



**Fourth 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.**

July 23, 2025

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

ONTARIO
SUPERIOR COURT OF JUSTICEIN 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 AMENDEDAND 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.FOURTH REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

JULY 23, 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 Financial**”), Equitable Bank (“**EQB**”), ACM Advisors Ltd. (“**ACM**”), and certain other lenders, to appoint KSV Restructuring Inc. (“**KSV**”) as interim receiver of 1384274 Ontario Inc.¹ (“**138 Ontario**”), and all the CCAA Debtors (save and except for Ravines Retirement, over which BDO Canada Limited was appointed as receiver and manager pursuant to an application brought by Central 1 Credit Union).

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.

3. On January 3, 2025, the Court issued an Order (the “**Interim Receivership Order**”) appointing KSV as interim receiver (in such capacity, the “**Interim Receiver**”), without security, of all the property, assets and undertakings of 138 Ontario and all of the CCAA Debtors (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 (in such capacity, the “**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 Ontario (collectively, the “**Companies**” and each individually, a “**Company**”). A copy of the Receivership Order is attached as **Appendix “A”**. On the same date, pursuant to applications made by CMLS Financial 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 fourth report in this proceeding (the “**Fourth Report**”) in its capacity as Receiver of the Companies, with a particular focus on Envie I.
7. Envie I owns a property municipally known as 101 Champagne Avenue S., Ottawa (the “**Real Property**”). It is comprised of a 29-storey apartment building (the “**Building**”) with 185 units and 592 beds (the “**Residential Units**”). The Building was completed in 2019 and totals approximately 228,288 gross square feet on a 0.3 acre site, with 1,850 square feet of ground floor retail space and various amenity space. Envie I operates the Real Property as a student residence, with each unit having between two and four rooms, where each room is fully furnished and individually leased. The ground floor of the Real Property includes a leased commercial unit.
8. As set out below, Remediation Work (as defined below) is required due to the presence of mould in the Building.

1.1 Purposes of this Fourth Report

1. The purposes of this Fourth Report are to:
 - a) provide background information on Envie I;
 - b) summarize the results of a sale process for the Real Property, carried out prior to the appointment of KSV, by CMLS Realty Ltd. (“**CMLS**”) after it was engaged to market the business and assets of Envie I on July 17, 2024 (the “**Sale Process**”);

- c) summarize the proposed transaction (the “**Transaction**”) for the sale of the Real Property between the Receiver and HS Canada 101 Champagne, L.P. by its general partner, HS Canada 101 Champagne Inc. (the “**Purchaser**”) pursuant to an agreement of purchase and sale dated February 21, 2025, as amended (the “**APS**”);
- d) provide the opinions from Blaney McMurtry LLP² (“**Blaney**”), the Receiver’s counsel regarding Envie I, on the security granted by Envie I to the first mortgagee over the Real Property, Peoples Trust Company (“**Peoples**”) and the second mortgagee over the Real Property, ACM;
- e) set out the rationale for the Receiver to be authorized to assign Envie I into bankruptcy;
- f) provide an overview of the Receiver’s activities related to Envie I since its second report to Court dated May 20, 2025 (the “**Second Report**”); and
- g) recommend the Court issue the following orders:
 - i. an Approval and Vesting Order (the “**AVO**”) providing for the following substantive relief:
 - approving the APS and the Transaction;
 - vesting title in and to the Purchased Assets (as defined in the APS) in the nominee of the Purchaser, free and clear of liens, charges, security interests, the leases for each of the Residential Units (the “**Residential Leases**”) and other encumbrances, other than permitted encumbrances, upon execution and delivery of a certificate by the Receiver confirming completion of the Transaction;
 - directing all of the residential tenants of Envie I, including those with leases that have not yet commenced (each a “**Residential Tenant**”, and collectively, the “**Residential Tenants**”), to vacate the Real Property by no later than September 1, 2025;
 - approving the proposed Settlement (as defined below) between the Receiver and the Residential Tenants providing for the voluntary termination of their leases and vacant possession of their units in return for, among other things, a payment in an amount equivalent to two months’ rent under the Residential Tenants’ respective leases;

² The Receiver retained Blaney in respect of its mandate vis-à-vis Envie I, Envie II, and AUDI. For the other Companies, the Receiver retained Norton Rose Fulbright Canada LLP

- releasing the Receiver, Varsity Communities, a division of KEILTY Realty Management Inc. (“**Varsity**”), the property manager appointed by the Receiver for the Real Property, the Purchaser, Peoples, ACM and certain related persons from any and all liability to the Residential Tenants;
- granting leave to the Receiver to issue a Writ of Possession in respect of any part of the Real Property that is not vacant by September 1, 2025 (save and except for the one commercial unit in the Building);
- directing the Local Registrar of the City of Ottawa to issue any such Writ(s) of Possession within three business days of receipt of the Receiver’s requisition, and directing the Ottawa County Sheriff’s Office (the “**Sheriff**”) to enforce any such issued Writ(s) of Possession within five business days of receipt of the issued Writ(s);
- staying any proceedings that have been or may be brought by Residential Tenants before the Landlord and Tenant Board;
- authorizing the Receiver to disclaim any contracts entered into between Envie I and its vendors or suppliers that are not being assumed by the Purchaser; and
- sealing the confidential appendices to this Fourth Report pending the earlier of 30 days following the completion of the Transaction, or further Order of the Court;

ii. an Ancillary Order (the “**Ancillary Order**”):

- approving the assumption of the Peoples and ACM mortgages by the Purchaser upon closing of the Transaction, and authorizing and directing the Receiver to make certain payments and distributions following the completion of the Transaction;
- amending the Receivership Order *nunc pro tunc* to correct a typographical error in the reference to Envie 1 in the first preamble of the Receivership Order from “2195132 Ontario Inc.” to “2195186 Ontario Inc.”;
- increasing the Receiver’s borrowing limit pursuant to paragraph 31 of the Receivership Order regarding Envie I, from \$500,000 to \$650,000 in order to effect the Settlement (as defined below);

- authorizing the Receiver to assign Envie I into bankruptcy and naming KSV or another licensed insolvency trustee as trustee to administer the bankruptcy (in such capacity, the “**Trustee**”), provided that KSV will remain appointed as Receiver to complete the Transaction (subject to approval of this Court) and the administration of the receivership of Envie I; and
- approving this Fourth Report and the Receiver’s activities detailed herein.

1.2 Restrictions

1. In preparing this Fourth Report, the Receiver has relied upon, among other things: (i) Envie I’s unaudited financial information, books and records; (ii) discussions with Envie I’s management team, CMLS, Varsity, Peoples and ACM; (iii) the affidavit of David Choo, the Companies’ founder, sworn December 3, 2024 (the “**Choo Affidavit**”); and (iv) 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 Fourth Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook. 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 Fourth 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 Fourth 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 office building in Nepean, Ontario, owned by the Head Office Company. 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 at least one mortgage registered on title to the real property owned by each of the Companies.

3. Prior to the Receiver's appointment, the Real Property was managed by Envie I's employees and certain employees of the Head Office Company. The Receiver retained Varsity as property manager pursuant to a property management agreement dated March 3, 2025.
4. Varsity's responsibilities include, among other things, managing the Real Property, leasing, collection of rent, paying operating expenses and dealing with Envie II, which owns 110 condominium units (approximately 30%) and all of the 127 parking spaces in an underground parking lot in a building next door to Envie 1 located at 105 Champagne Avenue S., Ottawa, which is also subject to a shared facilities agreement with Envie I (the "**SFA**").
5. As at the date of this Fourth Report, occupancy at the Real Property is approximately 35%, or 207 residents, with 18 additional Residential Leases commencing on August 1 and September 1, 2025. In addition, 13492575 Canada Inc. o/a Café Raphaël ("**Café Raphaël**") occupies the ground floor commercial space pursuant to a lease agreement dated January 6, 2022 (the "**Commercial Lease**"). Leasing activity at Envie I is discussed further below in Section 7.
6. Peoples is the principal secured creditor of Envie I pursuant to a loan agreement dated October 24, 2017 (the "**Peoples Loan**"). The Peoples Loan is secured by a first-ranking mortgage and general assignment of rents over the Real Property, and a general security agreement over all the assets and undertaking of Envie I. As of June 1, 2025, Peoples was owed approximately \$50.2 million under the Peoples Loan, exclusive of legal costs, with interest and costs continuing to accrue.
7. ACM is the second-ranking secured creditor of Envie I pursuant to a loan dated November 24, 2017 (the "**ACM Loan**"). The ACM Loan is secured by a second-ranking mortgage and general assignment of rents over the Real Property. As of June 1, 2025, ACM was owed approximately \$12.6 million under the ACM Loan, with interest and costs continuing to accrue.
8. Envie I is also subject to a claim by Canada Revenue Agency ("**CRA**") for HST in the amount of approximately \$2.3 million which CRA advises is a deemed trust, plus penalties and interest, which continue to accrue (the "**CRA Claim**"). The CRA Claim relates to a reassessment by CRA in 2019 when construction of the Real Property was completed. Envie I filed a Notice of Appeal in 2020, objecting to CRA's reassessment. This matter is presently before the Tax Court of Canada. The Receiver has been corresponding with Envie I's counsel relating to this dispute. A copy of the CRA Claim and the Notice of Appeal from Envie I is included in **Appendix "B"**.
9. Additional background information on the Companies and the Ashcroft Homes Group is included in the Choo Affidavit and KSV's prior reports in this proceeding, and accordingly, is not repeated in this Fourth Report. Copies of the Receiver's First Report dated March 13, 2025, and its Second Report dated May 20, 2025, are attached as **Appendices "C" and "D"**, respectively, without appendices.³

³ The Receiver's Third Report to Court dated July 14, 2025 does not deal with Envie I and is therefore not appended.

3.0 Amendment to Receivership Order

1. The first paragraph in the first preamble to the Receivership Order incorrectly refers to one of the Debtors as being 2195132 Ontario Inc. when it should have read 2195186 Ontario Inc., the correct legal name of the business operated as Envie I. The Receiver respectfully requests that the Receivership Order be corrected for this oversight.

4.0 Sale Process

1. Pursuant to a letter dated July 17, 2024 (the “**CMLS Listing Agreement**”), Envie I engaged CMLS to market the Real Property for sale. A copy of the CMLS Listing Agreement is provided as **Appendix “E”**.
2. CMLS has experience marketing student residences for sale in the Ottawa market. It had been engaged earlier in 2024 by Ashcroft Homes Group to market “Envie Rideau”, a student housing residence comprising 742 beds, located at 256 Rideau Street, Ottawa. The sale of Envie Rideau closed in October 2024 for a sale price of approximately \$183 million.
3. CMLS has advised the Receiver that its activities regarding the Sale Process included the following:
 - a) preparing: (i) a marketing brochure summarizing the opportunity (the “**Teaser**”) and inviting recipients of the Teaser to participate in the Sale Process; (ii) a form of non-disclosure agreement (an “**NDA**”); and (iii) a confidential information memorandum (a “**CIM**”). Interested parties were advised that they would be given access to the CIM in a virtual data room (the “**VDR**”) and permitted to perform due diligence upon signing the NDA;
 - b) working with Envie I to prepare a VDR with information regarding Envie I’s business, including historical and pro-forma financial records, a rent roll, key contracts, permits and licenses, real property information and other pertinent information;
 - c) launching the Sale Process on November 6, 2024⁴, by distributing the Teaser by email to 114 potential purchasers (the “**Buyer’s List**”). The Buyer’s List included investors who CMLS deemed to be qualified, based on prior student housing transaction experience (including Envie Rideau), financial wherewithal and market reputation, along with other parties (for example, investors in adjacent living sectors, such as seniors housing or multi-family). The Buyer’s List included pension funds, institutional investors, public companies, private equity groups, family offices and high-net-worth individuals; and

⁴ The Receiver understands that the launch of the Sale Process was delayed until the Envie Rideau transaction was completed.

- d) facilitating due diligence by prospective purchasers, including: (i) providing access to due diligence materials through, *inter alia*, the VDR; (ii) arranging calls and meetings with representatives of Envie I and Ashcroft Homes Group; (iii) responding to supplementary diligence requests; and (iv) facilitating tours of the Real Property.

4.1 Sale Process Results

1. CMLS advised the Receiver that of the 114 parties it contacted, 20 parties executed the NDA and received access to the CIM and VDR.
2. As set out in the CMLS reporting letter and the corresponding email from CMLS included as **Confidential Appendix “1”** (the “**CMLS Report**”), CMLS intended in November 2024 to set a bid deadline of mid-December 2024, but deferred doing so based on the limited level of activity at that time.
3. While parties were performing diligence, the Purchaser submitted an unsolicited letter of intent (“**LOI**”) on November 27, 2024. Upon receipt of the LOI, CMLS advised the other parties that had signed an NDA that offers were being considered for Envie I.
4. Following negotiations between Envie I and the Purchaser, the LOI was accepted by Envie I on December 17, 2024 (while Envie I and its affiliates were subject to CCAA Proceedings), with an increased purchase price, but subject to further diligence and preparation of definitive documents.
5. No parties other than the Purchaser submitted an offer.

4.2 Activities Following Commencement of Receivership

1. Following its appointment as Interim Receiver, KSV corresponded and met with CMLS to discuss the Sale Process. Based on its discussions with CMLS, KSV was satisfied that the market was appropriately canvassed and that no further marketing of the Building was warranted, and it agreed with CMLS’s recommendation to accept the LOI and prepare an APS, subject to a diligence condition and Court approval.
2. Thereafter, the Receiver, the Purchaser and their respective counsel negotiated the APS which, among other things, provided an initial diligence condition deadline of March 24, 2025 (the “**Diligence Date**”).
3. The Receiver and representatives of Ashcroft Homes Group facilitated the Purchaser’s diligence, including the Purchaser’s review of Envie I’s rent roll and the Purchaser’s engagement of: a) Pinchin Ltd. (“**Pinchin**”), a reputable environmental, engineering, building science, and health & safety consulting firm, to perform an environmental review and building condition assessment; and b) Finnegan Marshall Inc. (“**FM**”), a real estate cost consultant, to review the condition of the Real Property.

4. On March 3, 2025, the Purchaser provided the Receiver with draft reports from Pinchin and FM which, among other things, identified: a) the presence of mould in certain common areas and certain Residential Units; b) the presence of water damage sporadically throughout the building on walls, ceilings and floors; c) appliances, flooring and furniture at the end of their useful life due to their age and deteriorated state; and d) a lack of appropriate maintenance at the Building, including in respect of its mechanical and electrical systems (together, the “**Preliminary Findings**”).
5. In its draft report, Pinchin advised that: “These findings indicate conditions, possibly systemic, that necessitate further intrusive investigation to quantify their extent throughout the building, and to determine immediate remediation strategies along with budgetary cost estimates for their remediation.”
6. The information provided by the Purchaser, including the Preliminary Findings, was shared with Peoples, ACM, Ashcroft Homes Group, and their respective counsel.
7. On March 10, 2025, the Receiver attended a call with Pinchin, FM, the Purchaser, CMLS, Blaney and Ashcroft Homes Group to discuss the Preliminary Findings and the further intrusive testing recommended by Pinchin.
8. On March 19, 2025, Pinchin provided a proposal to further investigate the Preliminary Findings, including the scope, timing and cost estimate.
9. In order to accommodate the further investigation, the Receiver and the Purchaser executed an amendment to the APS which, among other things, extended the Diligence Date and contemplated the Receiver contributing up to \$73,170 (plus HST) for the cost of the further investigation beyond the first \$40,000 funded by the Purchaser, as agreed with the Purchaser.
10. Pinchin provided periodic verbal and written updates while its further investigation was ongoing. As a result of those updates, and a potential requirement for an extensive remediation, the Receiver instructed Varsity on April 24, 2025, to pause all new leasing activities at the Real Property pending the Receiver’s receipt and review of a comprehensive report from Pinchin.
11. On May 1, 2025, the Diligence Date was extended until June 9, 2025, to allow time for Pinchin to complete its report, and for the Receiver and the Purchaser, among others, to review it.
12. In anticipation of Pinchin’s report, the Receiver retained Fisher Engineering Limited (“**Fisher**”), an environmental engineering firm, to peer review the report that Pinchin would be delivering.
13. On May 14, 2025, Pinchin issued a draft of its further report dated May 9, 2025, on mould growth in the Building (the “**May 9th Pinchin Report**”), which the Receiver shared with Peoples, ACM, CMLS, Fisher, Varsity and Ashcroft Homes Group.

14. The May 9th Report summarized the additional testing performed by Pinchin in the Building and included the following findings regarding mould:
- “Extensive, sporadic mould growth was confirmed throughout the building. Confirmed areas of mould are marked on the provided drawings and summarized in the data tables, with growth identified in approximately 65% of inspected locations. However, the confirmed extent likely represents only a portion of the total mould and water damage present.”
15. Pinchin recommended, among other things:
- that the findings be shared with the Residential Tenants; and
 - “the removal of all interior finishes to effectively address hidden mould growth during remediation. A complete removal (“gut”) is strongly preferred over piecemeal abatement due to the high likelihood of more extensive concealed mould and water damage than could be confirmed during our inspection.”
16. Of particular concern to the Receiver was Pinchin’s advice that the health and safety concerns would be most acute if the mould is disturbed, which occurs once remediation commences, as spores are likely to become airborne during the remediation process.
17. In order to determine the anticipated time and cost to remediate the entire Building, as referenced above, the Purchaser requested estimates from Pinchin, FM and a construction contractor.
18. On May 15, 2025, the Receiver discussed the May 9th Pinchin Report with Fisher. Fisher’s preliminary feedback was that, in its view, the extent and severity of the mould may be less than as described in the May 9th Pinchin Report, but that it would require time, which it estimated to be a week, to perform testing before it could share substantive comments. Fisher did agree that the extent of the mould in certain areas of the Building, including on the second floor, required, among other things, taking immediate steps to close Residential Tenants’ access to the second-floor amenities (including the gymnasium), and relocate the Residential Tenants from that floor. Fisher also recommended that air samples be taken from the Residential Units.
19. On May 16, 2025, the Receiver prepared, with input from Varsity, a notice to the Residential Tenants (“**May 2025 Tenant Notice**”) along with a list of frequently asked questions (“**FAQ**”). Varsity distributed the May 2025 Tenant Notice and FAQ by email to the Residential Tenants on May 16, 2025, and posted them in the Building. Among other things, the Tenant Notice advised the Residential Tenants, in light of the presence of mould, that early termination of their leases without penalty would be permitted if they had any health or safety concerns about remaining in the Building⁵. At the same time, Varsity restricted access to the amenities on the second floor of the Building and relocated the Residential Tenants located on that floor as higher levels of mould were confirmed. Copies of the May 2025 Tenant Notice and FAQ are provided as **Appendix “F”**.

⁵ 48 Tenants terminated their leases prior to the expiry date.

