

**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

**AFFIDAVIT OF MANAV ACHARYA
(Sworn August 23, 2026)**

I, Manav Acharya, of the City of Toronto, in the Province of Ontario, MAKE AN OATH
AND SAY:

1. I am an Articling Student with the law firm Thornton Grout Finnigan LLP ("TGF"), lawyers for Samuel G. Reisman ("Reisman"), in this proceeding, and as such have knowledge of the matters to which I hereinafter depose, unless otherwise indicated.
2. On August 23, 2026 at 4:30 pm, TGF was served with the Supplementary Affidavit of Alex Troop sworn August 23, 2026 (the "**Supplementary Troop Affidavit**").

3. In response to the Supplementary Troop Affidavit, D.J. Miller of TGF sent a letter dated August 23, 2026 to Brendan Bissell of Reconstruct LLP, counsel to Alex Troop and Alliance (Sutton) Inc. (the “**Troop Response Letter**”). Attached hereto as **Exhibit “A”** is a copy the Troop Response Letter, with enclosures.

4. I swear this Affidavit solely for the purpose of adding the Troop Response Letter into the Court record for the Applicant’s application returnable August 24, 2026, and for no other or improper purpose.

SWORN REMOTELY BY Manav Acharya
before me at the City of Toronto, in the
Province of Ontario, this 23rd day of August,
2026, in accordance with O. Reg 431/20,
Administering Oath or Declaration Remotely

}

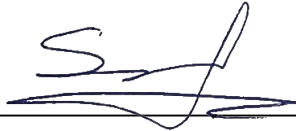


Commissioner for Taking Affidavits
STEPHANIE S. FERNANDES
(LSO #85819M)



Manav Acharya

This is Exhibit "A" referred to in the
Affidavit of **Manav Acharya** sworn by **Manav Acharya**
remotely via videoconference, stated as being located in the City of
Toronto, in the Province of Ontario, before me at the City of
Toronto, in the Province of Ontario, this 23rd day of August, 2026, in
accordance with O. Reg 431/20, *Administering Oath or Declaration*
Remotely

A handwritten signature in blue ink, appearing to read 'S. Fernandes', is written over a horizontal line.

A Commissioner for taking affidavits

STEPHANIE S. FERNANDES
(LSO #85819M)

August 23, 2026

PRIVATE & CONFIDENTIAL

BY EMAIL

Reconstruct LLP
80 Richmond St. We., Suite 1700
Toronto, ON M5H 2A5

Attention: Brendan Bissell

Dear Mr. Bissell:

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

We refer to the Supplementary Affidavit of your client Alex Troop sworn August 23, 2026 served at 4:30 pm this afternoon. In paragraph 5 of that affidavit, your client states that your client's contact with Mr. Reisman "*has been somewhat occasional*" and usually in relation to an important matter requiring direct communication, and that the day-to-day business of 2055226 Ontario Inc. ("205") has largely been conducted by frequent emails and calls with Martin Simon [Vice President and Chief Operating Officer of Rose Operating I GP, of which Sam Reisman is President and sole director].

Our client takes serious issue with Troop's description of management meetings relating to this Project, and Mr. Reisman's role in it. Regular monthly management meetings were attended by Mr. Reisman, who also provided many other individuals (in many cases up to 8 or 10 people including Martie Simon) who Mr. Reisman made available from The Rose Corporation and Rose Operating I GP as a resource to the Project, all of whom reported to Mr. Reisman.

These meetings tracked a broad Agenda including sales activity, construction financing, closings, rezoning and cash flow amongst other relevant matters. Martie Simon's involvement increased at various points due to inadequacies that were identified in Troop's management team.

An Agenda and Minutes were maintained for the meetings, all of which were coordinated by Mr. Reisman, utilizing the resources available to him as CEO of the Rose entities, for the benefit of the Project. By way of example to refresh your client's memory, Minutes from two such meetings are attached, and all are similarly detailed and prepared using resources from my client – as reflected in the header and footer of each.

It cannot credibly be suggested or implied that Mr. Reisman played a limited role in respect of the management of 205 and the Project. The Minutes and list of attendees speaks for itself.



Thornton Grout Finnigan LLP

2.

We will be filing this letter with the Court, by way of an articling student's affidavit.

