Court File No.: CL-26-00000362-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	FRIDAY, THE 28TH
	)	
JUSTICE DUNPHY	)	DAY OF AUGUST, 2026

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2055226 ONTARIO INC., ALLIANCE (SUTTON) INC., BERKSTAR DEVELOPMENT INC. AND ROSE OPERATING I GP INC.

MARSHALLZEHR GROUP INC.

Applicant

AND

2055226 ONTARIO INC., ALLIANCE (SUTTON) INC., BERKSTAR DEVELOPMENT INC., ROSE SUTTON LIMITED PARTNERSHIP AND ROSE OPERATING I GP INC.

Respondents

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by MarshallZehr Group Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario M5G 1R7 by judicial videoconference via Zoom.

ON READING the Affidavit of Sean Atkinson sworn August 17, 2026 and the Exhibits thereto (the "**First Atkinson Affidavit**"), the Affidavit of Alex Troop sworn August 17, 2026, the Affidavit of Sam Reisman sworn August 22, 2026, the Supplementary Affidavit of Alex Troop sworn August 23, 2026, the Affidavit of Rosemarie Parruzza sworn August 23, 2026, the Affidavit of Manav Acharya sworn August 23, 2026, the Affidavit of Sean Atkinson sworn August 26, 2026 (the "**Second Atkinson Affidavit**"), the pre-filing report of BDO Canada Limited ("**BDO**"), in its capacity as the proposed monitor of 2055226 Ontario Inc., Alliance (Sutton) Inc., Berkstar Development Inc., Rose Sutton Limited Partnership and Rose Operating I GP Inc. (the "**Respondents**") dated August 17, 2026 (the "**Pre-Filing Report**"), the first report of BDO, in its capacity as the monitor of the Respondents (in such capacity, the "**Monitor**") dated August 27, 2026 (the "**First Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, counsel for Alliance Sutton Inc. and Alliance Homes Ltd. ("**Alliance Homes**"), counsel for Ducimus Capital Inc, counsel for Sam Reisman and such other counsel as were present as appears on the Participant List, with no one else appearing for any other person although duly served as it appears from the affidavit of service of Kim Sellers sworn August 17, 2026, and the affidavit of service of Kim Sellers sworn August 27, 2026, filed, and on reading the consent of BDO to act as the Monitor of the Respondents,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that unless otherwise defined herein, capitalized terms have the meanings given to them in the First Atkinson Affidavit and Second Atkinson Affidavit, as applicable.

3. **THIS COURT ORDERS** that, for the avoidance of doubt, reference in this Order to the "date of this Order", the "date hereof", or similar phrases mean August 24, 2026 (the "**Filing Date**") being the date the Initial Order was granted by this Court.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that each of the Respondentss shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

APPLICATION

5. **THIS COURT ORDERS AND DECLARES** that 2055226 Ontario Inc., Alliance (Sutton) Inc., Berkstar Development Inc., and Rose Operating I GP Inc. are companies to which the CCAA applies.

6. **THIS COURT ORDERS** that, although not a Company (as the term is defined in the CCAA), Rose Sutton Limited Partnership shall be bound by the terms of this Order and enjoy the benefits, protections and authorizations provided in this Order.

POSSESSION OF PROPERTY AND OPERATIONS

7. **THIS COURT ORDERS** that the Respondents shall 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**"). Subject to further Order of this Court, and subject to (i) funding being available to the Respondents under the DIP Term Sheet and the availability within the cash flow forecast to do so; and (ii) the constraints imposed on the Respondents arising from the Monitor's Enhanced Powers (defined below) that may impede the ability of the Respondents from doing so, the Respondents shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Respondents are authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

8. **THIS COURT ORDERS** that, subject to the oversight of the Monitor specifically set out in paragraph 29 of this Order, the Respondents shall be entitled to continue to utilize their

central cash management system currently in place as described in the First Atkinson Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Respondents of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Respondents, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan under the CCAA with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

9. **THIS COURT ORDERS** that subject to the terms of the Definitive Documents (as hereinafter defined), the Respondents shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant and subject to the prior consent of the Monitor, the Respondents in respect of these proceedings, at their standard rates and charges.

10. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the terms of the Definitive Documents, and the cash flow forecast appended to the First Report, as applicable, the Respondents shall be entitled but not required to pay all reasonable expenses incurred by the Respondents in carrying on the Business in the ordinary course after the Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services; and

(b) payment for goods or services actually supplied to the Respondents following the Filing Date; and

(c) payment for goods or services actually supplied to the Respondents by third party suppliers prior to the Filing Date if it is determined by the Respondents, with the consent of the Monitor and the DIP Lender (defined below), that the supplier is critical to the Business, ongoing operations of the Respondents, or preservation of the Property, the payment is required to ensure ongoing supply and/or services, and such payments are approved in advance by the Monitor or by further Order of the Court.

11. **THIS COURT ORDERS** that the Monitor shall direct that the Respondents shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes and all other amounts related to such deductions or employee wages payable for periods following the Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan Act*, the *Employment Insurance Act*, or similar provincial statutes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Respondents in connection with the sale of goods and services by the Respondents, but only where such Sales Taxes are accrued or collected after the Filing Date, or where such Sales Taxes were accrued or collected prior to the Filing Date but not required to be remitted until on or after the Filing Date; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Respondents.

12. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Respondents shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Respondents and the landlord from time to time ("**Rent**"), for the period commencing from and including the Filing Date twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the Filing Date shall also be paid.

13. **THIS COURT ORDERS** that, except as specifically permitted herein or required pursuant to the terms of the Definitive Documents, the Respondents are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Respondents to any of their creditors as of the Filing Date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

14. **THIS COURT ORDERS** that the Respondents (or the Monitor on behalf of the Respondents) in consultation with the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their business or operations;

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate;

(c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Respondents to proceed with an orderly restructuring of the Business (the "**Restructuring**").

15. **THIS COURT ORDERS** that the Respondents shall provide each of the relevant landlords with notice of the Respondents' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Respondents' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Respondents, or by further Order of this Court upon application by the Respondents on at least two (2) days notice to such landlord and any such secured creditors. If the Respondents disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Respondents' claim to the fixtures in dispute.

16. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Respondents and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Respondents in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

17. **THIS COURT ORDERS** that until and including November 13, 2026 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Respondents, Construction Manager (as defined below) or the Monitor or their respective employees, directors, or counsel, or affecting the Business or the Property, except with the written consent of the Respondents and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Respondents or any of their employees, directors, or counsel, or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

18. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Respondents, Alliance Homes in its capacity as the existing consulting/construction manager for the Project (in such capacity, the "**Construction Manager**"), or the Monitor, or their respective employees, directors, or counsel, for matters affecting the Business or the Property, including, without limitation, licences and permits required for the Project regardless of who is the legal holder of any such licences and permits, are hereby stayed and suspended except with the written consent of the Respondents and the Monitor, or leave of this Court, provided that nothing in this Order shall (a) empower the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on; (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (c) prevent the filing of any registration to preserve or perfect a security interest; or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

19. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to

perform any right, renewal right, contract, agreement, licence, authorization or permit in favour of or held by the Respondents, except with the written consent of the Respondents and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

20. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Respondents, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Respondents, and that the Respondents shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Filing Date are paid by the Respondents in accordance with normal payment practices of the Respondents or such other practices as may be agreed upon by the supplier or service provider and each of the Respondents and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Filing Date, nor shall any Person be under any obligation on or after the Filing Date to advance or re-advance any monies or otherwise extend any credit to the Respondents. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

NO PRE-FILING VS POST-FILING SET OFF

22. **THIS COURT ORDERS** that during the Stay Period, no Person shall be entitled to set off any amounts that: (a) are or may become due to the Respondents in respect of obligations arising prior to the Filing Date with any amounts that are or may become due from the