20. The Receiver then retained Fisher to undertake, on an urgent basis, air sample testing of Residential Units (though given timing issues related to the APS, limited to one residential unit per floor). On May 28, 2025, Fisher issued a draft of its report based on its limited review. Fisher's view was that, among other things, the mould appears to be localized (though in several localized areas) and may be able to be addressed via localized remediation rather than a "full gut" of the entire Building⁶.
21. The Receiver shared the Fisher Report with, among others, the Purchaser and Pinchin. Pinchin disputed Fisher's findings and concluded that:

"Based on the review conducted by Pinchin, the Fisher Engineering report contains significant methodological shortcomings and interpretive inconsistencies. While their own data often supports the presence of building-wide mould concerns, the report's conclusions downplay risk, disregard historical evidence, and fail to recommend sufficient follow-up actions. The findings ultimately reinforce, rather than dispute, the validity of the observations and recommendations set forth in Pinchin's earlier investigation."
22. The Purchaser agreed with Pinchin's view and advised the Receiver on June 2, 2025 that it would only proceed based on Pinchin's and its other consultants' recommendations regarding the required remediation and repairs to the Building.
23. Varsity corresponded and met with the Residential Tenants after the May 2025 Tenant Notice was issued to respond to further inquiries. On June 5, 2025, Varsity, the Receiver and Blaney also held a webinar for the Residential Tenants to provide an update on the mould investigation and respond to questions from Tenants.
24. Based on the Purchaser's requirement that the Building be completely remediated, the Receiver retained a contractor to provide a proposal, including a cost and time estimate, for the "full gut" remediation option recommended by Pinchin (the "**Mould Remediation**"). The Receiver compared the proposal for the Mould Remediation it received with the three estimates presented by the Purchaser for the Mould Remediation, each of which was generally consistent as related to cost and timing.
25. The Purchaser advised the Receiver that it was prepared to proceed with the Transaction subject to an adjustment to the purchase price for:
 - a) the estimated cost of the "full gut", and
 - b) the carrying costs and lost rental income over the expected construction period of 8-12 months.

⁶ Fisher confirmed during its discussions with the Receiver and its counsel that remediation steps would disturb the mould and that the remediation work would cause health and safety concerns. Fisher also advised that contractors performing the remediation need to be outfitted with personal protective equipment and that If the Building is not vacated, locations where work is being done need to be isolated and outfitted with negative air pressure units equipped with HEPA air filters.

26. The Receiver and the Purchaser then began negotiating a further amendment to the APS, with the Purchaser seeking a significant reduction in the purchase price for the costs and related losses in revenue resulting from the Mould Remediation and also requiring vacant possession of the Building as soon as possible to begin the Mould Remediation with a view to having the Building available for occupancy in time for the September 2026 academic year.
27. The Receiver and the Purchaser entered into a Sixth Amending Agreement for the APS with effect from July 21, 2025, which, among other things, adjusted the purchase price downward and contemplates a closing with vacant possession by September 1, 2025.
28. The APS and the Transaction are summarized in Section 5 below.

5.0 Transaction⁷

1. The terms of the Transaction are summarized below.
 - a) **Purchaser:** The Purchaser is an affiliate of a private equity firm that focuses on investments in alternative real assets, including student housing.
 - b) **Purchased Assets:** All of the Receiver's and Envie I's right, title and interest in the following:
 - i. the Property;
 - ii. the Equipment;
 - iii. the Warranties;
 - iv. the Assumed Contracts, including the Commercial Lease; and
 - v. the Purchased Intellectual Property, excluding any intellectual property rights related to the "Envie" branding.
 - c) **Purchase Price:** The Receiver recommends that the Purchase Price be sealed. The Purchase Price is to be adjusted on Closing for, among other things, property taxes and other adjustments standard for a real estate transaction. A portion of the Purchase Price is payable in cash to satisfy Priority Payables, with the balance of the Purchase Price being satisfied by the assumption of the Peoples Loan and ACM Loan (in whole or in part), as discussed further below.
 - d) **Deposit:** The Purchaser paid a deposit of \$500,000, with a further deposit of \$2 million due by the third Business Day following entering into the Sixth Amending Agreement to the APS.

⁷ Terms not defined in this section have the meaning provided to them in the APS between the Receiver and the Purchaser.

- e) **Excluded Assets:** The Receiver's and Envie I's right, title and interest in and to any asset of the Receiver and Envie I other than the Purchased Assets which, for greater certainty, includes:
 - i. all books and records, files, correspondence and other data and information relating to the operation of Envie I (provided that the Purchaser shall be entitled to copies of the same at its request); and
 - ii. all cash and equivalents, including insurance refunds and all HST refunds and other tax receivables.
- f) **Representations and Warranties:** Consistent with standard terms of an insolvency transaction, i.e. on an "as is, where is" basis, with limited representations and warranties.
- g) **Closing Date:** September 1, 2025, as may be extended by either party up to the Outside Date (being October 1, 2025, or such other Business Day as the parties shall mutually agree), or such other Business Day as the Buyer and the Seller mutually agree.
- h) **Material Conditions:** As follows:
 - i. no legal proceeding, other than the Receivership Proceedings, shall be pending which enjoins, restricts or prohibits the purchase and sale of the Assets contemplated hereby, including, without limitation, any order issued by any Governmental Authority against either of the parties or involving any of the Assets enjoining, preventing or restraining the completion of the Transaction;
 - ii. The Purchaser being satisfied that each of the Leases (save and except the Commercial Lease and a maximum threshold of Residential Leases, calculated on a "per bed" basis) has been terminated and each of the Tenants (save and except the commercial tenant) shall have vacated the Property on or before the Outside Date;
 - iii. The Purchaser being satisfied with: a) the status of the SFA; and b) that the City of Ottawa has consented to the Transaction pursuant to a Notice of Site Plan Agreement, including the satisfaction of any outstanding requirements to obtain such consent, both of which are contemplated to be addressed on or before August 21, 2025;
 - iv. the Court shall have issued an Approval and Vesting Order in respect of the Transaction; and
 - v. the Closing shall have occurred on or before the Outside Date.

- i) **Termination:** The APS can be terminated under the following circumstances:
- i. the Agreement shall be terminated unless the Buyer gives written notice to the Seller by 5:00 pm (Toronto time) on the Condition Date setting out that the Buyer waives or is satisfied, in its sole and absolute discretion, with its reviews, inspections and due diligence (including, without limitation, physical, environmental, legal, title, survey, financing, leasing, permitting, marketing and financial feasibility due diligence) with respect to the Property. The Buyer has waived its due diligence conditions save and except for the matters set out in items (h)(ii) and (iii), above, and the Priority Payables on the Closing Date being not more than \$4.8 million; and
 - ii. automatically if any condition to closing in favour of the Purchaser or Receiver is not satisfied or performed prior to the time specified therefor or waived by both of the parties.
2. A redacted version of the APS (including all amendments) is attached as **Appendix “G”**. An unredacted version of the APS (including all amendments) is provided in **Confidential Appendix “2”**.

5.1 Urgency

1. Most importantly, there are health and safety risks if the Residential Tenants remain in the Building, particularly if remediation commences and the mould is disturbed, which is likely to cause mould spores to become airborne. The Receiver understands that, based on the current remediation plan for the Building, no remediation is required in the commercial space, with the result that it is not presently anticipated that the commercial space will need to be vacated.
2. The Real Property operates as a student residence, and the term for the majority of Residential Leases commences in August or September of each year. There are currently 225 Leases for the Building, including 4 leases scheduled to begin on August 1, 2025, and 14 leases scheduled to begin on September 1, 2025 (each a “**Lease**”, and collectively, the “**Leases**”), for total occupancy as of September 1, 2025 of 38%.
3. The Receiver paused all new leasing for the Building on or about April 24, 2025, due to the mould findings.
4. So that the Purchaser will be in a position to re-lease the units for occupancy commencing September 1, 2026 (the start of the fall school term), the APS is conditional on the Building being delivered with vacant possession at the Closing, which is contemplated for September 1, 2025, and may be extended by either party up to the Outside Date (currently being October 1, 2025).
5. The Purchaser has advised the Receiver that the Transaction must close by no later than October 1, 2025, in order to allow time for the Purchaser to complete the Mould Remediation identified in the May 9th Pinchin Report and have the Building available for re-leasing by the start of the 2026 school year.

6. The Receiver notes that, in light of these timing imperatives, if the Transaction cannot be closed by the Outside Date, there is a risk that the Transaction will be terminated, or alternatively that the Purchase Price will need to be renegotiated to account for additional carrying costs and loss of rental income for a second academic year by the Purchaser, either of which would have a material negative impact on creditor recoveries.

5.2 Recommendation

1. The Receiver recommends that the Court issue an Order approving the Transaction and vesting title in the Real Property to the Purchaser for the following reasons:
 - a) the Sale Process was conducted by CMLS, which has extensive experience in the student housing sector. Based on its review, the Receiver is satisfied that the Sale Process conducted by CMLS was a comprehensive and fair process that thoroughly canvassed the market of potential buyers of the Building;
 - b) CMLS targeted local and national student housing owners, developers and investors;
 - c) the Receiver believes that the terms of the APS are commercially reasonable;
 - d) the Transaction represents the only offer received and provides the highest available realization in the circumstances for the stakeholders of Envie I;
 - e) CMLS is familiar with the Ontario real estate and student housing markets and recommends acceptance of the APS;
 - f) Leasing at the Building has been paused since late April and it is likely that any transaction in respect of the Building would require it to be vacated to allow for remediation work to be completed. The Transaction represents a practical solution to maximize value in the circumstances, address the issues identified in the May 9th Pinchin Report, and to make available, by September 1, 2026, a housing option for students in the Ottawa area;
 - g) absent the Transaction being completed, a further protracted marketing period may be necessary. The carrying costs for the Building, including municipal property taxes, utilities, insurance, interest accruing on the Peoples and ACM mortgages, and the professional costs will erode the proceeds available for distribution, with no certainty that a superior transaction could be completed. Furthermore, neither Peoples nor ACM is prepared to fund the costs of a further marketing process or the associated carrying costs, nor are they prepared to fund the costs of the Receiver undertaking the Mould Remediation; and
 - h) Peoples and ACM, the principal economic stakeholders, have advised the Receiver that they consent to, and are supportive of, the approval by the Court of the Transaction.

6.0 Sealing

1. The Receiver is recommending that the CMLS Sales Report and the unredacted APS (collectively, the “**Confidential Information**”) be sealed. If the Transaction does not close for any reason, another realization process may be required. If the Confidential Information is not sealed, future bidders and stakeholders of Envie I would have access to information regarding the purchase price contemplated in connection with the Transaction and other negotiated commercial terms, which could negatively impact the opportunity to maximize realization in the future if the Real Property were to be marketed again. The Receiver proposes that the Confidential Information be sealed until the earlier of: (a) 30 days following closing of the Transaction; or (b) further Order of the Court.
2. The Receiver does not believe that any party will be prejudiced if the Confidential Information is sealed at this time in accordance with paragraph 6.0.1 above.
3. The salutary effects of sealing the Confidential Information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Receiver is of the view that sealing the Confidential Information is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25. Accordingly, the Receiver believes the proposed sealing order is appropriate in the circumstances.

7.0 Lease Terminations and Settlement Agreement

1. As of the date of this Fourth Report, there are currently 207 Residential Tenants and one commercial tenant (Café Raphaël) with Leases that have commenced. An additional four Residential Tenants are currently scheduled to move in on August 1, 2025 and 14 Residential Tenants are scheduled to move in on September 1, 2025, all pursuant to Residential Leases signed prior to April 24, 2025 (when Varsity paused new leasing activity), resulting in an expected 225 leased units as of September 1, 2025.
2. In order to satisfy the vacant possession condition in the APS, and facilitate completion of the Transaction, the Receiver recommends that it be authorized to enter into settlement agreements with Residential Tenants who are prepared to voluntarily terminate their Lease by August 15, 2025, on the following terms (the “**Settlement**”):
 - a) last month rent deposit previously paid by the Residential Tenants being applied to rent payable in August, 2025, without proration for Residential Tenants vacating before August 31, 2025;
 - b) for the 18 Residential Tenants whose leases begin August 1 or September 1, 2025, their deposit for last month rent will be refunded since their Lease term has not yet commenced;
 - c) payment of two months’ rent pursuant to the lease terms of each individual Residential Tenant, for an aggregate payment estimated to be approximately \$615,000, payable upon their delivery of vacant possession of their respective Residential Unit (this includes the 18 Residential Tenants whose Lease term has not yet commenced);

- d) permission to the Residential Tenants, following the execution of the Settlement and upon providing vacant possession of their Residential Unit, to remove and retain any furniture from the unit that the Residential Tenants are currently occupying (this term does not apply to the 18 Residential Tenants whose Lease term has not yet commenced);
 - e) execution of an N11 - Agreement to End the Tenancy; and
 - f) a release of all claims against the Receiver, Varsity, the Purchaser, Peoples, ACM and certain related persons.
3. The terms of Settlement will preclude Residential Tenants from seeking alternative compensation or additional compensation for the termination of the Leases. However, since such claims would be unsecured claims against Envie I, there is unlikely to be any recovery.
 4. In addition to the above, Varsity has contacted several student housing residences located close to the Real Property, and will provide a list of vacancies, along with landlord contact information, to assist Residential Tenants with their relocation efforts, with priority given to the four (4) Residential Tenants whose Lease term is set to commence on August 1, 2025;
 5. The Receiver is of the view that the proposed Settlement reasonably compensates the Residential Tenants for the voluntary termination of their Leases in the circumstances, including providing an economic incentive they would otherwise be unable to obtain in the circumstances of the receivership that can be used to fund a first and last months rent deposit in an alternative accommodation. The Receiver recommends that the Settlement be approved by the Court, that the Residential Tenants be directed to vacate the Real Property by no later than September 1, 2025 and that the Receiver's borrowing limit pursuant to the Receivership Order be increased from \$500,000 to \$650,000 which would allow it to borrow sufficient funds for the payments under the Settlement.
 6. The Receiver further recommends that in order to facilitate the Transaction, an Order be made: a) authorizing the Receiver to issue a Writ of Possession in respect of any areas of the Building (save and except the Commercial Unit, but including any Residential Units) that are not vacant by September 1, 2025; and b) directing the Sheriff to assist the Receiver to obtain vacant possession of the Building (except for the Commercial Unit) if any of the Residential Tenants do not enter into a Settlement, do not comply with the Settlement, or otherwise do not vacate the Real Property by September 1, 2025.
 7. The Tenants are being served via email from Varsity with a notice explaining the relief the Receiver is seeking (the "**July 2025 Notice**"), including a link to the Receiver's motion materials and an outline of the proposed Settlement.
 8. The Notice will also be posted at entrance and reception area and in the elevators of Envie I, followed by a townhall webinar by Varsity and the Receiver for the Tenants.
 9. A copy of the proposed Settlement agreement and the related July 2025 Notice is provided as **Appendix "H"**.

8.0 Security Opinions

1. Peoples is Envie I's principal secured creditor. As at September 1, 2025, Peoples is projected to be owed approximately \$47.7 million by Envie I, including accrued interest, enforcement costs and disbursements, but excluding any "make-whole" or early payment penalties.
2. ACM is Envie I's second-ranking secured creditor. As at September 1, 2025, ACM is projected to be owed approximately \$11.7 million by Envie I, including accrued interest, enforcement costs and disbursements, but excluding any "make-whole" or early payment penalties.
3. Blaney provided opinions on the security held by Peoples and ACM security. Blaney is of the opinion, subject to standard qualifications and assumptions contained therein, that the Peoples security and the ACM security constitute valid and enforceable charges against Envie I. Copies of the security opinions will be made available to the Court should it wish to review them.

8.1 Recoveries

1. As described previously, the Transaction includes payment of a cash amount as part of the Purchase Price that will be used to satisfy Priority Payables, including amounts secured by the Receiver's Charge, the Receiver's Borrowings Charge, the commission of CMLS, a professional fees reserve, overdue principal and interest and legal fees and expenses under the Peoples' mortgage and certain other specified items. The balance of the Purchase Price will be satisfied by the assumption of the Peoples Loan and the ACM Loan (in whole or in part). Accordingly, it is not anticipated there will be any proceeds available from the Transaction for junior or unsecured creditors of Envie I.
2. The only other potential priority claim against the Real Property is the CRA Claim, as outlined in Section 2.8 of this Fourth Report.
3. The Receiver is seeking authority to assign Envie I into bankruptcy, as discussed in Section 9 of this Fourth Report, which would reverse the potential priority of the CRA Claim to the extent it ranks in priority to the Peoples security and the ACM security for their respective loans.

9.0 Proposed Bankruptcy of Envie I

1. As discussed above, CRA has a claim against Envie I for assessed HST which is disputed by Envie I.
2. The Receiver refers to the CRA Claim as being a "potential" priority claim as the CCAA Proceedings preceded the Receivership Order. Any deemed trust applicable in respect of the CRA Claim does not apply in a CCAA proceeding pursuant to section 37 of the CCAA. The Receiver is of the view that the claim would remain unsecured in a subsequent receivership; however, for the avoidance of any doubt, the Receiver proposes to assign Envie I into bankruptcy to reverse any potential priority, if it exists, and for KSV or another Licensed Insolvency Trustee to administer the bankruptcy.

3. The Receiver notes that the filing of a bankruptcy to reverse priorities is standard in the context of an Approval and Vesting Order. Accordingly, the Receiver recommends that the Court authorize it to assign Envie I into bankruptcy.

10.0 Overview of the Receiver's Activities

1. In addition to the activities detailed above, the Receiver's activities since the Second Report included the following related to Envie I:
 - Corresponding extensively with the Purchaser, its counsel, Goodmans LLP, Blaney, CMLS and Varsity to facilitate due diligence for the sale of the Real Property;
 - Corresponding with Pinchin, FM and Fisher regarding their investigations into the Real Property, and their reporting;
 - Corresponding with a mould remediation contractor regarding the cost and timing to address the issues in the May 9th Pinchin Report;
 - Notifying Envie I's insurers about the issues identified in the May 9th Pinchin Report;
 - Corresponding with Varsity regarding Envie I's operations, including leasing, tenant matters, rent collections, cash flow management and staffing;
 - Reviewing weekly leasing reports from Varsity;
 - Corresponding with Varsity on tenant communications, including the Tenant Notice, FAQ, inquiries from Tenants and the webinar;
 - Corresponding with Willis Canada Inc., Envie I's insurance broker, regarding insurance policy extensions;
 - Preparing periodic cash flow projections and statements of receipts and disbursements;
 - Corresponding with CRA and filing outstanding HST returns to June 30, 2025;
 - Corresponding with Envie I's creditors, including utilities and other vendors; and
 - Preparing this Fourth Report and reviewing all motion materials filed in connection with this motion.

11.0 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)(g) of this Fourth 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

)

MONDAY, THE 24TH

JUSTICE MEW

)

DAY OF FEBRUARY, 2025

)

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

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

Applicants

**ORDER
(Appointing Receiver)**

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

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

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

SERVICE AND DEFINITIONS

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

2. THIS COURT ORDERS that all terms not otherwise defined herein shall have the meaning ascribed to them in the First Report.

APPOINTMENT

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

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

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

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

TITLE OF PROCEEDINGS

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

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

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

RECEIVER'S POWERS

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

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

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

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

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

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

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

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

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

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

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

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

NO INTERFERENCE WITH THE RECEIVER

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

PROPERTY MANAGEMENT

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

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

CONTINUATION OF SERVICES

19. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors, or any one or more of them, in connection with or relating to the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services,

accounting services, payroll services, insurance, transportation services, utility or other services to the Debtors, or any one or more of them, in connection with or relating to the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors', or any one or more of their, current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors, or any one or more of their, or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court. Should any such service provider attempt to discontinue its services with respect to services provided in connection with a retirement home regulated by RHRA, the Receiver shall forthwith notify the RHRA of such attempt.

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

RECEIVER TO HOLD FUNDS

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

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

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

25. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the

disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

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

RECEIVER’S ACCOUNTS

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

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

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

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

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

FUNDING OF THE RECEIVERSHIP

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

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

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

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

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

SERVICE AND NOTICE

35. THIS COURT ORDERS that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.ksvadvisory.com/experience/case/Ashcroft>.

36. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other

materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors', or any one or more of their, creditors or other interested parties at their respective addresses as last shown on the records of the Debtors, or any one or more of them, and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

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

GENERAL

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

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

40. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

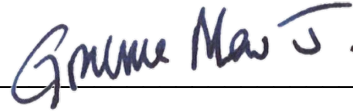
proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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

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

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

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

Mew J.

Issuance on February 28, 2025

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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BLANEY MCMURTRY LLP

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Tel: 416.593.2985
ckopach@blaney.com

Lawyers for KSV Restructuring Inc., the Interim Receiver

Appendix “B”



Canada Revenue
Agency

Agence du revenu
du Canada

London-Windsor TSO (London)
London ON N6A 5E5

February 06, 2025

KSV ADVISORY INC.
RECEIVER
220 BAY STREET, SUITE 1300
PO BOX 20
TORONTO ON M5J 2W4

Dear Sir/Madam:

Subject: 2195186 ONTARIO INC.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of \$7,312,736.03.

Period outstanding	GST/HST payable	Penalty & interest	Total
24/11/01-24/11/30	\$ 487.42	\$ 0.00	\$ 487.42
24/10/01-24/10/31	\$ 487.42	\$ 0.60	\$ 488.02
24/09/01-24/09/30	\$ 128.33	\$ 1.11	\$ 129.44
24/01/01-24/01/31	\$ 475.20	\$ 35.56	\$ 510.76
23/12/01-23/12/31	\$ 475.20	\$ 39.63	\$ 514.83
23/09/01-23/09/30	\$ 481.00	\$ 52.51	\$ 533.51
23/06/01-23/06/30	\$ 514.14	\$ 69.21	\$ 583.35
23/05/01-23/05/31	\$ 514.14	\$ 73.69	\$ 587.83
23/04/01-23/04/30	\$ 514.14	\$ 78.05	\$ 592.19
23/03/01-23/03/31	\$ 514.14	\$ 82.59	\$ 596.73
23/02/01-23/02/28	\$ 535.27	\$ 90.59	\$ 625.86
22/09/01-22/09/30	\$ 535.27	\$ 110.58	\$ 645.85
22/08/01-22/08/31	\$ 535.27	\$ 114.44	\$ 649.71
22/06/01-22/06/30	\$ 474.60	\$ 107.25	\$ 581.85
16/09/01-16/09/30	\$ 84,003.00	\$ 47,826.32	\$ 131,829.32

.../2

Canada

National Insolvency Office
451 Talbot Street
London ON N6A 5E5

Local : 416-659-4974
Toll Free : 1-833-540-3352
Fax : 833-697-2390
Web site : canada.ca/taxes

16/08/01-16/08/31	\$2,243,826.41	\$1,451,977.97	\$3,695,804.38
16/10/31-16/10/31	\$2,286,455.00	\$1,191,119.98	\$3,477,574.98
TOTALS:	\$4,620,955.95	\$2,691,780.08	\$7,317,736.03

Under the Excise Tax Act, \$2,334,500.95 of the above totals represents property of the Crown held in trust and does not form part of 2195186 ONTARIO INC.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada \$2,334,500.95 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of \$4,978,235.08.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 416-659-4974.

Yours truly,

Laura Vowles
Resource Officer/Complex Case



Canada Revenue
Agency

Agence du revenu
du Canada

Tax Centre
London ON N6A 5E5

February 06, 2025

KSV ADVISORY INC.
RECEIVER
220 BAY STREET, SUITE 1300
PO BOX 20
TORONTO ON M5J 2W4

Dear Sir/Madam:

Re: 2195186 ONTARIO INC.
of the City of Ottawa
in the Province of Ontario
Date of the receivership: January 3, 2025

Please find enclosed our claim and supporting schedule in the above-noted insolvency event for the amount of \$755.62.

Issue dividend payment directly to the Receiver General quoting the account number shown on the schedule.

Please send individual, corporate, payroll and excise duty dividend payments to:

Canada Revenue Agency
PO BOX 3800 STN A
Sudbury ON P3A 0C3

Please send goods and services tax/harmonized sales tax (GST/HST) remittances, including dividend payments to the applicable tax centre (shown on your client's GST/HST return).

If you need more information about this claim, such as a more detailed breakdown of the debt, please contact the undersigned at one of the telephone numbers provided in this letter.

.../2



National Insolvency Office
451 Talbot Street
London ON N6A 5E5

Local : 416-659-4974
Fax : 833-697-2390
Web site : canada.ca/taxes

Yours truly,

Laura Vowles
Resource Officer/Complex Case

Enclosure(s)

Reproduction

Proof of Claim (Form 31)
(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8),
81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e)
and 66.14(b) of the Act)

Send all notices or correspondence regarding this claim to the
following address:

Canada Revenue Agency
Shawinigan National Verification and Collection Centre
Insolvency Intake Centre
Collections Directorate
4695 Shawinigan-Sud Blvd.
Shawinigan QC G9P 5H9

Attention: Laura Vowles

In the matter of the receivership of 2195186 ONTARIO INC. of the
City of Ottawa in the Province of Ontario, and the claim of His
Majesty the King in Right of Canada as represented by the Minister
of National Revenue, creditor.

I, Laura Vowles, of the City of London in the Province of Ontario,
do hereby certify:

1. That I am a resource officer/complex case officer of the Canada
Revenue Agency.

2. That I have knowledge of all the circumstances connected with
the claim referred to below.

3. That the debtor was, at the date of the receivership namely the
3rd Day of January, 2025, and still is, indebted to the creditor
in the sum of \$755.62, as specified in the statement of account
attached and marked Schedule "A", after deducting any
counterclaims to which the debtor is entitled.

4. (X) UNSECURED CLAIM of \$755.62. That in respect of this debt, I
do not hold any assets of the debtor as security.

5. That, to the best of my knowledge, the above-named creditor is
not related to the debtor within the meaning of section 4 of the
Act, and has not dealt with the debtor in a non-arm's length
manner.

6. That the following are the payments that I have received from,
and the credits that I have allowed to the debtor within the three

months immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act.

NIL

Dated at the City of London on the 6th Day of February, 2025.

.....
Witness

.....
Signature of claimant

Reproduction

Schedule "A"

Name: 2195186 ONTARIO INC.

Unsecured claim

Income Tax Act	
Account number:	824588495 RC0001
Assessed period(s):	2023
Principal:	\$0
Penalty and interest:	\$755.62
Total:	\$755.62

SHELLEY J. KAMIN
BARRISTER & SOLICITOR

July 20, 2022

BY HAND

Registrar
Tax Court of Canada
200 Kent Street
Ottawa, Ontario
K1A 0M1

Dear Sir/Madam:

Re: 2195186 Ontario Inc. v. Her Majesty the Queen

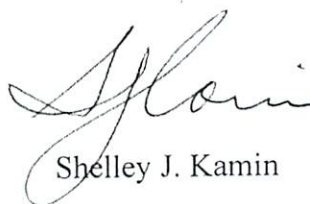
Attached please find the original and two copies of a Notice of Appeal for the above-named corporation, which I am filing on its behalf.

The corporation is appealing from a reassessment under Part IX of the *Excise Tax Act*.

Please note that this appeal is a Class C proceeding under the General Procedure of the Tax Court. Accordingly, I attach the Appellant's cheque in the amount of \$550.00 to cover the filing fee for this appeal.

If you have any questions or require additional information, please do not hesitate to contact me.

Yours truly,



Shelley J. Kamin

Encl.

cc: 2195186 Ontario Inc.



Receiver8 Receiver General for Canada
Ottawa, ON K1A 008

9840508 Canada Inc
Cheque Number 996C4-00002744
Cheque Date Jul 7, 2022

Date	Invoice	Reference	Payment Amt	Retention	Discount	Total Payment
3920	9840508 Canada Inc					
07/06/22	EnvieTaxCourt		550.00	0.00	0.00	550.00
Total Remittance			550.00	0.00	.00	550.00

9840508 Canada Inc

(256 Rideau)
18 Antares Drive
Ottawa, ON

Canadian Imperial Bank of Commerce
84 Bank St
Ottawa, ON K1P 5N4

Date
Jul 7, 2022

Cheque Number
996C4-00002744

Pay **Five Hundred Fifty Dollars 00 Cents**

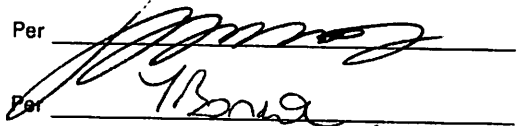
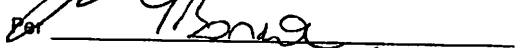
Amount
\$550.00

To
The
Order
Of

Receiver General for Canada
Ottawa, ON K1A 008

9840508 Canada Inc



Per 
Per 

PAYABLE IN CANADIAN DOLLARS

⑈00002744⑈ ⑆02806⑈010⑆ 8435510⑈

Court File No.

TAX COURT OF CANADA

BETWEEN:

2195186 ONTARIO INC.

Appellant,

- and -

HER MAJESTY THE QUEEN,

Respondent.

NOTICE OF APPEAL

- (A) **Appellant's address:** 18 Antares Drive
Ottawa, Ontario
K2E 1A9
- (B) **Assessment under appeal:** Reassessment under Part IX of the *Excise Tax Act* (the "Act"), reference no. 17067503412370001, notice of which was dated August 14, 2019 (the "**Reassessment**"). No specific reporting period is identified in the Reassessment.
1. The Appellant hereby appeals to the Tax Court of Canada from the above Reassessment.
 2. By the Reassessment, the Minister of National Revenue (the "**Minister**") rejected the Appellant's application for the New Residential Rental Property Rebate (the "**NRRPR**") in the amount \$5,035,680.00 for its student housing building in Ottawa's Little Italy area

(the “**Subject Building**”) pursuant to section 256.2 of the Act. Instead, the Minister only allowed an NRRPR of \$1,428,122.00 and reassessed the Appellant for HST due in the amount of \$2,286,455.00, plus interest.

3. The Appellant duly objected to the Reassessment by Notice of Objection filed within the prescribed period for doing so. The Minister responded to the Notice of Objection by issuing a Notice of Confirmation dated April 28, 2022, which did not adjust the Reassessment.

(C) **MATERIAL FACTS RELIED UPON:**

4. The Appellant at all material times was a Canadian-controlled private corporation and a GST/HST registrant carrying on business operating as Envie Student Housing Little Italy.
5. The Appellant constructed the Subject Building, which is a high-rise building in Ottawa’s trendy Little Italy area providing 595 units of upscale, private accommodation for students attending one of the post-secondary educational institutions in Ottawa.
6. The Appellant was the owner and lessor of the Subject Building.
7. The Appellant expected that construction of the Subject Building would be completed by March 2016, and that its first leases would run from the beginning of May 2016 to the end of April 2017.
8. The plan by the Appellant’s management to have leases run from the beginning of May to the end of April was supported by market research and competitive analyses of the

Ottawa student housing market showing the market norm for off-campus, private housing leases was a 12-month term typically running from May to April or September to August.

9. In addition, market research and analysis of the off-campus student housing market in Ottawa that was prepared for the Appellant in January 2016 determined that there was a tight market: there was a lack of supply to meet the needs of a growing student population.
10. The Appellant's management realized as 2016 progressed that the March 2016 completion date for the Subject Building would be missed and the likely completion date would be late summer of 2016.
11. As the Appellant continued with its leasing program for the May-to-April period, a common feedback from many of the students who showed an interest in the Subject Building was that they were skeptical of signing a lease not knowing if the building would be completed on time.
12. The Appellant thus was forced to push back the start of the leasing until September 2016, still with the view that the typical and preferred leasing cycle would be from May to April of each year.
13. Therefore, most of the first set of leases were signed for eight months beginning in September 2016 and ending in May 2017.

14. The Appellant and the Minister agreed that the “**particular time**” which is referred to in the Act with respect to the Subject Building is August 31, 2016, which is also referred to in this Notice of Appeal as the “**Relevant Date**”.
15. On the Relevant Date, the Appellant expected the students with lease terms of less than 12 months to renew their leases until April 2018, due to the tight student housing market in Ottawa at that time and the Subject Building’s attractive features and pricing.
16. The Appellant’s sales team was tasked in early March 2017 with meeting with as many students as possible who had leases in the Subject Building expiring on April 30th, 2017, in order to follow up on the status of their lease renewals and to re-sign students for the next academic year with the leasing term of May 1, 2017 to April 30, 2018.
17. For the students who did not plan to re-sign, the sales team was tasked with gathering insight as to the reasons those students were not renewing their leases.
18. The Appellant’s sales team surveyed 566 student tenants of the Subject Building and, through many meetings, compiled the various reasons given by the 267 students who responded for not renewing their leases expiring on April 30, 2017, in particular:
 - (i) they could no longer afford the accommodations (36%);
 - (ii) roommates were not compatible (6.7%);
 - (iii) they needed different accommodations (8.6%);
 - (iv) construction noises were affecting their studies (4.9%);
 - (v) they wanted a shorter lease term (9%);

- (vi) they were finishing their studies or moving to a new school (19.1%), of which 11.6% were finishing their studies and thus likely would not renew their leases; and
 - (vii) other unspecified reasons (15.7%).
19. In total, 347 students did not renew their leases or sign new leases after the end of their initial terms.
 20. The Appellant's leasing record after the Relevant Date included:
 - ▶ 15 leases of 12 months starting September 2016;
 - ▶ 64 leases that were for less than 12 months starting September 2016, but the student re-signed for a continuous leasing period of more than 12 months;
 - ▶ 30 leases for units that were vacant until September 2017, but leases of 12 months were signed starting September 2017.
 21. There were 140 students who had signed an initial lease on or around the Relevant Date with a term of less than 12 months, but who subsequently signed another lease resulting in a total leasing period of 12 months or more. Of these students, as mentioned in paragraph 20 above, 64 had a continuous leasing period of 12 months or more, while 76 had an aggregate leasing period of 12 months or more with a gap of several months between their first and second leases. That is almost a 50/50 split between these two groups of students.

22. Substantially all of the leases which were signed as of and after September 2017 were for a term of 12 months, including the summer months of May through August when fewer students attend school.
23. The Appellant applied for and received the NRRPR for all 595 units in the building, totalling \$3,714,577.00, which was based on its estimate of the fair market value of the Subject Building on the substantial completion date of \$47,622,786.00.
24. The Minister, by the Reassessment, allowed the NRRPR for only 147 of the 595 units in the Subject Building on the basis that first use of these units was as the primary place of residence for individuals under one or more leases with continuous terms totaling at least one year.
25. The Minister's key assumption in reassessing to deny the NRRPR for the remaining 448 units was that all of the individuals who had signed leases of less than 12 continuous months for units in the Subject Building, and who subsequently did not renew their leases at the end of the initial terms for a total period of 12 continuous months, could not reasonably have been expected by the Appellant at the particular time to subsequently renew their leases at the end of the initial terms for a total period of 12 continuous months.
26. The Minister did not identify any issues with the conditions of the NRRPR in the Act, other than the Appellant's reasonable expectation as mentioned in paragraph 25 above.
27. The Reassessment was also based on the assumption that the fair market value of the Subject Building at the material time was \$64,560,000.00, citing factors such as the tight,

undersupplied Ottawa student housing market and expected 97% occupancy rate of the Subject Building.

28. The fair market value of the Subject Building is not in issue in this appeal, but the tight student housing market and reasonably expected occupancy of the Subject Building are in issue.
29. The Appellant duly objected to the Reassessment by Notice of Objection filed within the prescribed period for doing so, and the Minister issued a Notice of Confirmation dated April 28, 2022 which did not adjust the Reassessment.
30. One of the main assumptions on which the Notice of Confirmation was based was that it could be argued and it might have been reasonable to believe that a percentage of the leases with less than 12-month terms would be renewed. However, the Notice of Confirmation estimated that the probability of renewal was 2%. No justification was given for that particular figure.
31. The Notice of Confirmation was also based on the assumption that the student housing market in Ottawa was not as tight as described.
32. Moreover, the Notice of Confirmation was based on the determination that the legal issue was whether the first use of each unit in the Subject Building was or would be the primary place of residence of a lessor of the complex for a period of at least one year. The Minister had not referred to this legal issue concerning the residence of a lessor of the complex before issuing the Reassessment.

(D) ISSUES TO BE DECIDED:

33. The issues to be decided are whether the Minister:

- (a) erroneously considered and applied the Act;
- (b) erroneously determined with respect to 448 units in the Subject Building that all of the individuals who had signed initial leases of less than 12 months for these units, and who subsequently did not renew their leases at the end of the initial terms for a total period of 12 continuous months, could not reasonably have been expected by the Appellant at the particular time of August 31, 2016 to subsequently renew their leases at the end of the initial terms for a total period of 12 continuous months;
- (c) erroneously reassessed and confirmed the Reassessment on the basis that only 147 units in the Subject Property met the requirements of a “qualified residential unit” (“QRU”) in subsection 256.2(1) of the Act so as to be eligible for the NRRPR, resulting in an increase in HST payable of \$2,286,455.00, plus interest;
- (d) if the Minister’s determination was not correct, whether the Appellant is eligible for an NRRPR in excess of the amount for which the Appellant had applied.

(E) STATUTORY PROVISIONS RELIED UPON:

34. The Appellant relies, *inter alia*, upon sections 221, 225, 296, 297 and 298; and subsections 123(1), 256.2(1) and 256.2(3) in Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended (the “Act”).

(F) **REASONS THE APPELLANT INTENDS TO RELY ON:**

35. The Appellant respectfully submits that the only statutory provision in issue in this appeal is subparagraph 256.2(1)(a)(iii) of the Act. The Minister did not identify any other issues with the conditions of the NRRPR in section 256.2 of the Act.
36. The Appellant submits that **it was the case, or could reasonably be expected by the Appellant at the particular time to be the case**, that the first use of each unit in the Subject Building was or would be as a place of residence of individuals, each of whom was given continuous occupancy of the unit, under one or more leases, for a period throughout which the unit was used as the primary place of residence of that individual of at least one year. Therefore, each unit in the Subject Building was a QRU under subparagraph 256.2(1)(a)(iii), clause (B) of the Act.
37. The Appellant submits that the Minister incorrectly confirmed the Reassessment by misapplying subparagraph 256.2(1)(a)(iii), clause (A) of the Act, since neither the Appellant nor a relation of the Appellant resided in the Subject Building.
38. The Appellant submits that the Minister incorrectly reassessed and confirmed the reassessment based on the determination that only the units in the Subject Building, for which **it was the case** that the first use was under a lease term or continuous lease terms totalling 12 months, meet the definition of a QRU in subsection 256.2(1) of the Act. The Appellant agrees that these units meet the definition of a QRU but they were not the only units to meet that definition.

39. Regarding the remaining 448 units in the Subject Building, the first use of which was not under a lease term or continuous lease terms totalling 12 months, the Appellant submits that, at the particular time, **it could reasonably be expected by the Appellant to be the case**, that first use of the units would be as a place of residence of individuals, each of whom would be given continuous occupancy of a unit, under one or more leases, for a period, throughout which the unit would be used as the primary place of residence of that individual, of at least one year. Therefore, each unit is a QRU as defined in subparagraph 256.2(1)(a)(iii), clause (B) of the Act.
40. It is the Appellant's submission that the Notice of Confirmation demolished the Minister's reassessing position, by acknowledging that it could be argued and it might have been reasonable to believe that a percentage of the leases with less than 12-month terms would be renewed. If the Notice of Confirmation is correct, the Appellant submits that the percentage is 88% in accordance with the survey mentioned in paragraph 18 above, and not the arbitrary figure of 2% chosen by the Minister.
41. The Appellant further submits that the Notice of Confirmation disregarded the Minister's assumptions, in determining the fair market value of the Subject Building, that the Ottawa student housing market was tight and undersupplied, and that the occupancy rate of the Subject Building was expected to be 97%.
42. The Appellant submits that its reasonable expectation at the particular time concerning the renewal of the leases with less than 12-month terms was initially thwarted by the consequences of the delay in completing the Subject Building, and that the Appellant

could not have reasonably expected at the particular time that students would fail to renew their leases in a tight student housing market because they could no longer afford their accommodations, or were bothered by their roommates or construction noise, or for most of the other reasons specified in paragraph 18 above.

