

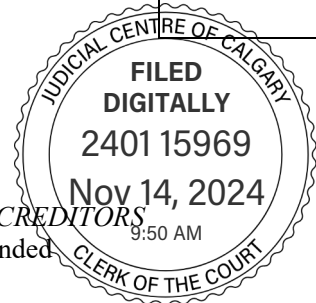
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Clerk's Stamp

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 **PRE-FILING REPORT OF THE PROPOSED MONITOR
AND PROPOSED RECEIVER MANAGER
ALVAREZ & MARSAL CANADA INC.**

November 13, 2024

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

PROPOSED MONITOR AND/OR RECEIVER

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INTRODUCTION

1. Alvarez & Marsal Canada Inc. ("**A&M**") understands that on November 14, 2024, an ad hoc group of Canadian investors in various real estate and land investment projects (the "**Applicant Investors**") have scheduled an application (the "**CCAA Application**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") with the Court of King's Bench of Alberta (the "**Court**") to seek an initial order (the "**Initial Order**") and the appointment of A&M as the proposed CCAA monitor with enhanced powers (the "**Proposed Monitor**" and, if appointed, the "**Monitor**"). Should the Initial Order be granted, the Monitor will file an additional application returnable on November 21, 2024 (the "**Comeback Application**") seeking an amended and restated initial order (the "**ARIO**").
2. In the alternative, should this Honourable Court not grant the Initial Order, on November 14, 2024, the Applicant Investors will request relief under the *Judicature Act*, RSA 2000, c J-2 seeking an order (the "**Receivership Order**") appointing A&M as the court appointed receiver (the "**Proposed Receiver**"). Should this Honourable Court grant the Receivership Order, on November 14, 2024, the Proposed Receiver intends to bring an application for an Initial Order pursuant to the CCAA with this Honourable Court on November 21, 2024 and the ARIO on November 28, 2024.
3. The information set out in this pre-filing report (this "**Report**") is for the benefit of this Honourable Court and the stakeholders of the entities, and is relevant to both the proceedings under the Receivership Order and, if granted, the proceedings under the CCAA (the "**CCAA Proceedings**").
4. The entities for which the Applicant Investors are seeking relief under the CCAA and a potential Receivership Order are A2A Capital Services Canada Inc. ("**A2A CSC**"), Serene Country Homes (Canada) Inc. f/k/a A2A Capital Management Inc. ("**Serene**"), A2A Developments Inc. f/k/a A2A Meaford Inc. ("**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 f/k/a Rivers Edge A2A Developments, LLC ("**Fossil USA**") and Windridge A2A Developments, LLC f/k/a White Settlement A2A Developments, LLC ("**Windridge USA**" and collectively, the "**Debtor Companies**").

5. A&M understands that the Applicant Investors are, among other things, seeking to do the following under the Initial Order:

- a) abridge the time for and deem service of the Originating Application and supporting materials to be good and sufficient;
- b) declare that the Debtor Companies are companies to which the CCAA applies;
- c) appoint Alvarez & Marsal Canada Inc. as the Monitor with certain enhanced powers;
- d) appoint Fasken Martineau DuMoulin LLP ("**Fasken**" or "**Canadian Rep Counsel**") as representative counsel for the Canadian investors (the "**Canadian Investors**");
- e) appoint Norton Rose Fulbright Canada LLP ("**NRF**" or the "**Offshore Rep Counsel**") as representative counsel for the investors outside of Canada (the "**Offshore Investors**" and together with the Canadian Investors, the "**A2A Investors**"), as more particularly described herein;
- f) authorize the Debtor Companies, with the enhanced oversight and control of the Monitor, to remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**") and to continue to carry on business in a

manner consistent with the preservation of its business (the "**Business**") and Property;

- g) stay, for an initial period up to and including November 24, 2024 (the "**Initial Stay Period**");
- h) declare that the Affiliate Entities shall have the same benefit and the same protections and authorizations provided to the Debtor Companies in the Initial Order, notwithstanding that these entities are not a "company" within the meaning of the CCAA;
- i) prevent any Person (as defined in the Initial Order) from accelerating performance of any rights in respect of the Debtor Companies, except with the written consent of the Monitor, or leave of this Honourable Court;
- j) authorize the Monitor to take whatever steps are necessary with the Alberta, Federal and Ontario corporate registries to reinstate the struck Debtor Companies and limited partnership;
- k) authorize the Debtor Companies to pay all reasonable fees and disbursements of the Monitor, its legal counsel, Canadian Rep Counsel and Offshore Rep Counsel;
- l) authorize 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**");
- m) grant the following charges over the Property of the Debtor Companies 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 "**Administration Charge**") to a maximum amount of \$250,000; and

Second – a charge in favour of Pillar in respect of the Interim Financing to a maximum amount of \$500,000 (the "**Interim Lender's Charge**");

(collectively, the "**Charges**");

- n) authorizing 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**");
 - o) extension of the stay of proceeding to certain non-Debtors: Canadian entities Angus A2A Limited Partnership ("**Angus LP**"), Angus Manor Park A2A Limited Partnership ("**Angus Manor LP**"), Fossil Creek A2A Trust ("**Fossil Trust**"), Hills of Windridge A2A Trust ("**Windridge Trust**"), Fossil Creek A2A Limited Partnership ("**Fossil LP**") and Hills of Windridge A2A Limited Partnership ("**Windridge LP**") and collectively, the "**Additional Debtor Stay Entities**";
 - p) schedule a comeback application hearing for November 21, 2024 (the "**Comeback Hearing**"); and
 - q) such further and other relief as may be requested by the Applicant Investors and this Honourable Court deems just.
6. If granted, the Initial Order, along with the application materials and all other documents filed in the CCAA Proceedings, will be posted on the Proposed Monitor's website at: www.alvarezandmarsal.com/A2A.

7. In support of the proposed Initial Order, various Affidavits¹ of the Applicant Investors have been sworn (the "**Original Investor Affidavits**"). Capitalized terms not otherwise defined in this Report have the meaning given to them in the proposed Initial Order, the Original Investor Affidavits or such other materials filed by the Applicant Investors in support of the proposed Initial Order.

PURPOSE

8. The purpose of this Report is to provide information to this Honourable Court in respect of the following:
- a) the qualifications of A&M to act as Monitor;
 - b) a brief background of the Debtor Companies and the Additional Debtor Stay Entities (collectively, the "**A2A Group**");
 - c) the consolidated cash flow projection for the two-week period ending November 22, 2024; and
 - d) the underlying basis for the Applicant Investors' application seeking approval of:
 - i. the enhancement of the powers of the Monitor and authorizing the Monitor to act as "Foreign Representative" in the Chapter 15 Proceeding;
 - ii. the Interim Financing Facility and the Interim Financing Term Sheet (as defined herein);

¹ As of the date of this Report, the Original Investor Affidavits include the Affidavit of Michael Edwards sworn November 12, 2024 (the "**Edwards Affidavit**"), the Affidavit of Paul Lauzon sworn November 12, 2024 (the "**Lauzon Affidavit**"), the Affidavit of Isabelle Brousseau sworn November 8, 2024, the Affidavit of Pat Wedlund sworn November 12, 2024 and the Affidavit of Brian Richards sworn November 12, 2024.

