DISTRICT OF: NOVA SCOTIA

DIVISION NO: 01 – HALIFAX

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

ESTATE NOs: 51-3176190/51-3176175/51-3176229/51-3176186/51-3175914

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

FEBRUARY 14, 2025

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INTRODUCTION

- On January 20, 2025 (the "NOI Filing Date"), Annapolis Management Inc. ("AMI"), BSL Holdings Inc. ("BSL"), Ruby LLP ("Ruby"), 333715 Nova Scotia Limited ("333") and 4551650 Nova Scotia Limited ("455") filed notices of intention to make a proposal (each, an "NOI" and together, the "NOI Proceedings") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (the "BIA") with the Office of the Superintendent of Bankruptcy (the "OSB"). Deloitte Restructuring Inc. ("Deloitte" or the "Proposal Trustee") consented to act as the licensed insolvency trustee under each of the NOIs.
- Pursuant to section 69(1) of the BIA, the commencement of the NOI Proceedings granted an automatic stay of proceedings in favour of the Debtors for 30 days (the "Stay of Proceedings").
- 3. On January 24, 2025, the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "Court") heard an application brought forward by certain secured lenders of the Caryi Group representing approximately 96% of the outstanding mortgage debt (the "Lenders") to have the Stay of Proceedings lifted and have a receiver (the "Proposed Receiver") appointed over the assets of the Caryi Group (the "Lender Requested Relief").
- 4. On January 27, 2025, the Court denied the Lender Requested Relief.

PURPOSE

- 5. The purpose of this second report (the "Second Report") is to provide information to the Court with respect to:
 - i. an overview of the Debtors' activities since the NOI Filing Date;
 - ii. an overview of the Proposal Trustee's activities since the NOI Filing Date;
 - iii. an overview of the Debtors' financial position, including:
 - a. an analysis of certain financial activity prior to the NOI Filing Date;
 - b. a budget to actual comparison between the First Cash Flow Statement (as defined below) (the "Variance Analysis"); and

- c. a 20-week cash flow projection (the "Second Cash Flow Statement")
 covering the period February 10 to June 29, 2025 (the "Second Forecast Period");
- iv. an overview of the Debtors' proposed sale and investment solicitation process (the "SISP") in the NOI Proceedings;
- v. an overview of the Debtors' proposed debtor-in-possession financing facility (the "DIP Facility") to be provided by Atlantic Central ("Atlantic", and in such capacity, the "DIP Lender"), one of the Debtors' Lenders;
- vi. the Debtors' request for certain court ordered charges (the "Court Ordered Charges");
- vii. the Debtors' request for an order consolidating the estates (the "Consolidation Order");
- viii. the Proposal Trustee's request for an order approving the activities as set out in the First Report and the Second Report (the "**Activities Order**"); and
- ix. the Debtors' request for an order extending the Stay of Proceedings for a period of 45 days to April 5, 2025 (the "Stay Extension Order").

TERMS OF REFERENCE

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

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

THE DEBTORS' ACTIVITIES

- 11. Since the NOI Filing Date, the Debtors' activities have included, but were not limited to:
 - continuing to manage the Assets of the Caryi Group in the normal course, including but not limited to:
 - a. dealing with tenant matters;
 - b. maintaining insurance coverage;
 - c. communicating with stakeholders; and
 - d. ensuring critical repairs and maintenance were completed.
 - ii. attending Court proceedings on January 24 and January 27, 2025;

- iii. continuing discussions with real estate brokers engaged by the Caryi Group and sharing agreements of purchase and sale with the Proposal Trustee;
- iv. disclaiming certain listing agreements with real estate brokers;
- v. with the support of the affected Lenders, engaging Royal LePage Atlantic to list the Debtors' residential property located at 545 Young Avenue in Halifax, Nova Scotia;
- vi. shutting down the operations at the Halifax Club, including the cigar lounge;
- vii. responding to information requests from the Proposal Trustee in a timely fashion;
- viii. submitting disbursement requests (including supporting documentation) to theProposal Trustee for review prior to any payments being made;
- ix. corresponding with the Canada Revenue Agency to open post-filing excise tax accounts;
- x. corresponding with Cox & Palmer regarding the collection of a corporate receivable;
- working with the Proposal Trustee to prepare the initial cash flow statement (the
 "First Cash Flow Statement") filed with the OSB on January 29, 2025;
- xii. working with the Proposal Trustee to prepare the Second Cash Flow Statement described further herein; and
- xiii. working with its legal counsel and the Proposal Trustee to develop the proposed SISP described further herein.

THE PROPOSAL TRUSTEE ACTIVITIES

- 12. Since NOI Filing Date, the Proposal Trustee's activities have included, but were not limited to:
 - filing the First Report and attending Court proceedings on January 24 and January 27, 2025;
 - ii. sending statutory notices to the Debtors' creditors as required by the BIA;
 - participating in daily meetings with Ms. Caryi regarding restructuring matters of the Caryi Group;

- iv. participating in discussions with the Proposal Trustee's legal counsel regarding the administration of the NOI Proceedings;
- attending meetings directly with the Lenders and subsequently with Doane Grant
 Thornton (the "Lenders FA") regarding matters in the NOI Proceedings which have
 included, but were not limited to:
 - a. the Second Cash Flow Forecast;
 - b. the magnitude and structure of the proposed DIP;
 - c. insurance matters;
 - d. the role of Resolve; and
 - e. the proposed SISP.
- vi. working with the Debtors to prepare and file the First Cash Flow Statement;
- vii. working with the Debtors to prepare the Variance Analysis;
- viii. working with the Debtors to prepare the Second Cash Flow Forecast;
- ix. reviewing proposed disbursements of the Debtors;
- x. setting up and maintaining the Proposal Trustee's Website;
- xi. monitoring the Proposal Trustee's hotline (1-833-712-5155) and email account (caryihalifax@deloitte.ca); and
- xii. filing this Second Report with the Court.

DEBTORS' FINANCIAL POSITION

Financial activity prior to the NOI Filing Date

13. The Proposal Trustee was asked by the Lenders FA to summarize the financial activity of the Debtors and certain related entities for the period January 10 to January 27, 2025 which is summarized in the table below (the "Schedule"):

Caryi Group of Companies Disbursement activity (the "Schedule")									
Opening	13-Jan-25	20-Jan-25							
Ending	19-Jan-25	26-Jan-25	Consolidated						
Opening cash position	225,359	88,486	225,359						
Receipts									
Comvest sales	17,948	8,628	26,575						
Miscellaneous receipt	896	3,500	4,396						
Rent	-	640	640						
	18,843	12,768	31,611						
Disbursements									
Professional fees	57,526	62,000	119,526						
Payroll remittance	38,758	-	38,758						
HST remittance	30,000	-	30,000						
Compensation	15,961	2,100	18,061						
Operating expense	10,613	2,144	12,757						
Repairs and maintenan	2,554	3,244	5,798						
Insurance	-	672	672						
Interest and bank char	305	17	321						
	155,716	70,177	225,892						
Net outflow	(136,872)	(57,409)	(194,281)						
Ending cash position	88,486	31,077	31,077						

- 14. The Proposal Trustee wishes to make the following commentary with respect to the Schedule:
 - i. the Schedule has been prepared by the Proposal Trustee based on information provided by and contained within the books and records of the Caryi Group and includes activity of Comvest Commercial Real Estate Inc. ("Comvest"), which is not subject to the NOI Proceedings and is not a Debtor therein. The Proposal Trustee has not audited, reviewed or otherwise verified the information and as such expresses no opinion, whether expressed or implied, regarding the accuracy of the information contained within the Schedule;
 - ii. the disbursements contained within the first week of the Schedule took place at a time when the Debtors were not subject to an insolvency proceeding and, as such, were not reviewed by the Proposal Trustee;
 - iii. while neither the Proposal Trustee nor its legal counsel was in Court on January 14, 2025, it understood that the Court's expectation was the Debtors would operate in the normal course and in line with the cash flow statement filed as part of the proposed CCAA Proceedings (the "CCAA Cash Flow"). A copy of the CCAA Cash Flow is enclosed

as **Appendix A.** The CCAA Proceedings have been discontinued and certain of the Debtors are involved in these NOI Proceedings;

- iv. the CCAA Cash Flow had forecast disbursements of approximately \$400,000 for the period covered by the Schedule, which included approximately \$125,000 in Corporate disbursements to deal with critical suppliers, \$110,000 for Professionals, \$64,000 for Capital Expenditures and \$40,000 for Utilities (the "Forecast Disbursements"). As outlined in the Schedule, the only material Forecast Disbursement that occurred were approximately \$120,000 to Professionals, of which \$62,000 was disbursed subsequent to the NOI Filing Date;
- v. the Proposal Trustee understands the Lenders, via the Lenders FA, have raised concerns regarding the magnitude of disbursements, and in particular approximately \$68,000 of payments made to the Canada Revenue Agency ("CRA") for source deductions and excise taxes relating to Comvest prior to the commencement of the NOI Proceedings. The Proposal Trustee has discussed this issue with Ms. Caryi, however, as at the date of this Second Report has not completed any further financial analysis other than compiling amounts set out in the Schedule;
- vi. as contained in the First Report and the Second Report, subsequent to the NOI Filing Date, the Proposal Trustee has reviewed the disbursements made by the Debtors and has not had any concerns regarding same.
- 15. The Proposal Trustee is disclosing these payments to the Court in response to concerns raised by the Lenders however does not have any intentions to taking further action unless so directed by the Court.

First Cash Flow Statement

16. The Debtors, with the assistance of Resolve and the Proposal Trustee, prepared and filed the First Cash Flow Statement for the 4-week period January 27 to February 23, 2025 (the "First Cash Flow Period") for the purposes of projecting the estimated results of the Debtors' planned operations and other activities during the Cash Flow Period. The table herein

summarizes the actual receipts and disbursements of the Debtors for the period January 27 to February 9, 2025 as compared to the First Cash Flow Statement:

Opening Ending Description	27-Jan-25 9-Feb-25 Actual	27-Jan-25 9-Feb-25 Actual	Variance Va	riance (%)
Opening cash position	35,122	31,077	4,044	13%
Receipts				
Collection of rent	96,405	108,653	12,248	11%
Comvest sales	-	18,298	18,298	100%
	96,405	126,950	30,545	24%
Disbursements				
Utilities	20,448	7,419	13,029	176%
Operating expense	7,230	6,182	1,048	17%
Insurance	10,500	10,225	275	3%
Compensation	-	15,718	(15,718)	(100%)
_	38,178	39,544	(1,366)	(3%)
Net inflow/ (outflow)	58,227	87,406	31,911	50%
Ending cash position	96,405	118,484	(22,079)	23%

- 17. The Proposal Trustee wishes to make the following commentary with respect to the Variance Report:
 - as outlined in the Pre-Filing Report, the Debtors' cash management system consolidates into two bank accounts and includes the financial activity of Comvest which is not a party to these NOI Proceedings. Comvest was cash flow positive during the period contemplated in the Variance Report as its cash receipts exceeded compensation paid. The entirety of the Compensation amount contained above relates to Comvest employees;
 - ii. the favourable variance in collection of rent relates to harmonized sales tax collected on rents which were not contained in the First Cash Flow Statement; and
 - iii. the favourable variance in Utilities is timing in nature and the variance has been rolled into the Second Cash Flow Statement.

Second Cash Flow Statement

18. The Debtors, with the assistance of Resolve and the Proposal Trustee, have prepared the Second Cash Flow Statement for the 20-week period February 24 to June 29, 2025 (the "Second Cash Flow Period") for the purposes of projecting the estimated results of the Debtors' planned operations during the Second Cash Flow Period. A copy of the Second Cash Flow Statement, along with supporting declarations and assumptions, are attached as Appendix B to this Second Report, and summarized below:

Carryi Crown of Companies	
Caryi Group of Companies	
20 Week Cash Flow Forecast (CAD)	
For the period February 10 to June 29 2025	
Week beginning	
Week ending	Total
Week #	
RECEIPTS	
Revenue - Rent	415,092
Corporate receivable - Cox and Palmer	40,000
DIP Financing	600,000
HST collected	57,004
Total Receipts	1,112,096
OPERATING DISBURSEMENTS	
Utilities	207,911
Insurance	54,512
Repairs and maintenance	31,580
Property management	40,000
Corporate disbursements	30,000
Repairs and maintenance contingency fund	50,000
HST paid	115,332
HST remittances	9,954
Total Disbursements	539,289
RESTRUCTURING COSTS	
Proposal Trustee	300,000
Proposal Trustee legal counsel	130,000
Legal counsel to Caryi Group	37,500
Legal counsel to Lenders	62,500
Financial advisor to Lenders	100,000
Total Restructuring Costs	630,000
Net Outflow	(57,193)
Opening Balance	118,484
Cash Flow	(57,193)
Closing Balance	61,291

- 19. The Second Cash Flow Statement is presented on a weekly basis during the Second Cash Flow Period and represents the Debtors' best estimate of their projected cash flow during the Second Cash Flow Period. The Second Cash Flow Statement has been prepared by the Debtors, using the probable and hypothetical assumptions set out in the notes to the Second Cash Flow Statement (the "Assumptions").
- 20. The Proposal Trustee has reviewed the Second Cash Flow Statement through inquiries, analytical procedures and discussions, and a review of the supporting documents relating to the Information supplied to the Proposal Trustee by the Debtors. Based on the Proposal Trustee's review, nothing has come to its attention that causes it to believe, in all material respects, that:
 - the Assumptions are not consistent with the purpose of the Second Cash Flow Statement;
 - ii. as at the date of the Second Report, the Assumptions are not suitably supported and consistent with the plans for the Debtors or do not provide a reasonable basis for the Second Cash Flow Statement, given the probable and hypothetical assumptions; or
 - iii. the Second Cash Flow Statement does not reflect the Assumptions.
- 21. Since the Second Cash Flow Statement is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Accordingly, the Proposal Trustee expresses no assurance as to whether the results contained within the Second Cash Flow Statement will be achieved. In addition, the Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Second Cash Flow Statement or relied upon by the Proposal Trustee in preparing this Second Report.
- 22. The Second Cash Flow Statement has been prepared solely for the purposes described above, and readers are cautioned that it may not be appropriate for other purposes.
- 23. As contained within the Second Cash Flow Statement, the Debtors are forecasting to require access to interim financing of up to \$600,000 during the Cash Flow Period, which is to be

provided by certain of the Lenders, pursuant to a credit agreement dated February 13, 2025 (the "**DIP Facility Agreement**" and the "**DIP Facility**") discussed further herein.

