

**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.

**MOTION RECORD
RETURNABLE MAY 27, 2025
(SALES PROCESS APPROVAL - RAVINES SENIOR AND PROMENADE SENIOR)**

May 20, 2025

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TAB 1

Court File No. CV-24-00098058-0000

**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
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PROMENADE INC., 2195186 ONTARIO INC., 1384274 ONTARIO INC.
AND 1019883 ONTARIO INC.

**NOTICE OF MOTION
(Sales Process Approval – Ravines Senior and Promenade Senior)**

KSV Restructuring Inc. ("**KSV**"), in its capacity as receiver and manager (in such capacity, the "**Receiver**") of the lands listed on Schedule "A" to the Order of this Court dated February 24, 2025 (the "**Receivership Order**") and the property, assets and undertaking (collectively, the "**Property**") of each of Ashcroft Homes – La Promenade Inc. ("**Promenade Senior**"), 2265132 Ontario Inc. ("**Ravines Senior**"), 1384274 Ontario Inc. ("**138 Ontario**"), 2067166 Ontario Inc. ("**Park Place Senior**"), 2195186 Ontario Inc. ("**Envie I**"), and 1019883 Ontario Inc. (the "**Head Office Company**"), will make a motion for an Order on May 27, 2025 at 10:00 a.m., before a judge presiding over the Court, or as soon after that time as the Motion can be heard by judicial conference via Zoom at Ottawa, Ontario. Please advise if you intend to join the motion by emailing Lauren Archibald at lauren.archibald@nortonrosefulbright.com.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR, for among other things:

- 1 If necessary, abridging the time for service and filing of this notice of motion and motion record;

- 2 Approving the proposed sale process (the “**Ravines Sale Process**”) for the properties owned by Ravines Senior and 138 Ontario located at 636 Prado Private, Ottawa, Ontario;
- 3 Approving the proposed sale process (the “**Promenade Sale Process**”) for the properties owned by Promenade Senior located at 100, 130 and 150 Rossignol Drive, Ottawa, Ontario (together, the “**Promenade Properties**”);
- 4 Approving the First Report of the Receiver dated March 13, 2025 (the “**First Report**”), the Second Report of the Receiver dated May 20, 2025 (the “**Second Report**” and together with the First Report, the “**Reports**”), and the Receiver’s activities detailed herein;
- 5 Amending the Receivership Order to rectify the legal description of certain Properties listed in Schedule “A” attached thereto; and
- 6 Such further and other relief as this Honourable Court considers just.

THE GROUNDS FOR THIS MOTION ARE:

Background

- 7 On December 5, 2024, the Court issued an Order granting protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA Proceedings**”) to the following companies (collectively, the “**CCAA Debtors**”): Park Place Senior, Ravines Senior, Promenade Senior, Envie I, the Head Office Company, Ashcroft Urban Developments Inc., Ashcroft Homes – Capital Hall Inc., and 2139770 Ontario Inc. (“**Ravines Retirement**”);
- 8 Pursuant to the Honourable Justice Mew’s decision dated December 20, 2024, the Court dismissed the CCAA Debtors’ motion to extend the CCAA Proceedings, which was heard on December 12, 2024;
- 9 The Court also granted motions made by ACM Advisors Ltd. (“**ACM**”) and certain other

lenders to appoint KSV as interim receiver (the “**Interim Receiver**”) of the CCAA Debtors and 138 Ontario;

- 10 On January 3, 2025, the Court issued an Order appointing KSV as the Interim Receiver;
- 11 On February 24, 2025, pursuant to the Receivership Order, KSV was appointed as the Receiver, without security, of all the Property of Park Place Senior, Ravines Senior, Promenade Senior, Envie I, the Head Office Company, and 138 Ontario (collectively, the “**Companies**”);

The Receiver’s Engagement of Newmark

- 12 In connection with the Ravines Sale Process, the Receiver intends to engage N.R.E. Newmark Real Estate Canada Limited (“**Newmark**”) to act as the listing agent to carry out the Ravines Sale Process, including for the following reasons:
 - (a) Newmark is a highly qualified brokerage, with significant experience selling seniors’ facilities in Ontario and has access to a national platform;
 - (b) the Court has already approved Newmark’s engagement for the property owned by Ravines Retirement at 626 Prado Private, Ottawa, Ontario as part of a court-approved sale process, which was approved by the Court on April 17, 2025 (the “**BDO Sale Process Order**”);
 - (c) engaging the same brokerage to carry out a sale process for both Ravines Senior and Ravines Retirement will provide a coordinated and streamlined outreach to the market;
 - (d) in the Receiver’s view, the commercial terms of Newmark’s proposed engagement, including its commission rate, are reasonable and consistent with market standards; and

- (e) ACM, the senior secured lender of Ravines Senior and 138 Ontario, supports Newmark's engagement, as does Ravines Senior's second mortgagee, Institutional Mortgage Capital Canada ("**IMC**");

The Ravines Sale Process

- 13 The Receiver, with the assistance of Newmark, developed the Ravines Sale Process;
- 14 The Second Report provides a detailed description of the Ravines Sale Process for approval by the Court, as described in Sections 3.2.1 and 3.2.2 of Second Report;
- 15 The Ravines Sale Process milestones and timelines are consistent with the timelines and milestones approved by the Court pursuant to the BDO Sale Process Order, including the bid deadline;
- 16 The Receiver believes that the proposed Ravines Sale Process is reasonable and should be approved for the following reasons, among other things:
 - (a) the Ravines Sale Process is a fair, open and transparent process, and is intended to canvass the market broadly on an efficient basis to obtain the highest and best price;
 - (b) the Ravines Sale Process provides the Receiver with the timelines, procedures and flexibility that both the Receiver and Newmark believe are necessary to maximize value;
 - (c) the Ravines Sale Process is substantially consistent with the process for Ravines Retirement, which was approved by this Court pursuant to the BDO Sale Process Order;

- (d) the Ravines Sale Process is without prejudice to the ongoing refinancing efforts of Mr. Choo, the Companies' president and founder, in respect of the Companies (as described in the Second Report); and
- (e) the Receiver has consulted with ACM and IMC regarding the proposed Ravines Sale Process and understands that both secured lenders are supportive of it;

The Receiver's Engagement of CBRE

- 17 On March 10, 2025, the Receiver solicited proposals from three reputable realtors to act as the listing agent for the Promenade Properties;
- 18 Two of the realtors submitted a proposal and presented to the Receiver and representatives of IMC, Promenade Senior's senior secured lender,
- 19 The Receiver selected CBRE Limited ("**CBRE**") to act as listing agent to carry out the Promenade Sale Process, subject to Court approval;
- 20 This decision was based on the following factors, among other things:
 - (a) the support of IMC, which consented to the retention of CBRE;
 - (b) CBRE's experience selling seniors facilities in Ontario and its access to a national platform;
 - (c) the commercial terms of CBRE's proposed engagements, including its commission rate, which the Receiver considers reasonable and consistent with market standards; and
 - (d) CBRE's knowledge of the Promenade Properties, including CBRE's prior experience as the listing agent for the adjacent parcel of land located at 100

Rossignol Drive (being one of the Promenade Properties), which was commenced prior to the CCAA Proceedings;

The Promenade Sale Process

- 21 The Receiver, with the assistance of CBRE, developed the Promenade Sale Process;
- 22 The Second Report provides a detailed description of the Promenade Sale Process for approval by the Court, as described in Sections 4.2.1 and 4.2.2 of Second Report;
- 23 The Receiver believes that the proposed Promenade Sale Process is reasonable and should be approved for the following reasons, among other things:
- (a) the Promenade Sale Process is a fair, open and transparent process, and is intended to canvass the market broadly on an efficient basis to obtain the highest and best price;
 - (b) it provides the Receiver with the timelines, procedures and flexibility that both the Receiver and CBRE believe are necessary to maximize value in the circumstances;
 - (c) the Promenade Sale Process is without prejudice to Mr. Choo's ongoing refinancing efforts for the Companies; and
 - (d) IMC has consented to the Promenade Sale Process;

Activities of the Receiver

- 24 The activities of the Receiver are set out in the Reports and are consistent with its mandate pursuant to the Receivership Order;

Amendment to the Receivership Order

- 25 The Receiver is seeking a rectification of the legal description of certain Property listed in Schedule “A” to the Receivership Order;
- 26 The rectification is required to clarify the legal description of the applicable Properties and will, among other things, assist with registration and discharge of instruments on title on a go forward basis;

General

- 27 Rules 1.04, 1.05, 3.02, and 37 of the *Rules of Civil Procedure*, RRO 1990, c. C.43; and
- 28 Such further and other grounds as counsel may advise and this Honorable Court may deem just;

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

- 1 The Reports; and
- 2 Such other materials as counsel may advise and this Honourable Court may permit.

May 20, 2025

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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

NOTICE OF MOTION
(Sales Process Approval – Ravines Senior and Promenade Senior)

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TAB 2

**Second Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
2067166 Ontario Inc., 2265132 Ontario Inc.,
Ashcroft Homes – La Promenade Inc.,
2195186 Ontario Inc., 1384274 Ontario Inc.
and 1019883 Ontario Inc.**

May 20, 2025

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

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.

SECOND REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

MAY 20, 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”) to Ashcroft Urban Developments Inc. (“AUDI”), 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”), 2139770 Ontario Inc. (“Ravines Retirement”) and 1019883 Ontario Inc. (the “Head Office Company” and collectively, the “CCAA Debtors”).
2. Several of the CCAA Debtors’ 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 Court dismissed the motion to extend the CCAA proceedings and granted motions made by CMLS Financial Ltd. (“CMLS”), Equitable Bank (“EQB”), ACM Advisors Ltd. (“ACM”) and certain other lenders to appoint KSV Restructuring Inc. (“KSV”) as interim receiver of all CCAA Debtors and 1384274 Ontario Inc. (“138 Ontario”), except for Ravines Retirement, over which BDO was appointed as receiver and manager pursuant to an application brought by Central 1 Credit Union.
3. On January 3, 2025, the Court issued an Order (the “Interim Receivership Order”) appointing KSV as interim receiver (the “Interim Receiver”), without security, of all the property, assets and undertakings of the CCAA Debtors and 138 Ontario (except for Ravines Retirement) pursuant to section 47(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.