- iii. the extension of the stay of proceedings to the Additional Debtor Stay Entities;
 - iv. the appointment of Offshore Rep Counsel and Canadian Rep Counsel;
 - v. the proposed Charges; and
 - vi. the length of the Initial Stay Period;
- e) a brief description of the proposed initial activities the Monitor intends to undertake, if appointed; and
 - f) the Proposed Monitor's overall recommendation in respect of the foregoing.
9. This Report should be read in conjunction with the Applicant Investors' materials filed in support of the CCAA Application.

TERMS OF REFERENCE AND DISCLAIMER

10. In preparing this Report, A&M, in its capacity as the Proposed Monitor, has been provided with and has relied upon certain unaudited financial information and the books and records prepared by the Applicant Investors and has held discussions with the Applicant Investors and their respective counsel and representatives (collectively, the "**Information**"). A&M has not communicated with the Debtor Companies' management ("**Management**") as Management was not located at the time of this Report. Except as otherwise described in this Report, in respect of the Debtor Companies' cash flow forecast:
- a) the Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed 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 Proposed 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 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.

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

A&M'S QUALIFICATIONS TO ACT AS MONITOR

Overview

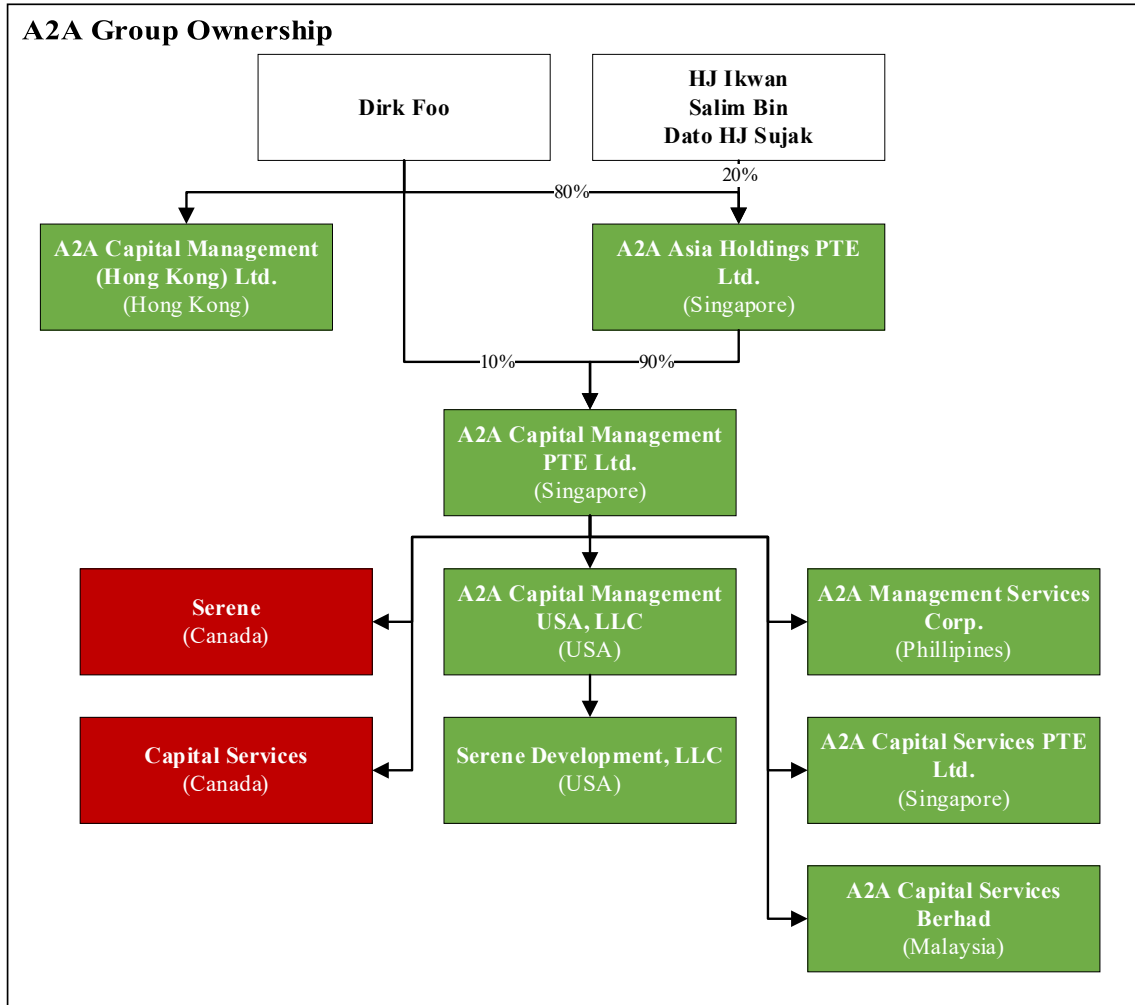
13. A&M is a licensed trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada) and is not subject to any of the restrictions regarding who may be appointed as monitor set out in section 11.7(2) of the CCAA. Specifically, A&M is not, and has never been:
 - a) a director, officer or employee of the Debtor Companies;
 - b) related to the Directors or to any director or officer of the Debtor Companies;

- c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of the Debtor Companies;
 - d) the trustee under a trust indenture issued by the Debtor Companies or, to the best of its knowledge, any person related to the Debtor Companies, or the holder of a power of attorney under an act constituting a hypothec within the meaning of the Civil Code of Quebec that is granted by the Debtor Companies or, to the best of its knowledge, any person related to the Debtor Companies; or
 - e) to the best of its knowledge, related to the trustee, or the holder of a power of attorney, referred to in paragraph 13(d), above.
14. Accordingly, A&M is of the view that the restrictions as to who may be appointed as a Monitor under section 11.7(2) of the CCAA do not preclude A&M from acting as Monitor for the Debtor Companies.
15. The senior A&M professional personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants (Chartered Accountants), Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees, and who have previously acted in CCAA matters of a similar nature in Canada, including on cross-border proceedings into the United States.
16. A&M has consented to act as the Monitor and/or as the Proposed Receiver in CCAA or Receivership Proceedings, respectively, should this Honourable Court grant the proposed Initial Order or the Receivership Order. A copy of A&M's consent to act as Monitor is attached hereto as Appendix "B" to this Report.
17. The Proposed Monitor has retained Cassels Brock & Blackwell LLP as Canadian counsel and Reed Smith LLP as US counsel (together, the "**Proposed Monitor's Counsel**") to act as its proposed independent legal counsel in the CCAA Proceedings or the Receivership Proceeding.