Yours truly,

"D.J. Miller"

D.J. Miller
[Electronic Signature]

HEDGE ROAD MEETING MINUTES

Meeting date: February 20, 2025

Meeting location: TEAMS

Attendees: Alex Troop, Alliance Homes
 Sam Reisman, The Rose Corporation
 Dan Berholz, The Rose Corporation
 Natalie Reisman, The Rose Corporation
 Andrew Webster, The Rose Corporation
 Martie Simon, The Rose Corporation
 Antonio Niro, The Rose Corporation
 Tony De Luca, The Rose Corporation
 David Luc, The Rose Corporation

PHASE 1 - ITEMS	2024-01-21	2025-02-04	2025-02-20
Sales: Number of Confirmed Sold Lots (Out of 144) Number of 10 Day Conditionals	115 0	115 0	115 0
Construction: Units Under Construction, incl. pre-serviced DC's Paid & Permits on Hand	23 22	26 19	26 19
Closing: Number of Closed Units Expected 100 th Closing Date: Summer 2025	33	33	33
Building Permit Status: Number of Permits Issued/Paid to Date	78	78	78
Budget: PW Budget Based on Draw No.	\$120.6MM 12	\$120.6MM 12	\$122.1MM 13
Financing: Debt Level - Land Debt Level – Construction Paid Down from Closings	\$17.9MM \$5.1MM \$14.1MM	\$17.9MM \$5.1MM \$14.1MM	\$17.9MM \$6.5MM \$14.1MM



TOPIC – PHASE 1

1. SALES

- a. **Two (2) closings expected for Feb. 21st.**
- b. No sales or inquiries within last two weeks.

2. FINANCIALS

- a. MZ debt will be paid in full upon closing of approx. 110 to 120 lots.
- b. Senior servicing debt will be paid in full upon closing of approx. 30 to 35 more lots.
- c. Draw #13 **was funded on Feb. 7th. Draw #14 is scheduled to be submitted to PW on Feb. 21st.**
- d. Excess deposit insurance – MZ have made their presentation and are in discussions with Westmount.
- e. Tarion - \$1.2M held with lawyer. We should begin the process to reduce this amount on Feb. 29th (one year after 1st closing from February 2024).
- f. Region LC – Requested reduction to \$572K from \$3.8M. Region requires completion of the electrical illumination work at the intersection of Black River Rd & Stadacona Ave prior to reducing the LC. – **Contract has been awarded to On-Tek in the amount of \$76,266. Colm Engineering will prepare the contract for signing, and schedule a pre-construction meeting.**

3. SITE SERVICING

- a. Utilities – Utility tender for the additional 15 lots in Phase 1 **has been awarded to Fulmar.**

TOPIC – PHASE 2 & 3

1. INTENSIFICATION

- a. Redlining internal lots to 9.75m
 - MS Planning have completed the redline plan with the proposed 9.75m wide lots in Ph 2 & 3, and ready to make a submission once we receive the site & floor plan from Steven Hunt.
 - AT is following up with Hunt Design for the site plan and floor plan for 32' lots.
- b. Building an apartment is a potential option. **Michael Smith has indicated that an Official Plan Amendment will be required for the proposed apartment. The approval process for an OPA could take 8 to 10 months. Will exclude from the redline application.**
- c. To the extent that the intensification exceeds our servicing capacity, we could create a future phase with a holding provision for the lots without servicing capacity.
- d. Key challenge will be the internal engineering. Is there capacity in the SWM Pond, & SPS?

2. CLUBHOUSE

- a. Site plan pre-consultation meeting being arranged by Michael Smith. The cheque for the Pre-consultation fee (\$1,654) has been delivered to MS Planning for inclusion with the application.
- b. Plans should include a pool, however try to reduce scope on tennis courts, roundabout, parking lot, and gazebo. Check if we need to install armour stone.
- c. Tree clearing of shrubs and small trees to provide a view of the lake would be beneficial for sales. The pre-consultation process should confirm if a new arborist report is required and determine what brush can be cleared now.

3. SITE SERVICING

- a. Earthworks
 - i. Clear & grub quote has been received from SS Landscaping in the amount of \$14,500. – **Draft contract has been prepared, and is with Natalie for review.**
 - ii. Topo survey has been completed by Joe Topo, **and has been sent to Urbantech for preparation of an Earthworks strategy. – DL will set up meeting with Urbantech, WSP, and Alliance.**
 - iii. **We should begin the earthworks operation in May 2025, with servicing starting in the Fall of 2025, pending financing approval.**
 - iv. DL to investigate signing up for Ontario Fill Registry. Reach out to Keith Fleming at WSP for assistance if required.
- b. Internal servicing – pending redline approval of 9.75m lots.
- c. Black River Road sidewalk is partly funded by Region grant and Township DC credits. EMC has located the original SCS design. – DL will f/u with EMC for next steps.
- d. Utilities – Consultant should be hired to begin the design process.

4. FINANCIAL

- a. Moatfield - Interest payment made on Dec. 1st, 2024. **Next payment is due on Mar. 1st, 2025.** Phase 2 does not own the credits, but are paying the interest.

