



A2A Group Investor FAQs

On November 14, 2024 (the **"Filing Date"**), on the application of certain Canadian investors, the Court of King's Bench of Alberta (the **"Court"**) issued an Initial Order (the **"Initial Order"**) which, among other things, commenced proceedings under the *Companies' Creditors Arrangement Act* (**"CCAA"**) with respect to A2A Capital Services Canada Inc. and the Applicants listed in Schedule **"A"** attached hereto (collectively, the **"Companies"** or the **"A2A Group"**). The Initial Order grants the Companies protection from creditors and appoints Alvarez & Marsal Canada Inc. (**"Alvarez & Marsal"**) as CCAA Monitor of the A2A Group (the **"Monitor"**) to oversee the CCAA proceedings.

The Monitor will file an additional application returnable on November 21, 2024 at 2:00pm MST (the **"Comeback Application"**) seeking an amended and restated initial order.

These FAQs should be read in conjunction with all Court materials and other relevant documents posted to the website: www.alvarezandmarsal.com/A2A.

1. What is the CCAA?

The CCAA is a federal law in Canada that allows financially challenged companies the opportunity to restructure their affairs or complete a sale of their business under court supervision, and that provides companies with time and protection from creditors while they implement such a restructuring and/or sale transaction. The Companies are not in bankruptcy or receivership. The Initial Order was sought under the CCAA to allow the Monitor to develop strategic alternatives to maximize value for all stakeholders of the Companies, under a "stay of proceedings". This means that other creditors may not take enforcement steps or seek recourse against the Companies or its property to give the Monitor time to develop a monetization strategy for stakeholders.

2. Which entities are affected by the filing?

The following entities are affected by the CCAA filing: Angus A2A GP Inc., Angus Manor Park A2A GP Inc., Angus Manor Park A2A Capital Corp., Angus Manor Park A2A Developments Inc., Hills of Windridge A2A GP Inc., Windridge A2A Developments, LLC, Fossil Creek A2A GP Inc., Fossil Creek A2A Developments, LLC, A2A Developments Inc., Serene Country Homes (Canada) Inc., A2A Capital Services Canada Inc., Angus A2A Limited Partnership, Angus Manor A2A Limited Partnership, Hills of Windridge A2A LP, Hills of Windridge A2A Trust, Fossil Creek A2A Limited Partnership, and Fossil Creek A2A Trust.

3. Why has there been a filing for protection under the CCAA?

A group of Canadian investors (the **"Applicant Investors"**) applied for the Initial Order pursuant to the CCAA. The Applicant Investors allege an apparent lack of governance or controls within the A2A Group, and conduct from the Companies' management demonstrating disregard for the interests of the investors, including:

- failing to provide updates to investors regarding the projects for at least six years;
- failing to produce financial statements to the investors;
- failing to maintain certain of the corporations and other legal entities in good standing;
- failing to advance the real estate development projects;
- failing to properly account for the funds received from the investors; and

- failing to provide returns or ownership interests intended under the offering memoranda and other applicable agreements.

4. Who oversees the Companies?

The Monitor has been given enhanced powers to operate the Companies, stepping into the shoes of management to ensure that assets are protected for the benefit of stakeholders. Current management and directors of the Companies currently have no further power to manage the day to day affairs of the Companies.

5. Who is the Monitor?

Alvarez & Marsal was appointed by the Court as the CCAA Monitor of the A2A Group. The Monitor is an independent third party and is an officer of the Court.

The Monitor's role is to assist the Companies with restructuring their affairs, including monitoring the Companies' ongoing operations and cash flow during the process, and assisting the Companies with other matters related to the CCAA proceedings. As noted above, in this proceeding, the Monitor is also authorized to operate the Companies to the exclusion of existing management and directors.

6. Who is funding the proceeding?

An interim financing facility through Pillar Capital Corp. ("**Pillar**") has been obtained to allow the Companies to borrow funds to pay the necessary expenses within these proceedings.

