

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

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.

**AIDE-MEMOIRE OF PEOPLES TRUST COMPANY**

**(Motion for Sale Approval and Vesting Order and Ancillary Relief Order  
– Envie I, Returnable July 31, 2025)**

July 30, 2025

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Lawyers for Peoples Trust Company

1. This Aide-Memoire is being filed by Peoples Trust Company ("**Peoples**") in support of the Receiver's motion for:

(a) an AVO, among other things:

(i) approving the Transaction contemplated by the APS between the Purchaser and the Receiver in respect of the Building; and

(ii) providing the Receiver with vacant possession as a condition to the Transaction as a result of the extensive mould issues (the "**Mould Issues**") and the need for the Mould Remediation on an immediate and urgent basis;

(b) an Ancillary Order, among other things, amending the Receivership Order and authorizing the Receiver to affect the Distributions.

2. Terms used in this Aide-Memoire that are not otherwise defined herein have the meaning ascribed to them in the Fourth Report of the Receiver dated July 23, 2025 (the "**Fourth Report**").

3. The background information surrounding the Companies and Ashcroft Homes Group are included in the Fourth Report and previous materials filed with the Court in these receivership proceedings and as a result are not repeated herein.

#### **A. Position of Peoples Trust Company**

4. Peoples is the first-ranking secured creditor of Envie I pursuant to a loan agreement dated October 24, 2017 (the "**Peoples Loan**"), secured by a first ranking mortgage and general assignment of rents over the Real Property, and a general security agreement over all the assets and undertaking of Envie I (collectively, the "**Peoples Security**"). As of June 1, 2025, Peoples was owed approximately \$50.2 million under the Peoples Loan, exclusive of legal costs, with interest and costs continuing to accrue.

5. As is detailed in the Fourth Report, the consideration being tendered by the Purchaser under the APS includes the assumption of the Peoples Loan and Peoples Security, including the first ranking mortgage over the Real Property. As a result, Peoples has been intimately involved and consulted in the negotiation and finalization of the APS, including the Sixth Amendment. From

Peoples perspective, the Transaction is the best, highest and only realization available in the circumstances.

6. Peoples has at all times throughout these receivership proceedings participated in good faith with the expectation that the LOI identified by CMLS in the pre-receivership sale process, which process the Receiver was explicitly authorized to continue by the Court pursuant to paragraph 6(e) of the Receivership Order, would result in the quick consummation of the Transaction.

7. The Transaction and the APS are the result of extensive efforts by all parties involved, were heavily negotiated and involved significant concessions on the part of Peoples. These concessions include, as previously noted, the assumption of the Peoples Loan as opposed to requiring a full payout in cash of the first-ranking closed mortgage, which would have resulted in makewhole amounts for lost interest payable to Peoples and, as a result, less value available for any other creditors.

8. As the Receiver has noted at section 5.1 paragraph 4 of the Fourth Report, vacant possession of the Building by Closing, which is currently scheduled for September 1, 2025, is a condition of the Transaction. In light of the Mould Issues uncovered and the extensive Mould Remediation required to bring the Building into compliance under the RTA, as confirmed by each of Pinchin and Fisher, approval of the Transaction and vacant possession are the only logical and viable path forward.

9. In furtherance of its support of the Transaction, with a view to completing the Transaction in a cooperative manner and in an effort to see the Residential Tenants fairly compensated, Peoples has agreed to lend the Receiver up to \$600,000 in further funds pursuant to the Receiver's Borrowing Charge (as amended by the requested Ancillary Order), at a favorable and below market interest rate, to facilitate settlement payments under the proposed Settlement agreements with tenants (each a "**Settlement Agreement**"). It is Peoples position that the Settlement is fair and equitable in the circumstances. Any claim that the Residential Tenants may have would be unsecured and rank subordinate to Envie I's secured creditors with no likelihood of payment.

10. Peoples understand that certain of the Residential Tenants are not willing to sign the Settlement Agreement and are opposed to vacant possession being ordered. The fact is, the Mould Issues require immediate remediation, which efforts will render the Building uninhabitable due to

health and safety issues. Any purchaser of the Building, whether it be the Purchaser or another interested party, are ultimately going to require vacant possession in order to remedy the Mould Issues. Moreover, Peoples requires that as part of any transaction, the ultimate purchaser rectifies the Mould Issues and brings the building within any relevant code and the standards prescribed by the RTA to ensure a healthy and safe living environment for any future occupant.

11. Time is of the essence in order to rectify the issues and ensure that the Building is ready to be re-let for the September 2026 academic year. Absent approval of the Transaction and an order for vacant possession, not only could the opportunity with the existing Purchaser be lost, but the ongoing carrying costs, including municipal property taxes, utilities, insurance, the accruing interest on the Peoples Mortgage and ACM Mortgage, and the professional costs, will erode the proceeds available for distribution and could significantly impair the economic viability of any future transaction. Furthermore, Peoples is not at this time prepared to fund the costs of a further marketing process or the associated carrying costs, nor are they prepared to fund the costs of the Receiver undertaking the Mould Remediation.

12. Absent immediate approval of the Transaction and an order for vacant possession, Peoples reserves all rights to further evaluate the rights afforded to it under the Peoples Security which could result in Peoples taking further enforcement steps including, but not be limited to, foreclosure or power of sale under its first-ranking mortgage.

#### **B. Conclusion**

13. Peoples reserves all of its rights and remedies in the event that the Transaction does not close by the currently contemplated Outside Date of October 1, 2025, however, Peoples is hopeful that the Court will use its powers to approve the Transaction and grant the orders requested by the Receiver, to enable the Receiver to consummate the Transaction which is supported by both mortgagees and would be in the best interest of Envie I's stakeholders generally.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 30<sup>TH</sup> DAY OF JULY, 2025**

***Bennett Jones LLP***  
**BENNETT JONES LLP**

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Court File No.: CV-24-00098058-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced in Ottawa

**AIDE-MEMOIRE OF PEOPLES TRUST COMPANY  
(Motion for Sale Approval and Vesting Order and  
Distribution and Ancillary Relief Order – Envie I,  
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