

DISTRICT OF: NOVA SCOTIA

DIVISION NO: 01 – HALIFAX

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

ESTATE NO: 51-3176229

**THIRD 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")**

MARCH 28, 2025

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INTRODUCTION AND BACKGROUND

1. On January 20, 2025 (the “**NOI Filing Date**”), Annapolis Management Inc. (“**AMI**”), BSL Holdings Inc. (“**BSL**”), Ruby LLP (“**Ruby**”), 333715 Nova Scotia Limited (“**333NSL**”) and 4551650 Nova Scotia Limited (“**455NSL**”) filed notices of intention to make a proposal (each, an “**NOI**” and together, the “**NOI Proceedings**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) with the Office of the Superintendent of Bankruptcy (the “**OSB**”). Deloitte Restructuring Inc. (“**Deloitte**” or the “**Proposal Trustee**”) consented to act as the Licensed Insolvency Trustee under each of the NOIs.
2. Pursuant to section 69(1) of the BIA, the commencement of the NOI Proceedings granted an automatic stay of proceedings in favour of the Debtors for 30 days (the “**Stay of Proceedings**”).
3. On January 24, 2025, the Court heard an application brought forward by certain lenders of the Caryi Group (the “**Lenders**”) to have the Stay of Proceedings lifted and have a receiver (the “**Proposed Receiver**”) appointed over the assets of the Caryi Group (the “**Lender Requested Relief**”).
4. On January 27, 2025, the Court denied the Lender Requested Relief.
5. On February 13, 2025, the Caryi Group filed a written submission of the Debtors (the “**Debtors’ Submission**”) with the Court to seek certain relief, including:
 - i. extending the Stay of Proceedings from and including February 18, 2025, up to and including April 4, 2025;
 - ii. authorizing and approving a debtor in possession credit facility (the “**DIP Agreement**”) in the amount of \$750,000;
 - iii. granting the following priority charges against all proceeds thereof (the “**Property**”):
 - a. an Administration Charge in the amount of \$200,000 as security for the payment of the professional fees and disbursements incurred and to be incurred by the Proposal Trustee, counsel to the Proposal Trustee, counsel for the Caryi Group, counsel for the Lenders and their financial advisor (the “**Lenders’ FA**”); and
 - b. a charge in favour of the lender of the DIP agreement (the “**DIP Lender Charge**”) in the amount of \$750,000 as security for the Debtors’ obligations under the DIP Agreement;

- iv. approving the proposed sale and investment solicitation process (the "**SISP**") as outlined in the second report of the Proposal Trustee dated February 14, 2025 (the "**Second Report**");
 - v. approving the activities of the Proposal Trustee as detailed in the first report of the Proposal Trustee dated January 23, 2025 (the "**First Report**") and the Second Report;
 - vi. administratively consolidating the separate notices of intention to make a proposal filed by the Debtors; and
 - vii. amending the style of cause as enumerated in the Court's administrative consolidation order dated February 18, 2025.
6. On February 18, 2025, the Court issued an order granting the requested relief (the "**February 18 Order**").
7. Reference is made to the First Report and the Second Report in the NOI Proceedings.

PURPOSE

8. The purpose of this third report of the Proposal Trustee (the "**Third Report**") is to provide the Court with information on:
- i. the Debtors' activities since the granting of the February 18 Order;
 - ii. the Proposal Trustee's activities since the date of the Second Report;
 - iii. an update on the SISP;
 - iv. an overview the Debtors' actual receipts and disbursements from February 10 to March 23, 2025 as compared to the cash flow forecast (the "**Second Cash Flow Forecast**") that was appended to the Second Report (the "**Variance Report**");
 - v. the Debtors' revised cash flow forecast from March 24 to June 29, 2025 (the "**Third Cash Flow Forecast**"), which is attached to this Third Report as Appendix "**A**";
 - vi. the Debtors' request for an order approving the activities of the Proposal Trustee as set out in this Third Report; and
 - vii. the Debtors' request for an order extending the Stay of Proceedings up to and including May 19, 2025 (the "**Stay Extension Order**").

