

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	FRIDAY, THE 1 st
)	
JUSTICE MEW)	DAY OF AUGUST, 2025

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.

**SETTLEMENT AGREEMENT APPROVAL
AND INCREASED FUNDING ORDER
(2195186 ONTARIO INC.)**

THIS MOTION made by KSV Restructuring Inc. in its capacity as receiver and manager (in such capacity, the “**Receiver**”), without security, of the real property listed on Schedule “A” hereto (the “**Real Property**”) and all of the other assets, undertakings and properties of the Respondent 2195186 Ontario Inc. (the “**Debtor**”), and all proceeds thereof (together with the Real Property, the “**Property**”), for an Order, *inter alia*, (i) approving the form of the proposed settlement agreement as set out at Appendix “H” to the Fourth Report of the Receiver dated July 23, 2025 (the “**Fourth Report**”), as amended as set out as Appendix “C” to the Supplement to the Fourth Report of the Receiver dated July 31, 2025 (the “**Supplemental Report**”), and as further amended as attached to the emails from Chad Kopach to the service list on August 1, 2025, between the Receiver and tenants of the Residential Units (as defined in the Fourth Report)

(individually a “**Residential Tenant**” and collectively, the “**Residential Tenants**”), requiring among other terms, voluntary termination of the respective leases between the Debtor and the Residential Tenants (individually a “**Residential Lease**” and collectively, the “**Residential Leases**”), and vacant possession of the Residential Units by no later than September 26, 2025 (the “**Settlement Agreement**”), (ii) authorizing the Receiver to enter into a Settlement Agreement with each of the Residential Tenants, and (iii) amending the Receivership Order of the Honourable Justice Mew dated February 24, 2025 (the “**Receivership Order**”), by increasing the amount the Receiver is authorized to borrow from \$500,000 to \$950,000 with regards to the Debtor, was heard on July 31, 2025 and August 1, 2025, by way of Zoom videoconference.

ON READING the Fourth Report and the appendices thereto, the Supplemental Report and the Appendices thereto, and upon hearing submissions of counsel for (i) the Receiver; (ii) Peoples Trust Company (“**Peoples**”); (iii) ACM Advisors Ltd. (“**ACM**”); (iv) the Debtor; (v) HS Canada 101 Champagne, L.P., HS Canada 101 Champagne GP Inc. and HS Canada 101 Champagne Property Inc. (collectively, the “**Purchaser**”); and (vi) certain Residential Tenants and all other parties set out in the attendance sheet for this motion, no one else appearing although duly served as set out in the affidavit of service of Chad Kopach sworn July 24, 2025, and the affidavit of service of Eric Golden sworn July 29, 2025, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Receiver’s Notice of Motion dated July 23, 2025 (the “**NOM**”), the related motion material filed in support of that NOM, including the Receiver’s Motion Record dated July 23, 2025, the Receiver’s Confidential Motion Record dated July 23, 2025 and the Supplemental Report (collectively, the “**Motion Material**”),

be and is hereby abridged, that service of the NOM and the Motion Material is hereby validated, and that further service thereof is hereby dispensed with.

SETTLEMENT AGREEMENTS

2. **THIS COURT ORDERS** that the Settlement Agreement be and is hereby approved in the form attached as Schedule “B” hereto.

3. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to enter into the Settlement Agreement with each of the Residential Tenants, with such minor amendments as the Receiver may deem necessary in its sole discretion, and to perform its obligations thereunder.

4. **THIS COURT ORDERS** that the Receiver, the Debtor, the Purchaser, Keilty Realty Management Inc. operating as Varsity (“**Varsity**”), Peoples, ACM CMF Services Ltd., ACM Commercial Mortgage Fund, ACM, and Computershare Trust Company of Canada, and each of their respective affiliates (including affiliated partnerships), shareholders, directors, officers, employees, advisors, counsel and other representatives (collectively, the “**Released Parties**”), be and are hereby released from all any all claims and liabilities arising out of or in any way relating to the Real Property, the Purchased Assets (as defined in the Fourth Report), the Residential Leases, and the termination of the Residential Leases by any Residential Tenant that enters into a Settlement Agreement with the Receiver, and those Residential Tenants are prohibited from pursuing any additional rights and remedies against the Released Parties, including but not limited to commencing or continuing any proceedings against any Released Parties and seeking any form of relief under the *Residential Tenancies Act*, 2006, S.O. 2006, c.17, or otherwise; provided, however, that nothing in this paragraph shall be construed so as to release any obligations under a Settlement Agreement.

