

**ONTARIO
SUPERIOR COURT OF JUSTICE**

APPLICATION UNDER subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, C. C. 43, as amended

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant / Responding Party

- and -

1230172 ONTARIO INC.

Respondent / Debtor / Moving Party

**MOTION RECORD
OF THE RESPONDENT/MOVING PARTY**
(for a motion returnable Tuesday, November 4, 2025)

October 27, 2025

MANN LAWYERS LLP
300-11 Holland Avenue
Ottawa ON K1Y 4S1

Alexander Bissonnette LSO #71871D
alexander.bissonnette@mannlawyers.com
Tel: 613-722-1500 / Dir: 613-369-0358

and

BLUE ROCK LAW LLP
705-215 9th Ave.
Calgary, AB T2P 1K3

David Mann, K.C.
david.mann@bluerocklaw.com
Tel: 1-587-317-0643

Lawyers for the Respondent / Debtor /
Moving Party

TO: THE SERVICE LIST

ONTARIO
SUPERIOR COURT OF JUSTICE

APPLICATION UNDER subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, C. C. 43, as amended

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant / Responding Party

- and -

1230172 ONTARIO INC.

Respondent / Debtor / Moving Party

INDEX

Tab	Document
1.	Notice of Motion and Exhibits A and B, dated October 24, 2025 a
2.	Affidavit of David Choo, sworn October 27, 2025
	Exhibit A Initial Order of Justice Mew, dated December 5, 2024
	Exhibit B Endorsement of Justice Mew, dated December 5, 2024
	Exhibit C Receivership Order of Justice Mew, dated February 24, 2025
	Exhibit D Receivership Order of Justice Mew, dated July 21, 2025
	Exhibit E First Report, dated February 14, 2025
	Exhibit F Letter of Intent (LOI), signed January 31, 2025
	Exhibit G Draft Credit Agreement, dated October 24, 2025
	Exhibit H Draft Loan Participation Agreement, dated October 24, 2025

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

and

1230172 ONTARIO INC.

Respondent

NOTICE OF MOTION

The Moving Party, 1230172 Ontario Inc. (the “**Debtor**”), will make a motion to the Court on Tuesday, November 4, 2025 at 12:30 p.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard (*choose appropriate option*)

- ☐ In writing under subrule 37.12.1(1) because it is ;
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location:

Ottawa Courthouse, 161 Elgin Street, Ottawa, Ontario

Video conference details to be provided in advance of the Hearing.

THE MOTION IS FOR:

- a) An Order, substantially in the form attached as Schedule “A” to this Notice of Motion (the **“Refinancing Order”**), for, *inter alia*:
- (i) if necessary, the abridgement of the time for service of this Notice of Motion, the Motion Record of the Debtor, and the First Report of the Receiver (as defined below) to be filed (the **“First Report”**);
 - (ii) approval and ratification of: (A) a credit agreement (the **“Credit Agreement”**), to be dated as of the date of the Refinancing Order, among the Debtor, 2067166 Ontario Inc., and Ashcroft Homes – La Promenade Inc, as borrowers, certain affiliates of the Debtor, as guarantors (collectively, the **“Credit Parties”**), and Geodesic Holdings LLC and/or such other person(s) or entity(ies) as may be designated by Farallon Capital Management, L.L.C. (collectively, **“Farallon”**), as lender, and (B) a loan participation agreement (the **“Participation Agreement”**) among Farallon, the Credit Parties, **[Cogir]** and HP ABL Fund 1 Limited Partnership, by its general partner, HP ABL Fund 1 GP Inc., each in the forms attached to the Affidavit of David Oswald Choo, sworn October [], 2025 (the **“Choo Affidavit”**), including all associated documents and the transactions contemplated thereby (the **“Refinancing”**);
 - (iii) authorization for KSV Restructuring Inc. (**“KSV”**), in its capacity as the Court-appointed receiver and manager of the Debtor (in such capacity, the **“Receiver”**), the Debtor, and Farallon to take such steps as they determine

necessary or appropriate in connection with the completion of the Refinancing;

- (iv) upon Farallon's provision of a fully executed copy of the Credit Agreement and the Participation Agreement to the Receiver, authorization for Farallon and its agents to pre-register its security interests against the Debtor (the "**Security Registrations**") and the property, assets, and undertakings of the Debtor (the "**Property**");
- (v) direction to the Land Registry Office for the Registry Division of Ottawa-Carleton to register Farallon as holding charges/mortgages on title to certain real property;
- (vi) direction that, upon the occurrence of the termination of the Refinancing, Farallon and/or its agents shall take steps to discharge or cause the discharge of the Security Registrations;
- (vii) direction that Farallon shall have fifteen business days from the date of the Refinancing Order to deliver or cause to be delivered sufficient funding to the Receiver (the "**Refinancing Amounts**") in accordance with the terms of the proposed Refinancing Order;
- (viii) direction that, upon receipt of the Refinancing Amount, the Receiver shall hold the Refinancing Amount in escrow in an interest-bearing account, and ordering and directing that the Receiver shall not release the Refinancing

Amount (or any portion thereof), except as expressly contemplated and authorized by the Refinancing Order;

- (ix) upon written notification from Farallon to the Receiver to release the Refinancing Amount from escrow (the “**Escrow Release Notice**”), authorization and direction that the Receiver shall make certain distributions from the Refinancing Amount, including, in full and final satisfaction of any and all claims that the Secured Lender (as defined below) has against the Debtor and the Property;
- (x) confirmation that any payments or distributions made in accordance with the Refinancing Order shall be binding on any trustee in bankruptcy, shall not be void or voidable by creditors of the Debtor, and shall not constitute, or be deemed to be, a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under any applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;
- (xi) authorization of the following, upon delivery of a certificate confirming receipt of the Escrow Release Notice (the “**Discharge Certificate**”):
 - A. the termination of all agreements entered into by the Receiver for the engagement of consultants, agents, managers, and others pursuant to the Orders of this Court;

- B. the discharge of the security held by the Secured Lender;
 - C. the discharge the Receiver upon the filing of the Discharge Certificate;
 - D. the termination and discharge the Receiver's Charge and the Receiver's Borrowing Charge (each as defined in the Receivership Order, as defined below), provided that the Receiver's Charge and Receiver's Borrowing Charge shall continue to attach to the Operating Holdback (as defined below); and
 - E. the release of the Receiver from any and all liability arising in connection with these proceedings, save and except for its gross negligence or wilful misconduct; and
- (xii) authorization for the Receiver, subject to the Operating Holdback, to transition the Property back to the possession and control of the Debtor, after completion of the remaining administration of the Debtor's estate and payment in full of all Receivership Operating Costs (as defined below);
- b) An Order, substantially in the form attached as Schedule "B" to this Notice of Motion, for, *inter alia*:
- (i) approval of the First Report of the Receiver and the activities of the Receiver described therein;
 - (ii) approval of the Receiver's interim statements of receipts and disbursements for the Debtor, dated as of October [●], 2025;
 - (iii) approval of the fees and disbursements of the Receiver and its counsel, Norton Rose Fulbright Canada LLP ("NRF"), from the commencement of

these receivership proceedings to September 30, 2025, as set out in the fee affidavits to be filed by KSV and NRF (together, the “**Fee Affidavits**”);

(iv) approval of the Fee Accrual (as defined below); and

(v) sealing the Confidential Appendix “1” to the First Report of the Receiver;
and

c) Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

Background and History of Proceedings

d) The Debtor is a corporation that is incorporated under the laws of Ontario and carries on business within the Ashcroft Homes group of companies (the “**Ashcroft Homes Group**”);

e) Cameron Stephens Mortgage Capital Ltd. (the “**Secured Lender**”) is the secured creditor of the Debtor pursuant to a commitment letter dated March 1, 2024 (the “**Cameron Stephens Loan**”);

f) The Cameron Stephens Loan is secured by a first-ranking mortgage over the real property of the Debtor;

g) On December 5, 2024, a number of corporations within the Ashcroft Homes Group (collectively, the “**CCAA Companies**”) sought and obtained an Order granting them protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“**CCAA**”);

h) Following a hearing on December 12, 2024, in respect of competing applications for an Amended and Restated Initial Order under the CCAA by the CCAA Companies, and the appointment of KSV as interim receiver over the CCAA Companies, excluding 2139770 Ontario

Inc., whose secured lender sought the appointment of BDO Canada Limited (“**BDO**”) as receiver, the Court ordered the termination of the CCAA proceedings on December 20, 2024 and the appointment of KSV as interim receiver of the CCAA Companies and 1384274 Ontario Inc. (collectively, the “**Companies**”) and BDO as receiver of 2139770 Ontario Inc.;

i) Following an Application brought by KSV, on February 24, 2025, the Court ordered the appointment of KSV as receiver and manager, without security, of the Companies pursuant to s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and s. 101 of the *Court of Justice Act*, R.S.O. 1985, c. C.43 (the “**Main Proceedings**”);

j) Following an Application brought by the Secured Lender, on July 21, 2025, the Court granted the appointment of KSV (the “**Receivership Order**”) as the Receiver, without security, of the Property of the Debtor;

k) On that same date, the Court approved the Receiver’s proposed sale process for the Property (the “**Park Place Sale Process**”);

Refinancing Proposal

l) Pursuant to the Credit Agreement and the Participation Agreement, the Debtor and two of the Companies in the Main Proceedings (2067166 Ontario Inc. and Ashcroft Homes – La Promenade Inc.) have secured a \$113 million loan facility;

m) The loan facility will provide sufficient funding to pay the Refinancing Amount to the Receiver, pursuant to the proposed Refinancing Order, to satisfy, among other things, the following amounts:

- (a) the repayment of the Secured Lender's outstanding balance under the Cameron Stephens Loan;
 - (b) certain additional priority claims;
 - (c) certain costs associated with the Refinancing; and
 - (d) a contingency reserve for any post-filing costs (the "**Contingency Amount**");
- n) The Contingency Amount, along with any funds held in the Receiver's accounts (the "**Operating Holdback**"), will be held back to fund any remaining post-filing operating costs and professional fees incurred or expected to be incurred in the Debtors' operations prior to closing of the Refinancing and the administration of the Debtors' estates (the "**Receivership Operating Costs**");
- o) Farallon has advised that it is in a position to advance the Refinancing Amount within fifteen business days following Court approval of the Refinancing Order;
- p) Farallon has further advised that all substantive, discretionary conditions precedent to the Credit Agreement have been satisfied, waived, or otherwise removed;
- q) The Refinancing will provide the Debtor with working capital sufficient to allow it to continue in operating in the ordinary course;
- r) The Secured Lender, the Receiver, and their respective counsel have continuously been informed of the intention and progress of Mr. Choo's refinancing efforts, on behalf of the Debtor and the Companies, for the purposes of exercising their equitable rights of redemption, since before the commencement of the CCAA proceedings in the Main Proceedings;

- s) A payout statement has been received from the Secured Lender, which is attached as an appendix to the First Report;
- t) The Debtor has engaged with the Receiver and its counsel regarding the Refinancing and the other relief sought in this Motion;
- u) The Receiver and the Secured Lender are supportive of the Refinancing;
- v) The equities of the parties favour the granting of approval of the Refinancing and there is no prejudice to any stakeholder or other party in the Refinancing Order being granted;
- w) The Refinancing, followed by the discharge of the Receiver, will allow the Debtor to stabilize and resume its operations, and thereby repay its remaining creditors in the ordinary course;
- x) The relief claimed in this motion arises out of substantially the same factual matrix, and gives rise to substantially the same Order, as the motion concurrently brought by 2067166 Ontario Inc. and Ashcroft Homes – La Promenade Inc. in the Main Proceedings, and it is in the interests of justice that the motions be heard together;

Discharge of the Receiver

- y) Pursuant to the proposed Refinancing Order, upon delivery of the Discharge Certificate to Farallon and the Debtor, the Receiver will be discharged as the Receiver of the Debtor and the Property;

z) Upon delivery of the Discharge Certificate, all aspects of the Refinancing will have been implemented and completed, and there will be no known outstanding issues requiring the continuation of these receivership proceedings in respect of the Debtor;

aa) In connection with the Receiver's discharge, the Refinancing Order provides for a release to be granted in favour of the Receiver from any liability relating to the receivership of the Debtor;

bb) It is appropriate for the Receiver to be released at that time because, among other things, the release includes a carve-out for any gross negligence or willful misconduct by the Receiver, and the Receiver is not aware of any party asserting a claim against it;

Sealing

cc) Confidential Appendix "1" to the First Report contains a summary of the offers submitted to date in the Park Place Sale Process in respect of the Debtor;

dd) The sealing of the Confidential Appendix "1" pending further Order of the Court is appropriate, as public disclosure of the key terms of the offers may adversely impact the continuation of the Park Place Sale Process in the event the Credit Agreement does not close for any reason, which could negatively impact the Receiver's ability to maximize future realizations;

Fees and Activities of the Receiver

ee) The activities of the Receiver in these proceedings since the Pre-Filing Report of KSV as the proposed Receiver dated July 14, 2025 are set out in the First Report;

ff) The fees of the Receiver and that of its counsel are more particularly set out in the Fee Affidavits;

gg) The fee accrual of \$200,000 in these proceedings (excluding HST and disbursements, the “**Fee Accrual**”) is an estimate of the Receiver’s and its counsel’s fees incurred or to be incurred from October 1, 2025 until the Receiver’s discharge of the Debtor, including for the closing of the Refinancing and related transition;

hh) The fees incurred by Receiver and its counsel, as well as the proposed Fee Accrual, are reasonable and appropriate in the circumstances;

General

ii) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 6.01, 6.02, 16.04, 16.08, 37, and 41.06 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194;

jj) Section 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43;

kk) Section 67 of the *Personal Property Security Act*, R.S.O. 1990, c. P.10; and

ll) Such further and other grounds as the lawyers may advise and this Honorable Court may deem just.

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

a) The Choo Affidavit;

b) The First Report, including the Fee Affidavits

- c) The Affidavits of David Oswald Choo sworn December 3, 2024 and December 11, 2024 in the Main Proceedings; and
- d) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

October 24, 2025

MANN LAWYERS LLP
300-11 Holland Avenue
Ottawa ON K1Y 4S1

Alexander Bissonnette LSO# 71871D
alexander.bissonnette@mannlawyers.com
Tel: 613-722-1500

BLUE ROCK LAW LLP
705-215 9th Avenue
Calgary, AB T2P 1K3

David Mann, K.C.
david.mann@bluerocklaw.com
Tel: 1-587-317-0643

Lawyers for the Moving Party,
1230172 Ontario Inc.

TO: SERVICE LIST

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF
THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS AMENDED

Court File No. CV-25-00098742-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**
PROCEEDING COMMENCED AT
OTTAWA

**NOTICE OF MOTION
(Park Place Retirement)**

MANN LAWYERS LLP

300-11 Holland Avenue
Ottawa ON K1Y 4S1

Alexander Bissonnette LSO# 71871D
alexander.bissonnette@mannlawyers.com
Tel: 613-722-1500

BLUE ROCK LAW LLP

705-215 9th Avenue
Calgary, AB T2P 1K3

David Mann, K.C.
david.mann@bluerocklaw.com
Tel: 1-587-317-0643

Lawyers for the Debtor

Schedule "A"

Court File No. CV-25-00098742-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

TUESDAY, THE 4TH

)

JUSTICE MEW

)

DAY OF NOVEMBER, 2025

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

- and -

1230172 ONTARIO INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101
OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS AMENDED**

**REFINANCING ORDER
(Park Place Retirement)**

THIS MOTION, made by 1230172 Ontario Inc. ("**Park Place Retirement**", or the "**Debtor**"), for an Order, *inter alia*, (i) approving a refinancing transaction involving the Debtor; and (ii) discharging KSV Restructuring Inc. as receiver and manager (in such capacity, the "**Receiver**") of the property, assets and undertakings of the Debtor (the "**Property**"), was heard this day by videoconference.

ON READING the Motion Record in respect of this motion, the Affidavit of David Choo, sworn October ■, 2025, and the First Report of the Receiver dated October ■, 2025 (the "**First Report**"), and on hearing the submissions of counsel for the Debtor, counsel for the Receiver, counsel for Farallon (as defined below), no one else appearing although served as evidenced by the Affidavit of ■ sworn ■, 2025, filed, and on being advised that the within motion is on consent of the parties;

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record, and the First Report are hereby abridged and validated so that this motion is properly returnable today, and this Court dispenses with further service thereof.
2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the First Report or the Credit Agreement (as defined below), as applicable.

APPROVAL OF THE REFINANCING

3. **THIS COURT ORDERS** that the credit agreement to be dated the date of this Order (the “**Credit Agreement**”) between the Debtor, 2067166 Ontario Inc. and Ashcroft Homes – La Promenade Inc. (the latter two of which are subject to the Ashcroft Receivership Proceedings), as borrowers, certain affiliates of the Debtor (who, for greater certainty, are not subject to this proceeding), as guarantors (collectively, the “**Credit Parties**”), and Geodesic Holdings LLC and/or such other person(s) or entity(ies) as may be designated by Farallon Capital Management, L.L.C. (collectively, “**Farallon**”), as lender, and the loan participation agreement to be dated the date of this Order (the “**Participation Agreement**”) among Farallon, the Credit Parties, Cogir RPA LP, by its general partner, ■, and HP ABL Fund 1 Limited Partnership, by its general partner, HP ABL Fund 1 GP Inc., and all associated documents and the transactions contemplated thereby (the “**Refinancing**”), be and are hereby ratified and approved, with such amendments as may be agreed to by the Debtor and Farallon and, to the extent constituting Relevant Amendments (as defined below), consented to by the Receiver and Cameron Stephens (as defined below), which consent shall not be unreasonably withheld, conditioned or delayed. “**Relevant Amendments**” means any amendments to the Credit Agreement and/or the Participation Agreement that reduce the amount of the financing to less than the Refinancing Amount or adversely affect the likelihood that the Refinancing Amount will be advanced or delay the timing of such advance.
4. **THIS COURT ORDERS** that the Receiver, the Debtor, and Farallon are each authorized (and the Debtor is directed) to take any steps which they determine to be necessary or

appropriate in connection with the completion of the Refinancing. For greater certainty, the Debtor is specifically authorized and directed to execute and deliver the Credit Agreement, the Participation Agreement, the security documents in respect of the Refinancing and any other documents that may be necessary or desirable to complete the Refinancing, including, without limitation, the Astoria Credit Agreement (collectively, the “**Debtor Executed Documents**”).

CREATION OF SECURITY REGISTRATIONS

5. **THIS COURT ORDERS** that, upon Farallon providing a fully executed copy of the Credit Agreement and the Participation Agreement to the Receiver, Farallon, Farallon’s agents, the Debtor, and the Debtor’s agents are hereby authorized to register Farallon’s security interests against the Debtor and the Property, including without limitation: registrations against the Debtor in favour of Farallon pursuant to the *Personal Property Security Act* (Ontario) and any other applicable personal property registration system(s); the registration of charges/mortgages in favour of Farallon on title to the real property of the Debtor (the “**Real Property**”); and all other registrations and filings required to perfect the Security (collectively, the “**Security Registrations**”). Each of the Debtor, the Debtor’s agents, Farallon, and Farallon’s agents are authorized to execute and register all documents reasonably necessary, at the Debtor’s expense, to effect the Security Registrations.
6. **THIS COURT ORDERS AND DIRECTS** that upon the registration in the Land Registry Office for the Registry Division of Ottawa-Carleton (No. 4) (the “**Land Registrar**”) of the charges/mortgages on title to the Real Property as contemplated by paragraph 5 above, the Land Registrar is hereby directed to register Farallon as holding charges/mortgages on title to the Real Property, each in the principal amount of \$250,000,000, for the purpose of effecting the Security Registrations and to take any and all steps to effect the Security Registrations on the title to the Real Property as described in paragraph 5 above.
7. **THIS COURT ORDERS AND DIRECTS** that, upon the occurrence of the Refinancing Termination (as defined below), or in the event the Refinancing is otherwise deemed or treated as terminated pursuant to this Order for any reason whatsoever, all of the Debtor Executed Documents (including, without limitation, any documents executed in

connection with the Astoria Credit Agreement) shall be deemed null and void *ab initio* and Farallon and/or its agents shall, within five (5) business days thereof, take such steps as are within its power or control to discharge or cause the discharge of the Security Registrations (collectively, the “**Discharges**”). If, in such circumstances, Farallon and/or its agents do not effect the Discharges within the period referenced herein, the Receiver is hereby authorized and directed, on Farallon’s behalf, to take any steps that the Receiver determines to be necessary or appropriate to effect the Discharges, provided that the Receiver shall not take any such steps unless and until it has returned all of the Refinancing Payments (as defined below) to the person(s) that had paid the same to the Receiver.

REFINANCING PAYMENTS

8. **THIS COURT ORDERS AND DIRECTS** that Farallon shall have fifteen (15) business days following the date of this Order (the “**Payment Delivery Deadline**”) to deliver, or cause to be delivered, the Refinancing Amount to the Receiver (which delivery shall be considered to have been funded as part of an advance under the Credit Agreement), which amount shall satisfy the following:
- (a) all amounts set out in the payout statement attached as Appendix “■” to the First Report, as claimed by Cameron Stephens Mortgage Capital Ltd. (“**Cameron Stephens**”) under or in connection with Cameron Stephens’ outstanding balance of the first-ranking mortgage provided by Cameron Stephens to Park Place Retirement, and any additional accrued legal fees and disbursements incurred prior to the delivery of the Escrow Release Notice (as defined below) (the “**Cameron Stephens Discharge Amount**”);
 - (b) all amounts required to satisfy the Receivership Claims;
 - (c) the Transaction Costs (and collectively with the Cameron Stephens Discharge Amount and the Receivership Claims, the “**Distribution Claims**”); and
 - (d) the Contingency Amount, which shall be held by the Receiver as a contingency reserve for post-filing costs, and shall form part of the Operating Holdback (as defined below).

provided, for greater certainty, that Farallon shall not be required to deliver any amounts unless and until it is required to deliver such amounts pursuant to the Credit Agreement and Participation Agreement.

9. **THIS COURT ORDERS** that, upon receipt of the amounts listed in paragraph 8 above (collectively, the “**Refinancing Payments**”), the Receiver shall hold the Refinancing Payments in escrow in an interest-bearing account subject to the terms of this Order. For greater certainty, the Receiver shall not release the Refinancing Payments (or any portion thereof) except as expressly contemplated in this Order.
10. **THIS COURT ORDERS** that in the event the entirety of the Refinancing Payments is not delivered to the Receiver by the Payment Delivery Deadline (or such later date as the Debtor, Farallon and the Receiver may agree to in consultation with Cameron Stephens), then the Refinancing shall be deemed terminated (which termination shall not affect any obligations of any non-Debtor persons to pay any fees).
11. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of the Distribution Claims, the Cameron Stephens Discharge Amount (including the interest accrued thereon) shall stand in the place and stead of the Property, and that from and after the delivery of the Receiver’s Certificate (as defined below) all security interests, mortgages, liens, charges, trusts, or other claims, liabilities or interests of any nature or kind, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise and (i) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (ii) all mortgages, charges, liens, security interests, or similar interests or instruments charging, or creating a security interest in, the Property or any part thereof or interest therein shall attach to the Cameron Stephens Discharge Amount with the same priority as they had with respect to the Property immediately prior to the Refinancing, as if the Property had not been refinanced and remained in the possession or control of the Receiver who had possession or control immediately prior to the Refinancing.

DISTRIBUTIONS

12. **THIS COURT ORDERS** that, upon written notification from Farallon to the Receiver to release the Refinancing Payments from escrow (the “**Escrow Release Notice**”), the Receiver is authorized and directed to make the following distributions from the Refinancing Payments (including the interest accrued thereon), in full and final satisfaction of any and all claims that Cameron Stephens has against the Debtor and the Property in respect of the Cameron Stephens Loan, and any payee under each of the Receivership Claims:
 - (a) payment of the Cameron Stephens Discharge Amount to Cameron Stephens; and
 - (b) payment of the Receivership Claims to the applicable payee, as set out in the First Report.
13. **THIS COURT ORDERS** that upon delivery of the Escrow Release Notice by Farallon to the Receiver, the Receiver shall: (a) release payments in respect of the Transaction Costs to the applicable payee, as directed by Farallon; and (b) the Contingency Amount shall be deemed to form part of the Operating Holdback.
14. **THIS COURT ORDERS** that, in the event the Escrow Release Notice is not delivered by Farallon to the Receiver by December 3, 2025 (or such later date as the Debtor, Farallon and the Receiver may agree to in consultation with Cameron Stephens), then the Refinancing shall be deemed terminated and each portion of the Refinancing Payments shall be forthwith returned to the person that delivered such funds to KSV (together with the termination set out in paragraph 10, each being a “**Refinancing Termination**”).
15. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to take all reasonably necessary steps and actions to effect the distributions set out in paragraphs 12 and 13 (collectively, the “**Distributions**”) forthwith upon receipt of the Escrow Release Notice (but not beforehand), in accordance with this Order, and shall not incur any liability as a result of making the Distributions. For greater certainty, in no circumstance, shall the Receiver be obligated to make any Distribution unless it has received sufficient funding pursuant to paragraph 8 in order to make such Distribution.

16. **THIS COURT ORDERS** that, notwithstanding anything else contained in this Order, each of the payments and the Distributions provided for in this Order shall be made free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing, all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system or real property registry system (other than pursuant to the Security).
17. **THIS COURT ORDERS** that, notwithstanding:
- (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made in respect of the Debtor following the date of this Order,

any payments or Distributions made in accordance with this Order are final and irreversible and shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RECEIVER'S CERTIFICATE

18. **THIS COURT ORDERS** that, forthwith upon receipt of the Escrow Release Notice by the Receiver from Farallon, the Receiver shall deliver to Farallon and the Debtor, a certificate substantially in the form attached hereto as Schedule "B" (the "**Receiver's Certificate**") and the Debtor and Farallon shall have no further obligations or liabilities to make the Refinancing Payments.
19. **THIS COURT ORDERS** the Receiver to file a copy of the Receiver's Certificate with this Court as soon as practicable after delivery thereof to Farallon and the Debtor and to serve a copy on the service list in this proceeding.

TRANSITION

20. **THIS COURT ORDERS** that, upon the Receiver delivering the Receiver's Certificate to Farallon and the Debtor, the Receiver shall be discharged as receiver and manager of the Property and shall no longer be in possession or control of the Debtor or the Property (the "**Transition**").
21. **THIS COURT ORDERS** that, notwithstanding its discharge herein, (a) the Receiver shall remain as receiver and manager of the Property for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favor of KSV Restructuring Inc. in its capacity as receiver and manager of the Property.
22. **THIS COURT ORDERS** that as part of the Transition, the Receiver shall be entitled to hold back (collectively, the "**Operating Holdback**") any funds held in the receivership bank accounts (including, for greater certainty, the Contingency Amount) to satisfy any remaining Receivership Operating Costs but shall otherwise forthwith provide the Debtor with access to all of the Property including, but not limited to:

- (a) any and all proceeds arising out of or from the Property, including without limitation, the Debtor's bank accounts (excluding the receivership bank accounts) related to the Property or otherwise, wherever located;
 - (b) any machinery, equipment, inventories, supplies, premises or other assets with respect to the Property or the business of the Debtor;
 - (c) any permits, licenses or approvals or permissions with respect to the Property, but excluding any license(s) provided to the Receiver by the Retirement Homes Regulatory Authority;
 - (d) all books and records, contracts, agreements, and insurance policies and other documents in respect of the Debtor, or any one or more of them, and the Property; and
 - (e) any tenant deposits received by the Receiver during the receivership period.
23. **THIS COURT ORDERS** that the Receiver shall provide the Debtor with weekly reports with respect to any Receivership Operating Costs that have been paid and the remaining amounts in the Operating Holdback.
24. **THIS COURT ORDERS** that, upon the delivery of the Receiver's Certificate to Farallon and the Debtor, all agreements entered into by the Receiver to engage consultants, appraisers, agents, property managers, experts, auditors, accountants, managers, counsel and such other persons from time to time in relation to the Debtor or the Property pursuant to the Order of this Court dated July 21, 2025 (the "**Receivership Order**") or the sale process approval Order of this Court dated July 21, 2025 (concerning the property of Park Place Retirement) are hereby terminated and discharged without any liability to the Debtor or to Farallon.
25. **THIS COURT ORDERS** that notwithstanding their termination and discharge described in paragraph 24 above, each counterparty to any such agreement shall cooperate fully and in good faith with, and provide reasonable assistance to, the Debtor (or as it may direct) to effect an orderly transition of the Property back to the Debtor, provided that any costs

associated with such counterparty's cooperation shall be borne by the Debtor and shall not form part of the Operating Holdback or otherwise be a cost of the Receiver or the receivership.

RELEASE OF THE RECEIVER AND ITS COUNSEL

26. **THIS COURT ORDERS** that, upon delivery of the Receiver's Certificate to Farallon and the Debtor, the Receiver is hereby released and discharged from any and all liability that the Receiver now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver of the Property, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, with respect to the Debtor or the Property, the Receiver is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in this proceeding, including, without limitation, all pre-receivership liabilities, any accrued and/or unpaid liabilities from and after the commencement of this proceeding which any alleged creditor in that regard asserts a claim after the date hereof, and any liabilities for which the Debtor may become liable after the Transition has occurred, save and except for any gross negligence or wilful misconduct on the Receiver's part.

DISCHARGE OF REGISTRATIONS

27. **THIS COURT ORDERS** that, upon delivery of the Receiver's Certificate to Farallon, (i) the Debtor is unconditionally and irrevocably discharged and released from all liabilities, indebtedness and obligations to Cameron Stephens under, pursuant to or arising in connection with the Cameron Stephens Loan (including the security delivered in connection therewith including, without limitation, as specifically set out in Schedule "A" hereto) and all mortgages and other security interests in favour of Cameron Stephens in respect of the Property (whether relating to the Cameron Stephens Loan or any other indebtedness or obligations) are unconditionally and irrevocably discharged and released, and Cameron Stephens ceases to have any interest in the Property and (ii) the Receiver, Cameron Stephens, the Debtor, Farallon and each of their respective agents are unconditionally and irrevocably authorized to discharge or cause the discharge of any and

all filings and registrations made by or on behalf of Cameron Stephens on title to the Real Property and/or any personal property security register in connection with the applicable Loan, including, without limitation, as specifically set out in Schedule “A” hereto and such further and other confirmations of discharges of security and releases of security, obligations, liabilities and indebtedness as the Debtor or Farallon may reasonably request. The Receiver, Cameron Stephens, the Debtor, Farallon and each of their respective agents are authorized to execute and deliver (or cause to be executed and delivered) all documents reasonably necessary, at the Debtor’s expense, to effect the discharge of these filings and registrations. Notwithstanding anything else contained in this Order, the instruments and registrations referred to in this paragraph (including as specifically set out in Schedule “A” hereto) shall only be discharged as against the Debtor and the Real Property and shall not be discharged in relation to any other entity or property, including 2265132 Ontario Inc. and 1384274 Ontario Inc. and the property (including the real property) owned by those entities.

28. **THIS COURT ORDERS** that, upon delivery of the Receiver’s Certificate to Farallon and the Debtor, this Court discharges the Court Order having instrument number OC2813689 from title to the Real Property. The Receiver, Cameron Stephens, the Debtor, Farallon and each of their respective agents are directed to execute and deliver all documents reasonably necessary, at the Debtor’s expense, to effect the discharge of the Court Order from title to the Real Property.
29. **THIS COURT ORDERS AND DIRECTS** that, upon delivery of the Receiver’s Certificate to Farallon and the Debtor, the Land Registrar is hereby directed to delete and expunge from title to the Real Property instrument number OC2813689.

TERMINATION OF CHARGES

30. **THIS COURT ORDERS** that, upon the delivery of the Receiver’s Certificate to Farallon, the Receiver’s Charge and the Receiver’s Borrowing Charge (each as defined in the Receivership Order) shall be automatically discharged and terminated provided that the Receiver’s Charge and Receiver’s Borrowing Charge shall continue to attach to the

Operating Holdback until such time as the Receiver transfers any remaining funds to the Debtor.

GENERAL

31. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.
32. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist Farallon, the Receiver, and its agents, in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, in each case as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

**SCHEDULE “A”
REGISTRATIONS**

PERSONAL PROPERTY

<u>Business Name (Debtor)</u>	<u>File Number</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Registration Period</u>	<u>Secured Party</u>	<u>Secured Party Address</u>	<u>General Collateral Description</u>
1230172 Ontario Inc.	503831592	20240326 1005 1462 2066	2024-03-26	7	Cameron Stephens Mortgage Capital Ltd.	1700-320 Bay Street, Toronto, ON M5H4A6	General security agreement and assignment of rents and leases relating to that property municipally known as 110 Central Park Drive, Ottawa, Ontario.

REAL PROPERTY

<u>Debtor</u>	<u>PIN</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Chargee</u>	<u>Registration Number</u>	<u>Registration Date</u>
1230172 ONTARIO INC.	PIN 03998- 1708 (LT)	Charge	\$15,240,000	Cameron Stephens Mortgage Capital Ltd.	OC2678575	2024-03-28
1230172 ONTARIO INC.	PIN 03998- 1708 (LT)	Assignment of Rents	N/A	Cameron Stephens Mortgage Capital Ltd.	OC2678576	2024-03-28

<u>Debtor</u>	<u>PIN</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Chargee</u>	<u>Registration Number</u>	<u>Registration Date</u>
1230172 ONTARIO INC.	PIN 03998- 1708 (LT)	Court Order	N/A	KSV Restructuring Inc.	OC2813689	2025-07-29

**SCHEDULE “B”
RECEIVER’S CERTIFICATE**

Court File No. CV-25-00098742-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS AMENDED**

RECEIVER’S CERTIFICATE

RECITALS

- A. Pursuant to an Order of this Court made November 4, 2025 (the “**Order**”), KSV Restructuring Inc. shall be discharged as receiver and manager of the property, assets and undertakings of 1230172 Ontario Inc. (the “**Debtor**”), effective upon the Receiver delivering this Certificate to Farallon and the Debtor.
- B. Pursuant to the Order, forthwith upon the Receiver receiving the Escrow Release Notice from Farallon, the Receiver is required to distribute the Refinancing Payments in accordance with paragraphs 12 and 13 of the Order.
- C. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Order.

THE RECEIVER CERTIFIES THE FOLLOWING:

- 1. The Receiver has made or will forthwith be making all distributions required by the Order.
- 2. This Certificate was delivered by the Receiver at _____ **[TIME]** on _____ **[DATE]**.

KSV RESTRUCTURING INC., solely as
Receiver of the Debtor and not in its personal
or corporate capacity

By: _____
Name:
Title:

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF
THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS AMENDED

Court File No. CV-25-00098742-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**
PROCEEDING COMMENCED AT
OTTAWA

**REFINANCING ORDER
(Park Place Retirement)**

MANN LAWYERS LLP

300-11 Holland Avenue
Ottawa ON K1Y 4S1

Alexander Bissonnette LSO# 71871D
alexander.bissonnette@mannlawyers.com
Tel: 613-722-1500

BLUE ROCK LAW LLP

705-215 9th Avenue
Calgary, AB T2P 1K3

David Mann, K.C.
david.mann@bluerocklaw.com
Tel: 1-587-317-0643

Lawyers for the Debtor

Schedule "B"

Court File No. CV-25-00098742-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

TUESDAY, THE 4TH

)

JUSTICE MEW

)

DAY OF NOVEMBER, 2025

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

- and -

1230172 ONTARIO INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101
OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS AMENDED**

**ANCILLARY ORDER
(Park Place Retirement)**

THIS MOTION, made by 1230172 Ontario Inc. ("**Park Place Retirement**", or the "**Debtor**"), for an Order, *inter alia*, (i) approving the activities of the Receiver; (ii) approving the fees and disbursements of KSV Restructuring Inc. as receiver and manager (in such capacity, the "**Receiver**") of the property, assets and undertakings of the Debtor; and (iii) sealing confidential appendix "1" (the "**Confidential Appendix**") to the First Report (as defined below), was heard this day by videoconference.

ON READING the Motion Record in respect of this motion, the First Report of the Receiver dated October ■, 2025 (the "**First Report**"), including the affidavit of the Receiver sworn ■, 2025 (the "**KSV Fee Affidavit**") and the affidavit of its counsel, Norton Rose Fulbright Canada LLP ("**NRF**"), sworn ■, 2025 (the "**NRF Fee Affidavit**"), and on hearing the submissions of counsel for the Debtor, counsel for the Receiver, no one else appearing although served as evidenced by the Affidavit of ■ sworn ■, 2025, filed, and on being advised that the within motion is on consent of the parties;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the First Report (including the NRF Fee Affidavit and the KSV Fee Affidavit) are hereby abridged and validated so that this motion is properly returnable today, and this Court dispenses with further service thereof.

REPORT AND ACTIVITIES

2. **THIS COURT ORDERS** that the First Report, and the activities and conduct of the Receiver as described in the Report, be and are hereby approved. Provided, however, that only the Receiver in its personal capacity and only with respect to its own personal liability shall be entitled to rely upon or utilize in any way such approval.

RECEIPTS AND DISBURSEMENTS

3. **THIS COURT ORDERS** that the Receiver's interim statements of receipts and disbursements for the Debtor dated as of October ■, 2025, be and are hereby approved.

PROFESSIONAL FEES

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver as they relate to the Debtor for the period set out in the KSV Fee Affidavit in the amount of \$■ (excluding HST and disbursements) be and are hereby approved.
5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's counsel, NRF, for the period set out in the NRF Fee Affidavit in the amount of \$■ (excluding HST and disbursements), be and are hereby approved.
6. **THIS COURT ORDERS** that the Fee Accrual (as defined in the First Report), be and is hereby approved.

SEALING ORDER

7. **THIS COURT ORDERS** that the Confidential Appendix to the First Report shall be sealed, kept confidential and not form part of the public record until further Order of this Court.

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF
THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS AMENDED

Court File No. CV-25-00098742-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**
PROCEEDING COMMENCED AT
OTTAWA

**ANCILLARY ORDER
(Park Place Retirement)**

MANN LAWYERS LLP

300-11 Holland Avenue
Ottawa ON K1Y 4S1

Alexander Bissonnette LSO# 71871D
alexander.bissonnette@mannlawyers.com
Tel: 613-722-1500

BLUE ROCK LAW LLP

705-215 9th Avenue
Calgary, AB T2P 1K3

David Mann, K.C.
david.mann@bluerocklaw.com
Tel: 1-587-317-0643

Lawyers for the Debtor

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

and

1230172 ONTARIO INC.

Respondent

**AFFIDAVIT OF DAVID OSWALD CHOO
(Sworn October 27, 2025)**

I, David Oswald Choo, of the City of Ottawa, in the Province of Ontario, MAKE OATH
AND SAY:

I.INTRODUCTION

1. I am the Founder of the Ashcroft Group of Companies, which purchases, develops, operates and leases or sells residential communities in the Ottawa area for seniors, students, and general residential markets (collectively, the “**Ashcroft Homes Group**”). Along with several other entities, 1230172 Ontario Inc. (the “**Debtor**”) is a member of the Ashcroft Homes Group.
2. I am a Director of the Debtor. As such, I have personal knowledge of the Debtor and the matters to which I depose in this affidavit. 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.
3. This affidavit should be read in conjunction with two affidavits that I previously swore in the Main Proceedings, including an affidavit I swore in support of an Application by other corporations within the Ashcroft Homes Group for an initial order under the CCAA, which

was sworn on December 3, 2024 (the "**First Choo Affidavit**"), as well as in conjunction with an affidavit that I previously swore in the Main Proceeding, as defined herein, in support of an Application by other corporations within the Ashcroft Homes Group for an Amended and Restated Initial Order under the CCAA (the "**Second Choo Affidavit**"). All capitalized terms not defined in this affidavit, are used by reference to their defined meaning in the First Choo Affidavit and the Second Choo Affidavit.

4. The Debtor does not waive or intend to waive any applicable privilege by any statement herein. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

II. RELIEF REQUESTED

5. I make this Affidavit in support of a motion by the Debtor for, among other things:
 - a) approval and ratification of: A) a credit agreement (the "**Credit Agreement**"), between the Debtor, 2067166 Ontario Inc. ("**Park Place Senior**"), and Ashcroft Homes – La Promenade Inc. ("**Promenade Senior**"), as borrowers, certain affiliates of the Debtor, as guarantors (collectively, the "**Credit Parties**"), and Geodesic Holdings LLC and/or such other person(s) or entity(ies) as may be designated by Farallon Capital Management, L.L.C., (collectively, "**Farallon**") as lender, and B) a loan participation agreement, dated as of the date of the Order (the "**Participation Agreement**") by and among Farallon, the Credit Parties, COGIR RPA LP, by its general partner, ("**Cogir**"), and HP ABL Fund 1 Limited Partnership, by its general partner, HP ABL Fund 1 GP Inc. ("**HP**"), including all associated documents and the transactions contemplated thereby (the "**Refinancing**");
 - b) authorization of the Receiver, the Debtor, and Farallon to take such steps as they determine necessary or appropriate in connection with the completion of the Refinancing;
 - c) an Order, upon Farallon providing a fully executed copy of the Credit Agreement and the Participation Agreement to the Receiver, authorizing Farallon and its agents to pre-register its security interests against the Debtor and the property, assets, and

- undertakings of the Debtor (the “**Property**”) ;
- d) an Order directing that Farallon shall have fifteen (15) business days from the date of the Order of this Court approving the Refinancing (the “**Refinancing Order**”) to deliver or cause to be delivered (the Refinancing Amount (defined below) in accordance with the terms of the proposed Refinancing Order;
 - e) an Order directing that the Receiver shall make certain distributions from the Refinancing Amount in full and final satisfaction of any and all claims that the Secured Lender (defined below) has against the Debtor and the Property ;
 - f) an Order that the transition of the Property of the Debtor to the possession and control of the Debtor, and termination and discharge of the Receiver and of the engagement of consultants, agents and such other persons as from time to time were engaged pursuant to the orders of this Court, without recourse;
 - g) an Order releasing the Receiver and its counsel;
 - h) an Order discharging certain registrations of security over the Property of the Debtor;
 - i) termination of the Receiver’s Charge and the Receiver’s Borrowing Charge (as each term defined in the Receivership Order);
 - j) approval of the First Report of the Receiver (the “**Report**”) and the activities of the Receiver described in the Report;
 - k) approval of the Receiver’s interim statements of receipts and disbursements for the Debtor;
 - l) approval of the fees and disbursements of the approval of the fees and disbursements of the Receiver and its counsel, Norton Rose Fulbright Canada LLP; and,
 - m) sealing of the Confidential Appendix “1” to the First Report.

III. HISTORY OF THE PROCEEDING

6. On December 5, 2024, along with certain other corporations within the Ashcroft Homes Group (collectively, the “**CCAA Companies**”), Park Place Senior and Promenade Senior sought and obtained an order (the “**Initial Order**”) granting them protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“**CCAA**”). A

copy of the Initial Order is attached hereto as **Exhibit “A”**, and a copy of the Endorsement of Justice Mew, dated December 5, 2024, is attached hereto as **Exhibit “B”**.

7. On December 12, 2024, following a hearing in respect of competing applications for an Amended and Restated Initial Order under the *CCAA* by the CCAA Companies and the appointment of KSV as interim receiver over the CCAA Companies (but excluding 2139770 Ontario Inc.) by certain lenders of the CCAA Companies, the Court ordered the termination of the CCAA proceedings on December 20, 2024 and the appointment of KSV as interim receiver over the CCAA Companies, apart from 2139770 Ontario Inc.
8. On February 24, 2025, following an application brought by KSV the Court ordered (the **“Receivership Order”**) the appointment of KSV as receiver and manager (the **“Receiver”**), without security, of each of the CCAA Companies (excluding 2139770 Ontario Inc.) pursuant to s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and s. 101 of the Court of Justice Act, R.S.O. 1985, c. C.43 (the **“Main Proceedings”**). A copy of the Receivership Order, dated February 24, 2025, is attached hereto as **Exhibit “C”**.
9. On July 21, 2025, following an application brought by Cameron Stephens Mortgage Capital Ltd. (the **“Secured Lender”**), the Court ordered the appointment of KSV as Receiver of all present and future property, assets and undertakings of the Debtor. A copy of the Order, dated July 21, 2025, is attached hereto as **Exhibit “D”**.
10. On that same date, the Court also approved the Receiver’s proposed sale process for the Property (the **“Park Place Sale Process”**).
11. The First Report does or will contain details as to the secured debt held by the Secured Lender. The Secured Lender holds a first-ranking mortgage over the real property of the Debtor.

12. Payout statements have now been received from the Secured Lender, which I understand are or will be attached as an appendix to the First Report.

IV. REFINANCING PROPOSAL

13. The intention and efforts of the Debtor to secure refinancing of its indebtedness to its Secured Lender has been communicated on behalf of the Debtor to its Secured Lender, and to KSV since the appointment of the Receiver. I refer to the First Report of the Interim Receiver in the Main Proceedings dated February 14, 2025 at section 6.0, as attached hereto as **Exhibit “E”**.
14. On or around January 31, 2025, a non-binding letter of intention was signed with Farallon Capital Management, LLC, in respect of anticipated refinancing which would allow the Debtor to exercise its equities of redemption in the Property secured by their Secured Lender and other payments to allow each of them to exit receivership (the “**LOI**”). A copy of the LOI from January 31, 2025, is attached hereto as **Exhibit “F”**.

Ready to Refinance:

15. The Debtor will shortly be in a position to pay out its Secured Lender, including in respect of its costs, and also the Receiver for its fees and expenses, and expect that such payments will be made prior to the outside date for the closing of the Refinancing, being December 3, 2025.
16. The Credit Agreement and the Participation Agreement have both been negotiated and Farallon, Cogir and HP have all confirmed that they have agreed to the Credit Agreement and Participation Agreement, and (subject to the granting of the Order and the conditions in the Credit Agreement) will fund pursuant to the Credit Agreement and Participation Agreement. A copy of the most recent draft of the Credit Agreement is attached hereto as **Exhibit “G”**, and a copy of the most recent draft of the Participation Agreement is attached hereto as **Exhibit “H”**.