TERMS OF REFERENCE

9. In preparing this Third 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 Third Report:
- i. The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian audit standards (“**CAS**”) pursuant to the *CPA Canada Handbook* and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under CAS in respect of the Information;
 - ii. Deloitte has prepared this Third Report in its capacity as Proposal Trustee to provide background to the Court for its consideration of the relief being sought. Parties using this Third Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
10. Future-oriented financial information referred to in this Third Report was prepared based on the Debtors’ estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
11. Unless otherwise indicated, the Proposal Trustee’s understanding of the factual matters expressed in this Third Report concerning the Debtors and their businesses is based on the Information and not independent factual determinations made by the Proposal Trustee.
12. Capitalized terms not defined herein have the meaning ascribed to them in the Pre-Filing Report, First Report, Second Report and the affidavits of Joanne Caryi (the “**Caryi Affidavits**”) in these NOI Proceedings.
13. Materials filed with the Court can be found on the Proposal Trustee’s website at <https://www.insolvencies.deloitte.ca/caryigroup> (the “**Proposal Trustee Website**”).

THE DEBTORS' ACTIVITIES

14. Since the granting of the February 18 Order, the Debtors' activities have included, but were not limited to:

- i. continuing to manage the assets of the Caryi Group in the normal course which, among other things, has included:
 - a. dealing with tenant matters, including negotiating new leases;
 - b. maintaining insurance coverage;
 - c. communicating with stakeholders; and
 - d. arranging for repairs and maintenance to be completed.
- ii. continuing discussions with the Caryi Group's real estate broker, Royal LePage Atlantic, regarding the sale of the Debtors' residential property located at 545 Young Avenue in Halifax, Nova Scotia;
- iii. responding to information requests from the Proposal Trustee in a timely fashion;
- iv. submitting disbursement requests (including supporting documentation) to the Proposal Trustee for review prior to any payments being made;
- v. corresponding with Cox & Palmer regarding the collection of a receivable as further discussed below;
- vi. corresponding with the Halifax Regional Municipality ("**HRM**") regarding an order to comply issued on February 24, 2025 (the "**Order to Comply**") for the property located at 1598-1600 Barrington Street, Halifax Nova Scotia as further discussed herein;
- vii. corresponding with the Canada Revenue Agency ("**CRA**") to open post-filing excise tax accounts for the Caryi Group;
- viii. working with the Proposal Trustee to prepare the Third Cash Flow Statement as described further herein; and
- ix. assisting the Proposal Trustee with respect to queries from interested parties as part of the SISP.

Cox & Palmer Accounts Receivable

15. Prior to the NOI Filing Date, the Caryi Group was represented by Cox & Palmer for real estate matters in the normal course.
16. Prior to the NOI filings a residential property (the "**Ogilvie Property**") located on Ogilvie Street in Halifax, Nova Scotia was sold and an agreement was reached with Cox & Palmer to retain funds pending the receipt of a clearance certificate from the CRA.
17. As part of the sale of the Ogilvie Property, funds were disbursed to the property's mortgage lender in the amount of \$788,009 (after closing adjustments).
18. Cox & Palmer currently holds \$229,646 in its trust account relating to the sale of the Ogilvie Property and is still awaiting direction to release \$200,000 to Graysbrook Capital (which the Proposal Trustee understands is the property's second lien lender) upon a determination of the priority of funds being held in Cox & Palmer's trust account.
19. The Proposal Trustee understands that the Caryi Group continues to discuss the residual balance with Cox & Palmer and the Proposal Trustee will provide an update to the Court subsequently in a future report.

