1989, C. 240.**

BETWEEN:

**Douro Capital Limited, Atlantic Central, League Savings and Mortgage, Assumption
Mutual Life Insurance Company, 3046475 Nova Scotia Limited and Graysbrook Capital
Limited**

Applicants

- and -

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

Respondents

**SUPPLEMENTAL PRE-FILING REPORT TO THE COURT
SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS PROPOSED RECEIVER**

January 20, 2025



**Doane
Grant Thornton**

**Grant Thornton Limited
Proposed Receiver**

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Introduction

1. On January 9, 2024, Annapolis Management Inc., BSL Holdings Inc., Ruby LLP, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited (together, the “**Caryi Group**” or the “**Debtors**”) filed materials in respect of an application (“**CCAA Application**”) to the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the “**Court**”) for an initial order granting certain relief pursuant to the *Companies’ Creditors Arrangements Act*, R.S.C., 1985 c. C-36, as amended (“**CCAA**”).
2. In response to the CCAA Application, Douro Capital Limited (“**DCL**”) with support from the majority of the Caryi Group’s secured creditors filed a cross application to appoint Grant Thornton Limited (“**GTL**”) as interim receiver pursuant to section 47(1) of the Bankruptcy and Insolvency Act, RSC 1985, C B-3 (“**BIA**”) over the Debtors’ real property. GTL’s pre-filing report (“**Pre-Filing Report**”) as proposed interim receiver is attached hereto as **Appendix “A”**.
3. On January 13th, 2025, the Caryi Group withdrew the CCAA Application. On January 14, 2025, the Honorable Justice Keith set down filing timelines and January 24, 2025 for Douro Capital Limited, Atlantic Central, League Savings and Mortgage, Assumption Mutual Life Insurance Company, 3046475 Nova Scotia Limited and Graysbrook Capital (collectively, the “**Lenders**”) to file materials requesting an order (“**Receivership Order**”) appointing GTL as receiver and receiver-manager (“**Receiver**”) of the Caryi Group pursuant to section 243(1) of the BIA.
4. GTL is filing this supplement to its Pre-Filing Report (“**Supplemental Report**”) in its capacity as proposed receiver (“**Proposed Receiver**”) to provide the Court with information for its consideration in respect of the relief sought by the Lenders.

Purpose of the Pre-Filing Report

5. The purpose of this Supplemental Report is to provide the Court with the Proposed Receiver’s understanding and views on the following matters:
 - (a) The qualifications of GTL to act as Receiver pursuant to the Lenders’ application;
 - (b) An update on the Proposed Receiver’s understanding of the Caryi Group’s property since the Pre-Filing Report;

- (c) The Proposed Receiver's understanding of the Lenders' request for the Receivership Order; and
- (d) The Proposed Receiver's intended plan of action should the requested relief be granted, including a process for realizing on the Debtors' Property.

Terms of Reference

6. In preparing this Supplemental Report, the Proposed Receiver has relied upon (i) certain aspects of the Debtor's financial and other information included with the Caryi Group's application materials filed in respect of the CCAA Application (ii) information provided to the Lenders in respect of the Caryi Group's financial position, (iii) discussions with certain of the Lenders and their respective legal counsel, and (iv) the application materials filed by the Lenders. Such information has not been audited by the Proposed Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally acceptable accounting principles. Readers are therefore cautioned that this Supplemental Report may not disclose all significant matters related to the Caryi Group.
7. This Supplemental Report has been prepared for the use of this Court as general information relating to the Caryi Group and to assist the Court in determining whether to grant the relief sought by the Lenders. Accordingly, the reader is cautioned that this Supplemental Report may not be appropriate for any other purpose. The Proposed Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Supplemental Report contrary to the provisions of this paragraph.
8. Capitalized terms not otherwise defined herein are as defined in the Lenders' application materials, including the January 13, 2025 affidavit of Charles Ackerman ("**Ackerman Affidavit**"). This Supplemental Report should be read in conjunction with the Ackerman Affidavit as the Proposed Receiver has not reproduced all information to avoid unnecessary duplication.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

Qualifications to Act as Receiver

10. GTL is a Licensed Insolvency Trustee within the meaning of section 2(1) of the BIA and is not subject to any of the restrictions on who may be appointed as Receiver or Trustee set out in section 13.3(1) of the BIA. Specifically, neither GTL nor any of its representatives or affiliates has at any time in the past two years been:
 - a) a director, officer or employee of the Company;
 - b) related to the Company, or to any director or officer of the Company; or
 - c) the auditor, accountant or legal counsel or a partner or an employee of the auditor, accountant or legal counsel, of the Company.
11. GTL has consented to act as Interim Receiver or Receiver should the Court grant the Lenders' requested relief for the Receivership Order. A copy of the Proposed Receiver's consent to act is attached hereto as **Appendix "B"**. Should the Court grant the Receivership Order, GTL will engage counsel to, among other things, obtain an independent legal opinion with respect to the validity and enforceability of the security held by the Lenders.
12. GTL draws breadth of experience from its team of Partners and colleagues in Atlantic Canada, with recent and relevant experience in the real-estate sector including as Court appointed Receiver over eleven (11) fully occupied apartment buildings in Nova Scotia and New Brunswick. The GTL representatives with carriage of this matter are experienced Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees, who have acted as Court appointed Receivers across Canada, and in particular in Atlantic Canada, with considerable experience in mandates of this nature. GTL's Partners and colleagues at Doane Grant Thornton have the largest assurance, tax and advisory practices specializing in real property development, transaction and ownership in Atlantic Canada.

Caryi Group Properties

13. A summary of the Caryi Group's real property and the Proposed Receiver's understanding of the associated mortgage debt associated with each is summarized below:

Supplemental Pre-Filing Report to the Court submitted by Grant Thornton Limited
In its capacity as Proposed Receiver of the Caryi Group
January 20, 2025

Caryi Group: Estimated Mortgages on Real Property			
	First Mortgage	Second Mortgage	Total (Est.)
Estimated mortgage across portfolio	\$ 40,000,000	\$ 7,600,000	\$ 47,600,000

1) Annapolis Management Inc.			
Property	First Mortgage	Second Mortgage	Total (Est.)
Halifax Club - 1682 Hollis Street			\$ 5,600,000
Assumption Life:	\$ 4,200,000		
Graysbrook Capital:		\$ 1,400,000	
Freemasons Hall - 1533 Barrington Street			\$ 17,500,000
Atlantic Central:	\$ 13,700,000		
Graysbrook Capital:		\$ 3,800,000	
Residence - 545 Young Ave			\$ 2,700,000
CIBC:	\$ 1,600,000		
Graysbrook Capital:		\$ 1,100,000	
National Film Board - 1572 Barrington Street			\$ 7,700,000
League Savings:	\$ 7,700,000		
Estimated Total Mortgages:	\$ 27,200,000	\$ 6,300,000	\$ 33,500,000

2) BSL Holdings Limited			
Property	First Mortgage	Second Mortgage	Total (Est.)
Granville Hall - 1665/1669 Granville Street			\$ 3,200,000
Atlantic Central:	\$ 2,400,000		
Graysbrook Capital:		\$ 800,000	
Guardian Building - 165 Prince Street (PEI)			\$ 2,600,000
Assumption Life:	\$ 2,400,000		
Saltwire:		\$ 200,000	
Estimated Total Mortgages:	\$ 4,800,000	\$ 1,000,000	\$ 5,800,000

3) 4551650 NS Limited			
Property	First Mortgage	Second Mortgage	Total (Est.)
Sonic Building - 1674 Hollis Street			\$ 2,100,000
Douro Capital Limited:	\$ 1,800,000		
3046475 NS Ltd.:		\$ 300,000	
Estimated Total Mortgages:	\$ 1,800,000	\$ 300,000	\$ 2,100,000

4) 3337151 NS Limited			
Property	First Mortgage	Second Mortgage	Total (Est.)
Tramway Building - 1598 Barrington Street			\$ 6,200,000
League Savings:	\$ 6,200,000	\$ -	
Estimated Total Mortgages:	\$ 6,200,000	\$ -	\$ 6,200,000

14. The Proposed Receiver understands the Caryi Group's real property is secured by approximately \$47.6 million of mortgages. The Lenders who are applying for the Receivership Order comprise approximately 96% of the Caryi Group's estimated outstanding mortgage debt, which continues to accrue interest, as summarized below:

Secured Creditors	Estimated Mortgage Balance	Applicant Lender Group
Atlantic Central	\$ 16,102,160	\$ 16,102,160
League Savings and Mortgage	13,933,831	13,933,831
Assumption Mutual Life Insurance Company	6,570,838	6,570,838
CIBC	1,631,000	
Graysbrook Capital	7,102,618	7,102,618
Douro Capital Limited	1,800,000	1,800,000
3046475 Nova Scotia Limited	275,000	275,000
Saltwire	210,000	
Total Estimated Mortgage Balances	\$ 47,625,447	\$ 45,784,447

15. The Proposed Receiver understands that CIBC and Saltwire, the two creditors noted above with mortgages on the Debtor's Real Property that are not included as an Applicant, have been included on the service list.
16. Since the date of the Pre-Filing Report, the Proposed Receiver understands that:
- As advised by counsel to the Caryi Group, Joanne Caryi resigned as director of BSL Holdings Inc., 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited, three of the four entities that comprise the Caryi Group. As at the date of this Supplemental Report, the Proposed Receiver is advised that Steve Caryi, who is deceased, remains as the only director of each entity and therefore no "directing mind" exists for these entities;
 - Counsel to the Caryi Group has advised the Proposed Receiver that insurance in respect of the real property was paid and in effect through February 1, 2025, but that the Caryi Group did not have sufficient funds for insurance to remain in effect thereafter;
 - Counsel to the Caryi Group has advised the Proposed Receiver of certain repairs, maintenance, and enforcement matters that may require immediate attention in respect of certain properties, should the Receivership Order be granted;

- d) Counsel to the Caryi Group during the hearing held on January 13th, 2025 advised that the statutory tax filings due to the Canada Revenue Agency are significantly in arrears; and
 - e) Atlantic Central, League Savings and Mortgage, Assumption Mutual Life Insurance Company, 3046475 Nova Scotia Limited and Graysbrook Capital have all sent their notices of intention to enforce security ("**NITES**") pursuant to section 244 (1) of the BIA.
17. The Proposed Receiver understands that operations at Comvest, dba the Halifax Club, have continued via a lease with Annapolis Management Inc., who retains the operational liabilities associated thereto. Comvest does not form part of the proposed Receivership Order as it holds no real property.