4. Once KSV was appointed as the Interim Receiver, it was contemplated that, in due course, the interim receivership proceedings would be converted to receivership proceedings.
5. Pursuant to an Order of the Court granted February 24, 2025 (the “Receivership Order”), KSV was appointed as receiver and manager (“Receiver”), without security, of all the property, assets and undertaking of Park Place Senior, Ravines Senior, Promenade Senior, Envie I, the Head Office Company and 138 Ontario¹ (collectively, the “Companies” and individually, a “Company”). A copy of the Receivership Order is attached as Appendix “A”. On the same date, pursuant to applications made by CMLS and EQB, the Court granted separate receivership orders appointing KSV as receiver and manager of the property, assets and undertaking of AUDI and Envie II.
6. KSV is filing its second report in this proceeding (the “Second Report”) in its capacity as Receiver of the Companies.

1.1 Purposes of this Second Report

1. The purposes of this Second Report are to:
 - a) provide background information on the Companies and these proceedings;
 - b) summarize the proposed terms of a sale process (the “Ravines Sale Process”) for the properties owned by Ravines Senior and 138 Ontario located at 636 Prado Private, Ottawa, Ontario, including the retention of N.R.E. Newmark Real Estate Canada Limited (“Newmark”) to act as listing agent to carry out the Ravines Sale Process;
 - c) summarize the proposed terms of a sale process (the “Promenade Sale Process”) for the properties owned by Promenade Senior located at 100, 130 and 150 Rossignol Drive, Ottawa, Ontario (jointly, the “Promenade Properties”), including the retention of CBRE Limited (“CBRE”) to act as listing agent to carry out the Promenade Sale Process;
 - d) provide an update on the efforts of Mr. David Choo, the Companies’ president and founder, to refinance the Companies, terminate these proceedings and discharge the Receiver;
 - e) provide an overview of the Receiver’s activities since its first report to Court dated March 13, 2025 (the “First Report”); and

¹ 138 Ontario was not an applicant in the CCAA proceedings but was subject to the Interim Receivership Order and is subject to the Receivership Order.

- f) recommend the Court issue an order:
- approving the Ravines Sale Process;
 - authorizing the Receiver to engage Newmark pursuant to the terms of the listing agreement between the Receiver and Newmark (the “Newmark Listing Agreement”);
 - approving the Promenade Sale Process;
 - authorizing the Receiver to engage CBRE pursuant to the terms of the listing agreements between the Receiver and CBRE (together, the “CBRE Listing Agreements”)²;
 - approving the First Report, this Second Report, and the Receiver’s activities detailed herein; and
 - amending the Receivership Order to rectify the legal description of certain properties listed in Schedule “A” attached thereto.

1.2 Restrictions

1. In preparing this Second Report, the Receiver has relied upon: (i) the Companies’ unaudited financial information, books and records; (ii) discussions with the Companies’ management team, BDO, Newmark and CBRE; (iii) the first report of BDO dated April 7, 2025 (the “First BDO Report”); (iv) the affidavit of Mr. Choo, sworn December 3, 2024 (the “Choo Affidavit”); and (v) information available in the public domain.
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Second Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information in this Second Report should perform its own due diligence.

1.3 Court Materials

1. Copies of the Court materials filed to-date in these proceedings are available on the Receiver’s case website: <https://www.ksvadvisory.com/experience/case/ashcroft>.

1.4 Currency

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

² There are separate listing agreements with CBRE for each of the Promenade Properties.

2.0 Background

1. The Companies are incorporated in Ontario and carry on business as part of the Ashcroft Homes Group, a residential and commercial real estate developer owned, directly or indirectly, by Mr. Choo.
2. The Companies manage several properties from the Head Office Company's owned office building in Nepean, Ontario. Other than the Head Office Company's property, the Companies' real property consists of: (i) seniors' facilities (Park Place Senior, Ravines Senior and Promenade Senior); and (ii) a student residence (Envie I). There is 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 and Ravines Retirement.
3. Additional background information on the Companies, Envie II, AUDI and the Ashcroft Homes Group is included in the Choo Affidavit and the Interim Receiver's first report dated February 14, 2025 (the "Interim Receiver's First Report"), and accordingly, is not repeated in this Second Report.

3.0 Ravines Sale Process

3.1 Request for Listing Proposals

1. As more fully described in the First BDO Report, BDO solicited proposals from three realtors to act as the listing agent for the property owned by Ravines Retirement located at 626 Prado Private, Ottawa, Ontario. At the time, all three realtors advised that it would be beneficial for the properties owned by each of Ravines Retirement, Ravines Senior and 138 Ontario (collectively, the "Ravines Properties") to be marketed and sold together in order to maximize value and reduce the complexities involved in selling the Ravines Properties in separate transactions, if possible. Those complexities would involve negotiating a shared services agreement and dealing with other issues that would likely arise given the integrated nature of the Ravines Senior and Ravines Retirement businesses. A summary of the listing proposals received by BDO from the realtors were filed with the Court on a confidential basis as part of the First BDO Report (the "Ravines Listing Proposals"). A copy of the First BDO Report, without appendices, is attached hereto as Appendix "B".
2. BDO engaged Newmark to act as the listing brokerage for Ravines Retirement. As set out in the First BDO Report, BDO's decision was principally based on Newmark's industry experience, ability to attract national exposure, competitive commission rate structure and support from the Ravines Retirement's senior secured lender. On this basis, BDO sought this Court's approval of Newmark's engagement and the proposed sale process described in the First BDO Report. On April 17, 2025, the Court issued an Order (the "BDO Sale Process Order") which, among other things: (i) approved the proposed sale process for Ravines Retirement as described in the First BDO Report; and (ii) sealed the Ravines Listing Proposals until a sale of Ravines Retirement was completed or further order of the Court.

3. In consideration of the views of the realtors involved in the proposal process conducted by BDO, and in consultation with the senior secured lender of Ravines Senior and 138 Ontario, ACM, the Receiver determined that it would be in the interest of stakeholders to select Newmark to list Ravines Senior³, subject to Court approval.
4. The Receiver recommends that the Court authorize the Receiver to retain Newmark as the listing agent for Ravines Senior for the following reasons:
 - a) the commercial terms of the Newmark Listing Agreement are the same as the terms approved under the BDO Sale Process Order;
 - b) engaging the same brokerage to carry out a sale process for both Ravines Senior and Ravines Retirement will provide a coordinated and streamlined outreach to the market;
 - c) ACM supports Newmark's engagement, as does IMC (being Ravines Senior's second mortgagee);
 - d) Newmark is a highly qualified brokerage which specializes in seniors' residences, with significant experience selling seniors' facilities in Ontario and has access to a national platform;
 - e) the Court has already approved Newmark's engagement for Ravines Retirement as part of the BDO sale process;
 - f) in the Receiver's view, the commercial terms of Newmark's proposed engagement, including its commission rate, are reasonable and consistent with market; and
 - g) the Newmark Listing Agreement is without prejudice to Mr. Choo's ongoing refinancing efforts (as summarized in Section 6 below).
5. A copy of the Newmark Listing Agreement can be provided to the Court should the Court wish to review it.

3.2 Ravines Sale Process

1. The Receiver, with the assistance of Newmark, developed the Ravines Sale Process for Ravines Senior. The Ravines Sale Process milestones and timelines are consistent with the timelines and milestones approved by the Court pursuant to the BDO Sale Process Order, including the bid deadline.

³ For the purposes of the Ravines Sale Process, the parking garage owned by 138 Ontario will also be included in the offering.

Summary of Ravines Sales Process		
Stage	Description of Activities	Timeline
<i>Pre-Marketing</i>	➤ Financial analysis, valuation, data rooms, proforma, NDAs, marketing, walkthroughs, Purchase and Sale (“PSA”) forms, data hub.	2 - 4 Weeks
<i>Marketing Launch</i>	➤ Calls, teaser, Confidential Information Memorandum (“CIM”), investor talks, video presentations, marketing, submission, data access, interest reports, letters of intent.	4 - 8 Weeks
Offer Review Process	➤ Offer review process (1-3 weeks), bidding window, summarize bids, shortlist, negotiate, interviews, select and finalize definitive transaction documents.	1 – 3 Weeks
Due Diligence Period	➤ Deposit, deliver materials, contact bidders, coordinate information, manage transaction, waiver date.	30 – 60 Days
Deal Completion	➤ Court approval, approvals with the Retirement Homes Regulatory Authority (“RHRA”), Competition Bureau approvals, transition meetings, closing support, summary and document.	30 – 45 Days

2. Additional aspects of the Ravines Sale Process include:

- a) the listing for Ravines Senior will be unpriced;
- b) Ravines Senior will be marketed and sold on an “as is, where is” basis, with standard representations and warranties for a receivership transaction;
- c) the Receiver may amend any timeline in the Ravines Sale Process without Court approval, provided the timeline extension does not exceed 30 days;
- d) the Receiver may bring a motion to amend the Ravines Sale Process, including any timeline greater than 30 days, if it considers it appropriate to better facilitate the sale of Ravines Senior;
- e) any material modifications to, or the termination of, the Ravines Sale Process shall require Court approval;
- f) the Receiver will have the right to reject any and all offers, including the highest dollar value offer(s), acting reasonably;
- g) nothing in the Ravines Sale Process affects ACM’s right to submit a credit bid for Ravines Senior at the conclusion of the Ravines Sale Process; and
- h) any transaction generated under the Ravines Sale Process will be subject to Court approval.

3.3 Ravines Sale Process Recommendation

1. The Receiver recommends the Court grant an order approving the Ravines Sale Process for the following reasons:
 - a) the Ravines Sale Process is a fair, open and transparent process, developed with input from Newmark, and is intended to canvass the market broadly on an efficient basis to obtain the highest and best price;
 - b) the Ravines Sale Process provides the Receiver with the timelines, procedures and flexibility that both the Receiver and Newmark believe are necessary to maximize value. It is also substantially consistent with the process for Ravines Retirement, which was approved by this Court pursuant to the BDO Sale Process Order;
 - c) Newmark has the industry expertise and experience to market Ravines Senior and has been engaged by BDO to conduct the Court-approved sale process for Ravines Retirement;
 - d) the Ravines Sale Process is without prejudice to Mr. Choo's ongoing refinancing efforts for the Companies (as summarized in Section 6 below); and
 - e) the Receiver has consulted with ACM and IMC regarding the proposed Ravines Sale Process and understands that both secured lenders are supportive of it.