Compliance Order

20. One of the buildings owned by the Caryi Group is the property situated at the corners of 1598-1600 Barrington Street and 5212 Sackville Street in Halifax, Nova Scotia. Such property is commonly known as the "**Tramway Building**".
21. The HRM advised the Caryi Group, on April 19, 2024 and February 24, 2025, that it was issuing an Order to Comply. Such Order to Comply advised the Caryi Group that it was in violation of sections 8(a) and 19(1) of the *Nova Scotia Building Code Act* and certain other requirements set out in the regulations of the same act.
22. As part of the Order to Comply, the Debtors are required to engage a professional engineer and undertake certain remedial work to the Tramway Building. Building permits are required to undertake this work and the Debtors are also required to take certain public protective measures to mitigate the risks of falling debris.

23. The Proposal Trustee understands that the Debtors are currently assessing their options with respect to the Order to Comply, have complied with 2 of 3 primary conditions of the Order to Comply, and expect to engage an engineer in the coming days.
24. The Proposal Trustee will further update the Court as the process develops.

THE PROPOSAL TRUSTEE'S ACTIVITIES

25. Since the date of the Second Report, the Proposal Trustee's activities have included, but were not limited to:

- i. attending the hearing related to the February 18 Order;
- ii. participating in daily meetings with Ms. Caryi regarding restructuring matters of the Caryi Group;
- iii. participating in discussions with the Proposal Trustee's legal counsel regarding the administration of the NOI Proceedings;
- iv. participating in discussions with the Lenders' FA regarding matters in the NOI Proceedings which have included, among other things:
 - a. discussing bi-weekly financial variance reports;
 - b. discussing details related to the first DIP Facility draw;
 - c. weekly updates on the SISP;
 - d. miscellaneous administrative matters such as lender approval of *ad hoc* operational expenses;
- v. working with the Debtors to prepare the bi-weekly Variance Analyses;
- vi. working with the Debtors to prepare the Variance Analysis and Third Cash Flow Forecast contained herein;
- vii. reviewing proposed disbursements of the Debtors;
- viii. conducting site visits of the Caryi Group properties with and responding to queries from potential buyers as part of the SISP;
- iv. maintaining the Proposal Trustee's Website;
- v. monitoring the Proposal Trustee's hotline (1-833-712-5155) and email inbox (caryihalifax@deloitte.ca) in order to address stakeholder considerations; and

- vi. filing this Third Report with the Court.

UPDATE ON THE SISP

26. The timeline established for the SISP, which was included as part of the Second Report, is summarized below:

Item	Details
Commencement date	• February 18, 2025
Asset viewings	• February 24, 2025 to April 21, 2025
Offer deadline (the " Offer Deadline ")	• April 21, 2025
Hearing to approve the transaction	• Forthwith after the conclusion of the Offer Deadline
Sale closing	• Within ten (10) business days of the Sale Approval and Vesting Order or such other time as may be agreed by the Purchaser and the Proposal Trustee

27. Subsequent to the granting of the February 18 Order, the Proposal Trustee undertook the following marketing activities pursuant to the SISP (the "**Marketing Activities**"):
- provided the Teaser to 374 interested parties identified by the Proposal Trustee and other stakeholders;
 - advertised the SISP in the Halifax Chronicle-Herald on March 1, 2025;
 - advertised the SISP in the Charlottetown Guardian on March 1, 2025;
 - advertised the SISP with the Insolvency Insider for the period February 22 to March 22, 2025; and
 - advertised the SISP with AllAtlantic for the period February 24 to March 7, 2025.
28. As a result of the Marketing Activities, the Proposal Trustee:
- has executed non-disclosure agreements ("**NDAs**") which granted interested parties access to the Proposal Trustee's virtual data room; and
 - participated in site visits attended organizations or individuals interested in the properties.
29. On March 14, 2025 the Proposal Trustee circulated amendments to the Sale and Investment Solicitation Process ("**Amended SISP**") to prospective buyers from which the Proposal Trustee had received a signed NDA. The Amended SISP included a disclosure regarding the Order to Comply issued on February 24, 2025 and a suggestion to interested parties that independent

inquiries on this matter could be undertaken directly with the HRM following an approval from the Proposal Trustee. Secondly, based on discussions with stakeholders and in aligning with the development potential with respect to the Halifax Club ("**Parcel 3**"), Granville Hall ("**Parcel 4**") and the Sonic Building ("**Parcel 7**") (collectively, the "**Development Properties**"), the Tender Offer included in the SISP was revised to include a new Parcel ("**Parcel 8**") to expressly solicit bids on the Development Properties and the potentially increased value related thereto given their collective development potential. Furthermore, an additional new Parcel ("**Parcel 9**") was added to allow the possibility of an *en bloc* offer for Parcels 1 to 7.