43. Further, regarding most of the reasons specified in paragraph 18 above, the Appellant could not and did not have knowledge of these circumstances which would ultimately cause these students not to renew their leases. The Appellant and the students only gained this knowledge subsequent to the particular time.
44. The Appellant further submits that it is eligible for an NRRPR in excess of the amount for which the Appellant had applied, since the Reassessment assumed that the fair market value of the Subject Building was \$64,560,000.00, and not the lower value of \$47,622,786.00 on which the Appellant based its application for the NRRPR.
45. For the foregoing reasons, the Appellant respectfully submits that the Minister misapprehended the facts and the law, and erroneously reassessed and confirmed the Reassessment on the basis that only 147 units in the Subject Property met the requirements of a QRU in the Act so as to be eligible for the NRRPR, resulting in an increase in HST payable of \$2,286,455.00, plus interest.

(G) RELIEF SOUGHT:

46. The Appellant respectfully requests that this Honourable Court allow this appeal with costs and vacate the Reassessment, on the basis that its application for the NRRPR should be allowed in full or, in the alternative, for 88% of the units with leases that were not

renewed as set out in paragraph 40 above, based on the fair market value of the Subject Building of \$64,560,000.00.

DATED at Ottawa, Ontario this th20 day of July, 2022.



SHELLEY J. KAMIN

Barrister & Solicitor

441 MacLaren Street, Suite 200B

OTTAWA, ON K2P 2H3

(613) 567-9085

(866) 519-3203 (fax)

Counsel for the Appellant

TO: The Registrar
Tax Court of Canada
200 Kent Street
Ottawa, ON K1A 0M1

2195186 ONTARIO INC.

- and -

HER MAJESTY THE QUEEN

APPELLANT

RESPONDENT

Court file no.

TAX COURT OF CANADA
Proceeding commenced at Ottawa

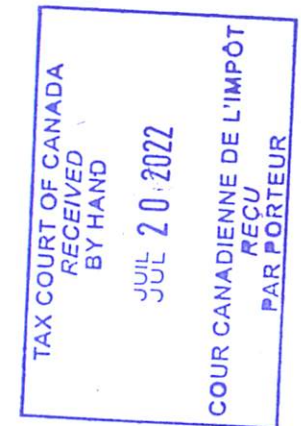
NOTICE OF APPEAL

SHELLEY J. KAMIN

Barrister and Solicitor
441 MacLaren Street, Suite 200B
Ottawa, Ontario
K2P 2H3

Tel: (613) 567-9085
Fax: (866) 519-3203

Solicitor for the Appellant



Appendix “C”



**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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1.2	Restrictions.....	2
1.3	Court Materials	3
1.4	Currency	3
2.0	Background	3
3.0	Funds Transfer Order.....	3
4.0	Conclusion and Recommendation	5

Appendices

Appendix

Tab

Decision dated December 20, 2024.....	A
Interim Receivership Order	B
Receivership Order	C
Interim Receiver's First Report dated February 14, 2025 (without appendices)	D

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**

Appendix “D”



**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 errors 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	➤ 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	➤ CBRE and the Receiver to: ○ prepare a Teaser; ○ populate an online data room; ○ prepare a CA; and ○ prepare a CIM.	
Prospect Identification	➤ 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	➤ Mass market introduction, including: ○ 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	➤ 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	➤ Prospective purchasers to submit PSAs.	
Phase 3 – Offer Review and Negotiations		
Bidding	➤ 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	➤ Select successful bidder and finalize definitive documents.	
Due Diligence Period (if required)	➤ 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	➤ 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 “E”

July 17, 2024

Address:
18 Antares Drive
Ottawa ON
K2A 1E9

Attention: Mr. David Choo

**RE: Engagement of CMLS Realty Ltd. as Listing Agent for the sale of 101 Champagne Ave.,
Ottawa, ON**

We understand that 2195186 ONTARIO INC. (referred to herein as the "**Vendor**" or "**you**") is considering the sale of a 100% interest in 101 Champagne Ave., Ottawa, ON (the "**Property**" or "**Envie Little Italy**"), as more fully described in Schedule A hereto (the "**Transaction**"). We further understand the Vendor is considering an asset sale, or alternative structures to complete the Transaction on terms that are no less advantageous to the Vendor.

By your acceptance of this agreement, you hereby appoint CMLS Realty Ltd. (referred to herein as "**CMLS**" or, the "**Brokerage** ") in respect of the Transaction on the terms and conditions set out below.

1. Responsibilities. The Listing Agents' responsibilities will include:

- (a) conducting such pre-marketing investigations and due diligence activities as are required to establish an estimate of market value for the Property at stabilization, including, but not limited to, the review of leases and operating budgets, property market research, financial analyses and any third-party reports that are made available to the Listing Agents by the Vendor;
- (b) preparing all Marketing Materials (as defined below) for the Property, and managing the marketing and sale process, including the bid process and the coordination and control of all confidential information related to the Property and the Transaction;
- (c) creating and managing the electronic data room;
- (d) identifying, approaching, conducting discussions with and soliciting expressions of interest from prospective purchasers to a Transaction;
- (e) assisting the Vendor in evaluating and qualifying any and all expressions of interest, letters of intent and offers in respect of the Transaction;
- (f) assisting the Vendor in negotiating the form, structure, terms and price of the Transaction;
- (g) if an offer is executed by the Vendor and a prospective purchaser, supervising and monitoring such purchaser's due diligence review of the Property;

- (h) together with the Vendor's legal counsel, assisting in negotiating documentation necessary to complete the Transaction;
- (i) providing such other financial advisory services to the Vendor in connection with the Transaction as the Vendor may require, acting reasonably; and
- (j) will arrange for the Vendor's form of confidentiality agreement to be executed by prospective purchasers and the Vendor prior to issuance of Marketing Materials and as further defined in section 7 below.

2. **Exclusivity.** You agree that during the Term of this agreement, the Listing Agents will be your sole and exclusive representatives and advisors with the authority to market and offer the Transaction and to solicit offers for the Transaction. You agree to immediately refer to the Listing Agents all contacts and inquiries with respect to a potential Transaction, whether by way of an asset sale, or share sale, howsoever received. In this agreement, "**Transaction**" means a transaction by which the purchaser acquires, directly or indirectly, an interest in the Property.

3. **Certain Acknowledgements of the Listing Agents.** The Listing Agents hereby acknowledge and agree that:

- (a) unless the parties expressly agree in writing to the contrary, they are acting solely as agent for the Vendor and not as agent for any purchaser. The Listing Agents shall act as an independent contractor under this agreement, and not in any other capacity, owing a fiduciary duty to the Vendor, and any duties arising out of this agreement shall be owed solely to the Vendor;
- (b) unless the parties expressly agree in writing to the contrary, all information provided to it by the Vendor related to the potential Transaction is confidential and such information will not be used other than in furtherance of the purposes of this agreement, provided that this confidentiality obligation will not apply to information now in the public domain, to information which may subsequently become public other than through breach by the Listing Agents or Brokerage of their obligations hereunder, to information disclosed to the Listing Agent or Brokerage by third parties in respect of which such third parties are not under any known obligation of confidentiality, to information which is required by law or regulatory authority to be disclosed or information that is independently developed by the Listing Agents and/or Brokerage without use of confidential information;
- (c) authority is limited to the authority granted to the Listing Agents and/or Brokerage under this agreement and the Listing Agents and/or Brokerage has no authority to bind the Vendor;
- (d) the Vendor shall have sole and unfettered discretion whether or not to accept any offer or any terms and conditions therein. The Vendor shall be under no obligation to proceed with a proposed transaction if it determines, in its sole discretion, that it is not advisable to proceed;
- (e) the Listing Agents and Brokerage are, and shall continue to be during the currency of this agreement, licensed real estate brokers under the laws of the Province of Ontario. The Listing Agents and Brokerage shall immediately advise the Vendor if at any time they cease to be so

licensed, and the Vendor shall be entitled to terminate this agreement immediately without the payment of any Sales Fee whatsoever

4. Certain Acknowledgements of the Vendor. The Vendor hereby acknowledges and agrees that:

- (a) the Vendor is not relying on the Listing Agents and/or Brokerage for tax, legal or accounting advice and the Vendor will consult with its own advisors concerning such matters and for making its own independent appraisal of a Transaction;
- (b) any advice rendered by the Listing Agents and/or Brokerage or any of its representatives in connection with this agreement is for the confidential use of the Vendor only in its evaluation of a Transaction and is not to be delivered to, or relied upon, by any other person or used for any other purpose without the Listing Agents and/or Brokerages' prior written consent; and
- (c) other than in relation to the Property or a proposed Transaction: (i) the Listing Agents and/or Brokerage may from time to time act as agent on the sale of other properties that may be similar to the Property, and (ii) the Listing Agents and/or Brokerage may from time to time act as agent for more than one seller. In the event any such listing be viewed as competitive with the offering under this Agreement the Listing Agents will disclose to the Vendor such listing. Should the Vendor deem it to be a conflict of interest, the Listing Agents will refer such listing to another agent.

5. Listing Price. In accordance with the Vendor's instructions, the interest in the Property will be offered for sale without a stipulated asking price. If you subsequently wish to stipulate an asking price, you and the Listing Agents will enter into a written amendment of this agreement to provide for such stipulated asking price.

6. Marketing the Property. The Listing Agents will keep you fully informed as to the progress in marketing the Property. The Listing Agents acknowledges that you are not obliged to accept any offer to purchase any interest in the Property.

7. Marketing Materials. As part of the marketing plan, the Listing Agents will prepare a Confidential Information Memorandum (the "**CIM**") that describes the salient attributes of the Property and the Transaction. The Listing Agents will provide you with a draft of the CIM relating to the Property for your approval before it is provided to any interested parties (the CIM and any other marketing materials the Listing Agents prepares being collectively referred to as the "**Marketing Materials**"). You agree that when the Listing Agents submits a draft of the CIM (or any other Marketing Materials) to you for your approval, you will promptly review the draft to confirm the accuracy of the information it contains and provide the Listing Agents with written confirmation that it is accurate or specifying any inaccuracies (including any omissions). The Listing Agents will be entitled to rely upon such notice without independent verification. You will also advise the Listing Agents of any subsequent new facts or changes which come to your attention and which are material to the information contained in the CIM (or any other Marketing Materials) as soon as possible after you become aware of them. Prior to providing any prospective purchaser with any Marketing Materials, the Listing Agents shall obtain from the prospective purchaser a duly executed confidentiality agreement, in a form approved by the Vendor, and obtain the prior approval of the Vendor. The Listing Agents shall provide the Vendor, with a list of all persons who

have received Marketing Materials. For greater certainty, the Vendor will bear sole responsibility for the accuracy and completeness of the Marketing Materials.

8. **Acknowledgements.** All Marketing Materials will contain the following disclaimer:

Neither the Vendor nor the Listing Agents make any representations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise and such information or statements should not be relied upon by prospective purchasers without independent investigation and verification.

9. **Property Information.** You will provide the Listing Agents with all reports, plans, surveys, financial information, leases, mortgages, service agreements, financing agreements, joint venture agreements, planning and zoning materials and reports on the condition of the Property, and all other documents or materials relating to the Property that are in your possession or control or the possession or control of any of your affiliates which the Listing Agents needs to prepare the Marketing Materials. Without limiting the generality of the foregoing, the foregoing documents and materials will include all reports and other documents concerning the soil condition, environmental condition or the physical condition and area of the Property, all surveys and other documents prepared by land surveyors, all traffic studies, all reciprocal and cost sharing agreements with adjoining land owners, all development agreements, and any other relevant information, reports and documents relating to the Property, to the extent in your possession or control.
10. **Assistance from You and Your Advisors.** You will give the Listing Agent and Brokerage your full cooperation and assistance and make your legal counsel and, if necessary, your accountants, reasonably available to the Listing Agents to assist the Listing Agents in the review of information and the preparation of the CIM and other Marketing Materials. You will arrange for your legal counsel to prepare any documentation relating to any Transaction and to hold any deposit provided by a prospective purchaser in its trust account, if required.
11. **Access to the Property.** You agree to allow interested parties to have reasonable access to the Property on reasonable notice and during normal business hours in the presence of one of the Listing Agents, and at your option, one of your representatives, all in accordance with the security and access protocols relating to the Property.
12. **Third Party Brokers.** The Listing Agents agree to co-operate with a third-party agents, as directed by you, if (but only if) the third-party broker provides evidence satisfactory to the Listing Agents, acting reasonably, that it is retained to act on behalf of, and is being compensated by, the purchaser.
13. **Term of Engagement.** The term of this agreement will commence on the date specified on the first page of this agreement and end on **January 31, 2025** or such later date as may be mutually agreed upon by the parties in writing ("**Term**").
14. **Fees and Expenses.** If, during the Term or within 120 days thereafter, a Transaction is completed or a binding agreement of purchase and sale respecting a Transaction is entered into, you will pay the Listing Agents and Brokerage the Transaction Fee as in accordance with Schedule B attached

(the "**Transaction Fee**") after successful closing of such transaction in accordance with the agreement of purchase and sale respecting the Transaction. The Transaction Fee plus applicable taxes (e.g. HST), will payable to CMLS Realty Ltd.

For greater certainty, for any Transaction completed or any binding agreement of purchase and sale respecting a Transaction entered into (a) during the Term, the Transaction Fee is payable whether or not the Listing Agents made the initial contact or had any contact with the eventual purchaser and regardless of the identity of the eventual purchaser; and (b) during the period of 120 days following the Term, the Transaction Fee is payable only if the purchaser or any person in which the purchaser has any controlling interest or with whom the purchaser is not at arm's length (within the meaning of the *Income Tax Act* (Canada)) or with whom the purchaser is acting jointly or in concert was introduced by the Listing Agents, or was contacted, directly or indirectly, by the Vendor or the Listing Agents or our respective representatives during the Term, and provided that this agreement was not terminated by the Vendor due to a default by the Listing Agents, including pursuant to Section 18 hereof.

The "**Adjusted Sale Price**" means all monies or other consideration, exclusive of applicable taxes (e.g. HST), paid or otherwise given to you or your affiliates (which consideration will include, without limitation, securities of a corporation, REIT or other business entity) pursuant to the Transaction and will include the principal amount of all Property indebtedness directly or indirectly assumed by the purchaser, including the principal amount of any mortgage or other financing provided by you or your affiliates, less: (i) all costs associated with the assignment of, repayment of or otherwise dealing with the existing financing on the Property, including without limitation, all costs associated with an interest rate buy-down, any mark-to-market adjustments and/or any yield maintenance or similar payments to the lender (whether paid by the Vendor or a purchaser); (ii) rental guarantees that the Vendor may have to assume as a condition of sale; (iii) rent to be paid by the Vendor to a purchaser pursuant to a head lease or any other arrangement that the Vendor may have to enter into as a condition of Transaction; (iv) costs associated with any income subsidy or interest that the Vendor may have to grant or pay to a purchaser as a condition of the Transaction; (v) the sum total of all reserves, if any, that the purchaser requires to be withheld as a condition of the closing of the Transaction, for so long as such reserves are not paid to the Vendor; (vi) construction costs, financing costs or leasing costs (including improvement allowances, leasing commissions and landlord's work) actually paid by the Vendor in connection with new leases (including offers to lease) entered into subsequent to the launch of the marketing of the Property; and (vii) any other like costs, incentives or inducements paid or granted by the Vendor to expedite the sale of the Property. Notwithstanding the foregoing, if any Transaction fails to close as a result of the willful default, or wrongful termination of the Transaction, by you or any of your affiliates, the Transaction Fee will be due and payable by you to the Listing Agent and Brokerage immediately upon such default or termination, whichever first occurs, and will be calculated on the basis that the Adjusted Sale Price is the amount that would have been paid or otherwise given had your agreement of purchase and sale with the purchaser respecting a Transaction been completed in accordance

with such agreement. For greater certainty, if a Transaction is not completed for any other reason, no Transaction Fee shall be payable.

The Listing Agent will be responsible for all marketing expenses associated with producing the Marketing Materials. The Vendor will be responsible for expenses associated with its own tax, legal and accounting advice, as well as the costs associated with any third-party reports that may be required, including but not limited to, any environmental reports. The Vendor will also be responsible for the payment of all applicable federal or provincial goods and services taxes and any other similar taxes relating to our services hereunder or the payment of the Transaction Fee and any expenses.

- 15. Indemnification.** Each of the Vendor and the Listing Agents and Brokerage agree to indemnify and hold harmless the other and the other's affiliates, directors, officers, employees and agents (whom, for the purposes of this Section 15, are included in the definition of Vendor and Brokerage, respectively), to the full extent lawful, from and against all expenses, losses, damages and liabilities of any nature (including the reasonable fees and expenses of their counsel but not including loss of profits and any other special, indirect or consequential damages) (collectively, "**Losses**") that are incurred as a result of any Claims (as defined below), including, without limitation, losses incurred in investigating, defending and/or settling any such Claims, insofar as such Claims arise out of or are based upon, directly or indirectly, the obligations of the Vendor or the Listing Agents and/or Brokerage pursuant to this agreement or incurred in enforcing this indemnity. This indemnity and hold harmless covenant will not extend to Claims to the extent that such Claims result from the negligence or willful misconduct of the Vendor or Listing Agents and/or Brokerage, as the case may be, claiming indemnity. "**Claims**" means third-party claims, actions, suits, proceedings, investigations and/or claims that may be made or threatened against the Vendor or Listing Agents and/or Brokerage or which the Vendor or Listing Agents and/or Brokerage may otherwise incur or become subject or otherwise involved in any capacity. The parties also agree that neither the Vendor nor the Listing Agents and/or Brokerage will have any liability to the other arising out of or based upon, directly or indirectly, the obligations of such party pursuant to this agreement, except to the extent that such liability is determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the Vendor's or the Listing Agents and/or Brokerages' negligence or willful misconduct. Furthermore, in no event will the Vendor or the Listing Agent and/or Brokerage be liable for any loss of profits or any other special, indirect or consequential damages.
- 16. Survival.** The provisions of section 14 (Fees and Expenses), section 15 (Indemnification), section 16 (Survival), section 17 (Announcements), section 18 (Anti-Bribery & Corruption Certification), section 19 (Right to Audit), section 21 (Disclosure of Advice), and section 23 (Other Matters) and the confidentiality obligations in section 3 will survive the expiry and termination of this agreement.
- 17. Announcements.** It is understood that, unless the Vendor has provided prior written approval, the Broker **will not** place advertisements or announcements in any newspapers, periodicals or other publications, or otherwise disclose to third parties, that the Broker has acted as your exclusive representatives and advisors in connection with the Transaction.