Caryi Group's Filing of NOI Proceedings

18. The Proposed Receiver was advised by counsel to the Caryi Group that on January 20, 2025, Annapolis Management, Inc., Ruby, LLP, BSL Holdings Limited, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited filed with the Office of the Superintendent of Bankruptcy ("**OSB**") a notice of intention to make a proposal ("**NOI**") under section 50.4(1) of the BIA. As noted above, the Caryi Group's CCAA Application was previously withdrawn on January 13th, 2025, and January 24th, 2025 was set down by this Court to hear the Lenders' Receivership application.
19. The Proposed Receiver understands the Lenders will be asking the Court to lift the automatic stay of proceedings under s.69.1 of the BIA, as the Lenders are of the view that preserving the stay in the present circumstances will cause the Lenders material prejudice. GTL's understanding of the Caryi Group's application for a restructuring pursuant to the CCAA, and the Lenders opposition thereto, are outlined in the Pre-Filing Report of GTL as Proposed Interim Receiver, attached at Appendix "A".

Action Plan Should the Receivership Order be Granted

Initial Steps:

20. Should the Receivership Order be granted, the Proposed Receiver intends to immediately take the following actions, amongst others:
- a) Work with the Debtors' and their advisors to contact current property managers and the Caryi Group's tenants to advise of the Receivership Order, ensuring that:
 - i. current tenants have a direct point of contact in respect of their leases and any issues that arise in respect of their units;
 - ii. where required, utilities are paid to ensure no interruption in services to tenants;
 - iii. the properties are maintained in preparation for a sales process;
 - iv. the current level of insurance is verified to be appropriate in the circumstances and paid up to date;
 - v. the properties are compliant with various safety and building code regulations; and
 - vi. rent is appropriately collected, and directed to the Receiver.
 - b) Silo the costs and proceeds from each building to appropriately account for their realization to each lender, marshalling restructuring costs to the extent practicable across each property to appropriately allocate the cost the insolvency proceedings and solicit feedback on same from the Lenders;
 - c) Contact the Debtors, their advisors and any third-party service providers to obtain access to the Caryi Group's books and records, historical marketing materials for the Property. Amongst other things, this will be required by a Receiver to provide notice to creditors pursuant to section 245 of the BIA;
 - d) Create a case website, www.DoaneGrantThornton.ca/Caryi to upload all materials related to the Receivership Proceedings;
 - e) Engage certified appraisers to obtain appraisals for each of the Caryi Group's properties; and

- f) Obtain an independent opinion on the enforceability and validity of the security granted to the Lenders' on the Property.

Sales Process

21. Should the Receivership Order be granted, the Receiver intends to prepare for and launch a sale process ("**Sales Process**") to be undertaken by the Receiver as regards the Caryi Group's Property. The proposed Sales Process, expected to be substantially in the form as set out in **Appendix "C"**, includes the following key features:
- a) The Sales Process will follow the Sale by Tender methodology, whereby offers ("**Bids**") following a standardized template are submitted to the Receiver outlining the value a Bidder (described below) ascribes to each property in its Bid, whether for individual properties or en bloc;
 - b) The Receiver will create a solicitation letter ("**Teaser**"), a non-disclosure agreement ("**NDA**"), and a targeted list of interested parties and will also establish a virtual data room ("**VDR**") with additional information for interested parties within approximately 30 days of the Receivership Order;
 - c) The Sales Process will be marketed directly to interested parties and advertised in other venues, such as newspaper advertisements and Insolvency Insider, as the Receiver considers appropriate to maximize engagement and create competitive tension;
 - d) Interested parties who provide the Receiver with duly executed copies of the NDA, and such other information as the Receiver may require validating the interested party's financial wherewithal, may become qualified bidders ("**Bidder**") in the Sales Process;
 - e) The deadline to submit Bids ("**Bid Deadline**") will be 60 days after the launch of the Sales Process, subject to change at the discretion of the Receiver, with any such changes provided in writing to Bidders, interested parties and posted on the Receiver's case website;
 - f) At the Receiver's discretion, the Receiver may accept a Bid prior to the Bid Deadline if, in the opinion of the Receiver, such Bid is in the best interest of the estate. The acceptance of any such bid would be strictly subject to Court approval, upon notice to interested parties; and

- g) Any Bids accepted pursuant to the Sales Process will be strictly subject to Court approval, and must include the payment of outstanding property taxes, if any.
22. Preliminary dates for the Sales Process, if approved, are as follows:
- a) Sales Process Launch: Within 30 days of Receivership Order;
 - b) Bid Deadline: Within 60 Days of Sales Process Launch ;
 - c) Court Approval: Within 30 days of Bid Deadline

Proposed Court Ordered Charges

23. The Lenders' request for the proposed Receivership Order includes Court ordered charges in priority to all creditors that include:
- a) An administration charge of \$250,000 ("**Admin Charge**") over the Debtor's Property for the Receiver, its counsel and the Lenders' counsel as security for professional fees and disbursements relating to services rendered in respect of the proposed Receivership Proceedings (whether incurred prior to or after the Receivership Order).
 - b) A borrowing charge of \$350,000 ("**Borrowing Charge**") to provide the Proposed Receiver with access to liquidity to preserve, protect and realize on the Property throughout the proposed Receivership proceedings, if required.
24. The Proposed Receiver is of the view that the above noted charges are commercially reasonable, consistent with charges granted in similar insolvency proceedings with multiple secured creditors and real property of this nature, and GTL's experience on similar mandates.

Request for the Court's Assistance

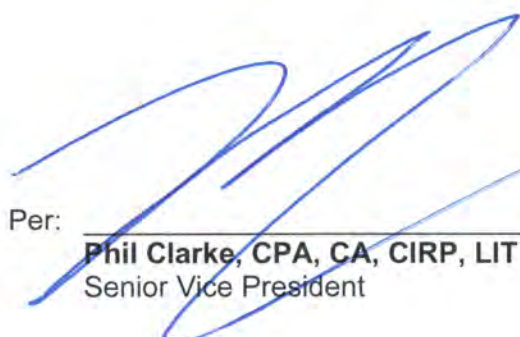
25. The Proposed Receiver understands the Lenders are requesting the assistance of this Honourable Court in granting the Receivership Order because, among other things:
- a) The Lenders are not homogenous, comprise multiple different parties with mortgage security against different buildings, and are entitled pursuant to their loan and security documents to seek the appointment of a receiver with a fiduciary duty to all stakeholders in providing transparency in the realization process;

- b) GTL's experience on similar mandates indicates that a Court order will be critical to working with property management companies and with tenants who may otherwise be reluctant to redirect rents to a private receiver;
- c) The Proposed Receiver considers that the potential availability of a vesting order, which would be unavailable in a private proceeding, will be of considerable assistance to realizing on the Property and will facilitate the marketing of the Property to potential purchasers, maximizing the recovery for stakeholders;
- d) GTL's experience on similar mandates suggests a Court Order will facilitate the administration of the receivership, including working with utilities and insurance; and
- e) The Lenders are of the view that the preservation of the stay pursuant to section 69.1 of the BIA resulting from the Caryi Group filing the NOI's would constitute a material prejudice to the Lenders, and therefore should be lifted to grant the Receivership Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 20th day of January 2025.