4.0 Promenade Sale Process

4.1 Request for Listing Proposals

1. On March 10, 2025, the Receiver solicited proposals from three reputable realtors to act as the listing agent for the Promenade Properties (the "Realtors"). The Receiver considered each of the Realtors to be well-qualified to market the Promenade Properties for sale.
2. The Receiver requested that the Realtors provide certain information in its proposal, including each firm's experience and knowledge of the Ottawa market, a marketing plan for the Promenade Properties, the indicative range of values for the Promenade Properties and its proposed commission structure. A copy of the request for proposals sent to the Realtors is attached as Appendix "C".
3. Two of the three Realtors submitted a proposal and presented to the Receiver and representatives of Institutional Mortgage Capital Canada ("IMC"), Promenade Senior's senior secured lender.
4. The Receiver selected CBRE to list the Promenade Properties. This decision was based on, among other things, CBRE's experience in the Ottawa area, the expertise of its team in the senior residence segment, the commission structure and its knowledge of the Promenade Properties, including CBRE's prior experience as the listing agent for the adjacent parcel of land located at 100 Rossignol Drive (being one of the Promenade Properties) which was commenced prior to these proceedings, and the support of IMC, which consented to the retention of CBRE.

5. The Receiver recommends that the Court authorize the Receiver to retain CBRE as the listing agent for the Promenade Properties for the following reasons:
 - a) CBRE's senior residence team is well qualified and has significant experience selling seniors facilities in Ontario with access to a national platform;
 - b) in respect of the vacant parcel of land, CBRE is a reputable national brokerage with substantial experience selling real estate, including in the context of insolvency proceedings. CBRE was retained to market this property prior to the commencement of the CCAA proceedings;
 - c) the commercial terms of CBRE's engagement letters, including its commission rate, are reasonable and consistent with market based on the Receiver's significant experience selling real estate in Ontario and with the other listing proposals received by the Receiver for this process;
 - d) the retention of CBRE is without prejudice to Mr. Choo's ongoing refinancing efforts for the Companies (as summarized in Section 6 below); and
 - e) IMC supports CBRE's engagement.
6. A copy of the CBRE Listing Agreements can be provided to the Court should the Court wish to review them.

4.2 Promenade Sale Process

1. The Receiver, with the assistance of CBRE, developed the Promenade Sale Process for the Promenade Properties. Subject to Court approval, the Receiver recommends that the Promenade Sale Process proceed substantially as outlined and summarized in the table below.

Summary of Promenade Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Initial Preparation	<ul style="list-style-type: none"> ➤ Execute listing agreement with CBRE; ➤ The Receiver and CBRE to review all available documents concerning the Promenade Properties, including financial and other information; and ➤ Engaging a third-party consultant to perform an updated building condition report and environmental Phase 1 report. 	As soon as possible after commencing the Promenade Sale Process
Finalize marketing materials	<ul style="list-style-type: none"> ➤ CBRE and the Receiver to: <ul style="list-style-type: none"> ○ prepare a Teaser; ○ populate an online data room; ○ prepare a CA; and ○ prepare a CIM. 	
Prospect Identification	<ul style="list-style-type: none"> ➤ CBRE to qualify and prioritize prospects; and ➤ CBRE may also have pre-marketing discussions with targeted prospects. 	

Summary of Promenade Sale Process		
Milestone	Description of Activities	Timeline
Phase 2 – Marketing		
Stage 1	<ul style="list-style-type: none">➤ Mass market introduction, including:<ul style="list-style-type: none">○ offering summary and marketing materials printed and sent to prospects, including CBRE’s database of 1,000+ seniors investor contacts;○ telephone and email canvass of leading prospects; and○ meet with and interview leading prospective purchasers.	Anticipated to be approximately 30 – 45 days
Stage 2	<ul style="list-style-type: none">➤ CBRE to provide detailed information to qualified prospects which sign the CA, including the CIM and access to the data room;➤ CBRE and the Receiver to facilitate due diligence by interested parties, including tours of the Promenade Properties; and➤ Receiver and legal counsel will prepare a vendor’s form of PSA which will be made available in the data room.	
Stage 3	<ul style="list-style-type: none">➤ Prospective purchasers to submit PSAs.	
Phase 3 – Offer Review and Negotiations		
Bidding	<ul style="list-style-type: none">➤ Short listing of bidders; and➤ Further bidding - prospective purchasers may be asked to re-submit PSAs on one or more occasions. The format for subsequent rounds of bidding will be determined by the Receiver, in consultation with IMC, and will either be via further rounds of sealed bids, or via an auction, with the top bidders (as determined by the Receiver, in consultation with IMC) invited to participate in the process.	2 weeks
Selection of Successful Bid	<ul style="list-style-type: none">➤ Select successful bidder and finalize definitive documents.	
Due Diligence Period (if required)	<ul style="list-style-type: none">➤ Successful bidder diligence period;➤ Coordinate and facilitate remaining due diligence; and➤ Assist with third party consultants, as required.	2 -4 weeks following selection of successful bidder
Sale Approval Motion and Closing	<ul style="list-style-type: none">➤ Prepare motion materials for Court approval; and➤ Motion for sale approval.	Two to four weeks from the date that the successful bidder confirms all conditions have been satisfied or waived
Close Transaction	As soon as possible following Court approval	

3. Additional aspects of the Promenade Sale Process include:

- a) the listing for the Promenade Properties will be unpriced;
- b) CBRE will use customary procedures to market and sell real estate for the vacant parcel of land at 100 Rossignol Drive, including listing it on Multiple Listing Service (MLS) and placing “for sale” signage on the property;
- c) the Promenade Properties will be marketed and sold on an “as is, where is” basis, with standard representations and warranties for a receivership transaction;
- d) the Receiver may amend any timeline in the Promenade Sale Process without Court approval, provided the timeline extension does not exceed 30 days;
- e) the Receiver may bring a motion to amend the Promenade Sale Process, including any timeline extension greater than 30 days, if it considers it appropriate to better facilitate the sale of the Promenade Properties;
- f) any material modifications to, or the termination of, the Promenade Sale Process shall require Court approval; however, the Receiver shall have the discretion, to the extent it feels necessary to maximize value, to adjust any timeline in the Promenade Sale Process, in consultation with IMC;
- g) the Receiver will have the right to reject any and all offers, including the highest dollar value offer(s), acting reasonably;
- h) nothing in the Promenade Sale Process affects IMC’s right to submit a credit bid for the Promenade Properties at the conclusion of the Promenade Sale Process; and
- i) any transaction(s) generated by the Promenade Sale Process will be subject to Court approval.

4.3 Promenade Sale Process Recommendation

- 1. The Receiver recommends the Court grant an order approving the Promenade Sale Process and the retention of CBRE for the following reasons:
 - a) the Promenade Sale Process is a fair, open and transparent process, developed with input from CBRE, and is intended to canvass the market broadly on an efficient basis to obtain the highest and best price;
 - b) the Promenade Sale Process provides the Receiver with the timelines, procedures and flexibility that both the Receiver and CBRE believe are necessary to maximize value in the circumstances;
 - c) the Receiver has retained CBRE, a national realtor with a group focused on the seniors’ sector. CBRE’s commissions are also consistent with the proposal submitted by the other listing brokerage that participated in this process;

- d) the Promenade Sale Process is without prejudice to Mr. Choo's ongoing refinancing efforts for the Companies (as summarized in Section 6 below); and
 - e) IMC has consented to the Promenade Sale Process.
2. The Receiver is cognizant that the Ravines Sale Process and Promenade Sale Process have somewhat different timelines and processes for submitting and considering offers; however, the Receiver is satisfied that both processes are commercially reasonable to canvass the market for the purpose of obtaining the highest and best price in the circumstance. In the context of the Ravines Sale Process, the Receiver believes that it is in the interest of stakeholders in those proceedings to use the process previously approved by the Court in the BDO receivership proceeding, as that process involves the sale of two properties in two different receivership proceedings, and the view is that value is likely to be maximized if the properties are sold to the same party.

5.0 Companies' Refinancing Efforts

1. As discussed in the Interim Receiver's First Report, Mr. Choo, on behalf of the Companies, entered into a non-binding refinancing term sheet dated February 10, 2025 (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 Companies, such that the ongoing receivership proceedings can be terminated, subject to Court approval.
2. Since entering into the Refinancing Term Sheet, the Receiver understands that the Potential Lender has been advancing its due diligence on the Companies.
3. On May 14, 2025, the Companies' legal counsel provided a draft Credit Agreement among the Companies and the Potential Lender (the "Credit Agreement"). The Receiver understands that the Companies intend to bring a motion returnable May 27, 2025 to seek approval of the Credit Agreement and the refinancing transactions contemplated therein.
4. As at the date of this Second Report, the Receiver understands that the prospective lender is continuing to perform due diligence and that the financing has not yet received final approval. The Receiver's support of the Companies' motion will depend on, *inter alia*, the status of the outstanding conditions (if any) at the return of the Companies' motion. Should the Receiver be in a position by the return of this motion to form a view as to the likelihood that the refinancing will close, it will either file a supplemental report (time permitting) or advise the Court of its position on the return of this motion.

6.0 Overview of the Receiver's Activities

1. The Receiver's activities since the First Report have included the following:
 - a) working with the Companies' legal counsel in respect of the transfer of holdback funds to the Receiver's trust account, which was the subject of the First Report and a Court Order dated March 21, 2025;

- b) carrying out the realtor proposal process summarized in this Second Report;
- c) working closely with Brightwater Senior Living Group, LLC, the property manager engaged by the Receiver to oversee the operations at Promenade Senior, Ravines Senior and Park Place Senior;
- d) dealing with insurance matters, including payment of premiums and ensuring coverage is maintained and renewed, as applicable;
- e) corresponding with each of the Companies' mortgagees and/or their respective legal counsel regarding all material matters in these proceedings;
- f) maintaining cash flow projections for each of the Companies and providing budget-to-actual variance analyses to the Companies' mortgagees on a bi-weekly basis;
- g) overseeing the affairs of the Companies' businesses, including controlling receipts and disbursements;
- h) corresponding with representatives of the RHRA and its legal counsel in connection with the Companies' RHRA licenses for Park Place Senior, Promenade Senior and Ravines Senior;
- i) negotiating listing agreements with Newmark and CBRE;
- j) working with Blaney McMurtry LLP ("Blaney") and Norton Rose Fulbright Canada LLP ("NRF"), the Receiver's legal counsel in these proceedings⁴, concerning the matters addressed in this Second Report;
- k) responding to emails and calls from creditors, suppliers, tenants, employees and other stakeholders;
- l) maintaining the case website for these proceedings; and
- m) drafting this Second Report and reviewing and commenting on all Court materials filed in connection with the Receiver's motion returnable May 27, 2025.