7. Which projects are including in the filing?

The following projects are included in the CCAA filing:

- Angus Manor Park
- Trails of Fossil Creek
- Hills of Windridge

Fasken Martineau DuMoulin LLP ("**Fasken**") has been appointed as representative counsel for Canadian investors. Canadian investors who invested in Angus Manor Park, Trails of Fossil Creek or Hills of Windridge are encouraged to contact Rob Petersen, a consultant of the Monitor, at robp@azimuth.support with details of their investment, who can coordinate concerns with Fasken.

8. How is my investment impacted? When will I see a return on my investment?

The strategy to monetize the projects and provide investors their returns has not yet been finalized. The Monitor intends to investigate the status of each project and determine an optimal strategy to provide stakeholders with an efficient process. The Monitor will also investigate if there are concept planning funds or other reserve funds which may exist, in order to determine how best to fund the projects within the proceeding.

At the Comeback Application, the Monitor will seek to increase charges on the property of the Companies and expand the charges to attach to the undivided financial interests of certain investors in real estate purchased through investments raised by one or more of the Companies. Such charge will rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise in favour of any person. The purposes of the charges are to secure payment for the professionals involved in the proceeding and to secure the funding made available by an interim lender. These amounts,

in aggregate, are expected at this time to be \$2,500,000 (excluding interest, costs and expenses) and are secured against all of the projects included in the CCAA filing.

9. What if I am invested in a different project and share similar concerns raised by the Applicant Investors?

Canadian investors invested in other projects are encouraged to contact the Monitor at A2A@alvarezandmarsal.com with details of the projects they are invested in and any concerns they have with their investment.

10. What if I am an offshore investor?

Norton Rose Fulbright Canada LLP ("**Norton Rose**") has been appointed as representative counsel for offshore investors. Offshore investors invested in Angus Manor Park, Trails of Fossil Creek or Hills of Windridge are encouraged to contact Rob Petersen, a consultant of the Monitor, at rbp@azimuth.support with details of their investment, who can coordinate concerns with Norton Rose.

Offshore investors invested in other projects are encouraged to contact the Monitor at A2A@alvarezandmarsal.com with details.

11. Where can I find information on the CCAA proceedings?

Additional information, including Court materials, notices and any reports filed by the Monitor, will be made publicly available on the Monitor's website at www.alvarezandmarsal.com/A2A.

Schedule "A"

Applicants

Canadian Entities

- A2A CAPITAL SERVICES CANADA INC.
- SERENE COUNTRY HOMES (CANADA) INC. ¹
- A2A DEVELOPMENTS INC. ²
- ANGUS A2A GP INC.
- ANGUS MANOR PARK A2A DEVELOPMENTS INC. ³
- ANGUS MANOR PARK CAPITAL CORP.
- ANGUS MANOR PARK A2A GP INC.
- FOSSIL CREEK A2A GP INC.
- HILLS OF WINDRIDGE A2A GP INC.

US Entities

- FOSSIL CREEK A2A DEVELOPMENTS, LLC ⁴
- WINDRIDGE A2A DEVELOPMENTS, LLC ⁵

Non-Applicant Stay Entities

Canadian Entities

- ANGUS A2A LIMITED PARTNERSHIP
- ANGUS MANOR PARK A2A LIMITED PARTNERSHIP
- FOSSIL CREEK A2A TRUST
- HILLS OF WINDRIDGE A2A TRUST
- FOSSIL CREEK A2A LIMITED PARTNERSHIP
- HILLS OF WINDRIDGE A2A LIMITED PARTNERSHIP

¹ f/k/a A2A CAPITAL MANAGEMENT INC.

² f/k/a A2A MEAFORD INC.

³ f/k/a 2327812 ONTARIO INC.

⁴ f/k/a RIVERS EDGE A2A DEVELOPMENTS, LLC

⁵ f/k/a WHITE SETTLEMENT A2A DEVELOPMENTS, LLC