GRANT THORNTON LIMITED,
SOLELY IN ITS CAPACITY AS PROPOSED RECEIVER OF
THE CARYI GROUP
AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

Per:


Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President

Per:


Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President

Supplemental Pre-Filing Report to the Court submitted by Grant Thornton Limited
In its capacity as Proposed Receiver of the Caryi Group
January 20, 2025

Appendix A

GTL Pre-Filing Report, January 13, 2025

Court File No. •

**THE SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 47(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, C B-3.**

BETWEEN:

Douro Capital Limited

Applicant

- and -

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

Respondents

**PRE-FILING REPORT TO THE COURT
SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS PROPOSED INTERIM RECEIVER**

January 13, 2025



**Grant Thornton Limited
Proposed Interim Receiver**

1675 Grafton Street, Suite 1000,

Halifax, Nova Scotia

B3J 0E9

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APPENDICES

Appendix A – GTL Consent to Act

Introduction

1. Grant Thornton Limited (“**GTL**” or the “**Proposed Interim Receiver**”) understands that on January 14, 2025, Annapolis Management Inc., BSL Holdings Inc., Comvest Commercial Real Estate Inc., Ruby LLP, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited (together, the “**Caryi Group**” or the “**Debtors**”) will be making an application to the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the “**Court**”) for an initial order granting certain relief pursuant to the *Companies’ Creditors Arrangements Act*, R.S.C., 1985 c. C-36, as amended (“**CCAA**”).
2. As at the date of this report (“**Pre-Filing Report**”), the Caryi Group has outstanding mortgages of approximately \$46.7 million secured by, amongst other things, real property in Atlantic Canada. GTL understands that Douro Capital Limited, Assumption Life, Atlantic Central Credit Union, League Savings and Mortgage and 3046475 Nova Scotia Limited (together, the “**Lenders**”) collectively hold mortgages of approximately \$38.7 million (81%) against the Debtors’ real property and oppose the Debtors requested relief under the CCAA.
3. As a result, GTL understands the Applicant, with support of the Lenders, intend to seek the appointment of GTL as interim receiver pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, C B-3 (“**BIA**”) over the real property subject to the Lenders’ mortgages (“**Interim Receivership Proceedings**”). Should the Lenders requested relief (“**Interim Receivership Order**”) be granted, GTL understands the Lenders intend to convert the Interim Receivership Proceedings, and GTL’s role therein, to a Court appointed Receiver pursuant to section 243(1) of the BIA in short order (“**Receivership Proceedings**”).
4. The entities that are the contemplated to be the subject of the Interim Receivership Proceedings include the entirety of the Caryi Group that is requesting relief pursuant to the CCAA, apart from Comvest Commercial Real Estate Inc. (“**Comvest**”), which GTL understands does not hold real property.
5. GTL is filing this Pre-Filing Report in its capacity as Proposed Interim Receiver, to provide the Court with information for its consideration in respect of the relief sought by the Lenders.

Purpose of the Pre-Filing Report

6. The purpose of this Pre-Filing Report is to provide the Court with the Proposed Interim Receiver's understanding and views on the following matters:
- (a) The qualifications of GTL to act as Interim Receiver, and then Receiver, pursuant to the Lenders' application;
 - (b) GTL's understanding of the Caryi Group's properties;
 - (c) The Proposed Interim Receiver's understanding of the Lenders' request for the Interim Receivership Order; and
 - (d) The Proposed Interim Receiver's intended plan of action, including a process for realizing on the Company's Property, should the Lenders' requested relief be granted and GTL is appointed as Court appointed Receiver.

Terms of Reference

7. In preparing this Pre-Filing Report, the Proposed Receiver has relied upon (i) certain aspects of the Debtor's financial and other information included with the Caryi Group's application materials filed with the Court (ii) information provided to the Lenders in respect of the Caryi Group's financial position, (iii) discussions with certain of the Lenders and their respective legal counsel, and (iv) the application materials filed by the Lenders. Such information has not been audited by the Proposed Interim Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally acceptable accounting principles. Readers are therefore cautioned that this Pre-Filing Report may not disclose all significant matters related to the Caryi Group.
8. This Pre-Filing Report has been prepared for the use of this Court as general information relating to the Company and to assist the Court in determining whether to grant the relief sought by the Lenders. Accordingly, the reader is cautioned that this Pre-Filing Report may not be appropriate for any other purpose. The Proposed Interim Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Pre-Filing Report contrary to the provisions of this paragraph.
9. Capitalized terms not otherwise defined herein are as defined in the Lenders' application materials, including the January 13, 2025 affidavit of Charles Ackerman ("**Ackerman**

Affidavit"). This Pre-Filing Report should be read in conjunction with the Ackerman Affidavit as the Proposed Interim Receiver has not reproduced all information to avoid unnecessary duplication.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

Qualifications to Act as Interim Receiver

11. GTL is a Licensed Insolvency Trustee within the meaning of section 2(1) of the BIA and is not subject to any of the restrictions on who may be appointed as Receiver or Trustee set out in section 13.3(1) of the BIA. Specifically, neither GTL nor any of its representatives or affiliates has at any time in the past two years been:
 - a) a director, officer or employee of the Company;
 - b) related to the Company, or to any director or officer of the Company; or
 - c) the auditor, accountant or legal counsel or a partner or an employee of the auditor, accountant or legal counsel, of the Company.
12. GTL has consented to act as Interim Receiver should the Court grant the Lenders' requested relief for the Interim Receivership Order. A copy of the Proposed Interim Receiver's consent to act is attached hereto as **Appendix "A"**. Should the Court grant the Interim Receivership Order, and subsequently grant an Order to transition the Interim Receivership Proceedings to a Receivership proceeding under section 243(1) of the BIA, GTL will engage counsel to, among other things, obtain an independent legal opinion with respect to the validity and enforceability of the security held by the Lenders.
13. GTL draws breadth of experience from its team of Partners and colleagues in Atlantic Canada, with recent and relevant experience in the real-estate sector including as Court appointed Receiver over eleven (11) fully occupied apartment buildings in Nova Scotia and New Brunswick. The GTL representatives with carriage of this matter are experienced Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees, who have acted as Court appointed Receivers across Canada, and in particular in Atlantic Canada, with considerable experience in mandates of this nature. Doane Grant Thornton has the largest assurance, tax and advisory practices specializing in real property development, transaction and ownership in Atlantic Canada.

Caryi Group Properties and Operations

14. The business and affairs of the Caryi Group, the events leading to its insolvency and the Debtors' request for relief pursuant to the CCAA are outlined in the January 8, 2024 affidavit of Joanne Caryi ("**Caryi Affidavit**"). GTL has reviewed the Caryi Affidavit and discussed same with the Lenders and its legal counsel.
15. The Caryi Group's assets comprise real property in Atlantic Canada that is secured by mortgages from the Lenders, as outlined below ("**Property**"):

Entity	Property	Address	Mortgages	Leases/Tenants
Annapolis Management Inc. (\$33.5M Secured Debt)	Halifax Club	1682 Hollis Street	1) Assumption Life: \$4.2M 2) Graysbrook Capital: \$1.4M	Private social club
	Freemasons Hall	1533 Barrington Street	1) ACCU: \$13.7M 2) Graysbrook Capital: \$3.8M	5 commercial units, 4 tenants 11 residential units, 3 rented
	Residence	545 Young Ave	1) CIBC: \$1.6M 2) Graysbrook Capital: \$1.1M	2 units, 4 tenants
	National Film Board	1572 Barrington Street	1) League Savings: \$7.7M 2) League Savings: Unlimited collateral mortgage	Cameo Hotels/Suites; 21 rooms
BSL Holdings Limited (\$5.8M Secured Debt)	Granville Hall	1665/1669 Granville Street	1) ACCU: \$2.4M 2) Graysbrook Capital: \$0.8M	Student dormitory 33 units, fully rented
	Guardian Building	165 Prince Street (PEI)	1) Assumption Life: \$2.4M 2) Saltwire: \$0.2M	Mixed residential/commercial 3 commercial tenants
4551650 NS Limited (\$2.1M Secured Debt)	Sonic Building	1674 Hollis Street	1) Douro Capital Limited: \$1.8M 2) 3046475 NS Ltd. \$0.3M	Empty
3337151 NS Limited (\$6.2M Secured Debt)	Tramway Building	1598 Barrington Street	1) League Savings: \$6.2M	1 commercial unit, leased Ceased construction

16. As at the date of this Pre-Filing Report, GTL understands that the Caryi Group's construction and development activity on the Property has ceased or is limited, and that the only continued operations are limited to the collection of rent from the Caryi Group's tenants. As the business operations relating to the Property are minimal, the Proposed Interim Receiver understands that there are very few creditors other than the Lenders, and that such other creditors have generally been paid in the ordinary.
17. The Proposed Receiver understands that operations at the Halifax Club have continued via a lease with Comvest, who retains the operational liabilities associated thereto. As noted previously, Comvest would not form part of the proposed Interim Receivership Proceedings as it holds no real property.

Lenders Security

18. The Caryi Affidavit describes in paragraphs 13-47 each building that comprises the Property and the associated mortgage and security granted to the Lenders. GTL understands the security granted to the Lenders is *prima facie* valid and enforceable, however should a Receivership Order be granted, independent opinions on each Lenders' security in respect of the Property will be obtained by GTL.
19. The Proposed Interim Receiver understands that the estimated outstanding mortgage indebtedness of the Caryi Group to be as follows:

Secured Creditors	Mortgage	Supporting Lenders
Atlantic Central Credit Union	\$ 16,102,160	\$ 16,102,160
League Savings	13,933,831	13,933,831
Assumption Life	6,570,838	6,570,838
CIBC	1,631,000	
Graysbrook Capital	7,102,618	
Douro Capital Limited	1,800,000	1,800,000
3046475 Nova Scotia Limited	275,000	275,000
Saltwire	210,000	
Total Estimated Mortgage Balances	\$ 47,625,447	\$ 38,681,829

Lenders' Opposition to Debtors' Proposed CCAA Proceeding

20. Based on its review of the Debtors' application materials and various discussions with the Lenders, GTL understands that the Debtors are insolvent, are facing a liquidity crisis and do not have the capability to continue operations in the ordinary course. Fundamentally, GTL understands the Lenders oppose the Debtors' application for relief under the CCAA because the Lenders take the view that the path proposed by the Debtors is unnecessarily protractive and expensive in the circumstances and that a liquidation of real property can more efficiently be completed by a Receiver.
21. GTL is advised that the Lenders were provided the following 40-week cash flow forecast ("CFF") by the Debtors which outlines the plan for the proposed CCAA proceedings, summarized below:

Caryi Group 40 Week Cash Flow Forecast (CAD)	
	Total
RECEIPTS	
Collection of Rent	952,406
Halifax Club Revenue	77,584
DIP Financing	1,400,000
Total Receipts	2,429,990
DISBURSEMENTS	
Utilities	(308,328)
Insurance	(168,960)
Operations	(111,867)
Capex	(430,700)
Property Management	(80,000)
Halifax Club Expenses	(108,106)
Professional Fees	(626,933)
Property Tax	(184,500)
Corporate	(210,000)
Interest	(82,000)
HST Refund (Due)	(27,055)
Total Disbursements	(2,338,449)
Net Inflow / (Outflow)	91,541
Opening Balance	51,385
Cash Flow	91,541
Closing Balance	142,927

22. The Lenders understand that the cash flow forecast included within the pre-filing report of Deloitte Restructuring Inc. (“**Deloitte**”) reflects the first 12 weeks of the above noted CFF for the Debtors’ proposed CCAA proceedings. GTL is advised that the Lenders understand the above CFF is the intended action plan for the duration of the CCAA proceedings.
23. GTL and the Lenders’ have reviewed the Debtor’s materials and the CFF. GTL understands that the Lenders oppose the Company’s requested relief due to the following issues, among other things:

Relationship between the Debtors and Lenders:

24. GTL understands that the Lenders have lost faith in the Caryi Group’s management and that the Lenders’ assessment of risk and rewards of a Court driven proceeding favor a traditional receivership over a debtor-led CCAA proceeding. Based on the Debtors’ application materials, the CCAA proceeding appears to be a proposed liquidating CCAA rather than one where a “germ of a plan” exists for a true restructuring, and GTL understands the Lenders’ believe a liquidation can be more efficiently executed through a

receivership. The Caryi Affidavit at paragraph 65 highlights that management is not “...experienced at all in doing this type of work” and therefore require the engagement of a CRO to advance the CCAA Proceedings.

25. While GTL understands the Lenders take no issue with the proposed CRO’s ability or qualifications, the requirement of a CRO provides a further layer of professional fees that would be unnecessary in what the Lenders’ view as a straightforward real property liquidation. The proposed CRO’s estimated fees are \$0.13 million to \$0.15 million, as outlined within the proposed CRO’s engagement letter attached to the pre-filing report of Deloitte, and further propose a success fee of \$0.1 million in the event a transaction for all or substantially all of the Property is finalized. GTL notes that these costs are unnecessary in a receivership proceeding.
26. Further, given the Caryi Affidavit outlines managements inexperience and the need for a CRO, GTL understands that management will necessarily have limited involvement and contribution to the CCAA Proceedings. Therefore, the Lenders’ oppose the request for a senior secured Directors and Officers charge of \$0.25 million, which is unnecessary in a Receivership.

Value maximization and cost minimization:

27. The CFF includes \$1.4 million of interim financing (“**DIP Financing**”) to pay for the proceedings which the Caryi Group is requesting to form a senior secured charge over all the Debtors’ property, priming each of the secured creditors and reducing their recovery accordingly.
28. GTL understands that the DIP Financing would be used to fund operating costs over 40 weeks of the proposed CCAA proceedings including, among other things:
 - a) \$0.4 million of Capital Expenditures for ongoing projects that require capital work, such as sprinklers, furnace, wheelchair elevator, façade repair and related scaffolding;
 - b) \$0.6 million in Professional Fees to cover the costs for the Debtors’ counsel, the proposed CRO, Deloitte and Deloitte’s counsel;
 - c) \$0.2 million in Corporate costs not attributable to specific properties and to certain contractors currently performing work on the Property; and

- d) \$0.1 million in Operations for costs such as maintenance and snow removal at the Property.
29. While the Caryi Group's business included renovating properties for resale, GTL understands that the Lenders would not be supportive of incremental capital expenditures that prime all Lenders via the DIP Financing, yet may not increase the value of each Lenders' collateral proportionately, as the Lenders are not homogenous and have security against different properties.
30. GTL understands that the Debtors intended plan includes returning to Court within 45 to 60 days of an initial order, providing time for the Debtors, the proposed CRO and the Monitor to develop a sales and investment solicitation process ("**SISP**"). GTL understands that the Lenders are concerned with the lengthy delay to develop a SISP, given that many of the properties were previously extensively marketed and that the Debtors have advised that all construction work on the Property previously ceased.
31. Based on its review of the Property, its experience in mandates of this nature and its discussions with the Lenders, GTL is of the view that the 40-week timeframe to develop, market and close transactions for assets of this nature appears extensive, with no guarantee that a lengthy timeframe could lead to a greater recovery relative to a traditional process (6-8 weeks) to market the Property on an "as is where is" basis. A simplified marketing process and leveraging the previous efforts of sales agents would significantly reduce costs and still meet the tests outlined by the Court to approve transactions similar in this nature in *Royal Bank of Canada v. Soundair Corp. et al.*
32. The CFF also includes corporate costs of \$0.2 million and Halifax Club expenses of \$0.1 million, the majority of which are not expected to be required in a Court appointed receivership proceeding. GTL would expect operating activities in a Court appointed receivership for assets of this nature to be limited generally to the payment of utilities, insurance, property management, limited overhead and facilitating rent collection from tenants.
33. GTL is advised that Comvest, which has no real property but holds the lease to operate the Halifax Club, has outstanding CRA liabilities. The CFF appears to show the Halifax Club continuing operations at a loss, further eroding creditor recovery. The inclusion of Comvest within the proposed CCAA proceeding may erode the realization available to the

Lenders, particularly as it appears the Debtors have not segregated the CFF by individual building in the Property.

34. The CFF includes approximately \$0.6 million in professional fees. The Debtors' application includes at least one further layer of professionals, being both a Monitor and CRO, to facilitate the proposed SISP for the Property. GTL understands the Lenders' take the position that a marketing process for real property of this nature can be accomplished more efficiently by a Receiver compared to a CRO and Monitor in a CCAA, thereby reducing the number of professionals and the costs involved.
35. In summary, if GTL used the CFF provided by the Debtors and assumed that forecasted professional fees for an Interim Receivership were the same, GTL expects disbursements would be approximately \$0.4 million less through March 31 in a Receivership than in the Debtors proposed CCAA, because of the different approaches taken.

Availability and source of financing:

36. The Caryi Affidavit outlines that the Debtors are negotiating and should have in place DIP Financing prior to the proposed come back hearing. The Debtors CCAA proposal requires significant funding, absent which would constitute a material adverse change, negatively impacting the Lenders' collateral. Conversely, a Receiver can borrow any incremental funds required outside the collection of rents through Receivership Borrowings. The Proposed Interim Receiver understands that one or more of the Lenders' would be supportive in providing such Receivership Borrowings if required.

Nature of competing proposal and effect on stakeholders:

37. GTL understands the plan put forward by the Caryi Group and outlined in the CFF includes up to \$2 million of senior secured charges ahead of the Lenders through a prolonged sales process and continued operations. Conversely, GTL understands the Lenders are of the view this is a straightforward liquidation of real property, involving the payment of utilities and collection of rent from tenants while a traditional sales process is facilitated by an officer of the Court who has an obligation to all stakeholders.
38. Further, as outlined in the Ackerman Affidavit, GTL understands that the Caryi Group may have unrealistic expectations in respect of the Property's value, which could further delay the Lenders' realization efforts if a debtor led CCAA proceeding moved forward.

39. The Ackerman Affidavit outlines the Caryi Group's efforts to sell the Property over the last year, to which GTL understands did not result in an offer acceptable to the Debtors. GTL understands that the Lenders are of the view that a SISP run by the Debtors may present further delays in realizing on the Property and cause further erosion of the Lenders security.

Recognition of diverse interests of Lenders:

40. GTL understands that in real property insolvencies with mortgages across several entities and lenders, mortgagees are often concerned that the costs of the proceedings, funding for operations and the cash flow for each property be siloed by property, such that each property is treated as if it was a separate proceeding to respect the divergent collateral and security of each lender. In reviewing the Debtors' CFF, and recognizing that each of the secured Lenders has interests in different properties, it does not appear that the marshalling of costs against each property is considered, such that the costs of the proceedings are appropriately allocated across the Property and respecting the divergent interest for each secured Lender.

