Court File No. CV-25-00098804-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	TUESDAY, THE 14th
	)	
JUSTICE MEW	)	DAY OF JULY, 2026

B E T W E E N :

CMLS FINANCIAL LTD.

Applicant

-and-

ASHCROFT URBAN DEVELOPMENTS INC.

Respondent

IN THE MATTER OF AN 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

DISTRIBUTION AND ANCILLARY RELIEF ORDER

THIS MOTION, made by AlixPartners Restructuring, Inc. ("**AlixPartners**") in its capacity as receiver and manager (in such capacity, the "**Receiver**"), of all the assets undertakings and properties of the Respondent Ashcroft Urban Developments Inc. ("**AUDI**"), for an Order, among other things, (i) approving the activities described in the Receiver's second report dated July 7, 2026 (the "**Second Report**") (ii) directing the Land Registrar for the Land Registry Office for the Land Titles Division of Ottawa (No. 4) (the "**Land Registrar**") to delete from title to certain real property set out in Schedule "A" hereto (the "**Inadvertently Included Unit**") the Order (Appointing Interim Receiver) of Justice Mew issued January 3, 2025 (the

“**Interim Receivership Order**”), (iii) following completion of the sale transaction (the “**Transaction**”) of the real property (the “**Real Property**”) contemplated by an agreement of purchase and sale dated April 6, 2026, between the Receiver, as vendor, and 1000747194 Ontario Inc., as purchaser (the “**Purchaser**”), as amended (the “**Sale Agreement**”), as approved pursuant to an Approval and Vesting Order of the Court dated July 14, 2026 (the “**AVO**”), authorizing and directing the Receiver to make certain distributions to the first mortgagee over certain of the Real Property, CMLS Financial Ltd. (“**CMLS**”), subject to a holdback for the Unencumbered Units Allocation (defined in the Second Report), the Priority Payables Holdback (defined in the Second Report), and the Subject Unit Holdback (defined in the Second Report), (iv) authorizing the Receiver to assign the Debtor, or to cause the Debtor to be assigned, into bankruptcy and naming AlixPartners, or another Licensed Insolvency Trustee, to administer the bankrupt estate; (v) approving the fees and disbursements of the Receiver as set out in the affidavit of Mitch Vininsky sworn July 6, 2026, and of the Receiver’s counsel, Blaney McMurtry LLP (“**Blaney**”), as set out in the Affidavit of Steven Kelly sworn July 7, 2026, (vi) approving and accepting the Receiver’s Interim Statement of Receipts and Disbursements for the period from January 3, 2025 to July 2, 2026, and (vii) authorizing the Receiver to disclaim the purchase and sale agreement entered into in respect of commercial condominium unit 1801 on December 15, 2015 (the “**2015 Choo APS**”), between the Debtor and David Choo, was heard this day via Zoom videoconference.

ON READING the Second Report and the appendices thereto, and the first supplement to the Second Report dated July 10, 2026 (the “**Supplemental Second Report**”), and upon hearing submissions of counsel for (i) the Receiver, (ii) CMLS, and (iii) the Respondent, no one else appearing, although duly served as set out in the affidavits of service of Chad Kopach sworn July 7, 2026, and July 10, 2026, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion dated July 7, 2026 (the "**NOM**"), the related motion material filed in support of that NOM, including the Receiver's Motion Record dated July 7, 2026, and the Receiver's Confidential Motion Record dated July 7, 2026, the Receiver's Supplementary Notice of Motion dated July 10, 2026 (the "**Supplementary NOM**"), and the related motion material filed in support of that Supplementary NOM, including the Receiver's Supplementary Motion Record dated July 10, 2026, and the Supplemental Second Report (collectively, the "**Motion Material**"), be and is hereby abridged, that service of the NOM, the Supplementary NOM, and the Motion Material is hereby validated, and that further service thereof is hereby dispensed with.

REPORT APPROVAL

2. **THIS COURT ORDERS** that the Second Report, and the actions of the Receiver described therein, 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.

PARTIAL DELETION OF THE INTERIM RECEIVERSHIP ORDER

3. **THIS COURT ORDERS** that upon registration of an application in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to delete and expunge from title to the lands legally described in Schedule "A" hereto,

being the Inadvertently Included Unit, the registration of the Interim Receivership Order registered on January 8, 2025, as Instrument No. OC2756381, and for greater certainty such deletion shall apply only to the parcel identification number set out in Schedule "A", and shall not affect the registration of the Interim Receivership Order against any other lands.

DISTRIBUTIONS

4. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to make one or more distributions from the net proceeds of sale of the Transaction (the "**Sale Proceeds**"), or other property available for distribution, in the following order of priority: (a) first, to the City of Ottawa to satisfy the outstanding property tax arrears in respect of the Real Property, (b) second, to pay any amounts outstanding under the Receiver's Charge (as defined in the Receivership Order of Justice Mew dated February 24, 2025 – the "**AUDI Receivership Order**"), (c) third, to repay any amounts owing in respect of the borrowings under the Receiver's Borrowing Charge (as defined in the AUDI Receivership Order), and (d) fourth, subject to a holdback for the Unencumbered Unit Allocation and to the Priority Payables Holdback, to CMLS up to the amount required to satisfy the CMLS Indebtedness (as defined in the Second Report).