17. The terms of the Refinancing currently include, *inter alia*, that:
- a) The borrowers are the Debtor, Park Place Senior, and Promenade Senior;
 - b) The lenders are Geodesic Holdings LLC and/or such other person(s) or entity(ies) as may be designated by Farallon Capital Management, L.L.C.;
 - c) Several related entities are guarantors, including myself in my personal capacity, as well as the David and Shanti Choo Family Trust (2016);
 - d) A non-revolving term credit facility up to the amount of \$113,000,000.00 will be provided by the lender;
 - e) Interest is to be 10% per annum payable in cash plus 2% payable in kind prior to the second anniversary of the Closing Date;
 - f) After the second anniversary, the interest rate changes to 10% per annum payable in cash, plus 5% payable in kind;
 - g) All obligations under the agreement are due on the earlier of the Maturity Date in 2028, or upon acceleration/demand following an Event of Default;
 - h) Repayment can be made at any time with at least 10 business days' notice, provided the minimum principal amount for each repayment is \$10,000,000;
 - i) Mandatory prepayments are required upon the sale or refinancing of certain properties or receipt of insurance proceeds exceeding certain thresholds;
 - j) The borrowers must repay at least \$40,000,000 in principal on or prior to the second anniversary of the Closing Date; and,
 - k) The Refinancing is subject to a number of conditions precedent, including Court Approval, as well as the execution of the Credit Agreement, the Participation Agreement, and the Fee letters no later than two business days following approval from the Court.
18. I understand from Ashcroft Homes Group's counsel, and do verily believe it to be true, that Farallon has advised that all substantive, discretionary conditions precedent to the Credit Agreement have been satisfied, waived, or otherwise removed.

19. Pursuant to the Credit Agreement and the Participation Agreement, together with two of the companies in the Main Proceedings, Park Place Senior and Promenade Senior, the Debtor has secured a \$113 million loan facility (the “**Refinancing Amount**”).
20. The loan facility will provide sufficient funding to pay the Refinancing Amount to the Receiver, pursuant to the proposed Refinancing Order, to satisfy, among other things, the following amounts:
 - a) the repayment of the outstanding balance to the Secured Lender, as outlined above;
 - b) certain additional priority claims;
 - c) certain costs associated with the Refinancing; and
 - d) a contingency reserve for any post-filing costs.
21. I understand from Ashcroft Homes Group’s counsel, and do verily believe it to be true, that Farallon has advised that it will be in a position to advance the Refinancing Amount no earlier than fifteen (15) business days following Court approval of the Refinancing Order.
22. The Refinancing will leave the Debtor with working capital sufficient to continue operating in the ordinary course of business.

Equities of the Parties:

23. The Debtor, through its director, officer, and agents, have acted in good faith and with due diligence in assisting the Receiver, since its appointment.
24. The transaction in the Credit Agreement contemplates the payout of the Secured Lender, all priority payables and professional fees, and leaves the Debtor with working capital sufficient to allow it to continue in the ordinary course of business.
25. There is no prejudice to any stakeholder from the relief sought on this motion. As referred to above, the new funding to be obtained pursuant to the Credit Agreement is sufficient to:
 - a) pay out Secured Lender of the Debtor; and

- b) allow the Debtor to regularize, exit the receivership, resume operations, and pay its creditors in the ordinary course.

V. CONCLUSION

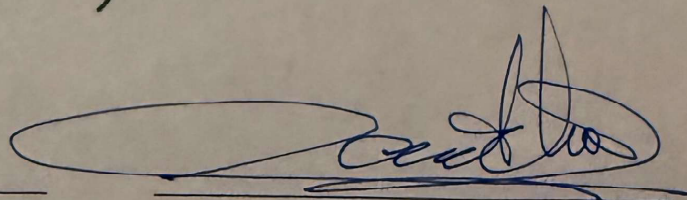
26. The Debtor has acted in good faith and with due diligence to, among other things, assist the Receiver and to move as quickly as possible and with transparency, to obtain the Refinancing in order to pay out the Secured Lender and discharge the Receiver.
27. I believe that the relief sought in the within motion and described above is in the best interests of the Debtor and its stakeholders, including the Secured Lender. Moreover, I believe that it now presents the best means of addressing the challenges faced by the Debtor to maximize value for all of the Debtor's stakeholders.
28. I swear this affidavit in support of the Debtor's motion for the proposed Refinancing, discharge of the Receiver, and for no other or improper purpose. I have also sworn a similar affidavit for the motion in the related proceeding referred to above, being the Main Proceeding.

SWORN remotely by David Oswald Choo, of the City of Ottawa, in the Province of Ontario, before me at the City of Ottawa, in the Province of Ontario on October 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The Affiant was located in Ottawa, Ontario while the commissioner was located in Ottawa, Ontario.



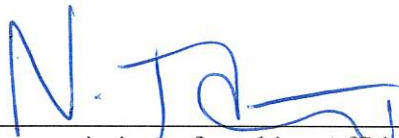
Commissioner for Taking Affidavits
(or as may be)

Nelly Tavares Coutinho,
A Commissioner, etc.,
Province of Ontario, for Mann Lawyers
LLP.
Expires June 16, 2028



DAVID OSWALD CHOO

This is **Exhibit "A"** referred to in the
Affidavit of David Oswald Choo, located in the
City of Ottawa, in the Province of Ontario,
sworn before me in the City of Ottawa, in the Province of Ontario,
this 27th day of October 2025,
in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A commissioner for taking Affidavits
(or as may be)

Nelly Tavares Coutinho,
A Commissioner, etc.,
Province of Ontario, for Mann Lawyers
LLP.
Expires June 16, 2028

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR	)	THURSDAY, THE 5TH
	)	
JUSTICE MEW	)	DAY OF DECEMBER, 2024

**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 ASHCROFT URBAN
DEVELOPMENTS INC., 2067166 ONTARIO INC., 2139770
ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT
HOMES – LA PROMENADE INC., 2195186 ONTARIO INC,
ASHCROFT HOMES – CAPITAL HALL INC., AND 1019883
ONTARIO INC. (collectively the ‘Applicants’, and each, an
"Applicant")**

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 161 Elgin Street, Ottawa, Ontario via videoconference.

ON READING the affidavit of DAVID CHOO sworn December 3, 2024 and the Exhibits thereto, and the Pre-Filing Report of Grant Thornton Limited (“GT”) as the proposed monitor dated December 3, 2024, 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 Applicants, counsel to GT, and such other counsel that were present, and on reading the consent of GT to act as the monitor (in such capacity, the “**Monitor**”),

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective 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, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, 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.

5. **THIS COURT ORDERS** that the Applicants 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, commissions, employee and pension benefits, vacation pay and employee expenses payable prior to, 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 Applicants in respect of these proceedings, at their standard rates and charges; and
- (c) some or all interest payments owing to secured lenders under their respective mortgages in accordance with the projections outlined in the cash-flows filed by the Applicants and otherwise approved by the Monitor.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after 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 (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied or to be supplied to any of the Applicants on or following the date of this Order.

7. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, 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 any of the Applicants.

8. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants 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 Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

9. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA have the right to:

- (a) to dispose of redundant or non-material assets not exceeding \$20,000 in any one transaction or \$100,000 in the aggregate
- (b) close the sale of any residential unit to an arm's length third party for fair market value in the ordinary course of Business, subject to the approval of the Monitor; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

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

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

10. **THIS COURT ORDERS** that until and including December 13, 2024, 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 Applicants (or any of them) or the Monitor, or affecting the Business or the Property, except with the written consent of the relevant Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants (or any of them) or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

11. **THIS COURT ORDERS** that during the Stay Period, no Proceeding shall be commenced or continued against or in respect of or affecting the business or the property of David Choo, Manny DiFilippo, Envie Enterprises Inc, the David and Shanti Choo Family Trust 2016, Alavida Lifestyles Inc, and 1384274 Ontario Inc. (the "**Additional Stay Parties**") or against or affecting any of the Additional Stay Parties' current or future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, and including all proceeds thereof (the "**Additional Stay Parties' Property**") with respect to any guarantee, contribution or indemnity obligation, liability or claim in respect of or that relates to any agreement involving any of the Applicants or the obligations, liabilities and claims of and against any of the Applicants (collectively, the "**Related Claims**"), except with the written consent of the respective party, the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Additional Stay Parties or the Additional Stay Parties' Property in respect of the Related Claims are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **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 any of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the applicable Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower an Applicant to carry on any

business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the written consent of the relevant Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the Applicants 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 relevant Applicant, 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 Applicants or exercising any other remedy provided under the agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its 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 applicable Applicants in accordance with normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease 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 any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. **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 any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants 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 Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

APPOINTMENT OF MONITOR

17. **THIS COURT ORDERS** that GT is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants 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.

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

- (a) monitor the Applicants' receipts and disbursements;
- (b) 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;

- (c) advise the Applicants in its preparation of the Applicants' cash flow statements;
- (d) advise the Applicants in its development of the Plan and any amendments to the Plan;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (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 Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or 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
- (h) perform such other duties as are required by this Order or by this Court from time to time.

19. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

20. **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**") 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.

21. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of an Applicant with information provided by the applicable Applicant 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 applicable Applicant 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 Applicants may agree.

22. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees, advisors, and other representatives acting in such capacities shall incur any 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.

APPOINTMENT OF FINANCIAL ADVISOR

23. **THIS COURT ORDERS** that Hawco Peters and Associates Inc be appointed as financial advisor to the Applicants (the “**Financial Advisor**”) pursuant to the FA Engagement Agreement as exhibited to the supporting affidavit to the Application.

24. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Financial Advisor and counsel to the Applicants 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, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the Financial Advisor and counsel for the Applicants on a bi-weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties, and, in addition, the

Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, the Financial Advisor and counsel to the Applicants, retainers in the amounts of up to \$100,000, respectively to be held by them as security for payment of their respective fees and disbursements outstanding from time to time

25. **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 Ontario Superior Court of Justice.

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Financial Advisor and the Applicants' 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 \$200,000 as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor, the Financial Advisor 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 28 to 30 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

28. **THIS COURT ORDERS** that the Charge shall constitute a charge on the Property and such Charge shall rank in priority to all other security interests, trust, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, other than in respect of: (a) a secured lender of any Applicant in respect, and to the extent, of such lender's registered mortgage against the Property; and (b) any taxing authority in respect, and to the extent, of such authority's statutory charge against such Property.

29. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Charge unless the Applicants also obtain the prior written consent of the beneficiaries of the Charge, or further Order of this Court.

30. **THIS COURT ORDERS** that the Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") 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) issued pursuant to BIA, or any bankruptcy order 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 Applicants or any of them, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charge shall not create or be deemed to constitute a breach by the Applicants or any of them 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 creation of the Charge; and
- (c) the payments made by the Applicants pursuant to this Order, and the granting of the Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

SERVICE AND NOTICE

32. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in The National Post a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) 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.

33. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List of the Ontario Superior Court of Justice in Toronto (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Superior Court of Justice’s List website at <http://www.ontariocourts.ca/scj/practice/practice/regional-practise-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL -[<https://www.doanegrantthornton.ca/service/advisory/creditor-updates/>] [Creditor updates | Doane Grant Thornton LLP](#)

34. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants 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 Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the Applicants 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.

GENERAL

35. **THIS COURT ORDERS** that any Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

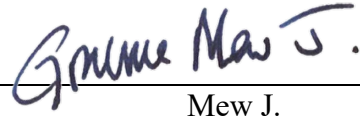
36. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant(s), the Business or the Property.

37. **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 Applicants, 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 Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

38. **THIS COURT ORDERS** that each of the Applicants 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.

39. **THIS COURT ORDERS** that any interested party (including any Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

40. **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.


Mew J.

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

AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166 ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA PROMENADE, 2195186 ONTARIO INC., ASHCROFT HOMES – CAPITAL HALL INC., AND 1019883 ONTARIO INC.

Court File No. CV-24-00098058-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA

INITIAL ORDER

MANN LAWYERS LLP

300-11 Holland Avenue
Ottawa ON K1Y 4S1

Alexander Bissonnette LSO# 71871D

alexander.bissonnette@mannlawyers.com

Tel: 613-722-1500

BLUE ROCK LAW LLP

705-215 9th Avenue
Calgary, AB T2P 1K3

David Mann, K.C.

david.mann@bluerocklaw.com

Tel: 1-587-317-0643

Lawyers for the Applicants

This is **Exhibit "B"** referred to in the
Affidavit of David Oswald Choo, located in the
City of Ottawa, in the Province of Ontario,
sworn before me in the City of Ottawa, in the Province of Ontario,
this 27th day of October 2025,
in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A commissioner for taking Affidavits
(or as may be)

Nelly Tavares Coutinho,
A Commissioner, etc.,
Province of Ontario, for Mann Lawyers
LLP.
Expires June 16, 2028



Superior Court of Justice – East Region

ENDORSEMENT SHEET FOR CIVIL MOTION/APPLICATION

SHORT TITLE OF PROCEEDINGS: *Ashcroft Urban Developments Inc. et al*

COURT FILE NO.: CV-24-00098058-0000

BEFORE: Mew J.

HEARD ON: 5 December 2024

COUNSEL:

Alexander Bissonnette, Mann Lawyers LLP and *David Mann*, Blue Rock Law LLP
Lawyers for the Applicants

Randal Van de Mosselaer and *Stephen Kroeger*, Lawyers for the proposed Monitor, Grant Thornton Limited

Heather Fisher, Lawyer for Central 1 (secured creditor and applicant in Court file no. CV-24-97134 – Central 1 v Ashcroft)

RELIEF REQUESTED: An order:

substantially in the form of the Commercial List Model CCAA Initial Order, as modified to reflect the relief described below (the “Initial Order”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C 1985, c. C-36, as amended (the “CCAA”) that, *inter alia*:

- i) declares that the Applicants are entities to which the CCAA applies;
- ii) stays, for an initial period of not more than ten days, all proceedings, demands, notices, remedies, and enforcement processes taken or that might be taken (collectively, “Proceedings”) in respect of the Applicants, the Monitor (as defined herein) and the Financial Advisor (as defined herein), and their respective subsidiaries, affiliates, directors, officers, employees, or representatives, or affecting the Applicants’ current and future undertaking, property, and assets (and the proceeds thereof) (the “Property”), including the Projects (as defined herein), except as otherwise set forth in the Initial Order or with leave of the Court (the “Stay of Proceedings”);
- iii) stays, for the same period as the Stay of Proceedings, all Proceedings against or in respect of David Oswald Choo, Manny DiFilippo, Envie Enterprises Inc., the David and Shanti Choo Family Trust 2016, Alavida Lifestyles Inc., and 1384274 Ontario Inc. (the “**Additional Stay Parties**”), against or in respect of any of the Additional Stay Parties current or future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, and including all proceeds thereof (collectively, the “**Additional Stay Parties Property**”) with respect to any guarantee, contribution or indemnity obligation, liability or claim in respect of or that relates to any agreement involving any of the Applicants or the obligations, liabilities



Superior Court of Justice – East Region

and claims of and against any of the Applicants (collectively, the “**Related Claims**”), except as otherwise set forth in the Initial Order or with leave of the Court;

- iv) appoints Grant Thornton Limited (“**GT**”) as an Officer of this Court (in such capacity, the “**Proposed Monitor**”) to monitor the assets, business, and affairs of the Applicants (and, if appointed as such, the “**Monitor**”);
 - v) appoints Hawco Peters and Associates Inc. (“**HP**”) as financial advisor to the Applicants (the “**Financial Advisor**”);
 - vi) grants the Administration Charge (as defined herein) up to a maximum amount of \$200,000.00, over the Property to ensure the fees and disbursements of the Monitor and its counsel, the Financial Advisor and its counsel, and the Applicants’ counsel, which charge shall rank in priority after the existing Secured Lenders (as defined herein); and
 - vii) authorizes the Applicants to carry on business in a manner consistent with the preservation of their Property, maximization of the value of their assets for stakeholders and continuation of the employment of employees and of the provision of services to residents in the Applicants’ communities.
- (b) The direction of this Court for the Applicants to return before this Court within ten days to seek approval of an Amended and Restated Initial Order;
- (c) An Order for substituted service, validating service, dispensing with service, and/or abridging the time for service of the Notice of Application and/or the Application Record and Factum of the Applicant; and
- (d) Such further and other relief as to this Honourable Court may seem just.

☒ **ORDER SIGNED**

☐ **ON CONSENT**

☐ **UNOPPOSED**

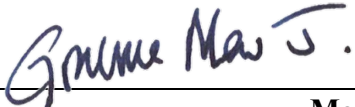
☐ **NO ONE APPEARED**

☒ **ADJOURNED TO 12-Dec-24 @ 10:00AM** (by videoconference)

ENDORSEMENT:

Initial order to go in accordance with draft provided. Comeback hearing will take place on 12 December 2024 at 10:00AM. At the same time *Central 1 v. Ashcroft*, Court file no. CV-24-97134 will be listed to be spoken to.

Date: 5 December 2024



Mew J.

This is **Exhibit "C"** referred to in the
Affidavit of David Oswald Choo, located in the
City of Ottawa, in the Province of Ontario,
sworn before me in the City of Ottawa, in the Province of Ontario,
this 27th day of October 2025,
in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A commissioner for taking Affidavits
(or as may be)

Nelly Tavares Coutinho,
A Commissioner, etc.,
Province of Ontario, for Mann Lawyers
LLP.
Expires June 16, 2028

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	MONDAY, THE 24TH
	)	
JUSTICE MEW	)	DAY OF FEBRUARY, 2025

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

AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166
ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT
HOMES – LA PROMENADE INC., 2195186 ONTARIO INC., ASHCROFT HOMES
– CAPITAL HALL INC. AND 1019883 ONTARIO INC.

Applicants

ORDER
(Appointing Receiver)

THIS MOTION made by KSV Restructuring Inc. ("**KSV**"), in its capacity as interim receiver (in such capacity, the "**Interim Receiver**") of the lands listed on Schedule "A" hereto and property, assets and undertaking (the "**Property**") of each of 2067166 Ontario Inc., 2261532 Ontario Inc., Ashcroft Homes – La Promenade Inc., 2195132 Ontario Inc., 1384274 Ontario Inc. and 1019883 Ontario Inc., (collectively, the "**Debtors**") for an Order pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing KSV as receiver and manager (in such capacity, the "**Receiver**") over the Property of the Debtors, was heard on February 24, 2025 by judicial teleconference via Zoom at Ottawa, Ontario.

ON READING the first report of the KSV in its capacity as Interim Receiver dated February 14, 2025 (the "**First Report**") and on hearing the submissions of counsel for the Receiver, counsel for each of the mortgagees listed in Schedule "A" hereto (collectively, the "**Mortgagees**"), counsel

for the Debtors and such other parties appearing, no one else appearing although duly served as appears from the affidavit of service of Lauren Archibald sworn February 18, 2025, as filed, and on reading the consent of KSV to act as the Receiver,

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion 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 all terms not otherwise defined herein shall have the meaning ascribed to them in the First Report.

APPOINTMENT

3. THIS COURT ORDERS that pursuant to subsection 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of the Property of the Debtors. Effectively immediately upon the appointment of KSV as Receiver, KSV's appointment as interim receiver pursuant to section 47(1) of the BIA shall be terminated.

4. THIS COURT ORDERS that the estates of the Debtors will be jointly administered by the Receiver for procedural purposes, provided, however, that nothing herein shall be deemed or constructed as directing a substantive consolidation of the Debtors or the Property, and provided further that the Receiver shall, without limitation:

- a) maintain those segregated Debtor specific bank accounts which were opened by KSV in its capacity as Interim Receiver (the "**Segregated Accounts**");
- b) funds in the Segregated Accounts shall be used to fund disbursements in connection with the associated Debtor including, without limitation, taxes, payroll, insurance, operational expenses associated with the Debtor, the associated Property and business operated by the Debtor;
- c) deposit any funds borrowed pursuant to paragraph 31 below into the applicable Segregated Account and not use any such borrowed funds for any purpose other than fees, costs and expenses associated with such Debtor unless otherwise consented to by the applicable Mortgagees; and

- d) keep segregated time and billing on a per Debtor basis in respect of its and its counsel's respective fees and disbursements.

TITLE OF PROCEEDINGS

5. THIS COURT ORDERS that the title of these proceedings is hereby amended to be as follows:

IN THE MATTER OF SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS AMENDED

AND IN THE MATTER OF THE APPOINTMENT OF A RECEIVER OVER THE PROPERTY, ASSETS AND UNDERTAKING OF 2067166 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA PROMENADE INC., 2195186 ONTARIO INC., 1384274 ONTARIO INC. AND 1019883 ONTARIO INC.

RECEIVER'S POWERS

6. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, including without limitation the Debtors' bank accounts related to the Property wherever located;
- b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- c) to manage, operate, and carry on the business of the Debtors, or any one or more of them, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform

or disclaim any contracts of the Debtors, or any one or more of them, in respect of the Property;

- d) to engage consultants, appraisers, agents, property managers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- e) in respect of the Property owned by 2195186 Ontario Inc. ("**Envie 1**"), to continue the sale process currently in place for Envie I (the "**Envie I Sale Process**") and seek approval by the Court of any transaction for the sale of the business and assets Envie 1;
- f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors, or any one or more of them, with respect to the Property or any part or parts thereof;
- g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors, or any one or more of them, with respect to the Property and to exercise all remedies of the Debtors, or any one or more of them, in collecting such monies and accounts, including, without limitation, to enforce any security held by the Debtors, or any one or more of them;
- h) to settle, extend or compromise any indebtedness owing to the Debtors, or any one or more of them, with respect to the Property;
- i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, or any one or more of them, for any purpose pursuant to this Order;
- j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale

as the Receiver in its discretion, and with the consent of the applicable Mortgagees, may deem appropriate;

- l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- n) to report to, meet with and discuss with such affected Persons (as defined below), as the Receiver deems appropriate on all matters relating to the Property and the Receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- o) to consult with the Mortgagees and other creditors of the Debtors on all matters relating to the Property and the Receivership, subject to such terms as to confidentiality as the Receiver deems advisable;
- p) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- q) to apply for any permits, licences, approvals or permissions with respect to the Property as may be required by any governmental authority and any renewals thereof for and on

behalf of and, if thought desirable by the Receiver, in the name of the Debtors, or any one or more of them;

- r) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- s) to exercise any shareholder, partnership, joint venture or other rights which the Debtors, or any one or more of them, may have; and
- t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, or any one or more of them, and without interference from any other Person.

7. THIS COURT ORDERS that nothing in this Order in any way derogates from the obligations of the Receiver to comply with all requirements under the *Retirement Homes Act*, 2010, S.O. 2010 c.11 (the “**Retirement Homes Act**”) and O. Reg. 166/11 or limits the exercise of the regulatory authority of the Retirement Homes Regulatory Authority (the “**RHRA**”).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

8. THIS COURT ORDERS that (i) the Debtors together with any of their affiliates, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel, shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

9. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or

affairs of the Debtors, or any one or more of them, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 9 or in paragraph 10 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

10. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

11. THIS COURT ORDERS that the Receiver shall treat all documents and Records in accordance with the obligations contained in the *Retirement Homes Act* and other applicable legislation, including the *Personal Health Information Protection Act*, 2004, c.3 Sched. A.

12. THIS COURT ORDERS that all Persons, including without limitation, the Debtors and their affiliates, and each of them, shall be required to cooperate, and share information, with the Receiver, in connection with the operations of the Debtors’ businesses and all books and records, contracts, agreements, permits, licenses and insurance policies and other documents in respect of the Debtors, or any one or more of them, and the Property. In addition to the foregoing, general cooperation and information sharing requirements, the Debtors and their affiliates, or any of them, shall be required to do the following: (a) in respect of any and all such contracts, agreements,

permits, licenses and insurance policies and other documents: (1) maintain them in good standing and provide immediate notice and copies to the Receiver of any communications received from regulators, providers, lessors or franchisors in respect thereof; (2) provide immediate notice to the Receiver of any material change and/or pending material change to the status quo in respect thereof; and (3) provide thirty (30) days' written notice to the Receiver of any renewal date, termination date, election date or similar date in respect thereof; and (b) assist, and cooperate with, the Receiver in obtaining any further permits and licenses that may be required in the Receiver's discretion, acting reasonably, in consultation with the Mortgagees.

NO PROCEEDINGS AGAINST THE RECEIVER

13. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver, or its respective employees, advisors, counsel and other representatives acting in such capacities, except any Proceeding commenced by the RHRA pursuant to the provisions of the *Retirement Homes Act* or with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

14. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors, or any one or more of them, , or the Property shall be commenced or continued except any Proceeding commenced by the RHRA pursuant to the provisions of the *Retirement Homes Act* or with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors, or any one or more of them, or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that, , all rights and remedies against the Debtors, or any one or more of them, the Receiver, , or affecting the Property, including, without limitation, licenses and permits, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors, or any one or more of them, to carry on any business which the Debtors, or any one or more of them, is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors, or any one or more of them, from compliance with statutory or regulatory provisions relating to health, safety or the environment, including any

regulatory requirements pursuant to the *Retirement Homes Act*, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

16. THIS COURT ORDERS that, with the exception of the RHRA acting pursuant to its regulatory authority, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, or any one or more of them, in respect of the Property without written consent of the Receiver or leave of this Court.

PROPERTY MANAGEMENT

17. THIS COURT ORDERS that if the Receiver elects to retain the services of Ashcroft Homes – Central Park Inc., Alavida Lifestyles Inc., or any other entity affiliated with the corporate group known as Ashcroft Homes Group that provides management or support services to any one or more of the Debtors (collectively, the “**Ashcroft Managers**”), it shall have the discretion to pay the Ashcroft Managers in respect of those services in accordance with past practice.

18. THIS COURT ORDERS that the Ashcroft Managers and the Debtors shall cooperate fully with the Receiver and shall continue to provide property management and other services to the Receiver in accordance with arrangements with the Debtors until such time as the Receiver no longer requires their services provided they get paid for it on a basis that reflects the actual cost of providing such services. Neither the Ashcroft Managers nor the Debtors shall have any power or authority to make any discretionary decisions in respect of property management nor shall they have any power or authority to alter any contractual obligations and neither the Ashcroft Managers nor the Debtors shall have any powers in respect of banking arrangements and credit authorization in respect of the Property. The Ashcroft Managers and the Debtors will facilitate the transfer of banking arrangements and credit authorizations to the Receiver in accordance with its direction.

CONTINUATION OF SERVICES

19. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors, or any one or more of them, in connection with or relating to the Property 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,

accounting services, payroll services, insurance, transportation services, utility or other services to the Debtors, or any one or more of them, in connection with or relating to the Property 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtors', or any one or more of their, current 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 Receiver in accordance with normal payment practices of the Debtors, or any one or more of their, or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court. Should any such service provider attempt to discontinue its services with respect to services provided in connection with a retirement home regulated by RHRA, the Receiver shall forthwith notify the RHRA of such attempt.

20. THIS COURT ORDERS that Canadian Imperial Bank of Commerce ("**CIBC**") shall be given the benefit and protection of the Receivers' Charge (defined below) to secure any liability for any overdraft amounts, chargebacks or other administrative fees and costs incurred by CIBC in connection with the administration of the Debtors' bank accounts.

RECEIVER TO HOLD FUNDS

21. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part in connection with or relating to the Property, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited in the Segregated Account that has been opened and designed to the applicable Property and the monies standing to the credit of such Segregated Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

22. THIS COURT ORDERS that, notwithstanding any other terms or provisions of this Order, provided that there are sufficient cashflows to fund all ordinary course operational costs of the applicable Property (as determined by the Receiver in consultation with the Mortgagees), the Mortgagees of such Property shall continue to receive, to the extent the cash flows permit, payment of their respective monthly payments of applicable principal, interest and taxes in the

order of priority of their respective mortgages registered against or in respect of the applicable Property and Debtor (to the maximum extent possible, as determined by the Receiver).

EMPLOYEES

23. THIS COURT ORDERS that all employees of the Debtors, or any one or more of them, shall remain the employees of such Debtor until such time as the Receiver, on behalf of the Debtors, or any one or more of them, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act* ("WEPPA").

PIPEDA

24. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors or any one of them, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

25. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’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.

LIMITATION ON THE RECEIVER’S LIABILITY

26. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the WEPPA. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

27. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver (as well as in its capacity as Interim Receiver) and counsel to the Receiver (and in its capacity as counsel to the Interim Receiver) shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings and including fees and disbursements incurred in connection with KSV’s appointment as Interim Receiver, and that, subject to paragraph 28, the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA. Notwithstanding the foregoing, the Receiver’s Charge in respect of any particular Property owned by a Debtor shall secure only such fees and disbursements of the Receiver and its counsel that are allocated to such Debtor and Property in accordance with paragraph 4 above.

28. THIS COURT ORDERS that, notwithstanding any other terms or provisions of this Order:

- a) the Receiver's Charge shall rank behind the mortgage and other security of Peoples Trust Company against the Property of Envie I including the Envie I Property (as defined in the affidavit of David Choo sworn December 3, 2024);
- b) the Receiver shall not accept or reject any offer received in respect of Envie I or terminate or suspend the Envie I Sale Process, without the prior written consent of Peoples Trust Company and ACM Advisors Ltd.; and
- c) the Receiver shall not borrow or enter into any commitments to borrow funds pursuant to the Receiver's Borrowings Charge in respect of 2195186 Ontario Inc. or the Envie I Property without the prior written consent of Peoples Trust Company and ACM Advisors Ltd. to the extent such amounts are to be advanced in priority Peoples Trust Company.

29. THIS COURT ORDERS that KSV in its capacities as Interim Receiver and Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Interim Receiver and Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

30. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

31. THIS COURT ORDERS that, subject to paragraph 28(c), the Receiver be at liberty and it is hereby empowered, in consultation with the Mortgagees of a Debtor, to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 per Debtor (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures on a property specific basis. Only the Property of the specific Debtor in respect of which the Receiver is required to borrow monies shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in

priority to all security interests, fees, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, on the specific property, but subordinate in priority to the Receiver's Charge and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA. For greater certainty, any amounts borrowed by the Interim Receiver pursuant to the Interim Receiver's Borrowing Charge as set out in the Order of this Court dated December 20, 2024 shall have the benefit and protection of the Receiver's Borrowing Charge as though such amounts were borrowed pursuant to this Order.

32. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

33. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates in respect of any specific property substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

34. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, in respect of the specific property so charged in accordance with paragraph 31 unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

35. THIS COURT ORDERS that the E-Service Guide of the Commercial List (the "**Guide**") 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/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, 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: <https://www.ksvadvisory.com/experience/case/Ashcroft>.

36. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is 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 Debtors', or any one or more of their, creditors or other interested parties at their respective addresses as last shown on the records of the Debtors, or any one or more of them, 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.

37. THIS COURT ORDERS that the Receiver and its respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

GENERAL

38. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

39. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a receiver or trustee in bankruptcy of the Debtors, or any one or more of them.

40. 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 Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

41. THIS COURT ORDERS that the Receiver 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 Receiver is authorized and empowered to act as a representative in respect of the within

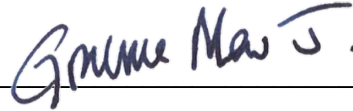
proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

42. THIS COURT ORDERS that each Mortgagee shall have its costs of this Motion, up to and including entry and service of this Order, provided for by the terms of the Mortgagee's security or, if not so provided by the Mortgagee's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors, or any one or more of their estates, with such priority and at such time as this Court may determine.

43. THIS COURT ORDERS that nothing in this Order prejudices the Debtors' right of redemption.

44. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

45. THIS COURT ORDERS that this Order is effective from today's date and it is not required to be entered.

A handwritten signature in blue ink, appearing to read "G. Mew J.", is written over a horizontal line.

Mew J.

SCHEDULE “A” – LIST OF SUPPORTING MORTGAGEES, PROPERTY AND DEBTORS**DESCRIPTION OF THE REAL PROPERTY**

Mortgagee	Debtor	Legal Description of Real Property
ACM Advisors Ltd. Institutional Mortgage Capital Canada Inc.	2067166 Ontario Inc.	PART OF BLOCK 69 ON 4M-1047 BEING PARTS 1,2,3,4 AND 6 4R-21512, OTTAWA. SUBJECT TO A RIGHT-OF-WAY IN FAVOUR OF PARTS 1 TO 5 ON 4R-20298 OVER PART 3 ON 4R-21512 AS IN OC487047. SUBJECT TO A RIGHT-OF-WAY IN FAVOUR OF PARTS 9 TO 11 ON 4R-20298 OVER PART 3 ON 4R-21512 AS IN OC494285. TOGETHER WITH A RIGHT-OF-WAY OVER PARTS 2 AND 5 ON 4R-20298AS IN OC487047.TOGETHER WITH A RIGHT-OF-WAY OVER PART 9 ON 4R-20298 AS IN OC494285. SUBJECT TO A RIGHT-OF-WAY IN FAVOUR OF PART 5 ON 4R-21512 OVER PART 6 ON 4R-21512 AS IN OC654077. SUBJECT TO A RIGHT-OF-WAY IN FAVOUR OF PART 5 ON 4R-21512 OVER PART 4 ON 4R-21512 AS IN OC654077. SUBJECT TO AN EASEMENT IN GROSS OVER PART 1 ON PLAN 4R-28152 AS IN OC1621378.; TOGETHER WITH AN EASEMENT OVER PART BLOCK 69 PLAN 4M1047 PART 5 4R21512 AS IN OC1966865, being PIN 03998-1732 (LT)
ACM Advisors Ltd. Institutional Mortgage Capital Canada Inc.	2265132 Ontario Inc.	PART OF BLOCKS 10 AND 11 PLAN 4M1327, PARTS 8, 9, 21, 45 AND 46 PLAN 4R25794. SUBJECT TO AN EASEMENT OVER PART 21 PLAN 4R25794 AS IN NS45154. SUBJECT TO AN EASEMENT OVER PARTS 8, 21 AND 46 PLAN 4R25794 AS IN OC909083; SUBJECT TO AN EASEMENT AS IN OC1200007; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1254247; SUBJECT TO AN EASEMENT AS IN OC1435034; TOGETHER WITH AN EASEMENT OVER ALL OF BLOCK 9 AND PART OF BLOCKS 10, 11 AND 25 PLAN 4M1327, PARTS 1, 3, 4, 5, 6, 7, 10, 11, 14, 15, 16, 17, 18, 20, 23, 24, 26, 27, 28, 32, 33, 34, 35, 37, 39, 40, 41, 42, 43, 44, 50, 51, 52 AND 54 PLAN 4R25794 AS IN OC1451771; CITY OF OTTAWA, being PIN 04052-0799 (LT)

Mortgagee	Debtor	Legal Description of Real Property
ACM Advisors Ltd. Institutional Mortgage Capital Canada Inc.	1384274 Ontario Inc.	ALL OF BLOCK 9 AND PART OF BLOCKS 10, 11 AND 25 PLAN 4M1327, PARTS 1, 3, 4, 5, 6, 7, 10, 11, 14, 15, 16, 17, 18, 20, 23, 24, 26, 27, 28, 32, 33, 34, 35, 37, 39, 40, 41, 42, 43, 44, 50, 51, 52 AND 54 PLAN 4R25794. SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1, 16, 17, 18, 23, 24, 27 AND 28 PLAN 4R25794 AS IN OC881843. SUBJECT TO AN EASEMENT OVER PARTS 3, 4, 5, 6, 7, 10, 11, 14, 15, 20, 26, 32, 33, 34, 35, 39, 40, 41 AND 54 PLAN 4R25794 AS IN OC909083; SUBJECT TO AN EASEMENT AS IN OC1200007; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1254247; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 12 PLAN 4M1327, PART 19 PLAN 4R25794 AS IN OC1451770; SUBJECT TO AN EASEMENT IN FAVOUR OF PART OF BLOCKS 10 AND 25 PLAN 4M1327, PARTS 2, 22, 25, 29, 30, 31, 36 AND 53 PLAN 4R25794; PART OF BLOCKS 10 AND 11 PLAN 4M1327, PARTS 8, 9, 21, 45 AND 46 PLAN 4R25794; PART OF BLOCKS 10 AND 11 PLAN 4M1327, PARTS 12, 13, 38, 47, 48 AND 49 PLAN 4R25794 AS IN OC1451771; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1560118; CITY OF OTTAWA, being PIN 04052-0801 (LT)
Peoples Trust Company ACM Advisors Ltd.	2195186 Ontario Inc.	PART LOTS 7, 8, 9, 10, 11 AND PART LANE, AS CLOSED BY ORDER CR234928 PLAN 131037, PART 1 PLAN 4R29600; SUBJECT TO AN EASEMENT AS IN OC1804530; SUBJECT TO AN EASEMENT IN GROSS OVER PART 2 PLAN 4R33801 AS IN OC2393098; CITY OF OTTAWA, being PIN 04102-0340 (LT)
Institutional Mortgage Capital Canada Inc.	Ashcroft Homes – La Promenade Inc.	PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 7, 8, PLAN 4R29684; TOGETHER WITH AN EASEMENT OVER PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 2, 4, PLAN 4R29684 IN FAVOUR OF PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PART 7, PLAN 4R29684 AS IN OC1822752; TOGETHER WITH AN EASEMENT OVER PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PARTS 2, 3, 4, 5, 6, PLAN 4R29684 IN FAVOUR OF PART LOTS 34, 35, CONCESSION 1 CUMBERLAND (OLD SURVEY) DESIGNATED AS PART 7, PLAN 4R29684 AS IN OC1822752; SUBJECT TO AN EASEMENT IN GROSS OVER PLAN 4R30928 AND PART 1 ON PLAN 4R31325 AS IN OC2032997; CITY OF OTTAWA
Canadian Western Bank	1019883 Ontario Inc.	PIN 02626-0026 (LT) - PCL27-22, SEC NEPEAN-A RIDEAU FRONT; PT LT 27, CON A RIDEAU FRONT, PART 1 & 2 ,4R7847;T/W ROW PT 5, 4R7847 AS IN LT757172; S/T 1T408623, 1T409186,LT424426,LT424520,LT427435, 1T499796 NEPEAN; CITY OF OTTAWA;THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

SCHEDULE "C"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV RESTRUCTURING INC., the Receiver (the "**Receiver**") of all of the properties, assets and undertaking of _____ (the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the ____ day of _____, 20____ (the "**Order**") made in Court file number CV-24-00098058-0000; has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

KSV RESTRUCTURING INC. solely in its capacity as receiver and manager of the property, assets and undertaking of **[insert applicable debtor]** and not in its personal capacity

Per: _____

Name:

Title:

AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166 ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA PROMENADE INC., 2195186 ONTARIO INC., ASHCROFT HOMES – CAPITAL HALL INC. AND 1019883 ONTARIO INC.

Court File No: CV-24-00098058-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
OTTAWA

RECEIVERSHIP ORDER

NORTON ROSE FULBRIGHT CANADA LLP

222 Bay Street, Suite 3000
Toronto, ON M5K 1E7
Fax: 416.216.3930

Jennifer Stam LSO#: 46735J

Tel: 416. 202.6707
jennifer.stam@nortonrosefulbright.com

Lauren Archibald LSO# 87151U

Tel: 416.278.3787
lauren.archibald@nortonrosefulbright.com

BLANEY MCMURTRY LLP

2 Queen Street East, Suite 1500
Toronto, ON M5C 3G5

Eric Golden LSO# 38239M

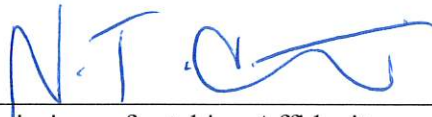
Tel: 416.593.3927
egolden@blaney.com

Chad Kopach LSO# 48084G

Tel: 416.593.2985
ckopach@blaney.com

Lawyers for KSV Restructuring Inc., the Interim Receiver

This is **Exhibit "D"** referred to in the
Affidavit of David Oswald Choo, located in the
City of Ottawa, in the Province of Ontario,
sworn before me in the City of Ottawa, in the Province of Ontario,
this 27th day of October 2025,
in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A commissioner for taking Affidavits
(or as may be)

Nelly Tavares Coutinho,
A Commissioner, etc.,
Province of Ontario, for Mann Lawyers
LLP.
Expires June 16, 2028



Court File No. CV-25-00098742-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE MR.

)

MONDAY, THE 21ST DAY

JUSTICE MEW

)

)

OF JULY, 2025

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

1230172 ONTARIO INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 190, c. C.43, AS AMENDED**

ORDER
(appointing Receiver)

THIS APPLICATION, made by Cameron Stephens Mortgage Capital Ltd. (“**Cameron Stephens**” or the “**Applicant**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all present and future property, assets and undertakings of 1230172 Ontario Inc., (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, including, without limitation, the real property described municipally as 110 Central Park Drive, Ottawa, Ontario and as legally described in Schedule “A” hereto, (the

“Property”) was heard this day by judicial videoconference via Zoom.

ON READING the Application Record of the Applicant, including the affidavit of Jeremy Izso sworn February 13, 2025 and the Supplementary Affidavit sworn July 15, 2025, and the exhibits thereto, including, without limitation, the consent of KSV to act as the Receiver, and on hearing the submissions of counsel for Cameron Stephens and such other counsel as were present, no one appearing for any other stakeholder although duly served as appears from the affidavit of service of Monika Gugu, filed.

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property including without limitation the Debtor's bank accounts related to the Property wherever located;

(b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business or cease to perform or disclaim any contracts of the Debtor;

(d) to engage consultants, appraisers, agents, property managers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(g) to settle, extend or compromise any indebtedness owing to the Debtor;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall

extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

(i) without the approval of this Court in respect of any transaction not exceeding \$250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act* or section 31 of the *Ontario Mortgages Act* shall not be required;

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to consult with the Applicant and other creditors of the Debtor on all matters relating to the Property and the Receivership, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

4. **THIS COURT ORDERS** that nothing in this Order in any way derogates from the obligations of the Receiver to comply with all requirements under the *Retirement Homes Act*, 2010, S.O. 2010 c. 11 (the “**Retirement Homes Act**”) and O. Reg. 166/11 or limits the exercise of the regulatory authority of the Retirement Homes Regulatory Authority (the “RHRA”).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. **THIS COURT ORDERS** that (i) the Debtor together with its affiliates, (ii) all of their

respective current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate

access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. **THIS COURT ORDERS** that the Receiver shall treat all documents and Records in accordance with the obligations contained in the *Retirement Homes Act* and other applicable legislation, including the *Personal Health Information Protection Act*, 2004, c. 3 Sched. A.

9. **THIS COURT ORDERS** that all Persons, including without limitation, the Debtor and its affiliates, and each of them, shall be required to cooperate, and share information, with the Receiver, in connection with the operations of the Debtor's businesses and all books and records, contracts, agreements, permits, licenses and insurance policies and other documents in respect of the Debtor and the Property. In addition to the foregoing, general cooperation and information sharing requirements, the Debtor and its affiliates shall be required to do the following: (a) in respect of any and all such contracts, agreements, permits, licenses and insurance policies and other documents: (1) maintain them in good standing and provide immediate notice and copies to the Receiver of any communications received from regulators, providers, lessors or franchisors in respect thereof; (2) provide immediate notice to the Receiver of any material change and/or pending material change to the status quo in respect thereof; and (3) provide thirty (30) days' written notice to the Receiver of any renewal date, termination date, election date or similar date in respect thereof; and (b) assist, and cooperate with, the Receiver in obtaining any further permits and licenses that may be required in the Receiver's discretion, acting reasonably, in consultation with the Applicant.

NO PROCEEDINGS AGAINST THE RECEIVER

10. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver or its employees, advisors, counsel and other representatives acting in such capacities, except a Proceeding commenced by the RHRA pursuant to the provisions of the *Retirement Homes Act* or with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

11. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except any Proceeding commenced by the RHRA pursuant to the provision of the *Retirement Homes Act*, with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver or affecting the Property, including without limitation, contractual licenses and permits, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, including any regulatory requirements pursuant to the *Retirement Homes Act*, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

13. **THIS COURT ORDERS** that, with the exception of the RHRA acting pursuant to its regulatory authority, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform, or elect not to renew any right, renewal right, contract, agreement, license or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

PROPERTY MANAGEMENT

14. **THIS COURT ORDERS** that if the Receiver elects to retain the services of Ashcroft Homes – Central Park Inc., Alavida Lifestyles Inc., or any other entity affiliated with the corporate group known as Ashcroft Homes Group that provides management or support services to a the Debtor (collectively, the “**Ashcroft Managers**”), it shall have the discretion to pay the Ashcroft Managers in respect of those services in accordance with past practice.

15. **THIS COURT ORDERS** that the Ashcroft Managers and the Debtor shall cooperate fully with the Receiver and shall continue to provide property management and other services to the Receiver in accordance with arrangements with the Debtor until such time as the Receiver no longer requires their services provided they get paid for it on a basis that reflects the actual cost of providing such services. Neither the Ashcroft Managers nor the Debtor shall have any power or authority to make any discretionary decisions in respect of property management nor shall they have any power or authority to alter any contractual obligations and neither the Ashcroft Managers nor the Debtor shall have any powers in respect of banking arrangements and credit authorization in respect of the Property. The Ashcroft Managers and the Debtor will facilitate the transfer of banking arrangements and credit authorizations to the Receiver in accordance with its direction.

CONTINUATION OF SERVICES

16. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 Debtor 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor’s current 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 Receiver in accordance with normal payment practices of the Debtor or

such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court. Should any such service provider attempt to discontinue its services with respect to the Debtor or the Property, the Receiver shall forthwith notify the RHRA of such attempt.

RECEIVER TO HOLD FUNDS

17. **THIS COURT ORDERS** that all funds, monies, cheques, instruments and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

18. **THIS COURT ORDERS** that Canadian Imperial Bank of Commerce ("**CIBC**") shall be given the benefit and protection of the Receiver's Charge (defined below) to secure any liability for any overdraft amounts, chargebacks or any other administrative fees and costs incurred by CIBC in connection with the administration of the Debtors' bank accounts.

19. **THIS COURT ORDERS** that, notwithstanding any other terms or provisions of this Order, provided that there are sufficient cashflows to fund all ordinary course operational costs of the Property (as determined by the Receiver in consultation with the Applicant), the Applicant shall continue to receive, to the extent the cash flows permit, payment of its respective monthly payments of applicable principal, interest and taxes in the order of priority of their respective mortgages registered against or in respect of the Property and Debtor (to the maximum extent possible, as determined by the Receiver).

EMPLOYEES

20. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA AND ANTI-SPAM LEGISLATION

21. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

22. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements

within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

23. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'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.

LIMITATION ON THE RECEIVER'S LIABILITY

24. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

25. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise

ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

27. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

28. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

29. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

30. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

31. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

32. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/filing-procedures/regional/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the "**Rules**") this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol and shall be accessible by selecting the Debtor's names from the engagement list at the following URL: <https://www.ksvadvisory.com/experience/case/Ashcroft>

33. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is 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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

GENERAL

34. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

35. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

36. **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 Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

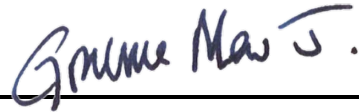
37. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is 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.