PROPOSED SALE INVESTMENT SOLICITATION PROCESS

- 24. The Caryi Group, in consultation with the Proposal Trustee, has developed the proposed SISP, taking into consideration the nature of the assets, the Proposal Trustee's recent experience with similar assets and discussions with the Lenders FA.
- 25. The proposed SISP envisions the Caryi Group assets (the "Assets") being sold on an "as is, where is" basis via a tender process and without representations or warranties of any kind, nature, or description by the Proposal Trustee, the Caryi Group, or any of the respective directors, agents or advisors, and, in the event of a sale, all of the right, title and interest of the Caryi Group in and to the Assets being acquired will be sold free and clear of all encumbrances.
- 26. In anticipation of the proposed SISP being approved by the Court, the Proposal Trustee has prepared a marketing document containing non-confidential information regarding the Assets (the "Teaser"), a copy of which is attached hereto as Appendix C.
- 27. The Proposed Trustee has also commenced the preparation of an information package (the "Tender Package") designed to provide additional information regarding the opportunity and to solicit interest in the Assets. The Tender Package includes the following:
 - a sale process outline which is inclusive of information required by potential purchasers for due diligence and SISP bid dates; and
 - a standard form of offer on which bidders must base their bids for the Assets. A copy of the draft Tender Package is attached hereto as **Appendix D**.
- 28. The Proposal Trustee and the Lenders FA have conducted research in order to identify potential parties who may be interested in participating in the proposed SISP (the "Interested Parties"). If so approved by the Court, the Interested Parties will be provided with a copy of the Teaser and be invited to participate in the SISP.

- 29. If approved by the Court, the Proposal Trustee will administer the proposed SISP in consultation with the Caryi Group and the Lenders FA, and its responsibilities (some of which it has already performed) will include but will not be limited to:
 - i. administering the proposed SISP;
 - ii. consulting with the Caryi Group and the Lenders FA throughout the proposed SISP;
 - iii. preparing the Teaser, the Tender Package and the virtual data room (the "**VDR**");
 - working with the Caryi Group to gather information required to respond to inquiries from Interested Parties;
 - working with the Debtor's legal counsel, BoyneClarke LLP, to create a template agreement to facilitate bids for the Assets (if necessary);
 - vi. providing regular updates on the proposed SISP to the Lenders FA;
 - vii. providing updates to the Court at extension hearing motions; and
 - viii. assisting the Caryi Group with the closing of transactions from the proposed SISP.
- 30. An overview of the major steps and timelines of the proposed SISP is summarized in the table below:

Summary of Proposed SISP Timeline								
Phase / Event	Indicative Date	Description of activities						
Sale Process Order	Day 1	The Court grants the Sale Process Order approving the SISP.						
Teaser	Day 3	Within two business days after the Sale Process Order is granted, the Proposal Trustee will send the Teaser and the NDA to the Interested Parties and any other party that contacts the Proposal or Lender FA expressing an interest in the SISP.						
Advertising	Day 10	As soon as possible after the granting of the Sale Process Order, the Proposal Trustee will undertake to provide notice of the SISP by						

	Summary of Pro	posed SISP Timeline
Phase / Event	Indicative Date	Description of activities
		 publishing a notice in certain newspapers and online media, including: Halifax Chronicle Herald – provincial edition; The Guardian, Insolvency Insider; and All Atlantic Parties who identify themselves to the Proposal Trustee as a result of the publication notice will be provided with copies of the NDA for execution.
Due diligence period	Up to Day 61	Upon execution of a non-disclosure agreement (the " NDA "), SISP participants will be provided with access to the VDR that will include the Tender Package along with other information regarding the Assets. SISP participants will be provided an opportunity to perform site visits at each of the Assets. The due diligence period will be 61 days.
Bid Deadline	Day 61	To occur at 5:00PM Atlantic Daylight Time on Day 61. Prospective bidders must deliver their legally binding offers (the " Final Bids ").
Evaluation and selection of the successful bid	Day 61 to Day 72	Terms of all Final Bids will be clarified. The Proposal Trustee will review the Final Bids in consultation with the Caryi Group and the Lenders FA and determine whether any should be brought before the Court for approval (each, a " Successful Bid "). The Proposal Trustee will negotiate the terms of the Successful Bid(s). The Successful Bid(s) will be subject to approval of the Court.
Sales approval and vesting order granted	Day 100	The Proposal Trustee brings the Successful Bid(s) before the Court for approval.

Summary of Proposed SISP Timeline								
Phase / Event	Indicative Date	Description of activities						
Closing of any successful bid	Day 114	Closing to occur unless another date is mutually agreed upon by the Proposal Trustee and the Successful Bidder or ordered by the Court.						

- 31. The proposed SISP sets out a 61-day process for the marketing of the Assets to prospective buyers, plus a 53-day closing period. Given the nature of the Assets, the Proposal Trustee believes that this timeline is sufficient to allow interested parties the time required to perform adequate due diligence and to submit an offer. The proposed SISP also includes a certain amount of flexibility that will allow the Proposal Trustee, in consultation with the Debtors and the Lenders FA, to extend the process should that be required within the six-month period pursuant to section 50.4(9) of the BIA.
- 32. The Proposal Trustee is of the view that the proposed SISP exposes the Assets to the market for a reasonable time, is transparent, and is designed to maximize the realizations from the Assets.
- Accordingly, the Proposal Trustee recommends that the SISP be approved and the Sale Process
 Order be granted.

PROPOSED DIP FACILITY

- 34. As detailed in the Second Cash Flow Forecast, the Debtors require debtor-in-possessionfinancing (the "**DIP**") to complete their restructuring and undertake the SISP described above.
- 35. The Debtors have previously undertaken a process to obtain DIP financing, however, in light of the Lenders' existing pre-filing secured debt, it is unlikely the Debtors would be able to obtain acceptable DIP proposals other than that reflected in the DIP Facility, nor is it expected that the Lenders would consent to or support an alternative DIP Facility, if one were arranged.
- 36. Atlantic has agreed to act as DIP Lender and the Debtors are currently seeking the Court's approval to enter into the DIP Facility. A copy of the DIP Facility is enclosed as **Appendix E**

and is summarized in the table below. Undefined and capitalized terms shall have the meaning ascribed to them in the DIP Facility:

Item	Details
Borrowers	All of the Debtors will be borrowers under the DIP Facility
Type of facility	Super-priority, non-revolving facility
Amount	• up to \$750,000
Availability, use of proceeds	• Funds to be used in accordance with the cash flow forecast
and conditions precedent	provided to the DIP Lender with such cash flow forecast
	being satisfactory to the Proposal Trustee and the DIP
	Lender
	No Event of Default has occurred
	Conditions precedent are typical for loans of this nature
Use of proceeds	Use of funds to be consistent with the Approved Cash Flows
	May not be used for pre-filing liabilities
	• No related party transactions unless approved in writing by
	the Proposal Trustee and the DIP Lender
Termination date	The earliest of
	• Six months following the first draw under the DIP Facility;
	• Certain transactions such as mergers, amalgamations or
	reorganizations of the Debtors that are approved by the
	Court;
	• The termination of the NOI Proceedings; and
	• The date of an event of default under the DIP Facility.

Interest rates and fees	• Interest shall accrue at 12% per annum on the daily DIP
	Facility balance
	Interest is due and payable on the Termination Date
	Commitment fee of \$18,750
Mandatory repayments	Repaid from the proceeds of a Transaction
Reps and warranties	Usual representations related to corporate authority
	Approved Cash Flows are reasonably achievable and the
	Debtors' best estimates of actual cash flows
	• All pre-NOI Proceeding wages and other amounts due to
	employees are paid and any employee costs shall be for
	current service only
Covenants	Debtors shall not make any pre-filing payments
	• Debtors shall not take any actions that would have a
	material negative effect on their assets
	• Debtors shall provide the DIP Lender with information that
	is reasonably requested
	Bi-weekly reporting to the DIP Lender
	Providing summaries of offers to the DIP Lender for its
	consideration
	• The Debtors shall not incur additional indebtedness or
	create any charges on their assets
	The Debtors shall not sell their assets without DIP Lender consent
	All DIP Lender expenses shall be paid

Security	• Super-priority charge on the Debtors' assets, ranking
	subordinate to only the Administration Charge
Events of default	• The following shall be considered Events of Default under the DIP Facility
	• Failing to pay any amount due to the DIP Lender
	 Any representations and warranties given by the borrowers are not true when provided
	• The Debtors fail to perform any obligation or fulfil any condition required by the DIP Facility
	• The stay provided by the NOI Proceedings is lifted or the Debtors become subject to a different insolvency proceeding
	• The rights of the DIP Lender are modified without its consent
	• The Debtors undertake actions that would have a material adverse effect on the collateral provided to the DIP Lender

- 37. As noted above, the Debtors require financing to affect their restructuring plan. The Proposal Trustee supports the Debtors' request to have the Court approve the DIP Facility for the following reasons:
 - the DIP Lender is a current secured creditor of certain of the Debtors and, as such,
 it has been able to expedite internal approvals to support providing the DIP Facility.
 The Proposal Trustee is of the view that the Debtors require liquidity in the near term
 and any delay in securing alternate financing could jeopardize their Assets;
 - the consultation rights afforded to the DIP Lender are consistent with other DIP facilities that the Proposal Trustee has reviewed;
 - iii. the commitment fee of 2.5% and the interest rate of 12% are consistent with similarDIP facilities; and

iv. the non-financial terms of the DIP Facility are within a reasonable range.

COURT ORDERED CHARGES

- 38. The Debtors are seeking two Court Ordered Charges on the current and future assets, undertakings and properties of the Debtors, wherever located, including all proceeds thereof that rank in the following order (each as defined below):
 - i. first, the Administration Charge; and
 - ii. second, the DIP Charge.
- 39. Based on the proposed Charge Order, each of the Court Ordered Charges shall constitute a charge on all property of the Debtors and the Court Ordered Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise in favour of any person, other than any existing secured creditors who have not been served with the NOI prior to this hearing. Each of the Court Ordered Charges are discussed in more detail below.

Administration Charge

- 40. The proposed Charge Order provides for a charge up to a maximum of \$200,000 (the "Administration Charge") in favour of the Proposal Trustee, the Proposal Trustee's legal counsel, the Debtors' legal counsel, the Lenders FA and the Lender's legal counsel as security for the professional fees and disbursements incurred while planning for and after the commencement of these NOI Proceedings.
- 41. The Proposal Trustee is of the view that the Administration Charge is necessary for the effective participation of the Professionals in these NOI Proceedings, and the quantum of the Administration Charge is reasonable given estimated activity levels and billing rates.
- 42. The Proposal Trustee has discussed the magnitude of the Administration Charge with the Lenders FA and understands the Lenders are supportive of the Administration Charge.
- 43. The Proposal Trustee supports the Administration Charge as contained within the proposed Charge Order.

DIP Charge

- 44. In order to provide the Debtors with the required liquidity needed to fund operations during the NOI Proceedings, the Debtors are seeking approval of the DIP Facility. The material terms of the DIP Facility are summarized above and the DIP Facility Agreement filed by the Debtors and are not repeated in their entirety herein; however, the Proposal Trustee highlights the following for consideration by the Court:
 - post filing operating disbursements will be funded by draws on the DIP Facility which will increase throughout these NOI Proceedings;
 - ii. the DIP Facility will not be used to pay down any pre-filing amounts owing to the Lenders;
 - iii. as part of the DIP Facility Agreement, total borrowings on DIP Facility shall not exceed \$750,000. The variance between the DIP Facility (\$750,000) and the amount contained within the Second Cash Flow Statement (\$600,000) is to provide an allowance for any unforeseen critical repairs and maintenance on the Assets based on the historic nature of certain of the Assets. Prior to any material work being performed on the Assets, the Debtors and Proposal Trustee will consult with the DIP Lender and the Lenders FA pursuant to the DIP Agreement;
 - iv. the interest rate contemplated in the DIP Facility Agreement is 12%; and
 - v. the DIP Facility contains a commitment fee of \$18,750.
- 45. The Proposal Trustee has been involved in the discussions regarding the terms of the DIP Facility Agreement with the Lenders FA and is of the view that the financing is critical to continuing the operations of the Debtors during these NOI Proceedings and is consistent with interim financing arranged in other debtor-driven proceedings in the Canadian market.
- 46. Furthermore, taking into consideration the quantum of borrowings owing to the Lenders and the secured position of the Lenders, the Proposal Trustee would be supportive of one or more of the Lenders providing the DIP Facility.

- 47. The Proposal Trustee is satisfied that the mechanics of the DIP Facility do not appear to materially prejudice other lenders or financial stakeholders as the Proposal Trustee understands the Lenders are aligned in providing the DIP Facility to fund the NOI Proceedings.
- 48. The Proposal Trustee supports the terms of the DIP Facility Agreement and the use of the DIP Facility in these NOI Proceedings.

CONSOLIDATION ORDER

49. The Caryi Group NOI Proceedings consists of the following estates:

Entity	Court No.	Estate No.
Annapolis Management Inc.	46008	51-3176190
BSL Holdings Inc.	46006	51-3176175
Ruby LLP	46009	51-3176229
3337151 Nova Scotia Limited	46007	51-3176186
4551650 Nova Scotia Limited	46005	51-3175914

- 50. The Proposal Trustee understands the Debtors are seeking the Consolidation Order for the five estates to simplify estate reporting requirements into a single proceeding.
- 51. The Second Cash Flow Statement has been filed on a consolidated basis however the Proposal Trustee wishes to advise the Court that it will be monitored on an entity basis and the allocation of DIP financing will be done on the same basis.
- 52. It is the Proposal Trustee's view that the Consolidation Order will not affect the manner in which the Caryi Group files a proposal(s), if applicable. Any proposal will require a detailed review of creditor obligations by entity that to as at the date of this Second Report has not been completed.

