

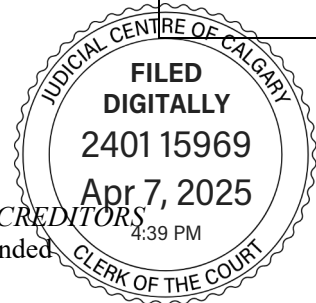
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COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, RSC 1985, c C-36, as amended



AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF A2A CAPITAL SERVICES CANADA
INC., SERENE COUNTRY HOMES (CANADA) INC., A2A
DEVELOPMENTS INC., and the other entities listed in
Appendix "A" hereto

DOCUMENT **FIFTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

April 7, 2025

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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INTRODUCTION

1. On November 14, 2024, on the application of an ad hoc group of Canadian investors in various real estate and land investment projects (the "**Applicant Investors**"), the Court of King's Bench of Alberta (the "**Court**") issued an initial order (the "**Initial Order**") which, among other things, commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") and appointed Alvarez & Marsal Canada Inc. ("**A&M**") as the CCAA monitor with enhanced powers (in such capacity, the "**Monitor**").
2. On November 18, 2024, the Monitor filed an application returnable on November 21, 2024 (the "**Comeback Application**") seeking an amended and restated initial order.
3. The entities which are subject to relief under the CCAA as "debtor companies" are A2A Capital Services Canada Inc. ("**A2A CSC**"), Serene Country Homes (Canada) Inc. ("**Serene Canada**"), A2A Developments Inc. ("**A2A Developments**"), Angus A2A GP Inc. ("**Angus GP**"), Angus Manor Park A2A Developments Inc. ("**Angus Manor Developments**"), Angus Manor Park Capital Corp. ("**Angus Manor Capital**"), Angus Manor Park A2A GP Inc. ("**Angus Manor GP**"), Fossil Creek A2A GP Inc. ("**Fossil GP**"), Hills of Windridge A2A GP Inc. ("**Windridge GP**") and US entities Fossil Creek A2A Developments, LLC ("**Fossil Creek LLC**") and Windridge A2A Developments, LLC ("**Windridge LLC**" and collectively, the "**Debtor Companies**"). Fossil USA and Windridge USA are collectively referred to as the "**US LLCs**" and the remaining debtor companies are referred to as the "**Canadian Debtors**").
4. The Initial Order also extended the stay of proceeding to certain non-Debtor Companies, namely the following Canadian entities: Angus A2A Limited Partnership ("**Angus LP**"), Angus Manor Park A2A Limited Partnership ("**Angus Manor LP**"), Fossil Creek A2A Trust, Hills of Windridge A2A Trust, Fossil Creek A2A Limited Partnership ("**Fossil LP**") and Hills of Windridge A2A Limited

Partnership ("**Windridge LP**" and collectively, the "**Affiliate Entities**"). The Debtor Companies and the Affiliate Entities are collectively referred to as the "**A2A Group**".

5. Amongst other things, the Initial Order:
 - a) granted a stay of proceedings (the "**Stay Period**"), for an initial period up to and including November 24, 2024 (the "**Initial Stay Period**");
 - b) appointed Fasken Martineau DuMoulin LLP ("**Fasken**" or "**Canadian Rep Counsel**") as representative counsel for all Canadian investors in the Business and Property of the Debtor Companies and the Affiliate Entities, including without limitation, the Applicant Investors (the "**Canadian Investors**");
 - c) appointed Norton Rose Fulbright Canada LLP ("**NRF**" or the "**Offshore Rep Counsel**" and together with Canadian Rep Counsel, "**Representative Counsel**") as representative counsel for all non-Canadian investors in in the Business and Property of the Debtor Companies and Affiliate Entities (the "**Offshore Investors**" and together with the Canadian Investors, the "**Investors**"), as more particularly described herein;
 - d) declared that the Affiliate Entities shall have the same benefit, and the same protections and authorizations provided to the Debtor Companies notwithstanding that these entities are not a "company" within the meaning of the CCAA;
 - e) authorized the Debtor Companies to enter into an interim financing agreement with Pillar Capital Corp. ("**Pillar**" or the "**Interim Lender**") and to borrow from Pillar the initial principal amount of \$500,000 with the ability to borrow up to \$2,000,000 (the "**Interim Financing**");
 - f) granted the following charges over the Property in the following relative priorities:

- i. First – a charge in favour of the Monitor, its legal counsel, Canadian Rep Counsel and Offshore Rep Counsel (the "**Initial Administration Charge**") to a maximum amount of \$250,000; and
 - ii. Second – a charge in favour of Pillar in respect of the Interim Financing to a maximum amount of \$500,000 (the "**Initial Interim Lender's Charge**"); and
 - g) authorized the Monitor to act as "Foreign Representative" of the A2A Group, in order to apply for a Temporary Restraining Order in the US and subsequently apply to commence ancillary insolvency proceedings under chapter 15 of Title 11 of the US Bankruptcy Code (the "**Chapter 15 Proceeding**") in the US Bankruptcy Court for the Northern District of Texas (the "**US Bankruptcy Court**").
6. The Initial Order, along with the application materials and all other documents filed in the CCAA Proceedings, are posted on the Monitor's website at: www.alvarezandmarsal.com/A2A (the "**Monitor's Website**").
7. Capitalized terms not otherwise defined in this Fifth Report (the "**Fifth Report**") are as defined in the ARIO, the Monitor's Previous Reports¹, or such other materials filed by the Applicant Investors in support of the Initial Order.
8. During the Comeback Application, the Court granted an order extending the Stay Period to November 26, 2024. On November 25, 2024, the Court issued an amended and restated initial order (the "**ARIO**") which provided for, among other things, an extension of the Stay Period up to and including December 18, 2024.

¹ The Monitor's Previous Reports include the Pre-Filing Report of the Monitor dated November 13, 2024 (the "**Pre-Filing Report**"), the Monitor's First Report dated November 20, 2024 (the "**First Report**"), the First Supplement to the First Report dated November 22, 2024, the Second Supplement to the First Report dated November 25, 2024, the Monitor's Second Report dated November 28, 2024 (the "**Second Report**"), the Monitor's Third Report dated December 13, 2024 (the "**Third Report**"), the First Supplement to the Third Report of the Monitor dated December 17, 2024, the Monitor's Fourth Report dated February 19, 2025 (the "**Fourth Report**"), the First Supplement to the Fourth Report of the Monitor dated February 24, 2025 (the "**Supplement to the Fourth Report**").

9. On November 29, 2024, the Monitor appeared before this Honourable Court (the "**November 29 Hearing**") to make an application requesting an order (the "**November 29 Order**") granting an increase to the Initial Interim Lender's Charge from \$500,000 to \$1,250,000 plus the amount of all interest, fees and expenses in respect of the principal amount advanced with respect to the Interim Financing (the "**Amended Interim Lender's Charge**"). The November 29 Order was granted.
10. On December 16, 2024, counsel to the US LLC Debtors and counsel to the Canadian Debtors served an application returnable December 20, 2024, seeking an order to extend the time to appeal the Initial Order (the "**Appeal Time Extension Application**").
11. On December 18, 2024, the Court issued an order which extended the Stay Period up to and including December 20, 2024.
12. On December 23, 2024, the Court provided Reasons for Decision (the "**December Reasons**"), which dismissed the Appeal Time Extension Application.
13. On December 20, 2024, the Monitor appeared before this Honourable Court (the "**December 20 Hearing**") to make an application requesting an order (the "**December 20 Order**") granting an increase to the Initial Administration Charge (in the amount of \$750,000 subordinate to the Amended Interim Lender's Charge) from \$250,000 to \$1,000,000 (the "**Amended Administration Charge**"), approving the fees of the Monitor and Monitor's Counsel, as defined and set out in the Third Report and extending the Stay Period up to and including January 17, 2025. The December 20 Order was granted, but adjourned certain relief under the Comeback Application to a hearing set in January 2025 (collectively, the "**January Hearing**")
14. On January 17, 2025, at the January Hearing, the Court issued an order which, among other things, extended the Stay Period up to and including February 14, 2025.

15. On January 29, 2025, the Court provided Reasons for its Decision (the "**January Reasons**"), which, among other things:
 - a) dismissed the A2A Group application to set aside the Initial Order and ARIO and confirmed the CCAA proceedings to be appropriate; and
 - b) directed the Monitor to provide, within 21 days from the date of the January Reasons, "a plan for gaining control of the Windridge lands and the proceeds of the sales of the Windridge lands and Fossil Creek lands to the Court." (the "**Texas Plan**").
16. On February 11, 2025, the Court granted an order extending the Stay Period to March 4, 2025. The Stay Period was subsequently extended to March 7, 2025.
17. The following applications for permission to appeal were heard of March 6, 2025:
 - a) US LLCs' application for permission to appeal the December Reasons (File No. 2501-0019AC);
 - b) US LLCs' application for permission to appeal the Initial Order (File No. 2401-0353AC);
 - c) US LLCs' application for permission to appeal the ARIO (File No. 2401-0352AC);
 - d) Windridge GP and Fossil GP's application for permission to appeal the ARIO (File No. 2401-0350AC);
 - e) US LLCs application for permission to appeal the January Reason (File No. 2501-0350AC); and
 - f) Windridge GP and Fossil GP's application for permission to appeal the January Reasons (File No. 2501-0353AC).(the "**Appeal Applications**").

