

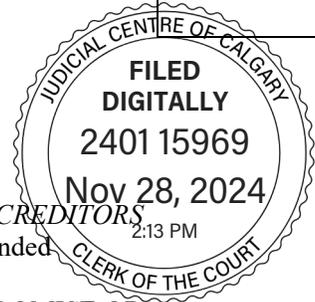
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COURT COURT OF KING'S BENCH OF ALBERTA

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 **SECOND REPORT OF THE MONITOR  
ALVAREZ & MARSAL CANADA INC.**

**November 28, 2024**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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ALVAREZ & MARSAL

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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 (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 (the "**ARIO**").
3. The entities which are subject to relief under the CCAA are A2A Capital Services Canada Inc. ("**A2A CSC**"), Serene Country Homes (Canada) Inc. ("**Serene**"), 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 USA**") and Windridge A2A Developments, LLC ("**Windridge USA**" and collectively, the "**Debtor Companies**").
4. The Initial Order also extended 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, Hills of Windridge A2A Trust, Fossil Creek A2A Limited Partnership ("**Fossil LP**") and Hills of Windridge A2A Limited Partnership ("**Windridge LP**" and collectively, the "**Additional Debtor Stay Entities**"). The Debtor Companies and the Additional Debtor Stay Entities are collectively referred to as the "**A2A Group**".

5. Amongst other things, the Initial Order provided for:
- a) a stay of proceedings (the "**Stay Period**"), for an initial period up to and including November 24, 2024 (the "**Initial Stay Period**");
  - b) appointing Fasken Martineau DuMoulin LLP ("**Fasken**" or "**Canadian Rep Counsel**") as representative counsel for the Canadian investors (the "**Canadian Investors**");
  - c) appointing 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;
  - d) declaring that the Additional Debtor Stay 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) authorizing 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) granting 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) 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**").
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](http://www.alvarezandmarsal.com/A2A) (the "**Monitor's Website**").
7. Capitalized terms not otherwise defined in this Monitor's Second Report (this "**Report**" or the "**Second Report**") are as defined in the Initial Order, 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**"), or such other materials filed by the Applicant Investors in support of the Initial Order.
8. The relief sought by the Monitor at the Comeback Application included, among many other things, an ARIO:
- a) extending the Stay Period to February 28, 2025 (the "**Stay Extension**");
  - b) increasing to the Initial Administration Charge from \$250,000 to \$500,000 (the "**Amended Administration Charge**"); and
  - c) increasing the Initial Interim Lender's Charge from \$500,000 to \$2,000,000 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**").
9. On November 21, 2024, the Court issued an order extending the Stay Period to November 26, 2024.
10. On November 25, 2024, the Court issued an order (the "**November 25 Order**") which provided for, among other things:

- a) an extension of the stay of proceedings, for a period up to and including December 18, 2024; and
- b) a direction to the Monitor to provide a limited purpose report by 4:00 p.m. on Thursday, November 28, 2024 to the Court to address the following:
  - i. the expenditures and accruals incurred to date, broken down as between service providers; and
  - ii. prepare a revised cashflow statement listing all proposed expenditures until the Court application scheduled on December 18, 2024, broken down as between service providers (the "**Consolidated CF Forecast**"). Further, the Monitor was directed to describe in the Consolidated CF Forecast the activities of each professional up to and including December 18, 2024 in keeping with the limited scope of the stay extensioncollectively, the (the "**Cash Flow Report**").

## **PURPOSE**

- 11. The purpose of this Report is to provide information to this Honourable Court with the requested Cash Flow Report.
- 12. This Report should be read in conjunction with the Applicant Investors' materials filed in support of the CCAA Application.

## **TERMS OF REFERENCE AND DISCLAIMER**

- 13. In preparing this Report, A&M, in its capacity as the 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 communicated with the Debtor Companies'

management ("**Management**") directly and through its legal counsel requesting various Debtor Companies' information, but the Monitor has only received very limited financial or other information from the Debtor Companies to date. Except as otherwise described in this 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 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.
14. Future-oriented financial information referred to in this 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.
15. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

## **THE CASH FLOW REPORT**

### ***Key Assumption***

16. The Monitor emphasizes that the Consolidated CF Forecast and hypothetical assumptions set out below, assumes that Management will provide the Monitor with all of the information requested (as outlined in Appendix "C" to the First Report and supplemented with additional requirements in the November 25 Order) in a timely manner and such information will be complete, organized and legible. Any delays in receiving such information, or any information which is not organized in a logical format or is not complete, will likely result in additional time spent by the Monitor and other professionals to review and evaluate (the "**Key Assumption**").
17. Given the information revealed during the November 26 Meeting (defined and discussed below) concerning the lack of updated record keeping, the Monitor is uncertain as to the timing and quality of the information to be received, given the apparent lack of financial stewardship.