ACTIVITIES ORDER

- 53. The Proposal Trustee is currently seeking the Court's approval of the First Report and the Second Report, including the conduct and activities described therein.
- 54. As at the date of the Second Report, the Proposal Trustee is not aware of any objection to the Proposal Trustee's conduct or activities.

STAY EXTENSION ORDER

- 55. The Stay of Proceedings is set to expire on February 19, 2025. The Proposal Trustee understands the Debtors are seeking the Stay Extension Order for a period of 45 days, up to an including April 5, 2025.
- 56. The Proposal Trustee is of the opinion that the Debtors have acted and continue to act in good faith with due diligence. Subsequent to the filing of each Debtors' NOI, the Debtors have cooperated with the various requests of the Proposal Trustee and worked in good faith with the Lenders and the Lenders FA.
- 57. The Debtors require further time to commence the proposed SISP which will allow for a realization on the Assets and potentially the ability to file a proposal to its creditors, which to date has only been contemplated as a liquidating proposal.
- 58. The Proposal Trustee understands that the Lenders are supportive of the proposed SISP and Stay Extension and as such will not be materially prejudiced by the Stay Extension Order.
- 59. Based on the above, the Proposal Trustee supports the Stay Extension Order.

CONCLUSION

- 60. The Second Report has been prepared to provide the Court with information about the activities of the Debtors and the Proposal Trustee since the NOI and in support of relief being sought by the Debtors and Proposal Trustee.
- 61. Based on the foregoing, the Proposal Trustee requests the Court granted the requested relief in the substantially the form submitted.

All of which is submitted on February 14, 2025.

DELOITTE RESTRUCTURING INC. Acting solely in its capacity as Proposal Trustee of the Notices of Intention to Make a Proposal of the Caryi Group and not in its personal capacity

Per:

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

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

APPENDIX A: CCAA CASH FLOW

Caryi Group 12 Week Cash Flow Forecast (CAD) For the period Jan 6, 2025 to March 30, 2025													
Week beginning Week ending Week #	6-Jan-25 12-Jan-25 1	13-Jan-25 19-Jan-25 2	20-Jan-25 26-Jan-25 3	27-Jan-25 2-Feb-25 4	3-Feb-25 9-Feb-25 5	10-Feb-25 16-Feb-25 6	17-Feb-25 23-Feb-25 7	24-Feb-25 2-Mar-25 8	3-Mar-25 9-Mar-25 9	10-Mar-25 16-Mar-25 10	17-Mar-25 23-Mar-25 11	24-Mar-25 30-Mar-25 12	Total
RECEIPTS													
Collection of Rent	-	-	-	95,158	-	-	-	94,054		-	-	-	189,212
Halifax Club Revenue	4,000	7,500	2,000	10,250	4,750	4,750	4,750	9,100	3,600	3,600	3,600	3,600	61,500
DIP Financing	-	250,000	150,000	150,000	-	-	-	100,000	-	-	-	-	650,000
Total Receipts	4,000	257,500	152,000	255,408	4,750	4,750	4,750	203,154	3,600	3,600	3,600	3,600	900,712
DISBURSEMENTS													
Utilities	(1,200)	(36,876)	(1,200)	(39,037)	(1,200)	(1,200)	(1,200)	(42,113)	(1,200)	(1,200)	(1,200)	(1,200)	(128,827)
Insurance	-	(3,187)	-	(11,130)	-	-	-	(11,130)	-	-	-	-	(25,447)
Operations	(803)	(3,854)	(1,403)	(4,277)	(726)	(726)	(726)	(2,229)	(678)	(678)	(678)	(678)	(17,451)
Capex	-	(60,500)	(2,450)	-	-	-	(2,450)	-	-	-	(2,450)	-	(67,850)
Property Management	-	(4,000)	-	(4,000)	-	(4,000)	-	(4,000)	-	(4,000)	-	(4,000)	(24,000)
Halifax Club Expenses	(29,891)	(15,866)	(1,080)	(27,413)	(1,455)	(14,255)	(1,455)	(25,605)	(1,205)	(3,355)	(13,455)	(1,205)	(136,238)
Professional Fees	(31,097)	(54,503)	(54,503)	(29,561)	(19,561)	(19,561)	(19,561)	(25,716)	(15,716)	(15,716)	(15,716)	(15,716)	(316,925)
Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate	-	(5,000)	(140,000)	(10,000)	(5,000)	-	(10,000)	(5,000)	(5,000)	(5,000)	-	(15,000)	(200,000)
Interest	-	(15,000)	-	(4,000)	-	-	-	(5,500)	-	-	-	-	(24,500)
HST Refund (Due)	-	-	-	5,180	-	-	-	(8,323)	-	-	-	-	(3,144)
Total Disbursements	(62,990)	(198,786)	(200,635)	(124,238)	(27,941)	(39,741)	(35,391)	(129,616)	(23,798)	(29,948)	(33,498)	(37,798)	(944,381)
Net Inflow/ (Outflow)	(58,990)	58,714	(48,635)	131,169	(23,191)	(34,991)	(30,641)	73,538	(20,198)	(26,348)	(29,898)	(34,198)	(43,670)
Opening Balance	231,068	172,078	230,791	182,156	313,325	290,134	255,143	224,502	298,040	277,842	251,494	221,596	231,068
Cash Flow	(58,990)	58,714	(48,635)	131,169	(23,191)	(34,991)	(30,641)	73,538	(20,198)	(26,348)	(29,898)	(34,198)	(43,670)
Closing Balance	172,078	230,791	182,156	313,325	290,134	255,143	224,502	298,040	277,842	251,494	221,596	187,399	187,399
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Dated at Halifax, Nova Scotia this 10th day of January, 2025

As prepared by the Applicants detailed in Appendix "A"

On Behalf of the Cary Group of Companies:

Joanne Caryi

Signed (Ms. Joanne Caryi)

Caryi Group of Companies Notes to Cash Flow Forecast 12 Weeks Ended March 30, 2025

The cash flow forecast ("**CF**") for the period January 6, 2025 to March 30, 2025 (the "**Cash Flow Period**") was prepared by the Applicants detailed in Appendix "**A**" (the "**Caryi Group**") with the assistance of Deloitte Restructuring Inc. ("**Deloitte**"). Deloitte relied on the Caryi Group's internal books and records, discussions with management of the Caryi Group ("**Management**") and forecast realizations during the Cash Flow Period to assist in the preparation of the CF. Deloitte notes that while the CF was prepared on a consolidated basis, each property owned by the Caryi Group has forecast its own cash flows.

Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the financial information in the CF in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the *CPA Canada Handbook* and, accordingly, Deloitte expresses no opinion or other form of assurance in respect of the financial information contained in the CF.

Some of the information referred to in the CF and these notes consists of financial forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the *CPA Canada Handbook*, has not been performed.

Future oriented financial information referred to in the accompanying CF was prepared based on Management's estimates and ssumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.

The information and assumptions contained in the CF and these notes is not intended to be relied upon by any prospective purchaser or investor in any transactions with the Caryi Group. All amounts referenced herein are in Canadian dollars unless otherwise noted.

RECEIPTS

Collection of Rent - \$189,212

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

Halifax Club Revenue - \$61,500

The Applicants operate the Halifax Club, which is a private member club in downtown Halifax. The Halifax Club operates a cigar lounge and hosts events. This amount includes revenue and rental charges for the tenants at this location.

DIP Financing - \$650,000

The CF assumes that the debtor-in-possession financing facility (the "**DIP**") will be approved by the Court and drawn in accordance with the latest version of the DIP term sheet.

Disbursements

Utilities - \$128,827 This amount represents utility costs at each of the Applicants' properties.

Insurance - \$25,447

The Applicants pay their insurance payments on a monthly basis.

Operations - \$17,451

These costs include payments for such items as maintenance and snow removal at each of the Applicants' properties. They are assumed to be paid over the course of each month.

Capex - \$67,850

The Applicants have a number of ongoing capital projects that require capital work. This includes amounts for sprinklers, furnace, wheelchair elevator, façade repair and related scaffolding.

Property Management - \$24,000

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

Halifax Club Expenses - \$136,238

These amounts represent operational costs incurred by the Halifax Club. These include, but are not limited to, equipment rental, staff costs, utilities and other miscellaneous supplies.

Professional Fees - \$316,925

Amounts assumed in this line item include professional costs for the Applicants' counsel, the CRO, the Monitor and its counsel.

Corporate Costs - \$200,000

These amounts represent costs that are not attributable to specific properties and to certain contractors currently performing work on the Applicants' properties.

Interest - \$24,500

Represents interest costs on the Applicants' DIP facility at a rate of 12%.

HST Refund/(Due) - \$(3,144)

Represents the net receivable/payable based on the Applicants' activities. Amounts are assumed to be paid/received at the end of the month following the relevant transactions.

Appendix "A" List of Applicants

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

APPENDIX B: FIRST CASH FLOW STATEMENT

Caryi Group of Companies 4 Week Cash Flow Forecast (CAD) For the period January 27 to February 23 2025 Week beginning Week ending Week #	27-Jan-25 2-Feb-25 1	3-Feb-25 9-Feb-25 2	10-Feb-25 16-Feb-25 3	17-Feb-25 23-Feb-25 4	Total
Collection of Rent	96,405		-		96,405
Total Receipts	96,405		-	-	96,405
DISBURSEMENTS					
Utilities	(19,048)	(1,400)	(1,200)	(1,200)	(22,848)
Insurance	(10,500)	-	-	-	(10,500)
Operations	(3,690)	(3,540)	(1,240)	(2,990)	(11,460)
Property Management	-	-	(4,000)	-	(4,000)
Professional Fees	-	-	-	(25,000)	(25,000)
Corporate	-	-	-	(10,000)	(10,000)
Total Disbursements	(33,238)	(4,940)	(6,440)	(39,190)	(83,808)
Net Inflow/ (Outflow)	63,167	(4,940)	(6,440)	(39,190)	12,597
Opening Balance	37,949	101,116	96,176	89,736	37,949
Cash Flow	63,167	(4,940)	(6,440)	(39,190)	12,597
Closing Balance	101,116	96,176	89,736	50,546	50,546

Dated at Halifax, Nova Scotia this 29th day of January, 2025

As prepared by the Applicants detailed in Appendix ``A''

On Behalf of the Cary Group of Companies:

-DocuSigned by: Joanne Caryi 1521CD6388904A0

Signed (Ms. Joanne Caryi)

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

NOTES TO STATEMENT OF THE CONSOLIDATED PROJECTED CASH FLOW (the "FIRST CF")

FOR THE PERIOD JANUARY 27 TO FEBRUARY 23, 2025 (the "PROJECTION PERIOD")

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

Management has prepared the First CF solely for the purpose of determining the ability of:

Annapolis Management Inc.; BSL Holdings Inc.; Ruby LLP; 3337151 Nova Scotia Limited; and 4551650 Nova Scotia Limited (each a "**Debtor**" and collectively, the ("**Debtors**" or the "**Caryi Group**")

to fund the operating activities of the Caryi Group during the stay of proceedings until February 20, 2025. Readers are cautioned that the First CF may not be appropriate for any other purpose.

The First CF is based on the probable and hypothetical assumptions detailed below. Actual results may vary from the projection and such variances may be material.

- 1. The First CF incorporates the operations of the five individual companies comprising the Caryi Group.
- 2. The First CF for the period January 27 to February 23, 2025 (the "Cash Flow Period") was prepared by the Debtors detailed in Appendix "A" for the Caryi Group with the assistance of Deloitte Restructuring Inc. ("Deloitte"). Deloitte relied on the Caryi Group's internal books and records, discussions with management of the Caryi Group ("Management") and forecast realizations during the Cash Flow Period to assist in the preparation of the First CF. Deloitte notes that while the First CF was prepared on a consolidated basis, each Debtor comprising the Caryi Group has forecast its own cash flows.
- 3. Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the financial information in the First CF in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the CPA Canada Handbook (the "CPA Handbook") and, accordingly, Deloitte expresses no opinion or other form of assurance in respect of the financial information contained in the First CF.
- 4. Some of the information referred to in the First CF and these notes consists of financial forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook has not been performed.
- 5. Future oriented financial information referred to in the accompanying First CF was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.
- 6. The information and assumptions contained in the First CF and these notes is not intended to be relied upon by any prospective purchaser or investor in any transactions with the Caryi Group. All amounts referenced herein are in Canadian dollars unless otherwise noted.

7. RECEIPTS

Collection of Rent - \$96,405

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

8. **DISBURSEMENTS**

Utilities - \$22,848

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

Insurance - \$10,500

Includes payment of insurance premiums, paid on a monthly basis.

Operations - \$11,460

These costs include payments for such items as maintenance and snow removal at each of the Debtors' properties. They are assumed to be paid over the course of each month. They also include a fixed cost outlay for scaffolding and wages related to a roof repair and similar minor expenses for other ongoing capital projects.

Property Management - \$4,000

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

Professional Fees - \$25,000

Amounts assumed in this line item include professional costs for the Debtors' counsel, the Proposal Trustee and its counsel.

Corporate Costs - \$10,000

These amounts represent costs that are not attributable to specific properties and to certain contractors currently performing work on the Debtors' properties.

On Behalf of the Caryi Group of Companies: Per:

DocuSigned by:

Joanne Caryi

Signed (Ms. Joanne Caryi) Director

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

The attached statement of projected cash flow of the Caryi Group, as of the January 29, 2025, consisting of the four week period ending February 23, 2025, has been prepared by the management of the insolvent debtor for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

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

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

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

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

(c) the projection does not reflect the probable and hypothetical assumptions.

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

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

Dated at the City of Halifax in the Province of Nova Scotia, this 29th day of January 2025.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee

Per:

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

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

Purpose:

To support the Debtors' intent to file a proposal

Projection Notes: Attached to Form 30.

Assumptions: Set out in Notes 1 through 8.

Dated at the City of Halifax in the Province of Nova Scotia, this 29th day of January 2025.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee

Per:

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

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

The management of the Caryi Group has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent debtors, as of January 29, 2025, consisting of the four week period ending February 23, 2025.

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

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

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

Dated at the City of Halifax in the Province of Nova Scotia, this 29th day of January 2025.

