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May 15, 2025

Via Hand Delivery & Email

The Honourable Justice John A. Keith
Supreme Court of Nova Scotia
The Law Courts
1815 Upper Water Street
Halifax, NS B3J 1S7

Justice Keith:

Re: In the Matter of the Intention to Make a Proposal / Receivership of Annapolis Management Inc. et al – Hfx No. 539955

Motion by Correspondence for Stay Extension

We are counsel for Deloitte Restructuring Inc., the Proposal Trustee for Annapolis Management Inc., BSL Holdings Inc., Ruby LLP, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited (the “**Proposal Trustee**”).

We write further to the correspondence from the Court on May 13, 2025.

The Proposal Trustee agrees with the summary provided by the Court and states there are no issues that would change the Proposal Trustee’s support for the Company’s request for a further extension of the stay of proceedings. The Proposal Trustee continues to support the request for an extension of the stay of proceedings, as the main stakeholders work through the various offers made and determine the path forward.

As of the writing of this letter, the secured lenders have not provided the Companies or the Proposal Trustee their official position on the offers that have been received. Given the status of the review of the offers, the Proposal Trustee understands that the Companies will seek to adjourn the hearing scheduled for May 27, 2025, which was set to approve any acceptable offers, to a date in June to allow more time for the discussions on the offers to continue.

4131-7354-0444

The Proposal Trustee may wish to provide a further update to the Court after the secured lenders provide their position to the Court, which was suggested would be provided to the Court today.

The Proposal Trustee does want to bring two issues to the Court's attention. On late afternoon on Friday, May 9, 2025, a summons was served by the Halifax Regional Municipality ("**HRM**") on 3337151 Nova Scotia Limited, in relation to the failure to comply with an order under the *Building Code Act*, s. 19(1)(b). It is understood that HRM was attempting to serve the same or similar summons on the Proposal Trustee, although the basis for this is unclear, particularly as no action lies against a trustee or receiver without leave of the Court (as per s. 215 of the BIA). 3337151 Nova Scotia Limited has retained Brian Casey, K.C., to address the summons and charges under the *Building Code Act*. An initial appearance is to be made in Provincial Court on May 27, 2025. To date, the office of the general counsel for the Proposal Trustee is addressing the issue on its behalf; however, Stewart McKelvey will be engaged.

The Proposal Trustee has also been advised that HRM is requiring additional safety measures be implemented with respect to Tramway Building. The required safety measures include expanded scaffolding to that which is already in place. The expense for expanded scaffolding has not been included as a line item expense in the cash flow, as this direction from HRM was received late in the afternoon on Friday, May 9, 2025 after the Proposal Trustee's report and updated cash flow was filed with this Court. The estimate for the expanded scaffolding is expected to be in the vicinity of \$65,000 to \$75,000 based on the quotes received to date. The Proposal Trustee has discussed this issue with the Financial Advisor to the secured lenders and the costs for the expanded scaffolding fit within the approved DIP facility. 3337151 Nova Scotia Limited has engaged a supplier to provide the expanded scaffolding.

The Proposal Trustee is not seeking any guidance from the Court at this time on the HRM matters, but did want to inform the Court of these recent developments. Although the Proposal Trustee has not been served with the summons, it is attempting to discuss the matter with HRM, as the basis for the issuance of the summons against the Proposal Trustee as an officer of the Court remains unclear. Counsel for the Proposal Trustee will make an appearance at the Provincial Court on May 27, 2025.

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We trust the forgoing to be satisfactory but would be happy to address any further questions or concerns the Court may have.

Yours very truly,



Sara L. Scott

SLS/lms

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Service List