### ***Overview***

18. Upon receiving the direction of the November 25 Order, the Monitor held various communication with each of the professional services firms engaged in these proceedings, requesting their:
  - a) expenditures and accruals to date, and a description of the activities performed; and
  - b) proposed expenditures until the Court application scheduled on December 18, 2024, including a description of the activities and baseline hypothetical assumptions(together, the "**Professional Fee Submissions**").
19. The Monitor re-iterated in its discussions with the various professional firms to provide their respective estimates based on the clear scope and expectation outlined by this Honourable Court, while also taking into consideration the Key Assumption. A copy of each of the Professional Fee Submissions received are

attached hereto as Appendix "B". The Consolidated CF Forecast is summarized below:

<b>A2A Group</b>				
<b>Consolidated CF Forecast</b>				
<i>\$CAD, unaudited</i>				
	<b>Actuals</b>	<b>Actuals</b>	<b>Forecast</b>	<b>Total</b>
	<b>Pre-Filing</b>	<b>15-Nov-24 to 25-Nov-24</b>	<b>26-Nov-24 to 18-Dec-24</b>	
<b>Professional Fees</b>				
Alvarez & Marsal Canada Inc.	87,268	60,490	138,325	<b>286,083</b>
Cassels Brock & Blackwell LLP	113,424	90,147	150,000	<b>353,571</b>
Reed Smith LLP	40,471	63,284	42,300	<b>146,055</b>
Fasken Martineau DuMoulin LLP <sup>1</sup>	102,899	53,575	50,000	<b>206,474</b>
Norton Rose Fulbright Canada LLP	9,738	22,038	87,500	<b>119,276</b>
Azimuth Risk Management Ltd.	37,802	21,580	42,040	<b>101,422</b>
Contingency	-	-	50,400	<b>50,400</b>
<b>Subtotal</b>	<b>391,602</b>	<b>311,113</b>	<b>560,565</b>	<b>1,263,280</b>
Professional Fee Disbursements	3,645	43,163	5,500	<b>52,308</b>
Other Disbursements	-	-	18,100	<b>18,100</b>
Contingency	-	-	5,000	<b>5,000</b>
Sales Tax	17,739	12,961	23,668	<b>54,368</b>
<b>Total Fees, Disbursements &amp; Taxes</b>	<b>412,986</b>	<b>367,237</b>	<b>612,833</b>	<b>1,393,056</b>

*Note: USD amounts have been translated at 1.41*

*Note 1: Fasken's pre-Filing invoice covered the period to November 11, 2024 and their second invoice subsequently covered the period between November 12-25, 2024.*

20. A summary of the activities performed by the professionals resulting in the professional fees incurred to date are included hereto at Appendix "B".
21. The professional fee disbursements incurred to date are a result of:
  - a) \$26,956 in Chapter 15 filing fees;
  - b) \$12,077 in publishing fees for advertisements in *The Globe and Mail*, the *National Post* and the *Dallas Morning News*; and
  - c) legal disbursements.

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

- a) \$560,500 in professional fees and certain contingency accruals are forecast over the three-week period. Details of the underlying hypothetical assumptions for each professional are included hereto at Appendix "B". For firms providing an estimated range of fees, the Monitor used the mid-point of the range as the forecast and included the additional amount up to the high-point as contingency;
- b) other disbursements of \$18,100 are forecast for appraisals to be conducted on Angus Manor, Fossil Creek and Windridge. The Monitor is currently finalizing agreements with independent appraisers to complete such appraisals; and
- c) the Monitor is aware of only \$435.86 cash held by the entities of the A2A Group. The Monitor has requested Management to provide any or all bank account information in an attempt to preserve and protect the assets in the CCAA Proceedings, but has only been provided with one RBC account to date.