AMENDMENTS TO RECEIVERSHIP ORDER RE FUNDING

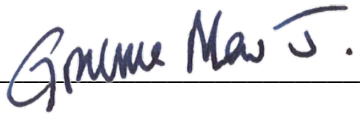
5. **THIS COURT ORDERS** that the Receivership Order of Justice Mew dated February 24, 2025 (the “**Receivership Order**”) be and is hereby amended by:

- (a) increasing from \$500,000 to \$950,000 the amount the Receiver is authorized to borrow in respect of the Debtor pursuant to the Receiver's Borrowings Charge (as defined in the Receivership Order); and
- (b) amending the priority of the Receiver's Borrowings Charge as follows:
 - (i) in respect of the amounts borrowed from Peoples up to the principal amount of \$600,000 plus any interest accruing thereon, the Receiver's Borrowings Charge shall rank in priority to all security interests, trust, liens, charges (including without limitation the Receiver's Charge as defined in the Receivership Order), claims and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to any amounts owing to Peoples and secured under its mortgage over the Real Property and other security of Peoples, including without limitation in respect of all principal, interest and fees and legal and other professional fees and costs of Peoples and Canada Mortgage and Housing Corporation (collectively, the "**Peoples Trust Indebtedness**"); and
 - (ii) in respect of any amounts borrowed from any lender other than Peoples, the Receiver's Borrowings Charge shall rank in priority to all security interests, trusts, liens, charges, claims and encumbrances, statutory or otherwise, in

favour of any Person, but subordinate to the Peoples Trust Indebtedness and the Receiver's Charge.

SERVICE ON TENANTS

6. **THIS COURT ORDERS** that a copy of this Order is to be served on the Residential Tenants by email, and is to be posted at the entrance and reception desk of the Real Property.

_____

Mew J.

Schedule “A” – Legal Description of the Real Property

Municipal Address: 101 Champagne Avenue South, Ottawa, Ontario K1S 4P3

PIN: 04102-0340 (LT) in LRO #4

LEGAL DESCRIPTION: 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

SCHEDULE "B"

SETTLEMENT AGREEMENT [TENANT NAME AND UNIT NUMBER]

THIS AGREEMENT made as of the ____ day of August, 2025

B E T W E E N:

[Tenant Name and Unit #]
(hereinafter referred to as the “**Tenant**”)

-and-

KSV Restructuring Inc.
in its capacity as Receiver and Manager of
2195186 Ontario Inc.
and not in its personal capacity
(hereinafter referred to as the “**Receiver**”)

WHEREAS

1. The Tenant and 2195186 Ontario Inc. (the “**Landlord**”), the Receiver on behalf of the Landlord, or Varsity (defined below) on behalf of the Landlord, entered into a lease agreement dated [DATE] (the “**Residential Lease**”) for unit number [UNIT] (the “**Residential Unit**”) at the property municipally known as 101 Champagne Avenue South, Ottawa (the “**Building**”).
2. The monthly rent under the Residential Lease is \$[RENT AMOUT] (the “**Monthly Rent Payment**”).
3. The Landlord’s records reflect that the Tenant paid to the Landlord a security deposit in the amount of \$[DEPOSIT AMOUNT] (the “**Lease Deposit**”).
4. Pursuant to an Order of the Ontario Superior Court of Justice (the “**Court**”) in Ottawa Court File No. CV-24-00098058-0000 granted February 24, 2025 (the “**Receivership Order**”), the Receiver was appointed over the Landlord and the Building (among other things).

5. As set out in the Fourth Report of the Receiver dated July 22, 2025, for health and safety reasons related to mould in the Building, to facilitate the remediation of the mould, and as part of a sale transaction for the Building pursuant to an agreement of purchase and sale entered into between the Receiver and HS Canada 101 Champagne, L.P. by its general partner, HS Canada 101 Champagne GP Inc. dated February 21, 2025, as amended (the “**Transaction**”), vacant possession of the Building is required before September 1, 2025.