18. As at the date of this Report, no decisions on the Appeal Applications have been released.
19. On March 5, 2025, the Court granted an order, among other things:
- a) approving the Texas Plan;
 - b) extending the Stay Period to April 30, 2025;
 - c) granting an increased the Amended Administration Charge from \$1,000,000 to \$2,500,000, with the following relative priorities:
 - i. First – a Prioritized Administration Charge, to a maximum amount of \$250,000;
 - ii. Second – the Amended Interim Lender's Charge to a maximum amount of \$1,250,000 plus the amount of all interest, fees and expenses in respect of the principal amount advanced with respect to the Interim Financing; and
 - iii. Third – a Subordinated Administration Charge, to a maximum of \$2,250,000; and
 - d) approving the fees of the Monitor and Monitor's Counsel, as defined and set out in the First Supplement to the Fourth Report.

PURPOSE

20. The purpose of this Fifth Report is to provide information to this Honourable Court in respect of the following:
- a) the activities of the Monitor since the filing of the Supplement to the Fourth Report, including an update on the implementation of the Texas Plan;
 - b) the proposed sale process for the Angus Manor lands (the "**Angus Manor Sale Process**");

- c) the actual cash flow results compared to the cash flow forecast updated in the First Supplement to the Fourth Report;
- d) an updated cash flow forecast through to June 30, 2025 (the "**Updated CF Forecast**");
- e) the Monitor's request for approval of the professional fees and disbursements of the Monitor and Monitor's Counsel (as defined below);
- f) the Monitor's request for approval of the conduct of the Monitor; and
- g) the Monitor's request to extend the stay of proceedings to June 30, 2025.

21. This Fifth Report should be read in conjunction with the materials filed in the CCAA Proceedings.

TERMS OF REFERENCE AND DISCLAIMER

22. As at the date of this Fifth Report, a significant amount of the Requested Information (as defined in the ARIO) has not been provided by the Debtor Companies to the Monitor. As such, the Monitor has provided observations and views to the best of its ability with the information that was provided.

23. In preparing this Fifth Report, A&M, in its capacity as the Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the A2A Group and has held discussions with certain members of the A2A Group's management and their respective counsel and certain directors. Except as otherwise described in this Fifth Report, in respect of the Debtor Companies' cash flow forecast:

- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor 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 Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

- b) some of the information referred to in this Fourth Supplement to the Fourth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

- 24. Future-oriented financial information referred to in this Fifth Report was prepared based on the Monitor's estimates and assumptions considering the Information available to the Monitor. 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.
- 25. Unless otherwise stated, all monetary amounts contained in this Fifth Report are expressed in Canadian dollars.

ACTIVITIES OF THE MONITOR

- 26. Since the filing of the Supplement to the Fourth Report, the Monitor's activities to date have included the following:
 - a) attending the Court hearing on March 3, 2025 for the Monitor's Application to approve the Texas Plan;
 - b) preparing and filing this Fifth Report;
 - c) engaging with Cassels Brock & Blackwell LLP ("**Cassels**"), the Monitor's Canadian counsel, and Reed Smith LLP ("**Reed Smith**"), the Monitor's US counsel (collectively, the "**Monitor's Counsel**"), Representative Counsel and the Monitor's consultants Azimuth Risk

Management Inc. ("**Azimuth**") regarding various matters pertaining to these CCAA Proceedings;

- d) conducting meetings and communication with Pillar Capital Corp., the Interim Lender;
- e) communicating with Canadian Rep Counsel and Offshore Rep Counsel for the purposes of providing updates regarding the provision of information by the A2A Group;
- f) engaging meetings with real estate brokers to discuss retention regarding the Angus Manor Sale Process;
- g) conducting various meetings with Cassels, Reed Smith and Representative Counsel regarding the Chapter 11 Proceeding (defined and discussed below);
- h) attending a meeting with a representative with the Office of the US Trustee; and
- i) reviewing various investor communications.

US CHAPTER 11 PROCEEDINGS

- 27. On March 17, 2025, the US LLCs each filed voluntary petitions for relief under chapter 11 of Title 11 of the US Bankruptcy Code (the "**Chapter 11 Case**") in the US Bankruptcy Court. The Chapter 11 Proceed is not jointly administered. On the same day, the US LLCs each filed a Motion for Entry of an Order (i) Confirming the Automatic Stay Applied to All Assets of the Debtors Wherever Located; (ii) Extending the Automatic Stay to Debtor Property Held in the Name of Nondebtor Entities, or (iii) in the Alternative Imposing the Automatic Stay to Debtor Property Held in the Name of Nondebtors (the "**Motion**").
- 28. On April 4, 2025, counsel for the Hills of Windridge, LP and Trails of Fossil Creek Properties, LP filed an objection to the Motion.