23. 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 Consolidated CF Forecast for the purpose described in the notes to the Consolidated CF Forecast, using probable and hypothetical assumptions as set out in the notes. As previously discussed, Management has not prepared the Consolidated CF Forecast, and due to the uniqueness of the matters, the Monitor prepared initial Consolidated CF Forecast with review and commentary from the professional advisors;

- b) the Monitor's review of the Consolidated CF 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 provided limited 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 Consolidated CF Forecast. The 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 CF Forecast;
- c) based on the Monitor's preliminary review of the Consolidated 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 Consolidated CF Forecast;
  - ii. as at the date of this Report, the probable assumptions developed by the Monitor are not suitably supported and consistent with the basis for the professional fees, as outlined in the November 25 Order, or do not provide a reasonable basis for the CF Flow Forecast, given the hypothetical assumptions; or
  - iii. the Consolidated CF Forecast does not reflect the probable and hypothetical assumptions; and
- d) since the Consolidated 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 Consolidated 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 Report, or relied upon by A&M in preparing this Report.

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

#### **COURT ORDERED CHARGES**

25. The relief previously sought by the Monitor at the Comeback Application included, among many other things, an ARIO:

- a) extending the Stay Period to February 28, 2025 (the "**Stay Extension**");
- b) increasing to the Initial Administration Charge from \$250,000 to \$500,000 (the "**Amended Administration Charge**"); and
- c) increasing the Initial Interim Lender's Charge from \$500,000 to \$2,000,000 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**").

26. The quantum of increase to the Amended Administration Charge and the Amended Interim Lender's Charge were sized based on the assumption that the Stay Extension would be granted to February 28, 2025.

27. In light of the Court's direction in the November 25 Order to prepare and file the Cash Flow Report, the Consolidated CF Forecast demonstrates that the invoiced, accrued and forecast professional fees, disbursements and taxes total approximately \$1.4 million.

28. As such, if the Initial Administration Charge remains at \$250,000 and there is 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 "**Revised Interim Lender's Charge**"), this level of increase to the respective charges should be sufficient.

29. The Monitor has discussed the proposed Revised Interim Lender's Charge with Pillar. Pillar has advised it is supportive of the Revised Interim Lender's Charge.

#### **COMPANY COMMUNICATION UPDATE**

30. On November 26, 2024, the Monitor and its consultant, Azimuth, arranged for a conference call with Mr. Grayson Ambrose<sup>1</sup> and Mr. Joseph Attrux<sup>2</sup> (the "**November 26 Meeting**") to discuss the production of documents requested in the Document Request Letter (including as supplemented by the additional information requirements in the November 25 Order).

31. During this meeting, Messrs. Ambrose and Attrux advised the Monitor and Azimuth that, among other things and to their knowledge:

- a) no financial statements have been updated since sometime around 2016-2017 and no bookkeeping, general ledgers or other records have been kept current;
- b) the books and records within Canada are minimal (limited to certain minute books relating to Canadian entities and other limited financial information). Further, Mr. Ambrose and Mr. Attrux advised that any or all information is being held and/or tracked in Singapore and/or the Philippines and Mr. Allan Lind<sup>3</sup> should have further knowledge on this matter. The Monitor was also advised that financial information may be held by Mr. Dirk Foo who may now be situated in Manila, Philippines; and

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<sup>1</sup> Mr. Ambrose is listed as a director of A2A CSC, Serene, Angus GP, Angus Manor GP, Angus Manor Capital, Fossil Creek GP and Windridge GP.

<sup>2</sup> Mr. Attrux is listed as a director of Serene, A2A Developments, Angus Manor Developments, Angus Manor Capital and Angus Manor GP.

<sup>3</sup> Mr. Lind is listed as a director of Fossil GP, Fossil USA, Windridge GP and Windridge USA

- c) the only active bank account that they are aware of is a RBC account with A2A Developments (the "**RBC A2A Developments Bank Account**"). The bank statements of the account show a balance of \$435.86 with a NSF cheque returned on November 21, 2024 in the amount of \$6,509.52.
32. On November 26, 2024, the Monitor was provided with only the following banking information:
- a) the RBC A2A Development Bank Account statements for the period from April 24, 2023 to October 3, 2024 and November 14, 2024 to November 21, 2024; and
  - b) an RBC Mastercard statement in the name of A2A Developments issued to Mr. Attrux for the period from June 8, 2024 to November 7, 2024.
33. To date, the only additional information the Monitor has received is banking details for the RBC account from October 3, 2024 to November 14, 2024 and has not received any further information ordered to be delivered to the Monitor pursuant to the November 25 Order, including daily bank account balances.
34. The Monitor has included this information to supplement the discussion below regarding the expected activities of the professionals involved in this manner.