Action Plan Should the Interim Receivership be Granted

41. Should the Interim Receivership Order be granted, GTL would act as Proposed Interim Receiver to protect and preserve the Property until such time as the Lenders' request an order of this Honourable Court to convert the Interim Receivership Proceedings to a traditional Receivership Proceeding under section 243(1) of the BIA.
42. In its capacity as Proposed Interim Receiver, GTL intends to immediately take the following actions, amongst others:
- a) Work with the Debtors' and their advisors to contact current property managers and the Caryi Group's tenants to advise of the Interim Receivership proceedings and provide contact information for the Proposed Interim Receiver;
 - b) Work with the Lenders' to prepare for the proposed Receivership proceedings, including a proposed sales process for the realization of the Debtors' Property, contacting prior sales advisors, contacting property managers if required, obtaining copies of the Debtors' books and records, creating a case website and determining the universe of creditors;

- c) Determine if any interim financing is required for the preservation and protection of property within the Interim Receivership Proceeding, and if so, obtain same.
43. Pursuant to s. 47(1)(c) of the BIA, the duration of an apportionment of an Interim Receiver is to last no longer than 30 days. Should the Court grant the Lenders' requested relief, GTL understands that the Lenders intend to make a further application to the Court to request GTL be appointed as Receiver.
44. Should the Proposed Interim Receivership Proceedings be converted to a Receivership pursuant to section 243(1) of the BIA, GTL as Receiver intends to, among other things:
- a) If required, engage current property managers to manage the Property and relationships with the Debtors' current tenants, should GTL determine a third party would be more cost effective than a Receiver;
 - b) Silo the costs and proceeds from each building to appropriately account for their realization to each lender, marshalling restructuring costs to the extent practicable across each property to appropriately allocate the cost the insolvency proceedings and solicit feedback on same from the Lenders;
 - c) Contact the Debtors, their advisors and any third-party service providers to obtain access to the Caryi Group's books and records, historical marketing materials for the Property. Amongst other things, this will be required by a Receiver to provide notice to creditors pursuant to section 245 of the BIA;
 - d) GTL understands that the Caryi Group had previously engaged certain sales advisors to market portions of the Property over the past year. Should GTL be appointed as Receiver, GTL would engage with any prior sales advisors and the secured creditors in respect of a proposed sales process, which may include the continued retention of former sales advisors to reduce costs;
 - e) Subject to discussions with previous sales advisors, prepare for and launch a sales process to market the Property using a similar approach taken by GTL in Court appointed Receivership Proceedings for real property of this nature. This includes the creation of a solicitation letter, a non-disclosure agreement, advertisements, a confidential information memorandum and a targeted list of interested parties, marketed over 60 days or such period as may be appropriate given the condition of

- the property and previous marketing efforts. GTL will also establish a virtual data room with additional information for interested parties;
- f) Obtain appraisals for each building that appraise the Property on an “as is, where is” basis, for comparison to offers received in the sales process; and
 - g) Obtain an independent opinion on the enforceability and validity of the security granted to the Lenders’ on the Property.

Interim Receivership Proposed Court Ordered Charges

- 45. GTL understands that the Lenders application to the Court for an Interim Receivership Order contains a request for the following Court ordered charges in priority to the Lenders:
 - a) an Administration Charge of \$0.1 million to cover the professional fees of the Proposed Interim Receiver, its counsel and Lenders counsel; and
 - b) a Receiver’s Borrowing Charge of \$0.1 million during the Interim Receivership Proceedings for access to immediate liquidity, if required.
- 46. The Proposed Interim Receiver is of the view that the above noted charges are commercially reasonable, consistent with similar insolvency proceedings with multiple secured creditors and real property of this nature.
- 47. The Proposed Interim Receiver understands that the Debtors’ application requests the following Court orders charges in priority to the Lender until the comeback hearing:
 - a) an Administration Charge of \$0.3 million to cover the professional fees of Deloitte, Deloitte’s counsel and the proposed CRO;
 - b) a Directors and Officers (“**D&O**”) Charge of \$0.1 million to cover incurred liabilities to the Directors of the Caryi Group during the course of the proposed CCAA proceedings; and
 - c) a DIP Financing Charge of \$0.25 million initially, likely increasing to at least \$0.65 million at a comeback hearing as outlined in the cash flow forecast attached to the pre-filing report of Deloitte.
- 48. The Proposed Interim Receiver has compared the requests for Court approved charges as between the proposed CCAA and Receivership. As summarized below, the Debtors

are seeking approximately \$1.35 million more in charges for a CCAA proceeding in comparison to a receivership.

GTL's Understanding of Requested Court Ordered Charges			
	Lenders' Application	Debtors' Application	Variance
1. Administration Charge	\$ 100,000	\$ 300,000	\$ (200,000)
2. D&O Charge	-	100,000	\$ (100,000)
3. DIP Financing Charge or Receiver's Borrowing Charge	100,000	250,000	\$ (150,000)
Initial Priority Charges	\$ 200,000	\$ 650,000	\$ (450,000)
Increase to Admin Charge	150,000	-	150,000
Increase DIP Financing/Receiver's Borrowing Charge	200,000	1,250,000	(1,050,000)
Total Expected Priority Charges	\$ 550,000	\$ 1,900,000	\$ (1,350,000)

Request for the Court's Assistance

49. The Proposed Interim Receiver understands the Lenders are requesting the assistance of this Honourable Court in granting the Interim Receivership Order because, among other things:
- The Lenders' oppose the Debtors' requested relief pursuant to the CCAA for the reasons outlined in the Lenders' application materials, the Ackerman Affidavit and discussed above. GTL understands the Lenders take the view that the Debtors proposed plan is unnecessarily expensive, will prejudice the Lenders through significant priming charges, and does not demonstrate how it will create incremental value to the Lenders and stakeholders generally over a traditional receivership sales process opted for by the Lenders;
 - The Lenders are not homogenous, comprise multiple different parties with mortgage security against different buildings, and are entitled pursuant to their loan and security documents to seek the appointment of a receiver to act in the interests of all Lenders to realize on the Property;
 - The Proposed Interim Receiver considers that the potential availability of a vesting order, which would be unavailable in a private proceeding, will be of considerable assistance to realizing on the Property and will facilitate the marketing of the Property to potential purchasers, maximizing the recovery for stakeholders;
 - GTL's experience on similar mandates suggests a Court Order will facilitate the administration of the receivership including working with utilities and insurance.

50. Further, the Proposed Interim Receiver considers the proposed Administration Charge of \$100,000 and Receiver's Borrowing Charge of \$100,000, as set out in the Draft Interim Receivership Order, are appropriate for the reasons detailed herein.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 13th day of January, 2025.

GRANT THORNTON LIMITED,
SOLELY IN ITS CAPACITY AS PROPOSED INTERIM RECEIVER OF
THE CARYI GROUP
AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

Per:



Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President

Per:



Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President

Pre-Filing Report to the Court submitted by Grant Thornton Limited
In its capacity as Proposed Interim Receiver of the Caryi Group
January 13, 2025

Appendix A

GTL's Consent to Act

**SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 47 OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, C B-3.**

BETWEEN:

Duoro Capital Limited

APPLICANT

AND

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

RESPONDENTS

CONSENT TO ACT

Grant Thornton Limited hereby consents to act as an interim receiver pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended ("**BIA**") and section 43(9) of the *Judicature Act*, RSNS 1989, c 240 (the "**Judicature Act**"), and as a receiver pursuant to section 243(1) of the BIA and section 43(9) of the *Judicature Act*, over the assets, collateral and undertakings of the Respondents, in each case without security, if so appointed by the Supreme Court of Nova Scotia in Bankruptcy and Insolvency.

Dated at Halifax, Nova Scotia this 13th day of January, 2025.

GRANT THORNTON LIMITED

Per:

Phil Clarke, KStJ, CPA, CA, CIRP, LIT

Senior Vice President

Supplemental Pre-Filing Report to the Court submitted by Grant Thornton Limited
In its capacity as Proposed Receiver of the Caryi Group
January 20, 2025

Appendix B

GTL Consent to Act

**SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 47 OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, C B-3.**

BETWEEN:

Duoro Capital Limited

APPLICANT

AND

**Annapolis Management Inc., BSL Holdings Inc., Comvest Commercial Real Estate Inc.,
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Dated at Halifax, Nova Scotia this 13th day of January, 2025.

GRANT THORNTON LIMITED

Per: _____

Phil Clarke, KStJ, CPA, CA, CIRP, LIT

Senior Vice President

Supplemental Pre-Filing Report to the Court submitted by Grant Thornton Limited
In its capacity as Proposed Receiver of the Caryi Group
January 20, 2025

Appendix C

Proposed Sales Process

Sales Process

*In the Receivership Proceedings of Annapolis Management Inc., BSL Holdings Inc., Ruby LLP, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited
(together the “Company” or “Caryi Group”)*

Overview of the Company

1. The Company is in the business of the construction and development of commercial and residential real estate in Atlantic Canada. The Company owns and operates eight (8) buildings throughout Nova Scotia and Prince Edward Island.
2. By order (“**Receivership Order**”) of the Honourable Justice Keith of the Supreme court of Nova Scotia in Bankruptcy and Insolvency (“**Court**”) dated January 24, 2025 (“**Date of Receivership**”), Grant Thornton Limited (“**GTL**”) was appointed receiver and receiver manager (in such capacity, “**Receiver**”) over all of the assets, properties and undertakings of the Company. The Receivership Order empowers the Receiver to market the Company’s property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate. The process (“**Sales Process**”) described herein outlines the process by which the Receiver will realize on the Company’s property.
3. The real property owned by the Company (the “**Properties**”), and that are the subject of this Sales Process, is summarized in Lots 1 to 7 below (each a “**Lot**”):

Lot	Property	Address
1	Halifax Club	1682 Hollis Street, Halifax NS
2	Freemasons Hall	1533 Barrington Street, Halifax NS
3	National Film Board	1572 Barrington Street, Halifax NS
4	Granville Hall	1665/1669 Granville Street, Halifax NS
5	Guardian Building	165 Prince Street, Charlottetown, PE
6	Sonic Building	1674 Hollis Street, Halifax NS
7	Tramway Building	1598 Barrington Street, Halifax NS

4. The appointment of the Receiver and the receivership proceedings of the Caryi Group are referred to herein as the “**Receivership Proceedings**”.