29. A meeting of the creditors in the Chapter 11 Case is schedule for April 23, 2025.

ANGUS MANOR SALE PROCESS

30. Angus Manor consists of a 167 acres residentially zoned land over two parcels and is legally described as follows:

- a) PT LT 28 CON 5 ESSA TWP AS IN R0346115 SECONDLY TOWNSHIP OF ESSA; and
- b) PT LT 28 CON 5 ESSA TW; PT LT 29 CON 5 ESSA BEING PT 2 51R16117 TOWNSHIP OF ESSA

(the "**Angus Manor Lands**").

31. On February 12, 2025 the Monitor arranged for a meeting with Royal LePage Real Estate Services Ltd. ("**Royal LePage**"), the former real estate broker of Angus Manor, to discuss the possibility of meeting with the identified proposed purchaser of Angus Manor to assist in better understanding how a potential transaction may be structured and what conditions the parties may advance discussions. During that meeting, Royal LePage advised that the proposed purchase of Angus Manor had not conducted any due diligence when they submitted their offer, as they were awaiting the seller's conditions to be waived (which, among other things, included the co-owners vote and resolution to pass).
32. At the conclusion of the meeting, Royal LePage advised that they would pass along the Monitor's contact information to the proposed purchaser and their broker. To date, the Monitor has had no further communication from Royal LePage, and has not had any communication from the proposed purchaser nor their broker. The Monitor did not assume the listing agreement with Royal LePage and notes that it expired on November 30, 2024.
33. As a result, the Monitor has developed a strategy to monetize the assets to maximize realizations for the stakeholders of the estate.

34. The ARIO empowers and authorizes the Monitor to, among other things:
- a) retain and employ consultants, agents and experts; and
 - b) market, sell, convey, transfer, lease or assign the Property or any part of parts of the Property out of the ordinary course of business, including running a sales solicitation process without the approval of this Court, in respect of any one transaction not exceeding \$500,000 or \$1,000,000 in the aggregate and with the approval of this Court in respect of any other transaction.
35. Notwithstanding the power to market and sell the Property included in the ARIO, the Monitor is requesting that the Court issue an order approving the proposed Angus Manor Sale Process.
36. The Monitor (in consultation with Representative Counsel and the Interim Lender) intends to engage an independent real estate brokerage with experience in real estate acquisition, asset divestiture activities and experience in the sale of distressed assets in the insolvency context. The Monitor will consider the mix of work fee and success fee (including a split with or without a cooperating broker) selecting the preferred real estate broker (the "**Sale Advisor**").
37. The Sale Advisor, with assistance provided by the Monitor, will conduct a sale process pursuant to the proposed Angus Manor Sale Process.

Summary of the Angus Manor Sale Process

38. All qualified interested parties will be provided with an opportunity to participate in the Angus Manor Sale Process. The Angus Manor Sale Process is intended to find the highest and/or best offer for a sale of the Angus Manor Lands.
39. Any transaction involving the Angus Manor Lands will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Monitor or any of its respective agents,

estates, advisors, professionals or otherwise, except to the extent set forth in a written agreement with the person who is a counterparty to such transaction.

40. Given the nature of the Angus Manor Lands, the Sale Advisor (with the support of the Monitor) will not affix a bid deadline; instead, the Sale Advisor will go to market with a listing price. In the event there appears to be competition as between potential purchasers, the Sale Advisor will affix a bid deadline approximately ten business days upon receipt of an acceptable offer and notify all past interested parties of same.
41. Any transaction entered into pursuant to the Sale Process will be done so in consultation with Representative Counsel, the Interim Lender and any other interested stakeholders.

Monitor's Views on the Angus Manor Sale Process

42. The Angus Manor Sale Process will allow the Monitor to go to market without an established bid deadline, but with the flexibility to affix a bid deadline should there be competition from interested parties for the sale of the Property (by way of a sale approval and vesting order).
43. The Monitor is of the respectful view that the implementation of the proposed Angus Manor Sale Process is appropriate under the circumstances, and recommends that it be approved by this Honourable Court for the following reasons:
 - a) the Angus Manor Sale Process provides a fair and transparent process which will be conducted in such a manner as to give potential bidders equal access to express their interest in making an offer for the Property;
 - b) it provides for a marketing process to sufficiently expose the Property to the market;

- c) the Monitor is not aware of any stakeholder that appears to be prejudiced by the process;
- d) the selected Sale Advisor will have sufficient experience in marketing distressed companies in these types of circumstances; and
- e) the proposed marketing process is supported by the Representative Counsel.