All of which is respectfully submitted this 28<sup>th</sup> day of November, 2024.

**ALVAREZ & MARSAL CANADA INC.,**  
**in its capacity as 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**



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



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

## APPENDIX "A"

### Debtors

#### Canadian Entities

- A2A CAPITAL SERVICES CANADA INC.
- SERENE COUNTRY HOMES (CANADA) INC. <sup>1</sup>
- A2A DEVELOPMENTS INC. <sup>2</sup>
- ANGUS A2A GP INC.
- ANGUS MANOR PARK A2A DEVELOPMENTS INC. <sup>3</sup>
- 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 <sup>4</sup>
- WINDRIDGE A2A DEVELOPMENTS, LLC <sup>5</sup>

### 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

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<sup>1</sup> f/k/a A2A CAPITAL MANAGEMENT INC.

<sup>2</sup> f/k/a A2A MEAFORD INC.

<sup>3</sup> f/k/a 2327812 ONTARIO INC.

<sup>4</sup> f/k/a RIVERS EDGE A2A DEVELOPMENTS, LLC

<sup>5</sup> f/k/a WHITE SETTLEMENT A2A DEVELOPMENTS, LLC

## **APPENDIX "B"**

Alvarez & Marsal

### **Invoiced & Accrued**

Up to and including November 14, 2024, Alvarez & Marsal (“**A&M**”) incurred CAD \$87,267.50 in professional fees, along with taxes in the amount of CAD \$4,363.38 for a total of CAD \$91,630.88.

Between November 15, 2024 and November 25, 2024, A&M has incurred CAD \$60,490.00 in professional fees. Further, A&M has incurred CAD\$12,077.00 in disbursements, along with taxes in the amount of CAD \$3,387.25, for a total of CAD \$75,954.25.

A&M has incurred 199.8 hours, at an average hourly rate of CAD \$740.

A description of the activities and disbursements incurred by A&M is as follows:

- Attending numerous meetings with representatives of Azimuth, Canadian counsel, US counsel, various investors, interim lender, representative counsel regarding background, various legal issues, interim lending, Chapter 15 hearings
- Commenting on draft forms of pleadings in Canada and the United States
- Commenting on interim lending documents
- Attending two hearings in Canada, one in the United States
- Drafting a pre-filing report prior to the Initial Application and a first report prior to the Comeback Application
- Drafting two supplements to the first report, including the review of proxies provided for in the Respondent’s supplemental affidavit

### **Forecast**

Based on the activities and the hypothetical assumptions listed below, A&M estimates to incur a further CAD \$128,625 to CAD \$148,025 in professional fees through to December 18, 2024 (the “**Forecast Period**”)

A description of the activities and disbursements anticipated to be performed by the A&M is as follows:

- Attending numerous meetings with representatives of Azimuth, Canadian counsel, US counsel, various investors, debtors, representative counsel regarding background, various legal issues, interim lending, Chapter 15 hearings
- Drafting a second report dealing with forecast cash flows, largely related to professional fee estimates
- Drafting a comprehensive third report dealing with the numerous matters requested by the Court in the Order granted November 25, 2024
- Attending two hearings in Canada

### *Assumptions*

The amounts forecast above assume the following during the Forecast Period:

- No more than two hearings occur
- Information requests to the debtors are met with relative compliance
- Information provided is organized and legible
- No emergent issues arise
- No further projects added to the proceeding
- Matters are largely limited to compliance with the requirements of the November 25, 2024 Order of the Court of King's Bench;

Cassels Brock and Blackwell LLP

### **Invoiced & Accrued**

Up to and including November 14, 2024, Cassels Brock & Blackwell LLP incurred CAD \$113,423.50 in professional fees. Further, Cassels Brock & Blackwell LLP incurred CAD \$1,756.14 in disbursements, along with taxes in the amount of CAD \$5,734.28 for a total of CAD \$120,913.92.