Respondents in respect of obligations arising prior to the date of this Order; (b) are or may become due to the Respondents in respect of obligations arising prior to the Filing Date with any amounts that are or may become due from the Respondents in respect of obligations arising on or after the Filing Date; or (c) are or may become due from the Respondents in respect of obligations arising prior to the Filing Date with any amounts that are or may become due to the Respondents in respect of obligations arising on or after the Filing Date, in each case without the consent of the Respondents and the Monitor, or with leave of this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Respondents with respect to any claim against the directors or officers that arose before the Filing Date and that relates to any obligations of the Respondents whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Respondents, if one is filed, is sanctioned by this Court or upon further Order of this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. **THIS COURT ORDERS** that the Respondents shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers after the commencement of these proceedings, except to the extent the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

25. **THIS COURT ORDERS** that the directors and officers of the Respondents shall be entitled to the benefit of and are hereby granted a charge (the **"Directors' Charge"**) on the Property, which charge shall not exceed an aggregate amount of $450,000 as security for the indemnity provided in paragraph 24 of this Order. The Directors' Charge shall have the priority set out in paragraphs 45 and 47 hereof.

26. **THIS COURT ORDERS** that notwithstanding any language in any applicable insurance policy to the contrary:

(a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and

(b) the directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under a directors' and officers' insurance policy, or to the extent such coverage is insufficient to pay amounts indemnified under paragraph 24 of this Order.

APPOINTMENT OF MONITOR

27. **THIS COURT ORDERS** that BDO is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Respondents with the powers and obligations set out in the CCAA or set forth herein and that the Respondents and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Respondents pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) provide any consents or authorizations as contemplated by this Order;

(b) monitor the Respondents' receipts and disbursements including the management and use of any funds advanced by the Applicant as DIP lender (in such capacity, the "**DIP Lender**") under the DIP Term Sheet (as hereinafter defined);

(c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(d) assist the Respondents, to the extent required by the Respondents, in their dissemination to the DIP Lender and its counsel on a regular basis of financial and other information as agreed to between the Respondents and the DIP Lender, which financial and other information may be used in these proceedings, including reporting on a basis to be agreed with the DIP Lender or as required pursuant to the Definitive Documents;

(e) advise the Respondents in its preparation of the Respondents' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis as agreed to by the DIP Lender or as required pursuant to the Definitive Documents;

(f) advise the Respondents in their development of the Plan and any amendments to the Plan;

(g) assist the Respondents, to the extent required by the Respondents, with the holding and administering of creditors' and shareholders' meetings for voting on the Plan;

(h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Respondents, to the extent that is necessary to adequately assess the Respondents' business and financial affairs or to perform its duties arising under this Order;

(i) be at liberty to engage independent legal counsel and such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

29. **THIS COURT ORDERS** that, without in any way limiting the powers and duties of the Monitor otherwise set out herein, the Monitor is hereby empowered and authorized, but not obligated, to do any of the following in the name of and on behalf of the Respondents, where the Monitor considers it necessary or desirable:

(a) take any and all actions and steps to manage, operate and carry on the Business, or to preserve, protect and exercise control over the Property, or any parts thereof, including, without in any way limiting the generality of the foregoing:

(i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or realization of the Business;

(ii) any and all steps of the Respondents authorized by this Order and any other Order made in these proceedings, including making distributions or payments;

(iii) receive, preserve and protect the Property, including changing locks and security codes, engaging security personnel, and placing insurance coverage;

(iv) exercise control over the Cash Management System and every bank account in the name of the Respondents, open or more new accounts, direct deposit and distribution of funds and issue binding directions to any financial institution maintaining an account of the Respondents;

(v) receive, collect and exercise control over all monies and accounts held by or owing to the Respondents, including any proceeds of the sale of any of the Property;

(vi) enter into any agreements on behalf of and in the name of the Respondents for any purpose pursuant to this Order;

(vii) disclaim property, leases or agreements of the Respondents;