7.0 Amendment of Receivership Order

1. The Receiver is seeking a rectification in the legal description of certain properties listed in Schedule "A" to the Receivership Order. The rectification is required to the legal description of the applicable properties and will, among other things, assist with registration and discharge of instruments on title on a go-forward basis.

⁴ Blaney for Envie I and NRF for the remaining Companies.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief set out in Section 1.1(1)(f) of this Second Report.

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
2067166 ONTARIO INC., 2265132 ONTARIO INC.,
ASHCROFT HOMES – LA PROMENADE INC., 1384274 ONTARIO INC.,
2195186 ONTARIO INC. AND 1019883 ONTARIO INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

Court File No. CV-24-00098058-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

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

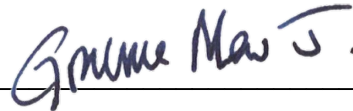
proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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Lawyers for KSV Restructuring Inc., the Interim Receiver

Appendix “B”

Court File No. CV-24-00097134-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CENTRAL 1 CREDIT UNION

Applicant

- and -

2139770 ONTARIO INC.

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO 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**

**FIRST REPORT TO THE COURT
SUBMITTED BY BDO CANADA LIMITED
IN ITS CAPACITY AS RECEIVER OF
2139770 ONTARIO INC.**

APRIL 7, 2025

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Listing of Appendices

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Appendix B	-	Reasons for Decision
Appendix C	-	Receiver's Interim Statement of Receipts & Disbursements
Appendix D	-	Receiver's 245/246 Notice

CONFIDENTIAL APPENDICES

Confidential Appendix 1	-	Summary of Appraisals
Confidential Appendix 2	-	Cushman Appraisal
Confidential Appendix 3	-	CBRE Appraisal
Confidential Appendix 4	-	Summary of Listing Proposals

1.0 INTRODUCTION AND PURPOSE OF REPORT

1.1 Introduction

- 1.1.1** By way of an order of the Honourable Justice Mew of the Ontario Superior Court of Justice (the “**Court**”) dated December 20, 2024 (the “**Appointment Order**”), BDO Canada Limited was appointed as the receiver (“**BDO**” or the “**Receiver**”), without security, of all the Property (as defined in the Appointment Order) of 2139770 Ontario Inc. (“**213 Ontario**”, “**Ravines Retirement**” or the “**Company**”). A copy of the Appointment Order is attached hereto as [Appendix A](#).
- 1.1.2** The Company, together with various related entities including, but not limited to, 2265132 Ontario Inc. (“**Ravines Senior**”), sought and obtained an order granting protection under the *Companies’ Creditors Arrangement Act* on December 5, 2024 (the “**CCAA Proceedings**”). At the comeback motion held on December 12, 2024, several lenders opposed the continuation of the CCAA Proceedings and pursuant to the decision of the Honourable Justice Mew dated December 20, 2024 (the “**Decision**”), a copy of which is attached hereto as [Appendix B](#), the Court dismissed the motion to extend the CCAA proceedings and issued the Appointment Order, among other orders appointing KSV Restructuring Inc. (“**KSV**”) as interim receiver and subsequently receiver of Ravines Senior and 1384274 Ontario Inc. (“**138 Ontario**”).

1.2 Background

- 1.2.1** Ravines Retirement owns and operates a 125-room retirement home from owned land municipally known as 626 Prado Private, Nepean Ontario (the “**Ravines Retirement Property**”). The Ravines Retirement Property, while a distinctly separate legal entity and municipal address, is intertwined with the neighbouring Ravines Senior. As outlined further herein, there are a number of shared staff and services between the two facilities, including the on-site management team, insurance coverage, phone system, and shared facilities (pool, nursing station, cinema, etc.) as well connecting above ground (1st floor) and underground corridors. Additionally, 138 Ontario owns the underground parking garage and above ground paved parking spaces (collectively the “**Parking Areas**”) which are used by Ravines Retirement and Ravines Senior.
- 1.2.2** Overall, the Ravines Retirement Property is part of a parcel of land which comprises 5 separate PIN’s associated with the site, each owned by a separate legal entity with shared roadways and parking (collectively the “**Ravines Campus**”), the shared use of which is subject to a Joint Use Management Agreement (the “**JUMA**”).
- 1.2.3** The JUMA governs this arrangement, including maintenance, and access rights across multiple parcels. While the arrangement benefits residents (e.g., connected amenities), it adds complexity to any sale, as prospective buyers must also consider cross-easements and consistent management of shared components.

- 1.2.4 As outlined further herein, the Appraisers and Realtors from whom the Receiver sought listing proposals anticipate that any likely purchaser, would seek to acquire Ravines Retirement, Ravines Senior and 138 Ontario on a combined basis.
- 1.2.5 In addition to Ravines Retirement, Ravines Senior and the Parking Areas, all of which are subject to receivership proceedings (the “**Ravines Receivership Properties**”), there are two parcels of excess land, owned by companies that are not subject to receivership proceedings, and are ultimately owned by Mr. David Choo.
- 1.2.6 Below is a chart which lists the legal ownership of each PIN together with the applicable Receiver of the first 3 entities:

Description	Legal Owner	Receiver
Ravines Retirement	2139770 Ontario Inc.	BDO
Ravines Senior	2265132 Ontario Inc.	KSV
Driveway, Parking and Garage	13847274 Ontario Inc.	KSV
Excess Land #1	2252514 Ontario Inc.	N/A
Excess Land #2	Ashcroft Homes - CITI Place Inc.	N/A

- 1.2.7 The illustration below provides a sketch of the Ravines Campus:



- 1.2.8 Ravines Retirement consists of 125 rooms (with 126 Units available for lease). Room 201 (i.e. 201A & 201B) is a companion suite on the memory care floor and in

some instances is occupied as a 2 bedroom by one tenant and other times it's occupied by two tenants both charged rent & services. As of January 1, 2025 Ravines Retirement had 93 Units occupied (74.4%) and as at February 1, 2025 there were 97 Units occupied (77.6%), 11 of which include a secondary resident.

- 1.2.9 As outlined herein, the Receiver proposes to market the Ravines Retirement operations for sale, and subject to an agreed upon arrangement with KSV and the respective primary stakeholders of the Ravines Receivership Properties, seeks the Court's flexibility to market the Ravines Receivership Properties on a combined basis.

1.3 Purpose of this Report

- 1.3.1 This report is the Receiver's first report to the Court (the "**First Report**") in this proceeding and it is filed to:

- Report to the Court on the Receiver's activities since its appointment;
- Provide the Court with details relating to proposed marketing and sale process (the "**Sale Process**") for the sale of Ravines Retirement; and to
- Provide support for the Receiver's motion to obtain an Order:
 - Approving this First Report and the activities of the Receiver;
 - approving the Receiver's interim statement of receipts and disbursements for the period December 20, 2024 to April 2, 2025 (the "**Interim R&D**");
 - Approving the Sale Process and authorizing the Receiver to proceed with entering into the Newmark Listing Agreement (**as defined herein**);
 - Sealing Confidential Appendices 1, 2, 3 and 4 until the earlier of the completion of a transaction for the sale of the Ravines Retirement or further order of the Court; and
 - Providing such further relief as the Court deems appropriate.

1.4 Terms of Reference

- 1.4.1 In preparing this First Report, the Receiver has relied upon the Company's books and records, unaudited and draft financial information available, certain financial information obtained from third parties, and discussions with various individuals (collectively, the "**Information**"). The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information.

- 1.4.2 This First Report has been prepared for the use of this Court in respect of the above-noted relief. This First Report should not be relied upon for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of

the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

1.4.3 All references to dollars are in Canadian currency unless otherwise noted.

1.4.4 In accordance with the Appointment Order, copies of unsealed materials and prescribed notices delivered and/or filed in the receivership proceedings are available on the Receiver's case website at:

<https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/2139770-ontario-inc-oa-ravines-retirement-home>

2.0 RECEIVER'S ACTIVITIES & OPERATIONS

2.1 Introduction

- 2.1.1 The purpose of this Section is to provide the Court with a summary of the Receiver's activities and status of operations since the issuance of the Appointment Order.

2.2 Possession

- 2.2.1 Subsequent to the issuance of the Appointment Order, the Receiver attended Ravines Retirement to meet with the General Manager, tour and discuss ongoing operations of Ravines Retirement and the integration of the neighbouring Ravines Senior. Additionally, the Receiver attended the offices of Alavida Lifestyles Group of Companies ("**Alavida**"), located at 18 Antares Drive, Ottawa, Ontario ("**Head Office**"), to meet in person with the Director of Finance and Director of Operations and virtually with the CFO and CEO. Therein, the Receiver discussed ensuring ongoing, uninterrupted operations, possession matters, insurance and operations and payroll.

2.3 Employees

- 2.3.1 Ravines operates with 7 salaried management staff, including the General Manager who is responsible for the day-to-day operations, as well as 99 unionized hourly employees. With the exception of the Director of Care (who is fully dedicated to Ravines Retirement), the remaining six positions split their time 50/50 as amongst Ravines Retirement and Ravines Senior. These employees are paid by Ravines Retirement and the Receiver has made arrangements with KSV to split the payroll cost on the shared 50/50 basis.
- 2.3.2 Ravines Retirement's hourly employees are members of LIUNA Local 3000 (the "**Union**") and operate pursuant to a Collective Bargaining Agreement ("**CBA**") which expires on April 19, 2025. The Union was asked to confirm dates to meet in March 2025 to discuss and negotiate an extension to the CBA. The Union advised it is available on May 29, 2025.
- 2.3.3 Subsequent to the Receiver's appointment, it was determined that the Union Dues and pension plan contributions for the Union members were outstanding for the periods September 2024 through December 2024 and totaled \$13,487.72 and \$29,197.81, respectively (the "**Union Remittance Arrears**"). With the consent of Central 1, the Union Remittance Arrears were funded as (i): Union Dues are deducted from payroll and accordingly represent wages subject to Section 81.4 of the BIA; and (ii) the outstanding pension remittances have priority pursuant to Section 81.6 of the BIA.