CASH FLOW RESULTS & VARIANCE EXPLANATIONS

44. In the First Supplement to the Fourth Report, the Monitor prepared a weekly cash flow forecast for the ten-week period from February 22, 2025 to May 2, 2025, using the probable and hypothetical assumptions set out in the notes thereto.
45. Actual cash flows incurred for the six-week period through April 4, 2025 are as follows:

| A2A Group Six Week Cash Flow Forecast Variance <i>unaudited, CDN \$000s (USD amounts translated at 1.43)</i> | | | |
|--------------------------------------------------------------------------------------------------------------------|------------------|------------------|----------------|
| | Forecast | Actual | Variance |
| Professional Fees | - | (58.3) | (58.3) |
| Total Disbursements | - | (58.3) | (58.3) |
| Professional Fees | (888.0) | (240.6) | 647.4 |
| Professional Fee Disbursements | (26.7) | (1.4) | 25.3 |
| Sales Tax | (44.4) | (11.5) | 32.9 |
| Contingency | (95.9) | - | 95.9 |
| Total Accrued Disbursements | (1,055.0) | (253.5) | 801.5 |
| Net Cash Flow | (1,055.0) | (311.8) | 743.2 |
| Opening Cash | 108.5 | 108.5 | - |
| Interim Financing | - | - | - |
| Administration Charge | 1,055.0 | 253.5 | (801.5) |
| Net Cash Flow | (1,055.0) | (311.8) | 743.2 |
| Ending Cash | 108.5 | 50.2 | (58.3) |
| Opening Administration Charge | 886.8 | 886.8 | - |
| Allocated (Accrued) | 1,055.0 | 253.5 | (801.5) |
| Allocated (Paid) | - | (58.3) | (58.3) |
| Closing Administration Charge | 1,941.8 | 1,082.0 | (859.8) |
| Opening Interim Financing | (1,250.0) | (1,250.0) | - |
| Interim Financing Funded | - | - | - |
| Interim Financing Fees | - | - | - |
| Interest Reserve & Fee Holdback | - | - | - |
| Closing Interim Financing | (1,250.0) | (1,250.0) | - |

46. The actual cash flows were \$58,300 higher than forecast due to the payment of certain professional fees. Accruals for professional fees and related expenses were substantially less than forecast due to:
- a) professional fee accruals for February being \$188,500 lower than forecast; and
 - b) professional fee accruals for March which were included in the forecast were \$613,000. No invoices from professionals have been received to date, thus they have not been included in the actual accruals.

UPDATED CASH FLOW FORECAST

47. The Monitor has prepared a weekly Updated CF Forecast for the 12-week period from April 5, 2025 to June 27, 2025 (the "**Forecast Period**"), using the probable and hypothetical assumptions set out in the notes to the Updated CF Forecast. A copy of the Updated CF Forecast, together with a summary of the assumptions are attached hereto as Appendix "**B**", respectively.
48. The Updated CF Forecast is summarized below:

| A2A Group 12 Week Cash Flow Forecast for the period ending June 27, 2025 <i>unaudited, CDN \$000s (USD amounts translated at 1.43)</i> | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| | Total |
| Other Receipts | - |
| Total Receipts | - |
| Other Disbursements | - |
| Total Disbursements | - |
| Professional Fees | (1,075.5) |
| Professional Fee Disbursements | (32.3) |
| Sales Tax | (28.8) |
| Contingency | (113.6) |
| Total Accrued Disbursements | (1,250.2) |
| Net Cash Flow | (1,250.2) |
| Opening Cash | 50.2 |
| Interim Financing | - |
| Administration Charge | 1,250.2 |
| Net Cash Flow | (1,250.2) |
| Ending Cash | 50.2 |
| Opening Administration Charge | 1,082.0 |
| Allocated | 1,250.2 |
| Closing Administration Charge | 2,332.2 |
| Opening Interim Financing | (1,250.0) |
| Interim Financing Funded | - |
| Interim Financing Fees | - |
| Interest Reserve & Fee Holdback | - |
| Closing Interim Financing | (1,250.0) |

49. A summary of the Updated CF Forecast and select assumptions underlying the same are as follows:

- a) \$1,075,500 in professional fee accrual, a 3% disbursement accrual and a 10% contingency accrual are forecast over the 12-week period. Details of the underlying hypothetical assumptions are included hereto at Appendix "B"; and
- b) the Monitor is aware of \$435.86 cash held in a A2A Group RBC account and \$19,223.16 cash held in various A2A Group BMO accounts. The Monitor has requested that BMO turn the funds held over to the Monitor, but the Monitor has not yet received a response in this regard. For conservatism, this amount has not been included in opening cash.