On Behalf of the Caryi Group:

Per:

Joanne Caryi

DocuSigned by:

Signed (Ms. Joanne Caryi) Director

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

Purpose:

To support the Debtors' intent to file a proposal

Projection Notes: Attached to Form 30.

Assumptions:

Set out in Notes 1 through 8.

Dated at the City of Halifax in the Province of Nova Scotia, this 29th day of January 2025.

— DocuSigned by: Joanne Caryi

Signed (Ms. Joanne Caryi) Director

Appendix "A" List of Applicants

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

APPENDIX C: SECOND CASH FLOW STATEMENT

Caryi Group of Companies 20 Week Cash Flow Forecast (CAD)

For the period February 10 to June 29 2025

Week beginning Week ending Week #	10-Feb-25 16-Feb-25 1	17-Feb-25 23-Feb-25 2	24-Feb-25 2-Mar-25 3	3-Mar-25 9-Mar-25 4	10-Mar-25 16-Mar-25 5	17-Mar-25 23-Mar-25 6		31-Mar-25 6-Apr-25 8	7-Apr-25 13-Apr-25 9	14-Apr-25 20-Apr-25 10	21-Apr-25 27-Apr-25 11
RECEIPTS											
Revenue - Rent	-	-	103,386	-	-	-	-	103,517	-	-	-
Corporate receivable - Cox and Palmer	-	-	-	-	-	40,000	-	-	-	-	-
DIP Financing	-	-	150,000	50,000	-	-		50,000	-	-	
HST collected	-	-	14,193	-	-	-	-	14,213	-	-	-
Total Receipts	-	-	267,578	50,000	-	40,000	-	167,730	-	-	-
OPERATING DISBURSEMENTS											
Utilities	6,200	6,200	30,395	1,400	1,200	1,400	1,200	32,157	1,200	1,200	1,200
Insurance	-	-	13,628	-	-	-	-	13,628	-	-	-
Repairs and maintenance	700	2,450	8,800	-	-	2,450	-	5,910	-	2,450	-
Property management	4,000	-	4,000	-	4,000	-	4,000	-	4,000	-	4,000
Corporate disbursements	-	5,000	-	10,000	-	-	-	5,000	-	-	-
Repairs and maintenance contingency fund	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
HST paid	-	7,500	36,554	-	-	-	-	23,699	-	-	-
HST remittances	-	-	-	-	-	-	1,997	-	-	-	-
Total Disbursements	13,400	23,650	95,877	13,900	7,700	6,350	9,697	82,894	7,700	6,150	7,700
RESTRUCTURING COSTS											
Proposal Trustee	-	25,000	50,000	-	-	-	-	75,000	-	-	-
Proposal Trustee legal counsel	-	-	50,000	-	-	-	-	25,000	-	-	-
Legal counsel to Caryi Group	-	-	10,000	-	-	-	-	5,000	-	-	-
Legal counsel to Lenders	-	-	50,000	-	-	-	-	5,000	-	-	-
Financial advisor to Lenders	-	-	50,000	-	-	-	-	20,000	-	-	-
Total Restructuring Costs	-	25,000	210,000	-	-	-	-	130,000	-	-	-
Net Outflow	(13,400)	(48,650)	(38,299)	36,100	(7,700)	33,650	(9,697)	(45,164)	(7,700)	(6,150)	(7,700)
Opening Balance	118,484	105,084	56,434	18,135	54,235	46,535	80,185	70,488	25,324	17,624	11,474
Cash Flow	(13,400)	(48,650)	(38,299)	36,100	(7,700)	33,650	(9,697)	(45,164)	(7,700)	(6,150)	(7,700)
Closing Balance	105,084	56,434	18,135	54,235	46,535	80,185	70,488	25,324	17,624	11,474	3,774

Dated at Halifax, Nova Scotia this 14th day of February, 2025 As prepared by the Applicants detailed in Appendix "A"

On Behalf of the Caryi Group of Companies:

-DocuSigned by:

Joanne Caryi

Signed (Ms. 1521CD63B8904A0)

Total	23-Jun-25 29-Jun-25	16-Jun-25 22-Jun-25	9-Jun-25 15-Jun-25	2-Jun-25 8-Jun-25	26-May-25 1-Jun-25	19-May-25 25-May-25	12-May-25 18-May-25	5-May-25 11-May-25	28-Apr-25 4-May-25
	20	19	18	17	16	15	14	13	12
415,092	-	-	-	-	104,562	-	-	-	103,627
40,000	-	-	-	-	-	-	-	-	-
600,000	150,000		50,000	-	50,000		-	-	100,000
57,004	-	-	-	-	14,369	-	-	-	14,229
1,112,096	150,000	-	50,000	-	168,931	-	-	-	217,856
207,911	26,951	1,200	1,200	26,951	29,008	1,200	1,200	1,200	35,250
54,512	-	-	-	-	13,628	-	-	-	13,628
31,580	-	-	-	-	3,185	-	1,225	-	4,410
40,000	-	4,000	-	4,000	-	4,000	-	4,000	-
30,000	-	-	-	5,000	-	-	-	-	5,000
50,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
115,332	13,875	-	-	-	18,041	-	-	-	15,662
9,954	2,486	-	-	-	2,619	-	-	-	2,851
539,289	45,812	7,700	3,700	38,451	68,981	7,700	4,925	7,700	79,302
300,000	50,000	-	-	-	50,000	-	-	-	50,000
130,000	20,000	-	-	-	25,000	-	-	-	10,000
37,500	10,000	-	-	-	10,000	-	-	-	2,500
62,500	2,500	-	-	-	2,500	-	-	-	2,500
100,000	10,000	-	-	-	10,000	-	-	-	10,000
630,000	92,500	-	-	-	97,500	-	-	-	75,000
(57,193)	11,688	(7,700)	46,300	(38,451)	2,450	(7,700)	(4,925)	(7,700)	63,555
118,484	49,603	57,303	11,003	49,454	47,004	54,704	59,629	67,329	3,774
(57,193)	11,688	(7,700)	46,300	(38,451)	2,450	(7,700)	(4,925)	(7,700)	63,555
61,291	61,291	49,603	57,303	11,003	49,454	47,004	54,704	59,629	67,329

Dated at Halifax, Nova Scotia this 14th day of February, 2025

As prepared by the Applicants detailed in Appendix $\ensuremath{``}\ensuremath{A''}$

On Behalf of the Caryi Group of Companies:

DocuSigned by: Joanne Caryi Signed (Ms. Joanh216D63B8904A0...

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

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

FOR THE PERIOD FEBRUARY 10 TO JUNE 29, 2025 (the "SECOND CASH FLOW PERIOD")

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

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

Annapolis Management Inc.; BSL Holdings Inc.; Ruby LLP; 3337151 Nova Scotia Limited; and 4551650 Nova Scotia Limited (each a "**Debtor**" and collectively, the "**Debtors**" or the "**Caryi Group**")

to fund the operating activities of the Caryi Group during the stay of proceedings until April 5, 2025. Readers are cautioned that the Second Cash Flow Forecast may not be appropriate for any other purpose.

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

- 1. The Second Cash Flow Statement incorporates the operations of the five individual companies comprising the Caryi Group.
- 2. The Second Cash Flow Statement for the period February 10 to June 29, 2025 (the "Second Cash Flow Period") was prepared by the Debtors detailed in Appendix "A" for the Caryi Group with the assistance of Deloitte Restructuring Inc. ("Deloitte"). Deloitte relied on the Caryi Group's internal books and records, discussions with management of the Caryi Group ("Management") and forecast realizations during the Cash Flow Period to assist in the preparation of the Second Cash Flow Statement. Deloitte notes that while the Second Cash Flow Statement was prepared on a consolidated basis, each Debtor comprising the Caryi Group has forecast its own cash flows.
- Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the financial information in the Second Cash Flow Statement in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the *CPA Canada Handbook* (the "**CPA Handbook**") and, accordingly, Deloitte expresses no opinion or other form of assurance in respect of the financial information contained in the Second Cash Flow Statement.
- 4. Some of the information referred to in the Second Cash Flow Statement and these notes consists of financial forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook has not been performed.
- 5. Future oriented financial information referred to in the accompanying Second Cash Flow Statement was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.
- 6. The information and assumptions contained in the Second Cash Flow Statement and these notes is not intended to be relied upon by any prospective purchaser or investor in any transactions with the

Caryi Group. All amounts referenced herein are in Canadian dollars unless otherwise noted.

7. RECEIPTS

Collection of rent - \$415,092

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

Corporate receivable (Cox & Palmer) - \$40,000

This line item consists of residual funds from the sale of real estate prior to the NOI Filing Date.

Debtor-in-possession (DIP) financing - \$600,000

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

HST collected - \$57,004

This line item includes harmonized sales tax collected by the Caryi Group from eligible commercial rent payments and recoveries based on a rate of 15%.

8. **DISBURSEMENTS**

Utilities - \$207,911

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

Insurance - \$54,512

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

Repairs and maintenance - \$31,580

These costs include payments for such items as maintenance and snow removal at each of the Debtors' properties. They are assumed to be paid over the course of each month. They also include a fixed cost outlay for scaffolding and wages related to a roof repair and similar minor expenses.

Property management - \$40,000

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

Corporate disbursements - \$30,000

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

Repairs and maintenance contingency fund - \$50,000

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

HST paid - \$115,332

This line item includes harmonized sales tax paid by the Debtors on expenses primarily related to professional fees, power, heat and maintenance based on a rate of 15%.

HST remittances - \$9,954

This amount relates to an estimate of harmonized sales tax remittances based on the forecasted

receipts and disbursements, as mentioned above.

Professional Fees - \$630,000

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

On Behalf of the Caryi Group of Companies:

-DocuSigned by: Joanne Caryi

Signeu (MS. Juanne Caryi) Director

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

The attached statement of projected cash flow of the Caryi Group, as of February 10, 2025, consisting of the twenty-week period ending June 29, 2025, has been prepared by the management of the insolvent debtor for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

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

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

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

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

(c) the projection does not reflect the probable and hypothetical assumptions.

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

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

Dated at the City of Halifax in the Province of Nova Scotia, this 14th day of February 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee

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

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

Purpose:

To support the Debtors' intent to file a proposal

Projection Notes: Attached to Form 30.

Assumptions: Set out in Notes 1 through 8.

Dated at the City of Halifax in the Province of Nova Scotia, this 14th day of February 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee

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

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

The management of the Caryi Group has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent debtors, as of February 10, 2025, consisting of the twenty-week period ending June 29, 2025.

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

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

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

Dated at the City of Halifax in the Province of Nova Scotia, this 14th day of February 2025.

On Behalf of the Caryi Group:

DocuSigned by: Joanne Caryi

Signed (Ms. Joanne Caryi) Director

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

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

Projection Notes: Attached to Form 30.

Assumptions:

Set out in Notes 1 through 8.

Dated at the City of Halifax in the Province of Nova Scotia, this 14th day of February 2025.

DocuSigned by: Joanne Caryi

Signed (MS. Joanne Caryi) Director

Appendix "A" List of Applicants

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

APPENDIX D: TEASER

Deloitte.

Caryi Group Commercial Real Estate Acquisition Opportunity

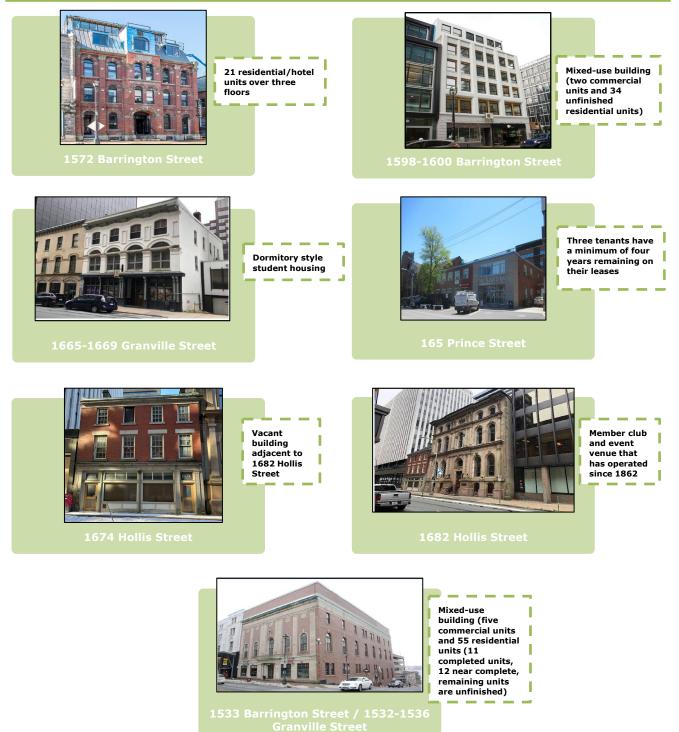
Summary

- An opportunity exists to acquire certain of the assets (the "Assets") of Annapolis Management Inc., BSL Holdings Inc., Ruby LLP, 3337151 Nova Scotia Limited, and 4551650 Nova Scotia Limited (collectively the "Caryi Group").
- Deloitte, in its capacity as Proposal Trustee (the "Proposal Trustee") under the Notice of Intention to Make a Proposal of the Caryi Group, is commencing a Court-approved sale and investment solicitation process for the purpose of soliciting proposals to purchase the Assets of the Caryi Group.
- This document (the "Teaser") has been distributed to parties identified as having a potential interest in acquiring the assets. Any parties interested in obtaining further information on this opportunity are invited to execute and return the accompanying non-disclosure agreement (the "NDA") to the contact listed on page two.

Business Overview

 The Caryi Group owns a real estate portfolio (the "Portfolio") which includes both multi-unit residential and commercial buildings in Halifax, Nova Scotia and Charlottetown, Prince Edward Island ("PEI"). Leases are in place for most of the Properties which include, but are not limited to, Obladee Wine Bar, Two Doors Down Inc., Ragazzi Resto Bar Limited, and 1858 Caesar Bar.

Assets – Overview



Deloitte.