HEDGE ROAD MEETING MINUTES

Meeting date: March 20, 2025

Meeting location: TEAMS

Attendees: Alex Troop, Alliance Homes
 Sam Reisman, The Rose Corporation
 Dan Berholz, The Rose Corporation
 Natalie Reisman, The Rose Corporation
 Andrew Webster, The Rose Corporation
 Martie Simon, The Rose Corporation
 Antonio Niro, The Rose Corporation
 Francesco La Neve, The Rose Corporation
 David Luc, The Rose Corporation

PHASE 1 - ITEMS	2025-02-20	2025-03-06	2025-03-20
Sales:			
Number of Confirmed Sold Lots (Out of 144)	115	115	115
Number of 10 Day Conditionals	0	0	0
Construction:			
Units Under Construction, incl. pre-serviced	22	22	23
DC's Paid & Permits on Hand	23	25	23
Closing:			
Number of Closed Units	33	35	36
Expected 100 th Closing Date: Summer 2025			
Building Permit Status:			
Number of Permits Issued/Paid to Date	78	82	82
Budget:			
PW Budget	\$122.1MM	\$122.1MM	\$122.1MM
Based on Draw No.	13	13	13
Financing:			
Debt Level - Land	\$17.9MM	\$17.5MM	\$17.3MM
Debt Level – Construction	\$6.5MM	\$5.9MM	\$5.7MM
Paid Down from Closings	\$14.1MM	\$15.1MM	\$15.6MM



TOPIC – PHASE 1

1. SALES

- a. No sales or inquiries within the last two weeks.

2. FINANCIALS

- a. MZ debt will be paid in full upon closing of approx. 110 to 120 lots.
- b. Senior servicing debt will be paid in full upon closing of approx. 30 to 35 more lots.
- c. Draw #14 is with MZ for review. **Expect funds to be released by March 25th.**
- d. Excess deposit insurance – Martie and Alex met with MZ on March 10th.
- e. Tarion - \$1.2M held with lawyer. We should begin the process to reduce this amount upon the 124th closing.
- f. Region LC – Requested reduction to \$572K from \$3.8M. Region requires completion of the electrical illumination work at the intersection of Black River Rd & Stadacona Ave prior to reducing the LC. – Contract has been awarded to On-Tek in the amount of \$76,266. Colm Engineering will prepare the contract for signing, and schedule a pre-construction meeting.

3. SITE SERVICING

- a. Utilities – OTC has been executed. Waiting on Enbridge to finalize design.

TOPIC – PHASE 2 & 3

1. PLANNING

- a. Redlining internal lots to 9.75m
 - **Pre-consultation application was submitted to the Town on March 13th.**
 - **AW & DL to reach out to Planning Director requesting for the pre-con meeting sooner than 1.5 months.**
 - Will include minor variance application to increase the max allowable lot coverage from 35% to 42% so that we can offer slightly larger units with nicer floorplans.
- b. Building an apartment is a potential option. Michael Smith has indicated that an Official Plan Amendment will be required for the proposed apartment. The approval process for an OPA could take 8 to 10 months. Will exclude from the redline application.
- c. To the extent that the intensification exceeds our servicing capacity, we could create a future phase with a holding provision for the lots without servicing capacity.

2. CLUBHOUSE

- a. **The pre-consultation application includes the clubhouse.**
- b. Plans should include a pool, however try to reduce scope on tennis courts, roundabout, parking lot, and gazebo. Check if we need to install armour stone.
- c. Tree clearing of shrubs and small trees to provide a view of the lake would be beneficial for sales. The pre-consultation process should confirm if a new arborist report is required and determine what brush can be cleared now.

3. SITE SERVICING

- a. Earthworks
 - i. Clear & grub quote has been received from SS Landscaping in the amount of \$14,500. – Contract is with the landscaper for review and execution.
 - ii. Topo survey has been completed by Joe Topo, and has been sent to Urbantech for preparation of an Earthworks strategy. – DL will set up meeting with

Urbantech, WSP, and Alliance.

- iii. We should begin the earthworks operation in May 2025, with servicing starting in the Fall of 2025, pending financing approval.
- iv. DL to investigate signing up for Ontario Fill Registry. Reach out to Keith Fleming at WSP for assistance if required.
- b. Internal servicing – pending redline approval of 9.75m lots.
- c. **Black River Road sidewalk design and cost estimate has been submitted to the Town for review. Financing for construction is part of Ph2 & 3 proforma. – DL to check if DC credits and grants are included in the proforma.**
- d. Utilities – Consultant should be hired to begin the design process.

4. FINANCIAL

- a. Moatfield - Interest payment was made on March 1st, 2025. **Next payment is due on June 1st, 2025.** Phase 2 does not own the credits, but are paying the interest.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF MANAV ACHARYA

THORNTON GROUT FINNIGAN LLP

Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto ON M5K 1K7

D.J. Miller (LSO# 34393P)

Email: djmiller@tgf.ca

Tel.: (416) 304-0559

Stephanie Fernandes (LSO#85819M)

Email: sfernandes@tgf.ca

Tel.: (416) 304-0596

Lawyers for Sam Reisman