50. Pursuant to section 23(1)(b) of the CCAA, and in accordance with the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9, the Monitor reports as follows:

- a) the Updated CF Forecast for the purpose described in the notes to the Updated CF Forecast, using probable and hypothetical assumptions as set out in the notes. As previously discussed, Management has not prepared the Updated CF Forecast, and due to the uniqueness of the matters, the Monitor prepared initial Updated CF Forecast with review and commentary from the professional advisors;
- b) the Monitor's review of the Updated CF Forecast consisted of inquiries, analytical procedures, and discussions regarding information supplied to it by Management and various legal counsel and advisors based on the Information received (Management has provided some but not all relevant financial information). Since hypothetical assumptions need not be supported, the procedures with respect to them were limited to evaluating whether those assumptions were consistent with the purposes of the Updated CF Forecast;
- c) based on the Monitor's preliminary review of the Updated CF Forecast, nothing has come to its attention that causes A&M to believe that, in all material respects:
 - i. the hypothetical assumptions are inconsistent with the purpose of the Updated CF Forecast;
 - ii. as at the date of this Fifth Report, the probable assumptions developed by the Monitor are not suitably supported and consistent with the basis for the professional fees, on the basis of the ARIO, or do not provide a reasonable basis for the CF Flow Forecast, given the hypothetical assumptions; or
 - iii. the Updated CF Forecast does not reflect the probable and hypothetical assumptions; and

- d) since the Updated CF Forecast 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, A&M does not express any assurance as to whether the Updated CF Forecast will be accurate. A&M does not express any opinion or other form of assurance with respect to the accuracy of any financial information presented in this Fifth Report, or relied upon by A&M in preparing this Fifth Report.

- 51. The Updated CF Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

EXTENSION TO THE STAY OF PROCEEDINGS

- 52. Pursuant to the ARIO, the stay of proceedings will expire on April 30, 2025. The Monitor is seeking the stay extension to June 30, 2025 (the "**Stay Extension**").

- 53. The Monitor supports the Stay Extension for, among others, the following reasons:

- a) it will afford the Monitor sufficient time to:
 - i. continue to advance the Texas Plan as outlined in the Fourth Report to gain control of the Texas Lands and the proceeds of the Water District Sale and the Fossil Creek Sale (each as defined in the Fourth Report);
 - ii. retain a Sale Advisor and initiate the marketing of the Angus Manor Lands; and
 - iii. with the assistance of Offshore Rep Counsel, contact Offshore Investors to seek information relevant to the proceedings, including additional information from Offshore Investors in the Meaford, LHS, Wingham and Sendera projects;
- b) with the benefit of the Amended Administration Charge, there will be sufficient coverage afforded to the professionals; and

- c) the Monitor does not believe any creditor of the Debtor Companies who will be materially prejudiced by the proposed Stay Extension.

APPROVAL OF PROFESSIONAL FEES AND EXPENSES

54. The Monitor and Monitor's Counsel have now rendered their invoices for their respective fees and disbursements for services in connection with the CCAA Proceedings (the "**Invoices**") and the Monitor is now seeking approval of the Invoices from this Honourable Court. The Court previously approved the prior invoices of the Monitor and Monitor's Counsel as set forth in the First Supplement to the Fourth Report.
55. The Applicants seek approval from this Honourable Court of the professional fees and disbursements of the Monitor for the period to February 28, 2025 (the "**Monitor Taxation Period**"), Cassels for the period to February 28, 2025 (the "**Cassels Taxation Period**"), and Reed Smith for the period to February 28, 2025 (the "**Reed Smith Taxation Period**").
56. The total fees and expenses of the Monitor during the Monitor Taxation Period are \$28,961.00 (exclusive of GST), a summary of which is included below:

| A2A Group Summary of the Monitor's Statements of Account For the period February 1, 2025 to February 28, 2025 \$CAD | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|---------------|------------------|-----------------|------------------|
| Invoice | Period | Fees | Disbursements | Subtotal | GST | Total |
| Alvarez & Marsal Canada | | | | | | |
| 5 | 1-Feb-25 to 28-Feb-25 | 28,311.00 | 650.00 | 28,961.00 | 1,448.05 | 30,409.05 |
| | Total | 28,311.00 | 650.00 | 28,961.00 | 1,448.05 | 30,409.05 |