(viii) initiate, prosecute and continue any proceedings, defend proceedings pending or instituted with respect to the Respondents, the Business or the Property and settle or compromise any such proceedings;

(ix) settle, extend or compromise any indebtedness owing to or by the Respondents;

(x) purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the Business, or any part or parts thereof;

(xi) exercise any rights of the Respondents;

(xii) apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and in the name of the Respondents;

(xiii) exercise any consent, approval or decision-making rights of the Respondents with respect to the Business and the Property;

(xiv) apply for any vesting order or other order, including confidentiality or sealing orders, necessary to convey the Property or any part thereof to a purchaser free and clear of liens and encumbrances;

(xv) take any and all corporate governance actions for the Respondents including without limitation the authority to make any Major Decisions (as defined in the Co-owners Agreement);

(xvi) exercise any shareholder, partnership, joint venture or other rights that the Respondents may have;

(xvii) register a copy of this Order and any other Order in respect of the Property against title to any Property; and

(xviii) execute, assign, issue and endorse documents of whatever nature, including, without limitation, the Respondents' cash flow forecasts and reports provided thereon, by and on behalf of the Respondents in respect of any of the Property for any purpose pursuant to this Order;

(b) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;

(c) oversee and direct the preparation and dissemination of financial and other information of the Respondents in these proceedings, including cash flow statements; and

(d) perform such other duties or take any steps reasonably incidental to the exercise of these powers,

(collectively, the "**Monitor's Enhanced Powers**") and in each case where the Monitor takes any such actions or steps pursuant to the Monitor's Enhanced Powers, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Respondents and without interference from any other person, and no director or officer of the Respondents shall incur any liability for decisions or actions of the Monitor acting under that authority.

30. **THIS COURT ORDERS** that the Monitor shall not take possession of the Business or Property and shall take no part in the management or supervision of the management of the Business other than when exercising the Monitor's Enhanced Powers for and on behalf of the Respondents. By fulfilling its obligations under this Order, or through inadvertence in the due

exercise of its powers or performance of its duties, the Monitor shall not be deemed to have taken or maintained possession or control of the Business or Property or to be an officer, director, employer, successor employer of liquidator of the Respondents for any purposes whatsoever.

31. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") (or be deemed to take Possession of) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"); provided, however, that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

32. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Respondents and the DIP Lender with information provided by the Respondents in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Respondents is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Respondents may agree.

33. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save

and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

34. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the Filing Date as part of the costs of these proceedings (the "**Administration Fees**"). The Respondents are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant, on a weekly basis, and, in addition, the Respondents are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant retainers in such amounts as may be agreed from time to time, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

35. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

36. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicant's counsel shall allocate their Administration Fees and the Monitor shall allocate the amounts advanced under the DIP Term Sheet (as defined below), in each case as between those relating to Phase 1, Phase 2 and 3 and those not related to a particular Phase of the Real Property, subject to further Order of the Court.

37. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $650,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the Filing Date in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 45 and 47 hereof.

DIP FINANCING

38. **THIS COURT ORDERS** that the Respondents are hereby authorized and empowered to obtain and borrow under a credit facility (the "**DIP Facility**") from the DIP Lender in order to finance the Respondents' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed an initial advance in a principal amount up to $2,000,000 plus interest, fees and expenses, unless permitted by further Order of this Court.

39. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the debtor-in-possession term sheet between the Respondents (to be executed by the Monitor for and on behalf of the Respondents), as the borrower, and the DIP Lender, as lender, to be entered into after approval by this Order, a copy of which is appended to the First Atkinson Affidavit (the "**DIP Term Sheet**").

40. **THIS COURT ORDERS** that the Respondents and the Monitor are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Term Sheet, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Respondents are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents and this Order (collectively, the "**DIP Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

41. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property as security for any and all DIP Obligations. The DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 45 and 47 hereof.

42. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon seven (7) days' notice to the Respondents and the Monitor, may exercise any and all of its rights and remedies against the Respondents or the Property under or pursuant to the Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Respondents and set off and/or consolidate any amounts owing by the Respondents to the DIP Lender under the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Respondents and for the appointment of a trustee in bankruptcy of the Respondents; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Respondents or the Property.

43. **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any Plan filed by the Respondents under the CCAA, or any proposal filed by the Respondents under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**"), with respect to any advances made under the Definitive Documents.

44. **THIS COURT ORDERS** that: (a) pending expiry of the time for filing a notice of appeal or application for leave to appeal, or an appeal in respect of this Order and the disposition of any claims, actions, proceedings, applications, or motions to review, rescind or vary this Order, or applications for leave to appeal or appeals from this Order (collectively, "**Challenges**"), the Respondents are authorized to borrow funds under the DIP facility in accordance with the DIP Term Sheet; and (b) irrespective of the disposition of any Challenges, the DIP Lender shall have the benefit of the DIP Charge and all other provisions of this Order in

respect of all amounts so advanced; and (c) this Order is subject to provisional execution to the extent necessary to give effect to the foregoing.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

45. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge and the Directors' Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $650,000);

Second – DIP Lender's Charge; and

Third - Directors' Charge (to the maximum amount of $450,000).

46. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

48. **THIS COURT ORDERS** that, for greater certainty, the Charges do not attach to deposit trust funds subject to true trust and held by the escrow agent under the Deposit Trust Agreement.

49. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Respondents shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Respondents also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the applicable Charges (collectively, the "**Chargees**"), or further Order of this Court.

50. **THIS COURT ORDERS** that the Charges and the Definitive Documents, shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA, or otherwise any bankruptcy order or receivership order(s) made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Respondents, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by the Respondents of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Respondents entering into the Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Respondents pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

51. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Respondents' interest in such real property leases.

SERVICE AND NOTICE

52. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in *The Globe and Mail* a notice containing the information prescribed under the CCAA; (b) within five days after the Filing Date, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner or by electronic message to the e-mail addresses as last shown in the Respondents' records, a notice to every known creditor who has a claim against the Respondents of more than $1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not be required to make the claims, names and addresses of any individual persons who are creditors publicly available unless otherwise ordered by this Court.

53. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List E-Service (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/files/guides/the-guide-concerning-commercial-list-e-service-en.pdf) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 (the "**Rules**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(1)(d) of the Rules and paragraph 13 of the Protocol, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a case website shall be established in accordance with the Guide with the following URL: www.bdo.ca/2055226_Ontario (the "**Monitor's Website**").

54. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant, the Respondents and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any

such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

55. **THIS COURT ORDERS** that the Monitor shall create, maintain, and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor's Website, provided that the Monitor shall have no liability in respect of the accuracy or the timeliness of making any changes to the Service List.

56. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear on a motion before this Court and any such interested person shall give not less than five(5) business days' notice to the Service List and any other party or parties likely to be affected by the Order sought; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 45 and 47 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

GENERAL

57. **THIS COURT ORDERS** that the Applicant, the Respondents or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

58. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Respondents, the Business or the Property.

59. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Respondents, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the

Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Respondents and the Monitor and their respective agents in carrying out the terms of this Order.

60. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

Seán Dunphy

Digitally signed by
Sean Dunphy
Date: 2026.08.28
16:11:47 -04'00'

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2055226 ONTARIO INC. et al.

Court File No.: CL-26-00000362-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at *Toronto*

AMENDED AND RESTATED INITIAL ORDER
(Dated August 28, 2026)

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 6600
P.O. Box 1011
Toronto, ON M5H 3S1

Kyla Mahar (LSO# 44182G)
Tel: 416.567.4303
Email: kmahar@millerthomson.com

Monica Faheim (LSO# 82213R)
Tel: 647.295.4659
Email: mfaheim@millerthomson.com

Armando S. Ranjbar (LSO#: 93408B)
Tel: 416.595.8610
Email: aranjbar@millerthomson.com

Lawyers for the Applicant