38. **THIS COURT ORDERS** that Cameron Stephens shall have its costs of this application against the Debtor, up to and including entry and service of this Order, provided for by the terms of Empire's security or, if not so provided by Empire's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

39. **THIS COURT ORDERS** that nothing in this Order prejudices the Debtor's right of redemption.

40. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

41. **THIS COURT ORDERS** that this Order and all of its provisions are effective as today's date and is enforceable without the need for entry or filing.

A handwritten signature in dark ink, appearing to read "G. Mew J.", is written above a solid horizontal line.

Mew J.

Issuance on July 23, 2025

SCHEDULE "A" – LANDS

PIN 03998-1708 (LT)- PART OF BLOCK 69 ON PLAN 4M-1047 BEING PARTS 1 TO 5 ON PLAN 4R-20298, OTTAWA. SUBJECT TO A RIGHT OF WAY IN FAVOUR OF PARTS 6 TO 11 ON PLAN 4R-20298 OVER PARTS 2 AND 5 ON PLAN 4R-20298 AS IN OC487047. TOGETHER WITH A RIGHT OF WAY OVER PARTS 8 AND 9 ON PLAN 4R-20298 AS IN OC487047.

Known municipally as 110 Central Park Drive, Ottawa, ON.

SCHEDULE

“B” RECEIVER

CERTIFICATE

CERTIFICATE NO. _ _ _ _ _

AMOUNT\$.....

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") without security, of all present and future property, assets and undertakings of 1230172 Ontario Inc., (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, which property includes, without limitation, the real property described municipally as 110 Central Park Drive, Ottawa, Ontario, (the "Property"), appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the day of , 2025 (the "**Order**") made in an application having Court file number CV-25-00098742-0000, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$,being part of the total principal sum of \$1,000,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2025

KSV Restructuring Inc., solely in
its capacity as Receiver of 1230172
Ontario Inc., and not in its personal or
corporate capacity

Per: _____

Name:

Title:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.
Applicant

1230172 ONTARIO INC.
and
Respondent

Court File No. CV-25-00098742-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

**APPLICATION UNDER SUBSECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED AND
SECTION 101 OF THE *COURTS OF JUSTICE*
ACT, R.S.O. 1990, c. C.43, AS AMENDED**
Proceeding commenced at Ottawa

ORDER
(APPOINTING RECEIVER)

GARFINKLE BIDERMAN LLP

Barristers & Solicitors
1 Adelaide Street East, Suite 801
Toronto, Ontario M5C 2V9

Wendy Greenspoon-Soer – LSO#: 34698L

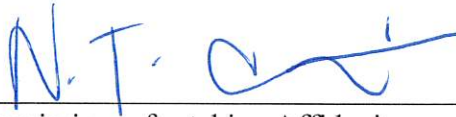
Tel: 416-869-1234

Email: wgreenspoon@garfinkle.com

Lawyers for the Applicant,
Cameron Stephens Mortgage Capital Ltd.

File Number: 6243-809

This is **Exhibit "E"** referred to in the
Affidavit of David Oswald Choo, located in the
City of Ottawa, in the Province of Ontario,
sworn before me in the City of Ottawa, in the Province of Ontario,
this 27th day of October 2025,
in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A commissioner for taking Affidavits
(or as may be)

Nelly Tavares Coutinho,
A Commissioner, etc.,
Province of Ontario, for **Mann Lawyers**
LLP.
Expires June 16, 2028

**First Report to Court of
KSV Restructuring Inc.
as Interim Receiver of Ashcroft Urban
Developments Inc., 2067166 Ontario Inc.,
2265132 Ontario Inc., Ashcroft Homes – La
Promenade Inc., 2195186 Ontario Inc.,
1384274 Ontario Inc., Ashcroft Homes –
Capital Hall Inc. and 1019883 Ontario Inc.**

February 14, 2025

Contents	Page
1.0 Introduction	1
1.1 Purposes of this First Report.....	2
1.2 Restrictions.....	3
1.3 Court Materials	3
1.4 Defined Terms.....	3
1.5 Currency	3
2.0 Background	4
2.1 Overview of the Companies	4
3.0 Conversion to Receivership	8
4.0 Property Management.....	9
4.1 Park Place Senior, Promenade Senior and Ravines Senior	9
4.2 Envie I and II - Property Management.....	10
5.0 Activities of the Interim Receiver	10
5.1 ReStays - Broker Proposals	12
5.2 Park Place Senior - United Steelworkers Union.....	12
5.3 Envie I – Sale Process	13
5.4 Envie II – Insurance Claim	13
5.5 Envie II – Condo Lien Registration.....	14
6.0 Companies’ Refinancing Efforts.....	15
7.0 Funding of these Proceedings	16
7.1 Interim Statement of Receipts and Disbursements	16
7.2 Head Office Company Funding	16
8.0 Conclusion and Recommendation	17

Appendices

Appendix	Tab
Honourable Justice Mew’s decision dated December 20, 2024	A
Interim Receivership Order issued January 3, 2025.....	B
Letter to the USW dated February 5, 2025	C
Proposed Condo Lien Regularization Order	D
Statement of Receipts and Disbursements - ReStays.....	E
Statement of Receipts and Disbursements - Park Place Senior	F
Statement of Receipts and Disbursements - Ravines Senior	G
Statement of Receipts and Disbursements - Promenade Senior	H
Statement of Receipts and Disbursements - Envie I	I
Statement of Receipts and Disbursements - Envie II	J
Statement of Receipts and Disbursements - Head Office	K

COURT FILE NO.: CV- 24-00098058-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

**AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC.,
2067166 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA
PROMENADE INC., 2195186 ONTARIO INC., ASHCROFT HOMES –
CAPITAL HALL INC. AND 1019883 ONTARIO INC.**

**FIRST REPORT OF KSV RESTRUCTURING INC.
AS INTERIM RECEIVER**

FEBRUARY 14, 2025

1.0 Introduction

1. On December 5, 2024, the Ontario Superior Court of Justice (the "Court") issued an order granting protection under the *Companies' Creditors Arrangement Act* (the "CCAA Proceedings") to Ashcroft Urban Developments Inc. ("ReStays"), 2067166 Ontario Inc. ("Park Place Senior"), 2265132 Ontario Inc. ("Ravines Senior"), Ashcroft Homes – La Promenade Inc. ("Promenade Senior"), 2195186 Ontario Inc. ("Envie I"), Ashcroft Homes – Capital Hall Inc. ("Envie II") and 1019883 Ontario Inc. (the "Head Office Company", and collectively with 1384274 Ontario Inc. ("138 Ontario") the "Companies", and each individually referred to herein as a "Company"). The CCAA Proceedings also included 2139770 Ontario Inc. ("Ravines Retirement"), which is not subject to the interim receivership proceedings.
2. Several of the Companies' lenders opposed the continuation of the CCAA Proceedings at the comeback motion heard on December 12, 2024. Pursuant to the Honourable Justice Mew's decision dated December 20, 2024 (the "Decision"), the Court dismissed the motion to extend the CCAA Proceedings and granted motions made by ACM Advisors Ltd. ("ACM") and certain other lenders to appoint KSV Restructuring Inc. ("KSV") as interim receiver of the Companies, and by Central 1 Credit Union ("Central") to appoint BDO Canada Ltd. ("BDO") as receiver of Ravines Retirement. A copy of the Decision is provided as Appendix "A".

3. On January 3, 2025, the Court issued an order (the “Interim Receivership Order”) appointing KSV as the interim receiver (the “Interim Receiver”), without security, of all the property, assets and undertakings (together, the “Property”) of the Companies pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.¹ A copy of the Interim Receivership Order is attached as Appendix “B”. The Court also issued an order appointing BDO as receiver of Ravines Retirement.
4. KSV is aware of a separate receivership application recently filed against another Ashcroft entity, 1230172 Ontario Inc. (“1230 Ontario”), which operates a retirement and nursing home facility adjacent to Park Place Senior. The application was filed by Cameron Stephens Mortgage Capital Ltd., 1230 Ontario’s principal secured lender. KSV has been proposed as the receiver and manager in that application and KSV has consented to act in that capacity. As at the date of this First Report, that application is in the process of being scheduled.
5. As discussed further below, the Companies manage several properties from the Head Office Company, which is located in Nepean, Ontario. The Companies’ real property consists of: (i) seniors facilities (Park Place Senior, Ravines Senior and Promenade Senior); (ii) student residences (Envie I and Envie II); and (iii) a hotel (ReStays). There are one or more mortgages registered on title to the real property owned by each of the Companies. 138 Ontario owns the parking lot that is used by Ravines Senior.
6. KSV is filing this report (the “First Report”) in its capacity as Interim Receiver.

1.1 Purposes of this First Report

1. The purposes of this First Report are to:
 - a) provide background information on the Companies and these proceedings;
 - b) explain the rationale to convert the interim receivership over the Companies to a receivership pursuant to Section 243 of the BIA, based on the Commercial List model Receivership Order (with minor amendments required in the circumstances);
 - c) summarize the activities of the Interim Receiver since its appointment, including its dealings with the Companies’ key stakeholders;
 - d) summarize the basis on which these proceedings have been funded, including by providing an interim statement of receipts and disbursements for each of the Companies;

¹ 138 Ontario was not an applicant in the CCAA Proceedings. ACM has a mortgage registered on title to the real property owned by this Company but was included in ACM’s interim receivership application and is subject to the mortgage security held by ACM.

- e) recommend that this Court issue Orders, among other things:
 - i. terminating KSV as Interim Receiver;
 - ii. appointing KSV as receiver and manager of Park Place Senior, Ravines Senior, Promenade Senior, Envie I and the Head Office, along with separate receivership orders for each of ReStays and Envie II;
 - iii. amending the title of proceedings in this matter to reflect the receivership and the Companies within this proceeding;
 - iv. regularizing the process for *Condo Act* (defined below) liens in respect of condominium units owned by Envie II, including the process for determining a dispute regarding any *Condo Act* lien, as set out below; and
 - v. approving this First Report and the activities of the Interim Receiver as described herein.

1.2 Restrictions

1. In preparing this First Report, the Interim Receiver has relied upon the Companies' unaudited financial information, books and records, discussions with the Companies' management team, the affidavit of David Choo, the Companies' president and founder, sworn December 3, 2024 (the "Choo Affidavit") and information available in the public domain.
2. The Interim Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this First Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Interim Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party, other than the Court, wishing to place reliance on the financial information should perform its own diligence.

1.3 Court Materials

1. Copies of the Court materials filed to-date in these proceedings, including KSV's report as proposed interim receiver dated December 11, 2024 (the "Pre-Filing Report") are available on the Interim Receiver's case website: <https://www.ksvadvisory.com/experience/case/ashcroft> (the "Case Website").

1.4 Defined Terms

1. Capitalized terms not defined in this First Report are based on the definitions provided in the Interim Receivership Order.

1.5 Currency

1. All currency references in this First Report are in Canadian dollars.

2.0 Background

2.1 Overview of the Companies

1. The Companies are incorporated in Ontario and are entities within the Ashcroft Homes Group, a residential and commercial real estate developer owned, directly or indirectly, by Mr. Choo.
2. Ashcroft Homes Group primarily operates in the Ottawa area. Information about each of the Companies is provided below.
3. Additional background information on the Companies and the Ashcroft Homes Group is included in the Choo Affidavit.

ReStays

1. ReStays owns a property located at 101 Queens Street, Ottawa and 110 Sparks Street, Ottawa. ReStays operates a luxury hotel and condominium which includes:
 - 111 residential fully-furnished rental units, available for short or longer-term stays;
 - 21,200 square feet of commercial and retail space, which is largely vacant;
 - 227 underground parking spaces; and
 - 18 unsold residential condominium units.
2. The four components of the property operate under separate condominium registrations and boards.
3. CMLS Financial Ltd. ("CMLS") is the principal secured creditor of ReStays. CMLS holds a first ranking mortgage and general assignment of rents registered on title to the ReStays property securing the obligations under a loan agreement dated August 9, 2021 (the "ReStays Loan").
4. As at the commencement of these proceedings, CMLS was owed approximately \$52 million under the ReStays Loan.
5. As at February 12, 2025, ReStays employed 35 full-time and part-time employees.

Park Place Senior

1. Park Place Senior operates as an independent living senior's residence located at 120 Central Park Drive, Ottawa. The facility is a six storey, 99 suite apartment building with various amenities and parking.
2. Computer Trust Company of Canada ("Computershare"), as trustee and title holder for ACM, is the principal secured creditor of Park Place Senior, pursuant to a commitment letter dated November 25, 2022 (as amended, the "Park Place ACM Loan"). The Park Place ACM Loan is secured by a first-ranking mortgage over the real property of Park Place Senior. The commitment letter also provides that the Park

Place ACM Loan is cross-collateralized over the real property of Ravines Senior in connection with a loan made by ACM to Ravines Senior (as described below). The security for the Park Place ACM Loan also includes, among other things, a general assignment of rents over the real property of Park Place Senior and a general security agreement over all present and after-acquired personal property of Park Place Senior.

3. As at the commencement of these proceedings, ACM was owed approximately \$19 million under the Park Place ACM Loan.
4. The Interim Receiver understands that Institutional Mortgage Capital Canada Inc. ("IMC") is also a secured creditor of Park Place Senior pursuant to a loan agreement dated December 5, 2022 (the "Park Place IMC Loan"). Ravines Senior is a co-borrower under the Park Place IMC Loan, and is jointly and severally liable for the Park Place IMC Loan. The Park Place IMC Loan is secured by a second-ranking mortgage and general assignment of rents over the real property of both Park Place Senior and Ravines Senior, a general security agreement over the assets and undertaking of both Park Place Senior and Ravines Senior, and an agreement to grant IMC a mortgage over the parking facility owned by 138 Ontario.
5. As at the commencement of these proceedings, IMC was owed approximately \$11.5 million under the Park Place IMC Loan.
6. As at February 12, 2025, Park Place Senior employed 54 full-time and part-time employees. As discussed in Section 5.2 below, the employees of Park Place Senior are members of Local 8327 of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (the "USW").

Ravines Senior

1. Ravines Senior operates as independent living senior's residence located at 636 Prado Private, Ottawa. The facility is an eight storey, 138 suite apartment building with various amenities and access to a shared parking facility owned by 138 Ontario.
2. Computershare, as trustee and title holder for ACM, is the principal secured creditor of Ravines Senior and 138 Ontario pursuant to a commitment letter dated November 25, 2022 (as amended, the "Ravines ACM Loan"). The Ravines ACM Loan is secured by a first-ranking mortgage over the real property of Ravines Senior. The commitment letter also provides that the Ravines ACM Loan is cross-collateralized over the real property of Park Place Senior, pursuant to a loan provided by ACM to Park Place Senior (as described above). The security for the ACM Loan also includes, among other things, a general assignment of rents over the real property of Ravines Senior and 138 Ontario and a general security agreement over present and after-acquired personal property of Ravines Senior and 138 Ontario.
3. As at the commencement of these proceedings, ACM was owed approximately \$40.7 million under the Ravines ACM Loan.
4. As described above, Ravines Senior is the co-borrower and is jointly and severally liable under the Park Place IMC Loan.

5. As at February 12, 2025, Ravines Senior employed 64 full-time and part-time employees.

Promenade Senior

1. Promenade Senior operates as an independent living senior's residence located at 150 Rossignol Drive, Ottawa. The facility is a six storey, 152 suite apartment building with various amenities and parking.
2. Promenade Senior also owns vacant land located at 100 Rossignol Drive, Ottawa.
3. IMC is the secured creditor of Promenade Senior pursuant to a commitment letter dated September 24, 2020 (as amended, the "Promenade IMC Loan"). The Promenade IMC Loan is secured by a first-ranking mortgage over the real property of Promenade Senior and includes an assignment of rents and a general security agreement over all present and after-acquired real and personal property of Promenade Senior.
4. As at the commencement of these proceedings, IMC was owed approximately \$37 million under the Promenade IMC Loan.
5. As at February 12, 2025, Promenade Senior employed 49 full-time and part-time employees.

Envie I

1. Envie I operates a student residence located at 101 Champagne Rd, Ottawa. The facility is a 29 storey, 185-unit apartment building with 1,850 square feet of retail space and various shared amenities.
2. As at the date of the Interim Receivership Order, the property was managed by Envie I and certain employees of the Head Office Company, with occupancy at approximately 70%.
3. People's Trust Company ("People's Trust") is the principal secured creditor of Envie I pursuant to a loan agreement dated October 24, 2017 (the "People's Loan"). The People's Loan is secured by first-ranking mortgage and general assignment of rents over the real property of Envie 1, and a general security agreement over the assets and undertaking of Envie I.
4. As at the commencement of these proceedings, People's Trust was owed approximately \$55.6 million under the People's Loan.
5. ACM is the second-ranking secured creditor of Envie I pursuant to a loan dated November 24, 2017 (the "Envie I ACM Loan"). The Envie I ACM Loan is secured by a second-ranking mortgage and general assignment of rents over the real property of Envie I.
6. As at the commencement of these proceedings, ACM was owed approximately \$11 million under the Envie I ACM Loan.

7. Envie I is also subject to a claim by Canada Revenue Agency ("CRA") for past due HST of approximately \$3.5 million, plus penalties and interest, which continue to accrue. The claim relates to a reassessment by CRA in 2019 when Envie I's construction was completed. Envie I filed a Notice of Appeal in 2020, objecting to CRA's reassessment. This matter is presently before the Tax Court of Canada. The Interim Receiver has been corresponding with Envie I's counsel relating to this dispute.
8. As at February 12, 2025, Envie I employed 23 full-time and part-time employees.

Envie II

1. Envie II owns 110 of 353 condominium units in a property which was purpose built to operate as a student and young professionals rental building located at 105 Champagne Rd, Ottawa. Envie II is adjacent to Envie I.
2. Similar to Envie I, as at the date of the Interim Receivership Order, rental of the units owned by Envie II was managed by Envie I and certain employees of the Head Office Company, with occupancy at approximately 70%. However, the building is managed by an independent third party engaged by the condominium association.
3. Equitable Bank is the principal secured creditor of Envie II pursuant to a loan agreement dated September 1, 2022 (the "Equitable Bank Loan"). The Equitable Bank Loan is secured by a first-ranking mortgage and general assignment of rents over the real property of Envie II, and a general security agreement over the assets and undertaking of Envie II.
4. As at the commencement of these proceedings, Equitable Bank was owed approximately \$24.3 million under the Equitable Bank Loan.
5. Envie I shares employees with Envie II.

Head Office Company

1. The Head Office owns a 28,349 square foot property located at 18 Antares Drive, Nepean, which primarily serves as the head office of the Ashcroft Homes Group. The employees of the Head Office provide management support services to all entities operating within the Ashcroft Homes Group, including the Companies subject to the Interim Receivership Order.
2. Canadian Western Bank ("CWB") is the principal secured creditor of the Head Office Company pursuant to a commitment letter dated March 18, 2022 (as amended, the "CWB Loan"). The CWB Loan is secured by, among other things, a first-ranking mortgage and general assignment of rents over the real property of the Head Office Company, and a general security agreement over the present and after-acquired real and personal property of the Head Office Company.
3. As at the commencement of these proceedings, CWB was owed approximately \$4.1 million under the CWB Loan.

4. CRA has registered a lien on title to the real property owned by the Head Office Company in the amount of approximately \$1.1 million (the “CRA Lien”). The Interim Receiver understands that the CRA Lien was registered to secure outstanding excise tax obligations owing by the Head Office Company.
5. As at February 12, 2025, the Head Office Company employed 10 full-time and part-time employees. As discussed in Section 7.2 below, the headcount at the Head Office Company has recently been reduced.

3.0 Conversion to Receivership

1. KSV’s appointment as Interim Receiver was made pursuant to, among others, section 47(1) of the BIA, which provides that it is “*until the earliest of:*
 - a) *the taking of possession by a receiver, within the meaning of subsection 243(2), of the debtor’s property over which the interim receiver was appointed;*
 - b) *the taking of possession by a trustee of the debtor’s property over which the interim receiver was appointed; and*
 - c) *the expiry of 30 days after the day on which the interim receiver was appointed or of any period specified by the court*”. [emphasis added]
2. Accordingly, the appointment is, per the statute, intended to be temporary.
3. The proposed receivership orders being sought in this motion are substantially the same as the Interim Receivership Order, but for the lack of a time limitation regarding the duration of the Order, and authorization for the Receiver to market and sell the Companies’ property. The proposed receivership orders are largely consistent with the Commercial List model receivership order, except for changes which KSV, as proposed receiver, believes are appropriate in the circumstances of these proceedings.
4. KSV has consulted with the Companies’ principal lenders concerning the proposed receivership orders. KSV understands that the principal lenders consent to the terms of the proposed receivership orders.
5. As ReStays and Envie II operate businesses which are relatively unique from the other businesses² and their mortgagees are different from the mortgagees registered on title to the real property owned by the other Companies, their respective mortgage lenders (CMLS as it relates to ReStays and EQB as it relates to Envie II) expressed a preference for the proceedings to be separate from the remaining Companies. KSV does not believe that this will impair the conduct of the various receivership proceedings.

² While Envie I and Envie II are similar, the two properties target different demographics and rental term durations. The two are also managed separately, as discussed further in Section 4.

6. KSV is of the view that its appointment as Receiver is reasonable and appropriate at this time as it will allow for: (i) the Companies' businesses to continue to be managed under the supervision of the Receiver; and (ii) processes to be considered and implemented, as appropriate, to maximize value for the applicable secured lenders and other stakeholders. Furthermore, it is appropriate, in KSV's opinion, for it to be appointed as Receiver given that it has been involved with stabilizing each of the Companies' businesses since being appointed as Interim Receiver, it has been working with the Companies' operational and executive management teams to familiarize itself with the Companies' operations, and it has worked with the Companies and their stakeholders, including secured lenders and Retirement Homes Regulatory Authority ("RHRA"), the regulator that oversees the operations of the retirement facilities, to address the key issues affecting the Companies. The Interim Receiver understands that each of the Companies' secured lenders supports the conversion of interim receivership to receivership proceedings, which has been the stated intention for these proceedings since the CCAA proceedings were terminated.
7. If the receivership orders are granted: (a) Park Place Senior, Ravines Senior, Promenade, Envie I and the Head Office Company will be subject to the receivership order in this court file number; and (b) ReStays and Envie II will be subject to receivership orders in new court file numbers. Ravines Retirement continues to be subject to the BDO receivership. As such, the Interim Receiver recommends that the title of proceedings be updated to accurately reflect the relevant parties in CV- 24-00098058-0000 going forward.
8. As noted above, KSV is also the proposed receiver and manager of 1230 Ontario in a pending application before the Court brought by Cameron Stephens Mortgage Capital Ltd.

4.0 Property Management

4.1 Park Place Senior, Promenade Senior and Ravines Senior

1. As set out in the Pre-Filing Report, KSV intended to engage Brightwater Senior Living ("Brightwater") upon its appointment as Interim Receiver to review the operations of the three retirement facilities over which it was appointed, being Park Place Senior, Promenade Senior and Ravines Senior. KSV and Brightwater entered into an engagement letter dated January 3, 2025. Brightwater's initial mandate includes evaluating the current condition of each of the retirement communities, identifying operational issues and making recommendations to improve operations. Brightwater's credentials to act in this capacity were included as an appendix to the Pre-Filing Report.
2. Since its appointment, the Interim Receiver has worked extensively with Brightwater to facilitate its review process, including arranging several onsite visits and interviews with the employees of the three retirement facilities and the Head Office Company. On February 6, 2025, Brightwater issued a report, a copy of which was provided by the Interim Receiver to the applicable mortgagees (ACM and IMC).

3. Brightwater is currently in the process of being engaged as property manager to oversee the operation of the retirement communities and implement its recommendations, in consultation with the applicable mortgagees and KSV. The Interim Receiver has also advised RHRA of the intended retention of Brightwater as property manager.

4.2 Envie I and II - Property Management

1. As discussed in the Pre-Filing Report, the Interim Receiver intended to engage Varsity Properties Inc. ("Varsity"), which owns and operates student housing residences, as a consultant to review and provide recommendations on the operations of Envie I and II. Varsity's credentials to act in this capacity were included as an appendix to the Pre-Filing Report.
2. The Interim Receiver engaged Varsity on January 4, 2025. The Interim Receiver met onsite with Varsity's principals and the current management of Envie I and II. Varsity was also provided with information on the two properties, including rent rolls, demographics and historical financial results.
3. On January 17, 2025, Varsity issued a report to the Interim Receiver, which the Interim Receiver shared on a confidential basis with the mortgagees of the student residences (People's Trust, ACM and Equitable Bank).
4. Based on its review, Varsity recommended that, among other things: (i) it be appointed as property manager regarding Envie I to supplement and oversee existing management; and (ii) Ottawa Property Managers ("OPM"), being the rental manager at Envie II engaged by the owners of the majority of the condominium units not owned by Envie II, be engaged as rental manager for that property.
5. On February 10, 2025, the Interim Receiver executed a property management agreement with Varsity. The effective date of the agreement is March 3, 2025 which is intended to provide Varsity with the opportunity to take on the property management responsibilities at Envie I.
6. The Interim Receiver is presently finalizing an agreement with OPM related to Envie II.

5.0 Activities of the Interim Receiver

1. Since its appointment, the Interim Receiver's activities include the following:
 - a) attending at the Head Office Company on a near daily basis to work with employees of the Ashcroft Group concerning the operations of the Companies' businesses;
 - b) establishing cash management procedures for each of the Companies and working with the Ashcroft Group's bank, Canadian Imperial Bank of Commerce ("CIBC"), and its legal counsel, in this regard;
 - c) dealing with insurance matters, including adding the Interim Receiver as an additional insured and loss payee on each of the Companies' policies;

- d) engaging an IT service provider to conduct a backup of the Companies' systems and servers;
- e) corresponding with each of the Companies' mortgagees and/or their respective legal counsel regarding all material matters in these proceedings;
- f) drafting statutory reports pursuant to Subsections 245(1) and 246(1) of the BIA;
- g) assisting the Companies to prepare and implement a communication plan for internal and external stakeholders, including vendors, tenants and employees;
- h) attending periodically at each of Companies' real properties;
- i) preparing cash flow projections for each of the Companies and providing budget-to-actual variance analyses to the Companies' mortgagees;
- j) overseeing the affairs of the Companies' businesses, including controlling receipts and disbursements;
- k) corresponding with representatives of the RHRA and its legal counsel in connection with Park Place Senior, Promenade Senior and Ravines Senior;
- l) working closely with Brightwater and Varsity concerning their engagements as property managers of the retirement residences and the Envie I student residences, respectively;
- m) corresponding with the Monitor appointed in the Companies' CCAA proceedings and issuing the CCAA Termination Certificate on January 14, 2025, in accordance with the Interim Receivership Order;
- n) considering offers for certain of the condominium units owned by ReStays, and discussing same with CMLS and the Companies' counsel involved in preparing condominium disclosure documents;
- o) meeting and corresponding with Home Construction Regulatory Authority regarding the license held by an affiliate of ReStays and the Interim Receiver's authority to sell individual condominium units;
- p) working with Blaney McMurtry LLP ("Blaney") and Norton Rose Fulbright Canada LLP ("NRF"), the Interim Receiver's legal counsel in these proceedings³;
- q) instructing Blaney and NRF to provide opinions on the validity and enforceability of each of the Companies' senior mortgagees' security;
- r) responding to emails and calls from creditors, suppliers, tenants, employees and other stakeholders;

³ Blaney for Envie I, Envie II and ReStays, and NRF for the remaining Companies.

- s) maintaining the Case Website for these proceedings; and
- t) drafting this First Report and reviewing and commenting on all Court materials filed in connection with the Interim Receiver's motion returnable February 24, 2025.

5.1 ReStays - Broker Proposals

1. On January 15, 2025, the Interim Receiver solicited proposals from three national realtors to act as listing agent to market and sell the ReStays property. KSV has previously worked with the selected realtors, each of which has considerable experience in the hospitality sector and a local presence.
2. The Interim Receiver requested that each realtor provide background information regarding its experience, a marketing plan for the ReStays property, an estimate of the value of the ReStays property under different scenarios (including as an apartment complex) and its proposed commission structure.
3. The Interim Receiver met with representatives of the three realtors and attended site tours with the general manager of ReStays. The Interim Receiver also provided the realtors with access to a virtual data room after they signed a confidentiality agreement.
4. The Interim Receiver is presently reviewing the three proposals received from the realtors, in consultation with CMLS, as the principal secured creditor over ReStays.
5. The Receiver, if appointed, may bring a motion for approval of a sale process forthwith once a realtor is selected.

5.2 Park Place Senior - United Steelworkers Union

1. The employees of Park Place Senior are members of Local 8327 of the USW pursuant to a collective bargaining agreement dated April 20, 2022 (the "CBA"). The CBA also includes employees of 1230 Ontario⁴, a related entity which is subject to the pending receivership application discussed above.
2. On January 20, 2025, the Interim Receiver received a Notice to Bargain under the CBA, which expires on April 19, 2025. The USW has also advised the Interim Receiver of several recently filed grievances in connection with unpaid union dues and pension contributions.
3. NRF, on behalf of the Interim Receiver, has been corresponding with USW representatives in connection with these issues. A copy of NRF's letter to the USW dated February 5, 2025 is attached as Appendix "C".

⁴ "1230772 Ontario Inc" appears to be a typo in the CBA. The Interim Receiver believes the correct entity is 123072 Ontario Inc.

5.3 Envie I – Sale Process

1. As discussed in the Choo Affidavit and contemplated in paragraph 8(e) of the Interim Receivership Order⁵, Envie I had commenced a sale process prior to commencement of the CCAA Proceedings. The sale process was carried out by CMLS Advisory, Envie I's sales agent. CMLS Advisory had been the sales agent for a third student housing residence owned by an affiliate of Envie I which was sold in October 2024.
2. Following its appointment as Interim Receiver, the Companies' management provided to the Interim Receiver a copy of a non-binding letter of intent that had been accepted by Envie I on December 17, 2024 (the "LOI"), and a draft agreement of purchase and sale prepared by the proposed purchaser ("APS").
3. The Interim Receiver met with CMLS Advisory to discuss its process and the steps that led to acceptance of the LOI. CMLS Advisory recommended that the transaction contemplated in the LOI proceed for reasons that will be summarized in a subsequent report to Court if the transaction becomes unconditional.
4. The Interim Receiver and Blaney have been corresponding regularly with counsel to the proposed purchaser to finalize the APS, which is subject to ongoing diligence. Drafts of the APS have been shared with People's Trust and ACM (Envie I's secured lenders), and with Mr. Choo.
5. The Interim Receiver is presently close to finalizing the APS. A summary of the sale process and the transaction will be provided in a subsequent motion to the Court, if the proposed purchaser waives its conditions.

5.4 Envie II – Insurance Claim

1. As discussed in the Choo Affidavit, Envie II filed a statement of claim in 2020 against Northbridge General Insurance Corporation ("Northbridge"), its insurer, relating to fire damage that occurred in 2018. The total claim is for approximately \$60 million. Northbridge is defending the matter.
2. The Interim Receiver and Blaney received copies of the pleadings from Conway Baxter Wilson LLP ("Conway"), Envie II's counsel in the Northbridge litigation, and discussed the matter with Conway. The Interim Receiver was advised that the matter is well advanced, expert reports are to be filed by Envie II by February 14, 2025 and by Northbridge before April 17, 2025, with an eight-week trial scheduled to start on October 6, 2025.
3. The Interim Receiver is supportive of Envie II continuing to pursue this insurance claim and its representation by Conway, who has significant background on the claim and Northbridge's defences.

⁵ The section provides that the Interim Receiver is empowered and authorized "in respect of the Property owned by 2195186 Ontario Inc. ("Envie 1"), to continue the sale process currently in place for Envie I (the "Envie I Sale Process") and seek approval by the Court of any transaction for the sale of the business and assets of Envie 1".

5.5 Envie II – Condo Lien Registration

1. The common elements of the Envie II property are owned by the Ottawa-Carleton Standard Condominium Corporation No. 1081 (“OCSCC 1081”). The Interim Receiver understands that OCSCC 1081 charges monthly common expense fees for each unit at the Envie II property (110 of the 353 units are owned by Envie II) and raises funds from unit owners via special assessments when required.
2. Following its appointment, the Interim Receiver was contacted by Davidson Hould Allen LLP (“Davidson”), counsel to OCSCC 1081, which advised that as of January 7, 2025, the Envie II units were in arrears for condominium fees, legal costs and interest (the “Condo Arrears”).
3. Davidson also advised that a payment in the amount of \$68,752 was received on behalf of Envie II after the initial order in the CCAA Proceeding dated December 5, 2024 (the “Initial Order”). OCSCC 1081’s position is that it is entitled to apply this payment to the earliest arrears on Envie II’s account (prior to the December 2024 condo fees). Davidson advised that, following application of the December 2024 payment to the earliest arrears, the sum of \$124,360 remained outstanding for Condo Arrears, which includes \$46,997 for December 2024 condominium fees and \$56,301 for January 2025 condominium fees.
4. The Interim Receiver’s view is that the Initial Order prohibited the December 2024 payment of \$68,752 from being applied against arrears, and that payment was in respect of the December 2024 condo fees. The Interim Receiver has now paid the January and February 2025 condo fees and will continue to pay these fees going forward.
5. Davidson advised of OCSCC 1081’s intention to give notices, and to subsequently register certificates of lien over title to each of the units owned by Envie II, pursuant to the terms of the *Condominium Act, 1998*, S.O. 1998, c. 19 (the “Condo Act”). Davidson further advised that it expected that the legal fees and related disbursements that OCSCC 1081 would incur in respect of the notice would be approximately \$90,000 in aggregate for all of the units owned by Envie II, and an even greater amount if certificates of lien were then required to be issued and registered in respect of these units (which would all be added to the lien amount). Davidson advised that the deadline for issuing notices in respect of OCSCC 1081’s *Condo Act* liens was February 17, 2025.
6. The Interim Receiver’s position is that any *Condo Act* enforcement process was stayed by the Initial Order and continues to be stayed pursuant to the Interim Receivership Order.
7. Instead of seeking an urgent motion date to determine the issue, Davidson and the Interim Receiver agreed on the terms of an order (the “Condo Lien Regularization Order”) that, subject to Court approval, will provide a process whereby OCSCC 1081 will be entitled to a Court-ordered charge which replicates the protection that OCSCC 1081 would receive under the *Condo Act*, while at the same time preserving the rights of the Interim Receiver or any stakeholder to challenge OCSCC 1081’s right to the charge, as well as the timeliness and quantum of any claim made under the Condo Lien Regularization Order. A copy of the proposed Condo Lien Regularization Order is attached as Appendix “D”.

8. The Condo Lien Regularization Order provides a mechanism for OCSCC 1081 to protect its position, if successful, regarding its claim for arrears under the *Condo Act*, as well as to any future claim it may have in the event future condominium fees are not paid when due. The Condo Lien Regularization Order preserves the Receiver's right to contest the claim.
9. In the Interim Receiver's view, the process set out in the Condo Lien Regularization Order best protects the interests of all stakeholders, without placing undue administrative and financial burden on Envie II.
10. In anticipation of the Condo Lien Regularization Order being issued, OCSCC 1081 has provided the Interim Receiver with a Lien Notice (as defined in the Condo Lien Regularization Order) in respect of its purported claim.

6.0 Companies' Refinancing Efforts

1. On February 4, 2025, the Interim Receiver and legal counsel to the mortgagees received correspondence from Blue Rock Law LLP, counsel to the Companies and certain non-receivership affiliated entities, advising that Mr. Choo, on behalf of the Companies, had entered into a non-binding refinancing term sheet (the "Refinancing Term Sheet") with a potential refinancing party (the "Potential Lender"), based in the United States. The purpose of the Refinancing Term Sheet is to refinance all of the mortgage obligations of the receivership entities (including the one being managed by BDO), other than Envie 1 for which a transaction is being negotiated as set out above, such that the ongoing receivership proceedings can be terminated, subject to Court approval.
2. The Refinancing Term sheet includes a 45-day due diligence condition and purported exclusivity. The Interim Receiver has since clarified that as a result of the Interim Receivership Order, the Companies did not, and do not, have the authority to enter into agreements, nor is the Interim Receiver in a position to provide exclusivity and that it is unwilling to do so.
3. Although the Interim Receiver has not yet launched a sale and/or refinancing process, the Interim Receiver advised the Potential Lender that it could continue its due diligence on the basis that it was doing so without any exclusivity and upon executing a confidentiality agreement. The Interim Receiver consulted with certain of the mortgagees in this regard. The Interim Receiver is not aware of any objection by any mortgagee to allowing the Potential Lender to perform due diligence on a non-exclusive basis.
4. KSV, if appointed Receiver, intends in due course to launch a sale or refinancing process, subject to further order of the Court. In the meantime, the Interim Receiver did not see any downside in allowing the Potential Lender to continue its due diligence (on terms acceptable to the Interim Receiver) given that it provides an opportunity to refinance, in full, the mortgages.
5. The Interim Receiver is presently overseeing the Potential Lender's due diligence requests.

7.0 Funding of these Proceedings

7.1 Interim Statement of Receipts and Disbursements

- Attached as Appendices “E” to “K” are interim statements of receipts and disbursements (each an “R&D”) for each of the Companies from the commencement of these proceedings to February 7, 2025. The cash balance in each of the Interim Receiver’s accounts as at February 7, 2025 is set out below⁶.

Debtor	Amount (\$)
ReStays	371,195
Park Place Senior	552,233
Ravines Senior	720,330
Promenade Senior	699,447
Envie I	389,310
Envie II	322,362
Head Office	56,843

- As reflected in the R&Ds:
 - in accordance with the Interim Receivership Order, to the extent the Companies’ cash flow is sufficient, debt service costs have continued to be paid to the applicable mortgagee; and
 - other than overhead costs incurred by the Head Office Company, the Companies’ operations are being funded from cash flow. The basis on which Head Office costs are being allocated across entities and funded is discussed below.

7.2 Head Office Company Funding

- Following its appointment, the Interim Receiver, in consultation with Ashcroft Group management and BDO, developed and implemented a cost sharing mechanism to fund payroll and other costs incurred by the Head Office Company for the benefit of: (i) the Companies; (ii) BDO in its capacity as receiver of Ravines Retirement; and (iii) the other Ashcroft Group entities operating from the Head Office location that are not subject to these interim receivership or other receivership proceedings. All parties consented to the Interim Receiver’s proposed cost sharing methodology.
- On January 27, 2025, the Interim Receiver was advised by the Ashcroft Group that the non-receivership entities would no longer fund their portion of the Head Office Company’s costs. As a result, the Ashcroft Group informed the Interim Receiver that certain Head Office Company employees would need to be terminated immediately. Accordingly, seven Head Office employees have been terminated since January 31, 2025.

⁶ 138 Ontario does not have a bank account as it operates simply as a holding company for the parking facility at Ravines Senior.

3. Since that time, the Interim Receiver's cost sharing formula was adjusted to consider the incremental funding required by the Head Office given that the non-receivership entities were unable to contribute their allocation. To the extent funding is provided by the Companies or BDO to cover the portion of the overhead costs that was previously allocated to the non-receivership entities, those advances are being treated as borrowings secured by the Interim Receiver's Borrowings Charge (as defined in Paragraph 33 of the Interim Receivership Order).
4. As of the date of this First Report, the Interim Receiver has issued Interim Receivership Certificates ⁷ (in accordance with Paragraph 35 of the Interim Receivership Order) from the Head Office Company to certain of the Companies and Ravines Retirement totalling \$56,472.22 and \$7,023.16, respectively.

8.0 Conclusion and Recommendation

1. As set out above, since its appointment, the Interim Receiver has worked to stabilize the businesses, engage property managers, consult with the mortgagees and correspond with regulatory authorities. It is now appropriate for the Interim Receiver to be appointed Receiver so that it can continue to advance these proceedings with a view to stabilizing operations, implementing operational improvements and, in due course, conduct a sale and/or refinancing process. The Interim Receivership Order was always intended to be temporary, and accordingly, it is appropriate, in the Interim Receiver's view, to convert these proceedings to a receivership at this time.
2. Based on the foregoing, the Interim Receiver respectfully recommends that this Honourable Court make an order granting the relief being sought.

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.

IN ITS CAPACITY AS INTERIM RECEIVER OF

ASHCROFT URBAN DEVELOPMENTS INC., 2067166 ONTARIO INC., 2265132 ONTARIO

INC., ASHCROFT HOMES – LA PROMENADE INC., 1384274 ONTARIO INC., 2195186

ONTARIO INC., ASHCROFT HOMES – CAPITAL HALL INC.

AND 1019883 ONTARIO INC. AND NOT IN ITS PERSONAL CAPACITY

⁷ The Receiver Certificates accrue interest at 12% per annum.

This is **Exhibit "F"** referred to in the
Affidavit of David Oswald Choo, located in the
City of Ottawa, in the Province of Ontario,
sworn before me in the City of Ottawa, in the Province of Ontario,
this 27th day of October 2025,
in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A commissioner for taking Affidavits
(or as may be)

Nelly Tavares Coutinho,
A Commissioner, etc.,
Province of Ontario, for Mann Lawyers
LLP.
Expires June 16, 2028

Private and Confidential

January 30, 2025

TERM SHEET

THE FOLLOWING IS A SUMMARY OF THE TERMS OF A PROPOSED TRANSACTION AND IS FOR DISCUSSION PURPOSES ONLY. THIS TERM SHEET SHOULD NOT BE CONSIDERED TO CONSTITUTE A BINDING OFFER, OBLIGATION, AGREEMENT OR COMMITMENT OF FARALLON CAPITAL MANAGEMENT, L.L.C. ("FCM") AND ITS AFFILIATES TO NEGOTIATE, PROCEED WITH, OR CONSUMMATE, THE PROPOSED TRANSACTION. NOTWITHSTANDING ANY ACCEPTANCE HEREOF, THIS TERM SHEET DOES NOT CONSTITUTE A BINDING AGREEMENT OR AN AGREEMENT TO REACH A BINDING AGREEMENT UNLESS AND UNTIL DEFINITIVE AGREEMENTS HAVE BEEN EXECUTED AND DELIVERED. THIS SUMMARY OF TERMS IS CONFIDENTIAL AND MAY NOT BE DISCLOSED TO ANY OTHER PARTY WITHOUT THE PRIOR WRITTEN CONSENT OF FCM.

Borrower:	1019883 Ontario Inc. 2067166 Ontario Inc. 2139770 Ontario Inc. 2265132 Ontario Inc. Ashcroft Homes – La Promenade Inc. Ashcroft Homes – Capital Hall Inc. Ashcroft Urban Developments Inc.
Lender:	One or more affiliates of, or accounts managed by, FCM.
Guarantor:	Ashcroft Homes and all of its material subsidiaries and affiliates, together with such other individuals or entities as Lender may determine to be necessary as a result of its due diligence review and underwriting, including but not limited to David Choo, to the extent applicable.
Property:	Fee simple interest in and to each of the projects / assets described on Exhibit A.
Beneficial Owners:	Borrower will disclose any and all Beneficial Owners of the Property upon sign back of this Term Sheet, all of which shall be included as Guarantors.
Loan Amount:	Up to CDN \$260,000,000 subject to the terms herein. The loan amount can be drawn as required with a minimum draw of CDN \$100,000,000 per draw (except for the final draw) and to be fully drawn within 6 months from the closing date.
Interest Rate:	12% actual/360 (10% current and 2% accruing) fixed or floating rate equivalent based on a spread to benchmark Canadian 1 month term rate. The fixed or floating will be FCM's election at loan origination, in its sole and absolute discretion.
Loan Term:	Twenty-four (24) months. All outstanding principal, interest and fees are payable at maturity.
Origination Fee:	2.00% of the maximum Loan Amount, paid and earned at closing of the Loan.

Exit Fee/MOIC:	MOIC: 1.25x of the Loan Amount including all fees and interest. The MOIC would be reduced to 1.20X if the Borrower sells assets and applies a minimum of CDN \$100,000,000 in net proceeds from the asset sales with a resulting loan to value of no greater than 60% after 12 months from closing. Exit Fee: 2% of the Loan Amount (but no less than required MOIC).
Voluntary Prepayments:	The Loan may be repaid in whole or in part at any time subject to the payment of the applicable Exit Fee in full.
Due Diligence and Funding Timeline:	Due diligence to be completed 45 days after signing term sheet and targeted funding is 5 business days after obtaining Court Approval (subject to lead time required for calling capital). Definitive documents to be settled during the due diligence period.
Recourse and Other Guaranty Requirements:	The Loan will be full recourse to the Borrower and the Guarantors and will be governed by a comprehensive loan agreement containing, without limitation, conditions precedent, affirmative and negative covenants, representations and warranties, event of default, yield maintenance, tax gross up and indemnities. In addition, to the extent determined by Lender to be necessary based on its due diligence review prior to Loan closing, Guarantor shall provide a customary completion guaranty (of cost overruns), if applicable.
Guarantor Equity:	Guarantor net worth, in the aggregate and as at the date of signing this Term Sheet, to be CDN \$581,000,000, as demonstrated by supporting certified evidence satisfactory to the Lender.
Environmental Indemnity:	Borrower and Guarantor, jointly and severally, shall provide a standard commercial Environmental Indemnity Agreement in form and substance acceptable to Lender in its commercially reasonable discretion.
Borrower Minimum Equity:	Borrower equity in the Property, in the aggregate and as at the time of signing this Term Sheet, shall be at least CDN\$206,000,000, as demonstrated by supporting certified evidence satisfactory to the Lender.