Select Investment Highlights

Heritage Value

The Assets are immersed in Halifax and Charlottetown's historic downtown core which provide a tangible connection to each city's past. Some of the historical sites that surround the Assets include the Halifax Citadel, Province House (Nova Scotia, and PEI), St. Paul's Anglican Church, Government House (Nova Scotia, and PEI), and the Alexander's Keith's Brewery.

Growth - Halifax, Nova Scotia

Halifax experienced record-high population growth from 2022 to 2023 in both absolute (+19,237) and percentage (+4.1%) terms. Across benchmark cities, Halifax ranked fourth in percentage growth from 2022 to 2023. The increase in Halifax's population was dominated by growth in those 15 – 19 years and 30 – 44 years which may indicate a strong rental market in the city for years to come.

Location

- The Assets are in the heart of Halifax or Charlottetown and are located on well-known streets in their respective cities (i.e., Barrington Street, Hollis Street, Prince Street, Granville Street).
- All the Assets are located within two kilometers of essential services (i.e., schools, hospitals, grocery stores, public transportation, etc.).

Growth - PEI

PEI is a summer tourism destination that welcomed 1.71 million non-resident visitors in 2024. The PEI Government continues to improve the transport modes to Charlottetown which is evident by the 2024 growth in cruise ship arrivals (+25% YoY), the Charlottetown airport (+2% YoY), and ferry traffic (+4% YoY). Furthermore, PEI's population is expected to increase to 199,006 by July 1, 2030 (compared to 179,301 as of October 1, 2024) which could indicate additional year-round foot traffic in Charlottetown.

The Proposal Trustee is seeking proposals from parties interested in purchasing the Assets described herein.

The Proposal Trustee has approached a select group of qualified parties. Upon execution and receipt of a signed NDA, the Proposal Trustee will grant access to a virtual data room. All inquiries, expressions of interest or offers should be directed to the persons listed below.

The bid deadline- for the delivery of non-binding expressions of interest shall be 5:00 p.m. Atlantic Standard Time on April 21st, 2025.

Bidders are required to submit their offers in accordance with the terms of the sale and information package (the **"Tender Package**"), which will be provided upon execution of an NDA. Additional information about the Caryi Group is available on the Proposal Trustee's website at https://www.insolvencies.deloitte.ca/caryigroup.

The Proposal Trustee reserves the right to cease or amend this offering at any time, reserves the right to reject any offer, and is not required to accept any offer even if it is a superior offer, and reserves the right to deal with individual prospective purchasers as they may see fit in its discretion.

All communications relating to this opportunity should be directed to:

Fraser MacInnes Deloitte Restructuring Inc. Direct: +1 902 721 5672 Email: <u>fmacinnes@deloitte.ca</u> Ian Lewis Deloitte Restructuring Inc. Direct: +1 902 721 5540 Email: <u>ilewis@deloitte.ca</u>

- Disclaimer

The preparation of this Teaser is based on information provided by the management of Caryi Group and is furnished to potential acquirers on the basis that none of Deloitte Restructuring Inc. (the "**Proposal Trustee**"), Caryi Group or their respective officers, partners, employees, agents, representatives or advisers, make any representation or warranty as to the accuracy or completeness of the material contained herein.

By receiving this Teaser, the recipient (the "**Recipient**") acknowledges and agrees that no representation or warranty is made (or will necessarily be made in any sale agreement) as to the accuracy, reliability or completeness of any information contained or referred to in this Teaser or provided either orally or in writing to the Recipient in the course of its evaluation, by the Proposal Trustee or any person who may be involved in the preparation of this Teaser or the sales and investment solicitation process generally. To the extent permitted by law, no responsibility for any statement, opinion, information or matter (whether express or implied) arising out of or contained in, or derived from, or for errors in, or omissions from (arising out of negligence or otherwise) this Teaser or any written or oral communications transmitted to the Recipient in the course of its evaluation of the Assets, is accepted by the Proposal Trustee.

The Recipient acknowledges that nothing in this Teaser (or elsewhere) creates any personal liability on the part of the Proposal Trustee or its employees or agents. While all reasonable efforts have been made to ensure the information contained in this Teaser is accurate and correct at the effective date, no responsibility for any errors in, or omissions from, this Teaser, whether arising out of negligence or otherwise, is accepted by the Proposal Trustee.

Any person contemplating a purchase of the Assets should make their own decision as to the sufficiency and relevance for their purposes of the information contained in this Teaser and their own independent investigation of the Assets, after taking all appropriate advice from qualified professional persons. By receiving this Teaser, the Recipient acknowledges and agrees that it will rely entirely upon its own due diligence and professional advice in considering a purchase of the Assets.

APPENDIX E: TENDER PACKAGE

Deloitte.

Sale and Information Package

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



Deloitte Restructuring Inc. Acting solely in its capacity as Proposal Trustee in the Notice of Intention to Make a Proposal of the Caryi Group and not in its personal capacity

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Invitation for Offers

On January 20, 2025 (the "**NOI Filing Date**"), Annapolis Management Inc. ("**AMI**"), BSL Holdings Inc. ("**BSL**"), Ruby LLP ("**Ruby**"), 333715 Nova Scotia Limited ("**333**") and 4551650 Nova Scotia Limited ("**455**") commenced restructuring proceedings (the "**Proceedings**") under the *Bankruptcy and Insolvency Act* (the "**BIA**") by filing notices of intention to make a proposal under the BIA (the "**NOIs**"). Deloitte Restructuring Inc. ("**Deloitte**") has consented to act as the Licensed Insolvency Trustee (the "**Proposal Trustee**") under each NOI. An order was subsequently issued by the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**") on February XX, 2025 (the "**Order**"), pursuant to which the Court authorized the implementation of a sale and investment solicitation process (the "**SISP**") of the Caryi Group assets (the "**Assets**") and approved governing procedures in respect of the SISP (the "**SISP Procedures**").

The Caryi Group Assets consist of both multi-unit residential and commercial buildings in Halifax, Nova Scotia and Charlottetown, Prince Edward Island. The Assets are immersed in Halifax and Charlottetown's historic downtown core which provide a tangible connection to each city's past. Some of the historical sites that surround the Assets include the Halifax Citadel, Province House (Nova Scotia, and Prince Edward Island), St. Paul's Anglican Church, Government House (Nova Scotia, and Prince Edward Island), and the Alexander's Keith's Brewery. Leases are in place for most of the Assets which include, but are not limited to, Obladee Wine Bar, Two Doors Down Inc., Ragazzi Resto Bar Limited, and 1858 Caeser Bar.

This Sale and Information Package (the "**Tender Package**") is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined herein. The Proposal Trustee does not assume responsibility or liability for losses occasioned by any party as a result of the circulation, publication, reproduction, or use of this Tender Package.

The information provided herein was obtained from the books and records of Caryi Group and information compiled since Deloitte's appointment as Proposal Trustee. The Tender Package is being provided for the sole use of prospective purchasers in considering their interest in acquiring the Assets discussed herein and does not purport to contain all the information that a prospective purchaser may require. Prospective purchasers should conduct their own investigations and due diligence on the Assets and the information contained in this Tender Package. The Proposal Trustee specifically notes that it has not independently verified or audited any of the information contained herein. The Proposal Trustee provides no representation or warranty as to the accuracy or completeness of the information contained in this Tender Package and shall have no liability for any representations expressed or implied herein, or for any omissions from this Tender Package or for any other written or oral communication transmitted to prospective purchasers in the course of their evaluation of the Assets. As further set out in the non-disclosure agreement (the "**NDA**"), under no circumstances shall any potential purchasers contact any Caryi Group employees or former employees Caryi Group either directly or indirectly: (i) to answer any questions regarding the possible acquisition of the Assets; or (ii) to request additional information. All inquiries must be made directly to the Proposal Trustee.

The Assets are being offered for sale on an "as is, where is" basis. The Proposal Trustee makes no representations, expressed or implied, as to the suitability for use, description, condition, size, quantity, or value regarding the Assets. Any purchaser will be asked, as a condition of sale, to sign an acknowledgment that they have inspected and satisfied themselves as to the condition of the Assets.

The terms and conditions of sale are detailed later in this Tender Package, along with the following key dates for the process:

Event	Timing
Asset viewings By appointment during the following period:	
	February 24, 2025 to April 21, 2025
Offer deadline	5:00 p.m. AST on April 21, 2025
	Legally binding offers to purchase (as outline in Appendix B) must be delivered to the Proposal Trustee prior to the deadline outlined above.
Closing date	On or before ten (10) business days after the granting of a Sale Approval and Vesting Order by the Court or such other time as may be agreed by the Purchaser and the Proposal Trustee.

Potential bidders are advised that the highest or any offer need not be accepted by the Proposal Trustee. Offers shall be subject to the terms and conditions of sale which shall be deemed to form part of the offer.

To arrange to view the Assets, please contact Ian Lewis by phone at (902) 721-5540 or by email at <u>ilewis@deloitte.ca</u>.

DATED at Halifax, Nova Scotia this 14 day of February 2025.

DELOITTE RESTRUCTURING INC.

Acting solely in its capacity as Proposal Trustee in the Notice of Intention to Make a Proposal of the Caryi Group and not in its personal capacity

Appendix A – Terms and Conditions of Sale

Deloitte, in its capacity as Proposal Trustee of the Caryi Group and not in its personal capacity, is offering for sale the Assets owned by Caryi Group on the following terms and conditions (the "**Terms and Conditions of Sale**"):

Offers

- The Assets are being offered for sale on an "as is, where is" without recourse basis and with no
 representations or warranties from the Proposal Trustee or any other party as to title, encumbrances,
 description, fitness for use, condition (environmental or otherwise), defect (patent or latent),
 collectability, merchantability, quantity, 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
 except as may be agreed in definitive transaction documents.
- All offers made for the Assets (each, an "Offer") must be submitted by completing the form of Offer to Purchase attached hereto (Appendix B). Offers shall be delivered to the Proposal Trustee electronically via email to caryihalifax@deloitte.ca.
- 3. Offers must be received by **5:00 p.m. (AST) on April 21, 2025** (the "**Offer Deadline**"). Offers that do not strictly comply with these Terms and Conditions of Sale may, at the absolute discretion of the Proposal Trustee, be rejected for that reason alone.
- 4. All Offers must be accompanied by a bank draft or certified cheque, in each case drawn on a Chartered Bank or Credit Union, payable to "Deloitte Restructuring Inc., in Trust", in an amount equal to fifteen percent (15%) of the offered purchase price for the Assets (the "**Deposit**"). Deposits can also be submitted via wire transfer with details to be provided by the Proposal Trustee upon request.
- 5. The Assets are more particularly described in **Appendix C**.
- 6. Each party making an offer (the "Offeror") must rely on its own judgment, inspection, and investigation of the Assets. Each Offeror acknowledges and agrees that it has had a full opportunity to conduct, and has conducted, such tests, examinations, inspections, and investigations as it deems necessary or advisable to fully acquaint itself with the Assets, its fitness for particular purpose, location, existence, condition, quality, quantity, merchantability, suitability for intended purpose and with any other attributes that the Offeror considers relevant.
- 7. Viewing of the Assets will be by appointment only. Appointments can be made by contacting Ian Lewis by phone at (902) 721-5540 or by email at <u>ilewis@deloitte.ca</u>.
- 8. The submission of any Offer to the Proposal Trustee shall constitute an acknowledgement and an acceptance by the Offeror of the terms of the Offer to Purchase, and the Terms and Conditions of Sale.
- 9. Offerors will have until the expiration of the Offer Deadline to proceed with due diligence. No confirmatory due diligence will be permitted after the Offer Deadline.
- 10. Each Offeror acknowledges that it has had the opportunity to consult with, and has consulted with, its own independent legal counsel prior to making the Offer.
- 11. Any Offer accepted by the Proposal Trustee will be subject to approval by the Court. The form of order approving the sale shall be in a format acceptable to the Proposal Trustee.

Sale Process

12. The Proposal Trustee reserves the right to amend or terminate this sale process, or to withdraw or amend the contents of the Assets, at any time, at its sole discretion. With respect to any withdrawal or amendment, the sole obligation of the Proposal Trustee to the Offeror shall be to inform the Offeror of the withdrawal or amendment. With respect to the termination of the sales process, the sole obligation of the Proposal Trustee to the Offeror shall be to return any Deposit it has received without interest or deduction (other than bank charges/wire fees).

Acceptance of Offers

- 13. The Proposal Trustee shall be entitled to accept Offers prior to the Offer Deadline.
- 14. Each Offeror acknowledges that the Proposal Trustee is not obligated to accept any Offer and the highest Offer shall not necessarily be accepted. The Proposal Trustee reserves the right to reject any or all Offers without explanation in its sole and unfettered discretion.
- 15. After receipt of the Offers, the Proposal Trustee may, in its sole discretion, negotiate with any Offeror to seek clarification and negotiate further with any Offeror in respect of any Offer. The Proposal Trustee shall not be obliged to negotiate with any Offeror or give any Offeror the opportunity to resubmit an Offer, whether or not the Proposal Trustee negotiates with other Offeror(s).
- 16. Upon submission of an Offer to the Proposal Trustee, no Offeror shall be entitled to retract, withdraw, vary or amend the Offer prior to acceptance or rejection thereof by the Proposal Trustee, without the prior written consent of the Proposal Trustee.
- 17. Deposits accompanying Offers that are not accepted by the Proposal Trustee shall be returned without interest thereon by wire transfer, prepaid registered mail or courier to the unsuccessful Offeror at the address set forth in the Offer, as soon as reasonably possible after the Offer Deadline.
- 18. Upon the acceptance of an Offer from an Offeror (the "**Purchaser**") in writing by the Proposal Trustee:
 - a. the Proposal Trustee will apply to the Court for a sale approval and vesting Order (the "Sale Approval and Vesting Order"), in a form acceptable to the Proposal Trustee which will, amongst other things and if granted, vest title to the Assets in the Purchaser free and clear of any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, or otherwise excepting utility caveats;
 - b. the closing date shall be established as the earlier of ten (10) business days after the granting of a Sale Approval and Vesting Order by the Court, or such other date as agreed to by the Proposal Trustee and the Offeror (the "**Closing Date**"); and
 - c. the Deposit made by the Purchaser shall be non-refundable, except as set out herein.
- 19. If the sale contemplated is completed, the Purchaser's Deposit will be applied, without interest, against the purchase price.
- 20. If an Offer is accepted by the Proposal Trustee, but the sale of the Purchased Assets is not completed as a result of any act or omission on the part of the Purchaser, the Purchaser's Deposit shall be forfeited to the Proposal Trustee as a genuine pre-estimate of liquidated

damages and not as a penalty. Furthermore, the Proposal Trustee shall be entitled to pursue all of its rights and remedies against the Purchaser.

