Court File No. CL-26-00000362-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

RESPONDING MOTION RECORD

August 22, 2026

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TO: THE ATTACHED SERVICE LIST

Court File No. CL-26-00000362-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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MARSHALLZEHR GROUP INC.

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

Respondents

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(as at August 17, 2026)

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Court File No. CL-26-00000362-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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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

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TAB 1

Court File No. CL-26-00000362-0000

ONTARIO
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,

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Respondents

NOTICE OF MOTION
(Sealing Order)

Samuel G. Reisman ("**Reisman**") will make a motion before the Honourable Justice Dunphy presiding over the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on August 24, 2026, at 9:30 a.m., or as soon after that time as the motion can be heard. Please advise if you intend to join the hearing of the motion by email to Stephanie Fernandes at sfernandes@tgf.ca.

PROPOSED METHOD OF HEARING: The motion is to be heard:

☐ In writing under subrule 37.12.1 (1) because it is *(insert one of* on consent, unopposed *or* made without notice*)*;

☐ In writing as an opposed motion under subrule 37.12.1 (4);

☐ In person;

☐ By telephone conference;

X By video conference, via Zoom, the details of which will be made available by the Court in Case Center.

THIS MOTION IS FOR:

1. A Sealing Order, substantially in the form attached at Tab 3 of the Responding Motion Record, that seals and keeps confidential the Confidential Exhibit to the Affidavit of Samuel G. Reisman sworn August 22, 2026 ("**Reisman Affidavit**").

2. Such other relief as counsel may request and this Honourable Court may deem just.

3. Capitalized terms not defined herein shall have their meaning ascribed to them in the Reisman Affidavit.

THE GROUNDS FOR THIS MOTION ARE:

4. The Confidential Exhibit "A" to the Reisman Affidavit is a copy of the signed offer presented in 2024 for Phase 2 of the Project, for which a sealing order is requested (the "**Confidential Exhibit**").

5. The Confidential Exhibit contains commercial, financial, and pricing information. Public disclosure of this information would compromise the integrity and value of any future court-supervised sales and investment solicitation processes or realization efforts concerning the Project, thereby prejudicing the debtor companies.

6. The salutary effects of a sealing order significantly outweigh the public interest in open court disclosure in the context of sensitive commercial restructurings.

Other Grounds

7. The provisions of the CCAA and the inherent and equitable jurisdiction of the Court;

8. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure* R.R.O. 1990, Reg. 194, as amended and subsection 137(2) of the *Courts of Justice Act*, R.S.O. 190, c. C. 43, as amended; and

9. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

(a) The Affidavit of Samuel G. Reisman, sworn August 22, 2026, and the exhibits attached thereto;

(b) Such further and other documentary evidence as counsel may advise and this Honourable Court may permit.

August 22, 2026

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TO: **THIS HONOURABLE COURT**

AND TO: **THE SERVICE LIST**

Court File No. CL-26-00000362-0000

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto, Ontario

NOTICE OF MOTION
(Sealing Order)

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TAB 2

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ONTARIO
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Applicant

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Respondents

AFFIDAVIT OF SAMUEL G. REISMAN
(Sworn August 22, 2026)

I, **Samuel G. Reisman**, of the City of North York, in the Province of Ontario, make oath and say as follows:

1. I am:

   (a) a director and officer of 2055226 Ontario Inc.;

   (b) the President and the sole director of Rose Operating I GP Inc. ("**Rose GP**") which is the General Partner of Rose Sutton Limited Partnership ("**Rose LP**"), one of the three co-owners of the Project;

(c) the President and sole director of Rose Investments l GP Inc., which is the General Partner of Rose Investments l Limited Partnership which owns 100% of Rose LP, and is one of the guarantors of the MarshallZehr mortgage loans;

(d) a participant in a secured first-ranking mortgage loan administered by MarshallZehr Group Inc. ("**MarshallZehr**") for Phases 2 and 3 (hereinafter collectively referred to as "**Phase 2**") of a real estate development project located at 6213 Black River Road, Georgina, Ontario (the "**Project**"); and

(e) the Chief Executive Officer and controlling mind of the Family Trust that controls The Rose Corporation ("**Rose Corp**"), which is the Manager and significant unit holder of Rose LP, one of the Respondents in the CCAA Application.

As such, I have personal knowledge of the matters to which I depose in this affidavit, unless otherwise indicated. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. I swear this affidavit in response to the Affidavit of Sean Atkinson sworn August 17, 2026 (the "**Atkinson Affidavit**") and the Affidavit of Alex Troop sworn August 17, 2026 (the "**Troop Affidavit**"), which were delivered in support of an application brought by MarshallZehr to appoint BDO Canada Limited ("**BDO**") as the monitor of 2055226 Ontario Inc., Alliance (Sutton) Inc., Berkstar Development Inc., Rose Sutton Limited Partnership and Rose Operating I GP Inc. (the "**Respondents**") (the "**CCAA Application**").

3. The purpose of this affidavit is to:

(a) correct certain information stated in the Atkinson Affidavit and the Monitor's Pre-Filing Report;

(b) provide information to the Court regarding efforts I have made over the past two years to address my concerns with the status of the Project and offer tangible solutions that might have avoided this insolvency proceeding; and

(c) identify concerns that provide context for certain requested amendments to the draft form of Order sought by MarshallZehr: (i) in its Application Record served on the evening of August 17, 2026, and (ii) following receipt of an update version received late in the day on August 21, 2026, as described below.

4. Unless otherwise indicated, capitalized terms used in this affidavit and not otherwise defined shall have the meanings given to them in the Atkinson Affidavit.