18. Anti-Bribery & Corruption Certification. The Listing Agents and Brokerage warrants and undertakes to the Vendor that:

- (a) they have not offered, promised, given or agreed to give and shall not during the term of this agreement offer, promise, give or agree to give to any person any bribe on behalf of the Vendor or otherwise with the object of obtaining a business advantage for the Vendor or otherwise;
- (b) they will not engage in any activity or practice which would constitute an offence under any applicable anti-bribery and/or anti-corruption laws, including but not limited to the *United States Foreign Corrupt Practices Act of 1977*, the *United Kingdom's Bribery Act 2010* and *Canada's Corruption of Public Officials Act*,
- (c) they have and during the currency of this agreement will maintain in place their own policies and procedures to ensure compliance with any applicable anti-corruption laws;
- (d) they will ensure that any person who performs or has performed services for or on their behalf ("**Associated Persons**") in connection with this agreement complies with this Section;
- (e) they will not enter into any agreement with any Associated Person in connection with this agreement, unless such agreement contains undertakings on the same terms as contained in this Section;
- (f) they have and will maintain in place effective accounting procedures and internal controls necessary to record all expenditures in connection with this agreement;
- (g) from time to time during the term of this agreement, at the reasonable request of the Vendor, they will confirm in writing that they have complied with its undertakings under this Section and will provide any information reasonably requested by the Vendor in support of such compliance;
- (h) report to the Vendor as soon as practicable any request or demand for any improper payments or other improper or undue financial or other advantage of any kind received by the Broker from the Vendor or any other person in connection with the performance of this agreement; and
- (i) they shall notify the Vendor as soon as practicable of any breach of any of the undertakings contained in this Section of which they become aware. In the event that the Vendor has at any time during the currency of this agreement reasonable cause to believe that the Listing Agents and/or Brokerage is in breach of any of the provisions of this Section, the Vendor may unilaterally suspend performance of or terminate this agreement with the Listing Agent and Brokerage with immediate effect by the service of written notice to the Listing Agent and Brokerage.

19. Right to Audit. The Brokerage shall, at all times during the Term of this Agreement and for a period of five years after the completion of this agree

20. ment, maintain such financial and related records in connection with this agreement and on the reasonable request of the Vendor, the Brokerage shall, on a mutually agreeable date, make such records available for inspection and audit by the Vendor together with such supporting or underlying documents and materials (all of which may be provided electronically). The Vendor agrees not to exercise its rights pursuant to this section more than once every year, except where (i) the Vendor has reasonable cause, or (ii) a Claim has already been commenced.
21. **Disclosure of Advice.** Except as expressly provided herein, all advice, opinions, analysis and materials provided by the Listing Agents in connection with a potential Transaction are intended solely for the benefit and internal use of the Vendor. Unless required by applicable law or the policies, rules or requirements of securities regulatory authorities, (i) the advice, opinions, analysis and materials provided by the Listing Agents and Brokerage in connection with a proposed Transaction will not be disclosed, quoted or referred to in any public disclosure document, report or release prepared, issued or transmitted for dissemination to the public by the Vendor or any agent or representative thereof, without the prior written consent of the Listing Agents and Brokerage, which consent shall not be unreasonably or arbitrarily withheld, and (ii) the Vendor shall not disclose the fees specified herein in any public disclosure document, report or release. Notwithstanding the foregoing, nothing herein is intended to constrain the Vendor in the use of concepts and materials developed in connection with a proposed Transaction for other transactions so long as responsibility for such is not attributed to the Listing Agents and Brokerage`1.
22. **Other Matters.** This agreement will ensure to the benefit of and be binding upon the parties hereto and their respective successors. This agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario. All financial references in this agreement are to Canadian dollars unless otherwise expressly indicated. This agreement is the entire agreement, except for the Vendor's Confidentiality Agreement as noted in the foregoing, between the parties relating to the Listing Agents and Brokerage's engagement as your representatives and advisors with respect to the Transaction. No waiver, amendment or other modification of this agreement will be effective unless in writing and signed by each party hereto. This agreement may not be assigned by either party hereto without the other party's prior written consent, which may be unreasonably withheld, provided that the Brokerage may assign its rights and obligations in connection with a sale or other disposition of all or substantially all of its assets or similar transaction. Time is of the essence of this agreement and of every part of this agreement and no extension or variation of this agreement will operate as a waiver of this provision.

This agreement may be executed and delivered in one or more counterparts (including counterparts by facsimile or pdf), which together will constitute an original copy.

If the foregoing is in accordance with your understanding, please indicate your agreement by dating, signing and returning the enclosed duplicate copy of this agreement.

[Signatures appear on the following page]

If the terms of this Engagement Letter are acceptable, please communicate your acceptance by executing this Engagement Letter and returning to it the Broker prior to 5:00 pm (Eastern Standard Time time) on July 18, 2023.

Very truly yours,

CMLS REALTY LTD.

Signed by:



3AD491424A7A486...

Name: Angelo Lamanna

Title: Managing Broker, Vice President,
National Advisory

Accepted and agreed to this 17 day of July, 2024.

2195186 ONTARIO INC.

DocuSigned by:



4B012CC68B9644D...

Authorized Signatory

David Choo

CEO

SCHEDULE A

P.I.N.	Legal Description
041020340	PART LOTS 7, 8, 9, 10, 11 AND PART LANE, AS CLOSED BY ORDER CR234928 PLAN 131037, PART 1 PLAN 4R29600 SUBJECT TO AN EASEMENT AS IN OC1804530 SUBJECT TO AN EASEMENT IN GROSS OVER PART 2 PLAN 4R33801 AS IN OC2393098 CITY OF OTTAWA

SCHEDULE B
TRANSACTION FEE

Fee Schedule

<u>Adjusted Sales Price</u>	<u>Transaction Fee</u>
Up to Threshold Value of \$[●]	0.75%
Performance Bonus above Threshold Value of \$[●]	1.25%

Appendix “F”

IMPORTANT NOTICE TO ALL RESIDENTS – PLEASE READ

MAY 16, 2025

Pursuant to the Order of Justice Mew dated February 24, 2025 (the “**Appointment Order**”) in Court File No. CV-24-00098058-0000 (the “**Receivership**”), KSV Restructuring Inc. was appointed receiver (in this capacity, the “**Receiver**”) over, among other entities, 2195186 Ontario Inc. (the “**Debtor**”).

The Debtor is the registered owner of 101 Champagne Avenue South, Ottawa (“**Envie I**”), the apartment building in which you are a tenant. Following its appointment, the Receiver retained Varsity Communities, a division of Keilty Realty Management Inc. (“**Keilty**”), as the property manager for Envie I.

The Receiver recently entered into a conditional agreement of purchase and sale for Envie I. As part of the potential purchaser’s due diligence under that agreement, it retained Pinchin Ltd. (“**Pinchin**”), an environmental consulting firm to, among other things, perform a building condition assessment of Envie I.

On May 14, 2025, Pinchin provided the Receiver with a draft report which summarized the results of laboratory testing performed on samples taken at locations throughout Envie I where mould was suspected to be present. This laboratory testing has confirmed the presence of mould in 57 of the 185 residential units at Envie I¹.

Reference materials on mould in the home can be found at the Health Canada website at this link: www.canada.ca/en/health-canada/services/air-quality/indoor-air-contaminants/reduce-humidity-moisture-mould.html

Among other things, Pinchin has recommended that the findings of its investigation be communicated to the residents of Envie I, and that any residents who are experiencing adverse health effects or with greater sensitivity to mould to relocate.

The Receiver is currently retaining another environmental engineering firm to investigate the mould conditions at Envie I, and expects to have the results by the end of May. Following completion of the investigation, the Receiver will communicate the next steps to address the mould, including the impact on tenancies, if any.

The Receiver recognizes that, pending the results of its own investigation, some tenants may wish to surrender their lease prior to the end of their term and vacate their unit. If you wish to do so, please contact Envie@KEILTY.com by no later than May 30, 2025, and a member of the Keilty team will prepare a Mutual Lease Termination Agreement (N11) that provides for termination of your lease effective on June 30, 2025, and no additional out-of-pocket rent payable beginning June 1, 2025 (assuming a last month’s rent deposit was provided, and a termination date as of June 30, 2025). In the event you did not provide a last month’s rent deposit, you will still be required to pay June rent.

Attached is an FAQ regarding the offer of early termination of your tenancy. If you wish to speak with someone directly about the situation, please contact Keilty at 613 – 777 - 4960 or Envie@KEILTY.com to schedule a meeting or phone call.

¹ The Receiver has requested that Pinchin confirm this finding.

Tenant FAQ: Building-Wide Mould Assessment & Offer of Early Lease Termination (May 16, 2025)

Issued by: Varsity Communities, a division of KEILTY Realty Management Inc.

Date: 2025-05-16

Contact: Envie@KEILTY.com or 613-777-4960

Building: Envie I (101 Champagne Avenue South, Ottawa)

1. Why am I receiving this notice?

You are receiving this notice because an environmental engineer has assessed the Building and confirmed by laboratory analysis the presence of mould in 57 of the 185 residential units at Envie I¹. Investigations are ongoing regarding the extent of the presence of mould and the remediation work that may be necessary to address it.

2. What is mould remediation?

Mould remediation is the process of removing mould growth, repairing underlying causes, and restoring affected areas to a safe condition. It involves specialized cleaning, removal of materials, and may include structural repairs.

3. How serious is the health risk?

Exposure to mould—especially over time—can lead to respiratory problems, allergic reactions, skin irritation, and worsening of existing health conditions, particularly in children, seniors, and people with asthma or allergies.

Reference materials on mould in the home can be found at the Health Canada website at this link:

www.canada.ca/en/health-canada/services/air-quality/indoor-air-contaminants/reduce-humidity-moisture-mould.html

4. Are we forced to continue with our tenancy?

At this point, we are not requiring residents to vacate their units. However, for any residents who are concerned about their health and safety in the circumstances, we are offering an early termination of their lease.

5. Are you evicting me?

No. This is not an eviction. We are offering to end leases by mutual agreement.

¹ This finding is to be confirmed by the environmental engineer.

6. What happens if I agree to the lease termination?

You will sign a mutual lease termination agreement, which will allow you to move out by June 30, 2025, or sooner if you prefer.

7. Can I leave earlier than June 30?

Yes. You may vacate and end your lease at any time before June 30. We will support earlier move-outs and coordinate final inspections and paperwork.

8. What will happen to my last month's rent deposit?

Pursuant to the Order of Justice Mew dated February 24, 2025 (the “**Appointment Order**”) in Court file No. CV-24-00098058-0000 (the “**Receivership**”), KSV Restructuring Inc. was appointed receiver (in this capacity, the “**Receiver**”) over 2195186 Ontario Inc. (the “**Debtor**”). Rent deposits paid prior to the Appointment Order are unsecured claims in the Receivership of the Debtor, and will be dealt with at a later date. If you sign a mutual lease termination agreement, you will be provided a credit for your last month's rent deposit against your last month's rent.

9. Will I receive any compensation for moving?

There is no financial compensation required under law when a lease is ended by mutual consent, and the Receiver is not in a position to provide any form of financial assistance. However, we are committed to making this transition as smooth as possible and may be able to offer flexible move-out scheduling or references.

10. Can I get help finding another place to live?

Yes. We are happy to provide recommendations, referrals, or contact info for rental listings and local landlords in the area.

11. Can I lease another unit in your portfolio?

Possibly. If we have vacancies in other properties we manage, we will give priority consideration to current residents seeking a transfer. Please reach out for options.

12. What if I just signed to pre-lease a unit to move into in the future?

If you are a pre-lease tenant and choose not to proceed with your tenancy, we are contacting you immediately to discuss options. You may choose to cancel the lease with a full refund of any rent or deposits paid.

13. Will I be charged for repairs or damages?

No, not for the mould-related issues. However, standard move-out inspections will still apply for any unrelated unit damage beyond normal wear and tear.

14. Can I speak with someone directly about my situation?

Yes. Please contact our team at Envie@KEILTY.com or 613-777-4960 to schedule a meeting or phone call.

15. Will I need to clean or repair the unit before I leave?

We ask that units be left in a reasonably clean condition, with all personal belongings removed, but you are not responsible for remediating any mould.

16. What documents will I need to sign?

You will be asked to sign a Mutual Lease Termination Agreement (N11) confirming the move-out date and release of further obligations.

17. What if I am currently on a fixed-term lease?

This offer applies to all tenants—month-to-month and fixed-term. The mutual termination will override the end date of your lease once signed.

18. Can I get legal advice before signing anything?

Yes. You have the right to consult the Landlord and Tenant Board, Community Legal Clinics, or a lawyer before signing any documents. However, pursuant to the Appointment Order, no legal proceedings can be brought in respect of the Building before the Landlord and Tenant Board or otherwise, without leave of the Court or the consent of Receiver. Any legal proceedings are to be brought within the Receivership.

Appendix “G”

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is made as of the 21st day of February, 2025.

B E T W E E N:

HS CANADA 101 CHAMPAGNE, L.P. by its general partner, HS CANADA 101 CHAMPAGNE GP INC.

(the “**Buyer**”)

- and -

KSV RESTRUCTURING INC.,

solely in its capacity as the Court-appointed Interim Receiver, without security, of the property and lands listed on Schedule 1 hereto (the “**Lands**”) and all of the property, assets and undertaking of 2195186 Ontario Inc., and not in its personal capacity or in any other capacity

(in such capacity, the “**Seller**”)

WHEREAS by order of the Ontario Superior Court of Justice (the “**Court**”) dated December 20, 2024, as amended from time to time, KSV Restructuring Inc. was appointed Interim Receiver of the Lands and all of the property, assets and undertaking of 2195186 Ontario Inc. (the “**Debtor**”), and all proceeds thereof (the “**Interim Receivership Proceedings**”);

AND WHEREAS the parties have agreed upon the purchase and sale of the Assets on the terms set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements contained herein, the parties agree as follows:

ARTICLE 1 GENERAL CONTRACT PROVISIONS

1.1 Defined Terms

Where used in this Agreement, unless the context otherwise requires, the following words and phrases with capitalized first letters shall have the meanings set forth below:

“**Acceptance Date**” means the date this Agreement has been executed and delivered in full by each of the parties hereto.

“**Adjustment Date**” is defined in section 3.6(d)(iii).

“**Affiliate**” or “**Affiliated**” means with respect to any Person, (i) any other Person that directly, or through one or more intermediaries, Controls or is Controlled by or is under common Control with such Person; (ii) any other Person that is an officer, director, partner, member, principal, manager

or trustee of or serves in a similar capacity with respect to such Person, or (iii) any other Person in which such Person, directly or indirectly, is a partner, principal, shareholder, member, beneficiary or otherwise an owner. For purposes hereof, the term “**Control**” of Person shall mean the power, directly or indirectly, to direct or cause the direction of management and policies of such Person, whether through ownership of voting securities, by contract or otherwise and the term “**Controlled**” has a correlative meaning.

“**Agreement**” means this agreement of purchase and sale, including all written amendments and written restatements thereto from time to time.

“**Alternative Financing**” is defined in section 3.6(d).

“**Appeal**” is defined in section 3.11(b).

“**Applicable Laws**” means, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, by-law, ordinances, protocols, regulatory policies, codes, guidelines, official directives, order, judgment, rulings, decree, treaty or other requirement having the force of law relating or applicable to such Person, property, transaction, event or other matter.

“**Application**” is defined in section 3.6(a).

“**Approval and Vesting Order**” is defined in section 3.11(a).

“**Assets**” means, collectively, the Assumed Contracts, Property, Equipment, Purchased Intellectual Property and Warranties.

“**Assumed Contracts**” is defined in section 3.7.

“**Balance**” is defined in section 2.7(c)(iii).

“**Buildings**” means collectively, the buildings, structures, erections, improvements and appurtenances located on, in or under the Lands.

“**Business**” means the business of operating a multi-unit student residential rental property.

“**Business Day**” means a day on which the banks are open in the Province of Ontario, but does not include Saturdays, Sundays and statutory holidays observed in the Province of Ontario and/or observed in the State of Illinois.

“**Buyer**” is defined in the recitals of this Agreement.

“**Buyer’s Solicitors**” means the law firm of Goodmans LLP, address: 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7, Attention: Jon Northup, email: jnorthup@goodmans.ca and Ira Barkin, email: ibarkin@goodmans.ca.

“**Claims**” means all past, present and future claims, charges, suits, proceedings, liabilities, deficiencies, demands, controversies, actions, causes of action, obligations, losses, damages, penalties, orders, judgments, costs, expenses, fines, amounts paid in settlement, disbursements, legal fees on a substantial indemnity basis, and other professional fees and disbursements, interest,

demands and actions of any nature or any kind whatsoever, including, without limitation, any labour grievances, pay equity claims, and successor employer claims.

“**Closing**” is defined in section 2.1.

“**Closing Date**” means the next Business Day after the 30th day following the later of: (a) the Condition Date, (b) the date that the Buyer gives the notice waiving the termination provisions of section 3.4, or (c) the date of issuance of the Approval and Vesting Order, provided that the Buyer may, in its sole discretion, accelerate the Closing Date to any Business Day after the later of (a), (b) or (c) above by delivery of written notice to the Seller no less than five (5) Business Days prior to the proposed Closing Date; or such other Business Day as the Buyer and the Seller mutually agree, subject to extension as set out in section 3.4 (if applicable). “**Closing Documents**” means collectively, the documents delivered pursuant to section 7.1 and section 7.2.

“**CMHC**” means Canada Mortgage and Housing Corporation.

“**Condition Date**” means the next Business Day after the 30th day following the Acceptance Date, subject to extension as set out in section 3.4.

“**Contracts**” means the contracts, agreements and arrangements (including all assignable construction warranties with respect to the Property, but excluding the Leases) related to the Property, a list and copies of which shall be made available to the Buyer as part of the Due Diligence Material.

“**Court**” is defined in the recitals of this Agreement.

“**Debtor**” is defined in the recitals of this Agreement.

“**Deposit**” means the First Deposit and, if and when paid, the Second Deposit.

“**Due Diligence Material**” means all relevant documentation related to the operation, maintenance, repair and physical state of the Property including the materials listed in Schedule 4 hereto to the extent in the possession or control of the Seller.

“**Encumbrances**” means any security interest, lien, charge, pledge, debenture, encumbrance, mortgage, easement, encroachment, right-of-way, execution, right of first refusal, option, restrictive covenant, license, lease, agreement, trusts (including deemed trusts) or any other Claims of any nature or kind, whether financial or otherwise or registered or unregistered charging or affecting the Assets or any part thereof or interest therein.

“**Equipment**” is the equipment (in the nature of chattels, including appliances) and the furniture owned by the Seller and which are situated in, on or around the Property and used exclusively in the maintenance, repair or operation of the Property, a list of which shall be made available to the Buyer as part of the Due Diligence Material.

“**ETA**” means the *Excise Tax Act* (Canada), as such statute may be amended, modified or replaced from time to time, including any successor statute.

“**First Deposit**” is defined in section 2.7(a).

“Fraud” means actual, intentional fraud.

“Governmental Authority” means any government, regulatory authority, government department, agency, utility, commission, board, tribunal or court having jurisdiction on behalf of any nation, province or state or other subdivision thereof or any municipality, district or other subdivision thereof.

“GST/HST” means the goods and services tax and/or harmonized sales tax payable pursuant to the ETA.

“Intellectual Property” means any and all patents, copyrights, trademarks, business names, trade secrets, knowhow, inventions (whether or not patentable), algorithms, software programs (including source code and object code), processes, protocols, product designs, industrial designs, blueprints, drawings, data, URLs and domain names, specifications, documentations, reports, catalogs, literature, photographs, floor plans and any other forms of technology or proprietary information of any kind, including for greater certainty, all policies, procedures, manuals and training materials, including all rights therein and all applications for registration or registrations thereof.

“Interim Period” is the period of time from the Acceptance Date to the Closing Date.

“Interim Receivership Proceedings” is defined in the recitals of this Agreement.

“KSV” is defined in section 1.12.

“Lands” is defined in the recitals of this Agreement.