57. The total fees and expenses of the Monitor's Counsel during the Cassels Taxation Period total \$100,665.31 (exclusive of GST), a summary of which is included below:

| A2A Group Summary of the Monitor's Counsel's Statements of Account For the period February 1, 2025 to February 28, 2025 <i>\$CAD</i> | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|---------------|-------------------|-----------------|-------------------|
| Invoice | Period | Fees | Disbursements | Subtotal | GST | Total |
| Cassels | | | | | | |
| 2272900 | 1-Feb-25 to 28-Feb-25 | 100,056.50 | 608.81 | 100,665.31 | 5,024.27 | 105,689.58 |
| | Total | 100,056.50 | 608.81 | 100,665.31 | 5,024.27 | 105,689.58 |

58. The total fees and expenses of the Monitor's Counsel during the Reed Smith Taxation Period total USD\$7,804.50, a summary of which is included below:

| A2A Group Summary of the Monitor's Counsel's Statements of Account For the period February 1, 2025 to February 28, 2025 <i>\$USD</i> | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------|---------------|-----------------|----------|-----------------|
| Invoice | Period | Fees | Disbursements | Subtotal | GST | Total |
| Reed Smith | | | | | | |
| 3820340 | 1-Feb-25 to 28-Feb-25 | 7,804.50 | - | 7,804.50 | - | 7,804.50 |
| | Total | 7,804.50 | - | 7,804.50 | - | 7,804.50 |

59. The Invoices outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. If necessary, copies of the Invoices will be made available to the Court upon request, if necessary.
60. The Monitor respectfully submits that its professional fees and disbursements and those of the Monitor's Counsel are fair and reasonable in the circumstances, given the substantive tasks required to be performed by the Monitor and the Monitor's Counsel in connection with the CCAA Proceedings.

APPROVAL OF THE MONITOR'S ACTIVITIES AND CONDUCT

61. The Monitor previously sought approval of the Monitor's activities and conduct at the December 20 Hearing and the January Hearing; however, each application was adjourned due to time constraints.
62. In a letter to this Court dated December 19, 2024, counsel to the Canadian Debtors raised concerns that the Monitor, by investigating certain entities and projects outside of the scope of the current CCAA Proceedings, extended its investigation beyond the tasks assigned to it by Justice Simard in the ARIO.

63. The Monitor disagrees with the Canadian Debtors and believes that all activities and conduct of the Monitor have been fair and reasonable in the circumstances of the CCAA Proceedings for the following reasons, among others:

- a) the Monitor received hundreds of inbound communications from investors, some of whom were not only in Angus Manor, Fossil Creek and Windridge (the projects in the scope of the current CCAA Proceedings), but were also invested in other A2A projects. These investors of other projects echoed the concerns of the Applicant Investors, that they had not received communication from the A2A Group in many years, despite various and ongoing attempts to retrieve updated information on their investment;
- b) as part of the financial investigation into the books and records of the CCAA entities A2A CSC, Serene Canada and A2A Developments, the Monitor examined various intercompany transfers to, not only the legal entities of the projects within the current scope of the CCAA Proceedings, but many other projects (as described in the Third Report). It is a routine exercise in a financial investigation to examine intercompany transfers to understand the purpose, documentation and terms to determine, among other things, if the transfer was proper and appropriately classified (*e.g.*, debt vs. equity) in the books and records; and
- c) some of the communication from investors included attachments of various VTB offers that were brought forward to investors for a vote, which for the most part, mirrored the VTB communication for Angus Manor. This included recent VTB offers for Meaford Highland Resorts and Lake Huron Shores. As discussed in the Third Report, on March 21, 2016, Allan Lind, an authorized signing officer on behalf of TSI-BP International Canada Inc., TSI-BPII International Canada Inc., and TSI-Grandtag A2A CP Inc. provided an exit offer on the Bridle Park, Bridle Park II and Clearview Park (collectively known as the "**Stayner**

Properties") to offshore investors. On April 12, 2018, Dirk Foo, an authorized signing officer on behalf of TSI-BP International Canada Inc., TSI-BP II International Canada Inc., and TSI-Grandtag A2A CP Inc. provided an update to offshore investors on the Stayner Properties. Upon questioning, Mr. Ambrose advised that he was aware of substantial complications that arose as part of the Bridle Park VTB deal.² Given the substantial loss to investors in the failed Bridle Park VTB deal (as discussed in the Third Report), the Monitor was of the view that this information was critical to provide to the Court and stakeholders so that they were fully informed of the past history of not only the Canadian Debtors, but their director and officers and the related entities which they were previously involved with.

64. Moreover, in his oral reasons, Justice Simard was careful not to be overly prescriptive of the contents of the Third Report. The Monitor's investigations into the failed VTB sales of entities related to the Debtor Companies are relevant to, among other things, the marketing processes that were conducted or are being conducted for the Property and the risks faced by investors in the Angus Manor project.
65. The Court has since determined that "the [A2A Group's dilatory recordkeeping and general disregard for investor rights mean that the [A2A Group] will not be able (even if they were willing) to conduct a realization and distribution process that is fair to all investors".³
66. For the forgoing reasons, it is the respectful view of the Monitor that the activities and conduct of the Monitor have been reasonable and appropriate in the circumstances.