5. To assist in narrowing the information and issues to be considered by the Court, I can advise that there is no disagreement with the following propositions:

(a) the two mortgages have matured and MarshallZehr as administrator of the mortgages is entitled to take steps to enforce the security held, including seeking the appointment of a Receiver by the Court if it wishes to do so;

(b) the mortgage held by Rose Finance (as defined below) on the whole of the Project in the original principal amount of $5 million was subordinated to the two mortgages held by MarshallZehr on behalf of lenders on the Project; and

(c) my participation as a lender in the first-ranking secured mortgage on Phase 2 that is administered by MarshallZehr is as a minority participant of approximately 12.77%, with Ducimus holding the largest portion of the indebtedness secured by that mortgage.

II. OVERVIEW

6. As further described at paragraphs 49-61 of the Atkinson Affidavit, MarshallZehr, as mortgage broker and mortgage administrator, coordinated certain credit facilities in 2022 that were syndicated amongst participating lenders, to provide construction financing for Phase 1. Financing arranged by MarshallZehr was advanced in 2024 in respect of Phases 2 and 3 of the Project. Phases 2 and 3 of the Project will be hereafter collectively referred to as "**Phase 2**".

7. In July 2024, for the first-ranking mortgage on Phase 2 of the Project, Ducimus advanced the principal amount of $14 million and Morrison Financial Mortgage Corporation ("**Morrison**") advanced the principal amount of $2.05 million (the "**Morrison Advance**"). On December 4, 2024, I acquired 100% of the Morrison Advance as part of the principal funding of Phase 2 of the Project, and Morrison's participation in the loan.

8. MarshallZehr is the designated Administrator in respect of a secured syndicated loan and mortgage for Phase 2 of the Project. It receives, in addition to the fees set out in the Commitment Letter attached as Exhibit "Z" of the Atkinson Affidavit, a percentage of the interest charged in respect of the Phase 2 loan. The percentage of interest payable to MarshallZehr was initially 0.5% per annum, and increased to 1% per annum on February 1, 2026. Consistent with paragraph 19 of the Atkinson Affidavit, I understand that MarshallZehr does not have its own funds invested in the Project and does not have an economic interest arising from these CCAA

Proceedings, other than as Administrator acting on behalf of the lenders under each mortgage loan and the percentage of interest that it charges as outlined above.

9. The underlying economic exposure is held by the parties that funded the various mortgages, including Ducimus, which is a lender participant in the first-ranking mortgage over Phase 2 of the Project. Ducimus advanced the original principal amount of $14 million and Morrison Financial advanced the original principal amount of $2.05 million, which I acquired by way of assignment in 2024. Accordingly, I am a lender participant in the first-ranking mortgage over Phase 2 of the Project in the principal amount of $2.05 million. As outlined in the Atkinson Affidavit, Ducimus is also the majority lender in the mortgage loan over Phase 1 that is also administered by MarshallZehr.

10. As reflected in the most recent statement interest invoice issued by MarshallZehr to lender participants on August 1, 2026, a total of $22.5 million is owing in respect of advances and accrued interest relating to the mortgage for Phase 2, of which my participation represents approximately $2.8 million.

11. Paragraph 50 of the Atkinson Affidavit only refers to principal amounts originally advanced. The aggregate interest extended under the loan for Phases 2 and 3 of the Project was 13.5% per annum, but pursuant to the interest adjustment terms of the mortgages that arise one month prior to maturity, the interest rates have doubled.

12. As provided to me by MarshallZehr, a summary of the principal and interest owing as at July 31, 2026 on the first-ranking mortgage on Phase 2 of the Project, including the administration fee payable to MarshallZehr, is as follows:

PARTY	PRINCIPAL	INTEREST	TOTAL
Ducimus	$14,000,000	$5,407,697	$19,407,697
Sam Reisman	$2,050,000	$791,841	$2,841,841
MarshallZehr	N/A	$279,054	$279,054
Total	$16,050,000	$6,478,592	$22,528,592

13. I have been involved in the Project for over 20 years, including as designated representative of the one-third beneficial interest of the co-owner, Rose Sutton Limited Partnership. I, together with the entities that I manage within the Rose group of entities, have advanced over $12 million to the Project.

14. My various roles give rise to distinct interests and obligations that I am having to navigate in "real-time" through the proposed structure of a creditor-led CCAA proceeding. Specifically, that includes, as a director of two Respondents in the CCAA Application, as a participating lender within the first-ranking secured mortgage loan in Phase 2 of the Project, and as President and sole director of Rose Finance Corp. ("**Rose Finance**"). Rose Finance initially advanced $5 million to 205 (subsequent advances were made by Rose Investments 1 Limited Partnership on behalf of Rose Finance), which is secured by a charge over the whole Project, subordinated to the MarshallZehr mortgages.

15. Over the past 20 years and through my involvement with the entities listed above, I have extensive knowledge of the Project, its history, operations and stakeholders.

16. MarshallZehr, as directed by Ducimus, and Ducimus, have determined that they wish to pursue an enforcement of the lenders' rights under the mortgages by way of a creditor-initiated CCAA proceeding, rather than a court-appointed receivership or some other method. I have come to understand that this means that, while the structure of the entities comprising the Respondents remains in place and all licenses and operating agreements continue as if the Respondents are continuing to operate, the court-appointed Monitor through enhanced powers granted by the Court Order is effectively directing, or making, all decisions, including all Material Decisions as defined in the Co-Owners Agreement that is attached at Exhibit "E" of the Atkinson Affidavit.

17. The creation of the joint venture structure for the legal and beneficial interests in 205 was not simply a reflection of the equity interests of the co-owners, but also the governance and operational structure of the operating entity 205.