6. The Receiver has brought a motion returnable July 31, 2025 seeking Orders (the “**Approval and Ancillary Orders**”), among other things, approving the Transaction and authorizing the Receiver to enter into a settlement agreement with the Building’s tenants on the terms below.

7. The Tenant and the Receiver have agreed to enter into this settlement agreement regarding the termination of the Residential Lease, vacating of the Residential Unit, and the Lease Deposit (the “**Settlement Agreement**”).

NOW THEREFORE, FOR VALUE RECEIVED the Tenant and the Receiver agree as follows:

1. The Tenant shall sign an N11 – Agreement to End the Tenancy in the form attached as **Schedule “A”**, with a termination date on or before September 26, 2025.

2. The Tenant shall sign a release (the “**Release**”) in favour of the Landlord, the Receiver, HS Canada 101 Champagne Property Inc., HS Canada 101 Champagne, L.P., HS Canada 101 Champagne GP Inc., Keilty Realty Management Inc. operating as Varsity (“**Varsity**”), Peoples

Trust Company, Computershare Trust Company of Canada, ACM CMF Services Ltd., ACM Commercial Mortgage Fund, ACM Advisors Ltd. and certain related persons (collectively, the “**Released Parties**”) in the form attached as **Schedule “B”** which includes, among other things, a release of all claims and rights the Tenant has pursuant to the *Residential Tenancies Act*, 2006, S.O. 2006, c.17 (the “**RTA**”), and a prohibition on commencing any claim against the Released Parties, including seeking any form of relief under the *RTA* or otherwise.

3. The Lease Deposit shall be applied to the Monthly Rent Payment due for August, 2025.

4. The Tenant shall vacate the Residential Unit on or before September 26, 2025. The Lease Deposit will be applied as of August 1, 2025, and will not be prorated in the event the Tenant vacates their Residential Unit prior to August 31, 2025. The Tenant shall not be required to pay rent for the period from September 1 – September 26, 2025. Subject to section 7 hereof, the Tenant shall have no further rights, including, without limitation, any right to occupy, right of return or right of first refusal, in respect of the Residential Unit.

5. When vacating the Residential Unit, the Tenant is authorized to remove the furniture in the unit even though these items are owned by the Landlord.

6. Subject to: (i) the Tenant providing signed copies to the Receiver of this Settlement Agreement, an N11 – Agreement to End the Tenancy in the form attached as Schedule “A” and a Release in the form attached as Schedule “B”; and (ii) confirmation by Varsity that the Tenant has vacated its Residential Unit, the Receiver shall pay to the Tenant the sum of \$[PAYMENT], being an amount equal to three Monthly Rent Payments under the Residential Lease.

7. Subject to the closing of the Transaction, upon the mould remediation being completed and the Building being available for re-leasing, the Tenant may elect to enter into a new lease for a

residential unit at the Building on the terms described on **Schedule “C”** hereto. The Tenant agrees and acknowledges this opportunity is not a right of first refusal in accordance with section 53 of the *RTA*. The Purchaser (as defined below) has agreed to assume the obligations under **Schedule “C”** upon closing of the Transaction.

8. In addition to the Landlord and the Receiver, this Settlement Agreement and the Release may be relied upon and enforced by HS Canada 101 Champagne Property Inc., HS Canada 101 Champagne, L.P., HS Canada 101 Champagne GP Inc. (the “**Purchaser**”), Varsity, Peoples Trust Company, Computershare Trust Company of Canada, ACM CMF Services Ltd., ACM Commercial Mortgage Fund, ACM Advisors Ltd., or by any of them, including without limitation in any action or other proceeding before the Court or any other court or tribunal of competent jurisdiction and the Tenant acknowledges and agrees that each of them has provided good and sufficient consideration therefor.

9. The Tenant acknowledges having had a sufficient opportunity to review this Settlement Agreement and the Release and to obtain independent legal advice in respect thereof, and that the only consideration for this Settlement Agreement and the Release is as set forth herein and that no other promises or representations of any kind have been made to the Tenant to cause them to sign this Settlement Agreement or the Release.