Objectives and Commencement of the Sales Process

5. The Receiver is authorized to market the Properties for sale, individually or en bloc, pursuant to the Receivership Order. The Sales Process will follow the sale by tender methodology, whereby binding bids (“**Bids**”) following a standardized template are submitted to the Receiver outlining the value a potential bidder ascribes to each Lot in its Bid, whether for individual properties or en bloc.
6. The Sales Process is intended to solicit interest in, and opportunities for, one or more sales of all of the Properties on an individual or *en bloc* basis.

- (a) The processes and procedures set out in this Sales Process (the “**Bidding Procedures**”) describe the manner in which prospective bidders may gain access to due diligence materials concerning the Company and the Properties, the manner in which bidders may participate in the Sales Process, the requirement of and the receipt and negotiation of Bids received, the ultimate selection of a successful bid(s) and the requisite approvals to be sought from the Court in connection therewith. The Receiver shall conduct the Sales Process in the manner set forth herein.
 - (b) The Conditions of Sale and Tender Form, attached at **Appendix “A”** and **“B”** respectively, outline the conditions of sale for any transaction pursuant to the Sales Process (“**Conditions of Sale**”) and the form of offer required to submit Bids in the Sales Process (“**Tender Form**”).
 - (c) The Receiver may at any time and from time to time, modify, amend, vary or supplement, whether material or immaterial, the Sales Process, Conditions of Sale or the Bidding Procedures, on notice to bidders, in order to give effect to the substance of the Sales Process.
 - (d) The Receiver shall post on its website, as soon as practicable, any such modification, amendment, variation or supplement to the Bidding Procedures or Conditions of Sale and inform the bidders and affected secured creditors impacted by such modifications. Where the Receiver considers such modification to be material, it may, but is not required to, seek Court approval of such modification on service to the parties to the Service List in the Receivership Proceedings.
 - (e) In the event of a dispute as to the interpretation or application of the Sales Process, Conditions of Sale or Bidding Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute.
7. The roles and responsibilities of the Receiver are described in further detail throughout this Sales Process.

“As is, where is”

- 8. Any transaction pursuant to the Sales Process will be made on an “as is, where is” basis and there is no representation or warranty made by the Receiver as to title, condition, regulatory approval, zoning, fitness for purpose, or to the accuracy or completeness of the information contained in due diligence materials or made available in connection with any further investigation of the Properties.
- 9. Any sale pursuant to any transaction(s) contemplated herein will be subject to approval by the Court and free and clear of all liens, security interests, mortgages, charges, and other encumbrances, except those expressly assumed by the Purchaser, pursuant to an Order of the Court approving such sale and vesting title to the purchased Properties in the successful bidder, if applicable.

Timeline

- 10. The following table sets out the key milestones and deadlines under the Sales Process, which milestones and deadlines may be extended or amended by the Receiver, in its sole discretion:

Milestone	Deadline
Sales Process Launch Commencement of marketing and solicitation of interest process including issuance of the Teaser Letter and NDA for due diligence	Within 30 days of Receivership Order
Bid Deadline (30 days from commencement)	Within 60 Days of Sales Process Launch
Selection of Successful Bid(s)	Within 10 days after the Bid Deadline
Sale Approval Hearing	Within 30 days of Bid Deadline

11. Any extensions or amendments shall be communicated to all bidders in writing via email and posted on the Receiver's case website at: www.DoaneGrantThornton.ca/Caryi

Marketing and Solicitation of Interest: Notice of Sales Process

12. The Receiver shall be entitled, but not obligated, to arrange for a notice of the Sales Process to be published in any newspaper or industry journal as the Receiver considers appropriate.
13. The Receiver shall prepare:
- (a) a list of potential buyers (collectively, "**Interested Parties**" and individually an "**Interested Party**");
 - (b) an initial offering summary ("**Teaser Letter**");
 - (c) a form of non-disclosure agreement ("**NDA**"); and
 - (d) an electronic data room ("**VDR**").
14. The Receiver will send the Teaser Letter and the form of the NDA to all applicable Interested Parties in accordance with the milestones set out above and to any other Interested Party who requests a copy of the Teaser Letter and NDA, or who is identified as an Interested Party, as soon as reasonably practicable after such request or identification, as applicable.
15. The Receiver will also post copies of the Teaser Letter and NDA on its case website.
16. The Receiver will have responsibility for managing all communication with Interested Parties prior to and after receipt of Bids. This shall include facilitating the delivery of all communications, contacting prospective bidders and providing them with the Teaser Letter, coordinating the execution of NDAs, facilitating any requests for tours of the Properties, managing the process of answering inquiries from prospective bidders, soliciting and tracking all Bids, and reviewing and negotiating transaction documentation.

Participation in the Sales Process

17. Any Interested Party who wishes to participate in the Sales Process must provide to the Receiver:
 - (a) an executed NDA and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party, and full disclosure of the direct and indirect principals of the Interested Party. The NDA shall include an acknowledgement of the terms of the Sales Process, the Bidding Procedures, and Conditions of Sale; and
 - (b) if the Receiver considers it necessary, such form of financial disclosure that allows the Receiver to make a reasonable determination as to the Interested Party's financial and other capabilities to consummate a transaction.
18. If an Interested Party: (i) has delivered an executed NDA; and (ii) has provided the Receiver with satisfactory evidence of its capability to consummate a transaction based on its financing, experience, and other relevant considerations, then such Interested Party will be determined by the Receiver to be a **"Potential Bidder"**.
19. Each Potential Bidder will be prohibited from communicating with any other Potential Bidder with respect to matters relating to the Sales Process during the term of the Sales Process, without the consent of the Receiver.
20. The Receiver will provide each Potential Bidder with a copy of the Teaser Letter and access to the VDR. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information on the Properties in connection with their participation in the Sales Process and any transaction resulting therefrom. The Receiver and its directors, officers, agents, counsel, and advisors make no representation or warranty, express or implied, whatsoever as to the information (including, without limitation, with respect to its accuracy or completeness): (i) contained in the Teaser Letter or the VDR; (ii) provided through the due diligence process or otherwise made available pursuant to the Sales Process; or (iii) otherwise made available to a Potential Bidder except to the extent contemplated in any definitive documentation duly executed and delivered by the successful bidder(s) (as defined below) and approved by the Receiver and the Court.
21. At any time during the Sales Process, the Receiver may, in its reasonable business judgment, eliminate a Potential Bidder from the Sales Process, in which case such party will no longer be a Potential Bidder for the purposes of the Sales Process.
22. The Receiver shall afford each Potential Bidder such access to applicable due diligence materials and information pertaining to the Properties of the Company as the Receiver deems appropriate in its reasonable business judgment. Due diligence access may include access to the VDR, on-site inspections, and other matters which a Potential Bidder may reasonably request and which the Receiver deems appropriate. The Receiver will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Potential Bidder and the manner in which such requests must be communicated.
23. The Receiver shall not be obligated to furnish any information relating to the Company or the Properties to any person other than to Potential Bidders.

Bid Deadline

24. Potential Bidders that wish to make a formal binding Bid pursuant to the Sales Process must do so in compliance with the Conditions of Sale and Tender Form outlined in Appendix “A” and “B” respectively. The deadline (“**Bid Deadline**”) to submit Bids in the Sales Process is **Month Day, 2025**;
- (a) Bids submitted by e-mail must be sent with the title “**Caryi Group- Binding Bid**” prior to the Bid Deadline to Ben Chisholm, CPA (Ben.Chisholm@doane.gt.ca), with a copy to Faith Capone (Faith.Capone@doane.gt.ca) and Caryi@doane.gt.ca.
- (b) Bids received by mail prior to the Bid Deadline must be marked as follows:

“DO NOT OPEN – CONFIDENTIAL TENDER – Caryi Group”

All Bids must be received by regular post, courier hand delivery or email:

GRANT THORNTON LIMITED

In its capacity as Court Appointed Receiver of Caryi Group.

Nova Centre, North Tower

Suite 1000, 1675 Grafton Street

Halifax, NS B3J 0E9

Attention: Ben Chisholm

Bidding in Sales Process

25. Potential Bidders that agree to the Conditions of Sale at **Appendix “A”** are invited to submit their Bids for Lot 1-7 individually, or collectively, via the Tender Form at **Appendix “B”**. In the case of an en-bloc offer for the Properties, **the Bid must separate and identify values submitted for each Lot**. An Interested Party who submits a Bid in the Sales Process is referred to herein as a “**Bidder**”.
26. All Bids must comply with the requirements of the Conditions of Sale at **Appendix “A”**.
27. No Bidder may request or receive any form of bid protection as part of any Bid made pursuant to the Sales Process.
28. Any Bids accepted pursuant to the Sales Process will be strictly subject to Court approval.
29. Each Bidder shall deliver with its Bid a certified cheque, proof of electronic payment to the Receiver’s trust account or bank draft of a chartered bank of Canada payable to “**Grant Thornton Limited, in Trust for - Caryi Group – SISP**”, in an amount equal to at least 10% of the purchase price as outlined in the Bid as a deposit (the “**Deposit**”), to be held by the Receiver in trust. The Deposit, without interest, shall be credited on account of the purchase price upon the satisfaction of the terms and conditions contemplated by the agreement of purchase and sale. The Receiver will treat Deposits in accordance with the Conditions of Sale.