18. Pursuant to Section 3.1 of the Co-Owners Agreement, each representative on the Co-owners' Committee, of which I am the designate of Rose LP's one-third interest in 205, has full authority to act on behalf of and bind the co-owner that appointed him or her. In addition, as set out in Section 4.1(b) of the Co-Owners Agreement, the initial capital put into the co-venture for the Project was $7,502,226 comprised of $4.8 million from Rose LP, $1.1 million from Alliance as represented by Troop as its designate, and $1.5 million plus closing costs from Berkstar as represented by Wenbo Lu as its designate.

19. The mortgages (including on Phase 2 where I am a lender participant) are in default. In my capacity as a participating secured lender in the Phase 2 mortgage, I want to ensure that the majority lender Ducimus and the mortgage Administrator, MarshallZehr not use this court

proceeding to take steps under a court Order in a manner that disregards my interest as a (minority) lender participant in the mortgage, or that prefers the interests of Ducimus as a majority lender in the separate mortgage over Phase 1. The Phase 2 mortgage has been registered on the Phase 1 property behind (in a subordinate position to) the Phase 1 mortgage, but I am not a direct lender participant in the first priority mortgage over Phase 1 of the Project.

20. While the agreement that governs the relationship of the lender participants and the Administrator MarshallZehr includes a mechanism for directions being given to the Administrator, calculated by reference to the amount of debt held by each lender participant (of which Ducimus holds the majority position), it is my belief that the overall terms of such administration agreement are subject to an overriding expectation that each party will act in good faith. Specifically, that decisions and directions given by participants (Ducimus) to the Administrator (MarshallZehr) of a particular mortgage (such as on Phase 2) are based on the specific mortgage to which the applicable lenders are participants.

21. Ducimus and MarshallZehr have chosen to commence this unique type of court proceeding and seek court Orders through a process that is dependent upon the Respondents' existing entity structure as the vehicle through which to do so. That is outlined in paragraph 15 of the Atkinson Affidavit. I want to ensure that my rights and obligations with the various roles that I hold are clearly understood by all parties at the outset, considered, and not disregarded.

22. Even with the proposed mechanism granting enhanced powers and authority to the Monitor, I believe that I can provide meaningful value to 205 and the Project and its stakeholders during these CCAA Proceedings. Contrary to paragraph 45 of the Atkinson Affidavit, Troop is not "*the* principal of the Debtor". He is "*a* principal of the Debtor". Troop (through Alliance)

represents a one-third beneficial interest in 205 in the same respect as Rose LP, of which I am the designate. When paragraph 16 of the Atkinson Affidavit indicates that “Troop [the representative of one of the 3 co-owners] has agreed that its affiliate [Alliance] will continue as the Construction Manager” it is confirming a role that will provide it with a high level of visibility into what takes place at the Project. I believe that the interests of the co-owner Rose LP, of which I am the designate and a director of 205, should also enjoy some visibility in this process. That is not to suggest that I am seeking to exert control or participate in decision-making, or even that any input I may provide will be accepted by anyone. It is for transparency, value maximization and an opportunity to protect the interests I hold for a Project that I have been heavily invested in for decades.

23. Given my involvement for more than 20 years, including on behalf of one of the three co-owners, I intend to continue serving as a director of 205 to assist in the preservation and maximization of value and ensure that the interests of all stakeholders are appropriately considered. I believe that my continued involvement would also provide continuity and assist the Monitor in the exercise of its expanded powers by making available my knowledge and experience concerning the Project. An example of this includes MarshallZehr’s and the intended Monitor BDO’s request that Martin Simon (“**Simon**”), who is the Vice President and Chief Operating Officer of Rose GP, provide input on preliminary 2 and 4-week cash flow forecasts, as outlined below.

24. I understand that it is proposed that the Monitor will be making or directing most decisions, including as it relates to the payment (or non-payment) of obligations incurred by or on behalf of 205 from the date that any Initial Order is granted. These decisions, which may also be

influenced or directed by the DIP Lender, Ducimus[1], may create additional potential liabilities for the directors of 205, including myself. I have advised MarshallZehr, Ducimus and the Monitor that certain protections, such as an indemnity and Director & Officer Charge for potential liabilities arising from and after the date that any Order is granted, should be included in the terms of the Order requested.

III. CORRECTIONS TO ATKINSON AFFIDAVIT AND THE MONITOR'S PRE-FILING REPORT

25. I would like to correct certain numbers regarding the status of the Phase 1 Property referenced in paragraph 43 of the Atkinson Affidavit and repeated in paragraph 18 of the Monitor's Pre-Filing Report. The correct numbers are as follows: 76 units have been completed and sold to purchasers, 21 units are under construction (20 of which are subject to agreements of purchase and sale), and 47 units have no construction started, 15 of which are subject to agreements of purchase and sale.

26. I would also like to correct the description of the amounts owing to other creditors at paragraph 32 of the Monitor's Pre-Filing Report. I am advised by Simon and do verily believe that the approximately $950,000 in HST arrears forms part of, and should be included within, the aggregate Trade Debt of approximately $10.4 million, rather than being identified as a separate amount in addition to the Trade Debt.

[1] While MarshallZehr is referred to as the DIP Lender, I understand that the funding is being provided by Ducimus.

27. Further, I would also like to clarify the involvement that Simon had in the preparation of the Cash Flow Forecast, which would not be apparent from reading paragraph 73 of the Atkinson Affidavit and paragraphs 33 and 36(b) of the Monitor's Pre-Filing Report.

28. I am advised by Simon and do believe the facts set out in this paragraph and the following one. Simon and Troop were initially asked to review a two-week cash flow, followed by a four-week cash flow, on which Simon provided comments on August 6, 2026. Without any further discussion or feedback, Simon and Troop were subsequently provided with a 13-week cash flow on August 13, 2026 by Josie Parisi ("**Ms. Parisi**") from BDO, who advised that it was intended to be filed with the Court the following day.