GENERAL DISTRIBUTION PROVISIONS

5. **THIS COURT ORDERS** that that the Receiver is hereby authorized to take all reasonably necessary steps and actions to effect the distributions set out in paragraph 4, above (collectively, the "**Distributions**") in accordance with this Order, and shall not incur any liability as a result of making the Distributions.

6. **THIS COURT ORDERS** that notwithstanding anything else contained in this Order, each of the payments and 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, constructive, 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* or any other personal property registry system or real property registry system.

7. **THIS COURT ORDERS** that the Receiver or any other person facilitating payments and Distributions pursuant to this Order shall be entitled to deduct and withhold from any such payments or Distributions such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.

8. **THIS COURT ORDERS** that, notwithstanding

(a) the pendency of these proceedings;

(b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* in respect of the Debtor and any bankruptcy order issued pursuant to any such application; and

(c) any assignment in bankruptcy made in respect of the Debtor (whether prior to, on or following the closing of the Transaction);

any payments or Distributions made pursuant to 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 they 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* 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.

ASSIGNMENT INTO BANKRUPTCY

9. **THIS COURT ORDERS** that the Receiver is directed to assign the Debtor, or to cause the Debtor to be assigned, into bankruptcy naming AlixPartners, or another Licensed Insolvency Trustee, as the Debtor's trustee in bankruptcy.

10. **THIS COURT ORDERS** that the Licensed Insolvency Trustee named as Debtor's trustee in bankruptcy shall provide to Alexander Bissonnette of Mann Lawyers and David Mann of Blue Rock Law LLP, notice by email of not less than 90 days prior to the Licensed Insolvency Trustee's application to the Court for its discharge as the Debtor's trustee in bankruptcy and/or the Trustee taking any steps to seek the discharge of the Debtor from bankruptcy.

11. **THIS COURT ORDERS** that, notwithstanding any bankruptcy of the Debtor, the Receiver shall remain the receiver and manager of the Debtor's Property (as defined in the AUDI Receivership Order) until its discharge pursuant to further Order of this Court. Without limiting the Receiver's powers pursuant to the AUDI Receivership Order in any way, following any

bankruptcy of the Debtor the Receiver shall remain authorized to deal with the Debtor's Property (including the proceeds thereof) to the exclusion of all other persons (including the Trustee), including to perform its obligations under the Sale Agreement, complete the Transaction pursuant to the AVO (to the extent not already completed prior to the bankruptcy), and to effect the Distributions contemplated and authorized herein. For greater certainty, any bankruptcy of the Debtor shall have no impact on the Transaction, the Receiver's obligations under the Sale Agreement or the relief granted pursuant to the AVO or this Order.

APPROVAL OF PROFESSIONAL FEES AND COSTS

12. **THIS COURT ORDERS** that the fees and disbursements of the Receiver from January 3, 2025, to June 30, 2026, as set out in the Affidavit of Mitch Vininsky sworn July 6, 2026, and attached as Appendix "K" to the Second Report, be and are hereby approved.

13. **THIS COURT ORDERS** that the fees and disbursements of Blaneys from December 11, 2024 to June 29, 2026, as set out in the Affidavit of Steven Kelly sworn July 7, 2026, and attached as Appendix "L" to the Second Report, be and are hereby approved.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

14. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period from January 3, 2025 to July 2, 2026, as set out in Appendix "I" to the Second Report, be and is hereby accepted and approved.

2015 CHOO APS DISCLAIMER

15. **THIS COURT ORDERS** that the Receiver is authorized and directed to terminate and disclaim the 2015 Choo APS, and upon the Receiver terminating and disclaiming the 2015 Choo APS, any rights or claims thereunder or relating thereto shall not be continuing obligations effective against the Real Property, or binding on the Purchaser in any way whatsoever.

GENERAL

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

17. **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.

18. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

Graeme Mew J.

Mew J.

Issuance on July 15, 2026

SCHEDULE "A"

Legal Description of the Inadvertently Included Unit

Municipal Address: A leasehold condominium unit, being a locker unit, located at 101 Queen Street and 110 Sparks Street, Ottawa, Ontario

Legal Description:

The following PIN in LRO #4:

1. UNIT 75, LEVEL C, OTTAWA-CARLETON LEASEHOLD CONDOMINIUM PLAN NO. 1068 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC2304979; CITY OF OTTAWA, being PIN 16068–0246 (LT)

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ASHCROFT URBAN DEVELOPMENTS INC.
Respondent

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Proceeding commenced at Ottawa

DISTRIBUTION AND ANCILLARY RELIEF ORDER

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in its capacity as Court-appointed Receiver