- 21. The Property shall remain at the risk of the Caryi Group until the Closing Date. The Property thereafter shall be at the risk of the Purchaser. Until the closing, the Caryi Group shall hold all insurance policies or proceeds thereof in trust for the parties as their interests may appear and, in the event of substantial damage to the Assets, the Purchaser may either have the net proceeds of the insurance and complete the transaction or may cancel the transaction and have all monies theretofore paid returned without interest, cost or compensation of any kind whatsoever. Where any damage is not substantial, the Purchaser shall be obliged to complete the transaction and be entitled to the net proceeds of insurance referenced to such damage.
- 22. The Offeror shall cause to be paid and delivered to the Proposal Trustee on the Closing Date the offered purchase price plus any applicable goods and services tax and any other applicable taxes, net of the deposit already paid to the Proposal Trustee. These amounts shall be paid to the Proposal Trustee on the Closing Date by certified cheque, bank draft or wire, in each case drawn on a Canadian Chartered Bank or Credit Union by the Purchaser. After payment the Purchaser shall take delivery and possession of the Purchased Assets on an "as is and where is" basis on the Closing Date, without recourse to the Proposal Trustee or its respective employees, partners, directors, officers servants and agents.
- 23. Without limitation, the Assets shall be as it exists on the Closing Date with no adjustments to be allowed to the Purchaser for changes in condition, qualities or quantities from the date of viewing to the Closing Date. The Purchaser acknowledges and agrees that the Proposal Trustee shall not be required to inspect the Assets or any part thereof and the Purchaser shall be deemed at its own expense to have relied entirely on its own inspections and investigations.
- 24. The Purchaser acknowledges that no right, duty, or liability, express or implied, pursuant to the *Sale of Goods Act* (Nova Scotia) or similar legislation in other jurisdictions, shall apply hereto and all of the same are hereby expressly waived by the Purchaser.
- 25. The Purchaser agrees that all the insurance maintained by the Caryi Group in respect of the Assets shall be cancelled on the Closing Date and that the Purchaser shall be responsible for placing its own insurance from and after closing.
- 26. The Purchaser shall indemnify the Proposal Trustee and hold the Proposal Trustee harmless against and from all losses, costs, damages and expenses which the Proposal Trustee may sustain, incur or be or become liable for by reason of or arising from any operations of the Purchaser in relation to the Assets.
- 27. At the Closing Date, the Purchaser shall be entitled to such deeds or assignments as may be considered necessary by the Caryi Group to convey the Assets to the Purchaser provided that the Purchaser shall remain liable notwithstanding any assignment thereof by the Purchaser. Any such deeds or assignments shall contain only a release of the Caryi Group's interest in the Assets and shall not contain any covenant other than a covenant that the Proposal Trustee has not done any act to encumber the Assets. The Proposal Trustee shall not be required to produce any abstract of title, title deeds or documents thereof or any evidence as to title, other than those in its possession.
- 28. If Court approval of any sale transaction in a form satisfactory to the Proposal Trustee is not obtained, the contemplated purchase shall be deemed terminated and the Deposit accompanying the Offer shall be returned to the Purchaser without interest as soon as reasonably practicable in the manner set out above.
- 29. The Offeror and the Proposal Trustee mutually agree to do all such further acts and execute

all such further documents and instruments as may reasonably be necessary or convenient to give full effect to the sale transaction.

General

- 30. Deloitte is acting solely in its capacity as Proposal Trustee of Caryi Group, and not in its personal capacity, and Deloitte (and its employees, servants and agents shall have no liability whatsoever in any way related to the Tender Package, the Offer to Purchase, the Terms and Conditions of Sale, or in any way related to the Assets (as these terms are defined herein), whether in contract, in tort under statute or otherwise.
- 31. All stipulations as to time are strictly of the essence.
- 32. The Tender Package, the Offer to Purchase, and the Terms and Conditions of Sale, shall be governed by and construed in accordance with the laws of Canada and the laws of the Province of Nova Scotia, as such may be applicable, and the Offeror hereby irrevocably attorns to the jurisdiction of the Court.

DATED at Halifax, Nova Scotia this 14 day of February 2025.

DELOITTE RESTRUCTURING INC.

Acting solely in its capacity as Proposal Trustee in the Notice of Intention to Make a Proposal of the Caryi Group and not in its personal capacity

Appendix B – Offer to Purchase

Deloitte Restructuring Inc. Proposal Trustee of Caryi Group

OFFER TO PURCHASE

TO: DELOITTE RESTRUCTURING INC.

PROPOSAL TRUSTEE OF CARYI GROUP

1741 Lower Water Street, Suite 800 Halifax, Nova Scotia, B3J 0J2 Attention: Ian Lewis

1. Name of Offeror: _____

- 2. Address of Offeror:
- 3. Telephone and fax: _____
- 4. E-mail address: _____

The undersigned acknowledges having received and reviewed the Terms and Conditions of Sale ("**Terms and Conditions**") pertaining to the sale of the Assets, that the Offeror has inspected and satisfied themselves as to the condition of the Assets, and that this Offer is submitted pursuant to the said Terms and Conditions and the undersigned agrees to be bound thereby as if the same were set out herein as part of this Offer.

Parcel Description (see appendix C)	Offer in Canadian dollars (excluding any applicable taxes)		
Parcel			
Parcel 1	\$		
Parcel 2	\$		
Parcel 3	\$		
Parcel 4	\$		
Parcel 5	\$		
Parcel 6	\$		
Parcel 7	\$		
Total Offer Price	\$		
Deposit enclosed (15%) (Note 1)	\$		

Offerors may present an *en bloc* offer, individual offers on specific parcels or combination offers on multiple parcels.

Note 1: All deposits must be made by certified cheque, bank draft or wire payable to "Deloitte Restructuring Inc., in Trust".

DATED at the City of ______ in the Province/State of ______

this ______ day of ______, 2025.

Signature of Offeror: _____

Appendix C – Asset Overview

Parcel #1

• Parcel #1 includes a residential and commercial building located at 1598-1600 Barrington Street, Halifax, Nova Scotia (PID 00076455).



Darcol #1	- 1508-160	Barrington	Stroot	(Tramway)

	barmigton Sciect (Trainway)
Site description	
Civic address	1598-1600 Barrington Street, Halifax, Nova Scotia
Parcel identification number	00076455
Property type	Residential and commerical building (mixed-used)
Site area	0.07 acres
Frontage	45 feet on Barrington Street and 72 feet on Sackville Street
Year built	1916
Zoning	DH-1 (Downtown Halifax)
Site improvements	7 level mixed residential / commercial building with main level retail space with levels 2 through 5 being
	improved with new apartment units. There is also a basement level which is to provide potential storage space
	to the two main level retail tenants, as well a bicycle storage room along with accommodating mechanical,
	electrical and plumbing system areas
Services	Municipal water and sewer, electricity, and natural gas
Parking	No on-site parking
Building description	
Gross building area	Level 1: 2,993 ft ² ;
	Level 2: 2,993 ft ² ;
	Level 3: 2,738 ft ² ;
	Level 4: 2,738 ft ² ;
	Level 5: 2,738 ft ² ;
	Level 6: 2,447 ft ² ;
	Level 7: 2447 ft ² ;
	Total: 19,094 ft ²
Commercial units	Main level rate it with lever level support appage 1 $E00.62 \times 1.55$
commerciar units	Main level retail, with lower level support space: 1,500 ft ² x 1 unit; and
	Main level retail, with lower level support space: 1,250 ft ² x 1 unit
	Total: 2 units (2.750 ft ²)
Residential units	Note: The residential units are mid-construction.
	Two-bedroom: 536 ft ² x 1 unit;
	Two-bedroom: 585 ft ² x 3 units;
	Two-bedroom: 460 ft ² x 2 units:
	Two-bedroom: 576 ft ² x 1 unit;
	Two-bedroom: 596 ft ² x 3 units;
	Two-bedroom: 520 ft ² x 2 units;
	One-bedroom: 362 $ft^2 \times 1$ unit;
	Studio handicap accessible: 284 ft ² x 1 unit;
	Studio: 156 ft ² x 2 units;
	Studio: 170 ft ² x 1 unit;
	Studio: 232 ft ² x 2 units;
	Studio: 225 $ft^2 \times 1$ unit;
	Studio: 207 ft ² x 2 units; and
	Studio: 195 ft ² x 12 units.
	Total: 34 units (11,186 ft ²)
	Each residential units has a 1 x 3 piece or 1 x 4 piece bathroom
Structure	Concrete frame structure with a mix of brick, parged brick and concrete
Scructure	Concrete frame structure with a mix of brick, parged brick and concrete
	exterior all finishes to be new along with unit wall partitions. Concrete
	structural floors. The two level new section is steel frame.
Exterior finish	
Roof	New torched-on modified bitumen roofing system along with common use
	deck and roof top landscaping.
Windows	New vinyl frame color matched double glazed windows for all residential
	areas. Aluminum frame thermopane storefronts for both commercial units.
Foundation	Reinforced poured concrete
Interior finish	
Walls	Painted plaster or drywall. Decorative tile in some common areas
Ceilings	Plaster and painted drywall with some acoustic tile
Flooring	Mix of tile, commercial grade vinyl plank and finished concrete
Doors	Aluminum frame single and/or double glazed entry systems. Insulated
	steel man doors and patio style doors
HVAC system	Natural gas fired hot water boilers to baseboard radiators. Ductless heat
	pumps to be utilized for the new apartment units. Commercial spaces to
	have cooling by heat pump units
Electrical	Complete new electrical system to be installed to current or above
	applicable building code levels. Individual meters for each unit (residential
	& commercial) plus house meter as required. Circuit breaker panels
Hot Water	Electric water heaters
Hot Water	Electric water heaters
Hot Water Plumbing	Electric water heaters Small kitchen / kitchenette along with either 3 or 4 piece bathroom for
	Small kitchen / kitchenette along with either 3 or 4 piece bathroom for
	Small kitchen / kitchenette along with either 3 or 4 piece bathroom for each apartment unit. 2 x 2 piece washrooms in Obladee wine bar and 2
	Small kitchen / kitchenette along with either 3 or 4 piece bathroom for
Plumbing	Small kitchen / kitchenette along with either 3 or 4 piece bathroom for each apartment unit. 2 x 2 piece washrooms in Obladee wine bar and 2 piece washroom for other commercial unit. Sump pump on basement level
Plumbing Sprinkler	Small kitchen / kitchenette along with either 3 or 4 piece bathroom for each apartment unit. 2×2 piece washrooms in Obladee wine bar and 2 piece washroom for other commercial unit. Sump pump on basement level Full wet sprinkler system
Plumbing	Small kitchen / kitchenette along with either 3 or 4 piece bathroom for each apartment unit. 2 x 2 piece washrooms in Obladee wine bar and 2 piece washroom for other commercial unit. Sump pump on basement level

Current leasing	No. 1	No. 2
Tenant	Obladee Wine Bar	Vacant space
Area	1,500 ft ²	1,250 ft ²
Premises	Street level	Street level
Term	January 1, 2021 - January 31, 2026	n/a

Parcel #2

• Parcel #2 includes a commercial building located at 165 Prince Street, Charlottetown, Prince Edward Island (PID 342600).



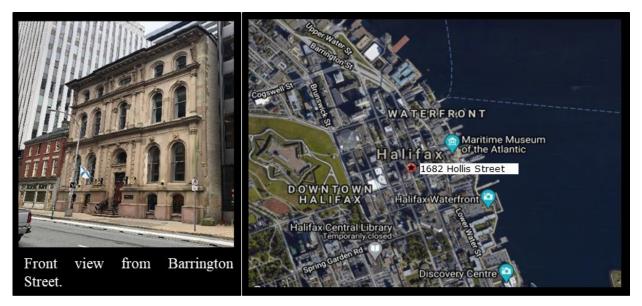


Site description			
Civic address	165 Prince Street, Charlottetown, PE		
Parcel identification number	342600		
Property type	Office and retail development		
Site area	0.27 acres		
Zoning	(DMS) Downtown Main Street Zone		
Parking	No on-site parking		
Building description			
Year built	1956		
Gross building area	Unfinished basement: 1,500 ft ²		
	Floor 1 & Warehouse: 8,640 ft ²		
	Floor 2: 8,210 ft ²		
	Total: 18,350 ft ²		
Structure	Concrete, concrete block, steel and wood frame		
Exterior finish			
Roof covering	Flat assumed, modified built-up		
Walls	Brick and concrete block		
Doors	Aluminum frame entrance doors		
Ceiling height	14' & 9' height		
Floor	Poured concrete, full basement and slab on grade		
Windows	Aluminum frame		
Foundation	Poured concrete foundation, full basement and frost wall		
Interior finish			
Walls	Painted drywall		
Ceilings	Ceiling tile		
Flooring	Carpet, ceramic tile, tile and vinyl		
Doors	Solid and hollow core slab doors		
HVAC system	Hot water		
Electrical	400 amp 600 volt 3 phase main entrance with splitter panel		
Hot Water	Off boiler		
Plumbing	Plumbing lines PVC, copper, cast		
Sprinkler	Yes		
Amenities	menities Exit signs, emergency lighting, fire alarm system and smoke detectors, generator		
Air Conditioning	Yes		
Current leasing No. 1	No. 2 No. 3 No. 4		
Tenant 1858 Ceaser Bar	Alexandra's Pizza Tekila Mexican Cuisine Deeper Christian Life Ministry		
Area 1,694 ft ²	1,520 ft ² 2,020 ft ² 1,450 ft ²		
Term January 1, 2025 - Dece	ember 31, 2030 November 1, 2021 - September 30, 2031 (1) September 1, 2024 - August 31, 2029 Month-to-month (2) September 1, 2029 - August 31, 2034		

Parcel #2 - 165 Prince Street (Guardian Building)

Parcel #3

• Parcel #3 includes a commercial building located at 1682 Hollis Street, Halifax, Nova Scotia (PID 00003228).