2.4 Insurance Policy

- 2.4.1 The Company's insurance coverage is provided by Intact Insurance Company and the insurance broker is Willis Canada Inc. (the "**Broker**"). The insurance policy is effective from November 1, 2024 to November 1, 2025 and is in the name of Alavida

Lifestyles and provides coverage for 7 legal entities including 6 retirement homes as well as 138 Ontario (the “Policy”).

2.4.2 The Receiver notified the Broker of our appointment and has been added as a named insured to the Policy in relation 213 Ontario.

2.4.3 The Policy outlines the specific insurance coverage and premiums for each legal entity/site (“**Site Specific Premiums**”) as well as various general and umbrella coverages for the group of companies covered by the Policy. Overall, the Insurance Policy premiums, taxes and finance charges total \$330,214.80. Based on the premiums for each property insured, the pro-rata share of the 213 Ontario premiums represents 17% of the total Site Specific Premiums. The Receiver has funded its pro-rata share of the premium payments through March 2025. The balance of the policy will be funded in April 2025, as CAFO Inc., the finance company was not bound to the Stay of Proceedings as the Policy was in the name of Alavida, a non-receivership entity.

2.5 Property Taxes

2.5.1 The Receiver sought and obtained a tax certificate from the City of Ottawa to confirm the outstanding property taxes, which totaled \$355,044 as at January 31, 2025 (the “**Property Tax Arrears**”). With the concurrence of Central 1 Credit Union (“**Central 1**”), and pursuant to a Receiver’s Certificate, Central 1 advanced \$360,000 to the Receiver to fund the Property Tax Arrears in order to avoid future ongoing penalties and interest.

2.6 Banking

2.6.1 The Company operated with a current bank account held at CIBC (the “**CIBC Account**”). Upon its appointment, the Receiver notified CIBC of its appointment and made arrangements to maintain the CIBC Account for a limited period while the Receiver set up its own account and made arrangements to coordinate tenant PAD’s as well as payment processes for key disbursements/vendors, for example, payroll processing and the food vendor. The Receiver monitored the CIBC Account daily to ensure only authorized payments cleared the CIBC Account. Once the Receiver’s account was set up, the CIBC Account was closed and the funds on hand at that time (~ \$5,900) were transferred.

2.7 Receipts & Disbursements

2.7.1 Attached hereto as [Appendix C](#) is the Receiver’s Interim R&D for the period December 20, 2024 to April 2, 2025, which illustrates the account activity in the CIBC Account and the Receiver’s trust account.

2.7.2 As illustrated, Receipts to date total approximately \$3.2 million, relating primarily to Rental Income, cash on hand and the advance pursuant to the Receiver’s Certificate issued to Central 1. Disbursements total approximately \$2.1 million relating primarily to payroll, Property Tax Arrears and the first 2025 installment and other operating expenditures. As at April 2, 2025, the Receiver has approximately \$1,112,000 in its estate trust account and has since reimbursed the advance pursuant to the Receiver’s Certificate and applicable interest.

2.8 Vendors

- 2.8.1** The Receiver notified the Company's vendors of our appointment and requested new accounts in the name of the Receiver for approved services provided subsequent to our appointment.

2.9 Receiver's Notice:

- 2.9.1** Based on the Company's records, the Receiver prepared its Notice and Statement of Receiver which was issued to the Office of the Superintendent of Bankruptcy and the known creditors pursuant to Section 245(1) / 246(1) of the BIA, a copy of which is attached hereto as [Appendix D](#).

2.10 Retirement Homes Regulatory Authority ("RHRA")

- 2.10.1** The Receiver and the RHRA have agreed upon an outline of a plan in our capacity as Receiver of Ravines Retirement. Critical to RHRA was the Receiver's commitments on various operating matters, including to maintain the current General Manager in place and to immediately advise RHRA if there are any changes to the employment status of the GM, if there are any significant operational changes the Receiver intends to make or if there are any risks associated with the provision of any care services at the facility, all of which are acceptable to the Receiver.

2.11 Cost Sharing

- 2.11.1** Given the extensive network of legal entities in the Ashcroft Homes enterprise and the intertwined operations of the Ravines Retirement and Ravines Senior, there are a number of shared services and costs, however, Head Office advises there is no formal policy (written or otherwise) to document when/how costs are funded/shared. The Director of Finance confirmed that journal entries are processed to reflect adjustments for shared services, but generally funds were not being transferred as amongst Ravines Retirement and Ravines Senior.
- 2.11.2** The Receiver agreed to terms with KSV and Head Office on a determination of the Cost Allocation for Head Office expenses (associated with the finance, HR and payroll processing function) as well as with KSV on the cost allocations with respect to the direct facility costs for Ravines Retirement and Ravines Senior (e.g. site management payroll, telephones).
- 2.11.3** Based on BDO's and KSV's pro-rata share and assuming the full cooperation of the remaining operating functions conducted at Head Office, Ravines Retirement pro-rata share of Head Office costs is approximately \$15,000 per month.

3.0 SALE PROCESS

3.1 Introduction

- 3.1.1 Pursuant to the Appointment Order, the Receiver is authorized 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.
- 3.1.2 Given (i) the nature of the Companies' assets and operations, being an operating Retirement home and owning real property, and (ii) the unique nature of the Ravines Campus and how it is integrated with two other legal entities in receivership and two additional related entities, controlled by Mr. Choo, which are not in receivership, in order to maximize realizations for the stakeholders, the Receiver believes it is imperative to maximize exposure to the market. The Receiver is of the view that the market should be tested as fully as possible.
- 3.1.3 Accordingly, the Receiver is of the view that the best means of exposing Ravines Retirement for sale is to enter into a listing agreement with a licensed listing brokerage and have the Ravines Retirement Property exposed on the Multiple Listing Service ("**MLS**"), and if possible, and subject to an agreement as between the lenders associated with Ravines Retirement, Ravines Senior and the Parking Areas, to market the Ravines Campus as one operating entity.
- 3.1.4 While Ravines Retirement is a separate legal entity, it is expected that a sale will likely not be completed in isolation and that most prospective purchasers would be seeking to mitigate the risks associated with other entities having any form of ownership interest/control/influence at the Ravines Campus. Therefore, we expect purchasers will be looking to acquire the Ravines Retirement, Ravines Senior and the Parking Areas in its entirety, which transaction would require the cooperation of a number of parties. However, at this time, KSV and the respective lenders of Ravines Senior and 138 Ontario are not yet at the point of such a discussion.

3.2 Appraisals

- 3.2.1 The Receiver commissioned appraisals from the Seniors Housing & Healthcare Groups of Cushman & Wakefield ("**Cushman**") and CBRE Limited Valuation & Advisory Services ("**CBRE VAS**") (collectively the "**Appraisers**").
- 3.2.2 The Appraisals outline the assumptions and analysis undertaken by each of the Appraisers, together with their assessment of the Market Area, Market Overview and the basis of their respective valuations. The Appraisers utilized the Direct Capitalization, Discounted Cashflow and Direct Comparison approaches to value the Ravines Retirement Property. **Confidential Appendix 1** provides a summary of the 'As is' and 'Stabilized' Appraisal Valuations of Ravines Retirement.
- 3.2.3 Copies of the Cushman and CBRE VAS Appraisals are being submitted to the Court as Confidential Appendix 2 and Confidential Appendix 3, respectively.

- 3.2.4 Ravines Retirement is well-positioned in a robust Ottawa market, offering desirable senior care services. Although occupancy has lagged recently, rising demand from aging demographics and strong household income levels in the area are driving factors for future performance. However, the Realtors agreed their would be synergies in marketing Ravines Retirement, Ravines Senior and 138 Ontario on a combined basis.

3.3 Listing Proposals

- 3.3.1 The Receiver obtained listing proposals from three real estate brokerages (the “Realtors”) with extensive experience in the senior housing market.
- 3.3.2 Similar to the Appraisers, the Realtors agreed that key industry players would most likely seek to purchase the Ravines properties on a combined basis and that each expects a higher sale value in marketing/selling Ravines Retirement in conjunction with the adjacent Ravines Senior and Parking Areas. The sentiment is, however, if Ravines Retirement and Ravines Senior are marketed/listed for one combined price, there should be an agreed upon purchase price allocation at the outset of the arrangement to avoid any disputes in the purchase price allocation at a later date when one or more final sales are being negotiated.
- 3.3.3 A summary of the listing proposals (the “**Listing Proposals**”), is being submitted to the Court as **Confidential Appendix 4**. The Summary of Listing Proposals contain commercially sensitive information that would negatively affect realizations if disclosed. The Receiver recommends that Confidential Appendix 4 be sealed until a sale of the Ravines Retirement Property is completed or until further order of the Court.
- 3.3.4 In their analyses, the Realtors utilized various assumptions in determining the valuation of the Ravines Retirement and provided various strategies and proposed commission rates.
- 3.3.5 In the Listing Proposals received, two (2) of the three (3) Realtors suggested listing the Ravines Retirement without a specific list price and seek offers from interested parties, while Newmark has proposed a listing price in order to provide the market with direction on pricing. In the circumstances, the Receiver agrees with this view in order to set directional pricing for interested parties.
- 3.3.6 Based on the Realtors’ analyses/valuations, their proposed marketing strategies and their proposed commission structures, the Receiver recommends listing Ravines Retirement with Newmark based on their experience, ability to attract national exposure and lower commission rate structure, with the list price outlined in Confidential Appendix 4.
- 3.3.7 Subject to the Court’s approval sought herein, the Receiver is negotiating a listing agreement with Newmark (the “**Newmark Listing Agreement**”).
- 3.3.8 The Receiver has discussed the terms of the Listing Proposals with Central 1 and has been advised that Central 1 is supportive of the Receiver’s recommendation with respect to entering into the Newmark Listing Agreement.