30. The Proposal Trustee continues to respond to bidder requests during the administration of the SISP.

DEBTORS' FINANCIAL POSITION

Variance Analysis

31. The Debtors, with the assistance of the Proposal Trustee, prepared and filed the First Cash Flow Statement for the 4-week period January 27, 2025 to February 23, 2025 as part of the First Report. A prior variance analysis covering the period of January 27 to February 9, 2025 (the "**First Cash Flow Period**") was also included as part of the Second Report. The following table summarizes the Debtors' receipts and disbursements for the subsequent period February 10, 2025 to March 23, 2025 (the "**Second Cash Flow Period**"):

Caryi Group of Companies Variance Analysis				
Opening Ending Description	10-Feb-25 23-Mar-25 Forecast	10-Feb-25 23-Mar-25 Actual	Variance	Variance (%)
Opening cash position	118,484	116,038	(2,446)	(2%)
Receipts				
Revenue - Rent and power recoveries	103,386	130,941	27,555	27%
Revenue - Asset sale	-	5,997	5,997	-
Corporate receivable - Cox & Palmer	40,000	-	(40,000)	(100%)
DIP Financing	200,000	250,000	50,000	25%
HST collected	14,193	20,466	6,273	44%
	357,579	407,404	49,825	14%
Disbursements				
Utilities	46,795	54,803	(8,008)	(17%)
Insurance	13,628	10,375	3,253	24%
Repairs and maintenance	14,400	5,459	8,941	62%
Property management	12,000	4,530	7,470	62%
Corporate disbursements	15,000	30,395	(15,395)	(103%)
Repairs and maintenance contingency fund	15,000	2,193	12,807	85%
HST paid	44,054	52,366	(8,312)	(19%)
	160,877	160,121	756	0%
Restructuring costs				
Proposal trustee	75,000	72,397	2,603	3%
Proposal trustee legal counsel	50,000	54,337	(4,337)	(9%)
Legal counsel to Caryi Group	10,000	18,775	(8,775)	(88%)
Legal counsel to the Lenders	50,000	105,968	(55,968)	(112%)
Financial advisor to the Lenders	50,000	60,643	(10,643)	(21%)
	235,000	312,120	(77,120)	(33%)
Net inflow/ (outflow)	(38,298)	(64,837)	(26,539)	(69%)
Ending cash position	80,186	51,201	(28,985)	(36%)

32. The Proposal Trustee makes the following commentary with respect to the above Variance

Analysis:

- 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. 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 Variance Analysis;
- ii. The following paragraphs detail the Debtors' actual receipts and disbursements, along with the significant variances for the Second Cash Flow Period:

- a. **Revenue – Rent and power recoveries:** The favourable variance in rent is due to a tenant at the 1533 Barrington Street property paying rent for both March and April 2025. Moreover, a commercial tenant at this same property who was significantly behind on rent, and therefore not expected to result in rental income, was not initially factored into the revised cash flow forecast. Such tenant resumed rental payments in February 2025.
- b. **Revenue – Asset sale:** This relates to an equipment sale of the woodworking shop equipment at the 1533 Barrington Street property. Such amount was not initially forecast.
- c. **Corporate receivable - Cox & Palmer:** The unfavourable variance relates to the fact that discussions with Cox & Palmer are ongoing as set out above. The receipt of these funds is included in the Third Cash Flow Forecast.
- d. **Debtor-in-Possession (DIP) Financing:** The favourable variance in DIP Financing receipts is due to the fact that \$250,000 was required by the Debtors given the lower receipts and higher costs being incurred.
- e. **Corporate disbursements:** This includes the commitment fee of \$18,750 and an administrative fee of \$38 for the first DIP draw.
- f. **Repairs and maintenance contingency fund:** The favourable variance in the repairs and maintenance contingency fund relates to fewer-than-expected *ad hoc* repairs and maintenance service requests being received for the properties during the Second Cash Flow Period.
- g. **Restructuring costs – Legal counsel to the lenders:** The unfavourable variance is the result of proceedings and additional legal fees related to the Lender Requested Relief.