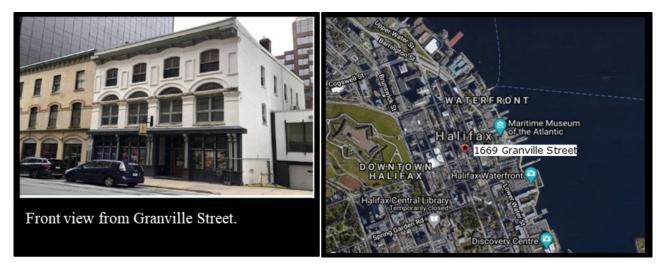


Site description	
Civic address	1682 Hollis Street, Halifax, NS
Parcel identification number	00003228
Property type	Commercial use
Site area	0.15 acres
Frontage	\pm 50 feet along Granville Street & \pm 57 feet along Hollis Street (based on aerial measurements)
Zoning	DH-1 (Downtown Halifax)
Services	Full municipal services
Parking	No on-site parking
Building description	
Year built	1862/Ongoing
Gross building area	9,470 ft ²
Structure	Masonry and wood frame
Exterior finish	
Siding	Granville Street facade.
Roof covering	Flat roof with membrane cover (assumed)
Windows	Wood frame
Foundation	Stone and mortar
Interior finish	
Walls	Painted gypsum
Ceilings	Painted gypsum
Flooring	Ceramic tile (in kitchen) and hardwood
Lighting	LED (assumed)
Mechanical	
Heating	Natural-gas fired hot water boilers, cast iron radiators, and ductless heat pumps throughout the unit operating as the Halifax Club
Cooling	Ductless split heat pumps throughout the unit operating as the Halifax Club
Electrical	Each unit has an individual meter along with house meter. Circuit breaker panels
Plumbing	The main level contains 2 - 2 piece washrooms as well as plumbing behind the bar and in the kitchen while the landing heading up to the second level contains 1 - 3 piece washroom; the second level contains 2 - 2 piece washrooms as well as a sink behind the bar; the Retail G1 area which is the ground level off of Granville Street contains 1 - 2 piece washroom along with plumbing behind the bar; the Cigar Retail area contains 1 - 2 piece washroom and a sink in the retail area utilized for hair washing by a barber; and the Office 2A area comprises 1 - 5 piece washroom. There is no finished plumbing on the third level; however, the piping is believed to be in place
Sprinkler	The building is partially sprinklered

Parcel #3 - 1682 Hollis Street (Halifax Club)

Parcel #4

• Parcel #4 includes a dormitory style student housing building located at 1665-1669 Granville Street, Halifax, Nova Scotia (PIDs 40042087 & 00003251).



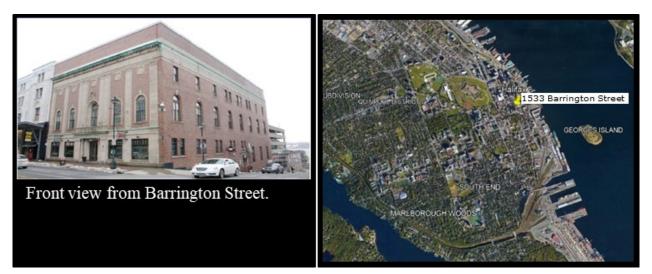
Parcel #4 - 1669	Granville Street	(Granville Hall)

Site description	
Civic address	1665-1669 Granville Street
Parcel identification number	40042087 & 00003251
Property type	Dormitory style student housing
Site area	0.05 acres
Frontage Zoning	± 37 feet along Granville Street based on aerial measurements DH-1 (Downtown Halifax)
Services	Full services
Parking	No on-site parking
Building description	
Year built	Unknown, most recently renovated in 2016
No. of stories above grade	3
Unit mix	Single (standard): 10
	Single (premium): 19
	Double room: 1
	Total units: 30
Structure	Masonry and wood frame
Exterior finish	
Siding	Decorative concrete and stone, wood, and brick
Roof covering	Combination of flat membrane and pitched asphalt shingle cover
Decks	None of the units have decks
Windows	Wood and aluminum frame thermopanes
Foundation	Stone and mortar
Interior unit finishes	
Walls	Painted gypsum
	•
Ceilings	Painted gypsum Mix of carpet and laminate
Flooring	
Lighting	LED (assumed)
Kitchens	Each of the 3 levels has a kitchen, however the first level does not have a stove
Applicances	Fridge, freezer, microwave, toaster, coffee maker
Kitchen extras	Landlord provides dishes and cutlery for tenants
Laundry	Common laundry consisting of 3 washers & 3 dryers
Washrooms	11 washrooms in total; 4 - 4 piece and 7 - 3 piece
Common area finishes	
Walls	Painted gypsum and exposed brick
Ceilings	Painted gypsum
Flooring	FlooringMix of carpet and laminate
Lighting	LED (assumed)
Heating & Cooling	Natural gas fired hot water; 5 mini-split units
Electrical	Assumed adequate
Fire safety	Fully sprinklered with standard fire alarm and detectors
Security	Fob access to building
Layout	The building contains three stories above grade. The below grade level contains the common area laundry room, mechanical, garbage room and storage room. The main level contains secured entry, common area tv/games room, common area kitchen (no stove), common area seating/dining, 6 rentable rooms and 3 bathrooms. The second level contains a common area kitchen (with stove), common area seating/dining, 12
	rentable rooms and 4 bathrooms. The third contains a common area kitchen (with stove), common area seating/dining, 12 rentable rooms and 4 bathrooms. In total there are 30 rooms, 11 washrooms, 3 kitchens, a common area laundry room in lower level and main level common area tv/games room

Current leasing	Floors 1, 2 & 3
Tenant	3298944 Nova Scotia Limited
Area	6,996 ft ² (2,332 ft ² x 3)
Term	In or about September 2027

Parcel #5

• Parcel #5 includes a multi-unit residential and commercial building located at 1665-1669 Granville Street, Halifax, Nova Scotia (PID 00444141).



Site description	
Civic address	1533 Barrington Street / 1532-1536 Granville Street , Halifax, Nova Scotia
Parcel identification number	00444141
Property type	Mixed multi unit residential and commercial
Site area	0.18 acres
Zoning	DH-1 (Downtown Halifax)
Services	Full services
Parking	No on-site parking

Parcel #5 - 1533 Barrington Street (Freemasons Hall)

Building description	
Year built	The original rear portion of the structure was built in 1876 and the front portion was constructed in the mid-1920s
Gross building area	43,660 ft ² \pm gross floor area
Leaseable area	34,546 ft ² ±
Commercial units	Refer to the Current Leasing Table for Parcel #6
Residential units	<i>Note: 11 units are complete, 12 units are near complete. The remaining units 32 units are not complete.</i>
	Studio: 245 - 400 ft ² x 13 units;
	One-bedroom: 263-539 ft ² x 21 units;
	Two-bedroom: 367-749 ft ² x 20 units; and
	Three-bedroom: 754 ft ² x 20 units
	Total: 55 units (23,705 ft ²)
Structure	Wood, masonry and steel frame. Exterior is finished with good quality brick and stone pilasters and accents. New apartment units are wood frame
Roof	Torched on modified bitumen membrane
Interior walls	Plastered and painted drywall. Ceramic tile and marble
Ceilings	Plastered and painted drywall or plaster
Interior floors	Various finishes including marble / ceramic tile, vinyl tile, carpet, hardwood, polished concrete and laminate.
Windows	Aluminum and vinyl frame thermopane
HVAC system	Mix of oil fired hot water with some electric. Central air conditioning for various commercial spaces. The new apartment units are to be heated with electric baseboard and cooling will be by compact hotel style AC units
Electrical	1,200 amp, 3 phase main electrical entrance
Plumbing	Copper and cast iron pipes. Hot water supplied by independent furnace with holding tank and electric hot water
	tanks, as required. Various washroom facilities within commercial units. Full commercial kitchens and
	washrooms for the restaurants. The new apartment units will each have a full kitchen along with a four piece
	bathroom. There will be four new laundry rooms created in the locations of the former common area washrooms (at stair landings)
Sprinkler	Full sprinkler system
Eleavtor	1 x 6 stop elevator

Current leasing	No. 1	No. 2	No. 3	No. 4	No. 5
Tenant	Two Doors Down Inc.	Two Doors Down Inc.	La Rozzi Bistro and Filipino Grocery Ltd.	Ragazzi Resto Bar Limited	Vacant space
Area	1,355 ft ²	2,762 ft ²	1,950 ft ²	3,300 ft ²	1,474 ft ²
Term	March 31, 2023 - December 31, 2029	March 31, 2023 - December 31, 2029	December 1, 2022 - November 30, 2027	August 1, 2022 - July 31, 2032	
Option	1 x 5 year renewal option at market rent	1 x 5 year renewal option at market rent	1 x 5 year renewal option at market rent		

Parcel #6

 Parcel #6 includes a multi-unit residential building located at 1572 – 1576 Barrington Street, Halifax, Nova Scotia (PID 41353202).





Site description	
Civic address	1572 - 1576 Barrington Street, Halifax, Nova Scotia
Parcel identification number	41353202
Property type	Mixed multi unit residential and commercial
Site area Zoning	0.076 acres DH-1 (Downtown Halifax)
Services	Full services
Parking	No on-site parking
Building description	
Year built	1891, renovated/developed in 2022
Gross building area	Basement/lower level: 2,357 ft ²
	Level 1: 3,147 ft ² ;
	Level 2: 2,900 ft ² ;
	Level 3: 2,900 ft ² ;
	Level 4: 2,900 ft ² ;
	Level 5: 2,900 ft ² ;
	Level 6: 2,900 ft ² ;
	Level 7: 2,900 ft ² ;
	Total: 21,904 ft ²
Commercial units	Lower and street level: 4,776 ft ²
Residential units	Studio: 400 $\text{ft}^2 \times 4$ units;
	Studio: 386 ft ² x 4 units;
	Two-bedroom: 739 ft ² x 1 units;
	Two-bedroom: 750 ft ² x 1 units;
	Two-bedroom: 810 ft ² x 1 units;
	Two-bedroom: 618 ft ² x 2 units;
	Two-bedroom: 720 ft ² x 4 units;
	Two-bedroom: 736 ft ² x 2 unit; and Two-bedroom: $736 ft^2 x 2 unit;$ and
	Three-bedroom: 736 ft ² x 2 units
Foundation	Total: 21 units
	Full reinforced poured concrete engineered foundation system
Exterior walls	Masonry and steel frame with fire rating to code. Fully insulated exterior wall system utilizing insulation in compliance with current national and local building codes
Roof	Torched modified bitumen roofing over rigid foam insulation in
	compliance with current national and local building codes
Interior walls	Plastered and painted gyproc in most areas. Wood or exposed brick and
	other types of attractive paneling for some other areas
Ceilings	Plastered and painted gyproc or suspended T-bar acoustical tile in some
	commercial areas. Open steel for support areas
Floor finishes	Ceramic tile, laminate/pre engineered hardwood and etched polished concrete
Windows	Aluminum frame double glazed commercial grade windows for the
	storefronts. Aluminum frame double glazed windows for remaining
	areas. Tempered glass for skylights
Doors	Aluminum frame commercial grade for exterior areas. Insulated steel and solid core unit doors
HVAC	Oil fired hot water heating system for the entire building. HVAC systems for the commercial units. Each unit will have separate residential and commercial HRV units
Electrical	400 amp three phase main electrical service sufficient to serve the entire building. Each unit has individual meters plus a house meter
Hot water	From oil fired furnace
Plumbing	Modern plastic supply and drainage lines throughout the building. Full
	Modern plastic supply and drainage lines throughout the building. Full bathrooms and kitchens in each apartment unit. Commercial units will be outfitted as required
Miscellaneous	 Full sprinkler system in place; Fully wired for all data and telecommunication systems; One seven stop elevator, serving floors up to #6; Three appliances in apartment units on floor 2 through 5; Laundry room on floors 2 through 5; Five appliances (washer/dryer) in 2 level apartment units floors 6 & 7; and Custom kitchens / vanities along with stone / granite counter tops

Parcel #6 - 1572 Barrington (National Firm Board)

Parcel #7

• Parcel #7 includes a commercial building located at 1674 Hollis Street, Halifax, Nova Scotia (PID 00003236).



Parcel #7 - 1674 Hollis (Sonic Building)

Site description	
Civic address	1674 Hollis Street, Halifax, Nova Scotia
Parcel identification number	00003236
Property type	Commercial use
Site area	Approximately 0.04 acres
Zoning	DH-1 (Downtown Halifax)
Services	Full services
Parking	No on-site parking
Faikily	
Building description	
building acceription	

Description Vacant building adjacent to 1682 Hollis Street



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APPENDIX F: DIP FACILITY



INTERIM CREDIT FACILITY TERM SHEET

WHEREAS Annapolis Management Inc., BSL Holdings Limited., Ruby LLP, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited (the "Borrowers") have initiated proceedings in the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "Court") pursuant to notices of intention to make a proposal ("NOI") under section 50.4(1) of the *Bankruptcy* and Insolvency Act (the "NOI Proceeding");

AND WHEREAS the Borrowers have requested that the DIP Lender (as defined below) provide interim financing to fund certain cash requirements of the Borrowers during the pendency of the NOI Proceeding;

AND WHEREAS the DIP Lender is willing to provide the DIP Loan herein to the Borrowers in accordance with the terms and conditions set out in this Interim Credit Facility Term Sheet;

NOW THEREFORE in consideration of the mutual covenants, terms and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Borrowers:	Limited., Ruby LLP, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited.
Lender:	League Savings & Mortgage Company (the "DIP Lender").
Effective Date:	February, 2025.
Type of DIP Loan:	A super-priority, debtor-in-possession interim, non- revolving credit facility up to a maximum principal amount of \$750,000 (the "DIP Loan") subject to and in accordance with the terms herein.
Currency:	Except as otherwise expressly provided herein, all dollar amounts herein are in Canadian Dollars. All payments made hereunder shall be made in the

6074 Lady Hammond Road Halifax, NS B3K 2R7

Tel (902) 453-0680 Fax (902) 455-2437 Toll Free (800) 668-2879 currency in respect of which the obligation requiring such payment arose.