3.3.9 Accordingly, the Receiver recommends that this Honourable Court authorize the Receiver to proceed with entering into the Newmark Listing Agreement for the sale of the Ravines Retirement, and subject to a future agreement as between the receiver's and respective lenders, to market certain or all of the Ravines Receivership Properties together.

3.3.10 The Receiver is seeking the Courts approval for Confidential Appendices 1, 2, 3 and 4 to this First Report (which are filed separately with the Court) be subject to a Sealing Order of the Court pending the completion of the proposed Transaction or until further Order of this Court. The Receiver is proceeding in this manner because, while the Court should have the information, the Receiver wishes to prevent any potential negative impact on the market for the Ravines Retirement Property arising from this information becoming public, until such time that a sale transaction is approved by the Court and is completed.

3.4 Proposed Sale Process

3.4.1 The proposed Sale Process, which is subject to this Court's approval, contemplates the following general timeline:

Stage	Timeline	Description
Pre-Marketing	2-3 Weeks	Financial analysis, valuation, data rooms, proforma, NDAs, marketing, walkthroughs, PSA forms, data hub.
Market Launch	4-6 Weeks	Calls, teaser, CIM, investor talks, video presentations, marketing, submission, data access, interest reports, LOI.
Offer Review Process	1-3 Weeks	Offer Review Process (1-3 weeks) - Bid window, summarize bids, shortlist, negotiate, interviews, select, finalize contract.
Due Diligence Period	30-60 Days	Deposit, deliver materials, contact bidders, coordinate info, manage transaction, waiver date.
Deal Completion	30-45 Days	Court Approval, RHRA approvals, Competition Bureau, transition meetings, closing support, summary & document.

3.4.2 The Sale Process may be extended by the Receiver, acting reasonably, with a view to completing a transparent and equitable sales process to generate interest in and offers for Ravines Retirement.

- 3.4.3** The Sale Process may be amended to enjoin the sale process of KSV for Ravines Senior and 138 Ontario, if the respective parties reach an agreement for such sale/marketing process.
- 3.4.4** Ravines Retirement shall be transferred free and clear of all liens and claims, subject to any permitted encumbrances, pursuant to an approval and vesting order to be issued by the Court approving the transaction.
- 3.4.5** The sale of Ravines Retirement will be on an “as is, where is” basis, without representations or warranties from the Receiver or any of its respective directors, officers, partners, employees, agents, advisors or estates, except those specified in the asset purchase agreement.
- 3.4.6** Each offer received will be reviewed and evaluated by the Receiver, considering factors such as the proposed purchase price, net value provided by such bid, deposit amount, the counterparties to such transactions, transaction speed and certainty, transaction costs, and the feasibility and timing of transaction completion, and such other matters as the Receiver may consider.
- 3.4.7** The Receiver recommends that the Court issue an Order approving the Sale Process for the following reasons:
- (a) the Sale Process is reasonable and appropriate at this time based on the reasons identified above;
 - (b) the Sale Process is fair, open and transparent and is intended to canvass the market broadly on an efficient basis to obtain the highest and best price; and,
 - (c) the Sale Process and the timelines set out herein are flexible and provide sufficient time to obtain bids that maximize value for Ravines Retirement.

4.0 RECOMMENDATIONS

For the reasons set out above, the Receiver respectfully requests that the Court issue an order:

- a) approving this First Report and the actions of the Receiver described herein;
- b) approving the Receiver's Interim R&D.
- c) approving the Sale Process;
- d) authorizing the Receiver to enter into the Newmark Listing Agreement on a stand-alone basis or if deemed advisable, cooperatively with KSV in respect of a potential marketing of Ravines Retirement, Ravines Senior and 138 Ontario;
- e) sealing Confidential Appendices 1, 2, 3 and 4 until the earlier of the closing of the transaction or transactions for the sale of Ravines Retirement or further order of the Court; and,
- f) Providing such further relief as the Court deems appropriate.

All of which is respectfully submitted this 7th day of April, 2025.

BDO CANADA LIMITED, solely in its capacity as
Court-appointed Receiver of
2139770 Ontario Inc. and not in its corporate or personal capacity.



Per: Christopher J. Mazur, CIRP, LIT
Senior Vice President

Appendix “C”

March 10, 2025

DELIVERED BY E-MAIL (Mathew.Burnett@cbre.com)

CBRE Limited
2005 Sheppard Avenue East, Suite 800
Toronto ON M2J 5B4

Attention: Mathew Burnett

Dear Mathew:

Re: Ashcroft Homes – La Promenade Inc. (the “Company”)

Pursuant to an order made by the Ontario Superior Court of Justice (the “Court”) dated February 24, 2025 (the “Receivership Order”), KSV Restructuring Inc. was appointed receiver and manager (the “Receiver”) of the Company’s property, assets and undertaking (the “Property”).

A copy of the Receivership Order and other materials filed in the receivership proceedings are available on the Receiver’s case website at <https://www.ksvadvisory.com/experience/case/ashcroft>.

The Company owns a six-storey building at 150 Rossignol Drive, Ottawa, which operates as an independent living seniors’ home and a one-storey medical clinic at 130 Rossignol Drive. The seniors home has 126 units, including a mix of studio, one-bedroom and two-bedroom suites, and offers various amenities such as a designated dining area and surface parking, which is subject to a shared-use agreement with an affiliated retirement home adjacent to the property. The Company also owns an adjacent parcel of vacant land at 100 Rossignol Drive, which is presently listed for sale.

The Receiver is inviting you to submit a proposal to market the Property for sale. **Listing Proposals must be submitted to the Receiver by 5:00 p.m. EST on March 24, 2025.** Details of the process and the content to be included in your proposal are attached as Appendix “A”. A confidentiality agreement is attached as Appendix “B”.

Unless otherwise agreed by the Receiver, you are strictly prohibited from soliciting any interest in the Property, or discussing this opportunity with any parties, before a listing agreement is entered into.

Should you have any questions with respect to the above, please contact the undersigned at (416) 932-6030 or dsieradzki@ksvadvisory.com.

Yours very truly,

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF
ASHCROFT HOMES – LA PROMENADE INC. AND NOT IN ITS PERSONAL CAPACITY**



Per: David Sieradzki

Appendix “A”

Request for Proposals for REAL ESTATE BROKER SERVICES

Re: Ashcroft Homes – La Promenade Inc. (the “Company”)

A. Background

The Receiver is inviting you to provide real estate brokerage services to assist the Receiver to market the Property for sale (the “Sale Process”).

Information related to the Property will be provided in a data room that has been established to assist you to perform due diligence to prepare your proposal. Realtors will be provided access to the Data Room once they sign the confidentiality agreement provided in Appendix “B”.

B. Realtor’s Role

- Working with the Receiver, the Realtor's role will include, among other things:
 - developing a marketing process, including timelines for the Sale Process;
 - establishing an estimated value for the Property;
 - preparing marketing materials;
 - advertising the Property at the agent's expense;
 - obtaining and negotiating confidentiality agreements from interested parties;
 - showing the Property to interested parties and working with the Receiver to maintain a data room to facilitate due diligence for prospective purchasers in the Sale Process;
 - qualifying interested parties from a financial perspective, to the extent necessary;
 - assisting interested parties with their diligence;
 - assisting the Receiver to assess offers submitted and with the negotiation strategy;
 - providing Sale Process updates to the Receiver on a bi-weekly basis (or such other frequency, as agreed), detailing the parties contacted, feedback received, the parties performing due diligence at any point in time and the quality of each of the potential bidders, to the extent possible;
 - providing a report to the Receiver at the conclusion of the Sale Process summarizing the Sale Process carried out for the Property, including the rationale for selecting the best offer in the Sale Process for the Property, which report may be filed by the Receiver with the Court to support its recommendation for Court approval of any transaction for the Property; and
 - assisting to close a transaction.

C. Proposal Content

- The Proposal must contain the following:
 - Work Plan: proposals shall include a detailed work plan.
 - Value Estimate: proposals shall provide an estimate of the value of the Property together with supporting assumptions.
 - Firm Background and Staff Experience: proposals shall provide background information concerning their firm, including the experience of their staff who will be working on this assignment (including résumés for the lead agents) and the degree of experience selling properties subject to formal insolvency proceedings (CCAA, receiverships, etc.).
 - Liability Insurance Certificate: a copy of your liability insurance certificate is to be included.
 - Compensation Structure: proposals shall detail the proposed compensation structure.
 - Conflict of Interest Statement: all proposals shall certify the disclosure of any professional or personal financial interests that could be a possible conflict of interest. In addition, any arrangements to derive additional compensation shall also be disclosed and certified.

D. Proposal Considerations

- The factors on which each proposal will be considered include the following:
 - marketing plan;
 - experience selling seniors facilities and similar real estate (including in the Ottawa area);
 - experience acting in Court-supervised situations;
 - compensation structure; and
 - other factors, in the Receiver's sole discretion.

After consulting with the mortgagees of the Property, the Receiver may arrange a meeting at which you will be asked to present your proposal.

* * *

For more information or questions, please contact David Sieradzki at dsieradzki@ksvadvisory.com.

CONFIDENTIALITY AGREEMENT

KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

Email: dsieradzki@ksvadvisory.com
Attention: David Sieradzki

To Whom It May Concern:

Re: Ashcroft Homes – La Promenade Inc. (the “Company”)

WHEREAS this agreement (the “Confidentiality Agreement”) is being executed between the Receiver and the Broker (terms as defined below), as entered into as of the date on the last page hereto, for the purpose of providing real estate brokerage services concerning the Company’s real property located at 150 Rossignol Drive, 130 Rossignol Drive and 100 Rossignol Drive, Ottawa (together, the “Real Property”) together with any and all other related property, assets and undertaking of the Company (collectively with the Real Property, the “Property”).

