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

MOTION RECORD

August 24, 2026

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Lawyers for Ducimus Capital Inc.

TO: **THE SERVICE LIST**

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TAB 1

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Respondents

AFFIDAVIT OF ROSEMARIE PERRUZZA (Sworn August 23, 2026)

I, Rosemarie Perruzza, of the City of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a legal assistant with the law firm of Fasken Martineau DuMoulin LLP ("**Fasken**"), lawyers for Ducimus Capital Inc., and, as such, have knowledge of the matters contained in this affidavit.

2. Attached as **Exhibit "A"** is a copy of a letter from Dylan Chochla of Fasken to D.J. Miller and Stephanie Fernandes of Thornton Grout Finnigan LLP ("**TGF**") dated August 23, 2026.

3. Attached as **Exhibit "B"** is a copy of a letter from D.J. Miller of TGF to Dylan Chochla of Fasken dated August 23, 2026.

SWORN REMOTELY BY Rosemarie Perruzza of the City of Toronto, in the Province of Ontario before me at the City of Toronto, in the Province of Ontario, on August 23, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely

Signed by: Julia (Yun Ji) Chung 55E789B2BDB249D...	Signed by: Rosemarie Perruzza 371BEFBD8319446...
Commissioner for Taking Affidavits (or as may be)	**ROSEMARIE PERRUZZA**

JULIA (YUN JI) CHUNG (LSO: 90012D)

This is **Exhibit "A"** to the affidavit of Rosemarie Perruzza of the City of Oakville, in the Province of Ontario sworn before me this 23rd day of August, 2026 at City of Toronto, Province of Ontario, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely

Signed by:

Julia (Yun Ji) Chung

55E789B2BDB249D...

JULIA (YUN JI) CHUNG (LSO: 90012D)

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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August 23, 2026

VIA EMAIL (DJMiller@tgf.ca; SFernandes@tgf.ca)

Thornton Grout Finnigan LLP
3200-100 Wellington Street West
Toronto, Ontario M5K 1K7

Attention: D.J. Miller & Stephanie Fernandes

Dear Ms Miller & Ms Fernandes:

Re: MarshallZehr Group Inc. v. 2055226 Ontario Inc. et al.
Court File No. CL-26-00000362-0000 (the "CCAA Proceedings")

We are counsel to Ducimus Capital Inc. ("**Ducimus**").

We acknowledge receipt of the responding motion record of your client, Samuel Reisman ("**Reisman**"), served at approximately 11:37 a.m. on Saturday, August 22, 2026. The record includes Reisman's affidavit sworn that same day in response to the initial application in the CCAA Proceedings, which is returnable at 9:30 a.m. on Monday, August 24, 2026.

In his affidavit, Reisman acknowledges that Ducimus and Reisman, or entities owned or controlled by him, have both entered into mortgage administration agreements (each, a "**Mortgage Agreement**") with MarshallZehr Group Inc. ("**MZ**" or the "**Administrator**"). Those Mortgage Agreements govern Ducimus' and Reisman's respective rights as participants in the mortgage-secured, syndicated loan arranged by MZ in connection with the real estate development project located at 6213 Black River Road, Georgina, Ontario and referred to as "**Phase 2 & 3**". A copy of the Ducimus Mortgage Agreement is enclosed as **Schedule "A"**.[1] We understand that Reisman became a party to a substantially similar Mortgage Agreement when he took an assignment of Morrison Financial Mortgage Corporation's interest in the Phase 2 & 3 mortgage effective April 30, 2026.

In his affidavit, Reisman admits that Ducimus holds the controlling 87.23% Proportionate Share of the Phase 2 & 3 mortgage, that MZ is the Administrator of the mortgage, and that MZ is entitled to enforce the mortgage. On the latter point, Ducimus, MZ and Reisman have consulted about the proposed enforcement process since at least June 5, 2026. Ducimus, as the majority participant in

[1] Unless otherwise defined in this letter, all capitalized terms have the meanings given to them in the enclosed Mortgage Agreement. All section references contained herein are to sections of that Mortgage Agreement.

the Phase 2 & 3 mortgage determined, in its business judgment and in consultation with MZ and BDO Canada Limited in its capacity as proposed monitor (in such capacity, the "**Proposed Monitor**"), that a creditor-driven CCAA Proceeding is the best available option to maximize the value for all stakeholders. Attached as **Schedule "B"** is a copy of correspondence among Ducimus, MZ and Reisman with respect to the enforcement strategy.

Nevertheless, Reisman's proposed amendments to the initial order seek to undermine the enforcement process duly authorized by Ducimus, interfere with MZ's contractual authority under the Mortgage Agreements and have the estate and all stakeholders bear the costs of advancing his private interests as a minority mortgage participant, subordinated creditor, and equity stakeholder, including by paying the legal fees he incurs in pursuing an interventionist strategy. As explained below, those amendments are inconsistent with the Mortgage Agreements and unnecessary to protect Reisman's *pari passu* interest in the Phase 2 & 3 mortgage. Reisman's objections and proposed amendments should be withdrawn.

The Mortgage Agreements Authorize MZ to Pursue the CCAA Proceedings

The Mortgage Agreements establish a clear framework for the administration and enforcement of the Phase 2 & 3 mortgage:

- **Section 3.01** provides that each Principal (Ducimus and Reisman) irrevocably authorizes and directs MZ to manage and administer the Investment (the Phase 2 & 3 mortgage) on behalf of the Principals to the same extent and in the same manner as if MZ were the actual and sole lender, including by exercising all powers and remedies available under the Credit Documents or at law.

- **Section 3.02(f)** authorizes and directs MZ to obtain and act in accordance with the instructions of the Principals when required by the Mortgage Agreement.

- **Sections 10.01, 10.02 and 10.04** require MZ to obtain instructions from the Principals concerning remedial or enforcement action and provide that decisions are determined by majority vote based on each Principal's Proportionate Share.

- **Section 16.01** provides that enforcement of the Borrower's and Guarantors' obligations are for the collective benefit of the Principals acting together, and not severally, and that rights under the Mortgage Agreement and the underlying Credit Documents are to be exercised through MZ in accordance with the terms of the Mortgage Agreement. Each Principal also agreed not to take independent action and to cooperate fully with MZ.

As noted above, Ducimus consulted with Reisman, MZ and the Proposed Monitor. Following those consultations, Ducimus determined that a creditor-driven CCAA Proceeding would maximize the value for the benefit of all stakeholders. Ducimus subsequently instructed MZ to pursue the CCAA Proceedings in accordance with the Mortgage Agreements.

Although framed as proposed revisions to the initial order, Reisman's position is inconsistent with his obligations under the Mortgage Agreement, including his obligations to refrain from independent action and cooperate fully with MZ. On this point, Reisman's affidavit gives limited consideration to the contractual framework governing the Phase 2 & 3 mortgages and instead relies on the duty of good faith. That duty, however, does not change the parties' express contractual rights and obligations, nor does it require unanimity in decision-making or prevent MZ from fulfilling its obligations under the Mortgage Agreement on the instruction of a majority participant.