Third Cash Flow Statement

33. The Debtors, with the assistance of the Proposal Trustee, prepared the Third Cash Flow for the 14-week period from March 24, 2025 to June 29, 2025 (the “**Third Cash Flow Period**”), a copy of which, along with supporting declarations and assumptions, are attached as Appendix “**A**” to this Third Report, and summarized herein:

Caryi Group of Companies 14 Week Cash Flow Forecast (CAD) For the period March 24 to June 29 2025	
RECEIPTS	
Revenue - Rent and power recoveries	298,724
Corporate receivable - Cox and Palmer	29,646
DIP Financing	450,000
HST collected	40,864
Total Receipts	819,234
OPERATING DISBURSEMENTS	
Utilities	119,962
Insurance	32,875
Repairs and maintenance	50,115
Property management	28,000
Corporate disbursements	21,000
Repairs and maintenance contingency fund	35,000
HST paid	90,079
HST remittances	26,516
Total Disbursements	403,548
RESTRUCTURING COSTS	
Proposal Trustee	272,080
Proposal Trustee legal counsel	46,938
Legal counsel to Caryi Group	37,500
Legal counsel to Lenders	17,353
Financial advisor to Lenders	57,500
Total Restructuring Costs	431,371
Net Inflow/ (Outflow)	(15,684)
Opening Balance	51,201
Cash Flow	(15,684)
Closing Balance	35,517

34. The Third Cash Flow Statement is presented on a weekly basis during the Third Cash Flow Period and represents the Debtors' best estimate of their projected cash flows during the Third Cash Flow Period. The Third Cash Flow Statement has been prepared by the Debtors, using the probable and hypothetical assumptions set out in the notes to the Third Cash Flow Statement (the "**Assumptions**").
35. The Proposal Trustee has reviewed the Third 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:
- i. the Assumptions are not consistent with the purpose of the Third Cash Flow Statement;

- ii. as at the date of the Third Report, the Assumptions are not suitably supported and consistent with the plans for the Debtors or do not provide a reasonable basis for the Third Cash Flow Statement, given the probable and hypothetical assumptions; or
- iii. the Third Cash Flow Statement does not reflect the Assumptions.

36. Since the Third 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 Third 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 Third Cash Flow Statement or relied upon by the Proposal Trustee in preparing this Third Report.

37. As contained within the Third Cash Flow Statement, the Debtors are forecasting to require access to interim financing of up to \$450,000 from the DIP Facility during the Third Cash Flow Period.

PROPOSAL TRUSTEE ACTIVITIES

38. The Debtors are currently seeking the Court's approval of the Proposal Trustee's Third Report, including the Proposal Trustee's conduct and activities described herein.

39. As at the date of the Third Report, the Proposal Trustee is not aware of any objection to the Proposal Trustee's conduct or activities.

STAY EXTENSION

40. The current Stay Period expires on April 4, 2025 and the Debtors are currently seeking an extension of the Stay Period up to and including May 19, 2025 (the "**Extended Stay Period**"). The Proposal Trustee is supportive of the Court extending the Stay Period to the end of the Extended Stay Period as it will allow the Debtors the necessary time to complete the SISP and consummate any transactions that may result therefrom.

41. The Third Cash Flow Statement projects the Debtor will, with the availability of the DIP Facility, have sufficient liquidity through the Extended Stay Period should their requested relief be approved by the Court.