29. Given the short notice, Simon advised Ms. Parisi that he was unable to meaningfully review weeks 5 through 13. The 13-week cash flow ultimately filed as Appendix "A" to the Monitor's Pre-Filing Report therefore included periods that had not been reviewed in any detail by Simon, and I am advised by Simon contain certain errors. For example, the cash flow forecast reflects costs and anticipated sales proceeds for five of the six home closings in weeks 12 and 13 that relate to the incorrect homes and are inconsistent with the construction schedule. While using the correct homes would not materially change the overall financial outcome presented in the cash flow forecast, this is an example of an error Simon identified in the portions of the forecast that he had not been given an opportunity to meaningfully review before it was filed.

30. Paragraph 84 of the Atkinson Affidavit refers to "MarshallZehr's exposure". MarshallZehr is the administrator of the mortgages only. Other than in respect of any fees it may be entitled to receive or a percentage of interest charged, the exposure under the "MarshallZehr mortgages" is that of the participating lenders who actually advanced funds, of which I am one.

V. OFFERS TO CREATE VALUE FOR PHASE 2 REJECTED

31. Since 2024, I have sought to identify and advance options and opportunities aimed at preserving and maximizing value for the Project, and, more recently, to avoid insolvency proceedings being taken that, in my view, could diminish the value to be realized. These efforts included identifying options for Phase 2 of the Project where no construction had commenced, and servicing of Phase 2 was not completed.

32. As part of those efforts, in April 2024, I, through and on behalf of Rose Corp, presented a formal proposal and offer for Phase 2 that included significant upfront cash and future payments through a vendor takeback mortgage. This was intended to create a path for moving the Project forward and preserving value. All three beneficial co-owners, together with the legal owner 205, signed the agreement of purchase and sale that was presented to Ducimus and MarshallZehr.[2] To prevent any impact on a future sale process that the Monitor may seek court approval of, I am seeking a sealing order in respect of the signed offer that I presented in 2024 with the signed support of 205 and the beneficial co-owners. Attached separately as **Confidential Exhibit "A"**, is a copy of the signed offer I presented in 2024 for Phase 2, for which a sealing order is requested. Included in Confidential Exhibit A is a description of the 2024 offer that I have reviewed, and which I confirm and incorporate in this Affidavit.

33. MarshallZehr, which held security over the Phase 2 property as collateral security for the mortgage loan in respect of the Phase 1 advances for which it was the Administrator, rejected the offer made in 2024. This rejection of the offer led 205 to obtain a new mortgage loan

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[2] That is because at the time, while the loan in respect of Phase 2 was not in existence, the mortgage loan relating to Phase 1 was also registered on the Phase 2 and 3 property.

arranged by MarshallZehr over the Phase 2 property, which is the mortgage loan that Ducimus and I are lender participants in.

34. I, through Rose Corp., presented a further proposal in May 2026 that was rejected, as it did not provide for an immediate cash payment. The May 2026 proposal was confirmed again in July 2026, with no response received. The formal offer in 2024 and the more recent proposals in 2026 were intended to avoid further deterioration in the value of Phase 2 including, more recently, through the commencement of an insolvency proceeding, preserve the opportunity to realize value by providing a path and timeline for development of the Property, and ultimately generate proceeds for the parties with an economic interest.

35. As the May 2026 proposal was the subject of various emails amongst the parties that, while not conducted on a without prejudice basis or specified as such, may subsequently be asserted by any party involved, so they are not included as an Exhibit to this Affidavit, even on a confidential basis.

36. These efforts offered a viable path forward whereby Phase 2 of the Property could be developed, rather than remaining stagnant and deteriorating. They contemplated a path whereby MarshallZehr's first-ranking mortgage on Phase 1 of the Property could ultimately be repaid in full, while Rose Corp would commit its own resources and funds to advancing the development of Phase 2 and preserving the opportunity to realize value from the Project.

37. Those discussions and prior offers are now moot and no longer available following the commencement of these insolvency proceedings. Nonetheless, they demonstrate my historic and ongoing commitment to the Project, which is consistent with the fact that I am prepared to remain as a director of 205.

VI. INTERESTS OF STAKEHOLDERS IN THE PROPOSED CCAA PROCEEDINGS

38. The concerns I have raised with the CCAA application brought by MarshallZehr and the form of Initial Order that is sought are not based on the Administrator's lack of authority to take enforcement steps in respect of loans that are in default, particularly as I am one of the participant lenders in the Phase 2 mortgage. Rather, it relates to how the differing economic interests of the parties are considered as various decisions are made within these proposed CCAA Proceedings.

39. As demonstrated at paragraph 50 of the Atkinson Affidavit, the parties whose interests are ultimately at risk do not necessarily have aligned interests or priorities, and different lender groups and interests exist at different Phases of the Project. Those distinctions are relevant to understanding the positions taken, and any decisions made, as the CCAA Proceedings progress. If MarshallZehr, or Ducimus, which is providing a very modest amount of DIP funding through MarshallZehr, is able to influence key decisions made by the Monitor, it could result in (even entirely unintended) unfairness.

40. The Project was originally structured, and was intended to be developed, through a joint venture co-ownership arrangement. That structure continues to exist for the Project, and, I understand, is being maintained as a critical feature of the proposed DIP Financing and creditor-led CCAA proceeding that the Applicant is seeking approval of.

IV. REQUESTED FORM OF ORDER

41. Following a court attendance by my counsel from Thornton Grout Finnigan LLP before Justice Dunphy on August 18, 2026, and as directed by His Honour through an Endorsement

dated August 18, 2026, I understand that counsel for the parties engaged in without prejudice discussions with a view to trying to address, or at least narrow, the issues before the Court.