BACKGROUND

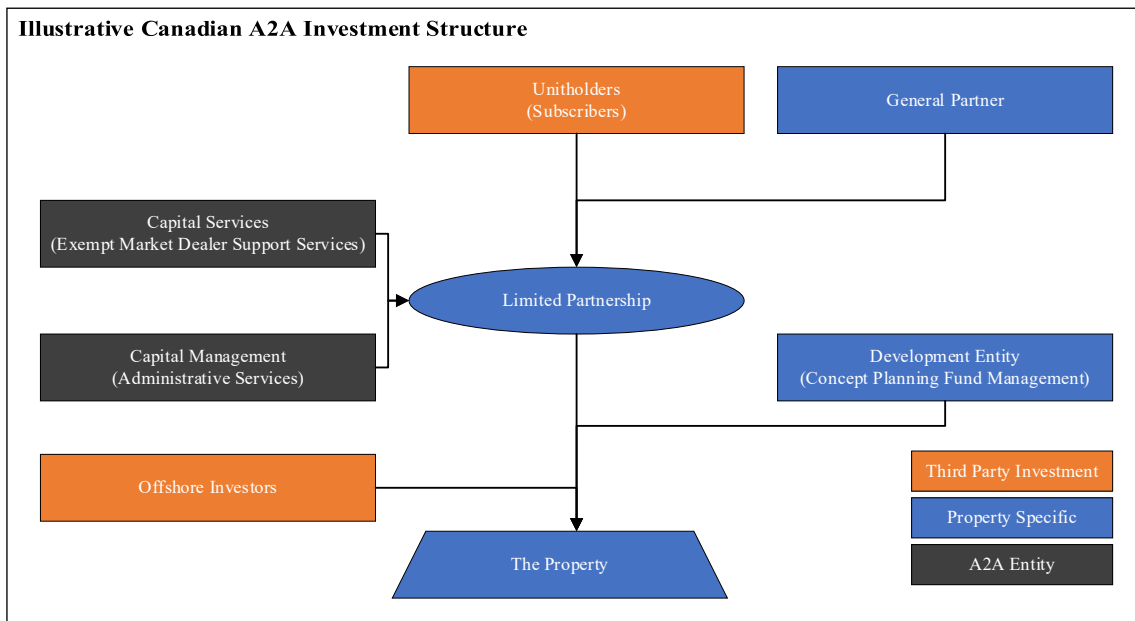
Overview

18. The background information in paragraphs 19 to 41 below, was included in the Edwards Affidavit. Mr. Edwards is a dealing representative with Pinnacle Wealth Brokers Ltd., an exempt market dealer involved in, among other things, promoting the units issued by the A2A Group.
19. The A2A Group is engaged in real estate and land investment. The parent entities are registered in Singapore. Exempt market dealer support services and administrative services are provided by A2A CSC and Serene (formerly A2A Capital Management Inc.), respectively. A2A CSC was established in Calgary, Alberta in 2012 and incorporated in Canada pursuant to the Canada Business Corporations Act on November 15, 2012. A2A CSC was dissolved for non-compliance on September 23, 2019.
20. A copy of the A2A Group's organizational chart (excluding any real estate projects) is summarized below:

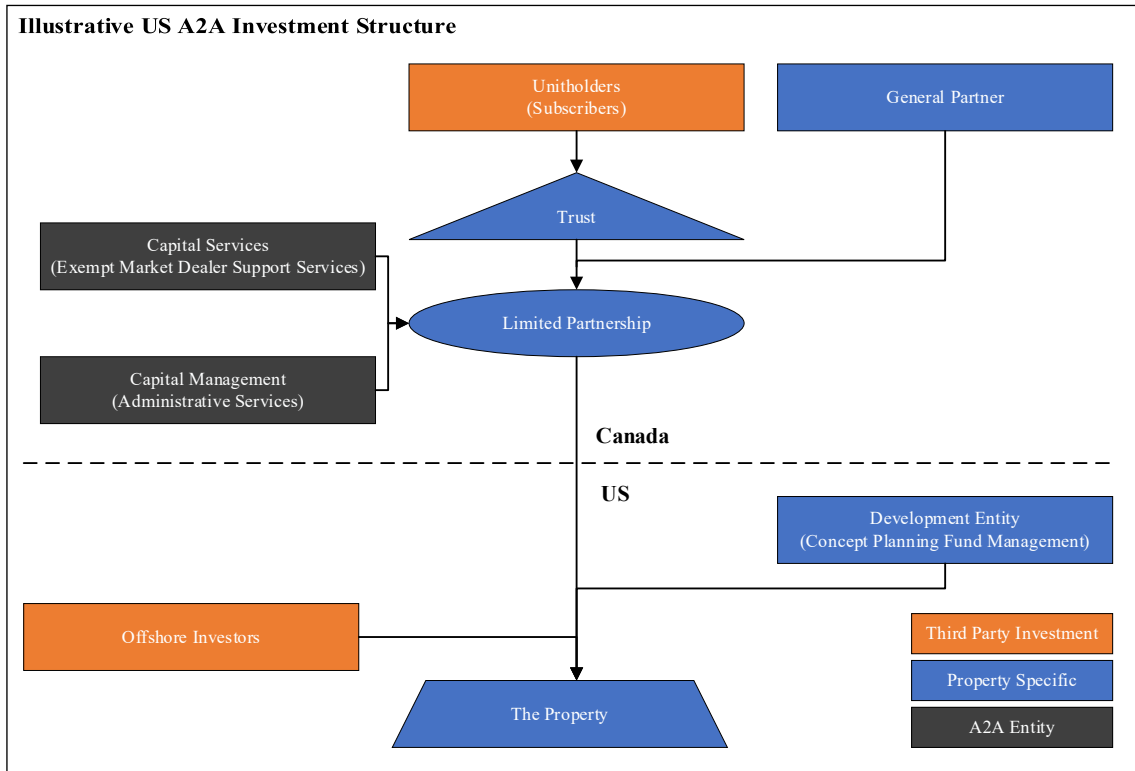


21. The A2A Group reported managing several land development projects, including those involving the Debtor Companies, using the investment funds raised in the same general ownership and investment scheme across multiple projects. As at January, 2015, the A2A Group reported approximately 1,836 acres of land under the A2A Group's management in North America.
22. The properties concerning these CCAA Proceedings are as follows:
 - a) Angus Manor Park ("**Angus Manor**"), advertised as a 167 acre residential development project located in Essa, Ontario (approximately 100 km north of Toronto);

- b) The Trails of Fossil Creek ("**Fossil Creek**"), advertised as a 93 acre residential development with 487 single detached family homes located in Forth Worth, Texas; and
 - c) The Hills of Windridge ("**Windridge**"), advertised as a 415 acre residential development in the Dallas/Fort Worth area.
- 23. The Proposed Monitor is uncertain if there are other properties which have similar communication and information transparency concerns to Angus Manor, Fossil Creek and Windridge.
- 24. While each of Angus Manor, Fossil Creek and Windridge appear to have been run as three separate projects, certain corporate entities within the A2A Group are stated to be involved in all three projects, providing exempt market support services, administration and other management and marketing services to the projects.
- 25. Each real estate and land investment property has its own investment structure. An illustrative investment structure of a Canadian property holding is summarized below:



26. An illustrative investment structure of a US property holding is summarized below, with the main difference being the Canadian investment units are held in a trust:



27. Further background on the Debtor Companies is contained in the materials filed in support of the CCAA Application.

Summary of Real Estate & Land Investment Properties

Angus Manor

28. Details of the corporate entities of Angus Manor are found in the Edwards Affidavit. We understand that both the general partners (Angus GP and Angus Manor GP) have been struck from the Alberta corporate registry.
29. The A2A Group solicited two rounds of investment with respect to the Angus Manor project (the "**Angus Manor Lands**") by way of two confidential offering memoranda:

- a) The Angus LP Confidential Offering Memorandum dated January 6, 2015 (the "**First Angus OM**"), a copy of which is attached to the Edwards Affidavit as Exhibit 21; and
 - b) The Angus Manor Capital Confidential Offering Memorandum dated March 23, 2016 (the "**Second Angus OM**"), a copy of which is attached to the Edwards Affidavit as Exhibit 22.
30. In the First Angus OM, Angus LP offered units to certain Canadian investors (the "**Angus Partnership Investors**") at a price of \$100 per unit with a minimum subscription required per Angus Partnership Investor of 50 units (\$5,000).
31. The funds raised under the First Angus OM were part of a larger offering of undivided fractional interests ("**UFIs**") in the Angus Manor Lands to offshore investors.
32. In the Second Angus OM, Angus Manor Capital offered 5% participating bonds to certain Canadian investors (the "**Angus Bond Investors**", and together with the Angus Partnership Investors, the "**Angus Manor Canadian Investors**") at a price of \$1.00 per bond, with a minimum subscription required per Bond Investor of 6300 bonds (\$6,300).

Fossil Creek

33. Details of the corporate entities of Fossil Creek are found in the Lauzon Affidavit. We understand that the general partner (Fossil GP) has been struck from the Alberta corporate registry.
34. The A2A Group solicited funds for the Fossil Creek project from Canadian investors by way of a confidential offering memorandum dated May 7, 2014, amended on November 18, 2014 (the "**Fossil OM**"), a copy of which is attached to the Lauzon Affidavit as Exhibit A.
35. Pursuant to the Fossil OM, Fossil Trust, the sole holder of ownership units in the Fossil LP, offered ownership units in the Fossil Trust to certain Canadian investors

("Fossil Investors") at a price of \$100 per unit, with a minimum subscription required per Fossil Investor of 100 units (\$10,000).

Windridge

36. Details of the corporate entities of Windridge are found in the Edwards Affidavit. We understand that the general partner (Fossil GP) has not filed annual returns with the Ontario corporate registry since May 9, 2013.
37. The A2A Group solicited funding from Canadian investors in the Windridge project pursuant to an Amended and Restated Confidential Information Memorandum of Hills of Windridge A2A Trust dated November 13, 2013 (the "**Windridge OM**"), a copy of which is attached to the Edwards Affidavit as Exhibit 29.
38. Pursuant to the Windridge offering, the Windridge Trust, the sole holder of all ownership units Windridge LP, offered ownership units in the Windridge Trust to Canadian investors ("**Windridge Investors**") at a price of \$100 per unit, with a minimum subscription per Windridge Investor of 100 units (\$10,000).

Urgency Initiating the CCAA Proceedings

39. The Proposed Monitor understands there has been little to no communication from the A2A Group to the Angus Manor Canadian Investors, the Fossil Investors or the Windridge Investors for over six years.
40. Further, we understand that the Applicant Investors are concerned about a possible pending land sale (the "**Possible Angus Manor Sale**"), details of which have been posted to a Facebook group, with no notice being received by the relevant Canadian Investors. In addition to no notice being received by the relevant Canadian Investors, the details surrounding the Possible Angus Manor Sale are vague and do not identify, amongst other things, the purchaser, the structure of the transaction, the proposed use of funds and whether any of those funds will be paid to the Angus Manor Canadian Investors. The notice also sets out details of a vote, with no insight as to who is tabulating the votes and how they are being counted. With no evidence

of the Angus Manor Canadian Investors having received notice of the Possible Angus Manor Sale or the vote, it is uncertain how or if this notice was properly delivered.

41. Given the lack of communication from the A2A Group regarding Angus Manor, the governance concerns regarding Angus Manor, and the potential that the "Facilitator" of Angus Manor could attempt to sell the property, the only known asset of the Angus Manor Canadian Investors, in the absence of fulsome due diligence and transparency, the Proposed Monitor concurs that there is urgency initiating the CCAA Proceedings to protect the interest of the stakeholders.

Liabilities and Encumbrances

42. A review of the PPRs² and of the available title for project properties confirms that there is no secured debt registered against the Canadian entities of the A2A Group as at the dates of the searches or against the Angus Manor Lands, as at the morning of November 12, 2024.

Investor Alert List

43. The Proposed Monitor has conducted a search for the parent company, A2A Capital Management Pte Ltd (a Singapore entity) on the investor alert list of the Monetary Authority of Singapore ("MAS"). The MAS is Singapore's central bank and integrated financial regulator. The Investor Alert List provides a list of persons who, based on information available to MAS,

- a) may be or may have been wrongly perceived as being licensed or in any other way authorised or regulated by MAS;

² The Alberta Personal Property Registry (the "**AB PPR**") pursuant to the *Alberta Personal Property Security Act* and the Ontario Personal Property Registry (together with the AB PPR, the "**PPRs**") pursuant to the *Ontario Personal Property Security Act*.

- b) have made an offer of units in a business trust or collective investment scheme which may be or may have been wrongly perceived as being authorised, recognised or registered by MAS; and/or
 - c) have made an offer of investment which may be or may have been wrongly perceived as being made in or accompanied by a document lodged or registered with MAS.
44. According to the MAS website, A2A Capital Management Pte Ltd was added to the Investor Alert List on March 23, 2017. A link to the Investor Alert List showing the search result is found here: <https://www.mas.gov.sg/investor-alert-list?page=1&q=%22A2A%20Capital%20Management%20Pte%20Ltd%22>.

ENHANCED POWERS OF THE PROPOSED MONITOR

45. The Proposed Monitor understands that the Initial Order will enhance the powers of the Proposed Monitor.
46. Given the lack of information and transparency provided to the A2A Investors, the direct involvement of a well-respected professional services firm will assist the A2A Investors in obtaining more fulsome information on the current status of their investment and assist in developing a short or long-term monetization strategy. Further, this process will allow the Proposed Monitor (if appointed) to seek input from the A2A Investors (including through their independent counsel) and the opportunity to participate in decision making.
47. The Proposed Monitor anticipates that its enhanced powers will flow from the Initial Order (with a more limited scope) and the ARIO (if granted), with a broader scope. The Proposed Monitor anticipates that the powers should include, but not be limited to the following:
- a) pursue all alternatives to obtain or attempt to recreate and develop the books and records of any or all of the A2A Group entities;

- b) freeze any bank accounts of the A2A Group entities and remit any funds into a segregated account of the Monitor, with a full accounting of sources and uses;
- c) engage a consultant to assist the Monitor with respect to the Property and investor relations;
- d) evaluate the need to continue to engage existing contractual relationships, such as sales advisors, or seek new advisors;
- e) consider developing and executing a sales and investment solicitation process ("**SISP**") in respect of the Property including, the marketing of any and all Property and conducting, supervising, and directing the sale, conveyance, transfer, lease, assignment or disposal of any Property of the Debtors or any part or parts thereof, whether or not outside of the ordinary course of business, subject to the approval of this Court;
- f) negotiating leases or subleases in respect of the real property;
- g) disclaiming, in accordance with the CCAA, any contracts of the Debtors;
- h) investigating the Possible Angus Manor Sale to identify, amongst other things, the purchaser, the structure of the transaction, the proposed use of funds and whether any of those funds will be paid to the Angus Manor Canadian Investors, or, if any applicable contracts need to be disclaimed;
- i) executing, assigning, issuing and endorsing any agreement, amendment, document, lease, instrument or writing in the name of the Monitor or in the name of, and on behalf of the Debtors as may be necessary or desirable in order to carry out the provisions of this Order, including in respect of a potential SISP any and leasing arrangements;

- j) develop a Plan on behalf of the Debtors and any amendments thereto;
and
 - k) assisting the Debtors, as required, with the holding and administering of creditors' or shareholders' meetings for voting on a Plan.
48. Given the current status, the Proposed Monitor is prepared to accept the expanded role contemplated by the CCAA Application, should the Court determine that this order is in the best interest of the CCAA Proceedings and stakeholders.