Reisman's Proposed Amendments Are Inconsistent with the Mortgage Agreements

Reisman acknowledges that the mortgages have matured and are in default, that MZ may enforce them and that MZ is the Administrator under the Mortgage Agreement. Nevertheless, Reisman's proposed amendments would materially recast the enforcement process authorized under the Mortgage Agreements to which he is bound, and would force the estate to bear the costs of advancing his private interests as minority mortgage participant, subordinated creditor, and equity stakeholder.

Most notably, Reisman seeks to exclude MZ—the applicant and Administrator—from the administration charge, while extending protections to professionals retained on his behalf under the guise of fees of co-owners of the operating entity, Rose Sutton Limited Partnership. This is essentially an equity position. The effect would be to deny estate-funded protection to the party pursuing the majority-authorized enforcement process while using the estate to fund the protection of Reisman's personal interests.

That result would be commercially unreasonable and inconsistent with the Mortgage Agreements. MZ commenced the CCAA Proceedings as Administrator on the instruction of the majority participant, and therefore MZ should be entitled to reimbursement of its expenses by the Borrower and Guarantors in accordance with the Mortgage Agreement and the underlying Credit Documents and entitled to the protections of the Administration Charge in accordance with section 11.52(1)(c) of the CCAA.

The CCAA Proceedings Protect Reisman's Mortgage Interest

Any suggestion that Reisman's mortgage rights are being disregarded is unfounded. His participation in Phase 2 & 3 is secured by the same first-ranking mortgage as, and ranks *pari passu* with, Ducimus' participation. Those rights cannot be ignored in the CCAA Proceedings and will necessarily be addressed on the same basis as Ducimus' rights with the oversight of the supervising Court and, if appointed, the Proposed Monitor.

The protection of those mortgage rights does not, however, permit Reisman to override the agreed-upon enforcement framework as set forth in the Mortgage Agreements or justify his proposed amendments to the initial order.

Reisman Should Withdraw His Objections

Reisman's proposed amendments are inconsistent with his obligations under the Mortgage Agreements and should be abandoned. Ducimus therefore requests written confirmation that Reisman will withdraw his opposition to the initial application and will not seek any amendment to the proposed initial order that purports to interfere with MZ's contractual obligations under the Mortgage Agreements.

Ducimus will take such steps as it considers necessary to enforce its rights under the Mortgage Agreements, its security and applicable law, including seeking recovery of any resulting loss or additional cost from Reisman or any relevant entity which he owns or controls. Ducimus reserves all rights and remedies, none of which is waived by this letter or by any discussions which may occur between the parties or their representatives.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

Dylan Chochla*
***Practising through a professional corporation**

DC/jc
cc: Kyla Mahar, Miller Thomson LLP
Jennifer Stam, Norton Rose Fulbright LLP
Brendan Bissell, Reconstruct LLP
Mitch Stephenson / Julia Chung, Fasken Martineau DuMoulin LLP
Encl.

Schedule "A"

MORTGAGE ADMINISTRATION AGREEMENT
(Version 6/21/2018)

THIS AGREEMENT dated as of the date of the Appointment as defined below.

BETWEEN:

MARSHALLZEHR GROUP INC.

("Administrator")

- and -

THE PRINCIPAL PARTIES FROM TIME TO TIME WHO HAVE APPOINTED MZG AS THEIR MORTGAGE ADMINISTRATOR PURSUANT TO AN APPOINTMENT OF MORTGAGE ADMINISTRATOR AGREEMENT WHICH INCORPORATES THIS MORTGAGE ADMINISTRATION AGREEMENT BY REFERENCE.

(collectively referred to as the "Principals" and individually as the "Principal")

RECITALS

WHEREAS Administrator is licensed pursuant to the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (the "Act") with the Financial Services Commission of Ontario ("FSCO") as a mortgage administrator with license number 11955 and mortgage brokerage with license number 12453;

AND WHEREAS the Principals have jointly agreed to participate as lenders in a mortgage secured syndicated loan;

AND WHEREAS each of the Principals wishes to appoint a licensed mortgage administrator to administer on their behalf the syndicated loan;

AND WHEREAS the Principals have mutually agreed to appoint administrator as the licensed mortgage administrator to administer the syndicated loan and Administrator has agreed to accept the appointment;

AND WHEREAS both the Administrator and the Principals wish to set out the terms and conditions of the appointment of Administrator;

NOW NOWTHEREFORE THIS AGREEMENT WITNESS that in consideration of the premises and the terms and conditions herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties hereby agree with each other as follows:

1.00 DEFINITIONS

a) "Appointment" means the mortgage administrator appointment agreement to which this Agreement is attached as Schedule "B" entered into between the Administrator and each Principal;

- **b)** "Borrower" means the debtor(s) under the Investment;
- **c)** "Credit Documents" means all of the documentation delivered in respect of the Investment by or on behalf of the Borrower as a term or condition of the Principals advancing the Loan Amount including, without limitation and to the extent same may be applicable to the subject Investment, term sheet, commitment letter, loan agreement or such other like agreements detailing the agreed upon terms and conditions of the Investment, security including, the charge/mortgage of land, Third-Party Mortgage Administration Agreements, and all other and ancillary loan documentation and agreements;
- **d)** "Guarantors" means those persons or entities that are bound by the Credit Documents to guarantee repayment of the Loan Amount and otherwise the performance by the Borrower of all of the Borrower's obligations under the terms of the Credit Documents;
- **e)** "Investment" has the same meaning as in the Appointment;
- **f)** "Loan Amount" means the total principal amount advanced by the Principals in respect of the Investment;
- **g)** "Loan Commitment" has the same meaning as in the Appointment;
- **h)** "Proportionate Share" means in respect of each Principal the fraction having as its numerator the amount advanced by such Principal from time to time on account of the Loan Amount and as its denominator the Loan Amount from time to time;
- **i)** "Retained Third-Party Mortgage Administrator" has the same meaning as in the Appointment;
- **j)** "Security" means the charge/mortgage of land, general security agreements and any other such charges, liens and encumbrances of whatsoever kind delivered by the Borrower creating security interests in the assets of the Borrower and/or Guarantors in favour of the Investment creditors;
- **k)** "Third-Party Mortgage Administrator" has the same meaning as in the Appointment; and
- **l)** "Third-Party Mortgage Administration Agreement" has the same meaning as in the Appointment.

2.00 APPOINTMENT

2.01 The Principals hereby confirm their respective appointments of Administrator as the mortgage administrator of the Investment and Administrator hereby confirms its acceptance of the appointment as mortgage administrator of the Investment pursuant to the terms and conditions of the Appointment and this Agreement.

3.00 ADMINISTRATOR'S AUTHORITY AND POWERS

3.01 Except as may be specifically provided to the contrary herein, Administrator is hereby irrevocably authorized and directed, to manage and administer the Investment on behalf of the Principals to the same extent and in the same manner as if Administrator were the actual and sole lender under the Investment including, without limitation:

- **a)** to exercise all of the powers and remedies as may be provided for and/or available under the Credit Documents or at law to enforce and ensure performance by the Borrower of all of its obligations under the Credit Documents and otherwise reasonably necessary and prudent to protect the interests of the Principals under the Investment; and
- **b)** to appoint a Third-Party Mortgage Administrator to administer the investment on behalf of the Administrator and for the benefit of the Principals.