42. If the Court approves a creditor-led CCAA process, attached hereto as **Exhibit "A"**, is a copy of a draft form of Order that includes amendments I believe are fair and represent an appropriate balance in the circumstances, respects the various roles and interests of the parties, while protecting the directors of the Respondents for the impact of funding decisions made by the Monitor through its enhanced powers and control of the cash management system. A redline comparison of this revised form of Initial Order to the draft contained at Tab 3 of the Application Record served by MarshallZehr on the evening of August 17, 2026 is attached hereto as **Exhibit "B"**.

43. I am advised by Stephanie Fernandes of Thornton Grout Finnigan LLP, my counsel herein, that in the late afternoon on August 21, 2026 a revised version of the proposed Initial Order was circulated by counsel for MarshallZehr, which reflects certain amendments that had been discussed with my counsel, as well as a number of edits to the original draft Order that are unrelated to those discussions or my requested amendments, and appear to originate from other parties. In an effort to help narrow the Court's review of those points that separate the parties on the form of Initial Order if a creditor-led CCAA proceeding is approved, attached and marked as **Exhibit "C"** is a redline comparison between the most recent form of Initial Order circulated by MarshallZehr's counsel on August 21, 2026, to one that includes changes we have requested that are not reflected in that Order.

44. I make this Affidavit for the purpose of providing information and a broader context for the Court and other stakeholders, in connection with the Initial Order sought by MarshallZehr in its application.

AFFIRMED remotely via videoconference, by Samuel G. Reisman stated as being located in the City of North York, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 22nd day of August, 2026, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*	
Commissioner for Taking Affidavits **STEPHANIE S. FERNANDES** **(LSO #85819M)**	**Samuel G. Reisman**

TAB A

This is Exhibit "A" referred to in the
Affidavit of **Samuel G. Reisman** sworn by **Samuel G. Reisman**
remotely via videoconference, stated as being located in the City of
North York, in the Province of Ontario, before me at the City of
Toronto, in the Province of Ontario, this 22nd day of August, 2026, in
accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*

A Commissioner for taking affidavits

STEPHANIE FERNANDES
(LSO#85819M)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 24TH
	)	
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

INITIAL ORDER

THIS APPLICATION, made by MarshallZehr Group Inc., as Administrator of certain mortgage loans(in such capacity, 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 21, 2026, and 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**") (in such capacity, the "**Monitor**") dated August 17, 2026 (the "**Pre-Filing 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 proposed Monitor, counsel for Alliance Sutton Inc. and Alliance Homes Inc. ("**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 dated August 17, 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.

APPLICATION

3. **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.

4. **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

5. **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 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. Unless and until terminated, all such Assistants who provide services from and after the date of this Order are entitled to be paid by the Respondents on existing terms.

6. **THIS COURT ORDERS** that, subject to the oversight of the Monitor specifically set out in paragraph 25 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 of compromise or arrangement 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.

7. **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;

(b) the fees and disbursements of any Assistants retained or employed by the Monitor or the DIP Lender; and

(c) the fees and disbursements of any Assistants retained or employed by the Respondents (which can include counsel for a representative of each of the three co-owners of the Respondent 2055226 Ontario Inc., if requested by such co-owner representative, up to the maximum amount of $100,000 each, subject to further Order of the Court) in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the terms of the Definitive Documents, 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 date of this Order, 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 date of this Order; and

(c) payment for goods or services actually supplied to the Respondents by third party suppliers prior to the date of this Order if it is determined by the Respondents, with the consent of the Monitor and the DIP Lender, 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. For greater certainty, any expenses incurred or services requested by the Monitor in furtherance of the Monitor's Enhanced Powers, or following any direction given by the Monitor to the Respondents to incur such expense or obligation for services after the date of this Order, shall be paid as and when due.

9. **THIS COURT ORDERS** that the Monitor shall ensure that the Respondents remit, in accordance with legal requirements, or pay, as and when due:

(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 date of this Order 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 date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; 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.

10. **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 date of this Order 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 date of this Order shall also be paid.

11. **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 date of this Order; (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

12. **THIS COURT ORDERS** that the Respondents in consultation with the Monitor (or the Monitor itself pursuant to the Monitor's Enhanced Powers)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,

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

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including September 3, 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, Construction Manager 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

14. **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 solely 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, Construction Manager 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

15. **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

16. **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 date of this Order 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

17. **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 date of this Order, nor shall any Person be under any obligation on or after the date of this Order 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

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **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 date hereof 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

20. **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.

21. **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 $325,000 as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 41 and 43 hereof. All amounts arising, accruing or relating in any way to the period from and after the date of this Order which, if unpaid, could give rise to statutory liability for payment by the directors and officers of the Respondents, shall be paid as and when due, prior to any distribution to creditors of the Respondents.

22. **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 20 of this Order.

APPOINTMENT OF MONITOR

23. **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 its 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.

24. **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) develop, and report to the Court on a plan to maximize the realizable value of each of Phases 1, 2 and 3 of the Property;

(g) 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;

(h) 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

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

25. **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 realization of the Business;

(ii) any and all steps of the Respondents authorized by this Order including making payments;

(iii) receive, collect and exercise control over all monies and accounts held by or owing to the Respondents;

(iv) entering into any agreements on behalf of and in the name of the Respondents;

(v) exercising any rights of the Respondents;

(vi) taking 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) following reasonable consultation with the parties to the Co-owners Agreement; and

(vii) execute, assign, issue and endorse documents of whatever nature 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 Respondent or director or officer of the Respondents shall incur any liability for decisions or actions of the Monitor acting under that authority.

26. **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.

27. **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.