“Leases” means all leases, licenses, occupancy agreements and other instruments and agreements by which any person occupies, or has the right to occupy any portion of the Property, and **“Lease”** means any one of them.

“Mortgage” means the existing first mortgage and assignment of rents granted by the Debtor in favour of the Mortgagee and registered on November 24, 2017, in the Land Registry Office for the Land Titles Division of Ottawa-Carlton (No. 4) as Instruments no. OC1952534 and OC1952535, respectively, as well as all other security held by the Mortgagee as collateral or additional security thereto provided that same relates solely to the Property.

“Mortgage Assumptions” means the mortgage consent, assignment, assumption and additional loan documents (including, without limitation, new guarantees) required by the Mortgagee (and, if necessary, CMHC) in connection with the assumption of the Mortgage by the Buyer.

“Mortgagee” means Peoples Trust Company.

“Motion” is defined in section 3.14(a).

“New Interest Rate” is defined in section 3.6(d)(i).

“Notice” is defined in section 1.8.

“Original Rate” is defined in section 3.6(d)(i).

“Outside Adjustment Date” is defined in section 2.8(1).

“Permitted Encumbrances” are the Encumbrances listed in Schedule 3 hereto.

“Person” means an individual, corporation, partnership, limited partnership, trust, unincorporated organization, association or other entity.

“Pre-Closing Reorganization” means the potential reorganization of the Debtor to be set forth in a memorandum of Baker Tilley Canada, a copy of which shall be provided to the Buyer promptly upon the Seller’s receipt and which will contemplate, among other things, the amalgamation of the Debtor and an affiliate of the Debtor.

“Property” means, collectively, the Lands and the Buildings.

“Purchase Price” means [REDACTED].

“Purchased Intellectual Property” means all Intellectual Property rights and interests of the Seller related to the Business (insofar as it relates to the Property), but for greater certainty excluding any Intellectual Property rights related to the “Envie” branding.

“R&W Insurer” means CFC Underwriting Limited or such other reputable representations and warranties insurance company

“Receiver” is defined in section 1.12.

“Review Period” is defined in section 3.14(b).

“Second Deposit” is defined in section 2.7(b).

“Seller” is defined in the recitals to this Agreement.

“Seller’s Solicitors” means the law firm of Blaney McMurtry LLP, address: 2 Queen Street East, Suite 1500, Toronto, ON M5G 3G5, Attention: Eric Golden, email: egolden@blaney.com, and Shawn Wolfson, email: swolfson@blaney.com.

“Synthetic R&W Insurance” means the synthetic buyer-side representation and warranty insurance policy, if any, obtained by the Buyer from the R&W Insurer in connection with this agreement

“Tenant Receivables” is defined in section 2.8(e).

“Tenants” means Persons having a right to possess or occupy any space in or on the Property, now or hereafter, pursuant to a Lease.

“Time of Closing” means 4:00 p.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as the Seller and the Buyer may mutually determine in writing.

“Transaction” means the transaction of purchase and sale contemplated by this Agreement.

“Transferee” is defined in section 3.5.

“Warranties” means: (i) any and all guarantees, indemnities or contractual obligations of all contractors, subcontractors, and suppliers with respect to the construction, repair, and renovations to the Property and/or with respect to the supply of any Equipment; (ii) any and all warranties and/or indemnities on all machinery (including mechanical and electrical), equipment, systems, furnaces, roofing or otherwise with respect to the Property and/or the Equipment; and (iii) any and all monies payable to the Seller under the guarantees, contractual obligations or warranties referred to in (i) and (ii) of this definition of “Warranties” for the period from and after the Closing Date, in each case with full power and authority, to demand, collect, or sue for, recover, receive and give receipts for all monies payable thereunder, and otherwise to enforce the performance of the covenants thereunder, for the period from and after the Closing Date.

“Work Order” means any outstanding work order, building permit, deficiency notice, order to comply, inspector’s order, notice of non-compliance or similar directive in respect of the Property, except in respect of work done for or on behalf of a Tenant and for which such Tenant is responsible in accordance with the terms of its Lease, in each case issued in written or electronic form by a Governmental Authority having jurisdiction with respect to the Property pursuant to Applicable Laws.

1.2 Interpretation

Grammatical variations of any terms defined herein shall have similar meanings. Words importing the singular number shall include the plural and vice versa. Words importing the masculine gender shall include the feminine and neuter genders. The division of this Agreement into separate sections, subsections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Binding Effect

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns pursuant to the terms and conditions of this Agreement.

1.4 Time

Time shall be of the essence of this Agreement. Where anything is required to be done under this Agreement on a date which falls on a day that is not a Business Day, then the date for such thing to be done shall be the next Business Day, and, without limiting the foregoing, if the Closing Date is not a Business Day or a day on which the applicable land registry office for the Property is open for business, then the Closing Date shall be the next following Business Day on which all applicable registry offices for the Property are open for business.

1.5 Currency

Any reference in this Agreement to a monetary amount, including the use of the term “Dollar” or the symbol “\$”, shall mean the lawful currency of Canada unless the contrary is specified or provided for elsewhere in this Agreement.

1.6 Governing Law

All rights and obligations in connection with this Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and each of the Buyer and Seller irrevocably attorns to the jurisdiction of the Court.

1.7 Entire Agreement

This Agreement and the schedules set forth herein shall constitute the entire agreements of the parties with respect to the Transaction and supersede all prior agreements, arrangements and understandings relating to the subject matter hereof. There are no representations or warranties except as expressly set out herein.

1.8 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication (hereinafter referred to as a “**Notice**”) to be given under or in connection with this Agreement shall be in writing and shall be delivered or communicated by electronic communication addressed or sent out below or to such other address or electronic address as may from time to time be the subject of the Notice:

Buyer: c/o Harrison Street Real Estate Capital, LLC
444 West Lake Street, Suite 2100
Chicago, Illinois 60606

Attention: Legal Notices
Email: Notice-HS-Champagne@harrisonst.com

with a copy to (not constituting Notice):

c/o Harrison Street Real Estate Capital, LLC
1235 Bay Street, Suite 1002
Toronto, Ontario M5R 3K4

Attention: Jonathan Turnbull
Email: jturnbull@harrisonst.com

with a copy to the Buyer’s Solicitors at the address or email address and to the person specified in the definition of Buyer’s Solicitors

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

Attention: Mitch Vininsky
Email: mvininsky@ksvadvisory.com

with a copy to the Seller’s Solicitors at the address or email address and to the person specified in the definition of Seller’s Solicitors

Any notice so given shall be deemed to have been received on the date of delivery or transmission if the same is completed by 5:00 p.m. (Toronto time) on a Business Day or the next Business Day if delivered or transmitted after such time.

1.9 Tender and Closing Arrangements

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement and any tender or delivery of documents or money hereunder may be made upon the Seller or the Buyer or the solicitors acting for them without prejudice to pursuing any other default remedy (including, without limitation, specific performance) available to each party hereunder or at law provided that in no event shall the Seller make a claim for monetary damages under this Agreement against the Buyer beyond the amount of the Deposit nor shall the Buyer make a claim for monetary damages under this Agreement against the Seller beyond the amount of the Deposit. Notwithstanding the foregoing, there shall be no limitation on recovery for damages by either party in connection with fraud.

1.10 Further Assurances

Each of the parties hereto will from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be reasonably required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

1.11 Planning Act

This Agreement is effective to create an interest in the Property only if the subdivision control provisions of the *Planning Act* (Ontario), as amended, are complied with on or before Closing.

1.12 No Personal Liability of the Seller and Status of Interim Receiver

The Seller is executing this Agreement solely in its capacity as Court-appointed interim receiver of the assets, undertakings and properties of the Debtor and not in its personal or corporate capacity and neither the Seller nor its directors, officers, agents, servants or employees shall have any personal or corporate liability hereunder or at common law, or by statute, or equity or otherwise as a result hereof, except for fraud, gross negligence, or wilful misconduct. If KSV Restructuring Inc. (“KSV”) is subsequently appointed by the Court as receiver (the “**Receiver**”) of the business and assets of the Debtor (including, for the avoidance of doubt, of all of the Assets), then: (i) references herein to Seller or Interim Receiver shall be construed so as to refer to KSV in its capacity as Receiver and this Agreement shall bind the Receiver in all respects; and (ii) references to the Interim Receivership Proceedings shall be construed so as to refer to the proceedings in which KSV is appointed as Receiver.

1.13 Non-Registration

The Buyer hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document providing evidence of this Agreement against title to the Property. Should the Buyer be in default of its obligations under this Section, the Seller may (as agent and attorney of the Buyer) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence

of this Agreement or any assignment of this Agreement from the title to the Property. The Buyer irrevocably nominates, constitutes and appoints the Seller as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property.

1.14 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed and delivered either in original or by electronic transmission.

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement to Purchase

Subject to the terms and provisions hereof, the Seller shall sell the Assets to the Buyer and the Buyer shall purchase the Assets from the Seller on the Closing Date (the “**Closing**”).

2.2 Excluded Assets

All undertaking, property and assets of the Debtor other than the Assets shall be excluded from the purchase and sale of assets provided for in this Agreement (collectively, the “**Excluded Assets**”), including without limitation:

- (a) all books and records, files, correspondence and other data and information relating to the operation of the Debtor (provided that the Buyer shall be entitled to copies of the same at its request); and
- (b) all cash and equivalents of the Debtor, including insurance refunds and all HST refunds and other tax receivables.

For clarity, except as expressly assumed pursuant to section 2.4, the Buyer does not assume and shall have not obligation to discharge, perform or fulfil any other liabilities or obligations, contingent or otherwise, of the Debtor.

2.3 Assignment of Certain Assets

Nothing in this Agreement shall be construed as requiring the Seller to assign or attempt to assign any Assets which, as a matter of law, are not assignable in whole or in part without the consent of the other party or parties thereof, unless such consent shall have been given. If there are such Assets, the Seller shall, subject to the next sentence of this section 2.3, use commercially reasonable efforts to obtain consents to the assignment to and assumption of the Assets by the Buyer, at the Seller’s sole cost and expense. The Seller shall be under no obligation to obtain any consents, to compromise any right, asset or benefit or to expend any amount or incur any liability

and the failure to obtain any or all of such consents shall not entitle the Buyer to terminate this Agreement or not to complete the Transaction in accordance with the terms hereof.

2.4 Assumption of Obligations

The Buyer shall assume, fulfil, perform and be responsible for all liabilities and obligations of any kind relating to the Assets in respect of the period from and after the Time of Closing,

2.5 As is, Where is

- (a) Except for the representations and warranties of the Seller expressly set out in in this Agreement, in entering into this Agreement and closing the Transaction, the Buyer has relied and will continue to rely entirely and solely upon its own inspections and investigations with respect to the Assets.
- (b) Except as otherwise expressly provided for in this Agreement, the Assets are being purchased and assumed by the Buyer on an “as is, where is” basis as of Closing and without any express or implied agreement or representation and warranty of any kind whatsoever or any liability or obligation of the Seller as to the physical or financial condition, suitability for development, fitness for a particular purpose, merchantability, title, physical characteristics, profitability, use or zoning, environmental condition, existence of latent defects, quality, the availability of financing or any other aspect or characteristic thereof. Without limiting the generality of the foregoing, any and all of the conditions or warranties expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or comparable legislation shall not apply and are hereby waived by the Buyer. The Buyer further acknowledges that all documents and information provided or made available to it by the Seller (including its employees, agents and representatives) are for reference only and that the Buyer has not relied on any such documents and information in entering into this Agreement.
- (c) Except as otherwise expressly provided for in this Agreement, the Seller makes no agreements or representations and warranties concerning any statements made or other information delivered or made available to the Buyer (whether by the Seller, the Seller’s solicitors or any other agents, or representatives or advisors of the Seller or any of its Affiliates, or any other Person) with respect to the Assets.
- (d) Any materials provided by the Seller or its solicitors, agents, representatives and advisors are provided to the Buyer without representation or warranty and the Buyer will rely entirely and solely upon its own investigations and inspections and shall not rely on such materials or any other information furnished by the Seller or any other person or entities on behalf of or at the direction of the Seller in connection therewith.
- (e) Except as otherwise expressly provided for in this Agreement, the Seller will have no obligations or responsibility to the Buyer after Closing with respect to any matter relating to the Assets or the condition thereof.

- (f) The Seller has no liability for, or obligation with respect to, any special, indirect, consequential, punitive or aggravated damages.
- (g) The provisions of this section 2.5 will survive Closing or the termination of this Agreement.

2.6 Independent Investigation

The Buyer hereby acknowledges and confirms that it has conducted and will conduct to its satisfaction its own independent investigation, analysis and evaluation of the Assets as it deems necessary or appropriate and that in making its decision to enter into this Agreement and to consummate the Transaction it has and will rely solely on such independent investigation.

2.7 Payment of Purchase Price

The Purchase Price shall be paid and satisfied as follows:

- (a) by the 3rd Business Day following the Acceptance Date, the Buyer shall pay FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) (the “**First Deposit**”) by wire transfer to the Seller’s Solicitors, which sum shall be held in trust pending the closing of the Transaction, or the termination of this Agreement;
- (b) by the 3rd Business Day following the Condition Date, the Buyer shall pay TWO MILLION DOLLARS (\$2,000,000.00), (the “**Second Deposit**”) by wire transfer to the Seller’s Solicitors, which sum shall be held in trust pending the closing of the Transaction, or the termination of this Agreement;
- (c) on the Closing Date,
 - (i) application of the Deposit (other than the interest thereon which shall be paid to the Buyer),
 - (ii) the Buyer shall either:
 - (A) assume the Mortgage (the principal amount outstanding thereunder, together with the amount of any accrued and unpaid interest, all early discharge penalties, make-whole payments, costs (including without limitation the full amount of any legal fees and expenses incurred by the Mortgagee and CMHC in connection with the Interim Receivership Proceedings, the prior proceeding under the Companies’ Creditors Arrangement Act (Canada) and any receivership or other insolvency proceedings), expenses and fees to which the Mortgagee is entitled pursuant to its loan and security documents in connection with the Mortgage and the repayment thereof, to be verified by a mortgage assumption statement provided by the Mortgagee) in accordance with section 3.6 and the Purchase Price shall be partially satisfied by such assumption to the extent of the principal amount outstanding under the Mortgage on the Closing Date; or

- (B) secure the Alternative Financing (as defined below) in accordance with section 3.6 and the Purchase Price shall be partially satisfied by the net advance of such Alternative Financing paid to the Seller's Solicitor on the Closing Date; and
- (iii) the Buyer shall pay to the Seller's Solicitors in cash the balance of the Purchase Price, subject to the adjustments referred to herein, by wire transfer (the "**Balance**").

The Deposit shall be held by the Seller's Solicitors in trust pending the completion or other termination of this Agreement in an interest-bearing account or term deposit with any of the five largest Schedule I Canadian chartered banks. All interest accruing on the Deposit shall be paid to the Buyer on the completion of the Transaction or on termination of this Agreement, unless the Buyer is in default hereunder, in which event the Deposit and such interest shall be paid to the Seller without prejudice to the Seller's rights to pursue any other remedy. In holding the Deposit, the Seller's Solicitors shall be a mere stakeholder. If a dispute arises as to whom the Deposit and interest are payable, the Seller's Solicitors shall be entitled to pay all sums then held by them in trust for the parties into a court of competent jurisdiction in the Province of Ontario and they shall be thereafter free of all liability in connection therewith.

2.8 Adjustments and Management

- (a) The parties shall adjust only for realty taxes, rents (including security deposits), amounts (other than principal) of any accrued and unpaid interest, all early discharge penalties, make-whole payments, costs (including without limitation the full amount of any legal fees and expenses incurred by the Mortgagee and CMHC in connection with the Interim Receivership Proceedings, the prior proceeding under the *Companies' Creditors Arrangement Act* (Canada) and any receivership or other insolvency proceedings), expenses and fees to which the Mortgagee is entitled pursuant to its loan and security documents in connection with the Mortgage and the repayment thereof, to be verified by a mortgage assumption statement provided by the Mortgagee (if assumed) and such other items as are set out in this Agreement. The Seller shall be responsible for all expenses and entitled to all revenue accrued from the Assets ending on the day preceding the Closing Date and thereafter the Buyer shall be responsible for all expenses and shall be entitled to all revenue accruing from the Assets.
- (b) A draft statement of adjustments shall be delivered to the Buyer by the Seller not less than five (5) Business Days prior to the Closing Date and shall have annexed to it details of the calculations used by the Seller to arrive at all debits and credits on the statement of adjustments and a final statement of adjustments shall be delivered to the Buyer by the Seller on the Closing Date.
- (c) In respect of all realty tax refunds related to the period prior to the Closing Date, the following provisions shall apply:
 - (i) all amounts payable by the municipality for such period shall be paid to the Seller and if, after Closing, the Buyer receives any such amounts, it agrees

to receive the same in trust for the Seller and to promptly pay the same to the Seller; and

- (ii) the provisions of this section 2.8(c) shall not merge on and shall survive the closing of the Transaction.
- (d) In respect of all realty tax refunds related to the period on or following the Closing Date, the following provisions shall apply:
 - (i) all amounts payable by the municipality for such period shall be paid to the Buyer and if, after Closing, the Seller receives any such amounts while it is still interim receiver of the Property, it agrees to receive the same in trust for the Buyer and to promptly pay the same to the Buyer; and
 - (ii) the provisions of this section 2.8(d) shall not merge on and shall survive the closing of the Transaction.
- (e) If the Closing does not occur on the first day of a month, then rents received by the Seller for the month in which Closing occurs shall be adjusted for. After Closing, by no later than the Outside Adjustment Date, the Buyer and Seller shall report to each other on rents received by them after Closing for the month in which Closing occurs that were not adjusted for on Closing, and there shall be a readjustment for such post-Closing rents received. Otherwise, rental arrears, recoveries and any other claims against Tenants that have accrued prior to the first day of the month in which the Closing occurs (collectively, the “**Tenant Receivables**”) shall become the property of the Buyer on Closing and the Seller shall receive a credit on the statement of adjustments in an amount equal to eighty (80%) percent of the total amount of the Tenant Receivables that are less than 91 days old.
- (f) The Seller shall endeavour to obtain utility meter readings for the Property (but not, for greater certainty, for utilities that are billed to Tenants directly for which Tenants are directly responsible to utility providers) on the day before the Closing Date, and if such readings are obtained, there shall be no adjustment of such items. The Seller shall pay the utility bills for the period to the day preceding the Closing Date (or such amount shall be adjusted for on Closing), and the Buyer shall pay the utility bills for the period subsequent thereto. If a utility company will not issue separate bills, the Buyer will receive a credit against the Purchase Price for Seller's portion and will pay the entire bill prior to delinquency after the Closing Date. If the Seller has paid any utilities in advance, then the Seller shall be entitled to adjust on Closing for any prepaid amount as of the Closing Date (if known) or the Buyer shall be charged its portion of such payment as of the Closing Date.
- (g) On or before the Closing Date, if applicable, the Seller shall pay in full all leasing commissions and locator's and finder's fees due to leasing or other agents for each Lease entered into prior to the Closing Date and, if any such amounts are unpaid as of the Closing Date, the Buyer shall be entitled to a credit in the full unpaid amount. The Buyer shall also receive a credit against the Purchase Price in respect of any outstanding tenant improvement allowances, free rent and any other tenant

inducements, if any, in connection with Leases for which the Buyer's prior written consent was not obtained in accordance with section 6.1.