AND WHEREAS We/I as undersigned (hereinafter referred to as the “Broker”) requests that KSV Restructuring Inc., in its capacity as receiver (the “Receiver”) of the Property appointed pursuant to an order of the Ontario Superior Court of Justice issued on February 24, 2025, provide the Broker with certain confidential information relating to the Property.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) and in consideration of the Receiver agreeing to provide the Broker with certain or all of the Information (as defined below), the Broker hereby undertakes and agrees as follows:

- a) To treat and maintain confidentially, such information and any other information that the Receiver or any of its advisors furnish to the Broker, whether furnished before or after the date of this Agreement, whether furnished orally or in writing or otherwise recorded or gathered, and regardless of whether specifically identified as “confidential”, including any documents or copies (paper, electronic or otherwise) and communications thereof contained (collectively, the “Information”).
- b) Not to use any of the Information for any purpose other than for the exclusive purpose of evaluating the possibility of submitting a listing proposal for the Property. The Broker agrees that the Information will not be used in any way detrimental to the Company, the Property, and/or the Receiver in the performance of its appointment concerning the Property, and that such Information will be kept confidential by the Broker, its directors, officers, employees and representatives (collectively, the “Representatives”) and these Representatives shall be informed by the Broker of the confidential nature of such information and shall be directed to treat such information confidentially.
- c) To be held responsible for any breaches of this Confidentiality Agreement by its Representatives, and to advise the Representatives of the confidential nature of the Information, and to provide to those Representatives to which or to whom the Information is provided a copy of this Confidentiality Agreement, and if such Representative is not otherwise bound by restrictions on disclosure and use similar to the obligations hereunder, to have such Representatives agree to be bound by this Confidentiality Agreement.
- d) To transmit, where required, the Information only to those Representatives who need to know the Information for the purposes described herein, who shall be informed by the Broker of the confidential nature of the Information and who agree to be bound by the provisions of this Confidentiality Agreement. On request, the Broker shall promptly notify the Receiver of the identity of each Representative to whom any Information has been delivered or disclosed.

- e) To not supply or disclose any data, communications or documents included in the Information or any Information included therein or any Information hereinafter obtained in the course hereof or with respect hereto to any corporation, company, partnership or individual or any combination of one or more of the foregoing (any of which are hereby defined as a "Person") other than the Broker and its Representatives, unless the prior written consent of the Receiver has been obtained, in advance.
- f) The Broker and its Representatives will not, without the prior written consent of the Receiver, disclose to any Person that this solicitation for proposal is taking place nor disclose of any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.
- g) That any time, at the request of the Receiver, the Broker agrees to promptly return or destroy, without any right of compensation or indemnity, all Information without retaining any copies thereof or any notes relating thereto or reproductions or any part thereof in its possession without regards to the form or format, save and except as required by applicable law or pursuant to the Broker's electronic retention archiving policies occurring in the ordinary course of business. The Broker will certify as to the return or destruction of all Information and related notes and copies of such information and that no Person has a copy of the Information.
- h) That in the event the Broker is required or requested by legal process to disclose any of the Information, the Broker will provide the Receiver with prompt written notice of such requirement or request so that the Receiver may take such actions as it considers appropriate.
- i) That the Broker agrees that the Receiver makes no representations or warranties as to the accuracy or completeness of the Information. The Broker further agrees that neither the Receiver, nor any other author of, or Person providing, Information, shall have any liability to the Broker or any of its Representatives arising from the use of the Information by the Broker or its Representatives.
- j) The Broker represents and warrants that it shall be responsible for any costs associated with its review of the Information. Any consultants, real estate agents/brokers, and/or advisors retained by the Broker shall require the consent of the Receiver prior to retention and shall be required to execute, and to be bound by, this Confidentiality Agreement. The Broker shall retain a copy of such executed Confidentiality Agreement and will provide it to the Receiver immediately following its request.
- k) The Broker and its Representatives acknowledge that the Receiver is acting strictly in its capacity as Receiver and that it shall have no liability for any action, omission, statement, misstatement, representation, or warranty made within the Information. The Broker and its Representatives further acknowledge that the Receiver shall have no liability for any action, omission, statement, misstatement, representation, or warranty made by itself or its employees to the Broker and its Representatives, absent fraud or willful misconduct.
- l) The Broker shall indemnify the Receiver, any of its employees, and its counsel against any loss, cost, damage, expense, legal fees or liability suffered or incurred by any of them as a result of or in connection with any breach by the Broker or any of its Representatives to whom the Broker discloses Information of any term or provision of this Confidentiality Agreement.
- m) The Broker acknowledges and agrees that the execution and delivery of this Confidentiality Agreement and the delivery of the Information does not give rise to any legal obligation of the Receiver, whether in contract, in negligence or other tort, or by way of fiduciary duty or otherwise. Without limiting the generality of the foregoing, the Broker acknowledges and agrees that the Receiver is not and will not be under any obligation, express or implied, to provide or to continue to provide Information, to entertain any offers or proposals for the purchase or any sale, or to complete a sale or other transaction with the Broker, unless and until a legally binding agreement is delivered and executed which expressly provides for such obligations. Furthermore, the Broker acknowledges and agrees that the Receiver has not and will not give any representations or warranties, either express or implied, concerning the accuracy or completeness of, or otherwise relating in any way to, the Information, and that the Receiver shall not have any liability whatsoever

to the Broker or any Representatives for any transaction entered into, or not entered into, or any other act, omission or decision made or taken, relying upon or in any way affected by, the Information.

- n) The Broker agrees that monetary damages would not be a sufficient remedy for any breach of this Agreement by it or its employee or agents and that any court having jurisdiction may enter a preliminary and/or permanent restraining order, injunction or order for specific performance in the event of an actual or threatened breach of any of the provisions of this Agreement, in addition to any other remedy available to the Receiver or the Company. In addition to all remedies available to the Receiver, it is agreed that the Receiver shall be entitled to equitable relief if necessary, including an injunction or specific performance in relation to a breach of this Confidentiality Agreement by the Broker and/or its Representatives.
- o) The Broker hereby agrees to observe all the requirements of any applicable privacy legislation including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) with respect to personal information which may be contained in the Information.
- p) The Broker acknowledges and agrees that it has had an opportunity to obtain independent legal advice as to the terms and conditions of this Confidentiality Agreement and has either received same or expressly waived its right to do so.
- q) This Confidentiality Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Confidentiality Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each party hereto irrevocably submits to the exclusive jurisdiction of the Ontario Superior Court of Justice (Commercial List) sitting in Toronto, Ontario, with respect to any matter arising hereunder or related hereto.
- r) This Confidentiality Agreement shall enure to the benefit of the Receiver and the Company's mortgagees and their successors and assignees. Any party may deliver an executed copy of this Confidentiality Agreement by facsimile or email. This Confidentiality Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.
- s) This Confidentiality Agreement shall have a term of two (2) years from the date written below.

DATED at _____ this _____ day of _____, 2025

("Broker")

Corporate Name (Please Print)

By (Authorized Signing Officer's Signature)

(Officer's Name and Title)

(Broker's
Address)

(Telephone Number)

(Email Address)

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	
Second Report to Court of KSV Restructuring Inc., as Receiver and Manager	
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 Receiver

TAB 3

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

March 13, 2025

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

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.

FIRST REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

MARCH 13, 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”) to Ashcroft Urban Developments Inc. (“AUDI”), 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, the “CCAA Debtors”). The CCAA proceedings also included 2139770 Ontario Inc. (“Ravines Retirement”).
2. Several of the CCAA Debtors’ 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 CMLS Financial Ltd. (“CMLS”), Equitable Bank (“EQB”), ACM Advisors Ltd. (“ACM”) and certain other lenders to appoint KSV Restructuring Inc. (“KSV”) as interim receiver of the CCAA Debtors and 1384274 Ontario Inc. (“138 Ontario”). The Court also granted a motion by Central 1 Credit Union 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 interim receiver (the “Interim Receiver”), without security, of all the property, assets and undertakings of the CCAA Debtors and 138 Ontario pursuant to section 47(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. A copy of the Interim Receivership Order is attached as Appendix “B”.

4. Once KSV was appointed as Interim Receiver, it was contemplated that, in due course, the interim receivership proceedings would be converted to receivership proceedings.
5. On February 24, 2025, pursuant to an Order of the Court made in these proceedings (the “Receivership Order”), KSV was appointed as receiver and manager (“Receiver”), without security, of all the property, assets and undertaking of Park Place Senior, Ravines Senior, Promenade Senior, Envie I, the Head Office Company and 138 Ontario¹ (collectively, the “Companies” and individually a “Company”). A copy of the Receivership Order is attached as Appendix “C”. On the same date, pursuant to applications made by CMLS and EQB, the Court granted separate receivership orders appointing KSV as Receiver of the property, assets and undertaking of AUDI and Envie II.
6. KSV is filing this first report in this proceeding (the “First Report”) in its capacity as Receiver of the Companies.

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 for the relief being sought in connection with approximately \$5.1 million (the “Holdback Funds”) held by Mann Lawyers LLP (“Mann”), the Companies’ legal counsel; and
 - c) recommend that this Court issue an Order (the “Funds Transfer Order”), among other things:
 - i. directing Mann to forthwith transfer the Holdback Funds to the Receiver without any liability in so doing; and
 - ii. providing that the priority of any claims to or in respect of the Holdback Funds shall not be impacted solely by virtue of the transfer of the Holdback Funds to the Receiver and all such claims shall continue to have the same priority as if the Holdback Funds had continued to be held by Mann.

1.2 Restrictions

1. In preparing this First Report, the 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.

¹ 138 Ontario was not an applicant in the CCAA proceedings but was subject to the Interim Receivership Order and is subject to the Receivership Order.

2. The 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 Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.

1.3 Court Materials

1. Copies of the Court materials filed to-date in these proceedings, including KSV’s First Report to Court as Interim Receiver dated February 14, 2025 (the “Interim Receiver’s Report”), are available on the Receiver’s case website: <https://www.ksvadvisory.com/experience/case/ashcroft>.

1.4 Currency

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

2.0 Background

1. The Companies are incorporated in Ontario and carry on business as part of the Ashcroft Homes Group, a residential and commercial real estate developer owned, directly or indirectly, by Mr. Choo.
2. 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); and (ii) a student residence (Envie I). There is 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 and Ravines Retirement.
3. Additional background information on the Companies, Envie II, AUDI and the Ashcroft Homes Group is included in the Choo Affidavit and the Interim Receiver’s Report, and accordingly, is not repeated in this First Report. A copy of the Interim Receiver’s Report (without appendices) is attached as Appendix “D”.