CHAPTER 15 PROCEEDING

49. The Applicant Investors are also seeking authorization for the Monitor to act as "Foreign Representative" of the A2A Group, in order to apply to the Chapter 15 Proceeding in the US Bankruptcy Court. Such proceeding is necessary in order to secure assets located in the United States.
50. The Foreign Representative intends to seek from the US Bankruptcy Court, amongst other things, a preliminary injunction and temporary restraining order, recognizing the Initial Order on a preliminary basis (the "**Preliminary Relief Order**") and granting recognition of the Monitor as "Foreign Representative". A further hearing by the US Bankruptcy Court will be scheduled to address a motion requesting recognition of the CCAA Proceedings as a "foreign main proceeding" on a final basis.

INTERIM FINANCING

51. In order to provide the required liquidity to fund the CCAA Proceedings, the Applicant Investors are seeking approval for interim financing in the form of the Interim Financing Facility. Pillar is the Interim Lender (subject to Court approval) under the proposed Interim Financing Facility pursuant to a term sheet between the

Applicant Borrowers³ and the Interim Lender, dated November 13, 2024 (the "**Interim Financing Term Sheet**").

52. The proposed Initial Order provides for the creation of the Interim Lender's Charge to secure advances made under the Interim Financing Facility in the amount of the initial maximum allowable borrowing under the Interim Financing Facility of \$500,000, plus interest, costs and expenses.
53. A copy of the Interim Financing Term Sheet submitted to the Court is attached hereto as Appendix "C" to this Report. The material terms of the Interim Financing Term Sheet include:
 - a) the amount of the Interim Financing Facility is up to an aggregate maximum of \$2 million;
 - b) the first draw is a minimum of \$500,000. Thereafter, funds are available in draws of no less than \$250,000 and not more frequently than twice per month; and
 - c) the term of the Interim Financing Facility shall be a minimum of three months, up to 12 months.
54. Interest accrues on the Interim Financing Facility at the rate of 15% per annum. Interest is calculated on the daily outstanding balance owing under the Interim Financing Facility, compounded monthly. A facility fee of 3% is to be deducted from each advance under the Interim Financing Facility. A monthly monitoring fee of \$500 is due and payable on the last business day of each calendar month. In addition, the Applicant Investors will be subject to a \$7,500 due diligence fee and responsible for all of the Lender's legal fees incurred in respect of the Interim Financing Facility.

³ Applicant Borrowers are A2A CSC, Serene, Developments, Angus GP, Angus LP, Angus Manor Development, Angus Manor Capital, Angus Manor GP, Angus Manor LP, Fossil GP, Fossil LP, Fossil USA, Windridge GP, Windridge LP, and Windridge USA

55. The advances under the Interim Financing Facility will be administered by the Monitor (under the Monitor's enhanced powers).
56. The Consolidated Cash Flow Forecast (as defined herein) indicates that, with access to the Interim Financing Facility, the Debtors will be able to fund the CCAA Proceedings until the expiry of the proposed Stay Period.
57. Absent access to the Interim Financing Facility (or another similar facility), the potential recoveries to the A2A Group stakeholders could continue to deteriorate. Based on the information available to the Proposed Monitor at this time, the Proposed Monitor estimates that this would likely result in significantly lower recoveries than those obtained through the CCAA Proceedings.
58. The Proposed Monitor has reviewed the terms and values within the Interim Financing Term Sheet, including the rates, fees and the Interim Lender's Charge, which appear to be commercially reasonable in the circumstances. The Proposed Monitor is of the view that the fees and rates are comparable to, and within a reasonable range of, other interim financing loans in recent CCAA filings. The Proposed Monitor has reviewed a summary of interim financing terms prepared by *Insolvency Insider* and notes that similar facilities have been granted with interest rate ranges from 8-20% and commitment fees ranging from 1-7%.
59. Pursuant to section 11.2(4) of the CCAA, the Monitor has reviewed the Interim Financing Term Sheet and has considered the following factors:
- a) the period during which the A2A Group is expected to be subject to the proceedings under the CCAA;
 - b) how the A2A Group's business and financial affairs are to be managed during the proceedings;
 - c) whether the A2A Group has the confidence of its major creditor(s) impacted under these proceedings;

- d) whether the Interim Financing Facility would enhance the prospects of a viable proposal being made in respect of the A2A Group; and
 - e) the nature and value of the A2A Group's property.
- 60. The Proposed Monitor is also of the view that the Interim Financing Facility is warranted, as without it, it would be difficult, if not impossible, for the A2A Group to commence CCAA Proceedings, in light of the lack of information concerning the assets. Further, in any probable realization strategy, a receiver, trustee or other administrator or manager, would likely recommend expending a similar amount of funds in order to preserve and market the Property.

CCAA CASH FLOW FORECAST

- 61. For purposes of paragraph 10(2)(a) of the CCAA, the Proposed Monitor prepared a weekly consolidated cash flow forecast (the "**Consolidated Cash Flow Forecast**") for the two-week period ending November 22, 2024 (the "**Initial Forecast Period**"), using the probable and hypothetical assumptions set out in the notes to the Consolidated Cash Flow Forecast. A copy of the Consolidated Cash Flow Forecast is attached hereto as Appendix "**D**".
- 62. Provided that the Interim Lender's Charge is granted and the Interim Financing is approved by this Honourable Court, the Debtors will have sufficient funds during the Initial Forecast Period.
- 63. A summary of the Consolidated Cash Flow Forecast and select assumptions underlying the same are as follows:
 - a) no cash receipts are forecast;
 - b) no operating cash disbursements are forecast and non-operating cash disbursements of \$500,000 are forecast, as a result of:
 - i. \$250,000 of disbursements in professional fees and expenses, largely incurred pre-filing towards taking steps to identify and

collaborating with the Applicant Investors, searching various titles, reviewing financial information and offering memorandums and the preparing for the Initial Order and/or the Receivership Order; and

ii. \$250,000 of disbursements in retainers for professional fees and expenses, to be held by each professional firm,

c) the Proposed Monitor is not aware of any cash held by the entities of the A2A Group. If appointed, the Monitor will attempt to recover any cash available, in support of the stakeholders; and

d) an initial draw of interim financing will be for the full amount of \$500,000.