30. At the Receiver's discretion and upon consultation with the affected secured creditors, the Receiver may accept a Bid prior to the Bid Deadline if, in the opinion of the Receiver, such Bid is in the best interest of the estate. The acceptance of any such bid would be strictly subject to Court approval, upon notice to interested parties.

Acceptance or Rejection of Bids

31. The Receiver will advise Potential Bidders with respect to the success of their Bids within 10 days of the Bid Deadline, and any Deposits associated with rejected bids will be returned in accordance with the Conditions of Sale.
32. Each Bid submitted shall be and remain the property of the Receiver, and no Bidder shall be entitled to its return, until such time as a Bid is accepted or rejected.
33. The Receiver reserves the right to amend or terminate the Sales Process, or to withdraw or amend the Properties offered for sale, at any time, at its sole discretion. Neither the highest Bid, nor any other Bid, will necessarily be accepted. With respect to any withdrawal or amendment, the sole obligation of the Receiver to any Bidder shall be to inform them of the withdrawal of any property or any amendment to any of the Properties offered for sale.
34. Before accepting a Bid the Receiver may, in its sole discretion, negotiate with any Bidder for changes to that person's Bid. Further, in the event that any of the Bids are substantially similar, the Receiver may in its sole discretion call upon those Bidders to submit further Bids. In the event that no Bid is accepted for one or more of the Properties, the Receiver may negotiate for the sale of any or all of the Properties with any person, including any person who has previously submitted a Bid for any of the Properties. Notwithstanding the foregoing, the Receiver shall not be obligated to negotiate with any Potential Bidder or to give any Potential Bidder an opportunity to resubmit a Bid, whether or not the Receiver negotiates with any potential Bidder.
35. If any Bid is accepted by the Receiver, then the Purchaser shall be notified in writing by the Receiver of such acceptance no later than 15 calendar days following the Bid Deadline. Such notice of acceptance shall be deemed to be properly given and shall be deemed to be received on the same day if sent by courier service, facsimile transmission, email or personally delivered.

Disclosure of Bids

36. The terms of any Bids may be provided to the Company's affected secured creditors in respect of that property, to the Court and any other secured creditor which may have an interest in the subject property as long as such secured creditor is not a Bidder in the Sales Process.

Contact

37. All questions and enquiries regarding Conditions of Sale or Sales Process should be directed to the Receiver's team, Corey Hines (Corey.Hines@doane.gt.ca) and Ben Chisholm (Ben.Chisholm@doane.gt.ca), with a copy to Caryi@doane.gt.ca.

Appendix A - Conditions of Sale

1. The Vendor is Grant Thornton Limited which is acting solely in its capacity as Court appointed Receiver of the Properties of Annapolis Management Inc., BSL Holdings Inc., Ruby LLP, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited (together, the "**Company**"), and not in its personal or corporate capacity (the "**Receiver**"). Grant Thornton Limited shall have no personal or corporate liability of any kind, whether in content or in part or otherwise. Capitalized terms not otherwise defined herein have the meanings prescribed to them in the Sales Process and Bidding Procedures.
2. The Properties being sold pursuant to these Conditions of Sale consist of all the right, title and interest of the Company in the following:

Lot	Property	Address
1	Halifax Club	1682 Hollis Street, Halifax NS
2	Freemasons Hall	1533 Barrington Street, Halifax NS
3	National Film Board	1572 Barrington Street, Halifax NS
4	Granville Hall	1665/1669 Granville Street, Halifax NS
5	Guardian Building	165 Prince Street, Charlottetown, PE
6	Sonic Building	1674 Hollis Street, Halifax NS
7	Tramway Building	1598 Barrington Street, Halifax NS

3. The **Bid Deadline** to submit Bids in the Sales Process is **Month XX, 2025**. An Interested Party who submits a Bid in the Sales Process is referred to herein as a "**Bidder**".
 - a. Bids submitted by e-mail must be sent with the title "**CONFIDENTIAL TENDER – Caryi Group**" prior to the Bid Deadline to Ben Chisholm, CPA (Ben.Chisholm@doane.gt.ca), with a copy to Faith Capone (Faith.Capone@doane.gt.ca) and Caryi@doane.gt.ca
 - b. Bids received via mail prior to the Bid Deadline must be submitted in a sealed envelope marked:

"DO NOT OPEN – CONFIDENTIAL TENDER – Caryi Group"

All Bids must be received by regular post, courier hand delivery or email:

GRANT THORNTON LIMITED

In its capacity as Court Appointed Receiver of Caryi Group.

Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS B3J 0E9

Attention: Ben Chisholm

4. **All Bids must be submitted in the Tender Form attached in Appendix B, by no later than 5:00 p.m., Atlantic Time, on the Bid Deadline.** At the Bid Deadline, the Bids will be opened in private by the Receiver and such other persons as the Receiver may designate. The information contained in the Bids shall not be confidential after they are opened and may be revealed by the Receiver, at its discretion, to any person, including, without limitation, senior secured creditors, or the Court.
5. All Bids must be in Canadian currency and must be accompanied by a deposit for 10% of the purchase price of the Bid (the "**Deposit**"), which amount will be subject to the terms hereof.
6. The Deposit shall be in the form of a certified cheque, confirmation of wire or bank draft payable to "GRANT THORNTON LIMITED – IN TRUST FOR – CARYI GROUP - SISP". The Deposit may also be submitted by bank transfer provided the funds are received prior to the Bid Deadline. Bank transfer information may be obtained from the office of the Receiver.
7. If a Bid is accepted, then the Deposit will be deemed to be a cash deposit towards the purchase price. In such circumstances, the successful Bidder(s) shall pay the balance of the purchase price to "Grant Thornton Limited – In Trust for Caryi Group – SISP", on closing. Closing shall take place no later than 10 calendar days after approval by the Court, unless otherwise extended by mutual agreement.
8. Where a Bidder withdraws its Bid after the Bid Deadline, but before the date on which the Bidder receives notification of the decision made by the Receiver regarding the Bid, at a minimum, the Deposit shall be forfeited on account of liquidated damages by the Bidder to the Receiver.
9. The Deposit shall be returned to each Bidder whose Bid is not accepted. Any Deposit paid by certified cheque or bank draft will be returned to the Bidder by post, wire or courier at the address set out in the Tender Form or made available for pickup within 15 days following the days following the rejection of any Bid.
10. If the contemplated sale is not completed by a successful Bidder (a "**Purchaser**") by reason of the Purchaser's default, the Deposit shall be retained by the Receiver and the Receiver shall be entitled to pursue all its rights and remedies against the Purchaser. If the contemplated sale is not completed by the Receiver by reason of the Receiver's default, the Deposit shall be returned in full, without interest, to the Purchaser, the Purchaser shall have no further recourse against the Receiver, and the Agreement of Purchase and Sale, as defined in paragraph 23 of the Conditions of Sale, is null and void.

11. Every Bid submitted shall be in writing in the Tender Form attached in Appendix B. The submission of a Bid to the Receiver shall constitute an acknowledgement and an acceptance by the Bidder of the terms of the Sales Process and Bidding Procedures, the Conditions of Sale, and the Tender Form.
12. **Bids received by the Receiver that do not strictly comply with the Tender Form or the Conditions of Sale, or which contain proposals to vary, amend or supplement the Tender Form or Conditions of Sale may, in the absolute discretion of the Receiver, be rejected.**
13. Upon receipt by the Receiver of a Bid, the Bidder submitting the Bid shall not be entitled to retract, withdraw, revoke, vary or countermand the Bid and such Bid shall be irrevocable prior to acceptance or rejection thereof by the Receiver.
14. The Purchaser agrees to indemnify the Receiver and save the Receiver harmless from and against any and all costs, expenses, liabilities and damages incurred or suffered by the Receiver as a result of the failure of the Purchaser to pay any taxes, duties, fees and like charges eligible in connection with the Agreement of Purchase and Sale. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining, any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Properties.
15. All documentation or other material provided to prospective Bidders relating to the Properties which are the subject matter of these Conditions of Sale have been prepared solely for the convenience of Bidders and are not warranted to be complete or accurate and do not form part of the Conditions of Sale. Every Bidder shall be deemed to have relied entirely on its own inspection and investigation of the Properties and the title thereto.
16. The Receiver's right, title and interests, if any, in the Properties are being sold on an "as is, where is" and "without recourse" basis with no representations or warranties of any nature and kind whatsoever as to title, encumbrances, description, present or future use, fitness for use, environmental condition including the existence of hazardous substances, merchantability, quantity, condition, zoning or lawful use of the Properties or the existence, quality, value or the validity, invalidity, or enforceability of any patent, copyright or trademark right, or any other matter or thing whatsoever, either stated or implied including any outstanding work orders or requirements by any regulatory authority. Bidders must rely entirely on their own judgment, inspection and investigation of the Properties and any rights necessary to, and appurtenant or otherwise to the Properties.
17. Any transaction contemplated herein will be subject to the approval of the Court and free and clear of all liens, security interests, mortgages, charges, and other encumbrances, except those expressly assumed by the Purchaser, pursuant to an order of the Court approving such sale and vesting title to the purchased Properties in the Purchaser, if applicable.