Collateral:	Subject to the clause entitled “Court Approval”, Lender will require security documents typical for similar transactions, including, without limitation: (a) a first priority mortgage on the Property and all improvements, amenities and appurtenances thereto (which will be owned by Borrower free and clear of all liens and encumbrances and subject only to permitted title exceptions); (b) a collateral assignment of all rents and leases, personal property sales contracts, and all design, development, service, management, leasing, approved plans and specifications, and construction contracts associated with the Property; (c) a general security agreement (which will include, without limitation, a collateral assignment of all incentives, grants, tax credits, reimbursements and proceeds arising from the acquisition or development of the Property); (d) a collateral assignment of all bank accounts and deposits associated with the Property and an account control agreement with the related depository, if applicable; (e) a subordination, postponement and assignment of all affiliate debt and affiliate management and development fees relating to the Property which Lender shall have the right to terminate after an event of default; (f) a equity pledge and cash sweep of any and all sale proceeds resulting from the sale of Envie 1; (g) a pledge and cash sweep of any and all insurance proceeds resulting from Envie 2; (h) a pledge of any and all assets of the Borrower with a net sale proceeds greater than or equal to CDN \$1,000,000 and/or with an equity value greater than or equal to CDN \$1,000,000; (i) a pledge of 100% of the equity interests of Borrower and associated PPSA registrations; and (j) such other security as the Lender may reasonably request.
Approval Rights	Lender’s consent shall be required for all non-arm’s length arrangements and material business decisions and budgets that deviate beyond a to be agreed upon variance from the agreed upon budget and business plan which shall be further outlined in the loan documents. All work at the Property must be approved by Lender in Lender’s reasonable discretion. The foregoing will each be subject to customary rights in favor of Borrower to modify the budget to effect reallocations of contingency and use of cost savings.
Title:	Borrower shall obtain at its sole cost and expense a Lenders Title Insurance Policy from First Canadian Title Company Limited, or such other title insurer acceptable to the Lender, in any case such policy being acceptable to the Lender, acting reasonably.
Leases / Licenses:	Except for in the normal course of business at fair market value, no Property may be leased or licensed by Borrower in whole or in part (nor entering into any letter of intent for a lease or license), without Lender’s consent. All such leases and licenses shall be subordinate to the Loan pursuant to their terms.
Subordinate Financing:	No direct or indirect financing, secured or unsecured, shall be permitted with respect to Borrower or the Property, including any preferred equity and/or mezzanine loans. No subordinate mortgages, liens, charges or other financial encumbrances or security interests are permitted in respect of the Property (including without limitation, financing leases or other security in respect of any fixtures, furniture, equipment or other personal property) at any time without the prior written consent of the Lender in its sole discretion.

Transfers:	Any transfer of any interest in the Property or any part thereof, or any change of effective voting control of any entity or person having a registered, unregistered or beneficial ownership interest in the Property from time to time (including any change of ownership of more than 50% of the voting securities in the capital structure of such person) will require the prior written consent of the Lender in its sole discretion.
Credit Investigations:	The Borrower authorizes the Lender or its representatives to make inquiries of, and exchange or obtain information, data and credit reports with, third parties regarding the character, general reputation, personal characteristics, financial and credit condition of the Borrower, including its respective directors, officers, shareholders, partners and principals.
Insurance:	Borrower shall provide Lender with evidence of current insurance coverage in compliance with the Loan Documents which include endorsements adding Lender as a loss payee and additional insured. All insurance coverage to include all customary coverage for the Lender and be approved by Lender.
Reporting:	Standard and customary reporting requirements for a Loan of this type, including, without limitation, financial statements, Guarantor financial statements, and such other items as Lender shall request.
Events of Default:	Standard and customary for Loans of this type, including, without limitation, payment, bankruptcy, material adverse change, etc. and any breach of the key person covenant. Key persons shall be the individuals identified in Exhibit B attached hereto. Upon the occurrence of any event of default by or on behalf of the Borrower under this Loan, the Lender shall have the right, without limitation, to appoint a receiver or such other agent as it may deem appropriate. The receiver will have full authority to manage, operate, and dispose of the Borrower's assets to protect the Lender's interests and recover the outstanding loan amount. The Borrower agrees to fully cooperate with the receiver.
Loan Servicing:	Borrower shall pay a loan servicing fee of \$25,000 per month to FCM. Any selection of third-party Servicer shall be in Lender's sole discretion.
Assignments and Bifurcation:	Lender shall have the right prior to closing or during the term of the Loan to assign, participate, or syndicate the Loan to Eligible Institutions (i.e., meeting standard qualifications as to type of entity and size) without the consent of (but following notice to) Borrower. In addition, Lender, in its sole discretion, at Closing or during the term of the Loan, shall have the right to bifurcate the Loan into two or more loans, in amounts as determined by Lender, and Borrower shall cooperate, at its own expense, with any reasonable requests of Lender in connection therewith.
Brokers:	In respect of the broker engaged by the Borrower and Guarantor in this matter (the "Broker"), each agrees to (i) pay all fees and commissions of Broker (noting that the Broker shall be entitled to payment at Closing as to 50% of its fees by way of cash consideration and 50% in the conveyance of units in the reStay RE Residences project), and (ii) jointly indemnify and defend Lender against all costs and expenses incurred by Lender in connection therewith or in connection with any other party claiming a fee, commission or other compensation by or through Borrower, the Guarantor or Broker related to the Loan.

Closing Conditions:	Usual and customary for Loans of this type, including, without limitation, the following: (a) Execution and delivery of loan agreement and all loan documents and security; (b) Standard officer's certificates, evidence of authority and legal opinions as Lender may request; (c) Delivery of an appraisal from an appraiser satisfactory to the Lender (to be obtained by the Lender at the cost of the Borrower), a Phase I environmental report, construction review report, cost to complete analysis, and other third party reports as determined by Lender; (d) Satisfactory review of title prior to closing; (e) Delivery of zoning confirmation letters or zoning reports or opinions and evidence of insurance as Lender may request; (f) Receipt of a policy of lender title insurance and an updated certified survey; (g) No material adverse change in market conditions; and; (h) Borrower's lien free title and ownership of the Property; (i) Satisfactory due diligence review of the Property; (j) Completion of satisfactory KYC in respect of Borrower and Guarantors (k) Personal net worth statement as of the date hereof for David Choo; (l) Lender Investment Committee approval.
Right of First Opportunity:	Borrower grants the Lender a right of first opportunity to provide financing for any future loans or credit facilities sought by the Borrower. Prior to seeking or accepting any financing from third parties, the Borrower shall notify the Lender in writing of the terms and conditions of the proposed financing. The Lender shall have 10 business days from the date of such notice to elect to provide the financing on substantially the same terms and conditions. If the Lender declines or fails to respond within the specified period, the Borrower may seek financing from third parties on terms no more favorable than those offered to the Lender.
Loan Costs:	Borrower shall pay, or cause an entity that is not subject to the receivership proceedings either as a borrower or a guarantor to pay (the paying person, the "Payor"), all of Lender's costs and expenses incurred in connection with the Loan including, but not limited to, appraisal reports, environmental due diligence, site inspections, title, travel expenses, legal fees, insurance, Lender's insurance consultant, documentation, public record searches, escrow, fx (or currency exchange) costs, credit reports, and all other customary closing costs ("Closing Costs"). Borrower, Guarantor and the Payor shall be jointly and severally liable for all Closing Costs whether or not the Loan closes. Borrower and Guarantor hereby authorize any appraisal firm, environmental firm, insurance consultant or such other third-party providers as may be retained by Lender in connection with the Loan to conduct inspections and perform other due diligence on the Property and with respect to Borrower, Guarantor and their equity owners as Lender may request. Notwithstanding the general non-binding nature of this term sheet, the promise to pay all Closing Costs and other third party costs and all other obligations with respect to the deposit for such costs provided herein are and will continue to be valid and legally binding obligations of the Borrower and Guarantor executing this term sheet, made for valuable consideration and enforceable against each of them jointly and severally. Borrower shall also pay all of Lender's costs and expenses incurred in connection with the oversight, administration, supervision and enforcement of the Loan.

Deposit:	Upon execution of this Term Sheet, Borrower or the Guarantor shall cause the Payor to wire an expense deposit of CDN \$400,000 to FCM, which expense deposit shall be non-refundable. Notwithstanding the foregoing, if within 10 days of execution of this Term Sheet, FCM informs Borrower that it will not proceed with the transaction, then FCM shall return any amounts not required for Closing Costs with respect to this transaction (notwithstanding that closing will not occur) or Closing Costs under (and as defined in) the term sheet executed on the date hereof in respect of the transaction contemplated in respect of the Astoria loan (the “Astoria Transaction”); provided, for the avoidance of doubt, that, no return of any portion of the deposit shall be required until all such Closing Costs have been determined. Lender and FCM reserve the right to require additional expense deposits and/or for Closing Costs to be prepaid in advance of closing. To the extent closing occurs, any deposit amounts not utilized for Closing Costs (either under this transaction or the Astoria Transaction) shall be paid to the Payor (or as otherwise directed by the Payor) at closing. The Borrower agrees that it shall not be entitled to any interest on any deposit. Any payment of remaining expense deposit to the Payor (or as otherwise directed by the Payor) shall be paid in US dollars.
Exclusivity:	Upon Borrower’s execution of this Term Sheet, Borrower and Guarantor agree that they are subject to a “No Shop Period” during which Borrower and Guarantor shall not (and shall ensure that none of their sponsors, principals, affiliates, partners, members, representatives, advisors, employees, brokers or agents) directly or indirectly negotiate, entertain, pursue, accept or obtain, nor permit anyone on its behalf to directly or indirectly negotiate, entertain, pursue, accept or obtain, any offers to finance or refinance the Property through debt or through equity (other than the Loan from Lender), and Borrower shall (and shall ensure that all of the foregoing persons) deal exclusively with Lender during the No Shop Period with respect to any financing or financing of the Property. The No Shop Period will terminate 60 days after the execution of this Term Sheet. Notwithstanding the foregoing, Lender will promptly notify Borrower at any such time as Lender determines that Lender is unable or unwilling to proceed to closing on the term set forth herein, in which event the No Shop Period will immediately expire. This provision shall be binding on and enforceable against the Borrower and the Guarantor.
Break-Up Fee:	In the event that i) Borrower fails to close the applicable Loan with Lender and sources capital through any other source other than Borrower equity provided by Guarantor (including through another lender, or other equity source), for any reason aside from any of (x) Lender not proceeding with a Loan on terms outlined herein despite satisfaction of Conditions Precedent (other than non-satisfaction caused by the Lender) and Court Approval, (y) Lender’s inability to agree upon the terms of the loan documents that are not expressly set forth in this Term Sheet notwithstanding both parties’ good faith negotiations to do so, or (z) failure to obtain Court Approval where the Borrower and Guarantors have in good faith pursued or supported the efforts to obtain same, or ii) Borrower, Guarantor or any party described in the “Exclusivity” provision above is in breach of the “Exclusivity” provision above or the “Confidentiality” provision below, Lender shall be entitled to a fee of 2.00% of the maximum Loan Amount (the “Break-Up Fee”). Borrower and each Guarantor shall each be jointly and severally responsible for payment of the Break-Up Fee and shall be jointly and severally responsible for any costs incurred by the Lender in the enforcement of this provision, and Lender shall have no duty to pursue payment of the Break-Up Fee from Borrower in order to enforce this obligation against any Guarantor. This paragraph shall be binding and enforceable against Borrower and each Guarantor as of the date hereof, and shall be earned, without any other or further action required from FCM or the Lender, immediately upon the occurrence of the conditions set forth in this paragraph that give rise to the Break-Up Fee.

Loan-to-Value / Underwritten NOI:	At closing, the As-Is LTV will not exceed 75% and the As-Stabilized LTV will not exceed 65%. The As-Is LTV will not exceed an LTV of 65% after the 1 year maturity. A qualified third-party appraiser shall be selected by the Lender in its sole discretion. At closing, there shall be a minimum underwritten NOI of no less than CDN \$14,000,000. Note: Appraisal shall be based on open market conditions and shall not be based on undue stimulus.
Tax Matters	The Loan Agreements will include all customary tax and tax gross-up provisions as may be required by the Lender.
Court Approval	The Lender acknowledges that the Borrower and the Property are currently subject to receivership proceedings. It is a non-waivable condition precedent of Closing, for the benefit of both the Lender and the Borrower, that Court Approval be obtained within 60 days of the execution of this Term Sheet (provided, that the parties may extend such 60 day deadline upon mutual written agreement). Each of the Borrower and the Lender shall be entitled to provide a copy of this Term Sheet to the receivers upon execution. The Borrower and the Lender agree to use commercially reasonable best efforts to engage with the receivers to gain access for the Lender's due diligence and to enlist the receivers' support for Court Approval and the transactions outlined herein. The 45-day period for due diligence is based on, among other things, (a) the receivers providing prompt confirmation of cooperation and access required for diligence, and (b) the Borrower and receivers ongoing support for Court Approval and the transactions outlined herein. "Court Approval" is an Order or Orders of the court: (a) approving the transactions contemplated by this Term Sheet and the related transaction documents, and (b) authorizing the distribution of the Loan proceeds to the existing mortgagees and discharging and releasing all encumbrances and charges from the Property. In this Term Sheet, "Order" means an (a) order issued by the Ontario Superior Court of Justice in the action bearing court file no. CV-24-00098058-000, and (b) an order issued by the Ontario Superior Court of Justice in the action bearing court file no. CV-24-00097134-0000, in each case, once all applicable appeal periods have expired or lapsed and such order is not subject to any motions for leave to appeal, appeal or applications or motions to amend or vary such order.
Governing Law; Jurisdiction:	This Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario, without regard to principles of conflicts of laws. Any action, suit, proceeding or litigation arising out of or relating in any way to this Term Sheet shall commence and be maintained exclusively in the provincial or federal courts of the Province of Ontario. Borrower and Guarantor will be responsible for Lender's legal fees in the event Borrower or Guarantor is unsuccessful in any action, suit, proceeding or litigation brought against Lender. Each party hereto hereby waives its right to a trial by jury in any action, suit, proceeding or litigation arising out of or relating in any way to this Term Sheet.

Confidentiality:	This Term Sheet is delivered to Borrower and Guarantor on the condition that it remains confidential, and that Borrower and Guarantor shall not show, disclose, or discuss this Term Sheet with any third party (including any financial institution or other lender) without the express written consent of Lender. Borrower may, however, disclose and discuss this proposal with its attorneys and accountants to the extent necessary in connection with consideration of this Term Sheet, the Loan or the Loan Documents (collectively, the “ Documents ”) as long as any such parties have been made aware of the confidential nature of this Term Sheet and agree to keep the information confidential as well. The Borrower may also disclose the Documents to third parties for the express purpose of obtaining Court Approval and to KSV and BDO for the purpose of obtaining their consents.
-------------------------	---

[REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURE PAGE FOLLOWS IMMEDIATELY]

Acceptance:

We are pleased to have the opportunity to work with you in connection with this financing. If the terms and conditions set forth above are acceptable kindly indicate your acceptance of this Term Sheet by fully executing this Term Sheet below and wiring the Deposit by no later than January 31, 2025 after which date this Term Sheet shall be deemed to be null and void and of no further force and effect. This term sheet may be executed in counterparts and may be delivered by electronic transmission.

Farallon Capital Management, L.L.C.*Raj Patel*

By: _____

Name: Rajiv A. Patel

Title: Managing Member

The undersigned Sponsor/Borrower and Guarantor, jointly and severally, hereby apply for approval under the terms indicated above, and acknowledge that this proposal does not constitute a commitment to lend by Lender. By execution below, Sponsor/Borrower and Guarantor hereby represent and warrant that they each have full authority to execute and deliver this Term Sheet which shall be the binding and enforceable agreement of each of them to the extent contemplated herein. This term sheet may be executed in counterparts and may be delivered by electronic transmission.

SPONSOR/BORROWER:**1019883 Ontario Inc.****2067166 Ontario Inc.****2139770 Ontario Inc.****2265132 Ontario Inc.****Ashcroft Homes – La Promenade Inc.****Ashcroft Homes – Capital Hall Inc.****Ashcroft Urban Developments**

By: _____

Name: David Choo

Title: President and Ultimate Shareholder

Date: January 31, 2025

GUARANTOR:_____
David Choo

Acceptance:

We are pleased to have the opportunity to work with you in connection with this financing. If the terms and conditions set forth above are acceptable kindly indicate your acceptance of this Term Sheet by fully executing this Term Sheet below and wiring the Deposit by no later than January 31, 2025 after which date this Term Sheet shall be deemed to be null and void and of no further force and effect. This term sheet may be executed in counterparts and may be delivered by electronic transmission.

Farallon Capital Management, L.L.C.

By: _____

The undersigned Sponsor/Borrower and Guarantor, jointly and severally, hereby apply for approval under the terms indicated above, and acknowledge that this proposal does not constitute a commitment to lend by Lender. By execution below, Sponsor/Borrower and Guarantor hereby represent and warrant that they each have full authority to execute and deliver this Term Sheet which shall be the binding and enforceable agreement of each of them to the extent contemplated herein. This term sheet may be executed in counterparts and may be delivered by electronic transmission.

SPONSOR/BORROWER:**1019883 Ontario Inc.****2067166 Ontario Inc.****2139770 Ontario Inc.****2265132 Ontario Inc.****Ashcroft Homes – La Promenade Inc.****Ashcroft Homes – Capital Hall Inc.****Ashcroft Urban Developments**By: 

Name: David Choo

Title: President and Ultimate Shareholder

Date: January 31, 2025

GUARANTOR:
David Choo

Exhibit A

- **Envie 2 (Capital hall)** : 105 Champagne Avenue South, Ottawa, Ontario
- **reStay RE Residences**: 101 Queen Street, Ottawa, Ontario including all ground floor retail, 111 units as an extended stay hotel and 18 unsold condos, 187 public parking units and 9 parking residential units.
- **Promenade Senior**: 150 Rossignol Drive, Ottawa, Ontario
- **Promenade Excess Land**: 100 Rossignol Drive, Ottawa, Ontario
- **Ravines Retirement**: 626 Prado Private , Ottawa, Ontario
- **Ravines Senior**: 636 Prado Private, Ottawa Ontario
- **Park Place Senior**: 120 Central Park Drive, Ottawa, Ontario
- **Ashcroft Headquarters**: 18 Antares Drive, Ottawa, Ontario

Exhibit B

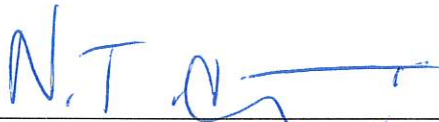
Key Employees

David Choo (Owner and CEO)
Manny DiFilippo (CFO)
Tara Bonsor (Director of Finance)
Rosa Sicoli (VP Sales and Operations)

Exhibit C

SOURCES (all in CDN\$)		USES (all in CDN\$)	
New Lender Debt	\$260,000,000	Payoff Existing Debt	\$228,000,000
		Payables	\$5,000,000
		FA Fees	\$2,600,000
		Lender Origination Fee	\$5,200,000
		Interest Reserve	\$19,000,000
		Other	\$200,000
TOTAL	\$260,000,000		\$260,000,000

This is **Exhibit "G"** referred to in the
Affidavit of David Oswald Choo, located in the
City of Ottawa, in the Province of Ontario,
sworn before me in the City of Ottawa, in the Province of Ontario,
this 27th day of October 2025,
in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A commissioner for taking Affidavits
(or as may be)

Nelly Tavares Coutinho,
A Commissioner, etc.,
Province of Ontario, for Mann Lawyers
LLP.
Expires June 16, 2028

CREDIT AGREEMENT

**1230172 ONTARIO INC., 2067166 ONTARIO INC. AND ASHCROFT HOMES – LA
PROMENADE INC.,
as Borrowers**

- and -

**GEODESIC HOLDINGS LLC,
as Lender**

- and -

**DAVID CHOO, THE DAVID AND SHANTI CHOO FAMILY TRUST (2016), ASHCROFT
HOMES – THE ASTORIA INC., ASHCROFT HOMES – THE ASTORIA II INC., ENVIE
ENTERPRISES INC., ALAVIDA LIFESTYLES INC., 1971446 ONTARIO INC., ASHCROFT
LEASING INC., 2058744 ONTARIO CORP., ASHCROFT HOMES – CITI PLACE INC.,
2058743 ONTARIO CORP., ASHCROFT HOMES – 108 RICHMOND ROAD INC., ASHCROFT
HOMES – 111 RICHMOND ROAD INC., 1230174 ONTARIO INC., ASHCROFT
DEVELOPMENT INC., 1394842 ONTARIO INC., 2280430 ONTARIO INC., 2059989 ONTARIO
INC., 2252514 ONTARIO INC., 1070280 ONTARIO INC., 1561973 ONTARIO INC.,
ASHCROFT HOMES – EASTBORO INC., AND ASHCROFT HOMES – CAPITAL HALL INC.¹,
as Guarantors**

■, 2025

¹ **Note to Draft:** List of guarantor entities is subject to finalization. To be confirmed if Envie 2 will be removed from receivership prior to execution of this agreement.

ARTICLE 1 INTERPRETATION	1
1.1 Definitions	1
1.2 Gender and Number	17
1.3 Interpretation not Affected by Headings, etc.	17
1.4 Currency.....	17
1.5 Certain Phrases, etc.	17
1.6 Accounting Terms and Pro-Forma Calculations.....	18
1.7 Non-Business Days	18
1.8 Incorporation of Exhibits and Schedules.....	18
1.9 Cross-References	18
1.10 Conflict of Terms	18
1.11 Computations of Interest and Fees.....	18
ARTICLE 2 CREDIT FACILITY	19
2.1 Establishment of Credit Facility.....	19
2.2 Evidence of Obligations	22
2.3 Matters Relating to Interest.....	22
2.4 Maximum Interest Rate	23
2.5 Capital Expenditure Reserve	23
2.6 Interest Reserve	25
2.7 Conditions Precedent to Effectiveness of this Agreement.....	26
2.8 Conditions Precedent to Loans under the Credit Facility	27
2.9 Protective Advances.....	27
2.10 Notice Requirements	28
ARTICLE 3 SECURITY	28
3.1 Security Documents	28
3.2 Additional Security Documents.....	31
3.3 Blocked Accounts.....	32
3.4 Opinions	33
3.5 Title Insurance.....	33
3.6 Registration	33
3.7 After-Acquired Secured Property and Further Assurances	33
3.8 Cross Collateralization.....	34
ARTICLE 4 REPRESENTATIONS AND WARRANTIES	34
4.1 Obligors' Representations and Warranties	34
4.2 Deemed Repetition.....	43
ARTICLE 5 COVENANTS	43
5.1 Obligors' Affirmative Covenants.....	43
5.2 Obligors' Negative Covenants	49
ARTICLE 6 EVENTS OF DEFAULT	53
6.1 Events of Default.....	53

6.2	Remedies	55
6.3	Remedies Cumulative	56
6.4	Acceleration.....	56
6.5	Application of Payments	56

ARTICLE 7 INSURANCE	57
----------------------------	-----------

7.1	Insurance Coverage	57
7.2	Policy Terms.....	57
7.3	Comply with Insurance Policies	58
7.4	Application of Insurance Proceeds	58
7.5	Insurance Proceeds under Insurance Proceeds Distribution Threshold	58
7.6	Insurance Proceeds Equal to or in Excess of Insurance Proceeds Distribution Threshold	59
7.7	Insurance Proceeds after Default	59
7.8	Repair, Restoration or Rebuilding of Properties	60
7.9	Proceeds of Expropriation	60

ARTICLE 8 GUARANTEE	60
----------------------------	-----------

8.1	Guarantee	60
8.2	Indemnity.....	60
8.3	Primary Obligation	61
8.4	Obligations Absolute.....	61
8.5	No Release	61
8.6	No Exhaustion of Remedies	62
8.7	Prima Facie Evidence.....	62
8.8	No Set-off.....	62
8.9	Continuing Guarantee	62
8.10	Demand.....	63
8.11	Assignment and Postponement.....	63
8.12	Subrogation	63
8.13	Independent Obligation	63
8.14	Exception	64

ARTICLE 9 COMPENSATION AND SET-OFF	64
---	-----------

9.1	Increased Costs	64
9.2	Taxes	65
9.3	Illegality	66

ARTICLE 10 NOTICES: EFFECTIVENESS; ELECTRONIC COMMUNICATION	67
--	-----------

10.1	Notices, etc.....	67
-------------	-------------------	----

ARTICLE 11 EXPENSES; INDEMNITY: DAMAGE WAIVER	68
--	-----------

11.1	Expenses; Indemnity; Damage Waiver	68
-------------	--	----

ARTICLE 12 SUCCESSORS AND ASSIGNS; PARTICIPATIONS AND AGENTS	69
12.1 Successors and Assigns Generally	69
12.2 Assignment	69
12.3 Participations.....	70
12.4 Appointment of Agent	70
ARTICLE 13	70
RIGHT OF FIRST OPPORTUNITY	70
13.1 Right of First Opportunity.....	70
ARTICLE 14 AMENDMENTS AND WAIVERS	71
14.1 Amendments and Waivers.....	71
ARTICLE 15 GOVERNING LAW; JURISDICTION; ETC.	71
15.1 Governing Law; Jurisdiction; Etc.....	71
ARTICLE 16 WAIVER OF JURY TRIAL	71
16.1 Waiver of Jury Trial.....	71
ARTICLE 17 COUNTERPARTS; INTEGRATION; EFFECTIVENESS; ELECTRONIC EXECUTION	72
17.1 Counterparts; Integration; Effectiveness; Electronic Execution	72
ARTICLE 18 TREATMENT OF CERTAIN INFORMATION: CONFIDENTIALITY	72
18.1 Treatment of Certain Information; Confidentiality	72
ARTICLE 19 LANGUAGE	73
19.1 Language	73

CREDIT AGREEMENT

THIS AGREEMENT made as of ■, 2025.

BETWEEN:

**1230172 ONTARIO INC., 2067166 ONTARIO INC.
AND ASHCROFT HOMES – LA PROMENADE
INC.,**

(collectively, the “**Borrowers**”)

- and -

GEODESIC HOLDINGS LLC,
(the “**Lender**”)

- and -

**DAVID CHOO, THE DAVID AND SHANTI CHOO
FAMILY TRUST (2016), ASHCROFT HOMES –
THE ASTORIA INC., ASHCROFT HOMES – THE
ASTORIA II INC., ENVIE ENTERPRISES INC.,
ALAVIDA LIFESTYLES INC., 1971446 ONTARIO
INC., ASHCROFT LEASING INC., 2058744
ONTARIO CORP., ASHCROFT HOMES – CITI
PLACE INC., 2058743 ONTARIO CORP.,
ASHCROFT HOMES – 108 RICHMOND ROAD
INC., ASHCROFT HOMES – 111 RICHMOND
ROAD INC., 1230174 ONTARIO INC.,
ASHCROFT DEVELOPMENT INC., 1394842
ONTARIO INC., 2280430 ONTARIO INC.,
2059989 ONTARIO INC., 2252514 ONTARIO
INC., 1070280 ONTARIO INC., 1561973 ONTARIO
INC., ASHCROFT HOMES – EASTBORO INC.,
AND ASHCROFT HOMES – CAPITAL HALL INC.**

(collectively, the “**Guarantors**”).

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement the following capitalized words, terms and expressions have the respective meanings set out below:

“Additional Compensation” has the meaning ascribed thereto in Section 9.1(c).

“Additional Security Documents” means those documents referred to in Section 3.2.

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Affiliate Management/Development Fees” means any fees relating to the management and development of any Property that are payable by any Obligor to its Affiliate.

“Agreement”, “this Agreement”, “hereto”, “herein”, “hereof”, “hereby”, “hereunder” and similar expressions used herein shall refer to the whole of this Agreement and any schedule hereto, as amended from time to time.

“Ancillary Collateral (Tranche 1) Properties” means, collectively, the First Priority Ancillary Collateral (Tranche 1) Properties, the Second Priority Ancillary Collateral (Tranche 1) Properties and the Third Priority Ancillary Collateral (Tranche 1) Properties.

“Ancillary Collateral (Tranche 1) Property Owner” means the registered and beneficial owner of any of the Ancillary Collateral (Tranche 1) Properties.

“Ancillary Collateral (Tranche 2) Properties” means, collectively, the lands and premises described under the heading ‘Ancillary Collateral (Tranche 2) Properties’ in Schedule B, together with all related Improvements, Equipment, Leases, Rents, Material Agreements and all other appurtenances thereto and all rights, benefits, interests, proceeds, awards and payments (including insurance proceeds and expropriation awards) of any nature and kind arising from time to time relating to such property.

“Ancillary Collateral (Tranche 2) Property Owner” means the registered and beneficial owner of any of the Ancillary Collateral (Tranche 2) Properties.

“Ancillary Collateral (Tranche 2) Property Sale Proceeds” means the net cash proceeds of the sale of any Ancillary Collateral (Tranche 2) Property after all closing adjustments have been made and after all settlement arrangements have been completed with respect to the property pursuant to the existing applicable forbearance agreement set out in Schedule C.

“Ancillary Properties” means the Ancillary Collateral (Tranche 1) Properties, the Ancillary Collateral (Tranche 2) Properties and the Promenade Retirement property.

“Annual Operating/Capex Budget” has the meaning ascribed thereto in Section 5.1(e)(ii)(E).

“Applicable Laws” means, in respect of any Person or property, all applicable federal, provincial, state or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, and all notices, proceedings, judgments, orders, ordinances, directives, permits, consents, authorizations, licenses, approvals or requirements of every Governmental Authority having, in each case, the force of law, and all applicable

common laws, or equitable principles whether now or hereafter in force or effect, whether in Canada, the United States of America or elsewhere.

“Appraisal” means, in respect of a Property, a “market value appraisal” of such real property (setting out the most probable price estimated in terms of money which the Property would bring if exposed for sale in the open market by a willing seller to a buyer to continue its then current use, which buyer has full knowledge of all factors and encumbrances affecting the Property (but without regard to any existing financing thereon)), which appraisal is: (a) made and signed by an independent third party dealing at arm’s length from each Borrower, with no interest, direct or indirect, in such real property or any business conducted by any Borrower or any of its Affiliates, and who, at the time such appraisal was conducted and signed, was a fully accredited member of the Appraisal Institute of Canada (or its successor or, failing either, another equivalent national Canadian real estate appraisal organization) in good standing, who has a minimum of two years appraising properties in the City of Ottawa that are similar in nature to the Property and who was otherwise acceptable to the Lender; (b) based upon a personal inspection of such real property; (c) prepared in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada; (d) addressed to the Lender or in respect of which the Lender has received a reliance letter satisfactory to the Lender; and (e) which is approved by the Lender in form, substance and date (including that such Appraisal is no more than six months old), acting reasonably, and until such time as a revised or substitute Appraisal is approved by the Lender, the most recent Appraisal approved by the Lender shall govern for the purposes of this Agreement.

“Assignment and Assumption” means an assignment and assumption agreement entered into by the Lender and an assignee, in substantially the form of Exhibit A hereto.

“Astoria Credit Agreement” means the credit agreement dated ■, 2025 among Ashcroft Homes – The Astoria Inc. And Ashcroft Homes – The Astoria II Inc., as borrowers, the Lender, as lender, and David Choo, The David And Shanti Choo Family Trust (2016), 1230172 Ontario Inc., 2067166 Ontario Inc., Envie Enterprises Inc., Alavida Lifestyles Inc., 1971446 Ontario Inc., Ashcroft Leasing Inc., Ashcroft Homes – Citi Place Inc., Ashcroft Homes – 108 Richmond Road Inc., Ashcroft Homes – 111 Richmond Road Inc., 1230174 Ontario Inc., Ashcroft Development Inc., 1394842 Ontario Inc., 2058744 Ontario Corp., 2058743 Ontario Corp., 2280430 Ontario Inc., 2059989 Ontario Inc., 2252514 Ontario Inc., 1070280 Ontario Inc., 1561973 Ontario Inc., Ashcroft Homes – La Promenade Inc., Ashcroft Homes – Eastboro Inc. and Ashcroft Homes – Capital Hall Inc., as guarantors.

“Astoria Event of Default” has the meaning ascribed to the term Event of Default in the Astoria Credit Agreement.

“Astoria Guarantors” means, collectively, Ashcroft Homes – The Astoria Inc. and Ashcroft Homes – The Astoria II Inc.

“Astoria Properties” means, collectively, the lands and premises described under the heading ‘Astoria Properties’ in Schedule B, together with all related Improvements, Equipment, Leases, Rents, Material Agreements and all other appurtenances thereto and all rights, benefits, interests, proceeds, awards and payments (including insurance

proceeds and expropriation awards) of any nature and kind arising from time to time relating to such property.

"Astoria Severance" has the meaning ascribed thereto in Section 4.1(h)(x).

"Availability Expiry Date" means November 30, 2025.

"Available Credit" means \$113,000,000.

"Blocked Account" has the meaning ascribed thereto in Section 3.3.

"Blocked Account Agreement" shall mean a bank agency, account control agreement or similar agreement among the Lender, a Borrower and any financial institution with which such Borrower maintains a Blocked Account, in form and substance satisfactory to the Lender.

"Borrowed Money" means monies borrowed (including interest and other charges in respect thereof) and monies raised by the issue of notes, bonds, debentures or other evidences of indebtedness.

"Borrowers" has the meaning specified in the recitals to this Agreement and **"Borrower"** means any one of them.

"Borrowing Date" means the date on which a Loan is made to the Borrowers pursuant to the provisions hereof.

"Borrowing Date Uses" means the Refinancing Payments (as defined in the Court Approval) and all other amounts to be paid from the proceeds of the Loan on or about the Borrowing Date as set forth in Schedule D, including all fees, costs and expenses payable as of the Borrowing Date for which the Obligors are responsible under the Credit Documents (including pursuant to Section 11.1(a) and the Fee Letters).

"Borrowing Request" means a notice in the form of Exhibit B hereto given by the Borrowers to the Lender for the purpose of requesting a Loan under the Credit Facility.

"Business Day" means any day other than a Saturday or a Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Toronto, Ontario or New York, New York.

"Canadian Dollars", "Cdn." or "\$" means lawful money of Canada.

"Capital Expenditure" means, with respect to any Property, hard and soft costs incurred by a Borrower with respect to replacements and capital repairs made to such Property (including repairs to, and replacements of, structural components, roofs, building systems, parking garages and parking lots), in each case to the extent capitalized in accordance with GAAP.

"Capital Expenditure Reserve Account" has the meaning ascribed thereto in Section 2.5(a).

“Capital Expenditure Reserve Threshold” means an amount equal to the lesser of: (a) the sum of (i) the Residual Loan Proceeds, minus (ii) the Initial Interest Reserve; and (b) the sum of (i) the product of (A) 12, times (B) the Monthly Capital Expenditure Amount, minus (ii) the Initial Interest Reserve.

“Capital Lease Obligations” means, with respect to any Person, any obligation of such Person to pay rent or other amounts under a lease of property, real or personal, moveable or immovable, that prior to the adoption of IFRS 16 would have been required to be classified and accounted for as a capital lease or a liability on the consolidated balance sheet of such Person for financial reporting purposes in accordance with GAAP.

“Change in Applicable Laws” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Laws; (b) any change in any Applicable Laws or in the administration, interpretation or application thereof by any Governmental Authority; or (c) the making or issuance of any Applicable Laws by any Governmental Authority.

“Choo Family Trust” means the David and Shanti Choo Family Trust (2016).

“Claims” means, in respect of any event, circumstance, matter or thing, all actions, proceedings, losses, damages, liabilities, taxes, claims, demands, judgments, rights (including set-off), remedies, costs and expenses of any nature or kind, including legal fees and disbursements on a full indemnity basis.

“Closing Date” means ■, 2025.

“CMLS” means CMLS Financial Ltd.

“Cogir” means Cogir Canadian RH Management L.P.

“Collateral” means all real and all personal property (and the revenues, insurance proceeds, issues, profits, proceeds and products of the foregoing) which are subject, or are intended or required to become subject, to the Security or Liens granted under any of the Credit Documents.

“Commitment” means the commitment by the Lender under the Credit Facility to provide the amount set forth opposite its name in Schedule A annexed hereto, subject to any increase or reduction in accordance with the terms hereof.

“Control” means:

- (a) with respect to any Person that is a corporation, incorporated or unincorporated association, incorporated or unincorporated syndicate, incorporated or other unincorporated organization, trust or other entity (other than a partnership of any kind) which has issued voting securities (including units), the ownership, directly or indirectly, of voting securities of such Person carrying more than 50 percent of the votes for the election of directors (or individuals performing a similar function or occupying a similar position, including the trustees of a trust);

- (b) with respect to any Person that is a trust which has not issued voting securities, control by: the trustee of such trust; or a Person who Controls each trustee of such trust and owns, directly or indirectly more than 50% of the beneficial interests in such trust;
- (c) with respect to any Person that is a partnership that does not have directors (or persons performing a similar function or occupying a similar position) (other than a limited partnership), the ownership directly or indirectly of more than 50% of the interests in such partnership;
- (d) with respect to any Person that is a limited partnership, control by: the managing general partner of such limited partnership; or a Person who Controls the managing general partner of such limited partnership or owns, directly or indirectly more than 50% of the limited partnership interests in such limited partnership; or
- (e) with respect to any Person, the power to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise; and a Person is Controlled (within the meaning of paragraph (a) to (e) of this definition) by a Person when one or more of such first-mentioned Persons are directly or indirectly Controlled (within the meaning of paragraph (a) to (e) of this definition) by the second-mentioned Person, and the terms "Controlled" and "Controlling" shall have corresponding meanings.

"Court" means the Ontario Superior Court of Justice.

"Court Approval" means the orders of the Court in the Receivership Proceedings that, collectively:

- (a) approve the transactions contemplated in this Agreement, including the Credit Documents;
- (b) authorize and direct the Borrowers to employ the proceeds of the Credit Facility to repay Debt, including: (i) the redemption of all mortgages, priority taxes, and charges attached to the Properties included in Receivership Proceedings, (ii) the retirement or provision of such other obligations of the Borrowers as may be necessary or appropriate;
- (c) return and revest in the Borrowers and applicable Guarantors title to and in all of the Properties free and clear of all Liens (other than in favour of the Lender); and
- (d) discharge all of the Receivers except insofar as a receivership proceeding may still be required to effect the sale of any Ancillary Collateral (Tranche 2 Property).

"Credit Documents" means this Agreement, the Participation Agreement, the Security Documents, the Additional Security Documents, the Fee Letters, the Escrow Agreement and all other documents and instruments to be executed and delivered by the Obligors or any other Person to the Lender in connection with the Credit Facility.

"Credit Facility" has the meaning ascribed thereto in Section 2.1.

“Debt” of any Person means with respect to such Person and its Subsidiaries on a consolidated basis but without duplication, all amounts that would be characterized on a Person’s balance sheet as indebtedness in accordance with GAAP, including, for greater certainty, without limitation, whether or not characterized as indebtedness in accordance with GAAP, the aggregate of the following amounts, at the date of determination: (a) all obligations of such Persons for Borrowed Money; (b) all obligations of such Persons issued or assumed for the deferred purchase price of property or services; (c) all Capital Lease Obligations of such Persons; (d) all obligations of such Persons created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Persons (whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (e) all reimbursement obligations, contingent or otherwise, of such Persons under acceptance, letter of credit and similar facilities; (f) all obligations of such Persons to purchase, redeem, retire, defease or otherwise acquire for value any partnership or shareholder or other equity interests of such Persons (for greater certainty, not including obligations with respect to unexercised options and rights of first refusal and where conditions precedent to the obligations have not occurred); and (g) all obligations of the type referred to in paragraphs (a) through (f) above of any other Person, the payment of which such Person or any of its Subsidiaries has guaranteed or for which such Person or any of its Subsidiaries is responsible or liable; excluding trade accounts payable and accrued liabilities arising and payable in the ordinary course of business other than to the extent required to be paid in connection with the completion of the Receivership Proceedings.

“Depreciation and Amortization Expense” in respect of a Person means, in respect of such Person and its Subsidiaries on a consolidated basis, for any period, depreciation, amortization and other similar non-cash expenses of such Person and its Subsidiaries that reduce Net Operating Income for such period, determined on a consolidated basis in accordance with GAAP.

“Distribution” in respect of any Person means any amount paid, directly or indirectly, to a shareholder, partner, director, officer or employee of such Person (or to any Related Person thereto), by way of dividends, distribution of partnership profits, withdrawal of capital, redemption of shares or partnership units, salary, bonus, commission, management fees, directors’ fees, or otherwise, or any other direct or indirect payment in respect of earnings or capital of such Person; provided however that the following shall not be considered Distributions: the payment of salaries, bonuses and commissions from time to time to the officers and employees of such Person, and the payment of directors’ fees to the directors of such Person, in each case provided that such payments are made in the ordinary course of business and in commercially reasonable amounts.

“Divestiture Plan” has the meaning ascribed thereto in Section 5.1(y).

“Eastboro Properties” means, collectively, (a) the property municipally known as 3628 Navan Road, Ottawa, and of a legal description as set out in Schedule B, owned by 2059989 Ontario Inc., (b) the property known as “Eastboro Eastern Lands”, and of a legal description as set out in Schedule B, owned by Ashcroft Homes – Eastboro Inc. and (c) the property known as “Eastboro Phases 2 & 3”, and of a legal description as set out in Schedule B, owned by Ashcroft Homes - Eastboro Inc.

“Envie 2” means the property municipally known as 105 Champagne Avenue, Ottawa, and of a legal description as set out in Schedule B, owned by Ashcroft Homes - Capital Hall Inc.

“Environmental Indemnity Agreement” means the environmental indemnity agreement dated as of the date hereof among the Lender and the Obligors.

“Environmental Laws” mean all Applicable Laws pertaining to the environment, occupational health and safety, in effect as at the date hereof and as may be brought into effect and amended at any time hereafter, including, without limitation, those pertaining to reporting, licensing, permitting, investigation, remediation and cleanup in connection with any presence or release of a Hazardous Substance or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of a Hazardous Substance.

“Environmental Reports” has the meaning ascribed thereto in Section 4.1(i).

“Equipment” means all machinery, equipment, appliances, furniture, furnishings, chattels, tools, fixtures (including all heating, air conditioning, ventilating, waste disposal, sprinkler and fire and theft protection equipment, plumbing, lighting, communications and elevator fixtures) and other similar property of every kind and nature whatsoever that is now or hereafter located upon any real property that forms part of the Properties or that is used exclusively in connection with such real property and that is owned by any of the Borrowers.

“Escrow Agent” means TSX Trust Company, in its capacity as escrow agent under the Escrow Agreement, or such other Person as the Lender may reasonably designate.

“Escrow Agreement” means that certain agreement among the Borrowers, the Lender and the Escrow Agent in respect of the Interest Reserve Account and the Capital Expenditure Reserve Account in form and substance satisfactory to the Lender.

“Event of Default” means any one of the Events of Default set out in Article 6.

“Excluded Assets” means any personal residences of David Choo.

“Excluded Taxes” means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrowers hereunder or under any other Credit Document, (a) taxes imposed on or measured by the Lender's or other recipient's net income, capital gains, or capital, and franchise taxes imposed on it under the laws of Canada (or any political subdivision thereof) or by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of the Lender, in which its applicable lending office is located, or (b) any branch tax, branch profits tax or any similar tax imposed by any jurisdiction in which the relevant Lender is located.

“Exit Fee” means a fee equal to, as of the date of determination, (a) other than in connection with a repayment of the entire principal amount of the Outstanding Loans and all accrued and unpaid interest thereon, 2.00% of the principal amount of the Outstanding Loans being repaid or (b) in connection with a repayment of the entire principal amount of the Outstanding Loans and all accrued and unpaid interest thereon,

the greater of (i) 2.00% of the principal amount of the Outstanding Loans and (ii) the sum of (A) Total MOIC, minus (B) all cash payments made to the Lender on account of the Outstanding Loans, including, for certainty, all fees, including Exit Fees, and repayments of principal and interest, including, for certainty, the repayment of principal and interest contemplated by this clause (b), and excluding, for certainty, any payments made to the Lender pursuant to Section 11.1.

“Facility MOIC” means the product of 1.25 multiplied by the Available Credit.

“Fee Letters” means the letters entered into among, *inter alia*, the Lender and the Borrowers relating to the payment of certain fees.

“First Priority Ancillary Collateral (Tranche 1) Properties” means, collectively, the lands and premises described under the heading ‘First Priority Ancillary Collateral (Tranche 1) Properties’ in Schedule B, together with all related Improvements, Equipment, Leases, Rents, Material Agreements and all other appurtenances thereto and all rights, benefits, interests, proceeds, awards and payments (including insurance proceeds and expropriation awards) of any nature and kind arising from time to time relating to such property.

“Fiscal Quarter” means, in respect of any Person, a fiscal quarter ending on the last days of March, June, September and December in each year.

“Fiscal Year” means, in respect of any Person, a fiscal year ending on December 31 in each year.

“GAAP” means generally accepted accounting standards for private enterprises as set out in the CPA Canada Handbook – Accounting Standards for Private Enterprises, as applicable, at such time.

“Governmental Authority” means any federal, provincial, state, municipal or other form of government, parliament, legislature or commission or board, authority or department of such government, parliament or legislature or any quasi-governmental authority or any court or tribunal having jurisdiction in the relevant circumstances, whether in Canada, the United States of America or elsewhere.

“Gross Revenues” means with respect to such Person and its Subsidiaries for any period all revenue derived from the ownership and operation of the Properties from whatever source, provided that Gross Revenues shall exclude any revenue or gains from one-time extraordinary events unless the Lender has agreed to such inclusion in the Lender’s sole discretion. For the purposes of calculating Gross Revenues, if a residential rental unit in a Property has been renovated and re-leased at a new rental rate during the applicable Fiscal Quarter, the rental revenue figure for that unit will be adjusted to reflect that new rental rate for that entire Fiscal Quarter (provided that evidence of such new rental rate and the calculation of the impact of same shall be to the satisfaction of the Lender).

“Guarantee” means any agreement by which any Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person or

otherwise assures any creditor of such Person against loss, and shall include any contingent liability under any letter of credit or similar document or instrument, including the provisions of Article 8.

“Guarantors” has the meaning specified in the recitals to this Agreement, and each Ancillary Collateral (Tranche 2) Property Owner that delivers Additional Security Documents pursuant to Section 3.2(a) shall be deemed to be an additional Guarantor.

“Hazardous Substances” means any contaminant, pollutant, waste or substance that is likely to cause immediately or at some future time harm or degradation to the surrounding environment or risk to human health; and without restricting the generality of the foregoing, includes any pollutant, contaminant, waste, hazardous waste or dangerous good that is regulated by Environmental Laws or that is designated, classified, listed or defined as hazardous, toxic, radioactive or dangerous or as a contaminant, pollutant or waste by Environmental Laws.

“IFRS” means, at any time, the International Financial Reporting Standards published by the International Accounting Standards Board at the relevant time, applied on a consistent basis.

“Improvements” means, in respect of any Property or Ancillary Property, any buildings, structures, fixtures, erections or improvements located on, over, under or upon such real property, including any of the foregoing under construction.

“Income Tax Expense” in respect of a Person means, in respect of such Person for any period and without duplication, the aggregate of all applicable taxes paid or accrued by such Person and its Subsidiaries based on the income or capital of such Person and its Subsidiaries.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitee” has the meaning ascribed thereto in Section 11.1(b).

“Initial Interest Reserve” means an amount equal to the lesser of (a) the Residual Loan Proceeds and (b) \$13,500,000.

“Insurance” means the insurance required to be kept and maintained by the Obligors pursuant to Article 7.