DATED this day of August, 2025

KSV Restructuring Inc.
in its capacity as Receiver and Manager of
2195186 Ontario Inc.
and not in its personal capacity

Per: _____
Name:
Position:
*(I have authority to bind the
corporation)*

Witness

[TENANT NAME]

SCHEDULE "A"

Name of Tenant: include all tenant names	Name of Landlord:
	KSV RESTRUCTURING INC. AS RECEIVER OF 2195186 ONTARIO INC.
Address of the Rental Unit:	
101 CHAMPAGNE AVENUE SOUTH, OTTAWA, K1S 4P3	

The landlord and the tenant agree that the tenancy will end on

		/			/				
--	--	---	--	--	---	--	--	--	--

 .
dd/mm/yyyy

This is the termination date. The tenant will move out of the rental unit on or before the termination date.

Important Information from the Landlord and Tenant Board

The landlord can apply to evict the tenant

After the landlord and tenant sign this agreement, the landlord can apply to the Board for an order evicting the tenant. The earliest eviction date the Board can include in its order is the termination date set out above.

The tenant must move out

The tenant must move out and remove all their personal possessions from the rental unit by the termination date set out above. If the tenant moves out by the termination date set out above, but leaves behind personal possessions, the tenant will no longer have any rights to those possessions and the landlord will be allowed to dispose of them.

The tenant can't be required to sign this agreement

A landlord cannot require the tenant to sign an *N11 Agreement to End the Tenancy* as a condition of agreeing to rent a unit. A tenant does not have to move out based on this agreement if the landlord required the tenant to sign it when the tenant agreed to rent the unit.

Exceptions: A landlord can require a tenant to sign an *N11 Agreement to End the Tenancy* as a condition of agreeing to rent a rental unit in the following two situations:

- The tenant is a student living in accommodation provided by a post-secondary institution or by a landlord who has an agreement with the post-secondary school to provide the accommodation.
- The tenant is occupying a rental unit in a care home for the purposes of receiving rehabilitative or therapeutic services, and
 - the tenant agreed to occupy the rental unit for not more than 4 years,
 - the tenancy agreement set out that the tenant can be evicted when the objectives of providing the care services have been met or will not be met, and
 - the rental unit is provided to the tenant under an agreement between the landlord and a service manager under the *Housing Services Act, 2011*.

Keep a copy of this agreement

Both the landlord and the tenant should keep a copy of this agreement for their records.

How to get more information

For more information about this notice or your rights, you can contact the Landlord and Tenant Board. You can reach the Board by phone at **416-645-8080** or **1-888-332-3234**. You can visit the Board's website at tribunalsontario.ca/ltb.

First Name

Last NamePhone NumberSignatureDate (dd/mm/yyyy)

First Name

Last NamePhone Number

Signature

Date (dd/mm/yyyy)

OFFICE USE ONLY:

File Number

Delivery Method: ☐ In Person ☐ Mail ☐ Courier ☐ Email ☐ Efile ☐ Fax FL ☐ ☐

Page 2 of 2

SCHEDULE "B"

FULL AND FINAL RELEASE

IN CONSIDERATION of the payment of [PAYMENT] (\$_____), and other good and valuable consideration, as set out in the Settlement Agreement between KSV Restructuring Inc. in its capacity as receiver and manager of 2195186 Ontario Inc. (the “**Receiver**”) and [TENANT NAME] dated August [DAY] 2025 to which this Full and Final Release is attached, the receipt and sufficiency of which is hereby expressly acknowledged, the undersigned,

[TENANT NAME] (the “**Tenant**”), which term includes their agents, servants, heirs, executors, successors and assigns,

HEREBY FULLY RELEASES AND FOREVER DISCHARGES:

2195186 Ontario Inc. (the “**Landlord**”), the Receiver, HS Canada 101 Champagne Property Inc., HS Canada 101 Champagne, L.P., HS Canada 101 Champagne GP Inc., Keilty Realty Management Inc. operating as Varsity (“**Varsity**”), Peoples Trust Company, Computershare Trust Company of Canada, ACM CMF Services Ltd., ACM Advisors Ltd. and ACM Commercial Mortgage Fund, and each of their respective officers, directors, employees, shareholders, affiliates, subsidiaries, related companies and partnerships, agents, servants, administrators, representatives, partners, co-venturers, advisors, legal counsel, privies, predecessors, successors and assigns (collectively, the “**Releasees**”) from any and all actions, causes of actions, claims, rights, debts, liabilities, contracts, suits, proceedings, expenses, compensation, covenants, demands, damages, losses or injuries of every kind and nature (collectively, “**Claims**”), howsoever or whenever arising, whether known or unknown, foreseen or unforeseen, contingent or non-contingent, including all Claims in law or equity and all Claims for contribution or indemnity which the Tenant now has, has ever had or may ever have at any time in consequence of, or in any way relating to or arising out of or in connection with, the following (collectively, the “**Released Matters**”):