28. **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.

29. **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

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the DIP Lender 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 date of this Order 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 DIP Lender, 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 DIP Lender 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.

31. **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.

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicant (including as DIP Lender) and the Applicant's counsel shall maintain records and track all fees and expenses incurred in this proceeding as between those relating to Phase 1, Phase 2 and 3 and those not related to a particular Phase of the Real Property. An allocation of all fees, expenses and costs incurred in this proceeding in relation to the Property (as among Phases 1, 2 and 3 or generally) shall be determined by the Court on a future motion, with supporting materials and on notice to all interested parties.

33. **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 $500,000, 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 making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 hereof.

DIP FINANCING

34. **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 $800,000 plus interest, fees and expenses, unless permitted by further Order of this Court.

35. **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**").

36. **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.

37. **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 41 and 43 hereof.

38. **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 Respondent 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.

39. **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise 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.

40. **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

41. **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 $500,000);

Second – DIP Lender's Charge; and

Third - Directors' Charge (to the maximum amount of $325,000).

42. **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.

43. **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.

44. **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.

45. **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.

46. **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.

47. **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

48. **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 date of this Order, (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.

49. **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**").

50. **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.

51. **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.

52. **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 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 41 and 43 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

COMEBACK HEARING

53. **THIS COURT ORDERS** that the comeback hearing shall be heard on August 28, 2026 at 9:30 a.m. via Zoom videoconference (details to be provided to the Service List).

GENERAL

54. **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.

55. **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.

56. **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.

57. **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.

58. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order without the need for entry or filing.

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*

INITIAL ORDER
(Dated August 24, 2026)

MILLER THOMSON LLP
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Lawyers for the Applicant

TAB B

This is Exhibit “B” referred to in the
Affidavit of **Samuel G. Reisman** sworn by **Samuel G. Reisman** remotely via videoconference, stated as being located in the City of North York, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 22nd day of August, 2026, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*

A Commissioner for taking affidavits

STEPHANIE FERNANDES
(LSO#85819M)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	~~TUESDAY~~MONDAY, THE ~~18TH~~24TH
	)	
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

INITIAL ORDER

THIS APPLICATION, made by MarshallZehr Group Inc. ~~(~~, as Administrator of certain mortgage loans(in such capacity, 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 21, 2026, and 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**") (in such capacity, the "**Monitor**") dated August ~~[~~17~~]~~, 2026 (the "**Pre-Filing 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 proposed Monitor, counsel for Alliance Sutton Inc. and Alliance Homes Inc. ("**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 dated August 17, 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.

APPLICATION

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

4. **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 ~~and shall be subject to the same restrictions provided herein~~.

POSSESSION OF PROPERTY AND OPERATIONS

5. **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 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. Unless and until terminated, all such Assistants who provide services from and after the date of this Order are entitled to be paid by the Respondents on existing terms.

6. **THIS COURT ORDERS** that, subject to the oversight of the Monitor specifically set out in paragraph 21 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 of compromise or arrangement 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.

7. **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 Monitor or the DIP Lender; and

(c) ~~(b)~~ the fees and disbursements of any Assistants retained or employed by the ~~Applicant and~~Respondents (which can include counsel for a representative of each of the three co-owners of the Respondent 2055226 Ontario Inc., if requested by such co-owner representative, up to the maximum amount of $100,000 each, subject to ~~the prior consent~~further Order of the ~~Monitor, the Respondents~~Court) in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the terms of the Definitive Documents, 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 date of this Order, 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 date of this Order; and

(c) payment for goods or services actually supplied to the Respondents by third party suppliers prior to the date of this Order if it is determined by the Respondents, with the consent of the Monitor and the ~~Applicant~~DIP Lender, 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. For greater certainty, any expenses incurred or services requested by the Monitor in furtherance of the Monitor's Enhanced Powers, or following any direction given by the Monitor to the Respondents to incur such expense or obligation for services after the date of this Order, shall be paid as and when due.

9. **THIS COURT ORDERS** that the Monitor shall ensure that the Respondents ~~shall~~ remit, in accordance with legal requirements, or pay, as and when due:

(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) ~~Quebec Pension Plan and (iv)~~ income taxes and all other amounts related to such deductions or employee wages payable for periods following the date of this Order 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 date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; 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.

10. **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 date of this Order 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 date of this Order shall also be paid.

11. **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 ~~this~~the date of this Order; (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

12. **THIS COURT ORDERS** that the Respondents ~~(or the Monitor on behalf of the Respondents)~~ in consultation with the ~~Applicant~~ Monitor (or the Monitor itself pursuant to the Monitor's Enhanced Powers)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,

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

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including ~~August 28~~September 3, 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, Construction Manager 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

14. **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 solely 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, Construction Manager 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

15. **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

16. **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 date of this Order 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

17. **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 date of this Order, nor shall any Person be under any obligation on or after the date of this Order 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

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **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 date hereof 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

20. **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.

21. **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 $325,000 as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 41 and 43 hereof. All amounts arising, accruing or relating in any way to the period from and after the date of this Order which, if unpaid, could give rise to statutory liability for payment by the directors and officers of the Respondents, shall be paid as and when due, prior to any distribution to creditors of the Respondents.

22. **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 20 of this Order.

APPOINTMENT OF MONITOR

23. ~~20.~~ **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 its 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.