64. 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 Proposed Monitor reports as follows:

a) the Consolidated Cash Flow Forecast for the purpose described in the notes to the Cash Flow Forecast, using probable and hypothetical assumptions as set out in the notes. As previously discussed, Management has not prepared the Cash Flow Forecast, and due to the uniqueness of the matters, the Monitor prepared initial Cash Flow Forecast with review and commentary from the Applicant Investors;

b) the Proposed Monitor's review of the Consolidated Cash Flow Forecast consisted of inquiries, analytical procedures, and discussions regarding information supplied to it by the Applicant Investors and various legal counsel and advisors based on the Information received (Management has not provided any 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 Consolidated Cash Flow Forecast. The

Proposed Monitor also prepared the support provided by the Applicant Investors based on the Information received for the probable assumptions and the preparation and presentation of the Consolidated Cash Flow Forecast;

c) based on the Proposed Monitor's preliminary review of the Consolidated Cash Flow 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 Consolidated Cash Flow Forecast;

ii. as at the date of this Report, the probable assumptions developed by the Monitor are not suitably supported and consistent with Applicants Investors plans or do not provide a reasonable basis for the Consolidated Cash Flow Forecast, given the hypothetical assumptions; or

iii. the Consolidated Cash Flow Forecast does not reflect the probable and hypothetical assumptions; and

d) since the Consolidated Cash Flow 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 Consolidated Cash Flow 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 Report, or relied upon by A&M in preparing this Report.

65. Given Management has not provided any financial information, the Initial Order proposes to waive section 10(2)(b) of the CCAA, dispensing the requirement of a report containing the prescribed representation of the Debtors' regarding the preparation of the cash flow statement.

66. The Consolidated Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

ADDITIONAL DEBTOR STAY ENTITIES

67. In addition to the stay of proceedings being sought for the Applicant Investors in these CCAA Proceedings, the Applicant Investors are requesting a stay of proceedings with respect to the Additional Debtor Stay Entities.
68. The Additional Debtor Stay Entities include a number of limited partnerships ("**Stay LPs**") and trusts ("**Stay Trusts**"). The Stay LPs are integral to the Debtors business as they hold the real property through their GP. The Stay Trusts are integral to the investment vehicle, as they hold the Canadian limited partnership units of the US property.
69. It is the respectful view of the Proposed Monitor that extending the stay of proceeding to the Additional Debtor Stay Entities is reasonable and appropriate in the circumstances, in order to limit any potential disruptions caused by the CCAA Proceeding.

REPRESENTATIVE COUNSEL

70. While the Applicant Investors are represented by Fasken, the Proposed Monitor understands that the Offshore Investors have not coordinated counsel. It is the respectful view of the Proposed Monitor that appointing Offshore Rep Counsel will assist the CCAA Proceedings by giving Offshore Investors a single point of contact and will assist this Honourable Court by increasing the efficiency of these CCAA Proceedings. Appointing Offshore Rep Counsel will provide the Offshore Investors with independent legal advice and should further reduce professional fees as Offshore Investors will not be required to seek independent legal counsel.

71. In addition, appointing Fasken as Canadian Representative Counsel will give all Canadian Investors (and not only the Applicant Investors) a single point of contact mirroring the same benefits as the Offshore Rep Counsel.
72. It is the respectful view of the Proposed Monitor that NRF is qualified to act as Offshore Rep Counsel and Fasken is qualified to act as Canadian Rep Counsel, and their appointment is reasonable and appropriate in the circumstances. NRF and Fasken have agreed to accept these appointments should this Honourable Court grant this relief.

COURT ORDERED CHARGES SOUGHT BY APPLICANTS

Administration Charge

73. The proposed Initial Order provides for an Administration Charge on the Debtors' Property in an amount not to exceed \$250,000, in favour of the Monitor, counsel to the Monitor, the Applicant Investor's counsel and the Offshore Rep Counsel, to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order until the Comeback Application. The Administration Charge is to be granted in priority of all other Charges.
74. To date, the Applicant Investor's counsel, the Proposed Monitor and the Proposed Monitor's Counsel have incurred professional fees in preparation for the CCAA Proceedings, including reviewing the background circumstances of this matter in detail, the proposed Initial Order, this Report and communicating with certain key stakeholders about the potential strategies for the Debtors' restructuring. Additionally, the Proposed Monitor has prepared the statutory mailings and communications required by the CCAA should this Honourable Court grant the proposed Initial Order.
75. These Proceedings require the prompt and vigorous involvement of professional advisors to guide and/or complete a successful administration, and as such, it is the Proposed Monitor's respectful view that the Administration Charge is reasonable and appropriate to ensure the respective professionals' (being the Applicant

Investor's counsel (to be appointed Canadian Rep Counsel), the Proposed Monitor, the Proposed Monitor's Counsel and the Offshore Rep Counsel) continued support of the Debtors' efforts to restructure their affairs.

76. The Proposed Monitor also believes that it is appropriate for the proposed beneficiaries of the Administration Charge, being non-stakeholders in these CCAA Proceedings, to be afforded the benefit of the Administration Charge as they will be undertaking a necessary and integral role in the CCAA Proceedings.
77. It is the respectful view of the Proposed Monitor that the quantum of the proposed Administration Charge is reasonable and appropriate in the circumstances, having regard to the scale and complexity of the CCAA Proceedings, the services to be provided by the beneficiaries of the Administration Charge and the size of the similar charges approved in similar proceedings.

Interim Lender's Charge

78. The Applicant Investors are seeking the Interim Lender's Charge against the Property to secure obligations incurred under the Interim Financing Facility.
79. Given the benefits that the Interim Financing Facility will provide and the purpose for which it will be utilized in the Consolidated Cash Flow Forecast, the Proposed Monitor does not consider the Interim Financing Facility to be unduly prejudicial to the A2A Group's other creditors or stakeholders and the Proposed Monitor supports the application for approval of the Interim Lender's Charge in the amount sought.
80. The Interim Lender's Charge is necessary in order to ensure that the Interim Lender has security for the Interim Financing Facility. The proposed quantum of the advance under Interim Financing Facility has been determined based upon the projected cash flow needs set out in the Consolidated Cash Flow Forecast, which is subject to change after the Monitor, if appointed, has been able to complete a thorough investigation of the books and records.

81. It is the respectful view of the Proposed Monitor that the Interim Lender's Charge is reasonable and appropriate in the circumstances, having regard to the scale and complexity of the CCAA Proceedings.

Ranking of Proposed Charges

82. The priorities of the Charges, as among them, shall, unless otherwise ordered by this Court, be as follows:

- a) First: the Administration Charge, to the maximum amount of \$250,000; and
- b) Second: the Interim Lender's Charge, to the maximum amount of \$500,000, plus interest, costs and expenses.

83. If granted, each of the Charges shall (i) constitute a charge on the Property and (ii) subject always to section 136 of the BIA, 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. For purposes of the Initial Order, the Charges shall only attach to the interest of the partnerships in real property (and not the interest of any UFI holder). The proposed Initial Order also authorizes the Monitor, on behalf of the Debtors, to seek a further Order granting priority of the Charges to attach to the interest of any UFI holder, on a subsequent motion on notice to those persons likely to be affected by such an Order.