² Transcript of Questioning of Grayson Ambrose, January 7, 2025, at 113-5-15 0 ("**Ambrose Transcript**").

³ [*Angus A2A GP Inc \(Re\)*, 2025 ABKB 51](#) at para 43.

MONITOR'S RECOMMENDATIONS

67. The Monitor respectfully recommends that this Honourable Court:

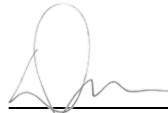
- a) approve the Angus Manor Sale Process and the retention of a Sale Advisor;
- b) extend the stay of proceedings to June 30, 2025;
- c) approve the fees and disbursements of the Monitor and the Monitor's Counsel; and
- d) approve the activities and conduct as set out in the Pre-Filing Report, First Report (and two supplements), Second Report, Third Report (and supplement), Fourth Report (and supplement) and this Fifth Report.

All of which is respectfully submitted this 7th day of April, 2025.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of A2A Capital Services Canada Inc., Serene Country
Homes (Canada) Inc., A2A Developments Inc., and the other entities listed in
Appendix "A" hereto
and not in its personal or corporate capacity**



Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice-President



Duncan MacRae, CPA, CA, CIRP, LIT
Vice-President

APPENDIX "A"

Debtors

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

Affiliate 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

APPENDIX "B"

A2A Group**12 Week Cash Flow Forecast**

for the period ending June 27, 2025

unaudited, CDN \$000s (USD amounts translated at 1.43)

| <i>week ending</i> | 2025-04-11 | 2025-04-18 | 2025-04-25 | 2025-05-02 | 2025-05-09 | 2025-05-16 | 2025-05-23 | 2025-05-30 | 2025-06-06 | 2025-06-13 | 2025-06-20 | 2025-06-27 | Total |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Other Receipts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Receipts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Disbursements | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Disbursements | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Professional Fees | (25.0) | (364.5) | - | - | - | (343.0) | - | - | - | (343.0) | - | - | (1,075.5) |
| Professional Fee Disbursements | (0.8) | (10.9) | - | - | - | (10.3) | - | - | - | (10.3) | - | - | (32.3) |
| Sales Tax | (1.3) | (7.5) | - | - | - | (10.0) | - | - | - | (10.0) | - | - | (28.8) |
| Contingency | (2.7) | (38.3) | - | - | - | (36.3) | - | - | - | (36.3) | - | - | (113.6) |
| Total Accrued Disbursements | (29.8) | (421.2) | - | - | - | (399.6) | - | - | - | (399.6) | - | - | (1,250.2) |
| Net Cash Flow | (29.8) | (421.2) | - | - | - | (399.6) | - | - | - | (399.6) | - | - | (1,250.2) |
| Opening Cash | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 |
| Interim Financing | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Administration Charge | 29.8 | 421.2 | - | - | - | 399.6 | - | - | - | 399.6 | - | - | 1,250.2 |
| Net Cash Flow | (29.8) | (421.2) | - | - | - | (399.6) | - | - | - | (399.6) | - | - | (1,250.2) |
| Ending Cash | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 |
| Opening Administration Charge | 1,082.0 | 1,111.8 | 1,533.0 | 1,533.0 | 1,533.0 | 1,533.0 | 1,932.6 | 1,932.6 | 1,932.6 | 1,932.6 | 2,332.2 | 2,332.2 | 1,082.0 |
| Allocated | 29.8 | 421.2 | - | - | - | 399.6 | - | - | - | 399.6 | - | - | 1,250.2 |
| Closing Administration Charge | 1,111.8 | 1,533.0 | 1,533.0 | 1,533.0 | 1,533.0 | 1,932.6 | 1,932.6 | 1,932.6 | 1,932.6 | 2,332.2 | 2,332.2 | 2,332.2 | 2,332.2 |
| Opening Interim Financing | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) |
| Interim Financing Funded | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interim Financing Fees | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Reserve & Fee Holdback | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Closing Interim Financing | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) | (1,250.0) |

Disclaimer

In preparing the Updated CF Forecast, the Monitor has made certain assumptions discussed below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("CCAA"). Since the Updated CF Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast Period will vary from the forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or protections will be realized. The Updated CF Forecast is presented in thousands of Canadian dollars.

Note 1: Estimate for professional fees and expenses. The estimate includes the time and expenses expected to be incurred in relation to, among other things, the Chapter 11 proceeding and the Angus Manor sales process.