Between November 15, 2024 and November 25, 2024, Cassels Brock & Blackwell LLP has incurred CAD \$90,147.00 in professional fees. Further, Cassels Brock & Blackwell LLP has incurred CAD\$1,589.60 in disbursements, along with taxes in the amount of CAD \$4,544.60, for a total of CAD \$96,281.20.

Cassels Brock & Blackwell LLP has incurred 399 hours, at an average hourly rate of CAD \$530.

A description of the activities and disbursements incurred by Cassels Brock & Blackwell LLP is as follows:

- Attending numerous meetings with representatives of the Monitor, US counsel, various investors, interim lender, representative counsel regarding background, various legal issues, interim lending, Chapter 15 hearings
- Reviewing and summarizing various investment related documents
- Analyzing associated legal structures with investments
- Reviewing various titles and publicly available information regarding background
- Reviewing and commenting on draft forms of pleadings in Canada and the United States, including orders, briefs, reports
- Reviewing and revising interim lending documents
- Preparing for and attending two hearings in Canada, one in the United States
- Legal research regarding numerous legal issues presented by circumstances

### **Forecast**

Based on the activities and the hypothetical assumptions listed below, Cassels Brock & Blackwell LLP estimates to incur a further CAD \$150,000 in professional fees and CAD \$3,000 in disbursements through to December 18, 2024 (the “**Forecast Period**”)

A description of the activities and disbursements anticipated to be performed by the Cassels Brock & Blackwell LLP is as follows:

- Attending numerous meetings with representatives of the Monitor, US counsel, various investors, debtors, representative counsel regarding background, various legal issues, interim lending, Chapter 15 hearings
- Reviewing and summarizing various investment related documents
- Analyzing associated legal structures with investments
- Reviewing various titles and publicly available information regarding background

- Reviewing and commenting on draft forms of pleadings in Canada and the United States, including orders, briefs, reports
- Preparing for and attending two hearings in Canada
- Assisting the Monitor with various forms of inquiries and information requests to the debtors
- Reviewing and considering revised interim lender agreements/term sheets
- Legal research regarding various matters relevant to December 18 hearing

### *Assumptions*

The amounts forecast above assume the following during the Forecast Period:

- No more than two hearings occur
- Information requests to the debtors are met with relative compliance
- No emergent issues arise
- No further projects added to the proceeding
- Matters are largely limited to compliance with the requirements of the November 25, 2024 Order of the Court of King's Bench;

## REED SMITH LLP

### Invoiced & Accrued

Up to and including November 14, 2024, REED SMITH LLP (“**RS**”) incurred USD \$28,703.00 in professional fees. Further, RS incurred USD \$0.00 in expenses, for a total of USD \$28,703.00.

Between November 15, 2024 and November 25, 2024, RS has incurred USD \$44,882.00 in professional fees. Further, RS incurred USD \$19,118.00 in expenses, for a total of USD \$64,000.00.

RS has incurred 94.3 of hours, at an average hourly rate of USD \$780.38.

A description of the activities and disbursements incurred by RS is as follows:

- Review and familiarize with A2A Group business and litigation history, including draft filings to initiate CCAA proceeding.
- Analyze key issues relating to potential chapter 15 filing, including debtor eligibility and need for provisional relief.
- Prepare necessary filings to commence chapter 15 case for 11 A2A Group entities in the United States Bankruptcy Court, including chapter 15 petitions, *Petition for Recognition* and supporting declaration and proposed order granting relief, *Emergency Motion for Provisional Relief* and proposed order granting relief, and required procedural motions.
- Prepare for and attend “first day” hearing on emergency motions for procedural relief and provisional relief.

### Forecast

Based on the activities and the hypothetical assumptions listed below, RS estimates to incur between USD \$10,000 and \$50,000 in professional fees and expenses through to December 18, 2024.

A description of the activities and disbursements anticipated to be performed by the RS is as follows:

- Monitor chapter 15 case docket
- Review any objections or other requests for relief filed by the Debtors, creditors, or other parties in interest
- Correspond with the Court and other parties in interest related to the Retention Hearing
- Research and prepare for argument and presentation at the Retention Hearing
- As needed, prepare witnesses and supplemental filings for the Retention Hearing
- Communicate and correspond with the Alvarez and Marsal and Cassels teams to coordinate chapter 15 case efforts with pending CCAA foreign main proceeding

### *Assumptions*

The amounts forecast above assume the following:

- If there are no objections filed to the requested relief and the Retention Hearing is uncontested, RS estimates it will incur approximately \$10,000 in fees and expenses during the time period of the Forecast
- If there are objections filed and the Retention Hearing is contested, RS estimates it will incur approximately \$50,000 in fees and expenses during the time period of the Forecast

## **FASKEN MARTINEAU DUMOULIN LLP**

### **Invoiced & Accrued**

All dollar amounts referenced herein are in Canadian dollars.