The Administrator shall exercise all such rights and powers to such extent and standard as would a reasonably competent and professional mortgage administrator.

3.02 Without in any way limiting the foregoing, the Principals hereby direct and authorize the Administrator to:

(a) negotiate the final terms of the Loan Commitment and the other Credit Documents consistent with the commitment letter, term sheet and such other documents attached to the Appointment as Schedule "A";
(b) oversee the preparation, execution, registration and delivery of the Credit Documents;
(c) report on the transaction contemplated by the Credit Documents to the Principals in a timely manner following the completion of the transaction;
(d) provide each Principal with a regular accounting and inform each Principal in a timely manner of all material changes in circumstances affecting the Investment including, without limitation, any subsequent financing contrary to the terms of the Credit Documents, any material defaults which the Administrator has remedied or which the Borrower has failed to remedy notwithstanding delivery of notice by the Administrator requiring the Borrower to remedy same, any material default by the Borrower in the payment of amounts payable pursuant to the Credit Documents when and as such are due;
(e) administer, in a professional, competent and timely manner, the Investment in the ordinary course including, regularly remitting payment to each Principal of their respective Proportionate Shares of principal and/or interest payments received by the Administrator on account of the Investment, and entering into agreements with one or more Third-Party Mortgage Administrators to administer the Investment on behalf of the Administrator and the Principals; and
(f) obtain and act in accordance with the instructions of the Principals when and as required by the terms of this Agreement.

3.03 Subject to the terms hereof, the Administrator may hold the Security, realize upon the Security, grant extensions of time and other indulgences, take and give up any of the Security, accept compositions, grant releases and discharges and otherwise deal with the Borrower and/or Guarantors, debtors of the Borrower and/or Guarantors, sureties and others and with the Credit Documents and Security from time to time as it may reasonably see fit subject to any restrictions as set out herein.

4.00 INDEMNITY FROM PRINCIPALS

4.01 The Principals agree, based on their Proportionate Share, to indemnify the Administrator (to the extent that the Administrator is not promptly reimbursed by the Borrower and/or one or more of the Guarantors on demand) from and against any and all liabilities, obligations (whether direct or indirect), losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any nature or kind whatsoever which may be imposed on, incurred by, or asserted against the Administrator in its capacity as Administrator hereunder or any action taken or omitted by the Administrator which in any way relate to or arise out of the Credit Documents, the Appointment or this Agreement; provided that no Principal shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements which result from the Administrator's gross negligence or willful misconduct. Without limitation, each Principal agrees to reimburse the Administrator promptly upon demand for its Proportionate Share of out-of-pocket expenses (including the fees and disbursements of counsel) incurred by the Administrator in connection with the preparation of the Credit Documents and other documentation reasonably contemplated thereby and the determination or preservation of any rights of the Administrator or the Principals under, or the enforcement of, or legal advice in respect of rights or responsibilities under, the Credit Documents, to the extent that the Administrator is not promptly reimbursed for such expenses by the Borrower and/or the Guarantors on demand or otherwise in accordance with Subsection **12.01(f)** hereof. The obligation of the Principals to indemnify the Administrator shall survive termination of this Agreement.

5.00 EXCULPATION

5.01 The Administrator shall have no duties or responsibilities except those expressly set forth in the Appointment and this Agreement.

5.02 Neither the Administrator nor any of its officers, directors, employees or agents, successors or assigns (collectively, the "Administrator Parties") shall be liable for any action taken or omitted to be taken under or in connection with the Credit Documents, unless such act or omission constitutes gross negligence or willful misconduct; nor shall any of the Administrator Parties be liable in respect of entry into a Third-Party Mortgage Administration Agreement nor reliance on the advice of, nor delegation of tasks to, a Retained Third-Party Mortgage Administrator.

5.03 The duties of the Administrator shall be mechanical and administrative in nature, and some or all of them may be delegated by the Administrator to a Retained Third-Party Mortgage Administrator. The Administrator shall not have by reason of the Appointment, this Agreement or its position as bare trustee of the Investment a fiduciary relationship with any Principal and nothing therein, express or implied, is intended to or shall be construed as to impose upon the Administrator any obligation except as expressly set forth therein.

5.04 None of the Principals shall have any duties or responsibilities to any of the other Principals except as expressly set forth in the Credit Documents or this Agreement.

5.05 The Administrator shall not be responsible for any recitals, statements, representations or warranties in Credit Documents and/or which may be contained in any other document subsequently received by the Administrator or the Principals from or on behalf of the Borrower and/or one or more of the Guarantors or for the authorization, execution, effectiveness, genuineness, validity or enforceability of the Credit Documents and shall not be required to make any inquiry concerning the performance or observance by the Borrower and/or any of the Guarantors of any of the terms, provisions or conditions of the Credit Documents.

5.06 Each of the Principals severally represents and warrants to the Administrator that it has made and will continue to make such independent investigation of the financial condition and affairs of the Borrower and/or Guarantors as such Principal deems appropriate in connection with its participation in the Investment and the making of the Appointment, and that such Principal has and will continue to make its own appraisal of the creditworthiness of the Borrower and/or Guarantors.

6.00 KNOWLEDGE AND REQUIRED ACTION

6.01 The Administrator shall not be deemed to have knowledge or notice of the occurrence of any Event of Default, as that term is defined under the Credit Documents (other than the non-payment of any principal, interest or other amount to the extent the same is required to be paid to the Administrator for the account of the Principals on a predetermined date) unless the Administrator has received written notice from a Retained Third-Party Mortgage Administrator, a Principal, the Borrower or one or more of the Guarantors specifying such Event of Default and stating that such notice is given pursuant to this section. In the event that the Administrator receives such a notice, it shall give prompt notice thereof to the Principals, and shall also give prompt notice to the Principals of each non-payment of any amount required to be paid to the Administrator for the account of the Principals. Unless the Administrator has retained a Retained Third-Party Mortgage Administrator, the Administrator shall, subject to this Article **6.00** of this Agreement take such action with respect to such Event of Default as shall be directed by the Principals in accordance with this Agreement provided that, unless and until the Administrator shall have received such direction the Administrator may, but shall not be obliged to, take such action, or refrain from taking such action, with respect to such Event of Default as it shall deem advisable in the best interest of the Principals; and provided further that the Administrator in any case shall not be required to take any such action which it determines to be contrary to the Credit Documents, this Agreement, the Appointment or, to any applicable law, or which it is formally advised by a Retained Third-Party Mortgage Administrator not to take.

6.02 The Administrator shall promptly notify each Principal if the Administrator becomes aware of a subsequent encumbrance on the properties subject to a Charge/Mortgage under the Security or any significant change in the circumstances affecting of the transaction contemplated by the Credit Documents and/or the Security thereunder.

7.00 CONFIDENTIALITY OF IDENTITY OF PRINCIPALS

7.01 The parties acknowledge that except as set out herein it is their joint intention that the identity of the Principals is to be kept confidential to the fullest extent possible, even as between the Principals themselves, but that the Administrator may in its sole and unfettered discretion be permitted to reveal the identity of the Principals where required by law or to their legal counsel and/or professional advisors, and/or a Retained Third-Party Mortgage Administrator, and/or where required to carry out the terms of the Appointment, this Agreement, the Credit Documents or any documents ancillary thereto.