- (h) Fees and charges under the Assumed Contracts shall be adjusted on the basis of the periods to which Assumed Contracts relate; provided however, any fees incurred in connection with the termination of rejected Contracts shall be the sole responsibility of Seller, and any fees in connection with assignment of any Assumed Contracts or third party consents thereto shall be shared equally by the parties. In the event the assumption of any Assumed Contract requires any monetary defaults of the Debtor thereunder to be cured, the Buyer may elect to cure such default or, failing such election, such Assumed Contract shall be deemed to be a rejected Contract.
- (i) Intentionally deleted.
- (j) The Seller shall be responsible for and shall pay when due all operating costs for the Property for periods up to and including the day before the Closing Date and all charges for goods, services, materials and work delivered to or performed at the Property prior to the Closing Date.
- (k) As contemplated under section 2.7(c)(ii), if the Mortgage is assumed on Closing, the Buyer will receive a credit for any accrued but unpaid interest, all early discharge penalties, make-whole payments, costs (including without limitation the full amount of any legal fees and expenses incurred by the Mortgagee and CMHC in connection with the Interim Receivership Proceedings, the prior proceeding under the *Companies' Creditors Arrangement Act* (Canada) and any receivership or other insolvency proceedings), expenses and fees to which the Mortgagee is entitled pursuant to its loan and security documents in connection with the Mortgage and the repayment thereof, to be verified by a mortgage assumption statement provided by the Mortgagee, outstanding on the Closing Date.
- (l) If the final cost or amount of any item which is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Seller, acting reasonably, as at the Closing Date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. Save as otherwise provided for in this Agreement, a final adjustment of such estimated amount or any error or omission in the Closing statement of adjustments shall be made no later than the date being six (6) months after the Closing Date (the "**Outside Adjustment Date**"). In the absence of agreement by the parties hereto on or before the Outside Adjustment Date, the final cost or amount of an item shall be determined by a single arbitrator appointed by the Court pursuant to the *Arbitration Act* (Ontario). Save as may otherwise be permitted pursuant to this Agreement, no re-adjustment may be claimed by any party later than the Outside Adjustment Date. Until all readjustments have been completed in accordance with the terms hereof, the Buyer shall provide the Seller with (or shall cause to be provided to the Seller) access to and copies of excerpts from original books and records of the Buyer (or of the then current owner and/or

property manager of the applicable Property) reasonably required from time to time by the Seller to verify the adjustments provided for herein.

2.9 Purchase Price Allocation

- (a) Prior to the Closing Date, the Buyer and the Seller will attempt to agree to allocate, acting reasonably and in good faith, the Purchase Price as between the Lands, the Buildings, Equipment and Purchased Intellectual Property, if any, in sufficient detail for purposes of income tax and other filings required under Applicable Laws.
- (b) If the Seller and the Buyer agree upon such allocation on or before such time, then as and from the Closing Date, the parties agree to cause their books and records of account and all governmental returns, representations and other filings and submissions to applicable government entities to represent and reflect the fact and accuracy of such allocation. If the Seller and the Buyer fail to agree upon such allocation on or before such time, the Seller and the Buyer will each be free to make their own allocations of the Purchase Price among such components. This section 2.9 shall survive the closing of the Transaction.

ARTICLE 3 PRE-CLOSING MATTERS AND CONDITIONS

3.1 Deliveries

- (a) The Seller shall execute and promptly deliver to the Buyer within two (2) Business Days after receipt by Seller any and all consents and authorizations (substantially in the form attached as Schedule 5 hereto) relating to the Property or the Seller (insofar as the searches relate to matters that could form an unregistered lien or charge on the Property or the Seller) which the Buyer reasonably requests which will enable the Buyer to conduct such searches and enquiries with regard to the Property or the Seller (insofar as the searches relate to matters that could form an unregistered lien or charge on the Property or the Seller) as the Buyer may deem reasonably necessary or advisable provided new inspections by Governmental Authorities shall not be authorized by such consent or requested by the Buyer.
- (b) Forthwith after the Acceptance Date, the Seller shall provide the Buyer with access to its data room with the Due Diligence Material, which will include a copy of all environmental reports in the Seller's possession in respect of the Property. At the sole cost of the Buyer, upon the request of the Buyer, the Seller shall use reasonable commercial efforts to obtain a reliance letter(s) in favour of the Buyer/Transferee from the author(s) of such environmental reports as soon as reasonably possible prior to the Condition Date.
- (c) The Seller agrees that it will use reasonable commercial efforts to provide any additional materials or information as may be reasonably requested by the Buyer in writing, so long as such additional materials or information are in the actual possession or control of the Seller.

- (d) If the Buyer does not waive its condition under section 3.4, then it shall promptly return to the Seller all materials provided by the Seller to the Buyer under this section.

3.2 Interim Period

- (a) From and after the Acceptance Date until the Condition Date, subject to the rights of Tenants, the Seller shall make available to the Buyer and its authorized representatives reasonable access to the Property (upon not less than two (2) Business Days prior written notice to the Seller) to carry out, at the risk and expense of the Buyer, such reasonable reviews, tests and inspections as the Buyer and its authorized representatives deem necessary or advisable, provided that (i) the Seller shall have the right to have a representative present at all times, and (ii) any such reviews, tests and inspections will be non-intrusive unless first approved in writing by the Seller, such approval not to be unreasonably withheld.
- (b) The Buyer will not have meetings or other communications with any Tenant concerning its tenancy in the Property, or with any Tenant concerning any other matter relating to the Property, without the prior written consent of the Seller, which consent will not be unreasonably withheld or delayed. Any meeting or conversation between one or more representatives of the Buyer and any Tenant representative will, at the Seller's option, take place in the company of a representative of the Seller.
- (c) The Buyer will be responsible for and will promptly repair and rectify any damage to the Property caused by such reviews, tests and inspections (to the same standard in which the Property was prior to any such damage) and will indemnify the Seller for all costs, injuries or damages to the Property or to the Seller, its agents or employees, arising out of any such access to the Property by the Buyer and its representatives. In carrying out such reviews, tests and inspections the Buyer will use commercially reasonable efforts to not disrupt or unduly interfere with the operations of the Seller or the Tenants on the Property. If and to the extent there is damage caused by the Buyer's reviews, tests and inspections that has not been rectified by the Buyer at its expense or a final determination has not been made as to whether such damage was caused by the Buyer's reviews, tests or inspections, then that portion of the Deposit representing the reasonably estimated amount of such damage shall be retained by the Seller's Solicitor until such time as the Buyer rectifies such damage at its expense or a final determination has been made that such damage was not caused by the Buyer's reviews, tests or inspection.
- (d) During the Interim Period, the Seller shall, on an ongoing basis, advise and consult with the Buyer in connection with all information that supplements or amends the Due Diligence Material.
- (e) During the Interim Period, the Seller shall exercise reasonable commercial efforts to cause all Work Orders, if any, to be closed prior to the Closing Date. Should a Work Order be issued or remain within seven (7) days prior to the Closing Date, then, the Buyer will obtain a quote from an independent third party contractor that is acceptable to the Seller, acting reasonably, for the remedial work necessary to

satisfy and comply with the Work Order and grant the Buyer a credit on the statement of adjustments with respect thereto for the amount of the quoted costs of such remedial work. If the Seller disagrees with a quote obtained by the Buyer pursuant to this section 3.2(e), it will nevertheless accept the quote for the purposes of determining the amount to be credited to the Buyer on the statement of adjustments on Closing; however, following Closing, the parties, acting reasonably, will agree upon an independent consulting engineer who will determine the amount in dispute and the parties will make a readjustment directly between themselves. This section 3.2(e) will survive the Closing and the Outside Adjustment Date will not apply thereto.

3.3 Risk

The Property shall be and remain until Closing at the risk of the Seller. Pending Closing, the Seller shall keep the Property insured and hold all insurance policies relating to the Property and the proceeds thereof in trust for the parties as their interests may appear. In the event of substantial damage to the Property prior to Closing costing in excess of \$5,000,000 to repair (exclusive of lost rental income) the Buyer may within seven (7) days after the date of written disclosure to the Buyer of such damage terminate this Agreement and, in such event, the Deposit together with accrued interest thereon, less the sum of \$1.00 pursuant to section 3.4, will forthwith be paid to the Buyer. If this Agreement is not so terminated, the Buyer shall complete the within transaction as scheduled and shall receive an assignment of the insurance proceeds on Closing together with a credit for any insurance deductible amount at such time. The Buyer shall exercise such termination right by the delivery of a written termination notice to the Seller within such seven (7) day period, failing which the Buyer shall be deemed to have elected to complete the within transaction. If there is a deficiency in the insurance proceeds of less than \$250,000, the Buyer shall receive a credit on the statement of adjustments for such deficiency. If there is a deficiency in the insurance proceeds of \$250,000 or more for which the Seller elects not to provide a credit in favour of the Buyer on the statement of adjustments, the Buyer shall have the right to terminate this Agreement and have the Deposit together with accrued interest paid to it or to complete the within transaction with a credit of \$250,000. If substantial damage occurs, the quantum of which cannot be determined by the date seven (7) days prior to the Closing Date, the Closing Date shall be extended for such period as required to provide the Buyer seven (7) days to make an election under this Section, not to exceed sixty (60) days in the aggregate.

3.4 Due Diligence Condition

- (a) The Deposit shall be returned to the Buyer with accrued interest and without deduction and this Agreement shall be terminated unless the Buyer gives written notice to the Seller by 5:00 pm (Toronto time) on the Condition Date setting out that the Buyer waives or is satisfied, in its sole and absolute discretion, with its reviews, inspections and due diligence (including, without limitation, physical, environmental, legal, title, survey, financing, leasing, permitting, marketing and financial feasibility due diligence) with respect to the Property.
- (b) Notwithstanding the foregoing paragraph (a), if by 5:00 pm (Toronto time) on the Condition Date, the Buyer (i) has waived in writing its due diligence condition with respect to its legal, title, survey, regulatory, marketing, financing and financial

feasibility review of the Assets; and (ii) is not yet satisfied with its reviews, inspections and due diligence of physical, environmental, and leasing aspects of the Property or the Buyer is not yet satisfied with the terms of the Mortgage Assumption, then the Buyer shall have the ability on written notice to the Seller delivered before 5:00 pm (Toronto time) on the Condition Date to extend the Condition Date on a one-time basis only by up to an additional thirty (30) days.

- (c) The Seller acknowledges that this right of termination is subjective to the Buyer for any reason or for no reason whatsoever and the Buyer shall be under no obligation or duty to conduct any specific amount of due diligence or to justify its decision.
- (d) In consideration of \$1.00 non-refundable paid by the Buyer to the Seller and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Seller, the Seller agrees not to revoke its acceptance of the Buyer's offer contained herein while this Agreement remains subject to the foregoing right of termination. The parties agree that this Agreement will become an unconditional contract for the sale and purchase of the Assets forthwith upon the waiver of the foregoing rights of termination. The rights of termination set forth herein are for the Buyer's sole benefit and may be waived unilaterally by the Buyer, at the Buyer's election. If the Buyer does not give the Seller notice of the waiver of the rights of termination or that:
 - (i) it is satisfied with its reviews, inspections and due diligence as herein provided (which will be deemed to be a waiver of such right of termination); or
 - (ii) it is satisfied with the terms of the Mortgage Assumption;

within the time herein provided, then this Agreement and the Buyer's obligation to purchase the Assets will be at an end.

3.5 Assignment

No later than five (5) days prior to the date on which the Seller makes an application to the Court for the Approval and Vesting Order, the Buyer shall have the right to assign its rights and obligations hereunder to any entity(ies) (each a "**Transferee**") controlled or managed, directly or indirectly, by Harrison Street Real Estate, LLC, without the consent of but on notice to the Seller and the Mortgagee (if applicable); provided that (i) notwithstanding any such assignment, the original Buyer will remain jointly and severally liable with the Transferee in respect of all of the representations, warranties, covenants, obligations and liabilities of the Buyer under this Agreement until Closing has been completed and (ii) at the time of such assignment, the original Buyer and the Transferee will enter into an agreement with the Seller, in form and content acceptable to the original Buyer, the Transferee, the Seller and the Mortgagee (if applicable), each acting reasonably, which will, among other things, provide that the original Buyer and the Transferee will be jointly and severally liable for all of the Buyer's representations, warranties, covenants, obligations and liabilities under this Agreement until the Closing has been completed.

Subject to the aforementioned right of the original Buyer to make an assignment pursuant to this section 3.5, the Buyer will not assign or transfer any of its rights or obligations under this

Agreement, or any interest herein, without the prior written consent of the Seller, which consent may be withheld in the Seller's sole and absolute discretion.

3.6 Mortgage Assumption

- (a) Following the Acceptance Date, the Buyer and the Seller shall forthwith co-operate using their reasonable commercial efforts (however the Seller shall not be required to expend any funds in connection with such cooperation) in applying to the Mortgagee (and, to the extent necessary, CMHC) for assumption of the Mortgage by the Buyer (the "**Application**") and the Buyer shall provide the Mortgagee (and, to the extent necessary, CMHC) with all necessary documentation and information as the Mortgagee (and, to the extent necessary, CMHC) may require in this regard. Nothing herein shall obligate the Mortgagee to consent to the assignment of the Mortgage.
- (b) The Buyer and the Seller shall share (each as to 50%) all costs and expenses, including, for greater certainty, any legal and mortgage assumption fees, of the Mortgagee and CMHC in connection with the Application, including the preparation and execution of all documents required by the Mortgagee and Canada Mortgage and Housing Corporation; provided that the Seller's contribution in respect of all such costs and expenses shall not exceed \$15,000. For greater certainty, nothing herein shall limit or be construed as limiting any rights of the Mortgagee and CMHC to claim any and all early discharge penalties, make-whole payments, costs (including without limitation the full amount of any legal fees and expenses incurred by the Mortgagee and CMHC in connection with the Interim Receivership Proceedings, the prior proceeding under the Companies' Creditors Arrangement Act (Canada) and any receivership or other insolvency proceedings), expenses and fees to which the Mortgagee is entitled pursuant to its loan and security documents in connection with the Mortgage and the repayment thereof. Any such amounts shall be payable by the Debtor and the Buyer shall not be liable in respect of thereof.
- (c) The Buyer covenants and agrees that:
 - (i) the Buyer shall use commercially reasonable efforts to work with the Mortgagee and CMHC to determine and finalize the requirements for the assumption of the Mortgage;
 - (ii) in connection with the Application, the Buyer shall provide the Mortgagee and CMHC with all reasonable and customary information, data and material (including financial information relating to the Buyer) requested by the Mortgagee and CMHC from time to time;
 - (iii) the Buyer shall keep the Seller advised on a timely basis of the status of, and progress being made in connection with, the Application;
 - (iv) the Buyer shall comply with the terms and conditions of the reasonable requirements of the Mortgagee and CMHC in relation to the Application; and

- (v) to the extent the Seller is required by the Mortgagee to be a party to the Mortgage Assumptions, the Buyer shall not settle the final form of the Mortgage Assumptions without the written approval of the Seller, acting reasonably.
- (d) In the event that the Mortgage Assumptions are not settled in form and substance satisfactory to the Buyer by 5:00 p.m. on the fifteenth (15th) day preceding the Condition Date (as it may have been extended pursuant to section 3.4), the Buyer shall use reasonable commercial efforts to secure unconditional alternative financing (the “**Alternative Financing**”) and the parties agree to the following adjustments:
 - (i) in the event that the interest rate under the Mortgage (the “**Original Rate**”) is less than the interest rate applicable in connection with the Alternative Financing (the “**New Interest Rate**”), the Purchase Price shall be adjusted downwards by an amount equal to, as of the Adjustment Date, the amount by which the principal amount outstanding under the Mortgage as of the Adjustment Date exceeds the aggregate of the present value of the remaining Monthly Repayments under the Mortgage due after the Adjustment Date and the present value of the Balloon Payment that is due under the Mortgage on maturity;
 - (ii) in the event that the Original Rate is less than the New Interest Rate, the Purchase Price shall be reduced by the amount of any CMHC insurance premium payable (or that would be payable if the Alternative Financing was CMHC insured) by the Buyer (or any Affiliate thereof) in connection with such Alternative Financing, to a maximum of what such premium would be if the principal amount of the Alternative Financing was equal to the outstanding principal amount of the Mortgage as at the Adjustment Date;
 - (iii) the parties agree to calculate the necessary adjustment to the Purchase Price on a date (the “**Adjustment Date**”) that is no later than ten (10) Business Days prior to the Closing Date;
 - (iv) the Purchase Price, as adjusted pursuant to this section and subject to the other terms of this Agreement and adjustments set out herein, shall be deemed to be the final Purchase Price and shall be binding upon the parties; and
 - (v) if the Buyer is unable to secure the Alternative Financing, despite its reasonable commercial efforts, by the Condition Date (as it may have been extended pursuant to section 3.4), this Agreement will terminate and the Deposit shall be returned to the Buyer without further liability on the part of either party.

For the purposes of calculating any amount pursuant to this section (d), the present value of the remaining Monthly Repayments plus the present value of the unpaid balance of the Balloon Payment that will be due on the maturity date of the Mortgage shall be determined by using a discount rate equal to the Reference

Canada Bond Yield, calculated semi-annually and not in advance. All the foregoing calculations shall be completed solely by the Seller and shall be final and binding upon the Buyer and no appeal shall lie therefrom. In this section:

- (i) **“Balloon Payment”** means the Outstanding Amount that will be due and payable on the maturity date of the Mortgage if each of the Monthly Repayments is paid in full when due;
- (ii) **“Monthly Repayments”** means, at any time, the income stream of monthly instalments of interest that are due and payable under the Mortgage from that time until the maturity date of the Mortgage;
- (iii) **“Outstanding Amount”** means at any time the principal amount outstanding under the Mortgage at that time, together with all accrued and unpaid interest and other amounts owing thereunder; and
- (iv) **“Reference Canada Bond Yield”** means the yield to maturity which a Canada Mortgage Bond (“CMB”) would carry if issued in Canadian dollars in Canada at 100% of its principal amount (that is without bonus or discount) 5 Business Days preceding the Adjustment Date, and where such CMB has a term expiring nearest to the maturity date of the Mortgage, or an appropriate interpolation, plus 100 basis points over the bid side yield, which yield in any event shall not exceed 4.00% per annum.

3.7 Synthetic Representation and Warranty Insurance

On or before the Condition Date, the Buyer may obtain the Synthetic R&W Insurance from the R&W Insurer. The cost of such insurance shall be paid by the Buyer, provided that on Closing the Buyer shall be entitled to a credit on the statement of adjustments equal to 50% of the cost, to a maximum of \$50,000. The Seller agrees to provide such co-operation to the Buyer as the Buyer may reasonably require in order to obtain and maintain the Synthetic R&W Insurance, provided that in no event shall the Seller be required to provide any representations or warranties to the R&W Insurer beyond those expressly contained in this Agreement.

3.8 Contracts

No later than five (5) Business Days following the Buyer’s waiver or satisfaction of the condition contained in section 3.4(a), the Buyer shall advise the Seller in writing as to which of the Contracts that the Buyer will assume on Closing (the **“Assumed Contracts”**). If the Buyer fails to give such notice to the Seller within such time period, the Buyer shall be deemed to have elected not to assume any of the Contracts on Closing.