18. The Purchaser(s) of the Properties agrees to accept title thereto subject to applicable municipal, provincial or federal requirements. The Purchaser shall examine title to the Properties at its own expense.
19. The balance of the purchase shall be paid at closing. Closing shall take place no later than 10 calendar days after approval by the Supreme Court of Nova Scotia, unless otherwise extended by mutual agreement.
20. Conveyance shall be in a form of an approval and vesting order and subject to approval by the Court.
21. The Tender Form, the acceptance by the Receiver, the Sales Process and Bidding Procedures, and these Conditions of Sale, shall be deemed to form part of and shall constitute a binding Agreement of Purchase and Sale ("**Agreement of Purchase and Sale**") and time shall be of the essence of such agreement.
22. The Receiver shall not be required to furnish or produce any abstract, deeds, surveys, location certificates, declarations or other documents or evidence of title, except those in its possession.
23. The Receiver shall remain in possession of the Properties until the purchase is completed and title to the Properties shall not pass to the Purchaser nor shall the Purchaser be entitled to possession of same until the purchase price has been paid in full and the transaction closes pursuant to Court approval.
24. All adjustments of taxes and other items as normally adjusted will be made as of the date on which the transaction contemplated by the Agreement of Purchase and Sale is completed.
25. The Purchaser agrees that all the insurance maintained by the Receiver shall be cancelled on the closing of the transaction contemplated herein and that the Purchaser shall be responsible for placing its own insurance thereafter.
26. With respect to all Properties, no adjustments will be allowed to either the Receiver or the Purchaser for changes in the condition of the Properties from the date hereof.
27. The Receiver reserves the right to amend or terminate the Sales Process, or to withdraw or amend the Properties for sale, at any time, at its sole discretion. With respect to any withdrawal or amendment, the sole obligation of the Receiver to the Purchaser shall be to inform them of the withdrawal of any asset or any amendment to any of the Properties for sale. The Receiver shall be under no obligation to compensate any third party in order to complete this sale and if a revised price for the remaining portion of a parcel cannot be agreed between the Receiver and the Purchaser, the Receiver shall return the Deposit to the Purchaser without interest, costs or compensation.

28. The obligation of the Receiver to sell and of the Purchaser to purchase the Properties shall at the option of the Receiver be terminated in the event that prior to the closing date of the sale, such Properties are substantially destroyed by fire, flood, the elements, Government action, or civil commotion or any other external cause beyond the control of the Receiver. Such option to terminate by the Receiver shall be exercised by giving notice in writing to the Purchaser that it intends to terminate the Agreement of Purchase and Sale. In such event, the Agreement of Purchase and Sale shall automatically terminate and be deemed null and void and the Deposit shall be returned to the Purchaser without interest, cost, compensation or deduction and no party shall be liable to another for any costs or damages whatsoever. If the Receiver does not exercise such option, the Purchaser, at its option may perform the Agreement of Purchase and Sale, such option to be exercised, in writing, within five (5) days after notice to the Purchaser that the Receiver does not intend to exercise its option to terminate. In such event, the Purchaser shall be entitled only to an assignment of any proceeds payable under the existing insurance policies and transfer of any remaining Properties in full settlement of any of the Receiver's obligations to repair or replace the damaged Properties and in full satisfaction of the Agreement of Purchase and Sale. If the Purchaser does not exercise this option, the Agreement of Purchase and Sale shall be automatically terminated and deemed null and void and the Deposit shall be refunded to the Purchaser without interest, costs, compensation or deduction and neither party shall be liable to the other for any costs or damages whatsoever.
29. The Receiver represents and warrants to the Purchaser that the Receiver is not now and will not be at the closing date, a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), which representation and warranty shall survive the closing of the transactions contemplated herein. Where the Receiver deems appropriate and at the specific request of the Receiver, the Purchaser shall warrant that it is, or is not, a non-eligible person as defined by the Investment Canada Act.
30. The Purchaser shall pay at closing:
- a. All applicable Federal, Provincial and/or Municipal taxes, fees, and levies including any health services taxes, excise taxes, and/or goods and services taxes, **including any arrears municipal taxes**, if any, levied as a result of the completion of any Agreement of Purchase and Sale;
 - b. For greater clarity, property tax arrears will not be adjusted on closing and will be paid in their entirety by the Purchaser **in addition** to the Bid price;
 - c. At the discretion of the Receiver, the Purchaser shall provide to the Receiver on closing a signed Canada Revenue Agency GST/HST Election Form and the Purchaser agrees that it will pay any HST in connection with the sale of the Properties directly to Canada Revenue Agency.

31. The Purchaser shall assume, at its cost, complete responsibility for compliance with all laws, municipal, provincial or federal, insofar as the same apply to the Properties and the use thereof by the Purchaser.
32. It shall be the responsibility of the Purchaser, at the Purchaser's own expense, to obtain any and all government approvals necessary to utilize the Properties subject to an Agreement of Purchase and Sale. In particular, and without limiting the foregoing, the Purchaser is obligated to obtain all necessary approvals, licenses, permits, authorizations, permissions or other items (whether required locally, provincially or federally to use and enjoy any items being purchased and/or to carry on business with or from any Properties being purchased and the obtaining of such approvals shall not, in any manner whatsoever, be a precondition to completion of or limit the Purchaser's obligation to complete an Agreement of Purchase and Sale.
33. The Purchaser shall accept title to the respective Properties subject to, without limitation:
 - a. any registered restrictions or covenants that attach to the land, including any right of way for passage or use;
 - b. any registered municipal agreement and registered agreements with publicly regulated utilities;
 - c. any easements for the supply of domestic utility or telephone services;
 - d. any easement for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the present use; and any oil and gas lease; and
34. By submitting a Bid, the Purchaser acknowledges that the Purchaser has had an opportunity to obtain independent advice including, without limitation, independent business, accounting, technical, and legal advice prior to the execution and delivery of the Bid in respect of all issues including, without limitation, these Conditions of Sale.
35. The Receiver shall not be liable to any commercial real estate broker ("**Broker**") who presents a Bid in response to the Sales Process, for payment of any fee, commission, remuneration, expense, or any other form of compensation claimed by the Broker. A Broker who presents a Bid to the Receiver in response to the Sales Process does so at the exclusive request of the Purchaser under terms and conditions as negotiated between the Broker and the Purchaser.
36. The Receiver, in its discretion, may vary, amend, supplement or waive any or all of the within conditions.
37. The highest or any Bid will not necessarily be accepted.

38. Any tender of documents or money hereunder may be made upon the Vendor and Purchaser at their respective addresses indicated in the Tender Form, or their respective solicitors.
39. The Purchaser shall not assign its rights and obligations under the Bid without the written consent of the Receiver, which may be withheld for any reason, acting reasonably.
40. Unless otherwise specifically stated herein, all obligations, representations and warranties of the Purchaser contained in the Bid shall survive the completion of the sale.
41. The validity and interpretation of these Conditions of Sale and of each provision and part thereof, shall be governed by the laws of Nova Scotia and the Court shall have exclusive jurisdiction with respect to any dispute arising out of these Conditions of Sale and any Agreement of Purchase and Sale entered into pursuant hereto.
42. The submission of a Bid will be deemed to constitute the declaration and acknowledgement by such Bidder that it has requested these Conditions of Sale, the Tender Form, and all other documentation relating to its Bid and the acceptance thereof to be drawn up in the English language.
43. La présentation d'une soumission constituera la déclaration et la reconnaissance expresse par la sous missionnaire qu'il a consenti que ces Conditions de Vente, la formule de soumission mentionnée en ceci et tous autres documents relatifs à la soumission et à son acceptation soient rédigés en langue anglaise.

Appendix B – Tender Form

GRANT THORNTON LIMITED (the "Receiver")

In its capacity as Court Appointed Receiver of *Annapolis Management Inc., BSL Holdings Inc., Ruby LLP, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited* (the "**Caryi Group**")

Nova Centre, North Tower, Suite 1000, 1675 Grafton Street
Halifax, NS Canada B3J 0E9

Attention: Ben Chisholm, CPA

PLEASE PRINT

NAME OF BIDDER

ADDRESS OF BIDDER

TELEPHONE NUMBER OF BIDDER

FAX NUMBER OF BIDDER

EMAIL ADDRESS OF BIDDER

1. I, the Bidder hereby submit this Bid for the purchase of the Receiver's right, title and interest in certain properties of the Caryi Group.
2. Bid amount by Lot as indicated below:

Lot	Property	Address	Tender Amount
1	Halifax Club	1682 Hollis Street, Halifax NS	\$
2	Freemasons Hall	1533 Barrington Street, Halifax NS	\$
3	National Film Board	1572 Barrington Street, Halifax NS	\$
4	Granville Hall	1665/1669 Granville Street, Halifax NS	\$
5	Guardian Building	165 Prince Street, Charlottetown, PE	\$
6	Sonic Building	1674 Hollis Street, Halifax NS	\$
7	Tramway Building	1598 Barrington Street, Halifax NS	\$
Total Bid			\$

3. Enclosed is the Bidder's certified cheque, bank draft, or evidence of wire transfer payable to Grant Thornton Limited, in Trust for – Caryi Group, in the amount of \$_____ (10% of the purchase price), being a cash deposit.
4. The Bidder represents to the Receiver that the Bidder _____ (insert "is" or "is not") a "non-eligible person" as defined in the *Investment Canada Act*.
5. The Bidder agrees that the Conditions of Sale issued by the Receiver are deemed to form part hereof.
6. The amount tendered is exclusive of Federal, Provincial or Municipal taxes, levies, and fees, **including property tax arrears**, which shall be payable by the Purchaser, where applicable, on the Properties.

DATED at _____, this _____ day of _____, 2025.
(City or Town) (Date) (Month)

PRINT NAME OF BIDDER

Per: _____

Per: _____