“Insurance Proceeds Distribution Threshold” means insurance proceeds in respect of damage to or destruction of a Property in the aggregate amount of \$1,000,000.

“Interest Reserve Account” has the meaning ascribed thereto in Section 2.6(a).

“Investment” means any of (a) an investment made or held by a Person, directly or indirectly, in another Person (whether such investment was made by the first-mentioned Person in such other Person or acquired from a third party); (b) a contribution of capital; (c) the acquisition or holding of common or preferred shares, debt obligations, partnership interests and interests in joint ventures; and (d) the acquisition of all or substantially all of the assets used in connection with a business; and includes, for greater certainty, a commitment to do any of the foregoing at a future time.

“Key Person” means David Choo, Manny DiFilippo, Tara Bonsor, Rosa Sicoli and any other person designated by the Borrowers and approved by the Lender as an additional or replacement Key Person.

“Key Person Event” means any one of the Key Persons ceasing to devote substantially all of their business time and attention to the management and development of the Properties; provided that such event will not constitute a Key Person Event in the case of the death or permanent disability of the relevant Key Person, and a replacement for the relevant Key Person is approved by the Lender within 30 days of the discovery of such event.

“Leases” means all present and future leases, offers to lease, subleases, concessions, licenses and other contracts and agreements by which the use, enjoyment or occupancy of any real property forming part of the Properties or any portion thereof is granted to another Person, together with all related renewals, modifications, guarantees, indemnities, security deposits and other security granted in respect thereof.

“Lender’s Counsel” means Davies Ward Phillips and Vineberg LLP.

“Lien” means (a) any mortgage, charge, pledge, hypothec (legal or conventional), prior claim, floating charge, assignment, lien (statutory or otherwise), lease, sublease, easement, preference, priority, trust interest, security interest, assignment by way of security, conditional sale agreement, deposit arrangement, title retention agreement or arrangement, execution or any other assignment, arrangement or condition that in substance secures payment or performance of an obligation; (b) any trust arrangement; (c) any arrangement which creates a right of set-off out of the ordinary course of business; or (d) any agreement to grant any such rights or interests.

“Loan” means a loan made by the Lender to the Borrowers pursuant to this Agreement.

“Material Adverse Change” means any event or circumstance that could reasonably be expected to result in a material adverse change in or could reasonably be expected to have a material adverse effect on any of (a) the business, assets, operations, condition, financial or otherwise, or prospects of any Borrower, or (b) the condition (physical, financial or otherwise) of any Property, or (c) the validity, enforceability, perfection or priority of the Credit Documents or any of the material rights or remedies of the Lender thereunder or (d) the ability of the Obligor to timely and fully perform their obligations under the Credit Documents.

“Material Agreements” means: (a) all property operating or management agreements (unless otherwise excluded); (b) agreements with any Qualified Financial Advisor; (c) purchase and sale agreements; (d) Leases with a term greater than three years or with rents greater than \$100,000 per year; (e) agreements with any Person that does not deal at arm’s length with any Obligor; (f) any agreements that contemplate payments of greater than \$100,000 per year that cannot be terminated (without penalty) on 60 days’ (or less) notice; (g) development agreements (whether with a Governmental Authority or otherwise); (h) Liens; and (i) all other present and future agreements, in each case which are material to the operation or ownership of any real property forming part of the Properties the termination or cancellation of which (prior to the scheduled termination date) could reasonably be expected to result in a Material Adverse Change, and including any agreement relating to the inter-dependency of a Property with any other

property (including in respect of any shared services, facilities, use, costs, employees, amenities or infrastructure).

"Maturity Date" means ■, 2028.

"Minor Title Defects" means, in respect of any Property, any encroachments, restrictions, easements, rights-of-way, servitudes and defects or irregularities in the title to such Property which are of a minor nature and which, in the aggregate, do not and will not impair the use of such Property for the purposes for which such Property is held by the owner or any tenant thereof or the marketability of such Property, or any title or off-title defect or matter fully covered by title insurance in favour of the Lender.

"Monthly Capital Expenditure Amount" means \$145,833.33.

"Monthly Interest Payment Date" has the meaning ascribed thereto in Section 2.3(a).

"Net Operating Income" in respect of any Person means, with respect to such Person and its Subsidiaries, for any period the amount by which (a) Gross Revenues in respect of the preceding 3 month period multiplied by 4 exceeds (b) Operating Expenses in respect of the preceding 12 month period.

"Obligations" means, at any time and without duplication, all direct and indirect, contingent and absolute obligations and liabilities of the Obligor to the Lender under or in connection with this Agreement and the Credit Documents at such time, specifically including the Outstanding Loans, all accrued and unpaid interest thereon, all fees, expenses and other amounts payable pursuant to this Agreement and the Credit Documents.

"Obligors" means, collectively, the Borrowers and the Guarantors and **"Obligor"** means any one of them.

"Operating Expenses" means all costs and expenses with respect to the operation, management, maintenance, repair and use of the Properties, including property taxes and insurance premiums provided that Operating Expenses shall exclude any (a) one-time extraordinary or other non-recurring expenses that the Lender in its sole discretion has agreed to exclude from Operating Expenses, (b) Income Tax Expense and (c) Depreciation and Amortization Expense.

"Operating Portfolio Properties" means, collectively, the lands and premises described under the heading 'Operating Portfolio' in Schedule B, together with all related Improvements, Equipment, Leases, Rents, Material Agreements and all other appurtenances thereto and all rights, benefits, interests, proceeds, awards and payments (including insurance proceeds and expropriation awards) of any nature and kind arising from time to time relating to such property.

"Operations" has the meaning ascribed thereto in Section 4.1(i).

"Organizational Documents" means, collectively, in respect of any Person other than a natural Person, all of the constating or organizational documents and instruments governing or giving rise to the creation, formation, existence, organization and operation of such Person from time to time, including (a) in respect of a corporation, including any

corporate trustee or general partner, its articles of incorporation, memorandum of association, articles of association, any amendments thereto and other similar or related documents and instruments; or (b) in respect of any partnership, its partnership agreement, any amendments thereto, registrations and other similar or related documents and instruments; and (c) in respect of a trust, its deed of trust or declaration of trust, any amendments thereto and other similar or related documents and instruments.

“Other Taxes” means all present or future stamp or documentary taxes or any other similar excise or property taxes, charges or levies arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of this Agreement or otherwise with respect to any Credit Document, but does not include Excluded Taxes.

“Outstanding Loans” means, at any time, the aggregate of all obligations of the Borrowers to the Lender in respect of the Loans made under the Credit Facility which have not been indefeasibly repaid in or satisfied at such time.

“PA MOIC” means the product of 1.25 multiplied by the aggregate principal amount of all Protective Advances (including those that have been repaid).

“Park Place Retirement” means the property municipally known as 110 Central Park Drive, Ottawa, and of a legal description as set out in Schedule B, owned by 1230172 Ontario Inc.

“Participation Agreement” means the loan participation agreement dated as of the date hereof among the Lender, the Obligors and such persons as may become participants pursuant to Section 12.3.

“Pension Plan” means each pension plan required to be registered under Canadian federal or provincial law that is maintained or contributed to by any of the Obligors or their Subsidiaries for its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec, respectively.

“Permitted Liens” means:

- (a) Statutory Liens in respect of any amount which is not at the time overdue;
- (b) Statutory Liens in respect of any amount which may be overdue but the validity of which is being contested in good faith and in respect of which reserves have been established in accordance with GAAP;
- (c) any obligations or duties affecting any Property due to any public utility or to any Governmental Authority, with respect to any franchise, grant, licence or permit in good standing and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on any Property under government permits, leases or other grants in good standing; which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held;

- (d) Liens incurred or deposits of cash made or pledged to secure obligations under workers' compensation legislation or similar legislation, or in connection with contracts, bids, tenders or expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, public and statutory obligations, and warehousemen's, storers', repairers', carriers' and other similar Liens and deposits;
- (e) security given to a public utility or Governmental Authority to secure obligations incurred to such utility or Governmental Authority in the ordinary course of business and not at the time overdue;
- (f) Liens and privileges arising out of judgments or awards in respect of which an appeal or proceeding for review has been commenced; a stay of execution pending such appeal or proceedings for review has been obtained; and reserves have been established in accordance with GAAP;
- (g) any Lien arising in connection with the construction or improvement of any Property or arising out of the furnishing of materials or supplies therefor, provided that such Lien secures monies not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Lender), notice of such Lien has not been given to the Lender and notice of such Lien has not been registered against title to such Property;
- (h) Minor Title Defects;
- (i) Liens granted or reserved in any personal property to secure only the unpaid purchase price of such personal property or Capital Lease Obligations;
- (j) Leases which were disclosed to and accepted by the Lender prior to the Closing Date or entered into subsequent to the Closing Date in compliance with the Credit Documents;
- (k) Liens listed on Schedule G (but only to the extent of the Debt secured thereby on the date hereof); and
- (l) Liens granted in respect of the Security.

"Person" means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint stock company, trust, trustee, unincorporated association, joint venture, sole proprietorship, executor, administrator, legal representative or other entity or Governmental Authority, and pronouns have a similarly extended meaning.

"Proceeds of Realization" has the meaning ascribed thereto in Section 6.4.

"Projections" has the meaning ascribed thereto in Section 4.1(j).

"Promenade Retirement" means the property municipally known as 110 Rossignol Drive, Ottawa, Ontario with a legal description as set out in Schedule B, owned by 1971446 Ontario Inc.

"Promenade Retirement Property Sale Proceeds" means the net cash proceeds of the sale of the Promenade Retirement property after all closing adjustments have been made.

"Properties" means, collectively, the Operating Portfolio Properties and the Astoria Properties, each singularly being referred to as a **"Property"**.

"Property Management Agreements" means, collectively, the property management agreements described in Schedule H and **"Property Management Agreement"** means any one of them.

"Property Management Default Election Notice" has the meaning ascribed there in Section 6.1(p).

"Property Manager" means Cogir.

"Protective Advances" has the meaning ascribed thereto in Section 2.9.

"Qualified Financial Advisor" means CMLS or any replacement financial advisor that is approved by the Lender, in its sole discretion.

"Qualified Manager" means any property manager that is approved by the Lender, in its sole discretion. For certainty, none of the Borrowers or any of their respective Affiliates shall be considered a Qualified Manager unless expressly approved by the Lender in writing.

"Ravines Retirement Property" means the property municipally known as 626 Prado Private, Ottawa, and of a legal description as set out in Schedule B, owned by 2139770 Ontario Inc.

"Ravines Senior Property" means the property municipally known as 636 Prado Private, Ottawa, and of a legal description as set out in Schedule B, owned by 2265132 Ontario Inc.

"Receiver" means all of the receivers appointed in the Receivership Proceedings.

"Receivership Proceedings" means, collectively:

- (a) the receivership proceedings before the Court in Court File No. CV-24-00098058-0000 in respect of, *inter alia*, 2067166 Ontario Inc., 2265132 Ontario Inc., Ashcroft Homes – La Promenade Inc., 2195186 Ontario Inc., 1384274 Ontario Inc. and 1019883 Ontario Inc.;
- (b) the receivership proceedings before the Court in Court File No. CV-25-00098742-0000 in respect of 1230172 Ontario Inc.; and
- (c) the receivership proceedings before the Court in Court File No. CV-24-00096352-0000 in respect of Ashcroft Homes - Eastboro Inc.

"Related Persons" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person's

Affiliates, and in the case of the Borrowers shall include any Person Controlled by David Choo.

“Rent Claim” has the meaning ascribed thereto in Section 4.1(g)(ii).

“Rents” means all revenues, receipts, income, credits, deposits, profits, royalties, rents, additional rents, recoveries, accounts receivable and other receivables of any kind and nature whatsoever arising from or relating to any real property forming part of the Property or any part thereof (including all amounts payable under any Lease including prepaid rent and deposits to the extent applied in the relevant period to amounts payable under any Lease).

“Repayment Notice” means a notice substantially in the form annexed hereto as Exhibit C to be given to the Lender by the Borrowers pursuant to the terms hereof.

“Residential Tenancies Acts” has the meaning ascribed thereto in Section 4.1(s)(i).

“Residual Loan Proceeds” means an amount equal to the sum of (a) the Available Credit, minus (b) the Borrowing Date Uses.

“ReStays Property” means the property municipally known as 101 Queen Street and 106 Sparks Street, Ottawa, and of a legal description as set out in Schedule B, the leasehold interest in which is owned by Ashcroft Urban Developments Inc.

“ROFO Offer” has the meaning ascribed thereto in Section 13.1.

“ROFO Terms” has the meaning ascribed thereto in Section 13.1.

“Second Priority Ancillary Collateral (Tranche 1) Properties” means, collectively, the lands and premises described under the heading ‘Second Priority Ancillary Collateral (Tranche 1) Properties’ in Schedule B, together with all related Improvements, Equipment, Leases, Rents, Material Agreements and all other appurtenances thereto and all rights, benefits, interests, proceeds, awards and payments (including insurance proceeds and expropriation awards) of any nature and kind arising from time to time relating to such property.

“Security” means all guarantees, security agreements, mortgages, deeds of hypothec, debentures and other documents required to be provided to the Lender pursuant to the Credit Documents from time to time as security for the payment and performance of the Obligations and all other indebtedness, liabilities and obligations of each Obligor under the Astoria Credit Agreement, and the hypothecs, security interests, assignments and liens constituted by the foregoing.

“Security Documents” means those documents referred to in Section 3.1 and any other security granted to the Lender as security for the Obligations, other than the Additional Security Documents.

“Shortfall Amount” has the meaning ascribed thereto in Section 2.6(c).

“Shortfall Notice” has the meaning ascribed thereto in Section 2.6(c).

“Statutory Lien” means a Lien in respect of any Property or any part thereof created by or arising pursuant to any Applicable Laws in favour of any Person (such as but not limited to a Governmental Authority), including a Lien for the purpose of securing the obligation of any of the Obligors to deduct and remit employee source deductions, goods and services tax and harmonized sales tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time.

“Subsidiary” or **“subsidiary”** of any Person means any Person Controlled by such first Person and includes one or more Subsidiaries of such Person.

“Taxes” means all taxes, rates, imposts, duties, impositions, withholdings, levies and assessments fees and other present and future charges which are from time to time levied, imposed or assessed by any Governmental Authority, including interest and penalties.

“Third Priority Ancillary Collateral (Tranche 1) Properties” means, collectively, the lands and premises described under the heading ‘Third Priority Ancillary Collateral (Tranche 1) Properties’ in Schedule B, together with all related Improvements, Equipment, Leases, Rents, Material Agreements and all other appurtenances thereto and all rights, benefits, interests, proceeds, awards and payments (including insurance proceeds and expropriation awards) of any nature and kind arising from time to time relating to such property.

“Total MOIC” means the sum of (a) the Facility MOIC and (b) the PA MOIC.

1.2 Gender and Number

Any reference in the Credit Documents to any gender includes all genders, and words importing the singular number include the plural and *vice versa*.

1.3 Interpretation not Affected by Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.4 Currency

All references in the Credit Documents to dollars, unless otherwise specifically indicated, are expressed in Canadian Dollars.

1.5 Certain Phrases, etc.

In any Credit Document (a)(i) the words “including” and “includes” mean “including (or includes) without limitation” and (ii) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”; (b) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to (or until) but excluding”; and (c) the phrase “the

date of this Agreement”, “the date hereof” or a phrase of similar meaning means the date of this Agreement unless otherwise expressly stated.

1.6 Accounting Terms and Pro-Forma Calculations

All accounting terms not specifically defined in this Agreement shall be interpreted in accordance with GAAP.

1.7 Non-Business Days

Except as otherwise provided in this Agreement, whenever any payment is stated to be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

1.8 Incorporation of Exhibits and Schedules

The exhibits and schedules attached to this Agreement shall, for all purposes of this Agreement, form an integral part of it.

1.9 Cross-References

(a) A reference to any other document is a reference to that other document as amended, varied, restated or supplemented from time to time.

(b) Unless otherwise specified herein, a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

1.10 Conflict of Terms

(a) If any provision contained in this Agreement conflicts with any provision contained in any other Credit Document (other than the Participation Agreement), the provision contained herein shall govern and control.

(b) This Agreement is subject to the terms of the Participation Agreement and in the event of any conflict or inconsistency between the terms of this Agreement and the Participation Agreement, the terms of the Participation Agreement shall prevail to the extent of such conflict or inconsistency.

1.11 Computations of Interest and Fees

(a) Unless otherwise specifically stated in this Agreement, all computations of interest or fees shall be made by the Lender taking into account the actual number of days occurring in the period for which such interest or fees are payable on the basis of a year of 360 days.

(b) For purposes of the *Interest Act* (Canada), whenever any interest or fee under this Agreement is calculated using a rate based on a number of days less than a full year, such rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (i) the applicable rate based on a year of 360 or 365 days, as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for which such interest or

fee is payable (or compounded) ends, and (iii) divided by the number of days based on which such rate is calculated. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

(c) Each of the Obligors confirms that it fully understands and is able to calculate the rate of interest applicable to the Credit Facility based on the methodology for calculating *per annum* rates provided for in this Agreement. The Lender agrees that if requested in writing by the Borrowers it will calculate the nominal and effective *per annum* rate of interest on any Loan outstanding at the time of such request and provide such information to the Borrowers promptly following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrowers or any other Obligor of any of its obligations under this Agreement or any other Credit Document, nor result in any liability to the Lender. Each Obligor hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Credit Documents, that the interest payable under the Credit Documents and the calculation thereof has not been adequately disclosed to the Obligors, whether pursuant to section 4 of the *Interest Act* (Canada) or any other Applicable Law or legal principle.

ARTICLE 2 CREDIT FACILITY

2.1 Establishment of Credit Facility

In reliance upon the representations, warranties and covenants of the Obligors herein contained and subject to the terms and conditions in this Agreement, the Lender hereby establishes the following credit facility (the “**Credit Facility**”) in favour of the Borrowers to be available on the following terms and conditions:

(a) Principal Amount:

Subject to the provisions hereof, a non-revolving term credit facility in an amount up to the Available Credit is to be provided by the Lender which facility will be made available until the Availability Expiry Date by way of a single draw. No later than 15 Business Days prior to the Borrowing Date set forth in the Borrowing Request and subject to the terms and conditions of this Agreement, the Lender agrees to make Loans under the Credit Facility available to the Borrowers, who shall be jointly and severally liable for all Obligations hereunder in accordance with the terms hereof. Notwithstanding anything to the contrary in this Agreement or any other Credit Document, the Commitment of the Lender in respect of the Credit Facility shall be automatically and permanently reduced to zero on the Availability Expiry Date.

(b) Purpose:

The Loans under the Credit Facility are being made available for the repayment of Debt, the funding of Capital Expenditures and the establishment of interest and capital expenditure reserves in respect thereof, all as more particularly described in Schedule D.

(c) Interest:

The Borrowers shall pay to the Lender interest on the daily closing balance of the Loans made under the Credit Facility, at a *per annum* rate equal to (i) prior to the second anniversary of the Closing Date, (A) 10% payable in cash, plus (B) 2% payable in kind as

provided in Section 2.3(d) and (ii) thereafter, (A) 10% payable in cash, plus (B) 5% payable in kind as provided in Section 2.3(d).

(d) Repayment and Prepayment:

- (i) All Obligations of the Borrowers under the Credit Facility shall be due and payable by the Borrowers to the Lender on the earlier of: (A) the Maturity Date; or (B) any acceleration or demand of the Obligations made by the Lender following an Event of Default.
- (ii) The Borrowers may at any time, from time to time, repay the whole or any part of any Loans made under the Credit Facility, provided that the Borrowers shall give a Repayment Notice to the Lender at least 10 Business Days prior to the repayment date, and provided that each repayment must be in a minimum principal amount of \$10,000,000. Any amount that is repaid or prepaid, as the case may be, under the Credit Facility may not be reborrowed.
- (iii) The Borrowers and the Guarantors shall, subject to the provisions of Section 2.1(e), be entitled to have a Property or an Ancillary Property released from the Security, if such Property or Ancillary Property is being financed, refinanced or sold or released in order to cure an Event of Default, upon the prior approval of the Lender, provided that:
 - (A) no Event of Default, or any event or circumstance which would with the passage of time or the giving of notice or both would constitute an Event of Default, has occurred and is continuing (unless such Event of Default will be cured upon the release of such Property or Ancillary Property) or would occur as a result of the release of the applicable Property, Ancillary Property, Properties or Ancillary Properties from the Security; and
 - (B) the Borrowers' and the Guarantors' written request for the release of the applicable Property, Ancillary Property, Properties or Ancillary Properties includes a certificate of the Borrowers and the Guarantors setting out and confirming that no Event of Default, or any event or circumstance which would with the passage of time or the giving of notice or both would constitute an Event of Default, has occurred which is then continuing (unless such Event of Default will be cured upon the release of such Property or Ancillary Property).

(e) Mandatory Prepayments:

- (i) Upon the closing of a sale or refinancing of an Operating Portfolio Property, the greater of (A) 140% of the Outstanding Loans that were made in respect of such Operating Portfolio Property as set forth in Schedule D and (B) 100% of the net proceeds of such sale or refinancing, shall be applied by the Borrowers to repay a portion of the Outstanding Loans on an indefeasible and permanent, non-refundable basis to reduce the amounts owing under the Credit Facility (which payment shall be

made directly from the closing proceeds from such sale or refinancing, to the extent available), in each case, together with the applicable Exit Fee relating thereto.

- (ii) Upon the closing of a sale of an Astoria Property, 100% of the net proceeds of such sale shall be applied by the Borrowers and the Guarantor in the following order of priority: (A) first, to repay the Outstanding Loans (as defined in the Astoria Credit Agreement) on an indefeasible and permanent, non-refundable basis to reduce the amounts owing under the Astoria Credit Agreement (which payment shall be made directly from the closing proceeds from such sale, to the extent available), and (B) thereafter, to repay the Outstanding Loans on an indefeasible and permanent, non-refundable basis to reduce the amounts owing under the Credit Facility (which payment shall be made directly from the closing proceeds from such sale, to the extent available), in each case, together with the applicable Exit Fee relating thereto.
- (iii) Upon the closing of a sale of an Ancillary Property, 100% of the net proceeds of such sale (being net of the payout of any Debt in respect of such Ancillary Property then in existence on the Closing Date owing to any lender that is not an Affiliate of the owner of such Ancillary Property and that is required to be repaid upon the sale of such Ancillary Property) shall be applied by the Borrowers and the Guarantor to repay a portion of the Outstanding Loans on an indefeasible and permanent, non-refundable basis to reduce the amounts owing under the Credit Facility (which payment shall be made directly from the closing proceeds from such sale, to the extent available), in each case, together with the applicable Exit Fee relating thereto. For greater certainty, upon the closing of a sale of any Ancillary Collateral (Tranche 2) Property or the Promenade Retirement property, the Borrowers and the Guarantors shall ensure that Ancillary Collateral (Tranche 2) Property Owners or the owner of the Promenade Retirement property, as applicable, pay 100% of the net proceeds of such sale, including, for certainty, any Ancillary Collateral (Tranche 2) Property Sale Proceeds and Promenade Retirement Property Sale Proceeds (being net of the payout of any Debt in respect of such Ancillary Collateral (Tranche 2) Property or the Promenade Retirement property, as applicable, then in existence on the Closing Date owing to any lender that is not an Affiliate of the owner of such Ancillary Collateral (Tranche 2) Property or the Promenade Retirement property, as applicable, and that is required to be repaid upon the sale of such Ancillary Collateral (Tranche 2) Property) or the Promenade Retirement property, as applicable, to the Lender in repayment of a portion of the Outstanding Loans.
- (iv) Insurance proceeds shall be used to repay Outstanding Loans in accordance with the provisions of Article 7.
- (v) On or prior to the second anniversary of the Closing Date, the Borrowers shall repay an aggregate principal amount of the Outstanding Loans equal to no less than \$40,000,000.

- (vi) Notwithstanding anything to contrary in this Section 2.1(e), all or any portion of the proceeds of any prepayment or repayment to be made pursuant to this Section 2.1(e) may be directed by the Lender (and the Obligors shall comply with any such direction) to fund the Capital Expenditure Reserve Account and/or the Interest Reserve Account or to otherwise preserve or protect the Collateral, or any portion thereof, as determined by the Lender in its sole discretion, and, for certainty, shall not be applied to reduce the Outstanding Loans.

(f) Exit Fee:

Without limitation to the specific provisions relating to the Exit Fee set forth herein, the Borrower shall pay, or cause to be paid, an Exit Fee upon:

- (i) any repayment, in whole or in part, of Outstanding Loans;
- (ii) an Event of Default; or
- (iii) the realization of any Security.

2.2 Evidence of Obligations

The Lender shall open and maintain, in accordance with its usual practice, accounts evidencing the Obligations, and the information entered in such accounts shall constitute conclusive evidence of the Obligations absent manifest error. The Lender may, but shall not be obliged to, require the Borrowers to execute and deliver promissory notes from time to time as additional evidence of their Obligations hereunder, which original promissory notes would be returned on repayment.

2.3 Matters Relating to Interest

(a) Subject to Section 2.3(d), accrued and unpaid interest on the principal amount of the Outstanding Loans shall be payable monthly in arrears to the Lender prior to 12:00 p.m. (Toronto time) on the last Business Day of each month (each, a **"Monthly Interest Payment Date"**) to the account specified by the Lender from time to time, provided that (i) interest accrued upon the occurrence of and during the continuance of an Event of Default shall be payable on demand, and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(b) Any payments of principal, interest (including overdue interest) and other monies payable hereunder received by the Lender after 12:00 p.m. (Toronto time) on any date shall be deemed to have been made and received by the Lender on the next Business Day.

(c) All interest shall be calculated using the nominal rate method and not the effective rate method and that the deemed re-investment principle shall not apply to such calculations.

(d) All interest payable in kind pursuant to Section 2.1(c) or Section 2.9 shall accrue and be capitalized on the Monthly Interest Payment Date and shall be construed thereafter as outstanding principal of the Outstanding Loans for all purposes of this Agreement and as such,

such accrued and capitalized interest shall bear interest hereunder in accordance with the terms of Section 2.1(c) or Section 2.9, as applicable.

(e) From and after the earlier of:

- (i) two Business Days after the Lender makes a demand for payment hereunder or the Obligations have otherwise become due and payable; and
- (ii) the date on which the Lender makes a demand for payment hereunder or the Obligations have otherwise become due and payable following the occurrence of an Event of Default,

all Outstanding Loans shall bear interest or fees at the rates otherwise applicable plus 2% *per annum* in order to compensate the Lender for the additional risk.

(f) Notwithstanding anything to the contrary contained in this Agreement or any other Credit Document, interest on any funds advanced on account of the Loan shall accrue from the date on which such funds are advanced or funded, notwithstanding that they have not yet been distributed by the Receivers and notwithstanding that this Agreement had not been signed at the time that the funds were advanced.

2.4 Maximum Interest Rate

Notwithstanding any other provisions of this Agreement, if the amount of any interest, premium, fees or other monies or any rate of interest stipulated for, taken, reserved or extracted under any Credit Document would otherwise contravene the provisions of section 347 of the *Criminal Code* (Canada) or any successor or similar legislation, or would exceed the amounts which the Lender is legally entitled to charge and receive under any law to which such compensation is subject, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provision; and, to the extent that any excess has been charged or received, the Lender shall apply such excess against the Outstanding Loans and refund any further excess amount.

2.5 Capital Expenditure Reserve

(a) On or prior to the Closing Date, the Borrowers shall cause the Escrow Agent to establish and maintain, at the sole expense of the Borrowers, a segregated account for the sole purpose of reserving amounts in respect of Capital Expenditures (the “**Capital Expenditure Reserve Account**”), in accordance with the Escrow Agreement. The Capital Expenditure Reserve Account, all funds therein and all interest thereon shall at all times be subject to the Escrow Agreement.

(b) The Borrowers shall be entitled to withdraw cash from the Capital Expenditure Reserve Account to pay Capital Expenditures upon the satisfaction of the following conditions:

- (i) the Lender shall have received written notice no less than 10 Business Days’ prior to the date of the proposed withdrawal;

- (ii) the Capital Expenditures to be funded from the proceeds of the proposed withdrawal are consistent with the most recent Annual Operating/Capex Budget(s) for the Properties to which the Capital Expenditures apply;
- (iii) no withdrawal shall have been made from the Capital Expenditure Reserve Account within the current calendar month;
- (iv) the proposed withdrawal shall be for an amount no greater than \$100,000;
- (v) the Lender shall have received a cost overrun and completion guarantee from the Obligors in respect of the project for which the Capital Expenditures apply, in form and substance satisfactory to the Lender;
- (vi) the Lender shall have received an officer's certificate of each Borrower certifying: (A) the amount of the proposed withdrawal; (B) the Properties in respect of which the Capital Expenditures apply; and (c) that the Capital Expenditures to be funded from the proceeds of such withdrawal are consistent with the most recent Annual Operating/Capex Budget(s) for such Properties; and attaching thereto (1) copies of all relevant invoices, (2) a copy of the lien waiver obtained from each relevant contractor, which shall be in form and substance satisfactory to the Lender and (3) such other documents as the Lender may reasonably require; and
- (vii) the Lender shall have approved the proposed withdrawal, such approval to be evidenced by the Lender's delivery to the Escrow Agent of a written direction to dispense the proceeds of the proposed withdrawal to the Borrowers. For certainty, the Lender shall be entitled to withhold its approval of the proposed withdrawal until the conditions set forth in clauses (i) through (vi) have been met to the satisfaction of the Lender.

Except as specifically permitted in accordance with this Section 2.5(b), the Borrowers shall not be entitled to withdraw from or use the funds in the Capital Expenditure Reserve Account. The Borrowers acknowledge and agree that any withdrawal from the Capital Expenditure Reserve Account in breach of this Section 2.5(b) shall constitute an Event of Default.

(c) The Borrowers irrevocably direct the Lender to deposit an amount equal to the Capital Expenditure Reserve Threshold from the proceeds of the initial advance of the Loan being made to the Borrowers on the Borrowing Date to the Capital Expenditure Reserve Account, which direction shall be included or deemed to have been included in the Borrowing Request for such initial advance.

(d) On each Monthly Interest Payment Date, if and to the extent the balance of the Capital Expenditure Reserve Account is less than the Capital Expenditure Reserve Threshold, the Borrowers shall deposit into the Capital Expenditure Reserve Account, an amount equal to the Monthly Capital Expenditure Amount.

2.6 Interest Reserve

(a) On or prior to the Closing Date, the Borrowers shall cause the Escrow Agent to establish and maintain, at the sole expense of the Borrowers, a segregated account for the sole purpose of reserving amounts in respect of paying interest on the Outstanding Loans (the **"Interest Reserve Account"**), in accordance with the Escrow Agreement. The Interest Reserve Account, all funds therein and all interest thereon shall at all times be subject to the Escrow Agreement.

(b) Upon the determination of the Lender to retain such amount, the Borrowers irrevocably direct the Lender to retain the Initial Interest Reserve from the initial advance of the Loan being made to the Borrowers on the Borrowing Date, which direction shall be included or deemed to have been included in the Borrowing Request for such initial advance. In the event and notwithstanding the Initial Interest Reserve shall be initially retained by the Lender as aforesaid, the Initial Interest Reserve shall constitute and be treated for all purposes of the Credit Documents (including Section 2.1(c) of this Agreement) as having been advanced to the Borrowers as a Loan.

(c) The Lender, at its sole discretion, may (but shall not be required to) debit into the Interest Reserve Account an amount equal to the Initial Interest Reserve in cash. The Borrowers shall not withdraw cash from the Interest Reserve Account other than for the purpose of paying interest on the Outstanding Loans in accordance with this Section 2.6(c), without the prior written consent of the Lender. In the event that the Borrowers anticipate having insufficient cashflows from the Properties or otherwise to pay the amount of interest due on any Monthly Interest Payment Date, the Borrowers shall notify the Lender at least five Business Days prior to such Monthly Interest Payment Date (a **"Shortfall Notice"**), which notice shall include a calculation of the amount of the shortfall (the **"Shortfall Amount"**) and be accompanied by an officer's certificate of each Borrower certifying the calculation of the Shortfall Amount and such other documentation as the Lender may reasonably require. Following delivery of the Shortfall Notice, the Borrowers shall, with the prior written consent of the Lender, disburse the Shortfall Amount from the Interest Reserve Account to the Lender. From time to time upon the reasonable determination by the Lender that the balance in the Interest Reserve Account is not sufficient to pay the anticipated interest on the Outstanding Loans for a six-month period, the Borrowers shall promptly (and in any event within 10 days of written demand by the Lender) deposit funds in cash into the Interest Reserve Account sufficient to pay all interest expected to accrue on the Outstanding Loans for an additional six months. The Borrowers shall not permit the balance of the Interest Reserve Account to be nil.

(d) In the event that the Lender elects to fund the Interest Reserve Account from the proceeds of the Loan, the Borrowers irrevocably direct the Lender to deposit an amount equal to the Initial Interest Reserve from the proceeds of the Loan to the Interest Reserve Account, which direction shall be included or deemed to have been included in the Borrowing Request.

(e) Provided no Event of Default has occurred and is continuing, any funds remaining in the Interest Reserve Account on the Maturity Date shall either be, at the option of Borrowers (i) released to Borrowers following the full repayment of the Outstanding Loan or (ii) be disbursed to the Lender against the Outstanding Loans.

2.7 Conditions Precedent to Effectiveness of this Agreement

The effectiveness of this Agreement is subject to and conditional upon the Borrowers being satisfied as to the form and substance of the Court Approval and the satisfaction of the following conditions precedent or waiver thereof by the Lender, which waiver shall be deemed to have been granted upon the funding of any Loan:

(a) the Lender shall have received, in form and substance satisfactory to the Lender, the following:

- (i) Court Approval;
- (ii) duly executed copies of this Agreement, the Participation Agreement and the Fee Letters no later than two Business Days following the date of issuance of the Court Approval;
- (iii) duly executed copies of all Credit Documents (other than those set forth in Section 2.7(a)(ii) and any Additional Security Documents) and the Environmental Indemnity Agreement;
- (iv) evidence that all registrations, filings or recordings necessary to preserve, protect or render opposable the enforceability and ranking of the Liens created under or pursuant to the Security Documents (subject to any Permitted Liens) shall have been completed;
- (v) a certificate of status, compliance or good standing, as the case may be, in respect of each Obligor, in each case to be of recent date;
- (vi) an officer's certificate of each Obligor certifying incumbency and including certified copies of its Organizational Documents, authorizing resolutions of such Obligor concerning the due authorization, execution and delivery of the Credit Documents (other than Additional Security Documents) to which it is a party and approval of the entering into of the Credit Facility by the Borrowers and such other matters as the Lender may reasonably require;
- (vii) opinions from counsel to the Obligors in accordance with Section 3.4; and
- (viii) a policy of lender title insurance in accordance with Section 3.5, including such zoning confirmation letters or zoning reports or opinions as the Lender may request;

(b) all documentation and other information required by any applicable "know your customer" or "know your client" requirements and anti-money laundering and anti-terrorism laws, rules and regulations;

(c) receipt of a report from the Lender's insurance consultant confirming that satisfactory insurance coverage is in place or other arrangements, satisfactory to the Lender, acting reasonably, to resolve any issues identified in the Lender's insurance consultant's report; and

(d) payment of all fees and expenses payable by the Borrowers to the Lender, including the fees set forth in the Fee Letters and fees, expenses and disbursements incurred by the Lender and its advisors in connection with the establishment of the Credit Facility and entering into of the Credit Documents.

2.8 Conditions Precedent to Loans under the Credit Facility

The Lender shall not be obliged to make any Loan under the Credit Facility unless and until each of the following conditions has been fulfilled, satisfied and performed in a manner completely satisfactory to the Lender and Lender's Counsel:

(a) the Lender shall have received a Borrowing Request duly executed by the Borrowers in accordance with the notice requirements of Section 2.10;

(b) the Lender shall have received confirmation that the Borrowing Date Uses do not exceed the Available Credit;

(c) the Lender shall have received confirmation that each Participant (as defined in the Participation Agreement) has funded its Participation Purchase Price (as defined in the Participation Agreement) in accordance with the terms of the Participation Agreement;

(d) the representations and warranties set forth in Section 4.1 shall be true and correct in all respects on and as of the date that the relevant Borrowing Request is delivered to the Lender other than those representations and warranties expressly stated to be made as of an earlier date; and

(e) no Event of Default (or any event or circumstance which with the passage of time or giving of notice or both would be an Event of Default) shall have occurred and be continuing nor shall the making of the Loan result in the occurrence of an Event of Default (or any event or circumstance which with the passage of time or giving of notice or both would be an Event of Default).

Each of the conditions set forth in this Section 2.8 is for the exclusive benefit of the Lender and unless waived in writing by the Lender on or prior to the Borrowing Date, shall be fulfilled, satisfied and performed by the Borrowers on or prior to the Borrowing Date.

2.9 Protective Advances

(a) Any amounts paid or incurred by the Lender in accordance with the Credit Documents that are to be paid, incurred or reimbursed by the Borrowers (other than Loans made pursuant to a Borrowing Request and interest accruing thereon in accordance with Section 2.1(c)), including, without limitation, amounts which the Lender, in its sole discretion, deems necessary or desirable (a) to preserve or protect the Collateral, or any portion thereof, (b) to enhance the likelihood of, or maximize the amount of, repayment of the Loan and other Obligations, or (c) to pay any other amount chargeable to or required to be paid by the Obligors pursuant to the terms of this Agreement, including payments of reimbursable expenses (including costs, fees, and expenses and other sums payable under the Credit Documents), shall be payable on demand (or as otherwise expressly provided herein), together with interest thereon at a *per annum* rate equal to (i) 10% payable in cash, plus (ii) 5% payable in kind as provided in Section 2.3(d) (or such other rate of interest expressly provided therefor under the Credit Documents) (all such amounts and interest are collectively referred to as "**Protective**

Advances") and form part of the Outstanding Loans and Obligations. The Lender shall be entitled to pay or incur all amounts which the Lender, in its sole discretion, deems necessary or desirable for the purposes or nature described in (a), (b) and (c) above, and the Borrowers shall be required to reimburse the Lender therefor. For certainty, the Lender shall have no obligation whatsoever under the Credit Documents to issue Protective Advances and the issuance of any Protective Advance shall not impose any obligation on the Lender to issue subsequent Protective Advances.

(b) Without derogating from Section 2.9(a), the Lender may, without the consent of any Obligor, grant one or more participations in one or more Protective Advances to other persons on such terms and conditions as determined by the Lender in its sole discretion. The Obligors agree to enter into such agreements and arrangements as may reasonably be necessary in order to give effect to this provision, including amending, modifying or supplementing this Agreement or any other Credit Document as necessary.

2.10 Notice Requirements

(a) The Borrowers shall give 15 Business Day's prior notice by 10:00 a.m. (Toronto time) to the Lender for any Loan under the Credit Facility by delivery of a Borrowing Request. A Borrowing Request delivered to the Lender by the Borrowers hereunder shall be irrevocable and, subject to any options the Lender may have hereunder in regard thereto, shall oblige the Borrowers to take the action contemplated on the date specified therein.

(b) The Borrowers shall give 10 Business Day's prior notice by 10:00 a.m. (Toronto time) to the Lender for any payment to be made pursuant to this Article 2, which notice shall be accompanied by a calculation of the amount the payment.

ARTICLE 3 SECURITY

3.1 Security Documents

As security for the Obligations of the Obligors to the Lender under, arising out of or from the Credit Facility, the Obligors shall have delivered, or caused to be delivered, to the Lender on or before the Closing Date (unless otherwise indicated) the following documents, each in a form and with content satisfactory to the Lender, acting reasonably:

- (a) a debenture or debentures in a principal amount of \$250,000,000 made by the Borrowers that are the registered owners of each Operating Portfolio Property in favour of the Lender, containing, *inter alia*,
 - (i) a first priority ranking fixed and specific mortgage and floating charge over each Operating Portfolio Property, subject in each case only to Permitted Liens (it being understood and agreed that a subsequent ranking fixed and specific mortgage existing on or before the Closing Date which becomes a first priority ranking fixed and specific mortgage as result of the advance of the Loan will satisfy this Section 3.1(a)(i));
 - (ii) a general assignment of the Leases and Rents with respect to each Operating Portfolio Property;

- (iii) a general assignment of Material Agreements with respect to each Operating Portfolio Property; and
 - (iv) a security interest over all personal property;
- (b) a debenture or debentures in a principal amount of \$250,000,000 made by the Guarantors that are the registered owners of each Astoria Property in favour of the Lender, containing, *inter alia*,
 - (i) a second priority ranking fixed and specific mortgage and floating charge over each Astoria Property, subject in each case only to Permitted Liens;
 - (ii) a general assignment of the Leases and Rents with respect to each Astoria Property;
 - (iii) a general assignment of Material Agreements with respect to each Astoria Property; and
 - (iv) a security interest over all personal property;
- (c) a debenture or debentures in a principal amount of \$250,000,000 made by the Guarantors that are the registered owners of each First Priority Ancillary Collateral (Tranche 1) Property in favour of the Lender, containing, *inter alia*,
 - (i) a first priority ranking fixed and specific mortgage and floating charge over each First Priority Ancillary Collateral (Tranche 1) Property, subject in each case only to Permitted Liens;
 - (ii) a general assignment of the Leases and Rents with respect to each First Priority Ancillary Collateral (Tranche 1) Property;
 - (iii) a general assignment of Material Agreements with respect to each First Priority Ancillary Collateral (Tranche 1) Property; and
 - (iv) a security interest over all personal property;
- (d) a debenture or debentures in a principal amount of \$250,000,000 made by the Guarantors that are the registered owners of each Second Priority Ancillary Collateral (Tranche 1) Property in favour of the Lender, containing, *inter alia*,
 - (i) a second priority ranking fixed and specific mortgage and floating charge over each Second Priority Ancillary Collateral (Tranche 1) Property, subject in each case only to Permitted Liens;
 - (ii) a general assignment of the Leases and Rents with respect to each Second Priority Ancillary Collateral (Tranche 1) Property;
 - (iii) a general assignment of Material Agreements with respect to each Second Priority Ancillary Collateral (Tranche 1) Property; and
 - (iv) a security interest over all personal property;

- (e) a debenture or debentures in a principal amount of \$250,000,000 made by the Guarantors that are the registered owners of each Third Priority Ancillary Collateral (Tranche 1) Property in favour of the Lender, containing, *inter alia*,
 - (i) a third priority ranking fixed and specific mortgage and floating charge over each Third Priority Ancillary Collateral (Tranche 1) Property, subject in each case only to Permitted Liens;
 - (ii) a general assignment of the Leases and Rents with respect to each Third Priority Ancillary Collateral (Tranche 1) Property;
 - (iii) a general assignment of Material Agreements with respect to each Third Priority Ancillary Collateral (Tranche 1) Property; and
 - (iv) a security interest over all personal property;
- (f) a general security agreement (or equivalent security) of the Borrowers creating a security interest in all of their property, assets and undertakings, including without limitation the proceeds of the sale of any asset owned by such Borrower and any Subsidiary thereof, and pledges in respect of 100% of the equity interests owned in any Person by such Borrower;
- (g) a general security agreement (or equivalent security) of the Guarantors creating a security interest in all of their property, assets and undertakings, including without limitation the proceeds of the sale of any asset owned by such Guarantor and any Subsidiary thereof, and pledges in respect of 100% of the equity interests owned in any Person by such Guarantor, such that, together with the equity interests assigned to the Lender pursuant to the general security agreements described in Section 3.1(f), the Lender shall have received pledges of 100% of the equity interests in all entities shown in the ownership chart attached at Exhibit D including, without limitation, each Borrower, each Astoria Guarantor, each Ancillary Collateral (Tranche 1) Property Owner and each Ancillary Collateral (Tranche 2) Property Owner;
- (h) a subordination and postponement undertaking with respect to (i) all Debt owing by any Obligor to its Affiliate and (ii) any Affiliate Management/Development Fees;
- (i) such intercreditor agreements with pre-existing lenders to any of the Obligors in respect of the Properties as are necessary to provide for the consent of such lenders to the applicable Security and the priority of the applicable Security in respect of the collateral subject thereto;
- (j) other than for any Property that is not managed, operated and supervised by the Property Manager as of the Closing Date, an acknowledgement of property management agreement in respect of each Property, which, among other things, recognizes the security interest of the Lender, provides for payment of revenues directly to the Lender upon notice of the occurrence of a default under the Credit Documents and gives the Lender the right to terminate the applicable Property Management Agreement without payment by the Lender of any cancellation or termination fee, penalty or other liability following notice to the relevant property

manager of a default under the Credit Documents and requires the relevant property manager to cooperate in transitional arrangements;

- (k) the Environmental Indemnity Agreement;
- (l) a pledge and cash sweep agreement in respect of all Ancillary Collateral (Tranche 2) Property Sale Proceeds and Promenade Retirement Property Sale Proceeds, including, for certainty, all net insurance proceeds resulting from Envie 2;
- (m) a pledge and cash sweep agreement in respect of all front-loaded costs and litigation proceeds resulting from or in connection with court file no. CV-24-00095893-0000 and the Ontario Superior Court of Justice statement of claim made by Ashcroft Homes Eastboro Inc., as plaintiff, to the City of Ottawa, as defendant, net of Ashcroft Homes – Eastboro Inc.'s incurred costs in respect of such litigation;
- (n) a registered assignment in favour of the Lender of the charges/mortgages registered as Instrument Nos. OC2738377 and OC2783869 on title to the properties known as 211 Besserer Street and 256 Rideau Street, Ottawa (Envie 3), together with a fully-executed priority, postponement and standstill agreement between the Lender, the senior mortgagee in respect of such properties and the borrower pursuant to such charges/mortgages, in the form required by such senior mortgagee;
- (o) an assignment of insurance proceeds from the Insurance required to be maintained under Article 7 herein from the Borrowers in favour of the Lender; and
- (p) certificates of insurance in respect of all liability insurance naming the Lender as first loss payee and additional insured and contain such other endorsements as the Lender may reasonably require.