PROPOSED STAY OF PROCEEDINGS

84. The Applicant Investors are seeking the Initial Stay Period up to and including November 24, 2024. The requested Initial Stay Period provides that no proceeding (each, a "**Proceeding**") or enforcement process (an "**Enforcement**") in any court or tribunal shall be commenced or continued against or in respect of the Debtors, the Additional Debtor Stay Entities, the Monitor, or affecting the A2A Group business or their property, except with the written consent of the Proposed Monitor, or with leave of this Court and any Proceeding or Enforcement currently underway

against or in respect of the A2A Group or affecting the A2A Group business or their property is stayed and suspended pending further Order of the Court.

85. The Initial Stay Period would allow the Applicant Investors and the Monitor the initial time required to prepare materials required to seek the ARIO and to coordinate their restructuring in a manner that preserves value for the benefit of all stakeholders.

PLAN OF ACTION

86. The lack of information and transparency provided to the Canadian Investors is very concerning.
87. In addition to completing statutory notices and filings, if appointed, the initial activities the Proposed Monitor intends to undertake if appointed include, among other things:
- a) attempting to provide copies of the Initial Order to Mr. Dirk Foo (the A2A Group CEO and owner) and any other known parties who were involved in the origination of the real estate investments, in an attempt to obtain the books and records of each A2A Group entity (including all bank statements);
 - b) preparing and distributing frequently asked questions ("FAQs") to assist investors and stakeholders in understanding the purpose of the CCAA Proceedings and establish a single point of contact for concerned investors and stakeholders;
 - c) communicating to all known exempt market dealers who may be able to provide additional information;
 - d) advertising the proceeding on various social networking platforms (e.g., Facebook, Twitter/X, LinkedIn, Reddit, etc.) seeking additional information. Specifically, the Proposed Monitor will post details of the

proceeding to the "Concerned A2A Investors project" group on Facebook;

- e) advertising or reaching out to prominent offshore publications (*e.g., The Straits Times, Philippine Daily Inquirer, Star Media Group Berhad, South China Morning Post*); and
- f) commissioning and coordinating appraisals of the land and real property.

88. At the Comeback Hearing, the Monitor, intends to seek to expand the Interim Lender's Charge, including over the interest of the foreign investors who own UFIs. As there are at least over a thousand (and potentially several thousand) persons likely to be affected by such an Order, the Monitor intends to provide notice by posting about the proceeding and the expansion of the Charges (affecting their interests):

- a) on Facebook, LinkedIn and Reddit; and
- b) in the *National Post, The Globe and Mail, the Dallas Morning News*, and, where economically feasible, *The Straits Times, Philippine Daily Inquirer, Star Media Group Berhad* and the *South China Morning Post*. In the event the offshore publications are exceptionally expensive, the Proposed Monitor will consider advertising in another relevant publication (relative to the Republic of Singapore, the Republic of the Philippines, Malaysia and Hong Kong).

89. Affected parties who are concerned about the proposed expansion of the Charges will be encouraged to reach out to the Proposed Monitor or Offshore Rep Counsel to obtain details of the Comeback Hearing.

90. Depending on the success of obtaining books and records from these initial activities from the Debtors and/or Management, the Monitor will consider other

possibilities to better inform the Court and all stakeholders of the financial position of the A2A Group and the related properties.

CONCLUSIONS AND RECOMMENDATIONS

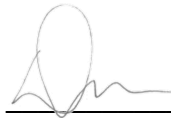
91. The Proposed Monitor is advised that the inclusion of all of the Debtors in the CCAA Proceedings is fundamental to the proposed restructuring plan, and the Applicant Investors are of the view that this structure will allow for the maximization of value for the benefit of all stakeholders.
92. Based on the current information that has been made available to the Proposed Monitor by the Applicant Investors, the Proposed Monitor respectfully recommends that this Honourable Court grant the Initial Order substantially in the form sought by the Applicants.

All of which is respectfully submitted this 13th day of November, 2024.

ALVAREZ & MARSAL CANADA INC.,
in its capacity as Proposed Monitor of A2A Capital Services Canada Inc., Serene Country Homes (Canada) Inc., A2A Developments Inc., Serene Country Homes, LLC, Serene Development, LLC, 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

Additional Debtor 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

APPENDIX "B"

COURT FILE NUMBER **2401-**
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary

Clerk's Stamp

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

AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF ANGUS A2A GP INC., ANGUS MANOR
PARK A2A GP INC., ANGUS MANOR PARK A2A CAPITAL
CORP., ANGUS MANOR PARK A2A DEVELOPMENTS INC.,
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. and A2A CAPITAL
SERVICES CANADA INC.

DOCUMENT **CONSENT TO ACT**

ADDRESS FOR SERVICE **Fasken Martineau DuMoulin LLP**
AND CONTACT Suite 3400, 350 7th Avenue S.W.
INFORMATION OF Calgary, AB T2P 3N9
PARTY FILING THIS
DOCUMENT **Attention: Robyn Gurofsky / Kaitlyn Wong**
Tel: (403) 261-9469 / (403) 261-9468
Email: rgurofsky@fasken.com / kwong@fasken.com
File No.: 340252-00001

CONSENT TO ACT AS MONITOR / RECEIVER

Alvarez & Marsal Canada Inc. ("**A&M**") hereby consents to act as court-appointed monitor with enhanced powers in respect of Angus A2A GP Inc., Angus Manor Park A2A GP Inc., Angus Manor Park A2A Capital Corp., Angus Manor Park A2A Developments Inc., Windridge A2A GP Inc., Windridge A2A Developments LLC, Fossil Creek A2A GP Inc., Gossip Creek A2A Developments, LLC, A2A Developments Inc., Serene Country Homes (Canada) Inc., and A2A Capital Services Canada Inc. (together, the "**Debtor Companies**"), if so appointed by this Honourable Court.

Alternatively, A&M hereby consents to act as court appointed receiver in respect of the Debtor Companies together with Angus A2A Limited Partnership, Angus Manor A2A Limited

Partnership, Windridge A2A LP, Hills of Windridge A2A Trust, Fossil Creek A2A Limited Partnership and Fossil Creek A2A Trust, if so appointed by this Honourable Court.

DATED at Calgary, Alberta this 11th day of November, 2024.

ALVAREZ & MARSAL CANADA INC.

A handwritten signature in blue ink, consisting of a stylized 'O' followed by a long horizontal stroke that curves upwards at the end.

Per:

Name: Orest Konowalchuk, CPA, CA, CIRP, LIT
Title: Senior Vice President

APPENDIX "C"



November 13, 2024

Alvarez & Marsal Canada Inc.

Suite 1110, 250 6th Ave SW
Calgary, AB
T2P 3H7

Attention: Orest Konowalchuk

Re: Commitment Letter – Debtor in Possession Facility (the “DIP Facility”) of CDN \$2,000,000 to A2A Capital Management Inc., Serene Country Homes (Canada) Inc. (formerly A2A Capital Management Inc.), and those entities listed on Schedule “A” hereto

This Commitment Letter will provide you with the terms and conditions of a Credit Facility that Pillar Capital Corp. (the “Lender”) will provide, subject to satisfactory completion of our due diligence, credit committee approval and the execution of the appropriate legal documentation.