8.00 EXCHANGE OF INFORMATION

8.01 The Principals shall give notice to the Administrator and the Administrator shall give notice to the (other) Principals such information concerning the financial position and property and operations of the Borrower and/or the Guarantors as, in the opinion of such Principal or the Administrator, is relevant to the ability of the Borrower and/or the Guarantors to fulfill their respective obligations under or in connection with the Credit Documents.

8.02 In order to protect and keep confidential the identity of each Principal, each Principal shall receive a true copy of this Agreement but not any copies of the Appointment made by any of the other Principals. The Administrator covenants and agrees to retain all of the Appointments made and to maintain at all times a complete and up-to-date list of all Principals including the amount advanced by each Principal and their addresses for service. The Administrator shall provide each Principal with an up-to-date list indicating the number of Principals and the sum then advanced by each of them in respect of the Investment, keeping the identity of each Principal confidential in that document.

9.00 THE ADMINISTRATOR INDIVIDUALLY

9.01 With respect to any portion of the Loan Amount made available by it and any documents to which it may be a party in its personal corporate capacity as a participant in the Investment, Administrator shall have the same rights and powers hereunder as any other Principal and may exercise such rights and powers as though it were not the mortgage administrator of the Investment, and the term "Principals" shall, unless the context clearly otherwise indicates, include Administrator in its personal corporate capacity in the event it advances part of the Loan Amount.

10.00 MEETINGS OF THE PRINCIPALS

10.01 Subject to Article **6.00** and Section **17.01** hereof, the Administrator shall convene a meeting of the Principals to obtain instructions regarding any action required or proposed to be made by the Administrator in the following circumstances:

(a) when in the Administrator's sole and unfettered discretion it deems it appropriate to obtain instructions from the Principals with respect to any actions and/or approvals which, by the terms of the Credit Documents or this Agreement, the Administrator is permitted or required to take or to grant; and/or

(b) upon a default by the Borrower and/or one or more of the Guarantors under the Credit Documents which in the reasonable opinion of the Administrator calls for the exercise by the Administrator of its discretion in respect of deciding upon a course of remedial and/or enforcement action and where in the reasonable opinion of the Administrator the continuing default has materially increased the risk of loss to the Principals.

10.02 For the purposes any meeting of Principals called pursuant to this Article **10.00**, each Principal is entitled to a number of votes equal to their Proportionate Share rounded to the nearest two decimal places and shall be entitled to appoint a proxy to attend and the proxy shall not be required to disclose the Principal the proxy represents except to the Administrator. Each meeting shall be held at the offices of the Administrator or such other place as the Administrator may designate within the City of Waterloo.

10.03 The Administrator shall call each meeting of Principals by notice in writing delivered at least ten (10) business days in advance and in accordance with the notice provisions of this Agreement. Each notice shall specify the place, day and hour of meeting and the general nature of the business to be transacted.

10.04 The Administrator shall be solely responsible for chairing such meetings and shall do so in an orderly fair and equitable manner. All decisions made at a meeting of Principals shall be decided by majority vote based on each Principal's Proportionate Share and only of those Principals present or represented by proxy at the meeting.

10.05 The Administrator shall be obligated to call a meeting of the Principals if and when the Administrator receives a request(s) for a meeting of the Principals for the purposes of determining whether this Agreement and the Appointment should be terminated from at least such number of principals whose total Proportionate Share equals at least one half of the Loan Amount.

11.00 RESIGNATION AND TERMINATION OF ADMINISTRATOR

11.01 If at any time:

(a) the Administrator shall deem it advisable or otherwise desire to resign from its appointment as mortgage administrator for the Investment and as bare trustee, and delivers to each of the Principals, at least 30 business days written notification of its intention to resign and notice of a meeting of Principals for the purposes of appointing a replacement licensed mortgage administrator and bare trustee; or

(b) the Principals shall, at a meeting of Principals duly called for the purpose by the Administrator in accordance with the provisions of paragraph **10.05** above, determine by a majority vote of not less than 80% of the votes available to be cast to terminate the appointment of the Administrator as the mortgage administrator of the Investment and its appointment as the bare trustee; or

(c)

i. the Administrator is in default of a provision of this agreement, notice of which default (the "Default Notice") has been delivered to the Administrator by a Principal affected by such default (the "Default Notice Party"), and

ii. such default has not been cured by the Administrator within 45 days of delivery of the Default Notice to the Administrator, and

iii. the Principals shall, at a meeting of Principals duly called for the purpose by the Administrator in accordance with the provisions of paragraph **10.05** above, a request for which meeting having been made by the Default Notice Party, determine by a vote of more than 50% of the votes available to be cast to terminate the appointment of the Administrator as the mortgage administrator of the Investment and its appointment as the bare trustee,

then the Administrator shall assist the Principals in good faith to approve the appointment of a replacement licensed mortgage administrator and bare trustee and upon acceptance of such appointment by the proposed administrator and bare trustee the appointment of Administrator as such shall become effective provided, the Administrator shall continue to work with the then appointed administrator and bare trustee to ensure a cost effective and orderly assumption of responsibilities by the appointed administrator (including the assignment and assumption by it of any rights and obligations of the Administrator under any Third-Party Mortgage Administration Agreements) and all of the Administrator's costs and expenses and any outstanding amounts owed to the Administrator in respect of its services as mortgage administrator and bare trustee shall be reimbursed. If in no appointment of a successor administrator and bare trustee has been made by the Principals within 30 days, the Administrator may make such appointment on behalf of the Principals, and shall forthwith facilitate the assumption and transfer of responsibilities as hereinbefore provided.

11.02 If at any time:

(a) the Administrator has been declared bankrupt or insolvent and has entered into liquidation or winding-up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reorganization); or

(b) if the Administrator makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency, or

(c) a license issued to the Administrator has been automatically suspended by operation of section 17 of the Act, which suspension has not terminated within 10 business days of such suspension becoming effective, or
(d) the Administrator otherwise ceases to possess the necessary regulatory licenses and registrations to perform its duties and obligations under this Agreement, then

the Administrator shall immediately do all of the following:
(e) disclose the identities and contact particulars of each Principal to each other Principal,
(f) tender its resignation as mortgage administrator and bare trustee to the Principals, and
(g) call a meeting of the Principals within 5 business days for the purpose of accepting such resignation and appointing replacements therefor,

and forthwith upon acceptance of such resignation, the Administrator shall work with the Principals in good faith to effect an orderly assumption of the Administrator's responsibilities as mortgage administrator and bare trustee by the party or parties so determined as replacements therefor by the Principals.