3.2 Additional Security Documents

(a) With respect to each Ancillary Collateral (Tranche 2) Property (other than the ReStays Property), upon the release of such Ancillary Collateral (Tranche 2) Property from all active receivership proceedings, the Ancillary Collateral (Tranche 2) Property Owner that is the owner of such Ancillary Collateral (Tranche 2) Property at such time shall promptly (and in any event within ten (10) Business Days) deliver to the Lender, in a form and with content satisfactory to the Lender, acting reasonably, (i) a debenture in favour of the Lender, containing, *inter alia*, a first priority ranking fixed and specific mortgage and floating charge over the Ancillary Collateral (Tranche 2) Property, subject to Permitted Liens and register such debenture as a charge/mortgage on title to the applicable Ancillary Collateral (Tranche 2) Property, (ii) a general security agreement (or equivalent security) of the Ancillary Collateral (Tranche 2) Property Owner creating a security interest in all of their property, assets and undertakings, including pledges in respect of 100% of the equity interests owned in any Person by such Ancillary Collateral (Tranche 2) Property Owner; and (iii) such documentation as is required by the Lender to cause the applicable Ancillary Collateral (Tranche 2) Property Owner to be bound by the obligations of the Guarantors pursuant to (x) any applicable Security Document as required by the Lender acting reasonably, and (y) this Agreement including, without limitation, Article 8 herein.

(b) With respect to the ReStays Property, upon the release of the ReStays Property from all active receivership proceedings, the Obligor acting as tenant of the ReStays Property shall promptly (and in any event within 10 Business Days) deliver to the Lender, in a form and with content satisfactory to the Lender, acting reasonably: (i) a leasehold debenture in favour of the Lender, containing, *inter alia*, a second priority ranking fixed and specific leasehold mortgage and floating charge over the ReStays Property, subject to Permitted Liens and register such leasehold debenture as a charge/mortgage on title to the ReStays Property, (ii) an agreement between the Lender, the freehold owner of the ReStays Property and such Obligor, which agreement shall contain the consent of such freehold owner to the leasehold charge of such property in favour of the Lender, estoppel provisions from such freehold owner in favour of the Lender, and other terms customary for agreements between a landlord and leasehold mortgagee, such agreement to be in a form and including content to the satisfaction of the Lender in its sole discretion; (iii) a general security agreement (or equivalent security) of such Obligor creating a security interest in all of their property, assets and undertakings, including pledges in respect of 100% of the equity interests owned in any Person by such Obligor; (iv) such documentation as is required by the Lender to cause the Obligor to be bound by the obligations of the Guarantors pursuant to (x) any applicable Security Document as required by the Lender acting reasonably, and (y) this Agreement including, without limitation, Article 8 herein.

(c) With respect to the Promenade Retirement property, upon the full repayment of the financing in favour of Royal Bank of Canada, represented by its security agent Computershare Trust Company of Canada and the discharge of all related Liens currently encumbering such property, the owner of such property shall promptly (and in any event within ten (10) Business Days) deliver to the Lender, in a form and with content satisfactory to the Lender, acting reasonably, a debenture in favour of the Lender, containing, *inter alia*, a first priority ranking fixed and specific mortgage and floating charge over such property, subject to Permitted Liens, and register such debenture as a charge/mortgage on title to such property.

(d) Notwithstanding anything to the contrary in this Agreement, Sections 3.3, 3.4, 3.5, 3.6 and 3.7 shall not apply in respect of any Additional Security Document until such time as such Additional Security Document is required to be delivered pursuant to this Section 3.2, at which time Sections 3.3, 3.4, 3.5, 3.6 and 3.7 shall apply in respect of the applicable Additional Security Document, *mutatis mutandis*.

3.3 Blocked Accounts

Within 90 days of the Closing Date (or such later date as may be agreed by the Lender), each Borrower shall, at its own expense, cause each financial institution with which it maintains a bank and/or deposit account associated with a Property or Ancillary Property (each, a “**Blocked Account**”) to enter into a Blocked Account Agreement with the Lender pursuant to which such financial institution shall acknowledge and agree, in a manner reasonably satisfactory to the Lender, that the Lender has security over the amounts on deposit in such Blocked Account, that such financial institution has no right to set off against the Blocked Account or against any other account maintained by such financial institution into which the contents of such Blocked Account are transferred, and that upon the occurrence of an Event of Default that is continuing such financial institution shall wire, or otherwise transfer in immediately available funds in a manner reasonably satisfactory to the Lender, funds deposited in the Blocked Account on a daily basis as such funds are collected. Except as otherwise agreed by the Lender, the Borrowers agree that upon the occurrence of an Event of Default that is continuing all payments made to each Blocked Account established by them or otherwise

received by the Lender, whether in respect of the Blocked Accounts of the Borrowers or as proceeds of other Security or otherwise, will be applied on account of the Obligations of the Borrowers in accordance with the terms of this Agreement.

3.4 Opinions

The Obligors shall cause to be delivered to the Lender, on or before the Closing Date, opinions of counsel for each of the Obligors regarding their status as a trust, partnership, company or corporation, as applicable, the due authorization, execution and delivery of the applicable Credit Documents provided by them or to which they are a party, the enforceability of such Credit Documents, the creation, validity and registration of the security interests in and perfection of the Security, non-contravention of Organizational Documents and Applicable Laws, choice of law and such other opinions typical for a transaction of this kind as Lender's Counsel may reasonably request, with all such opinions to be in form and substance satisfactory to the Lender and Lender's Counsel, acting reasonably.

3.5 Title Insurance

The Obligors shall cause to be delivered to the Lender, at the Obligors' expense, on or before the Closing Date, title insurance policies with respect to title to and the registration and priority of the Security against each of the Properties and the Ancillary Collateral (Tranche 1) Properties, in form and substance (including all appropriate endorsements) and issued by a title insurance company satisfactory to the Lender and Lender's Counsel, acting reasonably.

3.6 Registration

Each Obligor shall, at the Borrowers' expense, register, file or record the Security in all offices where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the security applicable to it including, without limitation, any land registry offices. The Obligors shall, at the request of the Lender, renew, or cause the renewal of, such registrations, filings and recordings from time to time as and when required to keep them in full force and effect. The forms of the Security shall have been prepared based upon the laws applicable thereto in effect at the date hereof and recognize that such laws may change. The Lender shall have the right to require, acting reasonably, that any such forms be amended to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the Lender the security interests intended to be created thereby, except that in no event shall the Lender require that any such amendment be effected if the result thereof would be to grant the Lender greater rights than is otherwise contemplated herein.

3.7 After-Acquired Secured Property and Further Assurances

The Obligors shall from time to time execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge in connection with all of their assets on or relating to the Properties and the Ancillary Collateral (Tranche 1) Properties, including those which are acquired by the Obligors after the date hereof and intended to be subject to the Security (including any insurance thereon), including those which become integrated with or a part of any of the Properties or any of the Ancillary Collateral (Tranche 1) Properties, in each case to the extent required to further evidence the Security provided for in this Agreement.

3.8 Cross Collateralization

Each of the Obligors agrees, acknowledges and confirms to the Lender that all Security Documents and Additional Security Documents and the Liens created and constituted thereby in favour of the Lender shall secure, and constitute general continuing collateral security for, the payment and performance of (a) the Obligations and (b) all other indebtedness, liabilities and obligations of each Obligor under the Astoria Credit Agreement. Each of the Obligors agrees to do, execute, acknowledge or deliver (or cause to be done, executed, acknowledged or delivered) any and all such acts, documents, agreements, deeds, assurances, information and other matters and things upon the request of the Lender as may be necessary or desirable to give effect to the provisions of this Section 3.6.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Obligors' Representations and Warranties

Each Borrower represents and warrants to and in favour of the Lender, assuming for purposes of Sections 4.1(d), 4.1(e), 4.1(g), 4.1(k) and 4.1(n) the receipt of Court Approval and the Receiver's discharge certificate in respect of the Receivership Proceedings, and assuming the funding of the Available Credit on the Closing Date for purposes of Section 4.1(d), acknowledges and confirms that the Lender is relying on such representations and warranties without independent inquiry in entering into this Agreement and providing the Credit Facility, that:

- (a) **Status:** Each Borrower and each of The David And Shanti Choo Family Trust (2016), Ashcroft Homes – The Astoria Inc., Ashcroft Homes – The Astoria II Inc., Envie Enterprises Inc., Alavida Lifestyles Inc., 1971446 Ontario Inc., Ashcroft Leasing Inc., 2058744 Ontario Corp., Ashcroft Homes – Citi Place Inc., 2058743 Ontario Corp., Ashcroft Homes – 108 Richmond Road Inc., Ashcroft Homes – 111 Richmond Road Inc., 1230174 Ontario Inc., Ashcroft Development Inc., 1394842 Ontario Inc., 2280430 Ontario Inc., 2059989 Ontario Inc., 2252514 Ontario Inc., 1070280 Ontario Inc., 1561973 Ontario Inc., Ashcroft Homes – Eastboro Inc. and Ashcroft Homes – Capital Hall Inc. is a corporation or company or trust which is duly formed and validly subsisting under the laws of its governing jurisdiction and each such governing jurisdiction is set out opposite the applicable Obligor's name in Exhibit E.
- (b) **Power and Capacity:** Each of the Obligors has the power, capacity, legal right and authority to enter into and perform its obligations under each of the Credit Documents to which it is a party, to own and lease its property and assets and to conduct the business in which it is currently engaged and each is duly licensed, registered or qualified to carry on business in the jurisdictions in which the Properties and Ancillary Properties that it owns are located.
- (c) **Authorization:** Each of the Obligors has taken all necessary action and proceedings to authorize the execution, delivery and performance of each of the Credit Documents to which it is a party and to observe and perform its obligations thereunder, including all necessary shareholder and partner consents, as the case may be.

- (d) **Solvency:** Each of the Obligors is solvent, able to pay its debts as they mature, has sufficient capital to carry on its business and has assets the fair market value of which exceeds its liabilities.
- (e) **No Conflict with Applicable Laws or Agreements:** Neither the execution nor the delivery of the Credit Documents by any Obligor, nor the consummation of the transactions herein contemplated, nor the compliance by each of them with the terms, conditions and provisions thereof will conflict with or result in a breach of, or require any consent, approval, permit, registration or authorization under (other than a consent, approval, permit, registration or authorization which has been obtained), any of the terms, conditions or provisions of:
 - (i) the Organizational Documents of any Obligor;
 - (ii) any resolutions passed by such Obligor's board of directors, board of trustees, shareholders, limited partners or shareholders;
 - (iii) any agreement, instrument or arrangement to which any of the Obligors is a party, or by which it or any of its property is or may be bound, or constitute a default thereunder, or result in the creation or imposition of any Lien of any nature or kind whatsoever upon any of its properties or assets;
 - (iv) any judgment, order, writ, injunction or decree of any court, relating to the Obligors;
 - (v) any Material Agreement; or
 - (vi) any Applicable Laws relating to the Obligors or any of their properties or assets.
- (f) **Binding Obligations:** Each of the Credit Documents constitutes a legal, valid and binding obligation of each of the Obligors to the extent that they are parties thereto enforceable against each of them in accordance with their terms, subject to Applicable Laws relating to bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity.
- (g) **Litigation:**
 - (i) Except in relation to the Receivership Proceedings or as previously disclosed to the Lender by the Obligors in writing with respect to Ashcroft Homes - Capital Hall Inc. and Ashcroft Homes – Eastboro Inc., none of the Obligors has received any notice of any action, suit or proceeding pending nor, to the knowledge of any Obligor, threatened in writing, at law or in equity or before any court, tribunal or other Governmental Authority and none of the Obligors is subject to any judgment, order, writ, injunction, or decree of any court, tribunal or other Governmental Authority, in each case where the potential aggregate exposure pursuant thereto exceeds \$250,000.

- (ii) None of the Obligors has received any notice of any action, suit or proceeding pending nor, to the knowledge of any Obligor, threatened in writing, at law or in equity or before any court, tribunal or other Governmental Authority and none of the Obligors is subject to any judgment, order, writ, injunction, or decree of any court, tribunal or other Governmental Authority, in each case in respect of any allegation that rent has been collected at any Property or Ancillary Property in excess of what is permitted pursuant to Applicable Laws (each, a “**Rent Claim**”), and in each case where the potential aggregate exposure pursuant thereto exceeds \$25,000.

(h) **Properties:**

- (i) Except as the result of a sale permitted by Section 5.2(h), the applicable Borrower or Guarantor set out in Schedule B, or in the case of the Ancillary Collateral (Tranche 2) Properties the applicable Ancillary Collateral (Tranche 2) Property Owner set out in Schedule B, is the registered owner and sole beneficial owner of, and has good and marketable title in fee simple to its respective Property and Ancillary Property (and all related Collateral), in each case, free and clear of all Liens other than Permitted Liens.
- (ii) Schedule B sets forth complete and accurate municipal addresses and legal descriptions for each of the Properties and Ancillary Properties.
- (iii) The rent roll delivered in respect of each Property accurately reflects the terms of all Leases relating to such Property and the amount of rent being charged to and collected from tenants. No Leases have been entered into in respect of a Property other than the Leases that are reflected in the rent roll for such Property. The rents reflected in the rent roll for each Property do not exceed the amounts permitted to be charged pursuant to Applicable Laws.
- (iv) Except for alterations or amendments which are permitted pursuant to Section 5.2(o): (A) the Leases have not been altered or amended and are in full force and effect; (B) there are no material outstanding defaults (or events which would constitute a material default with the passage of time or giving of notice of both) under such Leases; (C) the applicable Borrower or Guarantor and, to the knowledge of the Obligors, any predecessor in title, has not waived, or omitted to take any action in respect of, any material rights under the Leases relating to any Property, except where the waiver or omission is permitted pursuant to Section 5.2(o); and (D) no Rents have been prepaid more than 30 days in advance (except for security deposits paid in accordance with the provisions of the applicable Lease), discounted, released, waived, compromised or discharged in respect of any Lease, except where any such discounting, release, waiver, compromise or discharge is permitted pursuant to Section 5.2(o).
- (v) Except as has been disclosed in writing to the Lender, and in any report provided to the Lender:

- (A) to the best of the knowledge of the Obligors, the Improvements are in good condition, repair and proper working order, having regard to their use and age, and such Improvements have been properly and regularly maintained in all material respects; and
 - (B) to the best of the knowledge of the Obligors, the Improvements are free of material structural or inherent defects which could materially interfere with or impair the use and occupancy of the related Property or Ancillary Property for its current uses.
- (vi) Each Property and Ancillary Property has direct legal access to a public roadway and enjoys all legal rights of entry and exit to and from such public roadway and/or adjoining lands as are reasonably necessary to carry on the business as conducted on such Property and Ancillary Property by the Borrowers or the applicable Guarantor.
- (vii) Other than in respect of a sale of any Property or Ancillary Property listed in Schedule E (such sale to be completed in the ordinary course of business and in no event to be consummated with a non-arm's length Person or for a purchase price below fair market value), no Person has any right to purchase, option to purchase, right of first refusal or other purchase rights with respect to any of the Properties or Ancillary Properties (or any related Collateral) and no Person, other than the Borrowers or the applicable Guarantor, as the case may be, and the current tenants and/or subtenants disclosed to the Lender in the applicable rent roll, is using or has any right to use, or is in possession or occupancy of, any part of any Property or Ancillary Property (or any related Collateral).
- (viii) None of the Obligors have entered into any agreement to sell, transfer, encumber, or otherwise dispose of its right, title and interest in and to any Property or Ancillary Property (or any related Collateral) or any portion thereof or rights or interests relating thereto, except (A) to the extent permitted by Sections 5.2(b), 5.2(c) and/or 5.2(h); and/or (B) in respect of a sale of any Property or Ancillary Property listed in Schedule E (such sale to be completed in the ordinary course of business and in no event to be consummated with a non-arm's length Person or for a purchase price below fair market value).
- (ix) The Obligors have not received any notification of work orders, deficiency notices, orders of non-compliance or similar directives relating to any Property or Ancillary Property which remains open or outstanding and the Obligors have no knowledge, after due inquiry, of any existing or current non-compliance with Applicable Laws at or by any Property or Ancillary Property, except work orders or similar directives that (A) have been issued in connection with active construction projects; and/or (B) are not material in value, in each case to the extent disclosed to the Lender prior to the Closing Date.
- (x) The current uses of the Properties and Ancillary Properties are permitted under Applicable Laws. Other than a severance application in respect of

the Astoria Properties to the extent disclosed to the Lender prior to the Closing Date (the “**Astoria Severance**”), the Obligors have not made application for any minor variance, rezoning or official plan amendment in respect of any Property and do not have any knowledge of any proposed or pending changes to any zoning, official plan or other similar Applicable Laws affecting any Property or Ancillary Property.

- (xi) No part of any Property or Ancillary Property is subject to any private building or use restriction that restricts the use, occupation or operation of such Property or Ancillary Property.
- (xii) Other than as may be disclosed by registered title or on any surveys of the Properties or Ancillary Properties delivered to the Lender, the Obligors do not have any knowledge of any Improvements that encroach in any way on real property not forming part of any Property or Ancillary Property and, to the knowledge of the Obligors, no buildings, structures or other improvements on adjoining lands encroach upon any Property or Ancillary Property in any material respect.
- (xiii) The Obligors do not have any knowledge of any expropriation or condemnation or similar proceeding existing, pending or threatened in writing against any Property or Ancillary Property or any part thereof.
- (xiv) All amounts for work and services performed or materials placed or furnished upon or in respect of the construction and completion or repair or renovation of any Improvements in respect of each Property and Ancillary Property have been fully paid, except (i) amounts that are not yet due and payable; (ii) amounts that are being diligently contested in good faith and in respect of which adequate reserves have been established and maintained therefor in accordance with GAAP; and (iii) amounts in respect of any ongoing maintenance and repairs that are not yet invoiced and not yet due.
- (xv) Each of the fully constructed Properties and Ancillary Properties is fully serviced (including water, storm and sanitary sewer, electrical service, telephone and telecommunications) to a level sufficient to permit the operation of the Property or Ancillary Property for its current uses in the ordinary course in all material respects. All municipal levies, local improvements, imposts and permit fees are paid up to date for the Properties and Ancillary Properties except (i) amounts that are not yet due and payable; and (ii) amounts that are being diligently contested in good faith and in respect of which adequate reserves have been established and maintained therefor in accordance with GAAP.
- (xvi) Except as has been disclosed in writing to the Lender, none of the Obligors has received any notice of any defaults, and to the knowledge of the Obligors, there are no material outstanding defaults (or events which would constitute a default with the passage of time or giving of notice or both), under any Permitted Liens affecting the Properties and Ancillary Properties.

- (xvii) All agreements or other arrangements providing for any right or entitlement in respect of the continued operation of any Property, including any agreement relating to the inter-dependency of a Property with any other property (including in respect of any shared services, facilities, use, costs, employees, amenities or infrastructure) have been disclosed to the Lender.

(i) **Environmental Laws:**

- (i) Except as disclosed in the environmental assessment reports as an area of potential environmental concern, including current Phase I environmental site assessment reports for each Property, delivered to the Lender (the “**Environmental Reports**”), to the best of the knowledge of the Obligors having made due inquiry: (A) each of the Properties and Ancillary Properties and the operations conducted at each of the Properties (the “**Operations**”) are in compliance with all Environmental Laws; (B) none of the Properties or Ancillary Properties or Operations is subject to or involved in, nor do any Obligors anticipate that any of the Properties or Ancillary Properties or Operations may become subject to or involved in any proceeding, hearing, action, appeal investigation order, demand or claim relating to or under any Environmental Laws; and (C) none of the Properties or Ancillary Properties contain any Hazardous Substances that will affect the use or value thereof.
- (ii) Except as disclosed in the Environmental Reports as an area of potential environmental concern, no Hazardous Substances exist on, about or within or have been used, generated, stored, transported, disposed of on, or released from any of the Properties or Ancillary Properties other than in compliance with all Environmental Laws.
- (iii) The use which each Obligor intends to make of the Properties and Ancillary Properties will not result in the use, generation, storage, transportation, accumulation, disposal, or release of any Hazardous Substances on, in or from such Property or Ancillary Property except in compliance with all Environmental Laws.
- (iv) There is no material action, suit or proceeding, or, to its knowledge, any investigation or inquiry, before any Governmental Authority, or by any other Person, pending or, to its knowledge, threatened relating in any way to any Environmental Law in respect of the Operations or any Property or Ancillary Property.
- (v) No Obligor and to the knowledge of the Obligors, except as set out in the Environmental Reports no predecessor in title to an Obligor has: (A) incurred any current and outstanding liability for any clean-up or remedial action under any Environmental Law with respect to current or past operations, events, activities, practices, incidents or the condition or use of the Properties or Ancillary Properties; (B) received any outstanding written request for information (other than information to be provided in the normal course in connection with applications for licences, permits or approvals) by any Person under or in relation to any Environmental Law

with respect to the condition, use or operation of the Properties or Ancillary Properties; or (C) received any outstanding written notice or claim under or in relation to any Environmental Law with respect to any actual or alleged material violation of or liability under any Environmental Law or relating to the actual or alleged presence of Hazardous Substance on or originating from a Property or Ancillary Property.

- (j) **Information Provided:** All financial information, financial models and projections and forecasts (the “**Projections**”) provided by or on behalf of the Obligors to the Lender to induce the Lender to enter into this Agreement and to provide the Credit Facility or otherwise delivered pursuant to this Agreement were complete and correct in all material respects and did not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made. The Projections that have been made available to the Lender by or on behalf of the Obligors have been prepared in good faith based upon assumptions which the applicable Obligor(s) believed were reasonable at the time made.
- (k) **Consent:** The entering into of, and performance under, the Credit Documents and the granting of the Security by each of the Obligors do not require any consent, approval or authorization of any other Person (other than consents, approvals and authorizations which have already been obtained).
- (l) **Maintain Insurance:** The Obligors are maintaining or causing to be maintained in full force and effect the Insurance.
- (m) **Material Adverse Change:** Other than the commencement of receivership proceedings in respect of Park Place Retirement, there has been no Material Adverse Change since January 30, 2025.
- (n) **Lending Decision:** There has been no event or circumstance that could reasonably be expected to materially and adversely impact the Lender’s decision to establish the Credit Facility since August 1, 2025.
- (o) **Taxes:** The Obligors and each of their Subsidiaries have paid or made adequate provision in accordance with GAAP for the payment of all Taxes levied on them or on their property or income that are due and payable, including interest and penalties, or has accrued such amounts in its financial statements in accordance with GAAP for the payment of such Taxes except Taxes that are not material in amount, that are not delinquent or if delinquent are being diligently contested in good faith, and there is no material action, suit, proceeding, investigation, audit or claim now pending, or to the knowledge of an Obligor threatened, by any Governmental Authority regarding any such Taxes nor have the Obligors or any of their Subsidiaries agreed to waive or extend any statute of limitations with respect to the payment, assessment, reassessment or collection of such Taxes.
- (p) **Material Agreements:** The Material Agreements provided to the Lender pursuant to Section 5.1(g) constitute all of the material undertakings, commitments, letters of intent and agreements affecting or relating to the Properties and the interest of the Obligor therein, and all of such Material

Agreements are in good standing and have been complied with in all material respects and, to the best of the Obligor's knowledge and belief, there is no continuing default existing thereunder.

- (q) **Property Operation and Management:** Except as otherwise permitted pursuant to Section 5.1(j), the management of each Property is supervised by the Property Manager pursuant to the terms of the Property Management Agreements and no Obligor is party to any other agreement relating to the operation or management of any of the Properties, except the Property Management Agreements.
- (r) **Use of Proceeds:** The proceeds of the Credit Facility will be used solely for the purposes described in Section 2.1(b) hereof.
- (s) **Residential Tenancies Act:**
 - (i) The Rents payable under Leases are lawful rents in respect of residential rental units in accordance with the *Residential Tenancies Act* (Ontario) and similar legislation in any other jurisdiction in which any of the Properties or Ancillary Properties is located, including, where applicable, the Ottawa Municipal Code and any other Applicable Laws with respect to residential tenancies, or ownership or operation of apartment buildings (collectively, "**Residential Tenancies Acts**") and there have been no increases in the Rents charged under any residential Leases for any residential rental units other than increases which comply with the Residential Tenancies Acts and there are no outstanding rebates owing or discounts offered to any current or former residential tenants of any of the Properties or Ancillary Properties, other than temporary discounts which has been disclosed to the Lender and which are being phased out.
 - (ii) All information filings required to be made with respect to the Properties and Ancillary Properties pursuant to the Residential Tenancies Acts have been made and were timely, accurate and complete.
 - (iii) There are no pending applications for above-guideline increases in rent in respect of any Property or Ancillary Property.
 - (iv) No material applications, investigations or proceedings have been commenced or made or are threatened, in writing, by any Governmental Authority or any tenant pursuant to the Residential Tenancies Acts with respect to any residential rental unit at any of the Properties or Ancillary Properties.
- (t) **Collateral:** The address of the chief executive office of each Obligor and the office where the books and records of each Obligor (including in respect of Rents and other receivables) are kept is set out on Exhibit E, unless the Borrowers has given the Lender 30 days' prior written notice of a change of any such address.
- (u) **Single Purpose Entities:** Except pursuant to this Agreement and the other Credit Documents, none of the Obligor (i) has incurred any liabilities or indebtedness for Borrowed Money (other than the amounts secured under financings completed in accordance with the terms of this Agreement); (ii) has

granted any Liens of its property and assets other than Permitted Liens; (iii) owns any property or assets other than its Properties or Ancillary Properties; or (iv) carries on any business or activity other than the ownership of its Properties or Ancillary Properties.

- (v) **Security:** The Security is effective to create in favour of the Lender, as security for the Obligations described therein, a legal, valid, binding and enforceable charge or security interest, as the case may be, in the Collateral described therein and proceeds thereof, and constitutes a first ranking priority (subject only to Permitted Liens) charge against the Collateral and each Property and Ancillary Collateral (Tranche 1) Property. No consent or approval is required in order to enable the creation, registration and perfection of the Security or to enable the registration and perfection of the Security to be provided to the Lender, other than consents and approvals which have been obtained or which will be delivered on or prior to the delivery of the Security.
- (w) **Ownership Structure:** The ownership structure set out in Exhibit D accurately reflects (a) the organizational and ownership structure of the Obligors and all Persons in which they hold an interest, including Subsidiaries, and including for greater certainty all Ancillary Collateral (Tranche 1) Property Owners and Ancillary Collateral (Tranche 2) Property Owners, but excluding publicly-listed Persons; and (b) who holds each class of equity interests in each of the Obligors and such Persons in which they hold an interest, including their Subsidiaries but excluding publicly-listed Persons.
- (x) **Pension Plans:** There are no Pension Plans established by any of the Obligors or their respective Subsidiaries.
- (y) **Intellectual Property:** Except as set forth in Schedule F, there are no domestic patents, copyrights, copyright applications, service marks and trademarks, whether or not registered that are owned by the Obligors or any of their Subsidiaries and which are material to the operation of the Properties or Ancillary Properties (collectively, the “**Intellectual Property**”).
- (z) **No Event of Default:** No Event of Default has occurred and no event or circumstance has occurred or exists which, with the giving of notice, lapse of time or both would constitute an Event of Default.
- (aa) **Additional Assets:** David Choo does not own any direct or indirect interest in any property or asset that would reasonably be expected to have a value in excess of \$250,000 other than such property or assets that constitute Excluded Assets, that are directly owned by a publicly-listed Person, that are directly owned by a Person that has granted a general security agreement in favour of the Lender pursuant to Section 3.1, or that will become the subject of the Additional Security Documents pursuant to Section 3.2.
- (bb) **Liens:** No Liens have been registered on title to any of the Properties and Ancillary Properties other than Permitted Liens.

4.2 Deemed Repetition

Unless expressly stated to be made as of a specific date, each of the representations and warranties contained in Section 4.1 shall survive the execution of this Agreement and all other Credit Documents, and shall be deemed to be repeated on the date of the delivery of a Borrowing Request to the Lender and again on the date of the making of a Loan pursuant thereto. All representations and warranties, when repeated or deemed to be repeated hereunder, shall be construed with reference to the facts and circumstances existing at the time of repetition, unless they are stated herein to be made as at the Closing Date or as at another date.

ARTICLE 5 COVENANTS

5.1 Obligors' Affirmative Covenants

Each of the Obligors (each making covenants as to itself and its property only and not in respect of any other entity or property, except that the Borrowers make the covenants as to itself and to each other Obligor and to each Property and Ancillary Property) covenants and agrees with the Lender that until all Loans are indefeasibly repaid in full and this Agreement is terminated:

- (a) **Perform Obligations:** Each Obligor shall fully observe and perform its respective obligations under each of the Credit Documents to which it is a party.
- (b) **Existence:** Each Obligor shall maintain its existence under the laws of its governing jurisdiction, except as otherwise permitted in Section 5.2(c).
- (c) **Compliance with Applicable Laws:** Each Obligor shall comply in all material respects with all Applicable Laws.
- (d) **Obligations for Borrowed Money:** Each Obligor shall duly and punctually pay, perform and satisfy when due all of its obligations in respect of Borrowed Money, including Debt arising pursuant to financings or refinancings completed in accordance with the terms of this Agreement.
- (e) **Financial Statements and Reports:** The Borrowers shall deliver or cause to be delivered to the Lender:
 - (i) as soon as practicable and in any event within 10 Business Days after the end of each calendar month:
 - (A) monthly unaudited consolidated interim financial statements of the Borrowers consisting of a balance sheet, statement of income and retained earnings and a statement of changes in financial position;
 - (B) a summary of capital expenditures incurred to date on a Property by Property and Ancillary Property by Ancillary Property basis;
 - (C) an updated rent roll and operating statements for each Property and Ancillary Property;

- (D) a written summary of the Borrowers' progress with respect to the Divestiture Plan, including copies of any documentation supporting the Borrowers' progress with respect to the Divestiture Plan, as determined by the Lender in its sole discretion, acting reasonably; and
 - (E) copies of all monthly banking statements for each bank and/or deposit account associated with a Property or Ancillary Property, the Capital Expenditure Reserve Account and the Interest Reserve Account.
- (ii) as soon as practicable and in any event within 90 days after the end of each Fiscal Year:
- (A) audited consolidated financial statements of the Borrowers consisting of a balance sheet, statement of income and retained earnings and a statement of changes in financial position as at the end of such Fiscal Year, setting forth in comparative form the corresponding figures of the previous Fiscal Year (if applicable), all in reasonable detail, in conformity with GAAP, accompanied by an unqualified report of the chartered accountants or auditors for the Borrowers (which accountants or auditors shall be satisfactory to the Lender, acting reasonably);
 - (B) evidence satisfactory to the Lender that all Taxes (including interest and penalties) relating to the Obligors which are due and payable have been paid or that sufficient reserves therefor have been made in accordance with GAAP;
 - (C) a summary of capital expenditures incurred to date on a Property by Property and Ancillary Property by Ancillary Property basis;
 - (D) operating statements for each Property and Ancillary Property, including Gross Revenues, Operating Expenses and Net Operating Income;
 - (E) an annual operating and capital expenditure budget for each Property and Ancillary Property in form and content satisfactory to the Lender (acting reasonably) (each, an "**Annual Operating/Capex Budget**"); and
 - (F) an occupancy report with respect to each Property and Ancillary Property breaking down the rent roll, occupied units, vacant units and the units undergoing renovation, if any;
- (iii) as soon as possible following receipt by the applicable Ancillary Collateral (Tranche 2) Property Owner thereof, copies of the current reserve fund studies for the ReStays Property and Envie 2;
- (iv) prior to the Closing Date and thereafter prior to expiry of any policy of Insurance required to be maintained by the Obligors under Article 7,

evidence satisfactory to the Lender that the Insurance is in place (or has been renewed prior to expiry), together with satisfactory evidence of payment of, or the establishment of reserves in respect of, all premiums and other sums of money payable or anticipated for keeping and maintaining the said Insurance; and

- (v) from time to time such other financial reports and information concerning the Properties, Ancillary Properties, the Obligors and each of the Obligor's respective directors, officers, shareholders, partners and principals, as the Lender may request, including information relating to the character, general reputation, personal characteristics and financial and credit condition of each such Person.
- (f) **Inspections:** The Obligors shall permit the Lender, and all other Persons designated by the Lender, at the Borrowers' expense, without undue interference to the operation of the Obligors and their tenants, to visit and inspect the Properties and the Ancillary Properties during normal business hours upon reasonable prior notice accompanied by a representative of the Borrowers as the Borrowers may so designate and to examine and make copies of all books and records relating to the Properties and the Ancillary Properties and shall ensure that the Lender and such other Persons designated by them have free and unrestricted access to the Properties and the Ancillary Properties and every part thereof and to such books and records, and that the Lender and such other Persons will be provided with such information and data relating to the Properties and the Ancillary Properties as the Lender or such Persons may reasonably request.
- (g) **Permitted Liens:** The Obligors shall enter into such arrangements as may be required by the Lender, in its sole discretion, after the Borrowing Date in order to permit the Lender to realize upon or benefit from the value of the Properties encumbered by the Permitted Liens listed on Schedule G as if such Permitted Liens did not exist.
- (h) **Material Agreements:** The Obligors will comply with, and use best efforts to diligently enforce, the terms of each of the Permitted Liens and the Material Agreements and, upon becoming aware of any continuing and non-remedied material defaults thereunder, will forthwith notify the Lender in writing describing in reasonable detail any material defaults thereunder. The Obligors shall promptly notify the Lender of any new Material Agreements that are entered into after the Closing Date and provide the Lender with a copy of the same.
- (i) **Condition of Improvements:** The Obligors will diligently maintain, use, manage, operate and repair, each of the Properties and the Ancillary Properties in a prudent and business-like manner and in keeping with a commercially reasonable standard having regard to the size, age, location and use thereof.
- (j) **Property Operation and Management:** At all times from and after the Closing Date (or such other date(s) as may be set out in the Property Management Agreements, as approved by the Lender), the Obligors shall cause the Properties and the Ancillary Properties to be managed, operated and supervised by the Property Manager pursuant to the Property Management Agreements and shall

cause the Properties and the Ancillary Properties to be operated at all times by a Qualified Manager. The Obligors shall deliver the Security Document contemplated at Section 3.1(j) for each Property and Ancillary Property within 10 Business Days of the engagement of the Property Manager for the management, operation and supervision of such Property.

- (k) **Financial Advisor:** The Obligors shall (i) engage a Qualified Financial Advisor with respect to the Properties and the Ancillary Properties at all times and (ii) cause each Qualified Financial Advisor to deliver to the Lender all information and reporting that the Lender may reasonably require (including, for certainty, any reliance letters) and to meet with the Lender upon its request.
- (l) **Insurance:** The Obligors will maintain the Insurance in full force and effect at all times and shall comply in all material respects with all of their obligations thereunder.
- (m) **Licences:** The Obligors will maintain all licences, permits, registrations, qualifications and approvals necessary to own their properties and assets and to carry on their business in each jurisdiction in which any of the Properties and the Ancillary Properties are located.
- (n) **Taxes:** Each of the Obligors shall pay, on or before the due date for payment thereof, all Taxes imposed upon it and upon its Properties and the Ancillary Properties (and related Collateral), provided that each such Person may withhold or contest the payment of any such Taxes if (i) it is acting diligently and in good faith; (ii) none of the Properties or the Ancillary Properties is liable to be sold or forfeited as a consequence of such non-payment or contestation; and (iii) adequate reserves have been established and maintained therefor in accordance with GAAP.
- (o) **Maintain Records:** Each of the Obligors will maintain adequate books, accounts and records in accordance with GAAP.
- (p) **Compliance with Environmental Laws:** Each of the Obligors, the Operations, the Properties and the Ancillary Properties will comply in all material respects with all Environmental Laws.
- (q) **Notification Re: Hazardous Substances:** The Obligors will promptly, upon becoming aware of same, notify the Lender of (i) any activity conducted on any Property or any Ancillary Property which involves any material use or handling of Hazardous Substances or which otherwise materially increases the Obligors' potential environmental liability; and (ii) any actual or alleged material breach of any Environmental Laws by any of the Obligors, any tenant or any other Person in respect of or relating to any Property or Ancillary Property.
- (r) **Environmental Audits:** The Borrowers shall commission an environmental site assessment/audit report of any of the Properties or the Ancillary Properties or an update of such assessment/audit report: (i) upon the written request of the Lender if, in its reasonable opinion, there is a material concern about the compliance of such Property or Ancillary Property with Environmental Laws, all in scope, form and content satisfactory to the Lender; (ii) if such assessment/audit

report has been prepared at the request of or on behalf of any Governmental Authority (subject to the rights of the Borrowers to contest the obligation to prepare such assessment/audit report); or (iii) if an Event of Default or an event or circumstance that with the passage of time or the giving of notice or both would be an Event of Default relating to an environmental matter has occurred, and the Lender has made a written request to the Borrowers for such an assessment/audit report or update, such report to be delivered to the Lender within 60 days after such request, and all such assessment/audit reports or updates thereof shall be at the expense and risk of the Borrowers. For purposes of this Section 5.1(r), an environmental site assessment/audit includes any inspection, investigation, test, sampling, analysis or monitoring pertaining to air, land or water relating to any of the Properties or the Ancillary Properties, or more generally compliance of the Properties, the Ancillary Properties or the Operations with Environmental Laws.

- (s) **Remedial Action and Payment of Costs:** The Obligors will perform and complete any environmental remediation in respect of or relating to any Property or Ancillary Property which any Governmental Authority may require and, if such environmental remediation is not done when or as required by such Governmental Authority, the Lender may (but shall not be obligated to) perform such remediation if the Obligors have not taken appropriate action satisfactory to the Lender, acting reasonably, within 30 days of receipt of notice from the Lender. The Obligors covenant and agree to pay for any environmental investigations, assessments or remediation in respect of or relating to any Property and Ancillary Property that may be performed for or by the Lender.
- (t) **Title and Security:** Each of the Obligors at their expense shall:
 - (i) warrant and defend their respective title to the Properties and the Ancillary Properties and every part thereof against the claims of all persons whomsoever other than the holders of Permitted Liens and shall discharge in a timely manner all Liens or other encumbrances against the Properties and the Ancillary Properties from time to time other than Permitted Liens; and
 - (ii) do, observe and perform all things necessary or advisable to create, perfect and maintain the Security constituted by the Security Documents and the Additional Security Documents as valid and effective security with the priority required hereunder and/or to carry out the intent of the Credit Documents from time to time.
- (u) **Material Adverse Changes:** The Obligors shall give written notice to the Lender, promptly after becoming aware thereof, of any Material Adverse Change.
- (v) **Litigation:** Upon becoming aware of any actual, pending or threatened, in writing, action, proceeding or claims against or relating to any of the Obligors or any of their Subsidiaries or any Property or Ancillary Property where potential exposure pursuant thereto exceeds \$250,000, or any actual, pending or threatened, in writing, action, proceeding or claims that is a Rent Claim against or relating to any of the Obligors or any of their Subsidiaries or any Property or Ancillary Property where potential exposure pursuant thereto exceeds \$25,000,

the Obligors shall promptly notify and provide the Lender with all information concerning such action, proceeding or claim in reasonable detail.

- (w) **Key Person Event:** The Obligors shall give the Lender written notice promptly in the event that any one of the Key Persons ceases to devote substantially all of their business time and attention to the management and development of the Properties and the Ancillary Properties, including due to their death or permanent disability.
- (x) **Notice of Event of Default:** The Obligors shall deliver to the Lender, forthwith upon becoming aware of any Event of Default or any event or circumstance which with the passage of time or giving of notice or both would be an Event of Default, written notice specifying such Event of Default or event or circumstance and detailing the steps they are taking, if any, to cure same.
- (y) **Divestiture Plan:** The Borrowers shall deliver to the Lender a plan for the divestiture or refinance of certain Properties and Ancillary Properties, in form and substance acceptable to the Lender, acting reasonably (such plan, as approved by the Lender, the “**Divestiture Plan**”), within 30 days of the Closing Date. Unless otherwise agreed by the Lender in its sole discretion, the Borrowers shall comply with the Divestiture Plan (including achieving each milestone set out therein) at all times. The Borrowers shall keep the Lender apprised of the status of each step and process in connection with the divestiture efforts and progress, including promptly notifying the Lender of the achievement of each milestone under the Divestiture Plan. The Borrowers shall promptly update the proposed plan to address the feedback or objections received from the Lender until the plan has been approved by the Lender.
- (z) **Reserve Fund Studies:** The Obligors shall cause a reserve fund study to be completed for each Property and Ancillary Property if and as required by applicable law.
- (aa) **Additional Security and Guarantees:** The Obligors shall cause the Additional Security Documents to be delivered in accordance with Section 3.2.
- (bb) **Reporting re Additional Security Conditions:** The Obligors shall, on a no less than monthly basis, provide a written update to the Lender as to the current status of the triggers for the delivery of the Additional Security Documents set out in Section 3.2.
- (cc) **Borrowing Date Uses:** The Obligors shall use best efforts to ensure that Schedule D is updated as necessary to accurately reflect all amounts to be paid from the proceeds of the Loan on or about the Borrowing Date.
- (dd) **Discharge of Certain Liens:** The Obligors undertake to discharge or cause the discharge of the charge registered as Instrument No. OC2680043 in favour of Computershare Trust Company of Canada from title to The Next lands Ancillary Property (300 Central Park Drive/1 Crystal Park Cres/1230 Merivale Road) forthwith and in any event by no later than the date that is 90 days following the Closing Date or such later date as may be agreed by the Lender in its sole

discretion. The Obligors acknowledge and agree that such Lien is not a Permitted Lien.

5.2 Obligors' Negative Covenants

Each of the Obligors (each making covenants as to itself and its property only and not in respect of any other entity or property, except that each Borrower makes the covenants as to itself, to each other Obligor and to each Property and Ancillary Property in which it holds a direct or indirect interest) covenants and agrees with the Lender that until all Loans are indefeasibly repaid in full and this Agreement is terminated:

- (a) **Indebtedness:** None of the Obligors will create, incur, assume or suffer to exist, or permit any Subsidiary to create, incur, assume or suffer to exist, or amend the terms of, replace, refinance, increase or otherwise modify any Debt other than the Obligations, and the Obligors shall ensure that the Astoria Guarantors do not (and upon the release of an Ancillary Collateral (Tranche 2) Property from all active receivership proceedings, the Obligors shall ensure the applicable Ancillary Collateral (Tranche 2) Property Owner does not) create, incur, assume or suffer to exist, or permit any Subsidiary to create, incur, assume or suffer to exist, or amend the terms of, replace, refinance, increase or otherwise modify any Debt other than the Obligations and any Debt then in existence in respect of the Astoria Properties on the Closing Date or any Ancillary Collateral (Tranche 2) Property on the date of release from all active receivership proceedings, without the prior written consent of the Lender in its sole discretion.
- (b) **Liens:** None of the Obligors shall create, incur, assume or suffer to exist any Lien on any Property or Ancillary Property or any other assets of an Obligor, other than Permitted Liens, and the Obligors shall ensure that the Astoria Guarantors do not (and upon the release of an Ancillary Collateral (Tranche 2) Property from all active receivership proceedings, the Obligors shall ensure the applicable Ancillary Collateral (Tranche 2) Property Owner does not) create, incur, assume or suffer to exist any Lien on any Astoria Property, any Ancillary Collateral (Tranche 2) Property or any other assets of an Astoria Guarantor or an Ancillary Collateral (Tranche 2) Property Owner, other than Permitted Liens and any Liens then in existence in respect of the Astoria Properties on the Closing Date or any Ancillary Collateral (Tranche 2) Properties on the date of release from all active receivership proceedings; provided however, that no reference in this Section 5.2(b) or otherwise in this Agreement to any Permitted Liens shall in any way constitute or be construed to grant a subordination of any of the Security or other rights and interests of the Lender hereunder or arising under any Credit Documents in favour of such Permitted Liens. The Obligors shall not increase the principal amount of any Debt that is secured by a Permitted Lien that is listed on Schedule G hereto without the prior written consent of the Lender.
- (c) **No Mergers or Consolidations:** None of the Obligors will complete any transaction whereby all or substantially all of its assets would become the property of another Person, or otherwise merge, reorganize, amalgamate or consolidate with any other Person, without the prior written consent of the Lender, in its sole discretion.

- (d) **No Dissolution:** None of the Obligors will dissolve, liquidate or wind-up or take any steps or proceedings in connection therewith.
- (e) **No Change of Name:** None of the Obligors will change its name unless 15 days' prior written notice thereof has been given to the Lender provided that: (i) the Obligors shall provide all information and make all deliveries required by the Lender in respect of "know your client" and anti-money laundering as a result of such name changes; and (ii) within two Business Days of completion of such name changes, the Obligors shall deliver certified copies of the applicable articles of amendment to the Lender.
- (f) **Investments, Etc.:** None of the Obligors or their Subsidiaries will, directly or indirectly: (i) acquire, make or purchase any Investment or permit any Subsidiary to acquire, make or purchase, any Investment; (ii) participate in any sale/leaseback transactions; or (iii) engage in any derivative transactions except for interest hedging transactions that are not for speculative purposes.
- (g) **Acquisition of Assets:** None of the Obligors will acquire, or permit any Subsidiary to acquire any assets if after giving effect thereto, an Event of Default resulting from a violation of Sections 5.2(a), 5.2(b), 5.2(c), 5.2(f), 5.2(i), 5.2(j), 5.2(l) or 5.2(q) has occurred and is continuing or would reasonably be expected to result therefrom.
- (h) **Disposition of Properties:** Subject to the rights of any lender with a priority ranking charge over any Property or Ancillary Property which is senior to the charge over such Property or Ancillary Property in favour of the Lender, none of the Obligors will sell, assign, transfer or otherwise dispose of any right, title or interest in any of the Properties or the Ancillary Properties, and shall cause the Ancillary Collateral (Tranche 2) Property Owners to not dispose of any right, title or interest in any of the Ancillary Collateral (Tranche 2) Properties, without the Lender's prior written consent unless the Borrowers and the Guarantors pay down and cause to be paid down the amounts owing under the Credit Facility in accordance with Section 2.1(e), provided that the Borrowers shall be permitted to (A) enter into Leases in respect of each Property and Ancillary Property in the ordinary course of business and on then prevailing market terms and conditions otherwise permitted pursuant to Section 5.2(o), (B) sell the Eastboro Properties, the ReStays Property, the Ravines Senior Property or the Ravines Retirement, (C) complete the Astoria Severance, or (D) sell such other Properties or Ancillary Properties listed in Schedule E (such sale to be completed in the ordinary course of business and in no event to be consummated with a non-arm's length Person or for a purchase price below fair market value). None of the Obligors will dispose of, or permit any Subsidiary to dispose of any Properties or Ancillary Properties, other than the ReStays Property, if an Event of Default has occurred and is continuing.
- (i) **No Financial Assistance:** None of the Obligors will make, advance or provide loans, funds or other financial assistance, or permit any Subsidiary to make, advance or provide loans, funds or other financial assistance to any Person without the prior written consent of the Lender.