BORROWERS: **A2A Capital Management Inc., Serene Country Homes (Canada) Inc. (formerly A2A Capital Management Inc.), and those entities listed on Schedule “A” hereto** (collectively, the “Borrowers”), pursuant to enhanced powers provided to Alvarez and Marsal Canada Inc. in its capacity as Monitor of the Borrowers within the Borrowers’ proceedings pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA Proceedings**”), and not in its personal or corporate capacity]

PURPOSE OF FINANCING: DIP financing to support working capital requirements.

PROPOSED FINANCING: Demand loan in the maximum amount of **CDN \$2,000,000** (the “DIP Facility”).

AVAILABILITY: First draw a minimum of \$500,000. Thereafter, available in draws no less than \$250,000 and not more frequently than twice per month. A fee of \$250 will be charged for each draw.

INTEREST: 15% per annum on daily balance outstanding under the Credit Facility, compounded monthly.

TERM: 12 month facility with a minimum term of 3 months. Open facility after 3 months.

PAYMENT: Payments for the first 12 months to be drawn from an interest reserve and funded proportionally from each advance under the Credit Facility. Thereafter, monthly interest only payments with a balloon payment end of term.

DOCUMENTATION AND SECURITY: The Borrowers shall provide or cause to be provided, the security and agreements listed below, in form and substance satisfactory to the Lender, including, but not limited to:

- a. Interim Lender's Charge, evidencing a first priority charge against the assets of the Debtors in priority to all security interests, trusts, liens, charges and encumbrance, statutory and otherwise, but subordinate to the Administration Charge;
- b. DIP Credit Facility Agreement;
- c. Pre-authorized debit agreement;
- d. Assignment of interest reserve; and
- e. Such further security and other documentation that the Lender and its solicitor may reasonably require.

ONGOING REPORTING:

The Borrowers will provide such financial and other information as the Lender may reasonably request, from time to time, including, but not limited to:

- i. Monthly cash flow forecast statements from the Borrowers as reviewed by the Monitor, including variance reports of actual to forecast;
- ii. Monthly bank statements; and
- iii. Monthly Accounts Receivable and Accounts Payable listings for all post filing amounts in the CCAA Proceedings.

ONGOING COVENANTS:

The Borrowers shall pay when due all statutory liens, trust and other Crown claims including employee source deductions, GST, PST, EHT, WEPPA, property taxes and WSIB premiums to the extent that such payments are required by law and are in priority to the Lender's security interest.

CONDITIONS:

Availability of any borrowings is conditional upon, but not limited to:

- a. Acceptance by the Borrowers of this Commitment Letter;
- b. The Borrowers obtaining Court Orders (the "Order(s)") in form and content satisfactory to the Lender and Lender's Counsel, authorizing the borrowing under the DIP Facility;
- c. The Orders granting a first ranking charge in favour of the Lender (subject only to the Administration Charge) as security for repayment of the DIP Facility, and all interest, fees, expenses and other amounts payable by the Borrowers (the "Interim Lender's Charge"), as follows: (1) in the Initial Order an amount of \$500,000, which shall charge all existing and after acquired property of the Borrowers (the "Property"); and (2) in the Amended and Restated Order, an amount of \$2,000,000, which shall charge the Property and all existing and after acquired property that is co-owned between the Borrowers and any third parties (the "Foreign Investor Property").
- d. Approval of the transaction by the Lender's Credit Committee;
- e. Appraiser to be engaged within 7 days of the advance date to complete appraisals on the assets pledged by the Borrower, satisfactory to Lender;
- f. Canadian real property of the Borrowers located in or around Essa, Ontario to be listed for sale within 90 days of the initial advance, satisfactory to Lender;
- g. Administration charge shall not exceed \$500,000;

- h. Satisfactory cash flow projections; and
- i. Delivery and registration of the Security in a form acceptable to the Lender.

TERMINATION EVENT: The Obligations of the Lender and the Borrower under this Commitment Letter will terminate within five (5) days of the date hereof if at such time the Interim Lender's Charge has not been approved by Court Order.

FACILITY MONITORING FEE: 3% to be deducted from each advance under the Credit Facility. In addition to the Facility Fee, a monthly monitoring fee of \$500 is due and payable on the last business day of each calendar month.

DUE DILIGENCE FEE: Borrowers shall pay a non-refundable due diligence fee in the amount of \$7,500. Diligence fee to be deducted from the proposed advance upon funding.

LEGAL FEES: The Borrowers will be responsible for all of the Lender's legal fees incurred in respect of the Credit Facility, which legal fees shall be withheld and paid from the first draw. A legal quote can be provided upon the Lender's approval of the transaction.

ACCEPTANCE: This Commitment must be accepted by the Monitor by no later than 5pm MST on Friday, November 15th, 2024 after which the offer will expire.

Yours truly,



Steve Dizep
Pillar Capital Corp.

On behalf of **A2A Capital Management Inc.**, I agree with the terms and conditions as stated above:

Per:

Date: ____ __, 2024

SCHEDULE "A"

1. A2A Developments Inc.
2. Angus A2A GP Inc.
3. Angus A2A Limited Partnership
4. Angus Manor Park A2A Developments Inc.
5. Angus Manor Park Capital Corp.
6. Angus Manor Park A2A GP Inc.
7. Angus Manor Park A2A Limited Partnership
8. Hills Of Windridge A2A GP Inc.
9. Hills Of Windridge A2A LP
10. Windridge A2A Developments, LLC
11. Fossil Creek A2A GP Inc.
12. Fossil Creek A2A Limited Partnership
13. Fossil Creek A2A Developments, LLC
14. Serene Country Homes (Canada) Inc
15. A2A Capital Services Canada Inc.
16. Fossil Creek A2A Trust
17. Hills of Windridge A2A Trust

APPENDIX "D"

A2A Group

Two Week Cash Flow Forecast

for the period ending November 22, 2024

unaudited, CDN \$000s

	week ending	15-Nov-24	2024-22-15	Total
Receipts	-	-	-	-
Total Receipts	-	-	-	-
Operating Disbursements	-	-	-	-
Professional Fees & Expenses	-	(250)	(250)	(250)
Retainers	-	(250)	(250)	(250)
Total Disbursements	-	(500)	(500)	(500)
Net Cash Flow	-	(500)	(500)	(500)
Opening Cash	-	-	-	-
Interim Financing	-	500	500	500
Net Cash Flow	-	(500)	(500)	(500)
Ending Cash	-	-	-	-
Opening Retainers	-	-	-	-
Retainers Funded	-	250	250	250
Ending Retainers	-	250	250	250
Opening Interim Financing	-	-	-	-
Interim Financing Funded	-	(500)	(500)	(500)
Closing Interim Financing	-	(500)	(500)	(500)

Disclaimer

In preparing this cash flow forecast (the "**Forecast**"), the Proposed Monitor has made assumptions discussed below with respect to the requirements and impact of a filing under the *Companies' Creditors Arrangement Act* ("**CCAA**"). Since the 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 Forecast is presented in thousands of Canadian dollars.

Note 1: Professional fees and expenses, largely incurred to prepare for the Initial Order.

Note 2: Retainers for professional fees and expenses, to be held by each professional firm.