24. ~~21.~~ **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) develop, and report to the Court on a plan to maximize the realizable value of each of Phases 1, 2 and 3 of the Property;

(g) ~~(f)~~ 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;

(h) ~~(g)~~ 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

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

25. ~~22.~~ **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 liquidation~~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, 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~~;

(iv) entering into any agreements on behalf of and in the name of the Respondents;

~~(v) settling, extending or compromising any indebtedness owing to or by the Respondents;~~

~~(vi) purchasing or leasing machinery, equipment, inventories, supplies, premises or other assets to continue the Business, or any part or parts thereof;~~

(v) ~~(vii)~~ exercising any rights of the Respondents;

~~(viii) applying 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;~~

(vi) ~~(ix)~~ taking 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) following reasonable consultation with the parties to the Co-owners Agreement; and

(vii) ~~(x)~~ execute, assign, issue and endorse documents of whatever nature 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 Respondent or director or officer of the Respondents shall incur any liability for decisions or actions of the Monitor acting under that authority.

26. ~~23.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Business or Property and shall take no part ~~whatsoever~~ in the management or supervision of the management of the Business ~~and shall not, by~~other than when exercising the Monitor's Enhanced Powers for and on behalf of the Respondents. By fulfilling its obligations ~~hereunder,~~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 ~~any part thereof~~to be an officer, director, employer, successor employer of liquidator of the Respondents for any purposes whatsoever.

27. ~~24.~~ **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.

28. ~~25.~~ **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.

29. ~~26.~~ **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.

~~27. **THIS COURT ORDERS** that the Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, or liquidator of the Respondents.~~

ADMINISTRATION CHARGE

30. ~~28.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~DIP Lender 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 date of this Order 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~~DIP Lender, 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~~DIP Lender 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.

31. ~~29.~~ **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.

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicant (including as DIP Lender) and the Applicant's counsel shall maintain records and track all fees and expenses incurred in this proceeding as between those relating to Phase 1, Phase 2 and 3 and those not related to a particular Phase of the Real Property. An allocation of all fees, expenses and costs incurred in this proceeding in relation to the Property (as among Phases 1, 2 and 3 or generally) shall be determined by the Court on a future motion, with supporting materials and on notice to all interested parties.

33. ~~30.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicant's ~~Counsel~~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 $500,000, 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 making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~38~~41 and ~~40~~43 hereof.

DIP FINANCING

34. ~~31.~~ **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 $800,000 plus interest, fees and expenses, unless permitted by further Order of this Court.

35. ~~32.~~ **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**").

36. ~~33.~~ **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.

37. ~~34.~~ **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 ~~38~~41 and ~~40~~43 hereof.

38. ~~35.~~ **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 Respondent 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.

39. ~~36.~~ **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise 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.

40. ~~37.~~ **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

41. ~~38.~~ **THIS COURT ORDERS** that the priorities of the Administration Charge ~~and~~, 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 $500,000); ~~and~~

Second – DIP Lender's Charge~~.~~; and

Third - Directors' Charge (to the maximum amount of $325,000).

42. ~~39.~~ **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.

43. ~~40.~~ **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.

44. ~~41.~~ **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.

45. ~~42.~~ **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.

46. ~~43.~~ **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.

47. ~~44.~~ **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

48. ~~45.~~ **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 date of this Order, (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.

49. ~~46.~~ **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**").

50. ~~47.~~ **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.

51. ~~48.~~ **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.

52. ~~49.~~ **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 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 ~~38~~41 and ~~40~~43 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

COMEBACK HEARING

53. ~~50.~~ **THIS COURT ORDERS** that the comeback hearing shall be heard on August 28, 2026 at ~~12:30 p.m~~9:30 a.m. via Zoom videoconference (details to be provided to the Service List).

GENERAL

54. ~~51.~~ **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.

55. ~~52.~~ **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.

56. ~~53.~~ **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.

57. ~~54.~~ **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.

58. ~~55.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order without the need for entry or filing.

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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*

INITIAL ORDER
(Dated August ~~18~~24, 2026)

MILLER THOMSON LLP
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Lawyers for the Applicant

TAB C

This is Exhibit "C" referred to in the
Affidavit of **Samuel G. Reisman** sworn by **Samuel G. Reisman**
remotely via videoconference, stated as being located in the City of
North York, in the Province of Ontario, before me at the City of
Toronto, in the Province of Ontario, this 22nd day of August, 2026, in
accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*

A Commissioner for taking affidavits

STEPHANIE FERNANDES
(LSO#85819M)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 24TH
	)	
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

INITIAL ORDER

THIS APPLICATION, made by MarshallZehr Group Inc. ~~(~~, as Administrator of certain mortgage loans(in such capacity, 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~~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 21, 2026, and 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**") (in such capacity, the "**Monitor**") dated August 17, 2026 (the "**Pre-Filing 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 proposed Monitor, counsel for Alliance Sutton Inc. and Alliance Homes Inc. ("**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 dated August 17, 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.

APPLICATION

3. **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.

4. **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~~ and shall be subject to the same restrictions provided herein~~.

POSSESSION OF PROPERTY AND OPERATIONS

5. **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 ~~made~~ 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 ~~Monitor~~ Powers (~~as~~ 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. Unless and until terminated, all such Assistants who provide services from and after the date of this Order are entitled to be paid by the Respondents on existing terms.

6. **THIS COURT ORDERS** that, subject to the oversight of the Monitor specifically set out in paragraph 21 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 of compromise or arrangement 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.

7. **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 Monitor or the DIP Lender; and

(c) ~~(b)~~ the fees and disbursements of any Assistants retained or employed by the ~~Applicant and~~Respondents (which can include counsel for a representative of each of the three co-owners of the Respondent 2055226 Ontario Inc., if requested by such co-owner representative, up to the maximum amount of $100,000 each, subject to ~~the prior consent~~further Order of the ~~Monitor, the Respondents~~Court) in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the terms of the Definitive Documents, 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 date of this Order, 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 date of this Order; and

(c) payment for goods or services actually supplied to the Respondents by third party suppliers prior to the date of this Order if it is determined by the Respondents, with the consent of the Monitor and the ~~Applicant~~DIP Lender, 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. For greater certainty, any expenses incurred or services requested by the Monitor in furtherance of the Monitor's Enhanced Powers, or following any direction given by the Monitor to the Respondents to incur such expense or obligation for services after the date of this Order, shall be paid as and when due.