- (j) **No Material Change in Business:** None of the Obligors will materially change the nature of its business without the prior written consent of the Lender.
- (k) **No Material Change in Budget:** None of the Obligors will materially change its budget for any Fiscal Year compared to the previous Fiscal Year without the prior written consent of the Lender.
- (l) **Single Purpose Entities:** The Obligors will not (i) incur any indebtedness for Borrowed Money (other than the Obligations and amounts secured under financings or refinancings completed in accordance with the terms of this Agreement); (ii) grant any Liens in their respective property and assets (other than Permitted Liens); (iii) own or acquire any property or assets other than the Properties and the Ancillary Properties; or (iv) carry on any business or activity other than the ownership of their respective Properties and Ancillary Properties.
- (m) **Hazardous Substances:** None of the Obligors will permit the production or release of any Hazardous Substances on or from a Property or an Ancillary Property except in accordance with Environmental Laws, except for any non-compliance which could not result in a Material Adverse Change.
- (n) **Properties:** None of the Obligors will (i) except as otherwise disclosed in writing to the Lender prior to the Closing Date, enter into any contract or agreement for any work on any Property or Ancillary Property that could result in a lien on such Property or Ancillary Property in the amount of \$250,000 or more; (ii) commit or suffer any waste of any Property or Ancillary Property nor take any action that might invalidate or give cause for cancellation of any insurance maintained in respect of any Property or Ancillary Property; (iii) remove or demolish any material Improvement or material Equipment unless such Improvement or Equipment is being repaired or replaced or is obsolete; (iv) convert any Property or Ancillary Property into a condominium; (v) materially alter, redevelop, retrofit or renovate the structure of any Improvement; and (vi) initiate, join in or consent to any change to or modification in any private restrictive covenant or any change of any Applicable Laws materially limiting or restricting the uses which may be made of the Properties or Ancillary Properties or any part thereof, in each case, without the prior written consent of the Lender, not to be unreasonably withheld.
- (o) **Leases:** None of the Obligors will (i) enter into any new Lease or any renewal or extension of any existing Lease in respect of any Property or Ancillary Property except on commercially reasonable rental rates and other terms and conditions consistent with then prevailing market rents, terms and conditions for comparable properties and in compliance with the Residential Tenancies Acts; or (ii) amend, restate, terminate, forfeit, surrender or cancel any Lease (in whole or in part) in respect of any Property or Ancillary Property, or waive or release any of its rights or claims thereunder, except if (x) it is commercially reasonable to do so in the ordinary course of business or (y) it would not result in a Material Adverse Change. In addition to the foregoing, with respect to the lease agreement dated June 29, 2022 between Queensway Carleton Hospital, as tenant, and 2067166 Ontario Inc., as landlord, relating to the Park Place Seniors property – 120 Central Park Drive, Ottawa (as amended, extended, renewed, restated, or otherwise modified, the “**Hospital Lease**”), 2067166 Ontario Inc. shall not (a) agree to terms for the renewal or extension of the term of the Hospital Lease, or

- (b) consent to the tenant of the Hospital Lease having responsibility for meal preparation for residents of such property, in either case without the prior written consent of the Lender.
- (p) **Distributions:** During any Fiscal Year, the Obligors shall not: (i) make any Distributions during the continuance of any Event of Default or any event or circumstance which would with the passage of time or the giving of notice or both would constitute an Event of Default; (ii) make any Distribution in the nature of a return or withdrawal of capital, redemption of shares or units or otherwise in respect of capital; or (iii) pay operating, construction or management fees to the Property Manager in an amount that exceeds five (5.00%) percent of the Gross Revenues (which term shall include Rents and related proceeds of business or rental interruption insurance, after deducting applicable deductibles, and litigation awards relating to the recovery of Rents and other property revenues or expenses but shall exclude sales proceeds and insurance proceeds (other than business or rental interruption insurance) and actual bad debts) which are received for the same period from all real properties owned directly or indirectly by the Borrowers and its Subsidiaries.
- (q) **Related Person Transactions:** None of the Obligors will enter into, or permit any Subsidiary to enter into, any transaction for the purchase, sale, lease or exchange of any property or the rendering or receipt of any services, with any of its Affiliates that is not an Obligor, or with any Affiliate of any of its partners, shareholders or unitholders that is not a Subsidiary, except a transaction which is upon fair and reasonable market terms not less favourable to such Obligor or any such Subsidiary than would be obtained in a comparable arms-length transaction and then only following the prior written approval of the Lender.
- (r) **Fiscal Year:** None of the Obligors will change its Fiscal Year.
- (s) **Use of Proceeds:** The Borrowers shall not use the proceeds of any Loan for any purposes other than those expressly contemplated by this Agreement.
- (t) **Material Agreements:** None of the Obligors will amend or terminate any Material Agreements relating to any of the Properties or Ancillary Properties without the prior written consent of the Lender, not to be unreasonably withheld, provided that such consent shall not be required in respect of any amendment or termination of a Material Agreement that could not result in a Material Adverse Change. Any Material Agreement relating to any of the Properties or Ancillary Properties entered into after the Closing Date shall be on commercially reasonable terms and conditions consistent with then-prevailing market terms and conditions for comparable properties.
- (u) **Ownership:** No transfer or issuance of any equity interests in an Obligor shall occur without the prior written consent of the Lender.
- (v) **Property Management Agreements:** The Borrowers shall not, without the Lender's prior written consent, surrender, terminate (including removing the Property Manager) or cancel any Property Management Agreement. During the continuance of an Event of Default, the Borrowers shall not exercise any rights, make any decisions, grant any approvals or otherwise take any action under a

Property Management Agreement without the prior written consent of the Lender, which consent may be granted, conditioned or withheld in the Lender's sole discretion, it being confirmed that the foregoing shall not in any way limit the Property Manager from exercising its rights, making any decisions, granting any approvals or otherwise taking any action under the Property Management Agreement to which it is a party. Property management of each Property and Ancillary Property shall be carried out by a Qualified Manager at all times.

ARTICLE 6 EVENTS OF DEFAULT

6.1 Events of Default

Each of the following events shall constitute an event of default (an “**Event of Default**”):

- (a) the Borrowers defaults in the payment of the principal when due under the Credit Facility, including any mandatory repayment required pursuant to Section 2.1(e);
- (b) the Borrowers defaults in payment of any amount, including interest or fees, when due under the Credit Facility where such default continues for a period of one Business Day after same becomes due;
- (c) any of the Obligors breaches or otherwise fails to comply with any of its covenants in Section 2.5, 2.6, 5.1(k)(i), 5.1(l), 5.1(u), 5.1(w), 5.1(x), 5.1(y) or 5.2;
- (d) any of the Obligors defaults in the performance of or is in breach of any covenant, condition or obligation under any Credit Document (excluding any such breach or default otherwise expressly enumerated herein), which default is not cured within the applicable grace or cure period, or if no such period is provided, the earlier of (i) an Obligor having knowledge of such breach and (ii) 15 days following written notice by the Lender of such breach to the Obligors (provided that in the case of a breach of Section 5.2(b) resulting from a Lien securing Debt, there shall be no cure period);
- (e) any material default or breach by any of the Obligors under any Material Agreement or Permitted Lien and such breach or default is not remedied within the time available to cure such default, or any attornment of rents, power of sale, judicial sale, foreclosure or other enforcement or realization proceedings are commenced against or in respect of any of the Obligors or any Property or Ancillary Property or any part thereof under or in respect of such Material Agreement or Permitted Lien or any holder thereof takes possession or control of any part of any Property or Ancillary Property;
- (f) any writ of execution, distress, attachment or other similar process is issued or levied against any Obligor, or any Property or Ancillary Property or any final, non-appealable judgment or order for the payment of money is made against any Obligor, or any Property or Ancillary Property or such Properties or Ancillary Properties by a court of competent jurisdiction;

- (g) any of the Obligors admits its inability to pay its liabilities generally as they become due or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency or any proceeding is instituted by or against it seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding-up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization, moratorium or relief of insolvent debtors or seeking the entry of an order for relief by the appointment of a receiver, liquidator, trustee or other similar official or for any part of its property or if a receiver is appointed in respect of any of the Obligors or a part of its property;
- (h) any representation or warranty made or given by any of the Obligors in any Credit Document or in any financial statement or other document at any time delivered by or on behalf of the Obligors to the Lender, including, without limitation, the representations and warranties set forth in Section 4.1, is incorrect or misleading in any material respect at the time that it is made and, if the circumstances giving rise to such incorrect representation or warranty are capable of rectification (such that, thereafter such representation or warranty would again be correct), such representation or warranty remains uncorrected for a period of 30 days after the earlier of (i) the date on which such Obligor obtains knowledge thereof; and (ii) the date on which written notice is given by the Lender to the Obligors specifying the incorrectness and requiring that the circumstances giving rise thereto be eliminated or otherwise rectified;
- (i) if any of the Obligors shall default under or in respect of any Debt secured against any of the Properties or Ancillary Properties or if any of the Obligors default in respect of any Debt or Guarantee to any Person, or under any mortgage, debenture or other security document made in respect thereof, and in each case all grace periods applicable to such default have expired;
- (j) if any of the Obligors shall default under or in respect of any Debt for Borrowed Money owing by it to the Lender or any of its Affiliates or any Guarantee issued by it in favour of the Lender or any of its Affiliates in respect of Borrowed Money, or under any mortgage, debenture or other security document made by it in favour of the Lender or any of its Affiliates in respect of any such Borrowed Money and all grace periods applicable to such default have expired;
- (k) if any part of any Property or Ancillary Property is condemned or expropriated and, in the opinion of the Lender, such condemnation or expropriation materially impairs the value of such Property or Ancillary Property, the validity, enforceability or priority of any Security in respect of such Property or Ancillary Property, or the ability of the Obligors taken as a whole to fulfill their obligations to the Lender in respect of the Credit Facility or the Credit Documents;
- (l) if, other than as a result of an act or omission of the Lender, (i) any Credit Document or any material provision thereof shall at any time for any reason cease to be in full force and effect, be declared to be void or voidable (and the same is not forthwith effectively rectified or replaced by the Borrowers) or shall be repudiated, (ii) any Lien created by any Security ceases to have the priority contemplated in the Credit Documents (and the same is not effectively remedied by the Borrowers within 30 days after the Lender notifies the Borrowers of the

same), (iii) the validity or enforceability of any Credit Document shall at any time be contested by an Obligor, (iv) any Obligor shall deny that it has any or any further liability or obligation under any Credit Document, or (v) at any time it shall be unlawful or impossible for any Obligor to perform any of its obligations under any Credit Document;

- (m) an Astoria Event of Default shall have occurred and is continuing;
- (n) the occurrence of a Material Adverse Change;
- (o) the occurrence of a Key Person Event; and
- (p) the term of any Property Management Agreement expires and the Lender delivers a written notice of Event of Default in connection therewith to the Borrowers (a “**Property Management Default Election Notice**”) (unless, within 45 days after receipt of such Property Management Default Election Notice (i) the Borrowers and a new Qualified Manager enter into a replacement Property Management Agreement, or (ii) the Borrowers have elected to release the applicable Property or Ancillary Property in accordance with Section 2.1(d)(iii) and releases the Property or Ancillary Property in accordance with the provisions thereof (which, for greater certainty, requires the prepayment contemplated in Section 2.1(e))).

6.2 Remedies

Upon the occurrence of an Event of Default which is continuing, in addition to the rights and remedies given by this Agreement, the Credit Documents and Applicable Laws, the Lender may at its option:

- (a) terminate any Property Management Agreement and replace the Property Manager with a Qualified Manager, it being understood and agreed that the management and developments fees for management and development services to be performed by such Qualified Manager shall not exceed then-prevailing market rates;
- (b) terminate any agreement(s) giving rise to Affiliate Management/Development Fees;
- (c) terminate any agreements engaging CMLS as financial advisor with respect to the Properties or Ancillary Properties and replace CMLS with a Qualified Financial Advisor;
- (d) declare all Outstanding Loans to be immediately due and payable to the Lender, all without presentment, demand, protest, notice of dishonour or any other demand or notice whatsoever, all of which are expressly hereby waived by the Borrowers. Upon a declaration by the Lender that the Outstanding Loans are due and payable, the Lender may commence such legal action or proceedings as the Lender, in its sole discretion, may deem necessary to protect and enforce its rights hereunder and to enforce and realize upon the Security, including the appointment of a receiver or such other third party agents for the Borrowers to liquidate all property of the Borrowers, including the Properties and Ancillary

Properties, in an orderly fashion. The said receiver shall have full authority to manage, operate, and dispose of the Borrower's assets to protect the Lender's interests and recover the any Outstanding Loans. The Borrowers agree to fully cooperate with the receiver;

- (e) apply the funds in the Blocked Accounts, the Capital Expenditure Reserve Account and/or the Interest Reserve Account, including directing the Escrow Agent to distribute funds from either the Capital Expenditure Reserve Account or the Interest Reserve Account, to any Person entitled thereto, including the Lender, and/or for any permitted use or purpose; and
- (f) take all actions and exercise all rights and remedies at law or in equity or under the Credit Documents.

6.3 Remedies Cumulative

The rights and remedies of the Lender under the Credit Documents are cumulative and are in addition to, and not in substitution for, any other rights or remedies. Nothing contained in the Credit Documents with respect to the indebtedness or liability of the Obligors to the Lender, nor any act or omission of the Lender with respect to the Credit Facility or any of the Credit Documents shall in any way prejudice or affect the rights, remedies and powers of the Lender under the Credit Documents or Applicable Laws.

6.4 Acceleration

If any Event of Default shall occur under (a) Section 6.1(b) as a result of a breach under Section 2.1(e)(v) or (b) Section 6.1(g), and in each case for so long as such Event of Default is continuing:

- (i) the entire principal amount of all Loans then outstanding from the Borrowers and all accrued and unpaid interest thereon; and
- (ii) all other Obligations outstanding hereunder,

shall automatically become due and payable without any requirement that notice be delivered to any Borrower. In any such event, if the Borrowers do not immediately pay all such amounts upon such amounts automatically becoming due and payable, the Lender may, in its sole discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against the Borrowers authorized or permitted by law for the recovery of all the indebtedness and liabilities of the Borrowers to the Lender and proceed to exercise any and all rights hereunder and under the other Credit Documents and no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

6.5 Application of Payments

Following the occurrence of an Event of Default which is continuing, all payments made by the Obligors, and all amounts received by the Lender through realization and enforcement of the Security, including all insurance proceeds and expropriation awards, (collectively called "**Proceeds of Realization**") shall be applied as follows:

- (a) first, distributed to the Lender for the repayment of all outstanding Protective Advances, including accrued and unpaid interest thereon, and all costs, charges, and expenses incurred by it in connection with such Protective Advances;
- (b) second, distributed to the Lender for the payment of all costs, charges, and expenses incurred by it in collecting, realizing and enforcing on or under the Credit Facility and the Credit Documents;
- (c) third, distributed to the Lender for the payment of all accrued and unpaid fees owing under this Agreement or the Fee Letters;
- (d) fourth, distributed to the Lender for the payment of outstanding principal amount owing under this Agreement;
- (e) fifth, distributed to the Lender for the payment of all other Obligations owing in respect of the Credit Facility; and
- (f) thereafter, the balance, if any, to be paid to the Borrowers or such other Persons as may be legally entitled thereto in accordance with Applicable Laws.

ARTICLE 7 INSURANCE

7.1 Insurance Coverage

The Obligors shall maintain at their expense the following insurance coverages with respect to each of the Properties and Ancillary Properties for the benefit of the Lender until all Obligations have been fully paid and satisfied: (a) insurance against loss or damage by fire, casualty and other hazards as are now or subsequently covered by an “all risk” property policy (and including coverages against the perils of sewer backup, flood, earthquake, and windstorm) with such endorsements as the Lender may reasonably require from time to time, covering 100% of the full replacement cost of the buildings, structures and improvements comprising such Property or Ancillary Property (including footings and foundations); (b) rental insurance covering 100% of the total Rents from such Property or Ancillary Property for not less than a 24 month period; (c) comprehensive broad form boiler and machinery coverage; (d) commercial general liability insurance coverage on a per occurrence basis, in an amount not less than \$25,000,000 per occurrence or such other amount as agreed by the Lender, in its sole discretion; and (e) such other insurance as required by the Lender from time to time in its sole discretion.

7.2 Policy Terms

All insurance required by this Article shall have a term of not less than one year and shall be in the form and amount and with such deductibles, endorsements and insurers as are acceptable to the Lender from time to time acting reasonably. Original or certified copies of all insurance policies and all renewals thereof shall be delivered by the Borrowers to the Lender prior to the Closing Date or policy expiry, as the case may be. If insurance certificates or binders evidencing such insurance and acceptable to the Lender are delivered prior to the Closing Date or renewal, as the case may be, the original or certified copies of such insurance policies may be delivered to the Lender within 90 days thereafter. All property, income and boiler and machinery policies shall (i) contain either a stated amount endorsement or a waiver of any co-

insurance provision; (ii) contain Canadian standard mortgage clauses in favour of the Lender; (iii) not permit any cancellation, waiver or amendment without no less than 30 days prior notice; (iv) shall name the Lender as first mortgagee and loss payee under the property insurance and the boiler and machinery insurance (and under any other insurance covering property damage and rental income) for the Properties and Ancillary Properties (and the related Collateral); and (v) shall name the Lender as an additional insured with respect to claims arising out of the operations of the insured under all liability insurance covering the Properties and Ancillary Properties. The Obligors shall not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required hereunder. If any insurance required by this Agreement is not maintained by the Obligors at any time, the Lender may (but is not obligated to) effect such insurance in any manner it shall determine in its sole discretion and all costs and expenses incurred by or on behalf of the Lender in maintaining such insurance shall be payable by the Obligors forthwith on demand. Until paid, such costs and expenses together with interest calculated in accordance with Section 2.1(c) plus 2% *per annum*, shall be added to the Obligations and secured by the Credit Documents. Each of the Obligors hereby authorizes and directs the payor of any present and future insurance proceeds or expropriation awards in respect of each of the Properties and Ancillary Properties (and the related Collateral), directly to the Lender to be applied to the extent received by the Lender in accordance with this Article 7. Upon an Event of Default, all insurance proceeds and expropriation awards received by the Lender in respect of any of the Properties and Ancillary Properties be applied in accordance with Section 7.7 or 7.9, as the case may be.

7.3 Comply with Insurance Policies

The Obligors shall pay all premiums relating to all insurance required by this Article when due and shall promptly deliver to the Lender receipted invoices or other evidence of payment. Each of the Obligors shall comply with all the terms of each insurance policy required by this Agreement and all requirements of the insurer of each such policy. The Obligors shall not by any action or omission invalidate any insurance policy required to be carried hereunder or materially increase the premiums on any such policy above the normal premium charged by the carrier of such policy.

7.4 Application of Insurance Proceeds

Subject to the rights of any lender with a priority ranking charge over any Property or Ancillary Property which is senior to the charge over such Property or Ancillary Property in favour of the Lender, the Obligors shall cause all proceeds of insurance payable in respect of any damage to or destruction of any of the Properties or Ancillary Properties or any part thereof to be made payable solely to the Lender and shall otherwise deal with the insurance policies in such manner as to enable such proceeds to be collected by the Lender and shall from time to time do all things necessary for the purposes aforesaid.

7.5 Insurance Proceeds under Insurance Proceeds Distribution Threshold

The Lender shall pay to the Borrowers all insurance proceeds received by the Lender in respect of any damage to or destruction of a Property or Ancillary Property which are less than the Insurance Proceeds Distribution Threshold for such Property or Ancillary Property in the aggregate, provided that no Event of Default, or any event or circumstance which with the passage of time or the giving of notice would be an Event of Default, has occurred and is continuing and the Borrowers delivers to the Lender a certificate of a senior officer confirming the same.

7.6 Insurance Proceeds Equal to or in Excess of Insurance Proceeds Distribution Threshold

In the event that the aggregate amount of insurance proceeds payable to the Lender in respect of any damage to or destruction of a Property or Ancillary Property is equal to or in excess of the Insurance Proceeds Distribution Threshold for that Property or Ancillary Property, and provided that no Event of Default, or any event or circumstance which with the passage of time or the giving of notice would be an Event of Default, has occurred and is continuing, the Lender shall, at the option of the Borrowers, either:

- (a) apply all of the insurance proceeds received by it to the repayment of the Outstanding Loans; or
- (b) pay all of the insurance proceeds received by it to the Borrowers subject to and in accordance with Section 7.8, provided that the Borrowers shall have first delivered to the Lender:
 - (i) an officer's certificate of each Borrower stating that such insurance proceeds (together with any equity contribution committal by the Borrowers) are sufficient to fully repair, restore or rebuild the related Property or Ancillary Property and that such repair, restoration or rebuilding is reasonably expected to be completed within 12 months after the date of the incident giving rise thereto, together with internally prepared supporting schedules evidencing such matters;
 - (ii) an undertaking from the Borrowers to repair, restore or rebuild the related Property or Ancillary Property within such 12-month time period, and to repay to the Lender any insurance proceeds not required for such purpose to be applied in repayment of the Outstanding Loans; and
 - (iii) an assessment, in form and substance satisfactory to the Lender, acting reasonably, by an independent engineering firm acceptable to the Lender, acting reasonably, certifying that such insurance proceeds will be sufficient to repair, restore or rebuild the related Property or Ancillary Property and that such repair, restoration or rebuilding can be completed within 12 months of the date of the incident giving rise thereto.

7.7 Insurance Proceeds after Default

Prior to disbursement in accordance with Sections 7.5, 7.6 and 7.8, all insurance proceeds received by the Lender in respect of any damage to or destruction of a Property or Ancillary Property shall be held by the Lender as additional security for the Obligations. If an Event of Default, or any event or circumstance which with the passage of time or the giving of notice would be an Event of Default, has occurred and is continuing, all insurance proceeds thereafter received or then held by the Lender may, at the option of the Lender, in its sole discretion, be applied in reduction of the Obligations in accordance with Section 6.4 or released to the Borrowers for the repair, restoration and rebuilding of the Property or Ancillary Property so damaged or destroyed in accordance with Sections 7.6 and 7.8.

7.8 Repair, Restoration or Rebuilding of Properties

In the event that insurance proceeds are to be paid to the Borrowers pursuant to Sections 7.6 or 7.7 hereof for the purpose of repairing, restoring or rebuilding any Property or Ancillary Property, then such insurance proceeds will be paid to the Borrowers monthly as the work of repairing, restoring or rebuilding the Properties or Ancillary Properties progresses within three Business Days following receipt by the Lender of an application for payment from the Borrowers, together with a certificate from the Borrowers' architect in the amount applied for on a cost to complete basis. All payments shall be subject to Borrower's compliance with all Applicable Laws relating to construction, mechanics or other similar liens and related hold back obligations.

7.9 Proceeds of Expropriation

Prior to an Event of Default, expropriation awards less than \$50,000 (in the aggregate) shall be paid to the Borrowers; provided, however, if any expropriation award(s) exceed \$50,000 in the aggregate or if an Event of Default has occurred and is continuing, such amounts shall be paid to the Lender and applied to reduce the Obligations in accordance with Section 6.4.

ARTICLE 8 GUARANTEE

8.1 Guarantee

Each Guarantor hereby, jointly and severally, unconditionally and irrevocably guarantees payment to the Lender and performance of all the Obligations of the Borrowers and of each other Guarantor, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrowers or any other Guarantor to the Lender pursuant to this Agreement and the other Credit Documents; provided that the Choo Family Trust's liability pursuant to such guarantee obligations, for so long as it is a Guarantor, shall be limited to a maximum aggregate amount (under this Agreement and the Astoria Credit Agreement) of forty million dollars (\$40,000,000). To the extent that the Lender receives payment from a Guarantor of any interest or principal pursuant to the provisions of this Section 8.1, the amount so received shall be in satisfaction of, and applied to the payment of, interest and fees accruing and principal due, as the case may be, on the corresponding Obligations of the Borrowers from and after the date of demand by the Lender on such Guarantor pursuant to this Article 8.

8.2 Indemnity

If any or all of the Obligations of the Borrowers or any other Guarantor are not duly paid by the Borrowers or such other Guarantor and are not recoverable under Section 8.1 for any reason whatsoever, each Guarantor will, as a separate and distinct obligation, jointly and severally indemnify and save harmless the Lender from and against such direct losses resulting from the failure of the Borrowers or a Guarantor to pay such Obligations; provided that in no event shall any party subject to indemnification obligations hereunder be liable to any other party for (i) any punitive, exemplary, incidental, consequential or special damages; or (ii) indirect damages, including indirect damages for loss of future revenue or income, loss of business reputation or opportunity.

8.3 Primary Obligation

If any or all of the Obligations of the Borrowers or any other Guarantor are not duly paid by the Borrowers or a Guarantor and are not recoverable under Section 8.1 or the Lender is not indemnified under Section 8.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be recoverable from each Guarantor as primary obligor.

8.4 Obligations Absolute

The liability of each Guarantor under this Article 8 will be absolute and unconditional and will not be affected by:

- (a) any lack of validity or enforceability of any agreement between the Borrowers, any Guarantor and the Lender;
- (b) any impossibility, impracticability, frustration of purpose, illegality, force majeure or act of any Governmental Authorities;
- (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of any Borrower, any Guarantor or any other Person or the amalgamation of or any change in the status, function, control or ownership of any Borrower and/or any Guarantor and/or the Lender or any other Person;
- (d) any lack or limitation of power, incapacity or disability on the part of any Borrower, any Guarantor or of the directors, officers, employees or agents thereof or any other irregularity, defect or informality on the part of any Borrower or any Guarantor in its obligations to the Lender;
- (e) to the fullest extent permitted by law, any other law, regulation or other circumstance that might otherwise constitute a defence available to, or a discharge of, any Borrower or any Guarantor in respect of any or all of the Obligations of any Borrower or any Guarantor; or
- (f) any failure by any Borrower or any Guarantor to pay any principal, interest or other amount under any Credit Document.

8.5 No Release

The liability of each Guarantor under this Article 8 will not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Lender in connection with any duties or liabilities of the Borrowers or any Guarantor to the Lender or any security therefor including any loss of or in respect of any security received by the Lender from the Borrowers, any Guarantor or others. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part any Guarantor's liability under this Article 8, without obtaining the consent of or giving notice to any Guarantor, the Lender may:

- (a) discontinue, reduce, increase or otherwise vary the Credit Facility in any manner whatsoever;

- (b) make any change in the time, manner or place of payment under, or in any other term of, any agreement between the Borrowers, any Guarantor and/or the Lender or waive the failure on the part of the Borrowers or any Guarantor to carry out any of its obligations under any such agreement;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrowers or a Guarantor;
- (d) take or abstain from taking or enforcing securities or collateral from the Borrowers or any Guarantor or from perfecting securities or collateral of the Borrowers or any Guarantor;
- (e) accept compromises from the Borrowers or any Guarantor;
- (f) apply all money at any time received from the Borrowers or any Guarantor or from securities upon such part of the Obligations as the Lender may see fit or change any such application in whole or in part from time to time as the Lender may see fit; and
- (g) otherwise deal with the Borrowers or any Guarantor and all other Persons and securities as the Lender may see fit.

8.6 No Exhaustion of Remedies

The Lender will not be bound or obligated to exhaust its recourse against the Borrowers or any Guarantor or other Persons or any securities or collateral they may hold or take any other action before being entitled to demand payment from the Guarantor under this Article 8.

8.7 Prima Facie Evidence

Any account settled or stated in writing by or between the Lender and the Borrowers will be prima facie evidence (absent evidence to the contrary) that the balance or amount thereof appearing due to the Lender is so due.

8.8 No Set-off

In any claim by the Lender against a Guarantor, such Guarantor may not assert any set-off or counterclaim that a Guarantor and/or the Borrowers may have against the Lender.

8.9 Continuing Guarantee

The obligations of each Guarantor under this Article 8 will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Lender and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender. The guarantee herein will continue to be effective even if at any time any payment of any of the Obligations of the Borrowers or any Guarantor is rendered unenforceable or is rescinded or must otherwise be returned by the Lender upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrowers or any Guarantor or otherwise, all as though such payment had not been made.

8.10 Demand

Upon the occurrence of an Event of Default that has not been either cured or waived in accordance with the provisions of this Agreement, the Lender will be entitled to make demand upon any Guarantor for payment of all Obligations, including interest on overdue payments of principal, interest, fees and other amounts payable by the Obligors hereunder.

8.11 Assignment and Postponement

All debts and liabilities, present and future, of the Borrowers to each Guarantor and of each Guarantor to another Guarantor (collectively, the **"Guarantor Claims"**), are hereby assigned to the Lender and postponed to the priority payment of the Obligations. Notwithstanding that the foregoing assignment and postponement of Guarantor Claims is intended to be a present and effective assignment and postponement, unless and until an Event of Default has occurred which is continuing, a Guarantor may:

- (a) demand, receive, collect and enjoy the Guarantor Claims as the same fall due and payable; and
- (b) exercise all of the rights and powers and enjoy all of the benefits and advantages derived from or arising in respect of the Guarantor Claims.

From and after the occurrence and during the continuance of an Event of Default, all money received by any Guarantor in respect of the Guarantor Claims will be held in trust for the Lender and forthwith upon receipt will be paid over to the Lender, the whole without in any way lessening or limiting the liability of each Guarantor hereunder. This assignment and postponement is independent of the Guarantee in this Article 8 and will remain in full force and effect until, in the case of the assignment, the liability of the applicable Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, all Obligations are performed and paid in full.

8.12 Subrogation

Each Guarantor will not be entitled to subrogation until (a) such Guarantor performs or makes payment to the Lender of all amounts owing by the Guarantor to the Lender hereunder; and (b) all Loans and all scheduled payments of principal and interest and all other amounts due under this Agreement have been paid in full. Thereafter, the Lender will, at the Guarantor's request and expense, execute and deliver to such Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by such Guarantor.

8.13 Independent Obligation

The obligations of each Guarantor under this Article 8 shall constitute obligations separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, and shall apply irrespective of any indulgence granted by the Lender from time to time. A separate action or actions may be brought and prosecuted against each Guarantor in respect of its obligations under this Article 8, whether or not any action is brought against any other Person or whether or not any other Person is joined in such action or actions.

8.14 Exception

- (a) Notwithstanding anything to the contrary in this Agreement, the provisions of this Article 8 shall not apply to a Guarantor unless or until such time as such Guarantor is not a party to any ongoing receivership proceedings, including the Receivership Proceedings.
- (b) Notwithstanding anything to the contrary in this Agreement, no Borrower or Guarantor shall be required to comply with any covenant hereunder, including the covenants set forth in Article 5, if, at the relevant time, the power, capacity or authority to perform or refrain from performing such covenant is vested with a receiver pursuant to ongoing receivership proceedings, including the Receivership Proceedings.

**ARTICLE 9
COMPENSATION AND SET-OFF**

9.1 Increased Costs

- (a) **Increased Costs Generally:** If any Change in Applicable Laws shall:
 - (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender;
 - (ii) subject the Lender to any Tax of any kind whatsoever with respect to this Agreement or any Loans made by it, or change the basis of taxation of payments to the Lender in respect thereof, except for (A) Indemnified Taxes or Other Taxes covered by Section 9.2 and (B) the imposition, or any change in the rate, of any Excluded Tax payable by the Lender; or
 - (iii) impose on the Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by the Lender; and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining any Loans (or of maintaining its obligation to make any such Loans), or to increase the cost to the Lender, or to reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount),

then upon request of the Lender and subject to the Lender providing the certificate referred to in Section 9.1(c), the Borrowers will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

- (b) **Capital Requirements:** If the Lender determines that any Change in Applicable Laws affecting the Lender regarding capital requirements has or would have the effect of reducing the rate of return on the Lender's capital as a consequence of this Agreement, the Commitments of the Lender or the Loans made by the Lender, to a level below that which the Lender could have achieved but for such Change in Applicable Laws, then from time to time and subject to the Lender providing the certificate referred to in Section 9.1(c), the Borrowers will

pay to the Lender such additional amount or amounts as will compensate the Lender for any such reduction suffered.

(c) **Certificates for Reimbursement:** A certificate of the Lender delivered to the Borrowers setting forth the amount or amounts necessary to compensate the Lender as specified in Section 9.1(a) or (b) ("**Additional Compensation**"), including a description of the event by reason of which it believes it is entitled to such compensation, and supplying reasonable supporting evidence (including, in the event of a Change in Applicable Laws, a photocopy of the Applicable Laws evidencing such change) and reasonable detail of the basis of calculation of the amount or amounts, shall be conclusive evidence of the Lender's entitlement to such compensation and the amount thereof absent manifest error. The Borrowers shall pay the Lender the amount shown as due on any such certificate within 10 days after receipt thereof. In the event the Lender subsequently recovers all or part of the Additional Compensation paid by the Borrowers, it shall promptly repay an equal amount to the Borrowers. The obligation to pay such Additional Compensation for subsequent periods will continue until the earlier of termination of the Loans or the Commitment affected by the Change in Applicable Laws, change in capital requirement or the lapse or cessation of the Change in Applicable Laws giving rise to the initial Additional Compensation. The Lender shall make reasonable efforts to limit the incidence of any such Additional Compensation and seek recovery for the account of the Borrowers upon the Borrowers' request and at the Borrowers' expense, provided the Lender in its reasonable determination suffers no appreciable economic, legal, regulatory or other disadvantage. Notwithstanding the foregoing provisions, the Lender shall only be entitled to rely upon the provisions of this Section 9.1 if and for so long as it is not treating the Borrowers in any materially different or in any less favourable manner than is applicable to any other customers of the Lender, where such other customers are bound by similar provisions to the foregoing provisions of this Section 9.1.

(d) **Delay in Requests:** Failure or delay on the part of the Lender to demand compensation pursuant to this Section shall not constitute a waiver of the Lender's right to demand such compensation, except that the Borrowers shall not be required to compensate the Lender pursuant to this Section for any increased costs incurred or reductions suffered more than one year prior to the date that the Lender notifies the Borrowers of the Change in Applicable Laws giving rise to such increased costs or reductions and of the Lender's intention to claim compensation therefor, unless the Change in Applicable Laws giving rise to such increased costs or reductions is retroactive, in which case the one-year period referred to above shall be extended to include the period of retroactive effect thereof.

9.2 Taxes

(a) **Payments Subject to Taxes:** If an Obligor or the Lender is required by Applicable Laws to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of the Borrowers hereunder or under any other Credit Document, then (i) the sum payable shall be increased by an Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Lender or other recipient, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required; (ii) the Obligor shall make any such deductions required to be made by the Obligor under Applicable Laws; and (iii) the Obligor shall timely pay the full amount required to be deducted or paid to the relevant Governmental Authority in accordance with Applicable Laws.

(b) **Payment of Other Taxes by the Borrowers:** Without limiting the provisions of Section 9.2(a) above, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Laws.

(c) **Indemnification by the Borrowers:** The Borrowers shall indemnify the Lender, within 15 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrowers by the Lender shall be conclusive absent manifest error.

(d) **Evidence of Payments:** As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

(e) **Refunds:** If the Lender determines, in its sole discretion, that it has received a refund, or otherwise recovered, of any Taxes or Other Taxes (a “**refund amount**”) as to which it has been indemnified by the Borrowers or with respect to which the Borrowers has paid additional amounts pursuant to this Section 9.2 and, in the Lender’s opinion, such refund amount is both reasonably identifiable and quantifiable by the Lender without involving it in an unacceptable administrative burden, the Lender shall pay over such refund amount to the Borrowers (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section 9.2 with respect to the Taxes or Other Taxes giving rise to such refund amount, and only to the extent that the Lender is satisfied that it may do so without prejudice to its right, as against the relevant Governmental Authority, to retain such refund amount), net of all reasonable out-of-pocket expenses of the Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund amount); provided that the Borrowers, upon the request of the Lender, shall repay the amount of any such refund amount paid over to the Borrowers (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lender if the Lender is required to repay such refund amount to such Governmental Authority. Nothing herein contained shall (i) interfere with the right of the Lender to arrange its affairs in whatever manner it thinks fit and, in particular, the Lender shall be under no obligation to claim relief for tax purposes on its corporate profits or otherwise, or to claim such relief in priority to any other claims, reliefs, credits or deductions available to it, or (ii) require the Lender to make available its tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrowers or any other Person.

(f) **Survival:** The Obligors’ obligations under this Section 9.2 shall survive without limitation the termination of this Agreement and all other Credit Documents and the permanent repayment of the outstanding credit and all other amounts payable hereunder.

9.3 Illegality

If the Lender determines that any Applicable Laws have made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Lender to make or maintain any Loans, or to determine or charge interest rates based upon any particular rate, then, on

notice thereof by the Lender to the Borrowers any obligation of the Lender with respect to the activity that is unlawful shall be suspended until the Lender notifies the Borrowers that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrowers shall, within 90 days of demand from the Lender (or such shorter period as is advised by the Lender where required to comply with Applicable Laws or is required to ensure the Lender is not subject to any fines or other penalties), prepay or, if conversion would avoid the activity that is unlawful, convert any Loans. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted.

ARTICLE 10

NOTICES: EFFECTIVENESS; ELECTRONIC COMMUNICATION

10.1 Notices, etc.

(a) **Notices Generally:** Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 10.1(c) or (d)) all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email to the addresses specified elsewhere in this Agreement.

(b) **Delivery:** Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through electronic communications to the extent provided in Section 10.1(c) or (d) below, shall be effective as provided therein.

(c) **Electronic Communications:** Notices and other communications hereunder may be delivered or furnished by electronic communication (including email and internet or intranet websites) pursuant to procedures approved by the Lender, provided that the foregoing shall not apply to notices to the Lender if the Lender has notified the Borrowers that it is incapable of receiving notices by electronic communication.

(d) **Delivery by Electronic Communication:** (i) notices and other communications sent to an email address shall be deemed received on the Business Day of transmission; and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(e) Notice:

(i) If to any Obligor:

c/o 2067166 Ontario Inc.

Attention: David Choo

Email: dchoo@ashcrofthomes.ca

(ii) If to the Lender:

Geodesic Holdings LLC

c/o Farallon Capital Management, L.L.C.

One Maritime Plaza, Suite 2100
San Francisco, CA 94111

Attention: General Counsel
Email: generalcounsel@faralloncapital.com and
ahusen@faralloncapital.com

and for all notices and other communications related to payments under this Agreement or any other Credit Document, with a copy to:

Email: loanops@faralloncapital.com, alu@faralloncapital.com and
ddupar@faralloncapital.com.

(f) **Change of Address, Etc.:** Any party hereto may change its address for notices and other communications hereunder by notice to the other parties hereto.

ARTICLE 11

EXPENSES; INDEMNITY: DAMAGE WAIVER

11.1 Expenses; Indemnity; Damage Waiver

(a) **Costs and Expenses:** The Borrowers shall pay all reasonable out-of-pocket costs and expenses of the Lender in connection with the Credit Documents and the establishment and administration of the Credit Facility, including all fees, charges and disbursements of the Escrow Agent and any loan servicing agent engaged by the Lender, and the enforcement of the Lender's rights under this Agreement and the other Credit Documents, including its rights under this Section, or in connection with all Loans hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of Loans, and all fees, charges and disbursements of Lender's Counsel with respect to advising the Lender of its rights and responsibilities under this Agreement and the other Credit Documents, and for greater certainty including in respect of the negotiation, execution, delivery and registration of all Additional Security Documents and all Blocked Account Agreements.

(b) **Indemnification by the Borrowers:** In addition to its obligations pursuant to the Environmental Indemnity Agreement, the Borrowers shall indemnify the Lender and each Related Person of the Lender (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all Claims suffered or incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Obligors arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby; (ii) any Loan, or the use or proposed use of the proceeds therefrom; (iii) any actual or prospective Claim relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any of the Obligors and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such Claims (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, criminal acts or omissions or wilful misconduct of such Indemnitee or (y) result from a claim brought by any of the Obligors against an Indemnitee for breach of such Indemnitee's obligations hereunder or under any other Credit Document, if any of the Obligors have obtained a final and

nonappealable judgment in their favour on such claim as determined by a court of competent jurisdiction, nor shall it be available in respect of matters specifically addressed in Sections 9.1, 9.2 and 11.1(a) which are ordinary administrative expenses incurred by the Indemnatee in the ordinary course of business.

(c) **Waiver of Consequential Damages, Etc.:** To the fullest extent permitted by Applicable Laws, the Lender and the Obligors shall not assert, and hereby waive, any claim against any party entitled to indemnification under this Agreement, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnatee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby, provided such information or materials are distributed by such Indemnatee in accordance with the provisions of this Agreement or any related term sheet or other agreement between the Lender and the Borrowers in respect of the Credit Facility.

(d) **Payments:** All amounts due under this Section shall be payable promptly after demand therefor. A certificate of the Lender setting forth the amount or amounts owing to the Lender or a sub-agent or Related Person, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrowers shall be conclusive absent manifest error.

ARTICLE 12 SUCCESSORS AND ASSIGNS; PARTICIPATIONS AND AGENTS

12.1 Successors and Assigns Generally

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby.

12.2 Assignment

(a) The Lender may, with the prior written consent of the Borrowers (except that the consent of the Borrowers shall not be required during the continuance of an Event of Default), which consents shall not be unreasonably withheld, sell, assign, transfer or grant an interest in its Commitment and its rights under the Credit Documents.

(b) Notwithstanding Section 12.2(a), the Lender may sell, assign, transfer or grant an interest in its Commitment and its rights under the Credit Documents to an Affiliate of the Lender; provided that the Lender shall remain liable for its obligations under the Credit Documents notwithstanding such sale, assignment, transfer or grant, and no Borrower will not be under any obligation to pay or indemnify, by way of tax under Section 9.2, Additional Compensation under Section 9.1 or otherwise, any greater amount than it would have been obliged to pay if the Lender had not made such sale, assignment, transfer or grant.

(c) Upon any such sale, assignment, transfer or grant, the granting Lender, the new Lender and the Borrowers shall execute and deliver an Assignment and Assumption.

(d) No Borrower shall assign its rights or obligations hereunder without the prior written consent of the Lender.

12.3 Participations

The Lender may, without the consent of any Borrower, grant one or more participations in its Commitment and/or repayment of the Loan to other persons. A participant shall be entitled to the payments of Additional Compensation pursuant to Section 9.1 and additional amounts or indemnity pursuant to Section 9.2, except that a participant shall not be entitled to receive any greater payment under Section 9.1 or 9.2 than the Lender would have been entitled with respect to the participation sold unless the sale of the participation to such participant is made with the Borrowers' prior written consent.

12.4 Appointment of Agent

At any time and from time to time the Lender may require the Obligors to appoint an administrative agent and/or collateral agent under this Agreement, such administrative agent and/or collateral agent to be selected by the Lender and appointed on terms and conditions satisfactory to the Lender, in its sole discretion. The Obligors shall cause to be delivered to the Lender such instruments, agreements, certificates and documents as the Lender may reasonably request in connection with such appointment (including, for certainty, any amendments to this Agreement and any other Credit Document). All fees and expenses of any administrative agent and/or collateral agent so appointed (whether the original agent or replacements) pursuant to this Section 12.4 and all fees and expenses incurred by Lender in connection with this Section 12.4 (including, without limitation, legal fees), shall be paid by the Obligors.

ARTICLE 13 RIGHT OF FIRST OPPORTUNITY

13.1 Right of First Opportunity

Without derogating from Section 5.2(a), in the event that any Obligor intends to enter into any new transaction or obligation for Borrowed Money after the Closing Date (other than pursuant to this Agreement or the Astoria Credit Agreement), prior to entering into any commitment or definitive agreement with any third party with respect thereto, such Obligor shall first offer the Lender the opportunity to lend such Borrowed Money (the "**ROFO Offer**") on terms and conditions (including the principal amount, interest rate, maturity date, fees and other material terms) that such Obligor is prepared to accept (the "**ROFO Terms**"). The Lender shall have 10 Business Days from receipt of such ROFO Offer to notify the Borrowers in writing of its election to provide such financing, in which case, the Obligor and Lender shall negotiate in good faith the definitive agreements therefor on the basis of the ROFO Terms (and such diligence and credit approval conditions as the Lender may require) and the Obligor shall not enter into any such transaction or incur any such obligation with any third party (other than the Lender). If the Lender does not elect to provide such financing within such 10-Business Day period, the Obligor shall be entitled to enter into a new transaction with a third party on terms no more favourable to the third party than the ROFO Terms, provided that such transaction is completed within 120 days after the expiry of such 10-Business Day period. If the proposed transaction has not been completed within such 120 day period or is on terms more favourable to the Lender than the ROFO Terms, the Obligor shall not enter into any such transaction without delivering another ROFO Offer and again complying with this Section 13.1.

ARTICLE 14 AMENDMENTS AND WAIVERS

14.1 Amendments and Waivers

(a) No amendment or waiver of any provision of any of the Credit Documents, nor consent to any departure by any of the Obligors or any other Person from such provisions, shall be effective unless in writing and approved by the Lender. Any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

(b) Only written acceptances, amendments, waivers or consents signed by the Lender, shall affect the rights or duties of the Lender under the Credit Documents.

ARTICLE 15 GOVERNING LAW; JURISDICTION; ETC.

15.1 Governing Law; Jurisdiction; Etc.

(a) **Governing Law:** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

(b) **Submission to Jurisdiction:** Each of the Obligors irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Ontario, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Credit Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final, non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Credit Document shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any Obligor or its properties in the courts of any jurisdiction.

(c) **Waiver of Venue:** Each of the Obligors irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Laws, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court of the Province of Ontario. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Laws, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

ARTICLE 16 WAIVER OF JURY TRIAL

16.1 Waiver of Jury Trial

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR

RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

ARTICLE 17

COUNTERPARTS; INTEGRATION; EFFECTIVENESS; ELECTRONIC EXECUTION

17.1 Counterparts; Integration; Effectiveness; Electronic Execution

(a) **Counterparts; Integration; Effectiveness:** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it has been executed by the Lender and when the Lender has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) **Electronic Execution of Assignments:** The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Laws, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

ARTICLE 18

TREATMENT OF CERTAIN INFORMATION: CONFIDENTIALITY

18.1 Treatment of Certain Information; Confidentiality

(a) The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (to the extent necessary to administer or enforce this Agreement and the other Credit Documents) (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be bound and instructed to keep such Information confidential); (b) to the extent requested by any regulatory authority having jurisdiction over it (including any self-regulatory authority), including in favour of any Receiver; (c) to the extent required by Applicable Laws or other legal process, including without limitation as may be necessary or appropriate in obtaining Court Approval or support for Court Approval; (d) to any other party hereto; (e) to the extent reasonable, in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to

this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of, or any prospective assignee of, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrowers and its obligations; (g) with the consent of the Borrowers; or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Lender on a non-confidential basis from a source other than the Obligors and provided such source has not, to the knowledge of the Lender breached a duty of confidentiality owed to the Obligors or the Lender. If the Lender is requested or required to disclose any Information pursuant to or as required by Applicable Laws or by a subpoena or similar legal process, the Lender shall use its reasonable commercial efforts to provide the Obligors with notice of such requests or obligation in sufficient time so that the Obligors may seek an appropriate protective order or waive the Lender's compliance with the provisions of this Section, and the Lender shall co-operate with the Obligors in obtaining any such protective order.