Subject to the fulfillment of the applicable conditions precedent to the availability of the DIP Loan set out herein (including, without limitation, the Court's approval of the DIP Charge as defined below); and the Borrowers' adherence to the Borrowers' Cash Flow dated as of February 10, 2025, and ending July6, 2025, (the "Approved Cash Flows") being satisfactory to each of the Proposal Trustee (as defined below) and the DIP Lender; and provided that no Event of Default (as defined below) has occurred and is then continuing, then the DIP Loan shall be advanced by the DIP Lender.

Advances under the DIP Loan (collectively "Advances" and individually an "Advance") shall be deposited into the Deposit Account and utilized by the Borrowers in accordance with the terms hereof. "Deposit Account" means the account(s) maintained by the Borrowers to which payments and transfers under this Term Sheet are to be deposited by the Borrowers, which are specified in writing by the Borrowers to the DIP Lender or such other account or accounts as the Borrowers may from time to time designate by written notice to the DIP Lender.

Purpose, Use of Proceeds: The proceeds of the DIP Loan will be used to fund cash flow requirements of the Borrowers on a going concern basis provided that the same is, unless approved by the DIP Lender and the Proposal Trustee, (i) in accordance with the Approved Cash Flows, and (ii) not on account of a liability that

Availability:

Advances:

existed as of the date of the filing of the NOI Proceeding by the Borrowers.

No portion of the DIP Loan proceeds shall be paid to any of the shareholders of the Borrowers or related parties or entities unless approved in writing by the DIP Lender and the Proposal Trustee.

The Proposal Trustee of the Borrowers for the purposes of the NOI Proceeding, as confirmed by appointment certificates with the Office of Superintendent of Bankruptcy. The Proposal Trustee shall be authorized to have direct discussions with the DIP Lender, and the DIP Lender shall be entitled to receive information from the Proposal Trustee as may be requested by the DIP Lender from time to time.

The maturity of the DIP Loan (the "**Termination Date**") shall be the earliest of:

- (a) Six (6) months following the initial Advance hereunder or such other date agreed to by the DIP Lender in its sole discretion;
- (b) the effective date of any merger, amalgamation, consolidation, arrangement, reorganization, recapitalization, sale or any other transaction affecting the assets or operations or resulting in the change of ownership or control of the Borrowers confirmed by the Court and satisfactory to the DIP Lender (any of the foregoing being a "Transaction");
- (c) the date on which the stay of proceedings as ordered by the Court in the NOI Proceeding is dismissed or terminated or the date on which

Court Officer:

Termination Date:

either of the Borrowers becomes bankrupt or the stay is lifted to allow a filing of bankruptcy petition under the Bankruptcy and Insolvency receivership or similar insolvency Act, proceeding is not otherwise stayed; and

(d) the date of the acceleration of the DIP Loan and the termination of the commitment with respect to the DIP Loan as a result of an Event of Default hereunder (as defined herein).

All outstanding amounts under the DIP Loan, together with all interest accrued in respect thereof and all other amounts owing under this Term Sheet shall be payable in full on the Termination Date.

All amounts outstanding under the DIP Loan will **Interest Rate:** bear interest at the rate of 12% per annum, on the daily balance outstanding under the DIP Loan. Interest shall be due and payable on the Termination Date without further notice, protest, demand or other act on the part of the DIP Lender.

\$18,750 **Commitment Fee:**

Repayment:

Mandatory Prepayments:

Unless otherwise repaid as contemplated herein, the DIP Loan shall be due, owing, payable and repaid on the Termination Date without further notice, protest, demand or other act on the part of the DIP Lender.

Unless otherwise consented to by the DIP Lender in its sole discretion, the DIP Loan shall be repaid in full from the net proceeds of any Transaction involving the Borrowers.

Representations and Warranties: The Borrowers represents and warrants to the DIP Lender as of the date hereof, and as of the date of each advance under the DIP Loan that:

- (a) the Borrowers is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power to carry on business as now and formerly conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to constitute a material adverse effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required;
- (b) the execution, delivery and performance, as applicable, of this Term Sheet has been duly authorized by all actions, if any, required on the part and by the Borrowers' directors, and constitutes a legal, valid and binding obligation of the Borrowers enforceable against it in accordance with its terms, subject to applicable reorganization, insolvency, bankruptcy, arrangement, winding-up, moratorium and other similar laws of general application that limit the enforcement of creditors' rights generally and to general equitable principles;
- (c) the Approved Cash flows represent the Borrowers' best estimate as at each applicable date of the likely results of the operations of the Borrowers during the period applicable hereto and, to the Borrowers' knowledge, such results are achievable as provided therein; and

(d) except in respect of periods preceding the date of the filing of NOI Proceeding by the Borrowers, all employee wages and other amounts owing to employees are up-to-date and there are no amounts owing in respect of wages, termination pay, pension benefit contributions or other benefits except those accruing in the normal course and in accordance with the established practices and arrangements of the Borrowers.

Covenants:

The Borrowers covenants and agrees that:

- (a) the Borrowers shall pay all amounts and satisfy all obligations in respect of the DIP Loan;
- (b) the Borrowers shall not make or permit to be made any payment on account of obligations owing as of the date of the filing of the NOI Proceeding by the Borrowers without the prior consent of the Proposal Trustee and the DIP Lender or pursuant to an Order of the Court;
- (c) the Borrowers shall not undertake any actions with respect to their respective assets, business operations and/or capital structure which would, in the sole determination of the DIP Lender, have a material adverse effect on the Borrowers or the Collateral (as defined below);
- (d) the Borrowers shall promptly provide the DIP Lender with any additional financial information reasonable requested by the DIP Lender, to the extent that such information is readily available;

- (e) the Borrowers shall provide the DIP Lender with bi-weekly budget to actual reporting of the Approved Cash Flows by no later than the third business day after the two-week reporting period;
- (f) prior to accepting any offer or bid in a Court approved sales processes for the Borrowers' Collateral, the Borrowers shall provide all offers received and a summary thereof for the DIP Lenders' consideration.
- (g) the Borrowers shall not incur any indebtedness, including the giving of guarantees, other than indebtedness specifically contemplated hereby or permitted in writing by the DIP Lender;
- (h) the Borrowers shall not incur, create, assume or suffer to exist any lien, charge, security interest or other encumbrance on any Collateral now owned or hereafter acquired other than: (i) those encumbrances existing as of the date of the filing of the NOI Proceeding by the Borrowers or permitted by the DIP Lender in its sole discretion, and (ii) the DIP Charge (defined below);
- (i) the Borrowers shall not enter into any other credit facility or loan arrangements that would be secured in priority to or *pari passu* with the DIP Loan;
- (j) without the prior written consent of the DIP Lender, the Borrowers shall not: (i) declare or pay any dividends on, or make any other payments or distributions (whether by reduction of capital or otherwise) with respect to any of its respective

issued and outstanding shares or other equity interests, or (ii) make any loans;

- (k) the Borrowers shall not sell any of its assets outside of the ordinary course of business without the prior written consent of the DIP Lender;
- the Borrowers shall promptly pay all DIP Expenses (as defined below), including all legal and advisory fees and expenses, of the DIP Lender as such DIP Expenses are incurred and invoiced to the Borrowers;
- (m) no portion of the DIP Loan proceeds shall be paid to any of the shareholders of the Borrowers or related parties or entities without the written consent of the DIP Lender and the Proposal Trustee; and
- (n) the Borrowers shall update the Approved Cash Flows and provide a copy thereof to the DIP Lender together with a comparison to the prior version for the DIP Lender's approval, it being understood that such updated Approved Cash Flows, if approved, become the Approved Cash Flows for the purposes hereof.

As continuing security (the "**DIP Security**") for the prompt payment of all amounts payable by the Borrowers to the DIP Lender under this Term Sheet and as continuing security for the due and punctual performance by the Borrowers of its existing and future obligations pursuant to this Term Sheet, the Borrowers hereby grants, conveys, assigns, transfers, mortgages and charges as and by way of a fixed and

Security:

specific security interest, to and in favour of the DIP Lender all of its property, assets, rights and undertaking, real and personal, moveable or immovable, tangible and intangible, legal or equitable, of whatsoever nature and kind, whatsoever locate, bother present and future, now or hereinafter owned or acquired (collectively, the "**Collateral**"), including, without limitation, all real and immovable property (including leasehold lands) now or hereafter owned or acquired by such Borrowers.

The DIP Security shall be elevated by way of a Court-ordered super-priority charge (the "DIP Charge") over the Collateral, which shall rank in priority to any security interests, claims, trusts or deemed trusts (statutory or otherwise) without any other formality or requirement, such as without limitation under the *Personal Property Security Act* or registrations in land registration offices or otherwise, subject only to a Court-ordered Administration Charge.

Events of Default:

An "Event of Default" shall include, without limitation, the following:

- (a) the Borrowers defaults in the payments of any amount due and payable to the DIP Lender (whether of principal, interest or otherwise) pursuant to this Term Sheet;
- (b) any representations and warranties made by the Borrowers in this Term Sheet proves to be incorrect as of the date given;
- (c) the Borrowers fails or neglects to observe or perform any term, covenant, condition or obligation contained or referred to in this Term

Sheet or any other document between the Borrowers and the DIP Lender;

- (d) the stay of proceedings provided for by virtue of the NOI Proceeding expires without being extended, the NOI Proceeding is dismissed or terminated or the Borrowers become subject to a bankruptcy proceeding under the *Bankruptcy and Insolvency Act* or a receivership or similar insolvency proceeding;
- (e) the entry of an order staying, amending, reversing, vacating or otherwise modifying, in each case without the prior written consent of the DIP Lender, the DIP Loan, the DIP Charge or the DIP Order (as defined below) or any other order granted by the Court in the NOI Proceeding; or
- (f) the Borrowers undertake any actions with respect to its assets, business operations and/or capital structure which would, in the sole determination of the DIP Lender, have a material adverse effect on the Borrowers or the Collateral.

Upon the occurrence of an Event of Default, and in accordance with the notice terms of the DIP Order, all indebtedness of the Borrowers to the DIP Lender shall become immediately due and payable and the DIP Lender may take all steps necessary to enforce its security.

The DIP Lender shall also have the right to exercise all other customary remedies, including, without limitation, the right to enforce and realize on all Collateral. Conditions Precedent, to Advance of DIP Loan The conditions precedent for making the DIP Loan available to the Borrowers, include, without limitation:

- (a) the representations and warranties made by the Borrowers in this DIP Loan Term Sheet being true and correct as of the date given;
- (b) no Event of Default has occurred;
- (c) issuance of an Order by the Court (the "**DIP Order**"), satisfactory in form and substance to the DIP Lender in its sole discretion, approving the DIP Loan, granting the DIP Charge with the priority contemplated herein and authorizing the payment by the Borrowers of all of the fees and expenses in respect of the DIP Loan unless otherwise agreed to by the DIP Lender in its sole discretion; and
- (d) the registration of the DIP Order or collateral mortgages, agreements or other documents as the DIP Lender may require, together with an opinion from Borrowers's counsel as to the due execution and delivery of this Interim Credit Facility Term Sheet and all related documents contemplated herein.

In the event that it becomes illegal for the DIP Lender to lend or continue to lend, the DIP Lender will be repaid and/or the DIP Lender's commitment will be cancelled.

Illegality:

Taxation:

All payments of principal, interest and fees will be made free and clear of all present and future taxes, levies, duties or other deductions of any nature whatsoever, levied either now or at any future time.

The Borrowers shall pay all of the DIP Lender's out-**Fees and Expenses:** of-pocket expenses (including the fees and expenses of its counsel and advisors), whether or not any of the transactions contemplated hereby are consummated and whether incurred prior to or after the date of the DIP Order, as well as all expenses of the DIP Lender in connection with the ongoing monitoring, administration, protection and interpretation, enforcement of the DIP Loan and the NOI Proceedings and the enforcement of any and all of its remedies at law (collectively, the "DIP Expenses"). Laws of the Province of Nova Scotia and the federal

Governing Law, Jurisdiction: Laws of the Province of Nova Scotia and the federal laws of Canada applicable in the Province of Nova Scotia. The Borrowers agree to submit to the nonexclusive jurisdiction of the Court.

Amendments, Waivers, Etc.: No amendment or waiver of any provisions of this Term Sheet or consent to any departure by the Borrowers from any provision thereof is effective unless it is in writing and signed by the DIP Lender (and in the case of amendments, the Borrowers). Such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

Notices:Any notice, request, consent, waiver or other
communication hereunder to any of the parties shall
be in writing and be well and sufficiently given if
delivered personally or direct electronic

and the second se	
	transmission, including email, pdf email or "DocuSign" to such person at its address set out on its signature page hereof. Any such notice, request or other communication hereunder shall be concurrently sent to the Proposal Trustee and its counsel. Any such notice shall be deemed to be given and received when received, unless received after 5:00 p.m. Atlantic Standard Time or on a day other than a business day, in which case such notice, request, consent, waiver or other communication shall be deemed to be received on the next following business day.
Entire Agreement:	This Term Sheet constitutes the entire agreement between the parties hereto pertaining to the matters therein set forth and supersede and replace any prior understandings or arrangements pertaining to the DIP Loan. There are no warranties, representations or agreements between the parties in connection with such matters except as specifically set forth herein or in this Term Sheet.
Counterparts and Facsimile Signatures:	This Term Sheet may be executed in any number of
racomine orgnatures.	counterparts, each of which when taken together shall constitute one and the same instrument. Any counterpart of this Term Sheet can be executed and delivered by any manner of direct electronic transmission including without limitation "pdf email" or "DocuSign", each of which shall be deemed to be an original hereof.

[Remainder intentioned left blank; Signature page follows]

IN WITNESS HEREOF, the parties hereby execute this Interim Credit Facility Term Sheet as of February 13, 2025.

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

By: Name: Laurie Coryi For pronopolis+ Ryby Title:/ By: Name: 500 Juec Title: For BSC, 333+455

Atlantic Central

By:

Name: David D'Amours Title: Senior Manager Lending Services