3.0 Funds Transfer Order

1. Shortly following its appointment, Mann advised the Receiver that it was holding the Holdback Funds in its trust account. The Receiver understands that the Holdback Funds originate from a transaction with Alma Byward Market LP (the “Purchaser”) completed in October 2024 for the sale of two properties in Ottawa (municipally known as 256 Rideau Street and 211 Besserer Street, and together, the “Properties”). Forum Asset Management Acquisitions Inc. (the “Original Purchaser”) originally purchased the Properties from 9840508 Canada Inc. (“984 Canada”), an entity in the Ashcroft Homes Group, pursuant to an Agreement of Purchase and Sale dated as of May 24, 2024 (as amended, the “APS”). The Properties were subsequently assigned by the Original Purchaser to the Purchaser pursuant to an Assignment and Amendment to Agreement of Purchase and Sale dated as of October 11, 2024.

2. Prior to completing the transaction contemplated by the APS, the Receiver understands that 984 Canada undertook the following reorganization steps for tax purposes (the “984 Reorganization”):
 - a) on October 22, 2024, 984 Canada was continued as 3137425 Ontario Inc. (“313 Ontario”) pursuant to a Certificate and Articles of Continuance issued by the Province of Ontario; and
 - b) on October 25, 2024, 313 Ontario amalgamated with Promenade Senior pursuant to a Certificate and Articles of Amalgamation issued by the Province of Ontario.
3. The Receiver has not yet completed a full review of the 984 Reorganization. However, it appears that as a result of the 984 Reorganization, at the time of closing, Promenade Senior (one of the receivership Companies) became the vendor under the APS and was the recipient of the purchase price funds on closing.
4. At the time of closing on or around October 28, 2024, the Holdback Funds were deposited into Mann’s trust account and have continued to be held by Mann since the closing date.
5. Shortly following its appointment, the Receiver requested that Mann transfer the Holdback Funds to the Receiver’s trust account, following which the Receiver would work to resolve any issues and release the Holdback Funds in accordance with the terms of the APS and other transaction documents (collectively, the “Transaction Documents”), if appropriate.
6. Mann has agreed to transfer the funds to the Receiver subject to the Court granting the Funds Transfer Order, which the Receiver believes is reasonable and appropriate for the following reasons:
 - a) Mann should not have any liability for the transfer of the Holdback Funds to the Receiver;
 - b) the transfer of the Holdback Funds by Mann to the Receiver should not impact any claims against, or priority to, the Holdback Funds;
 - c) notice of this motion will be provided to the City of Ottawa and the Purchaser, being two of the known parties with a potential interest in the Holdback Funds;
 - d) the Holdback Funds are property of Promenade Senior, which is subject to the Receivership Order, and accordingly, it is appropriate for the Receiver to review the Transaction Documents and deal with the Purchaser and other stakeholders in connection with the Holdback Funds; and
 - e) Promenade Senior and Mann have consented to this motion and the proposed form of Order.

7. The Receiver was only recently provided with copies of the Transaction Documents. At this time, the Receiver has not commenced its review of the Transaction Documents and/or formed a view as to priorities and/or entitlement to the Holdback Funds. Any distribution of the Holdback Funds by the Receiver will be subject to further Court Order.

4.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the Funds Transfer Order.

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS INTERIM RECEIVER OF
2067166 ONTARIO INC., 2265132 ONTARIO INC.,
ASHCROFT HOMES – LA PROMENADE INC., 1384274 ONTARIO INC.,
2195186 ONTARIO INC. AND 1019883 ONTARIO INC.
AND NOT IN ITS PERSONAL CAPACITY**

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	
First Report to Court of KSV Restructuring Inc., as Receiver and Manager	
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 Receiver	

TAB 4

Court File No. CV-24-00098058-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE JUSTICE MEW)))	TUESDAY, THE 27th DAY OF MAY, 2025
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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.

ORDER
(Sales Process Approval – Ravines Senior and Promenade Senior)

THIS MOTION made by made by KSV Restructuring Inc. ("**KSV**"), in its capacity as receiver and manager (in such capacity, the "**Receiver**") of the lands listed on Schedule "A" hereto and the property, assets and undertaking of each of Ashcroft Homes – La Promenade Inc. ("**Promenade Senior**"), 2265132 Ontario Inc. ("**226**"), 1384274 Ontario Inc. (together with 226, "**Ravines Senior**"), 2067166 Ontario Inc., 2195186 Ontario Inc., and 1019883 Ontario Inc., for an Order, among other things, (a) approving the First Report of the Receiver dated March 13, 2025 (the "**First Report**"), the Second Report of the Receiver dated May 20, 2025 (the "**Second Report**" and together with the First Report, the "**Reports**") and the activities of the Receiver as described therein, (b) approving the Ravines Sale Process and the Promenade Sale Process (as each term is defined in the Second Report), and (c) amending the Order of this Court dated February 24, 2025 (the "**Receivership Order**") to rectify the legal description of certain properties

listed in Schedule “A” attached thereto, was heard on May 27, 2025 by judicial teleconference via Zoom at Ottawa, Ontario.

ON READING the Motion Record in respect of this motion including the Second Report, and on hearing the submissions of counsel for the Receiver and such other parties appearing, no one else appearing although duly served as appears from the Lawyer’s Certificate of Service of Lauren Archibald dated May [●], 2025, filed.

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the Second Report.

PROMEADE SALE PROCESS

3. **THIS COURT ORDERS** that the Promenade Sale Process, as set out in paragraphs 4.2.2 and 4.2.3 of the Second Report, be and is hereby approved. The Receiver is hereby authorized to carry out the Promenade Sale Process and to take such steps as it considers necessary or desirable in carrying out its obligations thereunder, all subject to prior approval of this Court being obtained before completion of any sale transaction under the Promenade Sale Process.

4. **THIS COURT ORDERS** that the Receiver and its affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person

in connection with or as a result of the Promenade Sale Process, except to the extent such losses, claims, damages or liabilities arise or result from the gross negligence or wilful misconduct of the Receiver, as determined by this Court in a final order that is not subject to appeal or other review.

5. **THIS COURT ORDERS** that the Receiver may apply to Court for directions with respect to the Promenade Sale Process at any time on at least seven (7) days' notice to the service list established in this proceeding or such other notice as directed or permitted by the Court.

RAVINES SALE PROCESS

6. **THIS COURT ORDERS** that the Ravines Sale Process, as set out in paragraphs 3.2.1 and 3.2.2 of the Second Report, be and is hereby approved. The Receiver is hereby authorized to carry out the Ravines Sale Process and to take such steps as it considers necessary or desirable in carrying out its obligations thereunder, all subject to prior approval of this Court being obtained before completion of any sale transaction under the Ravines Sale Process.

7. **THIS COURT ORDERS** that the Receiver and its affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the Ravines Sale Process, except to the extent such losses, claims, damages or liabilities arise or result from the gross negligence or wilful misconduct of the Receiver, as determined by this Court in a final order that is not subject to appeal or other review.

8. **THIS COURT ORDERS** that the Receiver may apply to Court for directions with respect to the Ravines Sale Process at any time on at least seven (7) days' notice to the service list established in this proceeding or such other notice as directed or permitted by the Court.

PIPEDA

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Receiver is hereby authorized and permitted to disclose and provide to its agents and any potential purchasers in the Ravines Sale Process or the Promenade Sale Process, as applicable, personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the Ravines Sale Process and/or the Promenade Sale Process (a “**Transaction**”). Each person 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 for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Receiver or, in the alternative, destroy all such information and provide confirmation of its destruction to the Receiver. Any purchaser under a Transaction shall maintain and protect the privacy of such information and, upon closing of a Transaction, shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by Promenade Senior of Ravines Senior, as applicable, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed and provide confirmation of its destruction to the Receiver.

APPROVAL OF THE REPORTS AND ACTIVITIES

10. **THIS COURT ORDERS** that the Reports and the activities of the Receiver referred to therein be and are hereby approved; provided, however, that only the Receiver in its personal capacities and only with respect to its own personal liability shall be entitled to rely upon or utilize in any way such approval.

AMENDED RECEIVERSHIP ORDER

11. **THIS COURT ORDERS** that Schedule “A” of the Receivership Order is hereby amended and replaced with Schedule “A” attached hereto.

GENERAL

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

13. **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 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.

14. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date it is made without any need for entry and/or filing.

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.	PIN 14501 – 0935 (LT) PART LOTS 34 & 35, CONCESSION 1 CUMBERLAND (OLD SURVEY), PART 8 PLAN 4R29684; SUBJECT TO AN EASEMENT IN GROSS OVER PART 1 PLAN 4R31325 AS IN OC2032997; CITY OF OTTAWA PIN 14501 – 0934 (LT) PART LOTS 34 & 35, CONCESSION 1 CUMBERLAND (OLD SURVEY), PARTS 1 & 2 PLAN 4R36515; TOGETHER WITH AN EASEMENT OVER PARTS 34 & 35, CONCESSION 1 CUMBERLAND (OLD SURVEY), PARTS 2 & 4 PLAN 4R29684 IN FAVOUR OF PART LOTS 34 & 35, CONCESSION 1 CUMBERLAND (OLD SURVEY), PART 7 PLAN 4R29684 AS IN OC1822752; TOGETHER WITH AN EASEMENT OVER PART LOTS 34 & 35, CONCESSION 1 CUMBERLAND (OLD SURVEY), PARTS 2, 3, 4, 5 & 6 PLAN 4R29684 IN FAVOUR OF PART LOTS 34 & 35, CONCESSION 1 CUMBERLAND (OLD SURVEY), PART 7 PLAN 4R29684 AS IN OC1822752; SUBJECT TO AN EASEMENT IN GROSS OVER PART 1 PLAN 4R30928 AS IN OC2032997; CITY OF OTTAWA
Canadian Western Bank	1019883 Ontario Inc.	PIN 02626-0026 (LT) - PCL 27-22, 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,

Mortgagee	Debtor	Legal Description of Real Property
		1T409186,LT424426,LT424520,LT427435, 1T499796 NEPEAN; CITY OF OTTAWA;THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

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

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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

**ORDER
(Sales Process Approval – Ravines Senior and Promenade
Senior)**

NORTON ROSE FULBRIGHT CANADA LLP

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Toronto, ON M5K 1E7
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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

**MOTION RECORD
(SALES PROCESS APPROVAL - RAVINES SENIOR AND
PROMENADE SENIOR)**

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