(b) For purposes of this Section, "**Information**" means all information relating to the Obligors or any of their Affiliates or any of their respective businesses, other than any such information that is available to the Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Lender may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

(c) In addition, and notwithstanding anything herein to the contrary, the Lender may provide information concerning the Obligors and the Credit Facility established herein to recognized trade publishers of information for general circulation in the loan market.

ARTICLE 19 LANGUAGE

19.1 Language

The parties acknowledge that they have required that this Agreement, as well as all documents, notices and legal proceedings executed, given or instituted pursuant or relating directly or indirectly hereto, be drawn up in English (except as the parties may otherwise agree in writing). *Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, à la suite de ou relativement à la présente convention.*

(The remainder of this page is intentionally left blank; signature page follows.)

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

LENDER:

GEODESIC HOLDINGS LLC

by _____
Name: ■
Title: ■

BORROWERS:

1230172 ONTARIO INC.

by _____
Name: ■
Title: ■

2067166 ONTARIO INC.

by _____
Name: ■
Title: ■

**ASHCROFT HOMES – LA
PROMENADE INC.**

by _____
Name: ■
Title: ■

GUARANTORS:

David Choo

**THE DAVID AND SHANTI CHOO
FAMILY TRUST (2016)**

by _____
Name: ■
Title: ■

**ASHCROFT HOMES – THE ASTORIA
INC.**

by _____
Name: ■
Title: ■

**ASHCROFT HOMES – THE ASTORIA II
INC.**

by _____
Name: ■
Title: ■

ENVIE ENTERPRISES INC.

by _____
Name: ■
Title: ■

ALAVIDA LIFESTYLES INC.

by _____
Name: ■
Title: ■

1971446 ONTARIO INC.

by _____
Name: ■
Title: ■

ASHCROFT LEASING INC.

by _____
Name: ■
Title: ■

2058744 ONTARIO CORP.

by _____
Name: ■
Title: ■

ASHCROFT HOMES – CITI PLACE INC.

by _____
Name: ■
Title: ■

2058743 ONTARIO CORP.

by _____
Name: ■
Title: ■

**ASHCROFT HOMES – 108 RICHMOND
ROAD INC.**

by _____
Name: ■
Title: ■

**ASHCROFT HOMES – 111 RICHMOND
ROAD INC.**

by _____
Name: ■
Title: ■

1230174 ONTARIO INC.

by _____
Name: ■
Title: ■

ASHCROFT DEVELOPMENT INC.

by _____
Name: ■
Title: ■

1394842 ONTARIO INC.

by _____
Name: ■
Title: ■

2280430 ONTARIO INC.

by _____
Name: ■
Title: ■

2059989 ONTARIO INC.

by _____
Name: ■
Title: ■

2252514 ONTARIO INC.

by _____
Name: ■
Title: ■

1070280 ONTARIO INC.

by _____
Name: ■
Title: ■

1561973 ONTARIO INC.

by _____
Name: ■
Title: ■

ASHCROFT HOMES – EASTBORO INC.

by _____
Name: ■
Title: ■

**ASHCROFT HOMES – CAPITAL HALL
INC.**

by _____
Name: ■
Title: ■

SCHEDULE A
COMMITMENT

Lender	Commitment
Geodesic Holdings LLC	\$113,000,000

SCHEDULE B
PROPERTIES

Attached.

SCHEDULE C
EXISTING FORBEARANCE AGREEMENTS

SCHEDULE D
USE OF FUNDS

Attached.

SCHEDULE E
IN PROCESS SALES

Attached.

SCHEDULE F
INTELLECTUAL PROPERTY

SCHEDULE G

CERTAIN PERMITTED LIENS

- Astoria I and II
 - Instrument Nos. OC2358309 and OC2358310 (CIBC/Laurentian charge and assignment of rents)
 - Instrument Nos. OC2755330 and OC2755331 (HP ABL Fund 1 GP Inc. and HP ABL Fund 1 Limited Partnership charge and assignment of rents)
- Gilmour Lands:
 - Instrument No. OC2772595 (Certificate re Tax Lien)
 - Instrument No. OC2769488 (Government Order Application – notice of by-law violations)
- Eastboro pond lands and Citi Place mixed use inventory:
 - Instrument Nos. OC2718496 and OC2744540 (Stantec construction lien and related certificate)
- Citi Place mixed use inventory:
 - Instrument No. OC2762537 (Condo Lien)
 - Instrument No. OC2762542 (Condo Lien)
 - Instrument No. OC2762538 (Condo Lien)
- Ashcroft Leasing:
 - Instrument Nos. OC2755337, OC2755338, OC2834090 and OC2834091 (HP ABL Fund 1 GP Inc. charges and assignments of rents)
 - Instrument No. OC2747195 (Condo Lien)
 - Instrument No. OC2747196 (Condo Lien)
 - Instrument No. OC2747197 (Condo Lien)
 - Instrument No. OC2747198 (Condo Lien)
 - Instrument No. OC2747163 (Condo Lien)
 - Instrument No. OC2747164 (Condo Lien)
 - Instrument No. OC2747360 (Condo Lien)
 - Instrument No. OC2747362 (Condo Lien)
 - Instrument No. OC2747363 (Condo Lien)
 - Instrument No. OC2747364 (Condo Lien)
 - Instrument No. OC2747403 (Condo Lien)
 - Instrument No. OC2747402 (Condo Lien)
 - Instrument No. OC2747401 (Condo Lien)
- Citi Place Flats
 - Instrument Nos. OC2755332 and OC2755333 (HP ABL Fund 1 GP Inc. and HP ABL Fund 1 Limited Partnership charge and assignment of rents)
- Citi Place Industrial (Bare Lands)
 - Instrument No. OC2650331 (CIBC/Laurentian charge)
- 111 Richmond Road (residential units)
 - Instrument Nos. OC2762736 and OC2762737 (HP ABL Fund 1 GP Inc. and HP ABL Fund 1 Limited Partnership charge and assignment of rents)
- 108 Richmond Road (residential units)
 - Instrument Nos. OC2762734 and OC2762735 (HP ABL Fund 1 GP Inc. and HP ABL Fund 1 Limited Partnership charge and assignment of rents)
- CP Plaza (1234 Merivale)
 - Instrument Nos. OC2787453 and OC2787454 (HP ABL Fund 1 GP Inc. and HP ABL Fund 1 Limited Partnership charge and assignment of rents)

- The Next lands (300 Central Park Drive/1 Crystal Park Cres/1230 Merivale Road)
 - Instrument Nos. OC2665118 and OC2665119 (HP ABL Fund 1 GP Inc. and HP ABL Fund 1 Limited Partnership charge and assignment of rents)
- The Glebe
 - Instrument Nos. OC2787455 and OC2787456 (HP ABL Fund 1 GP Inc. charge and assignment of rents)
- Oakridge Gate Lands
 - Instrument No. OC2642100 (CIBC charge)
- 111 Richmond (commercial Units)
 - Instrument Nos. OC2762736, OC2762737, OC2762754 and OC2762755 (HP ABL Fund 1 GP Inc. and HP ABL Fund 1 Limited Partnership charge and assignment of rents)
- 108 Richmond (commercial units)
 - Instrument Nos. OC2762734, OC2762735, OC2762752 and OC2762753 (HP ABL Fund 1 GP Inc. and HP ABL Fund 1 Limited Partnership charge and assignment of rents)
- 4th Avenue Commercial Units:
 - Instrument Nos. OC2715655 and OC2715656 (1374739 Ontario Inc. charge and assignment of rents)
 - Instrument Nos. OC2826636 and OC2826637 (HP ABL Fund 1 GP Inc. charge and assignment of rents)
- Eastboro Eastern Lands:
 - Instrument No. OC2645820 (CIBC charge)
- David Choo
 - Execution lien (S&S Bolton Electric Inc. and Orbital Home Integration)

SCHEDULE H

PROPERTY MANAGEMENT AGREEMENTS

- property management agreement dated October 20, 2025 between 2067166 Ontario Inc. and Cogir for the building known as “Park Place Senior Suites” and located at 120 Central Park Drive, Ottawa, ON K2C 4G3;
- property management agreement dated October 20, 2025 between 1230172 Ontario Inc. and Cogir for the building known as “Park Place Retirement Residence” and located at 110 Central Park Drive, Ottawa, ON K2C 4G3;
- property management agreement dated October 20, 2025 between Ashcroft Homes – La Promenade Inc. and Cogir for the building known as “Promenade Senior Suites” and located at 150 Rossignol Drive, Ottawa, ON K4A 5J7;
- property management agreement dated October 20, 2025 between 1971446 Ontario Inc. and Cogir for the building known as “Promenade Retirement Residence” and located at 110 Rossignol Drive, Ottawa, ON K4A 5J7;
- property management agreement dated October 20, 2025 between Ashcroft Homes – The Astoria Inc. and Cogir for the building known as “Astoria Senior Apartment” and located at 130 Central Park Drive, Ottawa, ON K2C 4G3; and
- property management agreement dated October 20, 2025 between Ashcroft Homes – The Astoria II Inc. and Cogir for the building known as “Astoria Senior Apartment” and located at 130 Central Park Drive, Ottawa, ON K2C 4G3.

EXHIBIT A
FORM OF ASSIGNMENT AND ASSUMPTION

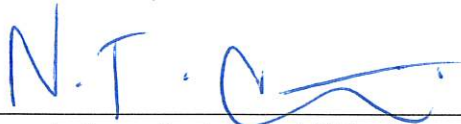
EXHIBIT B
FORM OF BORROWING REQUEST

EXHIBIT C
FORM OF REPAYMENT NOTICE

EXHIBIT D
OWNERSHIP CHART

EXHIBIT E
OBLIGORS

This is **Exhibit "H"** referred to in the
Affidavit of David Oswald Choo, located in the
City of Ottawa, in the Province of Ontario,
sworn before me in the City of Ottawa, in the Province of Ontario,
this 27th day of October 2025,
in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A commissioner for taking Affidavits
(or as may be)

Nelly Tavares Coutinho,
A Commissioner, etc.,
Province of Ontario, for Mann Lawyers
LLP.
Expires June 16, 2028

LOAN PARTICIPATION AGREEMENT

LOAN PARTICIPATION AGREEMENT made as of the [■] day of [■], 2025

BETWEEN:

GEODESIC HOLDINGS LLC,
(hereinafter referred to as the “**Lender**”)

- and -

COGIR RPA 9 LP, by its general partner, ■,
(hereinafter referred to as “**Cogir**”)

- and -

HP ABL FUND 1 LIMITED PARTNERSHIP, by its
general partner, **HP ABL FUND 1 GP INC.**,
(hereinafter referred to as “**HPLP**”)

- and -

**1230172 ONTARIO INC., 2067166 ONTARIO INC.
AND ASHCROFT HOMES – LA PROMENADE
INC.**,
(hereinafter collectively referred to as the
“**Borrowers**”)

- and -

**DAVID CHOO, THE DAVID AND SHANTI CHOO
FAMILY TRUST (2016), ASHCROFT HOMES –
THE ASTORIA INC., ASHCROFT HOMES – THE
ASTORIA II INC., ENVIE ENTERPRISES INC.,
ALAVIDA LIFESTYLES INC., 1971446 ONTARIO
INC., ASHCROFT LEASING INC., 2058744
ONTARIO CORP., ASHCROFT HOMES – CITI
PLACE INC., 2058743 ONTARIO CORP.,
ASHCROFT HOMES – 108 RICHMOND ROAD
INC., ASHCROFT HOMES – 111 RICHMOND
ROAD INC., 1230174 ONTARIO INC.,
ASHCROFT DEVELOPMENT INC., 1394842
ONTARIO INC., 2280430 ONTARIO INC.,
2059989 ONTARIO INC., 2252514 ONTARIO
INC., 1070280 ONTARIO INC., 1561973
ONTARIO INC., ASHCROFT HOMES –
EASTBORO INC., AND ASHCROFT HOMES –
CAPITAL HALL INC.**
(hereinafter collectively referred to as the
“**Guarantors**”).

WHEREAS pursuant to a credit agreement entered into between the Lender, the Borrowers and the Guarantors on or about the date hereof (the “**Credit Agreement**”), the Lender established a non-revolving credit facility in favour of the Borrowers in the principal amount of \$113,000,000 (the “**Credit Facility**”) on and subject to the terms and conditions of the Credit Agreement;

AND WHEREAS the Lender has committed to make the Loans available to the Borrowers by way of a single advance under the Credit Facility in the amount of \$113,000,000 (the “**Credit Commitment**”) on and subject to the terms and conditions of the Credit Agreement;

AND WHEREAS the Lender has offered participation in the P&I Proceeds to each of Cogir and HPLP (each, a “**Participant**” and, collectively, the “**Participants**”) and each Participant has agreed to participate, by way of the purchase of a Participant’s Interest (as hereinafter defined), in the P&I Proceeds, on and subject to the terms and conditions of this Agreement;

AND WHEREAS the Borrowers and the Guarantors are parties to this Agreement for the purpose of agreeing to the provisions hereof that supplement and/or modify the terms of the Credit Agreement;

IN CONSIDERATION of the foregoing, the mutual covenants set out herein, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

1. **Defined Terms**

Capitalized terms used in this Agreement and not otherwise defined herein have the meanings given to them in the Credit Agreement and the following terms shall have the following meanings:

“**Astoria Credit Facility**” means the Credit Facility under (and as defined in) the Astoria Credit Agreement.

“**Cogir Account**” means the following account of Cogir:

Beneficiary Bank:

SWIFT:

Beneficiary:

Account Number:

Ref:

“**Excluded Costs**” means costs, expenses and fees contemplated in the Credit Documents (other than the Exit Fee) that are paid or payable to the Lender by the Borrowers (or for the account of the Borrowers) pursuant to the Credit Documents (including, without limitation, costs and expenses for establishing or administering the Credit Facility (including all fees, charges and disbursements of any loan servicing agent engaged from time to time by the Lender) and for enforcing the rights of the Lender under the Credit Documents and all fees contemplated in the Fee Letters).

“**HPLP Account**” means the following account of HPLP:

Beneficiary Bank: TD Canada Trust

SWIFT: TDOMCATTOR

Beneficiary: HP ABL FUND 1 GP INC
Account Number: 5260534
Ref: 004 (Institution Number)
Transit: 80629

"KSV" means KSV Restructuring Inc.

"KSV Funding Amount" means an amount equal to the aggregate of the Refinancing Payments (as such term is defined in the KSV Orders).

"KSV Orders" means, collectively, (a) the Court Approval issued under the Park Place / Promenade Receivership and (b) the Court Approval issued under the Park Place Retirement Receivership.

"KSV Receivership Proceedings" means, collectively, the Park Place / Promenade Receivership and the Park Place Retirement Receivership.

"Lender Account" means the following account of Lender:

Beneficiary Bank:
SWIFT:
Beneficiary:
Account Number:
Ref:

"P&I Proceeds" means principal, interest and other amounts paid by or on behalf of the Borrowers to the Lender in connection with the Loan (including the Exit Fee but excluding the PA MOIC Fee Portion), other than on account of any Excluded Costs, Upfront Fee and/or Protective Advances (including, for certainty, the PA MOIC Fee Portion).

"PA MOIC Fee Portion" means an amount equal to the product of (a) the sum determined pursuant to clause (b)(ii) of the definition of "Exit Fee" in the Credit Agreement, multiplied by (b) an amount, expressed as a fraction, the numerator of which is the PA MOIC and the denominator is the Total MOIC.

"Park Place / Promenade Receivership" means the Receivership Proceedings before the Court in Court File No. CV-24-00098058-0000.

"Park Place Retirement Receivership" means the Receivership Proceedings before the Court in Court File No. CV-25-00098742-0000.

"Proportionate Share" means: (a) in respect of Cogir, 5.0%, (b) in respect of HPLP, 5.0%, and (c) in respect of the Lender, 90.0%.

"Upfront Fee" means any loan commitment fee payable pursuant to the Fee Letters.

2. Purchase of Participation

- (a) Effective upon the receipt by the Receivers of the funds required pursuant to Section 3(c) to be made by a Participant, the Lender hereby sells, transfers and grants to such Participant, a 5.0% interest in the P&I Proceeds, for a purchase

price equal to such Participant's Proportionate Share of the P&I Proceeds (its "**Participation Purchase Price**") and on the other terms set out herein (in each case, a "**Participant's Interest**"). For greater certainty, the Lender will retain the entire interest in the Credit Facility and the Credit Commitment.

- (b) The Lender hereby directs each Participant to satisfy the payment of its Participation Purchase Price by funding the applicable portion of the KSV Funding Amount in accordance with Section 3(c) (which funding shall be deemed to have been effected by the Lender).
- (c) In no event shall the transfer of a Participant's Interest be deemed to be a loan from a Participant to the Lender.
- (d) In no event shall the Participants be deemed to be or constitute "Lenders" for the purposes of the Credit Facility or the Credit Documents or, except to the extent specifically contemplated in Section 12.3 of the Credit Agreement, have any rights or obligations under the Credit Documents that accrue to the Lender thereunder. In no event shall this Agreement constitute a sale, assignment, transfer or grant by the Lender of an interest in the Credit Facility, the Credit Commitment or its rights under the Credit Documents.

3. Advance of the Loan

(a) Each Participant acknowledges that: (i) the Credit Agreement provides that, subject to the terms and conditions of the Credit Agreement, the Loan will be advanced by the Lender by way of a single draw on the Borrowing Date set forth in the Borrowing Request that is delivered no later than 15 Business Days prior to such Borrowing Date; and (ii) the two orders of the Court that comprise the Court Approval (being the KSV Orders) provide for portions of the Loan to be funded directly to the Receiver in the KSV Receivership Proceedings.

(b) The Borrowing Request delivered to the Lender pursuant to the Credit Agreement for the advance of the Loan shall be irrevocably deemed to include (and be consistent with) the following directions:

- (i) funding to KSV, as the Receiver under the KSV Receivership Proceedings, the KSV Funding Amount to the account provided therefor in the KSV Orders;
- (ii) depositing into the Capital Expenditure Reserve Account an amount equal to the Capital Expenditure Reserve Threshold, as provided in Section 2.5 of the Credit Agreement;
- (iii) depositing into the Interest Reserve Account an amount equal to the Initial Interest Reserve, as provided in Section 2.6 of the Credit Agreement; and
- (iv) paying the balance (if any) of the amount of the Credit Commitment as otherwise provided in the Borrowing Request (which payments shall include all fees and expenses described in Section 2.7(b) of the Credit Agreement) in accordance with the instructions therefor set out therein,

provided such payments are consistent with the purpose set out in Section 2.1(d) of the Credit Agreement and are acceptable to the Lender.

In the event of a conflict or inconsistency between the provisions of this Section 3(b) and the Borrowing Request delivered by the Borrowers, the provisions of this Section 3(b) shall govern and prevail and the Borrowing Request shall be deemed to have reflected the provisions of this Section 3(b).

(c) The parties hereto agree that, in the event that the Lender is (or expects to be) advancing the Loan in accordance with the Borrowing Request, the KSV Funding Amount shall be satisfied by: (i) Cogir funding \$5,650,000 directly to KSV (or as otherwise contemplated by the KSV Orders), as the Receiver under the KSV Receivership Proceedings (such funding being in satisfaction of Cogir's obligation to pay its Participation Purchase Price to the Lender); (ii) HPLP funding \$5,650,000 directly to KSV (or as otherwise contemplated by the KSV Orders), as the Receiver under the KSV Receivership Proceedings (such funding being in satisfaction of HPLP's obligation to pay its Participation Purchase Price to the Lender); and (iii) the Lender funding the remainder of the KSV Funding Amount directly to KSV (or as otherwise contemplated by the KSV Orders), as the Receiver under the KSV Receivership Proceedings, in each case in accordance with the requirements of the KSV Orders.

(d) Each of Cogir and HPLP irrevocably agrees to fund the amount required to be funded by it pursuant to Section 3(c) upon receipt of written notice (which written notice may be in an email) from the Lender advising that it has received a Borrowing Request in accordance with the Credit Agreement and directing the Participant to fund its payment in accordance with Section 3(c) (the "**Lender Direction to Advance**") by the date set out in the Lender Direction to Advance (which date shall not be less than five Business Days from the date on which the Lender Direction to Advance is delivered to such Participant). Upon the Loan being funded, the entirety of the Loan shall be deemed to have been funded by the Lender, notwithstanding any portion of such funding that was satisfied directly by a Participant funding in accordance with Section 3(c).

(e) Notwithstanding anything to the contrary contained in the Credit Agreement or the other Credit Documents (including this Agreement), the Lender shall not have any obligation (and shall not have any liability for failing) to fund the Loan or any respective portion thereof (whether pursuant to Section 3(c) hereof or otherwise) unless and until: (i) both Participants have satisfied their respective funding obligations set out in Section 3(c) hereof and (ii) all of the conditions precedent in Sections 2.7 and 2.8 of the Credit Agreement have been satisfied.

(f) In the event that one or more Participants fail to fund its obligations set out in Section 3(c) hereof by the deadline therefor, the Lender shall be entitled, in its sole discretion, to elect to fund that portion of the Loan that was to be funded by the non-funding Participant(s) by delivering to the Borrowers a notice of intention to fund no later than the Borrowing Date and, in such case: (i) this Agreement shall be amended to reflect the replacement of such non-funding Participant(s) with the Lender (other than with respect to the liability of the non-funding Participant(s) for failing to fund, which liability shall remain with the non-funding Participant(s)); and (ii) the non-funding Participant(s) shall not have any interest in the P&I Proceeds (it being confirmed, for greater certainty, that any amounts that were to be paid by the Borrowers to such non-funding Participant(s) shall instead be paid to the Lender at the Lender Account). In the event that the Lender elects to fund, as provided in this Section 3(f), the parties shall use commercially reasonable efforts to cause the Court Approval (or a supplement or modification thereof) to accommodate such revised arrangements and the obligation to advance the Loan

shall be conditional on such arrangements being so accommodated to the satisfaction of the Lender.

(g) In the event that a Participant fails to fund and the other Participant notifies the Lender that it wishes to fund the non-funding Participant's portion (and acquire the Participant's Interest of the non-funding Participant in addition to its own Participant's Interest), the Lender may (but shall not be required) deliver to the Borrowers a notice of intention to fund (identifying that the applicable Participant will also acquire the Participant's Interest of the non-funding Participant) and, if such notice is so delivered by the Lender, the provisions of Section 3(f) shall apply, *mutatis mutandis*.

(h) In the event that a Participant fails to fund its obligations set out in Section 3(c) hereof by the deadline therefor, the non-funding Participant shall pay to the Lender forthwith on demand an amount equal to \$500,000, as liquidated damages. The parties agree that such liquidated damages is not a penalty and represents a genuine estimation of the damages that the Lender would suffer as a result of such failure to fund. The parties hereby acknowledge and agree that the amount payable pursuant to this Section 3(h) shall be solely for the account of the Lender which amount shall be retained by the Lender irrespective of whether the non-funding Participant (or any other person) has subsequently funded its obligations set out in Section 3(c). The liquidated damages herein shall be in addition to any indemnities provided herein and any rights or remedies of any other person against such non-funding Participant.

(i) Notwithstanding anything to the contrary contained in the Credit Agreement or any other Credit Document, interest on any funds advanced on account of the Loan shall accrue interest from the date on which such funds are advanced or funded, notwithstanding that they have not yet been distributed by the Receivers.

(j) Except as set forth in this Section 3 and without derogating from Section 9, no Participant party shall be required to make additional contributions or make loans in connection with the Credit Agreement.

4. Remittance of Payments by Obligors

(a) Notwithstanding any provision to the contrary under the Credit Agreement or any other Credit Document, all payments of P&I Proceeds to be made to the Lender pursuant to the Credit Agreement shall be made *pari passu* directly to the Lender and, at the direction of the Lender (and the Lender so hereby directs), the Participants, as follows:

- (i) an amount equal to 5.0% of such payment, to Cogir at the Cogir Account;
- (ii) an amount equal to 5.0% of such payment, to HPLP at the HPLP Account; and
- (iii) the balance of such payment, to the Lender at the Lender Account.

For greater certainty, P&I Proceeds do not include any amounts paid or payable to the Lender on account of Excluded Costs, Upfront Fees or Protective Advances or payments in respect of the Astoria Credit Facility, it being confirmed that payments on account of Excluded Costs, Upfront Fees and Protective Advances shall be made in accordance with the Credit Documents (without regard for this Section 4(a)) and payments in respect of the Astoria Credit Facility shall be made in accordance with the Credit Documents (as defined in the Astoria Credit Agreement).

Any payment of P&I Proceeds made by the Borrowers directly to a Participant at the direction of the Lender (and the Lender so hereby directs) in accordance with this Section 4(a) (having regard to Section 4(b)) shall discharge (to the extent of such payment) the obligation of the Borrowers to pay such amount to the Lender pursuant to the Credit Agreement. For greater certainty, irrespective of such direction by the Lender, the provisions of Section 9.1 of the Credit Agreement shall continue to apply in respect of the Lender's Commitment under the Credit Agreement and all payments by the Borrowers shall be subject to the provisions of Section 9.2 of the Credit Agreement in respect of the Lender.

(b) The Borrowers agree to provide each Participant with copies of all notices given to the Lender pursuant to Section 2.10 of the Credit Agreement at such address(es) or email(s) as are designated by such Participant from time to time.

(c) The parties hereto agree that the provisions of Section 6.5 of the Credit Agreement apply, *mutatis mutandis*, to any amounts paid by or on behalf of the Borrowers in connection with the Credit Facility. Each Participant shall forthwith pay over to the Lender any amounts that it receives from time to time on account of Excluded Costs or Protective Advances.

(d) To the extent that any of the Lender, Cogir or HPLP receives greater than its respective Proportionate Share of any payments for or against P&I Proceeds, the Lender, Cogir and HPLP shall make such payments between them so as to cause each of them to have received its Proportionate Share of such payments, it being the intention that each of the Lender, Cogir and HPLP receives its Proportionate Share of all such payments. For greater certainty, neither the Lender nor any Participant shall be required to make any payment described in the foregoing sentence except to the extent it has received P&I Proceeds in excess of its Proportionate Share of P&I Proceeds actually paid to the Lender and the Participants. Notwithstanding the foregoing (or anything to the contrary contained in this Agreement), it is acknowledged that the Lender will receive certain payments from the Borrowers in respect of the Loans (such as payments in respect of Excluded Costs and Protective Advances) that are not for payment of P&I Proceeds and the Participants shall not have any entitlement to any portion of any such payments.

(e) The Lender shall be entitled to deduct from any payment being made to a Participant all such amounts as may be owing to it by such Participant (including all such amounts owing pursuant to the Astoria Participation Agreement) or any other amounts that the Lender is required by law to withhold or deduct.

(f) No Participant shall by reason of this Agreement and the transactions contemplated hereby be deemed to have an interest in the Credit Documents, any Security nor in any other property taken by the Lender from the Obligors as security for any extensions of credit, or in any arrangement or indebtedness between any Obligor(s) and the Lender (or any of its affiliates or related persons), provided that if in connection with a realization or enforcement proceeding the proceeds of any such Security are applied by the Lender towards the P&I Proceeds, each Participant that has not received its corresponding Proportionate Share of the subject payment shall be entitled forthwith to receive from the Lender its Proportionate Share of such payment of P&I Proceeds. The Participants acknowledge: (i) the existence of the Astoria Credit Agreement and the Astoria Credit Facility, (ii) that the Security also secures obligations and indebtedness from time to time existing under the Astoria Credit Agreement, and (iii) notwithstanding Section 6(c), the Participants shall not have any right or entitlement under this Agreement to receive any portion of any payments made under the Astoria Credit Agreement or

applied by the Lender to the indebtedness thereunder (including from the proceeds of the Security).

(g) Without derogation of Section 4(f), in the event of a realization or enforcement proceeding that results in the Lender receiving any payment on account of the Loan, the Lender shall remit to each Participant its Proportionate Share of each such payment so received by the Lender; provided that a Participant shall not be entitled to receive its Proportionate Share of any payments on account of Excluded Costs or Protective Advances.

(h) It is acknowledged that the parties hereto have also entered into a similar agreement for the Participants to acquire participation interests in the proceeds of principal, interest and other amounts paid by or on behalf of the Borrowers (as defined under the Astoria Credit Agreement) to the Lender in connection with the Loan (as defined in the Astoria Credit Agreement) (such agreement, the "**Astoria Participation Agreement**"). Except as specifically provided in Section 4(e), the rights, obligations and entitlements with respect to such participation interests are governed by the Astoria Participation Agreement.

5. Protective Advances

Without derogating from Section 2.9(a) of the Credit Agreement, if the Lender intends to make a Protective Advance pursuant to Section 2.9(a) of the Credit Agreement, the Lender shall offer (each, a "**PA Offer**") each Participant the opportunity to purchase an interest in the principal, interest and other amounts paid by or on behalf of the Borrowers to the Lender in connection with such Protective Advance, including the PA MOIC Fee Portion attributable to such Protective Advance (collectively, the "**PA Proceeds**"), up to such Participant's Proportionate Share (unless otherwise agreed by the Lender) on substantially the same terms and conditions, *mutatis mutandis*, as those relating to the Participant's interest in the P&I Proceeds. Each Participant shall have five Business Days from receipt of such PA Offer to notify the Lender in writing of its election to purchase an interest in the PA Proceeds, in which case, the Lender, the Obligors and the Participants shall negotiate in good faith all such agreements and arrangements as may reasonably be necessary in order to give effect to such participation in the PA Proceeds. For greater certainty, nothing in this Section 5 shall prevent the Lender from making any Protective Advance.

6. Authority of Lender

Each Participant hereby irrevocably acknowledges and agrees that the Lender is authorized to take such actions as are reasonably necessary to administer the Credit Facility. The Lender agrees to act at all times on a basis which is fair and reasonable to the Lender and the Participants, as determined by the Lender in its sole discretion, and to exercise its powers and discharge its duties under this Agreement and in respect of the Credit Facility honestly and in good faith with the degree of care that it would exercise if it were administering the Credit Facility solely for its own account. Without limiting the generality of the foregoing, any administration of the Credit Facility for which the Participants are treated the same as the Lender (on a proportionate basis with respect to the P&I Proceeds) shall be deemed to have satisfied the foregoing standard of care. Without limiting the generality of the foregoing, the Lender shall:

- (a) make commercially reasonable efforts to cause the Borrowers to make all payments due under the Credit Agreement including, without limitation, all principal, interest, and other amounts as required by the Credit Agreement

including any amounts contemplated by Section 12.3 of the Credit Agreement; provided that, unless it has actual knowledge to the contrary, the Lender shall be entitled to assume that each Participant has received directly from or on behalf of the Borrowers its corresponding portion of any payment received by the Lender under the Credit Agreement;

- (b) give such notices to the Borrowers as the Lender may consider appropriate;
- (c) in the event of a realization or enforcement proceeding that results in the Lender receiving any payment on account of the Loan for which the Participants are entitled to (but will not otherwise directly receive) their respective Proportionate Share in such payments, remitting to each Participant its Proportionate Share of each such payment so received by the Lender (it being confirmed that a Participant shall not be entitled to receive its Proportionate Share of any payments on account of Excluded Costs or Protective Advances);
- (d) maintain records and accounts of receipts, payments and disbursements in respect of the Loan (including any payments made to the Participants of which the Lender has knowledge) in the ordinary course of business and, upon the reasonable request of a Participant and at the Participant's sole expense, allow such Participant, its accountants, solicitors and agents to examine such records and accounts; and
- (e) use commercially reasonable efforts to inform the Participants of any Event of Default in respect of which the Lender intends to take action, take whatever action (if any) the Lender, in its sole discretion, considers appropriate, necessary or expedient in connection with such Event of Default to enforce payment or performance of the obligations of the Borrowers (which may include refraining from taking any such action if the Lender, in its sole discretion, considers it to be in the best interest of the Loan) and inform the Participants of any material actions so taken. For certainty, the Lender shall not be in breach of its obligations under this Agreement if the Lender does not inform the Participants prior to taking any action in connection with an Event of Default.

Notwithstanding anything contained herein to the contrary, the approval and consent of the Participants shall be required for the Lender to agree to any change to the Credit Documents that is designed to disproportionately benefit the Lender relative to the Participants. For greater certainty, all communications and other dealings with the Borrowers in connection with the administration of the Loan shall be done exclusively by the Lender. Nothing herein shall derogate from or enhance any rights or obligations that Cogir or any of its affiliates or related parties have in connection with the management of the Properties and/or any rights or obligations that HPLP or any of its affiliates or related parties have in connection with any other loans relating to the Properties.

7. Exculpatory Provisions

- (a) Neither the execution of this Agreement nor the sharing, sale or transfer of an interest in the P&I Proceeds or the Loan is intended to be and shall not be construed to be the formation of a partnership or joint venture between the Lender and the Participants.

(b) The Lender shall not have any duties or obligations to the Participants except those expressly set forth herein. Without limiting the generality of the foregoing, the Lender:

- (i) shall not be subject to any fiduciary or other implied duties to the Participants, regardless of whether an Event Default has occurred and is continuing;
- (ii) shall not have any duty to the Participants to take any discretionary actions or exercise any discretionary powers;
- (iii) shall not, except as expressly set forth herein, have any duty to disclose, and shall not be liable for the failure to disclose, to the Participants any information relating to the Borrowers, Guarantors and/or the Security; and
- (iv) shall not be required to advance its own funds for any purpose in connection with the Loan and, in particular, shall not be required to pay with its own funds in connection with the Properties, insurance premiums, taxes, public utility charges, the costs of repairs or maintenance, or the fees and disbursements of solicitors, counsel, experts or agents engaged with respect to the Loan.

(c) Except as specifically provided in Sections 4(d) and 6(c), the Lender shall not be liable to the Participants (or any person claiming through or under any Participant), and is hereby irrevocably released and discharged by the Participants for, any losses, Claims, damages, liabilities and related expenses suffered by the Participants (or either of them) in connection with, any action taken or not taken by or on behalf of the Lender (i) with the consent or at the request of the Participants (it being confirmed that the consent or request of the Participants shall not be required for the Lender to take any action or refrain from taking any action in connection with the Loan) or (ii) in the absence of its own gross negligence or wilful misconduct. The Lender shall not be presumed to have any knowledge of the existence or occurrence of any event, action or circumstance that, with the giving of notice and/or passage of time, would result in an Event of Default.

(d) The Lender shall not be responsible to the Participants for or have any duty to the Participants to ascertain or inquire into, and shall be entitled to rely, and shall be fully protected in relying, upon (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement and/or any other Credit Documents.

(e) The Lender makes no warranty or representation with respect to the Loan and shall not be responsible to the Participants for the observance or performance of any of the terms, covenants, conditions or obligations of the Borrowers pursuant to the Loan (including any failure to repay the Loan) or to keep the Loan in good standing and each Participant acknowledges that it has made its own decision to participate in the P&I Proceeds without any inducement from or reliance upon the Lender. The Participants acknowledge and agree that, notwithstanding anything to the contrary herein, the Lender shall not have any obligation to

make any payment to the Participants in respect of any P&I Proceeds that the Lender has not received from the Borrowers.

(f) The Lender may consult with legal counsel (including counsel for the Borrowers), accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

(g) The Participants may not take any independent legal action to enforce any obligation of the Borrowers or the other Obligors in connection with the Loan, the Credit Agreement or the other Credit Documents. The Participants hereby acknowledge that, to the extent permitted by applicable law, the Loan, the Credit Documents and the remedies provided thereunder are for the benefit of the Lender and Participants, acting together, and further acknowledges that any rights under the Loan and under the Credit Documents may only be exercised by the Lender. Accordingly, notwithstanding any of the provisions contained herein or in the Credit Documents, each Participant hereby acknowledges, covenants and agrees that it shall not be entitled to take any direct action under the Credit Documents, including any declaration of default thereunder or enforcement of the provisions of Section 12.3 of the Credit Agreement, but that any such action shall be taken only by the Lender (or any person expressly appointed by the Lender). The parties hereto covenant and agree to do all acts and things and to make, execute and deliver all agreements and other instruments, so as to fully carry out the intent and purpose of this Section 7(g), and each Participant hereby covenants and agrees that it shall not (i) seek, take, accept or receive any lien or guarantee for the Loan, or (ii) enter into any other agreement with the Obligors relating in any manner whatsoever to the Loan. To the extent the Participant obtains all or any part of its interest in the P&I Proceeds other than hereunder, including by way of set-off, it shall share the same with the Lender and the other Participant on the same basis that repayments of the Loan are to be shared between the Lender and the Participants.

8. Reimbursement of Expenses

Each Participant will be responsible to pay or reimburse the Lender, as the case may be, on demand for its Proportionate Share of any and all out-of-pocket costs and expenses (including without limitation, reasonable properly documented out-of-pocket legal fees and expenses) incurred by the Lender in connection with the administration, protection or enforcement of its rights under or in connection with the Loan and the Credit Documents related thereto for which the Lender has not been reimbursed by the relevant Obligor promptly after demand, provided that the Participant shall have no liability to reimburse the Lender for any such costs and expenses incurred due to the Lender's gross negligence, willful misconduct, bad faith, fraud or breach by the Lender (not caused by breach of the Participant) of its obligations under this Agreement or the other Credit Documents. In the event that, subsequent to a Participant having paid or reimbursed the Lender for any such costs or expenses, the Lender is reimbursed by an Obligor, the Lender shall promptly refund to the Participant the amount that it paid or reimbursed (up to a maximum of its Proportionate Share of the amount so reimbursed by the Obligor).

9. Indemnification of Lender

(a) Without duplication of Section 8, each Participant agrees to indemnify the Lender and hold it harmless (to the extent not reimbursed by the Borrowers), rateably according to its Proportionate Share (and not jointly or jointly and severally) from and against any and all losses,

Claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Lender in any way relating to or arising out of the Credit Documents or the transactions therein contemplated. However, no Participant shall be liable for any portion of such losses, Claims, damages, liabilities and related expenses resulting from the Lender's gross negligence or wilful misconduct.

(b) Each Participant agrees to indemnify the Lender and hold it harmless from and against any and all losses, Claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Lender in any way relating to or arising out of any breach by such Participant of its obligations under this Agreement.

10. Delegation of Duties

The Lender may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more agents or sub-agents appointed by the Lender. The Lender and any such agent or sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective affiliates or related persons. The provisions of this Agreement for the benefit of the Lender shall apply to any such agent or sub-agent and to the affiliates and related parties of the Lender and any such agent or sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Lender.

11. Non-Reliance on the Lender

Each Participant acknowledges that it has, independently and without reliance upon the Lender or any of person affiliated or related to the Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Participant also acknowledges that it will, independently and without reliance upon the Lender or any of person affiliated or related to the Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder. Each Participant acknowledges that a copy of this Agreement and the Credit Agreement has been made available to it for review and each Participant acknowledges that it is satisfied with the form and substance of this Agreement and the Credit Agreement. Each Participant hereby covenants and agrees that it will not make any arrangements with the Borrowers for the satisfaction of any Loans or other Obligations without the prior written consent of the Lender.

12. Transfers and Assignments; Participants Register.

(a) No Participant may sell, transfer, assign or otherwise dispose of or encumber, directly or indirectly, its Participant's Interest without the prior written consent of the Lender, which consent may be withheld, delayed and/or conditioned in the sole discretion of the Lender.

(b) The Lender, at its sole option and cost, may at any time during the term of this Agreement sell, transfer or assign all or any part of its rights to the Credit Agreement and the Loan, provided that any such sale, transfer or assignment shall be accompanied by a sale, transfer or assignment of a corresponding portion of this Agreement (and shall require that the

transferee or assignee assume and agree in favour of the other parties hereto to be bound by the provisions of this Agreement corresponding to the interest in the Credit Agreement and the Loan so acquired).

(c) The Participants' ownership of a Participants Interest shall be registered on a record of ownership maintained by the Lender (such record of ownership, the "**Participant Register**"). The Lender shall provide the Participant with notice of any change to the Participant Register within ten (10) days of any of such change, with such notice to include a copy of the updated Participant Register. Notwithstanding any provision of this Agreement to the contrary, the right to receive principal or interest payments or other amounts under the Credit Documents with respect to a Participant's Interest hereunder may be transferred only if the Participant has provided the Lender with instructions to register the transfer on the Participant Register to have the transferee identified as the owner of the Participants Interest on the Participant Register. The Lender and the Participants shall be entitled to treat the registered holder of each Participants Interest (as recorded on the Participant Register) as the owner in fact thereof for all purposes.

13. Representations

(a) **Lender.** The Lender (i) represents and warrants that (A) it is the legal and beneficial owner of the Loan (other than as provided herein), (B) to the best of its knowledge, the Loan is free and clear of any lien, encumbrance or other adverse claim and (C) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby; and (ii) assumes no responsibility with respect to (A) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (B) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents, (C) the financial condition of the Borrowers or any other Person obligated in respect of any Credit Document or (D) the performance or observance by the Borrowers of any of its obligations under any Credit Document.

(b) **Participant.** Each Participant (i) represents and warrants that (A) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby, (B) it shall not take any action that would cause the Lender to be in breach of its obligations under the Credit Documents, (C) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered by the Borrower pursuant thereto, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and to purchase the Participant's Interest on the basis of which it has made such analysis and decision independently and without reliance on the Lender and (D) it has received the unconditional approval of its applicable governing body, internal investment committee or equivalent for the purchase of the Participant's Interest, (ii) agrees that (A) it will, independently and without reliance on the Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (B) it will perform in accordance with their terms all of its obligations under this Agreement and (iii) is not a non-resident of Canada or, if a partnership, is a "Canadian partnership", in each case within the meaning of the *Income Tax Act* (Canada).

(c) **Borrowers/Guarantors.** Each Borrower and Guarantor represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver

this Agreement and to consummate the transactions contemplated hereby; and (ii) is not a non-resident of Canada or, if a partnership, is a "Canadian partnership", in each case within the meaning of the *Income Tax Act* (Canada).

14. Appointment of Agent

At any time and from time to time the Lender may require that a third party servicer, administrative agent and/or collateral agent be appointed in connection with the Loan and/or the Participants' participation with respect thereto, such servicer, administrative agent and/or collateral agent to be selected by the Lender and appointed on terms and conditions satisfactory to the Lender, in its sole discretion. The Obligors and the Participants shall cause to be delivered to the Lender such instruments, agreements, certificates and documents as the Lender may reasonably request in connection with such appointment (including, for certainty, any amendments to this Agreement and any other Credit Document). All fees and expenses of any servicer, administrative agent and/or collateral agent so appointed (whether the original agent or replacements) pursuant to this Section 14 and all fees and expenses incurred by the Lender in connection with this Section 14 (including, without limitation, legal fees), shall be paid by the Obligors.

15. Disclosure of Confidential Information

Notwithstanding anything to the contrary contained in any of the Credit Documents, each Obligor hereby consents to the disclosure of any information directly or indirectly relating to the Obligors, the Credit Facility and the Property to the Participants.

16. Governing Law; Jurisdiction

This Agreement will be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Province of Ontario, and each party hereto hereby irrevocably accepts and submits to the non-exclusive jurisdiction of such courts. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court. Nothing in this Agreement or any Credit Document shall affect any right that the Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any Credit Document against any Obligor or their respective properties in the courts of any jurisdiction.

17. Paramountcy

If there is a conflict or inconsistency between the provisions of this Agreement, on the one hand, and the provisions of the Credit Agreement, any other Credit Document or any other agreement which is referred to herein or delivered pursuant hereto, on the other hand, the provisions of this Agreement will prevail to the extent of the conflict or inconsistency, provided that nothing in this Agreement is intended to or will impair, as between the Lenders and the Borrowers, the obligations of the Borrowers to pay the Obligations when due.

(The remainder of this page is intentionally left blank; signature page follows.)

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the date first written above.

GEODESIC HOLDINGS LLC

by _____
Name: ■
Title: ■

Name: ■
Title: ■

COGIR RPA 9 LP, by its general partner,
■

by _____
Name: ■
Title: ■

Name: ■
Title: ■

**HP ABL FUND 1 LIMITED
PARTNERSHIP**, by its general partner,
HP ABL FUND 1 GP INC.

by _____
Name: ■
Title: ■

Name: ■
Title: ■

[■]

by

Name: ■

Title: ■

Name: ■

Title: ■

[■]

by

Name: ■

Title: ■

Name: ■

Title: ■

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant / Responding Party

- and -

1230172 ONTARIO INC.

Respondent / Debtor / Moving Party

Court File No. CV-25-00098742-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

APPLICATION UNDER subsection 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, as amended and section 101 of the *Court of Justice Act*, R.S.O. 1990, C. C.43, as amended

PROCEEDING COMMENCED AT

OTTAWA

AFFIDAVIT OF DAVID CHOO

(sworn October 27, 2025)

MANN LAWYERS LLP

300-11 Holland Avenue
Ottawa ON K1Y 4S1

Alexander Bissonnette LSO #71871D

alexander.bissonnette@mannlawyers.com

Tel: 613-722-1500 / Dir: 613-369-0358

and

BLUE ROCK LAW LLP

705-215 9th Ave.
Calgary, AB T2P 1K3

David Mann, K.C.

david.mann@bluerocklaw.com

Tel: 1-587-317-0643

Lawyers for the Respondent / Debtor / Moving Party

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant / Responding Party

- and -

1230172 ONTARIO INC.

Respondent / Debtor / Moving Party

Court File No. CV-25-00098742-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

APPLICATION UNDER subsection 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, as amended and section 101 of the *Court of Justice Act*, R.S.O. 1990, C. C.43, as amended

PROCEEDING COMMENCED AT

OTTAWA

MOTION RECORD

OF THE RESPONDENT / DEBTOR / MOVING PARTY

(For a Motion Returnable Tuesday, November 4, 2025)

MANN LAWYERS LLP

300-11 Holland Avenue
Ottawa ON K1Y 4S1

Alexander Bissonnette LSO #71871D

alexander.bissonnette@mannlawyers.com

Tel: 613-722-1500 / Dir: 613-369-0358

and

BLUE ROCK LAW LLP

705-215 9th Ave.
Calgary, AB T2P 1K3

David Mann, K.C.

david.mann@bluerocklaw.com

Tel: 1-587-317-0643

Lawyers for the Respondent / Debtor / Moving Party