42. The Proposal Trustee is of the view that the Debtors have acted and continue to act in good faith and with due diligence, they would likely be able to make a viable proposal if the extension being applied for were granted, and no creditor would be materially prejudiced if the extension being applied for were granted. Therefore, the Proposal Trustee is of the view that an extension of the Stay Period is appropriate in the circumstances.

CONCLUSION

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

44. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court grant the relief being sought by the Debtors in their motion materials served on March 28, 2025.

All of which is respectively this 28th day of March, 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"
THIRD CASH FLOW STATEMENT

Caryi Group of Companies															
14 Week Cash Flow Forecast (CAD)															
For the period March 24 to June 29 2025															
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Week beginning	24-Mar-25	31-Mar-25	7-Apr-25	14-Apr-25	21-Apr-25	28-Apr-25	5-May-25	12-May-25	19-May-25	26-May-25	2-Jun-25	9-Jun-25	16-Jun-25	23-Jun-25	
Week ending	30-Mar-25	6-Apr-25	13-Apr-25	20-Apr-25	27-Apr-25	4-May-25	11-May-25	18-May-25	25-May-25	1-Jun-25	8-Jun-25	15-Jun-25	22-Jun-25	29-Jun-25	Total
Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
RECEIPTS															
Revenue - Rent and power recoveries	-	94,917	-	-	-	99,771	-	-	-	104,036	-	-	-	-	298,724
Corporate receivable - Cox and Palmer	-	-	29,646	-	-	-	-	-	-	-	-	-	-	-	29,646
DIP Financing	-	150,000	-	-	-	50,000	-	-	-	100,000	-	-	150,000	-	450,000
HST collected	12,923	-	-	-	13,651	-	-	-	14,290	-	-	-	-	-	40,864
Total Receipts	12,923	244,917	29,646	-	13,651	149,771	-	-	14,290	204,036	-	-	150,000	-	819,234
OPERATING DISBURSEMENTS															
Utilities	-	32,616	-	-	-	30,767	-	-	-	29,363	-	-	-	27,216	119,962
Insurance	-	11,057	-	-	-	10,909	-	-	-	10,909	-	-	-	-	32,875
Repairs and maintenance	-	22,965	-	-	-	23,685	-	-	-	3,465	-	-	-	-	50,115
Property management	4,000	-	4,000	-	4,000	-	4,000	-	4,000	-	4,000	-	4,000	-	28,000
Corporate disbursements	-	6,000	-	-	-	5,000	-	-	-	5,000	-	-	-	5,000	21,000
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	2,500	2,500	2,500	35,000
HST paid	375	23,957	525	375	375	24,675	375	375	375	23,297	375	375	375	14,250	90,079
HST remittances	-	9,700	-	-	-	7,975	-	-	-	8,841	-	-	-	-	26,516
Total Disbursements	6,875	108,795	7,025	2,875	6,875	105,512	6,875	2,875	6,875	83,375	6,875	2,875	6,875	48,966	403,548
RESTRUCTURING COSTS															
Proposal Trustee	-	97,080	-	-	-	50,000	-	-	-	75,000	-	-	-	50,000	272,080
Proposal Trustee legal counsel	-	6,938	-	-	-	10,000	-	-	-	10,000	-	-	-	20,000	46,938
Legal counsel to Caryi Group	-	7,500	-	-	-	10,000	-	-	-	10,000	-	-	-	10,000	37,500
Legal counsel to Lenders	-	4,853	-	-	-	5,000	-	-	-	5,000	-	-	-	2,500	17,353
Financial advisor to Lenders	-	7,500	-	-	-	15,000	-	-	-	25,000	-	-	-	10,000	57,500
Total Restructuring Costs	-	123,871	-	-	-	90,000	-	-	-	125,000	-	-	-	92,500	431,371
Net Inflow/ (Outflow)	6,048	12,252	22,621	(2,875)	6,776	(45,741)	(6,875)	(2,875)	7,415	(4,339)	(6,875)	(2,875)	143,125	(141,466)	(15,684)
Opening Balance	51,201	57,249	69,500	92,121	89,246	96,022	50,281	43,406	40,531	47,947	43,608	36,733	33,858	176,983	51,201
Cash Flow	6,048	12,252	22,621	(2,875)	6,776	(45,741)	(6,875)	(2,875)	7,415	(4,339)	(6,875)	(2,875)	143,125	(141,466)	(15,684)
Closing Balance	57,249	69,500	92,121	89,246	96,022	50,281	43,406	40,531	47,947	43,608	36,733	33,858	176,983	35,517	35,517