Up to and including November 11, 2024, Fasken Martineau DuMoulin LLP (“Fasken”) incurred \$102,898.50 in professional fees, exclusive of tax. Taxes on that invoice were \$5,144.93, for a total invoice of \$108,043.43.

Between November 12, 2024 and November 25, 2024, Fasken has incurred \$53,574.50 in professional fees. Further, Fasken has incurred \$2,540.39 in disbursements, along with taxes in the amount of \$2,805.74, for a total invoice of \$58,920.63.

Fasken has completed 234.8 hours of work, at an average hourly rate of \$666.

Without waiving privilege associated with the legal work completed to date, a general description of the activities and disbursements incurred by Fasken is as follows:

- Conducting reviews of available background materials;
- Conducting searches for other publicly available information on the Angus Manor, Hills of Windridge and Fossil Creek offering memoranda, corporate structures, real estate developments and land titles;
- Interviewing various Canadian Investors;
- Interviewing real estate consultants engaged by Canadian Investors;
- Conducting research into available remedies and relief;
- Preparing court documents including but not limited to affidavits, court orders, legal briefing, book of authorities;
- Conducting further research regarding requested relief and underlying circumstances;
- Attending to service issues;
- Engaging with Canadian Investors re legal process and court documents;
- Engaging with Respondents re application and information requests;
- Preparing arguments for application for Initial Order or Receivership Order;
- Attending court application for Initial Order;
- Corresponding with Canadian Investors regarding court order;
- Corresponding with Monitor regarding various investigatory issues;
- Reviewing responding materials and comparing to existing information;
- Corresponding with Monitor regarding respondent materials;
- Reviewing ARIO application materials and commenting on same;
- Engaging with Respondents re return application;
- Preparing arguments for and attending application for ARIO;
- Discussions with Monitor and Foreign Investor Counsel re ARIO.

## **Forecast**

Based on the activities and the hypothetical assumptions listed below, Fasken estimates it could incur \$50,000 in professional fees and \$1,000 in disbursements through to December 18, 2024.

A description of the activities and disbursements anticipated to be performed by the Fasken is as follows:

- Engaging with Canadian Investors;
- Reviewing information regarding the subject real estate projects as it is provided;
- Considering any further legal arguments required in advance of December 18, 2024;
- Preparing and filing any further affidavit evidence from Canadian Investors;
- Conducting legal briefing and preparing written arguments;
- Communicating with Monitor and Offshore Rep Counsel on various matters as they arise.

The above noted fee estimate further assumes that there are not hundreds of investors with different information contacting Fasken for detailed information. If that is the case, the estimate could increase.

## *Assumptions*

The amounts forecast above assume the following:

- There are limited numbers of additional Canadian investors who engage with Fasken and wish to submit affidavit evidence;
- Information provided by the Respondents is cohesive and provided in an organized fashion;
- There are no significant or urgent issues that arise in respect of the real estate projects in advance of December 18, 2024.

## NORTON ROSE FULBRIGHT CANADA LLP

### **Invoiced & Accrued**

Up to and including November 14, 2024, Norton Rose Fulbright Canada LLP incurred CAD\$9,737.50 in professional fees. Further, Norton Rose Fulbright Canada LLP incurred CAD\$0 in disbursements, along with taxes in the amount of CAD\$486.88, for a total of CAD\$10,224.38.

Between November 15, 2024 and November 25, 2024, Norton Rose Fulbright Canada LLP has incurred CAD\$22,037.50 in professional fees. Further, Norton Rose Fulbright Canada LLP has incurred CAD\$0 in disbursements, along with taxes in the amount of CAD\$1,101.88, for a total of CAD\$23,139.38.

Norton Rose Fulbright Canada LLP has incurred 31 hours, at an average hourly rate of CAD\$1,025.