12.00 ADMINISTRATOR'S OBLIGATIONS TO DISTRIBUTE INVESTMENT RECEIPTS

12.01 The Administrator shall distribute all amounts (including penalties and bonuses) received by the Administrator on account of the Investment in accordance with the following provisions:

(a) the Administrator shall be under no obligation to make any payment (whether in respect of principal, interest, fees or otherwise) to any Principal until an amount in respect of such payment has been received by the Administrator from a Borrower or one of the Guarantors, or from a Retained Third-Party Mortgage Administrator;

(b) if the Administrator receives less than the full amount of any payment of principal, interest, fees or other amount owing by the Borrower, or one of the Guarantors, or a Retained Third-Party Mortgage Administrator under this Agreement, then the Administrator shall have no obligation to remit to each Principal any amount other than such Principal's Proportionate Share of that amount in accordance with the terms of the Loan Commitment and Subsection **12.01(f)** hereof;

(c) the Administrator, acting reasonably and in good faith shall determine in all cases the amount of all payments to which each Principal is entitled and such determination shall, in the absence of manifest error, be binding and conclusive;

(d) upon request, the Administrator shall deliver a statement detailing any of the payments to the Principals referred to herein;

(e) all payments by the Administrator to a Principal hereunder shall be made to such Principal at its address set forth in their Appointment unless notice to the contrary is received by the Administrator from such Principal pursuant to paragraph **17.01** hereof; and

(f) before distributing monies to the Principals, the Administrator shall be entitled to first deduct monies on account of:

   i. any fees owed to the Administrator hereunder or under any the Credit Documents; and
   ii. all reasonable out-of-pocket costs and expenses (including without limitation reasonable legal fees) of the Administrator in connection

with enforcing the rights of the Administrator and the Principals under the Credit Documents.

13.00 DIRECT PAYMENTS

13.01 If any Principal (a "Receiving Principal") shall obtain any payment of moneys due under the Credit Documents, the Receiving Principal shall forthwith remit such payment to the Administrator and, upon receipt, the Administrator shall distribute such payment in accordance with the provisions hereof.

14.00 ACKNOWLEDGEMENTS, REPRESENTATIONS AND COVENANTS OF PRINCIPALS

14.01 Each Principal acknowledges that they require the prior written approval of the Administrator in order to dispose of all or part of their interest in the Credit Documents. Such consent will only be given in extraordinary circumstances so long as such disposition does not affect the value of the Credit Documents and/or the position of the Borrower, Guarantors and/or other Principals. Subject to the foregoing, any disposition shall only be permissible to a Principal's personal representative and/or beneficiary/beneficiaries under a will and/or estate or, in the case of a corporate Principal, to a wholly-owned subsidiary of that Principal.

14.02 It is acknowledged and agreed by each Principal that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, property, affairs, status and nature of the Borrower and the Guarantors. Accordingly, each Principal confirms to the Administrator that it has not relied, and will not hereafter rely, on the Administrator (except as the Administrator may otherwise agree):

(a) to check or inquire on its behalf into the adequacy or completeness of any information provided by the Borrower and the Guarantors under or in connection with this Agreement or the transactions herein contemplated (whether or not such information has been or is hereafter distributed to such Principal by the Administrator); or

(b) to assess or keep under review on its behalf the financial condition, creditworthiness, property, affairs, status or nature of the Borrower and the Guarantors.

14.03 Each Principal represents and warrants where applicable that it has the legal capacity to enter into this Agreement pursuant to its charter and any applicable legislation and has not violated its charter, constating documents or any applicable legislation by so doing.

14.04 Each of the Principals acknowledges and confirms that in the event that the Administrator does not receive payment in accordance with this Agreement, it shall not be the obligation of the Administrator to maintain the Investment in good standing nor shall any Principal have recourse to the Administrator in respect of any amounts owing to such Principal under this Agreement and the Credit Documents.

14.05 Each Principal shall respond promptly to each request by the Administrator for the consent of such Principal required hereunder.

14.06 Each Principal acknowledges that as of the date hereof, the Administrator has not charged any fees to the Principals for the administration of the Investment.

15.00 RIGHTS OF ADMINISTRATOR

15.01 In administering the Credit Documents and the Investment, the Administrator may retain, at the expense of the Principals, if such expenses are not recoverable from the Borrower and/or the Guarantors, such Retained Third-Party Mortgage Administrators, solicitors, counsel, auditors and other experts and agents as the Administrator may select, in its sole discretion, acting reasonably and in good faith after consultation with the Principals.

15.02 The Administrator shall be entitled to rely on any communication, instrument or document believed by it to be genuine and correct and to have been signed by the proper individual or individuals, and shall be entitled to rely and shall be protected in relying as to legal matters upon opinions of independent legal advisors selected by it. The Administrator may also assume that any representation made by the Borrower and/or one or more of the Guarantors is true and that no Event of Default has occurred unless the officers or employees of Administrator, directly responsible and active in their capacity as officers or employees of Administrator for the Borrower's account, have actual knowledge to the contrary or have received reasonably reliable notice to the contrary.

15.03 Except in its potential capacity as Principal, the Administrator shall not be required to advance its own funds for any purpose, and in particular, shall not be required to pay with its own funds insurance premiums, taxes or public utility charges or the cost of repairs or maintenance with respect to the assets which are the subject matter of the Security, nor shall it be required to pay with its own funds the fees of solicitors, counsel, auditors, experts or agents engaged by it as permitted hereby.

16.00 COLLECTIVE ACTION OF THE PRINCIPALS

16.01 Each of the Principals hereby acknowledges that to the extent permitted by applicable law, the remedies provided under the Credit Documents with respect to the enforcement of the performance of the Borrower's and Guarantors' obligations under the Credit Documents are for the benefit of the Principals collectively and acting together and not severally and further acknowledges that its rights hereunder and under the Credit Documents are to be exercised not severally, but by the Administrator in accordance with the provisions of this Agreement. Accordingly, notwithstanding any of the provisions contained herein, each of the Principals hereby covenants and agrees that it shall not be entitled to take any action hereunder or under any of the Credit Documents but that any such action shall be taken only by the Administrator in accordance with the provisions hereof. Each of the Principals hereby further covenants and agrees to co-operate fully with the Administrator to the extent requested by the Administrator.

17.00 GENERAL CONTRACTUAL PROVISIONS

17.01 Any notice or other communication which may be or is required to be given or made pursuant to this Agreement shall, unless otherwise expressly provided herein, be in writing and shall be deemed to have been sufficiently and effectively given if signed by or on behalf of the party giving notice and delivered to the party for which it is intended at its address as follows:

(a) if to the Administrator, at:
MarshallZehr Group Inc.
465 Phillip Street, Suite 206
Waterloo, ON N2L 6C7

Fax: 519-342-0851

(b) if to the Principals, at the addresses identified on the respective Appointments.

The date of receipt of any such notice, demand or request shall be deemed to be the date of delivery of such notice, demand or request if served personally or by courier, or if mailed, to have been received by the addressee on the fourth postal delivery day following the date on which it is so mailed. If served by fax delivery shall be deemed to be one hour after sending if sent during normal business hours on a business day and if sent outside normal business hours or not on a business day then delivery shall be deemed to be at the start of business on the next business day.

17.02 All monies owing by the Principals to the Administrator pursuant to the terms hereof shall be paid within five business days of notice being given to the Principals by way of certified cheque to the Administrator's address for service.

17.03 The parties agree that this Agreement shall be conclusively deemed to be a contract made under, and for all purposes be governed by and construed in accordance with, the laws of the Province of Ontario and of Canada applicable therein.