Dated at Halifax, Nova Scotia this 28th day of March, 2025

As prepared by the Applicants detailed in Appendix "A"

On Behalf of the Cary Group of Companies:

DocuSigned by:

 1521CD63B8904A0...

Signed (Ms. Joanne Caryi)

**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 "THIRD CASH
FLOW STATEMENT")**

FOR THE PERIOD MARCH 24 TO JUNE 29, 2025 (the "THIRD CASH FLOW PERIOD")

The Third 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 Third 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 4, 2025. Readers are cautioned that the Third Cash Flow Forecast may not be appropriate for any other purpose.

The Third 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 Third Cash Flow Statement incorporates the operations of the five individual companies comprising the Caryi Group.
2. The Third Cash Flow Statement for the period March 24 to June 29, 2025 (the "**Third 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 Third Cash Flow Statement. Deloitte notes that while the Third Cash Flow Statement was prepared on a consolidated basis, each Debtor comprising the Caryi Group has forecast its own cash flows.
3. Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the financial information in the Third 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 Third Cash Flow Statement.
4. Some of the information referred to in the Third 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 Third 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 Third 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 - \$298,724*

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 Third Cash Flow Period.

Corporate receivable (Cox & Palmer) - \$29,646

This line item consists of residual funds from the sale of real estate prior to the NOI Filing Date. An amount of \$40,000 was initially anticipated in the First and Second Cash Flow Statements however this was subsequently revised following fees charged by Cox and Palmer and is not expected to change.

Debtor-in-possession (DIP) financing - \$450,000

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

HST collected - \$40,864

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

8. DISBURSEMENTS*Utilities - \$119,962*

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

Insurance - \$32,875

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 - \$50,115

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 relate to carrying out actions related to the Order to Comply for the 5212 Sackville Street property and include an associated fixed cost outlay for scaffolding and similar minor expenses.

Property management - \$28,000

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

Corporate disbursements - \$21,000

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 - \$35,000

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 - \$90,079

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 - \$26,516

This amount relates to an estimate of harmonized sales tax remittances based on the forecasted receipts and disbursements, as mentioned above.

Restructuring costs - \$431,371

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

On Behalf of the Caryi Group of Companies:

Per:

DocuSigned by:
Joanne Caryi
1521CD63B8904A0...

Signed (Ms. Joanne Caryi)
Director

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

-- FORM 29 --

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

The attached statement of projected cash flow of the Caryi Group, as of March 28, 2025, consisting of the fourteen-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 28th day of March 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee

Per:



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



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

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

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

Purpose:

To support the Debtors' intent to file a proposal

Projection Notes:

Attached to Form 30.

Assumptions:

Set out in Notes 1 through 8.

Dated at the City of Halifax in the Province of Nova Scotia, this 28th day of March 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee

Per:



James Foran – Licensed Insolvency Trustee
1741 Lower Water Street, Suite 800,
Halifax, NS B3J 0J2
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District of: Nova Scotia
Division No. 01-Halifax
Court No. 46008/46006/46009/46007/46005
Estate No. 51-3176229

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

The management of the Caryi Group has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent debtors, as of March 28, 2025, consisting of the fourteen-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 28th day of March 2025.

On Behalf of the Caryi Group:

Per:

DocuSigned by:
Joanne Caryi
1521CD63B8904A0...

Signed (Ms. Joanne Caryi)
Director

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

-- FORM 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 28th day of March 2025.

DocuSigned by:

1521CD63B8904A0...
Signed (Ms. Joanne Caryi)
Director

Appendix "A"
List of Applicants

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