A description of the activities and disbursements incurred by Norton Rose Fulbright Canada LLP is as follows:

- Telephone calls and correspondence with Canadian Investor counsel, Monitor and Monitor's counsel
- Review draft and filed pleadings and proceedings
- Review public search investigations and reports
- Review Offshore Investor public information and proceedings
- Review previous Representative Counsel precedents
- Preparation for and attendance on Initial and Comeback CCAA Applications
- Review creditor information and correspondence to Monitor and Information Consultant

### **Forecast**

Based on the activities and the hypothetical assumptions listed below, Norton Rose Fulbright Canada LLP estimates to incur CAD\$75,000 to CAD\$100,000 in professional fees and CAD\$5,000 in disbursements through to December 18, 2024.

A description of the activities and disbursements anticipated to be performed by Norton Rose Fulbright Canada LLP is as follows:

- Respond to Monitor inquiries
- Review Offshore Investors UFI interests
- Contact Offshore Investors for information updates

- Organize Offshore Investors Committee of Offshore Investors
- Preparation for and attendance on November 29, 2024 and December 18, 2024 hearings
- Review and organize Offshore Investors responses and disclosures

### *Assumptions*

The amounts forecast above assume the following:

- A substantive but not overwhelming volume of Offshore Investor responses and disclosures
- Creation of the Offshore Investors Committee prior to December 18, 2024 Application date
- Relative unanimity and conformity of Offshore Investor disclosure, input and direction
- A2A substantive disclosure to and co-operation with the Monitor
- We will endeavour to update the Monitor if any of these forecasts or assumptions appear to be incorrect

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**A2A CCAA - Summary of Activities and Costs**

**Dated: November 27, 2024**

**Invoiced & Accrued**

Up to and including November 14, 2024, Azimuth incurred \$37,802.00 in professional fees along with taxes in the amount of \$1,890.10, for a total of \$39,692.10.

Further, Azimuth incurred \$1888.66 in disbursements, along with taxes in the amount of \$140.28, for a total of \$2,026.94.

Between November 15, 2024, and November 25, 2024, Azimuth has incurred \$21,580.00 in professional fees. Further, Azimuth has incurred \$ -0 -in disbursements, along with taxes in the amount of \$ \$1,079.00, for a total of \$22,659.00.

Azimuth has incurred 172.05 of hours, at an average hourly rate of \$ 345.14.

A description of the activities and disbursements incurred by Azimuth is as follows:

- Attending numerous meetings with representatives of the Monitor, Canadian counsel, and representative counsel regarding background
- Review and research of documents provided by Canadian investors (offering memorandums, limited partnership agreements); reviewing title and other follow up research
- Setting up and monitoring investor emails; various communication with investors explaining the process and seeking additional information

## **Forecast**

Based on the activities and the hypothetical assumptions listed below, Azimuth estimates to incur \$42,040 in professional fees and \$1,500 in disbursements through to December 18, 2024.

A description of the activities and disbursements anticipated to be performed by the Azimuth is as follows:

- Discussions with Essa Township Planning and Engineering Departments re:
  - Angus Manor Park
- Report on the Angus site's developability and status
- Review, report and cross-consult on information to be provided by A2A entities as per court order.
- Review, report and cross-consult on other A2A related / syndicated properties and VTB Mortgages in Ontario.
- Review, report and cross-consult on land title searches of A2A related / syndicated properties in Texas.
  - Windridge
  - Fossil Creek
- Discussions with applicable Municipal/County Planning and Engineering Departments re:
  - Windridge
  - Fossil Creek
- Discussions (virtual) with A2As prior Planning, Engineering, Survey consultant:
  - Engineering/Survey/Planning firm Evolving Texas (Ron Ramirez)
- Other tasks responding to information obtained from above activities.
- Review, report and cross-consult on strategic aspects of determining best next steps and sequencing.
- Continue ongoing communication / discussions with investors to:
  - Explore gaps in A2As investor updates
  - Understand what investors received from A2A related projects.
  - Update / Expand list of potential overseas affiliates.

## *Assumptions*

The amounts forecast above assume the following:

- Obtaining meaningful development-oriented information arising from the court order.
- Obtaining meaningful investor-oriented contact information arising from the court order.
- Obtaining and managerial review of financial records of projects.
- We can expand knowledge of underlying values of A2A related properties.