17.04 This Agreement shall be binding upon and enure to the benefit of each of the Principals respective heirs, executors, administrators and permitted assigns and any entity or individual to which a Principal's Proportionate Share is, in whole or in part, transferred, assigned or assumed shall be deemed to have as a precondition of such transfer, assignment or assumption appointed Administrator the administrator of the Investment in the same terms and conditions as Administrator is then appointed.

17.05 Any provision in this Agreement which is or becomes prohibited or unenforceable in any jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

17.06 No amendment to this Agreement shall be effective unless made in writing and accepted by all of the Principals together with the Administrator.

17.07 The term of this Agreement shall commence on the date hereof and shall continue in full force and effect until all funds advanced, accruing and otherwise owing by the Borrower under the Credit Documents has been paid in full or determined to be commercially uncollectible, or until terminated pursuant to the provisions contained herein.

17.08 The parties hereto shall sign such further and other documents, do and perform and cause to be done and performed such further or other acts or things as may be necessary or desirable in order to give full force and effect to this Agreement and every part thereof.

17.09 The provisions contained in this Agreement shall not create or be deemed to create any relationship between the parties save and except for the relationship of Administrator and principals as between the Administrator and Principals

17.10 This Agreement, taken together with the Appointments constitutes the entire agreement made between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof.

17.11 Descriptive headings are inserted solely for convenience of reference, do not form part of this agreement, and are not to be used as an aid in the interpretation of this agreement.

17.12 It is agreed that unless the context of this agreement requires otherwise, the singular number shall include the plural and vice versa, the number of the verb shall be construed as agreeing with the word so substituted, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and vice versa.

Executed and delivered as of the date noted at the beginning of the Agreement.

MARSHALLZEHR GROUP INC.
Per:

Murray Snedden
______________________________ c/s
Name: Murray Snedden
Title: CFO and Principal Broker
I have authority to bind the Corporation.

Schedule "B"

From: Sean Atkinson <satkinson@marshallzehr.com>
Sent: Thursday, July 16, 2026 3:37 PM
To: Sam Reisman <sam@rosecorp.com>
Cc: Gossen Trevor <Trevor.Gossen@impgroup.com>; Vladan Erkic <VErkic@ducimuscapital.com>
Subject: Re: Hedge Road enforcement - followup meeting

Hi Sam

Hope you are doing well.

I didn't hear back from you on my email below so I take it that you had no further questions and that my explanation of MZ's involvement and compensation structure made sense.

I understand there have been numerous discussions over the last month between yourself and Ducimus about the plan forward for the site. We have now afforded participants more than the required 10 days notice to come to a vote, and are prepared to simply accept direction by way of email, rather than calling another in person meeting.

At this point in time, we are working to bring the project into a court proceeding to liquidate the security. We are working through details with legal counsel as to the pro/cons of a receivership vs. a CCAA and hope to have a clear path worked out by the end of this week, including what a sale process for the respective parcels/phases looks like.

Should you wish to formally lodge your position by way of vote by email, please do so, however I note with Ducimus' vote we do have a sufficient majority pursuant to our administration agreement to proceed on the aforementioned path for enforcement.

Should you have any questions or wish to discuss, please let me know and I'd be happy to connect with you.

Regards,

Sean Atkinson
Senior Vice President - Risk, Legal, & Finance
Principal Broker

T 519 342 1000 x238
C 519 501 5143
marshallzehr.com

MarshallZehr Group Inc.
FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627

From: Sean Atkinson <satkinson@marshallzehr.com>
Sent: Monday, June 22, 2026 11:19 AM
To: Sam Reisman <sam@rosecorp.com>
Cc: Gossen Trevor <Trevor.Gossen@impgroup.com>; Vladan Erkic <VErkic@ducimuscapital.com>
Subject: Re: Hedge Road enforcement - followup meeting

Good morning Sam,

I hope you had a good weekend.

Apologies if my previous response lacked the clarity you were looking for. I will do my best to articulate the details below.

MarshallZehr gets paid through two streams for two roles we fulfill in the project financing:

1. As Mortgage Broker:
   a. A "Lender Fee" for brokering/originating the transaction. In context of the Phase 2 loan in which you are a participant, there was a $370,000 Lender Fee that was deducted from the initial advance. A copy of the Commitment Letter, together with the initial advance statement, is attached showing the $16,050,000 mortgage advance, and the allocation of said funds on closing.
   b. Please note that the $370k lender fee was shared with the syndicate participants based on respective proportionate shares in the loan, with a part of the fee ($209,500) retained by MZ. Both Ducimus and Morrison received a 1% fee ($140,000 and $20,500, respectively).
2. As Mortgage Administrator:
   a. "Servicing Fees" (we sometimes internally refer to this as "Trailer Fees") for servicing/administering the loan on behalf of the lending syndicate.
   b. These servicing fees are built in to the interest rate the borrower pays, and so we refer to a gross "borrower rate" (the rate the borrower has agreed to pay pursuant to the commitment letter) and the net "lender rate" (the rate the lender(s) have agreed to receive in exchange for participating in the loan).
   c. The difference between the borrower and lender rates is equal to the MZ servicing fees. We are usually paid these fees when we collect interest payments from the Borrower, and deduct our servicing fees prior to remitting the balance of the interest payment to lenders. In the case of this loan since there have been no interest payments made, our servicing fees have accrued since closing of the loan.
   d. Prior to entering the Wrap-Up Period (which starts on the first day of the last month of the term of the loan), our servicing fee for this mortgage was 50bps (0.50% of the Borrower's 13.5% rate). Once the loan entered the wrap-up period, the interest rate charged to the borrower increases by a factor of two, and with it both the net lender rate and MZ servicing fees, so our servicing fee increased to 100bps (1.0% of the Borrower's 27.0% rate). Below is an extract from our system of the dates and rates which shows the change starting in the Wrap-up period.
   e. As far as your allocated share of our servicing fees, your position in the loan is ~13% based on your $2,050,000 position in the $16,050,000 loan, so your pro-rated share of MZ's accrued servicing fees would be ~$26,000.

We have not made any amendments to the interest rates/servicing fees/etc. on this loan beyond what was originally contemplated at the time the loan was originated in 2024. We have also not made any modifications to the "waterfall" (how proceeds are to be applied upon receipt against the loan) which would have the effect of altering where our accrued servicing fees sit in the debt stack relative to net-to-lender interest and principal.

Please let me know if this answers your questions, and if so, whether you are prepared to complete the vote in writing.

Regards,

Sean Atkinson
Senior Vice President - Risk, Legal, & Finance
Principal Broker

T 519 342 1000 x238
C 519 501 5143
marshallzehr.com

MarshallZehr Group Inc.
FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627

From: Sam Reisman <sam@rosecorp.com>
Sent: Friday, June 19, 2026 12:23 PM
To: Sean Atkinson <satkinson@marshallzehr.com>
Cc: Gossen Trevor <Trevor.Gossen@impgroup.com>; Vladan Erkic <VErkic@ducimuscapital.com>
Subject: Re: Hedge Road enforcement - followup meeting

Ok. I need you to spell out for me. What am I (are we) paying and how precisely is it now calculated? Are we paying the fee based on the 24% interest rate??