- (i) the lease agreement between the Tenant and the Landlord, the Receiver on behalf of the Landlord, or Varsity on behalf of the Landlord, dated [DATE] (the “**Residential Lease**”) for unit number [UNIT] (the “**Residential Unit**”) at the property municipally known as 101 Champagne Avenue South, Ottawa, including, without limitation, the voluntary termination of the Residential Lease and the requirement to vacate the Residential Unit by August 31, 2025; or
- (ii) the Transaction (as defined in the Settlement Agreement)

including, without in any way limiting the generality of the foregoing, any and all Claims which were or could have been made by the Tenant pursuant to the *Residential Tenancies Act, 2006*, S.O. 2006, c.17 (the “**RTA**”), including sections 50, 52, 53, 54, 55.1 and 57 of the *RTA*.

AND FOR THE SAID CONSIDERATION the Tenant confirms that it has not commenced any Claim against any of the Releasees (or, if it has, that the Tenant shall promptly withdraw such Claim) and further agrees not to make any Claim against the Releasees or any other person who might claim contribution or indemnity against a Releasee in relation to the Released Matters,

including but not limited to commencing any Claim seeking any form of relief under the *RTA* or under the provisions of the *Negligence Act*, R.S.O. 1990, c. N.1 and the amendments thereto.

IN WITNESS WHEREOF, the Tenant has signed this Full and Final Release this [DAY] day of August, 2025.

Witness

[TENANT NAME]

SCHEDULE "C"

1. Prior to the Building becoming available to lease to residential tenants following the mould remediation and other work necessary to permit lawful residential occupancy (the "**Occupancy Conditions**"), the Tenant will be given the opportunity to enter into a new lease (the "**New Lease**") of a residential unit having a similar configuration (the "**Remediated Unit**") at the same rent the Tenant was paying on the date of this Settlement Agreement and for a term of one (1) year commencing on such date following satisfaction of the Occupancy Conditions as is specified by the Purchaser, which date shall be no earlier than September 1, 2026.
2. The determination of when the Remediated Unit is available to lease to the Tenant, the location of such Remediated Unit within the Building and the location of the bedroom within such Remediated Unit to be occupied by the Tenant shall, in each case, be at the reasonable good faith discretion of the Purchaser. For greater certainty, the location of the Remediated Unit within the Building and the location of the bedroom to be occupied by the Tenant within such Remediated Unit may not be the same as the location of the bedroom presently being occupied by the Tenant.
3. The Tenant shall, at all times, keep the Purchaser up-to-date with respect to the Tenant's address for receiving notice of the availability of the New Lease (the "**New Lease Notice**") and the Purchaser shall, at all times, keep the Tenant up-to-date with respect to the Purchaser's address for receiving changes to the Tenant's address. The Tenant's present address for receiving the New Lease Notice is: _____
_____. The Purchaser's present address for receiving any changes to the Tenant's address is: _____
_____.
4. The New Lease Notice shall include a copy of the New Lease.
5. Within sixty (60) days of receipt by the Tenant of the New Lease Notice, the Tenant shall either sign and deliver the New Lease to the Purchaser together with the deposit set out therein or advise the Purchaser by notice in writing that the Tenant has elected not to accept the opportunity to enter into the New Lease (the "**Rejection Notice**"). If the Purchaser receives the Rejection Notice within such thirty (30) day period or does not receive a signed New Lease together with the deposit set out therein within such thirty (30) day period, the Purchaser shall have no further obligation to lease any unit in the Building to the Tenant and the Purchaser shall be free to lease the Remediated Unit to another tenant on terms that comply with law.

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.

Court File No. CV-24-00098058-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at OTTAWA

**SETTLEMENT AGREEMENT APPROVAL
AND INCREASED FUNDING ORDER
(2195186 ONTARIO INC.)**

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in its capacity as Court-appointed Receiver