9. **THIS COURT ORDERS** that the ~~the~~ Monitor shall ~~direct~~ensure that the Respondents ~~shall~~ remit, in accordance with legal requirements, or pay, as and when due:

(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 date of this Order 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 date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; 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.

10. **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 date of this Order 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 date of this Order shall also be paid.

11. **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 date of this Order; (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

12. **THIS COURT ORDERS** that the Respondents ~~(or the Monitor on behalf of the Respondents)~~ in consultation with the ~~Applicant~~ Monitor (or the Monitor itself pursuant to the Monitor's Enhanced Powers)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,

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

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including September 3, 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, Construction Manager 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

14. **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 solely 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, Construction Manager 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

15. **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

16. **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 date of this Order 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

17. **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 date of this Order, nor shall any Person be under any obligation on or after the date of this Order 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

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **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 date hereof 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

20. **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.

21. **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 $325,000 as security for the indemnity provided in paragraph 20 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 41 and 43 hereof. All amounts arising, accruing or relating in any way to the period from and after the date of this Order which, if unpaid, could give rise to statutory liability for payment by the directors and officers of the Respondents, shall be paid as and when due, prior to any distribution to creditors of the Respondents.

22. **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 20 of this Order.

APPOINTMENT OF MONITOR

23. **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~~its 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.

24. **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) develop, and report to the Court on a plan to maximize the realizable value of each of Phases 1, 2 and 3 of the Property;

(g) ~~(f)~~ 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;

(h) ~~(g)~~ 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

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

25. **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 including making payments;

(iii) receive, collect and exercise control over all monies and accounts held by or owing to the Respondents;

(iv) entering into any agreements on behalf of and in the name of the Respondents;

(v) exercising any rights of the Respondents;

(vi) taking 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) following reasonable consultation with the parties to the Co-owners Agreement; and

(vii) execute, assign, issue and endorse documents of whatever nature 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 Respondent or director or officer of the Respondents shall incur any liability for decisions or actions of the Monitor acting under that authority.

26. **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 ~~fullfilling~~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.

27. **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.

28. **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.

29. **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

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~DIP Lender 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 date of this Order 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~~DIP Lender, 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~~DIP Lender 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.

31. **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.

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicant (including as DIP Lender) 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~~maintain records and track all fees and expenses incurred in this proceeding as between those relating to Phase 1, Phase 2 and 3 and those not related to a particular Phase of the Real Property. An allocation of all fees, expenses and costs incurred in this proceeding in relation to the Property (as among Phases 1, 2 and 3 or generally) shall be determined by the Court on a future motion, with supporting materials and on notice to all interested parties.

33. **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 $500,000, 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 making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 hereof.

DIP FINANCING

34. **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 $800,000 plus interest, fees and expenses, unless permitted by further Order of this Court.

35. **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**").

36. **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.

37. **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 41 and 43 hereof.

38. **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 Respondent 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.

39. **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise 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.

40. **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

41. **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 $500,000);

Second – DIP Lender's Charge; and

Third - Directors' Charge (to the maximum amount of $325,000).

42. **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.

43. **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.

44. **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.

45. **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.

46. **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.

47. **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

48. **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 date of this Order, (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.

49. **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**").

50. **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.

51. **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.

52. **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 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 41 and 43 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

COMEBACK HEARING

53. **THIS COURT ORDERS** that the comeback hearing shall be heard on August 28, 2026 at ~~12:30 p.m~~9:30 a.m. via Zoom videoconference (details to be provided to the Service List).

GENERAL

54. **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.

55. **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.

56. **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.

57. **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.

58. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order without the need for entry or filing.

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

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

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

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

INITIAL ORDER
(Dated August 24, 2026)

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Lawyers for the Applicant

TAB 3

Court File No. CV-26-00000362-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 24th
	)	
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

SEALING ORDER

THIS MOTION, made by Samuel G. Reisman ("**Reisman**"), in response to an application brought by MarshallZehr Group Inc. pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order sealing the Confidential Exhibit "A" to the Affidavit of Samuel G. Reisman sworn August 22, 2026 was this day via Zoom videoconference.

ON READING the Notice of Motion dated August 22, 2026, the Reisman Affidavit and the exhibits attached thereto, and on hearing the submissions of counsel for Reisman, counsel for MarshallZehr Group Inc., counsel for the Proposed Monitor, and counsel for any other interested parties appearing on the Participant Information Form, no one appearing for any other person although duly served as appears from the affidavit of service, filed.

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that the capitalized terms used in the Order and not otherwise defined herein shall have the meanings ascribed to them in the Reisman Affidavit.

SEALING

3. **THIS COURT ORDERS** that Confidential Exhibit "A" to the Reisman Affidavit is hereby sealed and shall not form part of the Court record, subject to further order of this Court.

GENERAL

4. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

5. **THIS COURT ORDERS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist Reisman and his 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 Reisman, as may be necessary or desirable to give effect to this Order, to grant representative status to Reisman in any foreign proceeding, or to assist Reisman and his respective agents in carrying out the terms of this Order.

6. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

Court File No. CL-26-00000362-0000

APPLICATION UNDER 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., ROSE SUTTON LIMITED PARTNERSHIP AND ROSE OPERATING I GP INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto, Ontario

SEALING ORDER

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Court File No. CL-26-00000362-0000

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

RESPONDING MOTION RECORD
(Returnable August 24, 2026)

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