On Jun 19, 2026, at 09:31, Sean Atkinson <satkinson@marshallzehr.com> wrote:

Hi Sam,

Our accrued servicing fees (a.k.a. trailer fees) on the Phase 2 loan total $204,124.62. They are calculated as 50 bps prior to the loan entering the wrap-up period and 100 bps after the loan entered wrap-up. The servicing fees are a subset of the interest rate charged to the Borrower, and are typically paid by way of deduction from the Borrower-level interest rate before remitting the net rate to the lenders/investors. I do not believe there have been any payments made under the Phase 2 loan since it was originated, hence the extent of the accrual.

MarshallZehr Group Inc.

Sean Atkinson
Senior Vice President - Risk, Legal, & Finance
Principal Broker

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MarshallZehr Group Inc.
FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627

From: Sam Reisman <sam@rosecorp.com>
Sent: Thursday, June 18, 2026 3:09 PM
To: Sean Atkinson <satkinson@marshallzehr.com>

Cc: Vlad Berezovskiy <vlad@desar.ca>; Trevor Gossen <Trevor.Gossen@impgroup.com>
Subject: Re: Hedge Road enforcement - followup meeting

You sid not provide the info on your fees. Please indicate how they are calculated- of course phase 2 is what's of primary interest to me.

> On Jun 18, 2026, at 10:26, Sean Atkinson <satkinson@marshallzehr.com> wrote:
>
> Good morning gentlemen,
>
> Further to our call last week, please advise if we can now proceed to vote on this matter by way of writing. I believe everyone has had an opportunity to discuss amongst themselves, with each other, including with counsel where necessary.
>
> Subject to confirming the above, we will circulate a written voting form to everyone to vote their share of the loan.
>
> MarshallZehr Group Inc.
>
> **Sean Atkinson**
> **Senior Vice President - Risk, Legal, & Finance**
> Principal Broker
>
> **T** 519 342 1000 x238
> **C** 519 501 5143
> marshallzehr.com
>
> **MarshallZehr Group Inc.**
> FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627
>
>

From: Sam Reisman <sam@rosecorp.com>
Sent: Tuesday, June 9, 2026 2:32 PM
To: Sean Atkinson <satkinson@marshallzehr.com>
Cc: Vladan Erkic <VErkic@ducimuscapital.com>; Gossen Trevor <Trevor.Gossen@impgroup.com>; Antonio Niro <antonio@rosecorp.com>; Mahar Kyla <kmahar@millerthomson.com>; Cecil Hayes <chayes@marshallzehr.com>; Murray Snedden <msnedden@marshallzehr.com>; Martie Simon <MSimon@rosecorp.com>; Bornstein Jeremy <jbornstein@cassels.com>; Natalie Reisman <natalie@rosecorp.com>
Subject: Re: Hedge Road enforcement - followup meeting

1 pm works for me.

> On Jun 9, 2026, at 14:00, Sean Atkinson <satkinson@marshallzehr.com> wrote:
>
> Thank you Sam for your reply. Is there a time tomorrow between 10-2 EST that works for everyone?
>
> MarshallZehr Group Inc.
>
> **Sean Atkinson**
> **Senior Vice President - Risk, Legal, & Finance**
> Principal Broker
>
> **T** 519 342 1000 x238
> **C** 519 501 5143
> marshallzehr.com

MarshallZehr Group Inc.
FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627

From: Sam Reisman <sam@rosecorp.com>
Sent: Tuesday, June 9, 2026 1:05 PM
To: Sean Atkinson <satkinson@marshallzehr.com>
Cc: Erkic Vladan <VErkic@ducimuscapital.com>; Gossen Trevor <Trevor.Gossen@impgroup.com>; Antonio Niro <antonio@rosecorp.com>; Mahar Kyla <kmahar@millerthomson.com>; Cecil Hayes <chayes@marshallzehr.com>; Murray Snedden <msnedden@marshallzehr.com>; Martie Simon <MSimon@rosecorp.com>; Bornstein Jeremy <jbornstein@cassels.com>; Antonio Niro <antonio@rosecorp.com>; Natalie Reisman <natalie@rosecorp.com>
Subject: Re: Hedge Road enforcement - followup meeting

I’ve include Natalie (Rose’s - in house legal) and Antonio, The Rose Corporation’s legal. I’d like to a formal vote “live” if possible.

> On Jun 9, 2026, at 12:57, Sean Atkinson <satkinson@marshallzehr.com> wrote:
>
> Good afternoon gentlemen,
>
> Thank you all for the call yesterday. Before we could conclude the call formally with a vote, we lost certain of you to other calls/meetings. Accordingly, we'd ask you each confirm you're prepared to complete the vote upon written instruction to MarshallZehr in lieu of holding

another meeting.

Subject to confirmation the foregoing is satisfactory, please reply to us by email as to how you wish to vote your respective interest in the loan for the purpose of selecting a path for the enforcement action. This may include the following over all or parts of the project lands, including Phase 1, 2 and 3:

- Receivership
- Creditor-led CCAA
- Power of Sale
- Other

As a reminder, you hold the following respective voting interests in the loan, with each dollar of principal invested in the loan representing 1 vote. The vote will carry upon receipt a simple majority.

Lender	**Principal Invested**	**% (rounded)**	**Vote to be Recorded**
Ducimus Capital Inc.	$14,000,000.00	87.2%	
Sam Reisman, as Assignee of the position previously held by Morrison Financial Mortgage Corporation	$2,050,000.00	12.8%	
Total	$16,050,000.00		

Please reach out should you have any questions.

MarshallZehr Group Inc.

Sean Atkinson
Senior Vice President - Risk, Legal, & Finance
Principal Broker

T 519 342 1000 x238
C 519 501 5143
marshallzehr.com

MarshallZehr Group Inc.
FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627

From: Sean Atkinson <satkinson@marshallzehr.com>
Sent: Friday, June 5, 2026 2:14 PM
To: Vladan Erkic <verkic@ducimuscapital.com>; Gossen, Trevor <trevor.gossen@impgroup.com>; sam@rosecorp.com <sam@rosecorp.com>; Martie Simon <msimon@rosecorp.com>
Cc: Mahar, Kyla <kmahar@millerthomson.com>; Cecil Hayes <chayes@marshallzehr.com>; Murray Snedden <msnedden@marshallzehr.com>
Subject: Hedge Road enforcement - followup meeting

Good afternoon Gentlemen,

When we met last on Thursday May 21st, we left the meeting with consent to issue Demand & NITES, which were subsequently sent on Friday May 22. 10 business days notice was given to the Obligors, which now expires Monday June 8, at which point further steps can be taken on enforcement. In our meeting, we agreed to defer the decision on what steps would be taken in enforcement (Receivership vs. alternatives) until a subsequent meeting.

Can you please advise your availability for Monday June 8th between 9-noon EST for a follow-up call to confirm the course of enforcement and next steps? I've asked MarshallZehr's insolvency/litigation counsel, Kyla Mahar at Miller Thomson, to join the call, as her expertise on the different options will likely help answer questions as to why option A/B/C, etc. If you'd like to have your own respective counsel join, feel free to invite them.

Thanks in advance for your time.

MarshallZehr Group Inc.

Sean Atkinson
Senior Vice President - Risk, Legal, & Finance
Principal Broker

T 519 342 1000 x238
C 519 501 5143
marshallzehr.com

MarshallZehr Group Inc.
FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627

This is **Exhibit "B"** to the affidavit of Rosemarie Perruzza of the City of Oakville, in the Province of Ontario sworn before me this 23rd day of August, 2026 at City of Toronto, Province of Ontario, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely

Signed by:
Julia (Yun Ji) Chung
55E789B2BDB249D...

JULIA (YUN JI) CHUNG (LSO: 90012D)

Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 **F** 416.304.1313

D.J. Miller
T: 416-304-0559
E: djmiller@tgf.ca
File No. 2428-001

August 23, 2026

BY EMAIL

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6

Attention: Dylan Chochla

Dear Mr. Chochla:

Re: MarshallZehr Group Inc. v. 2055226 Ontario Inc. et al. Court File No. CL-26-00000362-0000 (the "CCAA Proceedings")

We acknowledge receipt of your letter dated August 23, 2026 sent on behalf of your client Ducimus Capital Inc. (the "**Ducimus Letter**").

Firstly, the Ducimus Letter is incorrect in suggesting that our client Mr. Sam Reisman (in any capacity) is "opposing the initial application". In our many communications with Kyla Mahar, counsel for MarshallZehr, in our client's sworn Affidavit and in response to an email that Ms. Mahar sent to the Service List asking if our client was opposing the CCAA application and the granting of an Initial Order, we confirmed in all cases that he was not.

Requesting that language be incorporated in a court Order sought by MarshallZehr is precisely what the parties were directed to try to achieve over the past week following the attendance before Justice Dunphy on August 17, 2026.

Secondly, the Ducimus Letter is focused on Mr. Reisman's role as a minority lender participant with your client in the Phase 2 mortgage, by reference to the Mortgage Administration Agreement. As you know, that is not his only role. He is a director and officer of 205 as the main operating Respondent, a member of the Co-Owners Committee (which is the governance structure for 205) and a representative of one of the three joint venture entities for the Project. The Ducimus Letter ignores the manner and structure through which the Respondents are governed, and the entire governance structure that exists. That is not an issue involving the Mortgage Administration Agreement or Mr. Reisman's role as a participating lender – it relates to the governance structure of the entities and his role as a director, officer and designate on the Co-Owners Committee.

As mentioned on several occasions, MarshallZehr is entitled to seek the appointment of a Receiver who would then take possession and control of the assets and be responsible for all decision-making, and Mr. Reisman would not object to that enforcement step being taken either. But the process chosen is a debtor-in-possession CCAA proceeding, even if initiated by a creditor. It does not have the effect of automatically displacing the governance structure of the debtors from having any role in the proceeding. Even in this CCAA application where MarshallZehr seeks to have a super-Monitor appointed at the outset that will (for all intents and purposes) replace the existing governance structure of the debtors, Mr. Reisman is not opposing the appointment of a super-Monitor with enhanced powers – and that includes in Mr. Reisman's capacity as a director and officer of 205 and other Respondents, in respect of which MarshallZehr and Ducimis have no role. But it belies belief that Mr. Reisman's request for "consultation", which is something that a court officer is expected to do in all cases including as it relates to third parties in a CCAA proceeding, is so egregious that it warrants the response received to our suggested language in the Initial Order.

Thirdly, the amendments requested to the Initial Order do not in any way "*undermine the enforcement process duly authorized by Ducimus*" or "*interfere with MarshallZehr's contractual authority under the Mortgage Agreements*" or seek to have the estate "*bear the costs of advancing his private interests as a minority mortgage participant, subordinated creditor and equity stakeholder*…" With respect, that is inflammatory. Mr. Reisman has roles <u>other than</u> that of a participating lender, that he is navigating with the benefit of insolvency counsel. That includes as it relates to the existing governance structure and how it will be undertaken and understood following the appointment of a Monitor with enhanced powers from the outset of the proceeding. The equity interests to which you refer have been in place for decades, and at no time over that period have the co-owners including Rose LP withdrawn **any** of the equity in the Project. The suggestion that Mr. Reisman is acting in his personal self-interest at this time is simply unfounded.

As it relates to certain proposed amendments to clarify "Applicant" [MarshallZehr] from "DIP Lender" [MarshallZehr as Administrator for funds advanced by Ducimus] in respect of the Administration Charge, that is not in any way to challenge the ability of MarshallZehr to have all costs it incurs in the enforcement of the mortgages added to its indebtedness and secured by the security. Of course that is the case. An Administration Charge in a CCAA proceeding typically secured the fees incurred by the Applicant's counsel (because in most cases the Applicant is the debtor, as in the Model Order) and the Monitor and its counsel, and sometimes the DIP Lender. By analogy, in a receivership, the "Applicant" [creditor] is confirmed by the appointment Order to be entitled to be paid its costs for bringing the application (not relying on a charge). Here the "Applicant" in the draft Initial Order is MarshallZehr because it's a creditor-initiated CCAA, but it is in its capacity as DIP Lender that it's covered by the Administration Charge. It has nothing to do with the right of MarshallZehr to be paid for costs it incurs in enforcing its security, or to add such amounts to its indebtedness secured by its security.

As this is a creditor-led CCAA process where the language of the model Order referring to "Applicant" does not account for the absence of any reference to the debtors or their representatives or provide for the right to receive and pay for legal advice in carrying out any governance or similar role with the debtors, we have suggested language to address that. As set out above, the governance structure of these debtors is a joint venture involving directors and officers and a Co-Owners Committee. Mr. Reisman is part of that governance structure as a director, officer and designate of one of the three joint venture entities of 205. The request is limited to $100,000 and is qualified by “if requested”. One of the three parties no longer appears to be taking an active role, the second is Troop / Alliance who has considerable visibility in his other role as Construction Manager, and the third is Mr. Reisman. There is no CRO here, and this is an appropriate, cost-effective and balanced means of addressing the existing governance structure of the Respondents.

Finally, I would like to address the threats contained at the end of the Ducimus Letter to “*seek recovery of any resulting loss or additional cost from Reisman or any relevant entity which he owns or controls*”. Such threats are not conducive to the discussions that the parties were directed to undertake in advance of tomorrow’s hearing, nor are they consistent with the “3 C’s of the Commercial List”. They also do not respect the roles that Mr. Reisman has, which are outside of any relationship with your client as a lender participant in the mortgage loans.

We trust that you will reconsider the suggested additions to the Initial Order by reference to our markup contained at Exhibit “C” of the Reisman Affidavit. As always, we remain available to discuss.

Yours truly,

“D.J. Miller”

D.J. Miller

cc: Kyla Mahar, Miller Thomson LLP
Jennifer Stam, Norton Rose Fulbright LLP
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MARSHALLZEHR GROUP INC. -and- 2055226 ONTARIO INC. et al.
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Applicant Respondents

Court File No. CL-26-00000362-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
Toronto

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(Sworn August 23, 2026)

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TAB 2

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

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