3.9 Conditions for the Benefit of the Buyer

The sale and purchase of the Assets is subject to the following terms and conditions for the exclusive benefit of the Buyer, to be performed or fulfilled at or prior to the Time of Closing:

- (a) Representations and Warranties. The representations and warranties of the Seller contained in this Agreement shall be true and correct in all material respects at the

Time of the Closing with the same force and effect as if such representations and warranties were made at such time, and a certificate of the Seller, dated as of the Closing Date, to that effect shall have been delivered to the Buyer, such certificate to be in a form and substance satisfactory to the Buyer, acting reasonably;

- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Seller at or before the Time of Closing shall have been complied with or performed in all material respects;
- (c) No Action or Proceeding. No legal proceeding, other than the Interim Receivership Proceedings, shall be pending which enjoins, restricts or prohibits the purchase and sale of the Assets contemplated hereby, including, without limitation, any order issued by any Governmental Authority against either of the parties or involving any of the Assets enjoining, preventing or restraining the completion of the Transaction;
- (d) Mortgage Assumptions/Alternative Financing. The completion of the Mortgage Assumptions, or if the Mortgage will not be assumed by the Buyer, the completion of the Alternative Financing;
- (e) Interim Receivership Order. The Order (Appointing Interim Receiver) of the Court dated December 20, 2024, shall remain in full force and effect without amendment, including as relates to authorizing the Seller to continue the sale process for the Assets, or a substantially similar Order of the Court appointing KSV as Receiver shall have been issued and entered by the Court and shall be in full force and effect.; and
- (f) Delivery of Documents. The delivery of the documents referenced in section 7.1 to the Buyer.

3.10 Conditions for the Benefit of the Seller

The sale and purchase of the Assets is subject to the following terms and conditions for the exclusive benefit of the Seller, to be performed or fulfilled at or prior to the Time of Closing:

- (a) Representations and Warranties. The representations and warranties of the Buyer contained in this Agreement shall be true and correct at the Time of Closing with the same force and effect as if such representations and warranties were made at such time, and a certificate of the Buyer, dated as of the Closing Date, to that effect shall have been delivered to the Seller, such certificate to be in form and substance satisfactory to the Seller, acting reasonably;
- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Buyer at or before the Time of Closing shall have been complied with or performed;
- (c) No Action, Proceeding or Redemption. No legal proceeding, other than the Interim Receivership Proceedings, shall be pending (whether or not a certificate of pending litigation is registered against title to the Property) which enjoins, restricts or prohibits, or seeks to enjoin, restrict or prohibit, the purchase and sale of the Assets

contemplated hereby, and no Person shall have taken any action to redeem the Assets;

- (d) Payment of Purchase Price. The Buyer shall have tendered to the Seller the Purchase Price; and
- (e) Delivery of Documents. The delivery of the documents referenced in section 7.2 to the Seller.

3.11 Conditions for the Mutual Benefit of the Seller and Buyer

The sale and purchase of the Assets is subject to the following terms and conditions for the mutual benefit of the Seller and the Buyer, to be performed or fulfilled at or prior to the Time of Closing:

- (a) the Court shall have entered and issued an order of the Court, in form and substance satisfactory to the Buyer, acting reasonably, *inter alia*, approving this Agreement and the Transaction and conveying to the Buyer upon Closing all of the Debtor's and the Seller's right, title and interest in and to the Assets free and clear of all (i) Claims, and (ii) Encumbrances other than Permitted Encumbrances (the "**Approval and Vesting Order**"); and
- (b) the Approval and Vesting Order shall not be stayed or subject to appeal or any motion or other application for reconsideration or other review (collectively, an "**Appeal**").

The Buyer, at its own expense, shall promptly provide to the Seller all such information and assistance within the Buyer's power as the Seller may reasonably require to obtain the Approval and Vesting Order. The foregoing condition is a true condition precedent that cannot be waived by either party hereto.

3.12 Non-Satisfaction of Conditions

- (a) If any condition set out in section 3.9 or section 3.10 is not satisfied or performed prior to the time specified therefor, the party or parties for whose benefit the condition is inserted may:
 - (i) waive compliance with the condition, in whole or in part, in its sole discretion by notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
 - (ii) elect to terminate this Agreement, in which case neither party shall be under any further obligation to the other to complete the Transaction and any Deposit and all interest accrued thereon shall be returned in accordance with section 2.7.

For certainty, Closing of the Transaction on the Closing Date shall be evidence of each party's waiver of the conditions set forth in section 3.8 and section 3.9, without the requirement for any further act or formality on the party of either party.

- (b) If any condition set out in section 3.11 is not satisfied or performed prior to the time specified therefor, this Agreement shall automatically be terminated, in which case neither party shall be under any further obligation to the other to complete the Transaction and any Deposit and all interest accrued thereon shall be returned in accordance with section 2.7.

3.13 Pre-Closing Reorganization

At or before the Closing, the Debtor shall have the right, but not the obligation, to complete the Pre-Closing Reorganization in a manner that is acceptable to the Buyer, the Seller and the Mortgagee (if applicable). The Buyer and the Seller shall have the right to review and approve all documents related to the Pre-Closing Reorganization.

3.14 Court Matters

- (a) Within five (5) Business Days of the Buyer waiving or confirming the satisfaction of the due diligence condition specified in Section 3.4, the Seller shall prepare and deliver to the Buyer the Seller's motion materials for the Approval and Vesting Order (including the Seller's report to be filed in connection therewith) (the "**Motion**").
- (b) The Buyer and its legal counsel shall be given five (5) Business Days to review and comment on the Motion (the "**Review Period**").
- (c) Within five (5) Business Days following the end of the Review Period, the Seller shall serve and file the Motion and use its reasonable commercial efforts to obtain the Approval and Vesting Order from the Court within ten (10) Business Days of serving and filing the Motion.
- (d) Notice of the motions seeking the issuance and entry of the Approval and Vesting Order shall be served by the Seller on the service list for the Interim Receivership Proceedings and on any other Person as may be reasonably requested in writing by the Buyer.
- (e) The Seller shall promptly inform the Buyer of any notice, correspondence or Court materials it receives from another Person with respect to any objections, concerns or positions intended to be raised with the Court with respect to the Motion.
- (f) In the event an Appeal or a stay is sought in respect of the Approval and Vesting Order, the Seller shall promptly notify the Buyer of such Appeal or stay request and shall promptly provide the Buyer a copy of the related court materials and any correspondence in connection therewith. The Seller, in consultation with the Buyer, agrees to take all action as may be reasonable or appropriate to defend against such Appeal or stay request and for the prompt dismissal of such Appeal or stay request, provided that nothing herein shall preclude the parties hereto from consummating the Transaction if the Approval and Vesting Order shall have been issued and entered and shall not have been stayed and if the Buyer and the Seller, in their respective sole discretion, waive in writing the condition specified in Section 3.11(b).

ARTICLE 4 SELLER REPRESENTATIONS, WARRANTIES

The Seller represents warrants and covenants (and acknowledges that Buyer is relying upon such representations, warranties and covenants in connection with the purchase by the Buyer of the Assets) that:

4.1 Authority

The Seller has been appointed by the Court as interim receiver of the undertaking, assets and properties of the Debtor acquired for, or used in relation to the Business carried on by it. Subject to the entry of the Approval and Vesting Order, the Seller has all the necessary authority to enter into this Agreement and all other documents contemplated herein to which it is or will be a party. This Agreement has been duly executed and delivered by the Seller and, subject to the entry of the Approval and Vesting Order, this Agreement is a legal, valid and binding obligation of the Seller, enforceable against the Seller only in its capacity as receiver of the Debtor by the Buyer in accordance with its terms.

4.2 Residence

The Seller is not a non-resident of Canada within the meaning of section 116 of the Income Tax Act (Canada).

4.3 Representations are Conditions

The Seller acknowledges and agrees that the representations and warranties of the Seller in this Agreement shall be deemed to be material conditions of this Agreement for the exclusive benefit of the Buyer and are to be fulfilled and/or performed by the Seller or waived by the Buyer at or prior to the Closing Date. The representations and warranties in this Article 4 shall terminate as of the Closing Date save and except for any representation given Fraudulently in which case the same shall survive for an unlimited period.

ARTICLE 5 BUYER'S REPRESENTATIONS, WARRANTIES

5.1 Representations and Warranties of the Buyer

The Buyer represents, warrants and covenants (and acknowledges that Seller is relying upon such representations, warranties and covenants in connection with the sale by the Seller of the Assets) that:

- (a) the Buyer is a limited partnership subsisting under the laws of their jurisdiction of incorporation and the Buyer has the necessary authority, power and capacity to purchase and own the Assets and to enter into this Agreement and all agreements, transfers, assignments and other documents to be entered into by the Buyer pursuant hereto and to complete this Transaction and perform each of its obligations under the documents to be entered into by them pursuant hereto in respect of this Transaction on the terms and conditions herein contained;

- (b) this Agreement and the obligations of the Buyer hereunder and each of the Closing Documents to be entered into by the Buyer, and the Transaction, have been duly and validly authorized by all requisite proceedings and this Agreement constitutes, and on Closing each of the Closing Documents to be entered into by the Buyer will constitute, legal, valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with its and their terms, subject to bankruptcy, insolvency, liquidation, reorganization and other laws affecting the enforcement of creditors' rights generally and equitable remedies such as specific performance and injunction only being available in the discretion of the court;
- (c) neither the entering into nor delivery of this Agreement nor the completion by the Buyer of this Transaction will conflict with or constitute a default under or result in a violation of: (i) any Applicable Laws; or (ii) any of the provisions of its constating documents or by-laws;
- (d) no approval or consent of any Governmental Authority is required by the Buyer in connection with the execution, delivery and performance of this Agreement and the completion of this Transaction; and
- (e) it: (A) is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada); (B) has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof; (C) has not had any petition for a receiving order presented in respect of it; and (D) has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding-up, liquidation or dissolution.

5.2 Representations are Conditions

The Buyer acknowledges and agrees that its representations, warranties and covenants in this Agreement shall be deemed to be material conditions of this Agreement for the exclusive benefit of the Seller and are to be fulfilled and/or performed by the Seller or waived by the Buyer at or prior to the Closing Date. The representations and warranties shall survive closing for a period of 12 months following the Closing Date save and except any representation given Fraudulently in which case the same shall survive for an unlimited period.

ARTICLE 6 OPERATION UNTIL CLOSING

6.1 Operation

The parties acknowledge that, during the Interim Period, the Debtor shall continue to own and operate the Assets in the normal course (including, but not limited to, all routine day-to-day repairs and maintenance of the Property as would a prudent owner of a comparable property, as applicable). Neither the Seller nor the Debtor shall enter into, modify or terminate any contract or other arrangements (including any Lease) with respect to the Assets without the prior written consent of the Buyer at the Buyer's sole and absolute discretion save and except, prior to the Condition Date, the Debtor or the Seller may enter into, modify or terminate any Leases in the ordinary course of business and, in the case of any new or modified Lease, on market terms,

provided that the Seller delivers written notice of the same to the Buyer, whereupon any such new or modified Lease shall be included as a Lease for the purpose of this Agreement, and any terminated Lease shall be excluded. The Seller may request the Buyer's approval to any such Lease and, if approved, the Buyer shall not receive any credit against the Purchase Price in respect of, any tenant improvement allowances, free rent and any other tenant inducements in connection therewith. If the Buyer's approval is not provided if requested, the Seller shall not be in default of its covenant contained in the first sentence of this section if the Seller does not enter into such Lease.

6.2 Rent Roll

Until the preparation of a draft statement of adjustments pursuant to section 2.8(b), the Seller will provide an updated rent roll for the Property to the Buyer as and when the information provided in any previous rent roll in the possession of the Seller becomes outdated or incorrect, as a result of any new Leases and or changes to any existing Leases.

ARTICLE 7 CLOSING

7.1 Closing Deliveries of Seller

Closing shall take place at the Time of Closing at the offices of the Seller's Solicitors or at such other place, on such other date, and at such other time as may be agreed upon in writing between the Seller and the Buyer. On the Closing Date (or such other date if specifically set out below), the Seller shall execute and/ or deliver (and/or cause to be delivered) to Buyer/Transferee:

- (a) a copy of the issued and entered Approval and Vesting Order and the attached interim receiver's certificate or receiver's certificate, as the case may be;
- (b) the assignment and assumption of Assumed Contracts, including an indemnity given by the Buyer in favour of the Seller with respect to claims under the Assumed Contracts for matters occurring on or after the Closing Date;
- (c) the assignment and assumption of Leases, including an indemnity given by the Buyer in favour of the Seller with respect to claims under the Leases for matters occurring on or after the Closing Date;
- (d) notices to counterparties under Assumed Contracts;
- (e) notices to Tenants under Leases;
- (f) an assignment of Warranties to the Buyer;
- (g) all keys and like devices, or applicable codes, to all locking mechanisms relating to the Property in the Seller's possession or control;
- (h) a certificate of an officer of the Seller on behalf of the Seller and not in their personal capacity, and without personal liability, setting out that its representations and warranties contained herein are true and accurate in all material respects as at

the Closing Date, that all covenants of the Seller have been satisfied in all material respects, and the Seller is not a non-resident of Canada within the meaning and intended purpose of section 116 of the *Income Tax Act* (Canada) or a partnership other than a “Canadian partnership”;

- (i) a general conveyance which shall include an assignment of the Equipment, the Purchased Intellectual Property, and all permits, licences, outstanding guarantees, warranties, and indemnities, if any, to the extent assignable;
- (j) a statement of adjustments which shall be delivered to the Buyer at least five (5) Business Days prior to the Closing Date and an undertaking to readjust the statement of adjustments as contemplated herein; and
- (k) such other documents as may be reasonably required by the Buyer to carry out the intent and meaning of this Agreement.

7.2 Closing Deliveries of Buyer

On the Closing Date, the Buyer shall cause the Buyer/Transferee to execute and/or deliver to Seller or the Seller shall have otherwise received:

- (a) the Balance by wire transfer in immediately available funds, together with all other amounts required to be paid by the Buyer to the Seller hereunder at the Time of Closing, if any;
- (b) an undertaking to readjust the statement of adjustments;
- (c) the assignment and assumption of Assumed Contracts;
- (d) the assignment and assumption of Leases;
- (e) a direction, if necessary, to insert in all closing documents in favour of the Buyer/Transferee the name of the Buyer or the name of the Transferee as it may direct;
- (f) an assignment and assumption of Warranties held by the Seller;
- (g) confirmation from the Mortgagee that the Mortgage Assumptions have been executed and delivered by all required parties thereto, including the Buyer, so as to permit the assumption of the Mortgage by the Buyer on Closing, if applicable;
- (h) evidence that the Alternative Financing has been completed and all necessary documentation has been executed and delivered by all required parties thereto, including the Buyer so as to finance the balance of the Purchase Price, if applicable;
- (i) a certificate of an officer of the Buyer setting out that its representations and warranties contained herein are true and accurate in all material respects as at the Closing Date, and that all covenants of the Buyer have been satisfied in all material respects;

- (j) the Buyer's GST/HST Certificate referred to in section 7.3(c)(ii), if applicable; and
- (k) such other documents as may be reasonably required by the Seller to carry out the intent and meaning of this Agreement.

7.3 Sales Tax, Land Transfer Tax and Registration Fees on Transfer

- (a) The parties agree to allocate the Purchase Price of the Property for the purposes of GST/HST between the residential portion of the Property consisting of those portions of the Property which are dedicated to residential use, and comprise the residential portion of the land, building or part of building forming or reasonably expected to form the residential residences and any related reserved residential parking spaces of the Property (the "**Residential Portion**"), and the commercial portions of the Property, being the portion of the Property other than the Residential Portion, if any (collectively, the "**Commercial Portion**"), in such proportions as the Seller shall advise the Buyer in writing fifteen (15) Business Days prior to Closing, as approved by the Buyer, acting reasonably.
- (b) With respect to GST/HST, the Residential Portion of the Property (including the applicable Leases) is used as a residential complex within the meaning of the ETA and the Seller declares and warrants, to the best of its knowledge, with respect to the Residential Portion of the Property (together with the other Assets) (i) that the Residential Portion is a multiple unit residential complex that has been the subject of a self-supply pursuant to subsection 191(3) of the ETA, and has not been the subject of "substantial renovations" within the meaning of the ETA, (ii) there have been no additions (within the meaning of the ETA) to the Residential Portion and (iii) that the Seller has not claimed and will not claim input tax credits or input tax refunds with respect to the acquisition of or improvements made to the Residential Portion on or after the self-supply referred to in (i) and accordingly, under the provisions of Paragraph 2 or 5, Part I, Schedule V of the ETA, the sale of the Residential Portion of the Property (including the Leases) shall be exempt for GST/HST purposes. The Seller further declares and warrants that, to the best of its knowledge, for purposes of the ETA, the Equipment and other Assets located on or relating to the Residential Portion are not being used by the Seller in the course of commercial activities and the transfer of such assets is not subject to GST/HST pursuant to Subsection 200(3) or Section 141.1 of the ETA.
- (c) In respect of the Commercial Portion of the Property, if any:
 - (i) the parties acknowledge that GST/HST is applicable, and in addition to the Purchase Price, and the Buyer shall pay or cause the payment of all applicable GST/HST on that portion of the Purchase Price allocated thereto pursuant to this Agreement, as and when the same are payable;
 - (ii) in respect of applicable GST/HST on the Commercial Portion of the Property, the Buyer certifies it, or any person or entity acquiring beneficial ownership of the Property on behalf of the Buyer, is and will be registered under Subdivision D of Division V of Part IX of the ETA on Closing, and on Closing the Buyer or any person or entity acquiring beneficial ownership

of the Property on behalf of the Buyer on Closing shall deliver a certificate (the “**Buyer’s GST/HST Certificate**”), in the customary form, to the Seller confirming that the Buyer or any person or entity acquiring beneficial ownership of the Property on behalf of the Buyer on Closing is registered for GST/HST, setting out its GST/HST number, and that it will self-assess and remit the GST/HST applicable on the Commercial Portion of the Property to the applicable governmental authorities and indemnify and save harmless the Seller and its shareholders, directors, officers, employees and agents from all claims, actions, causes of action, proceedings, losses, damages, costs, liabilities and expenses incurred, suffered or sustained as a result of:

- (A) its failure to pay, or the Seller’s failure to collect or remit any federal, provincial or other taxes payable in connection with the conveyance or transfer to the Buyer of the Commercial Portion of the Property, whether arising from a reassessment or otherwise, including GST/HST;
 - (B) its failure to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Buyer with any federal, provincial or other governmental authorities in connection with the conveyance or transfer to the Buyer of the Commercial Portion of the Property; or
 - (C) the Transaction or any inaccuracy, misstatement or misrepresentation made by the Buyer on the Closing Date in connection with any matter raised in this section or contained in any certificate or declaration referred to herein; and
- (iii) in the event the Buyer is not registered under Subdivision D of Division V of Part IX of the ETA for GST/HST purposes and, as a result thereof, the Seller is required to collect and remit GST/HST, the Buyer shall deliver to the Seller on Closing by wire transfer in the amount of GST/HST payable with respect to the Commercial Portion of the Property, if any, in the transaction herein contemplated.
- (d) The Buyer is liable for and shall pay all land transfer tax and other similar taxes and duties, fees in respect of the registration of the transfer, and other like charges properly payable by a Buyer upon and in connection with the sale, assignment and transfer of the Assets from the Seller to the Buyer.

7.4 Commission

- (a) Except for CMLS Realty (the “**Broker**”), neither the Seller nor any Affiliate thereof has engaged any real estate broker in connection with this Transaction and no brokerage, realtor, or other similar success fee will be payable as by the Seller and/or any Affiliate thereof as a result of the Transaction.

- (b) The Seller shall pay the Broker all commissions and success fees payable to it as a result of the Transaction.

7.5 Closing Costs

The Seller and the Buyer shall each be responsible for the costs of their respective solicitors. The Buyer shall be responsible for and pay all land transfer taxes payable on the assignment of the Property to the Buyer and the registration fees payable in connection with the registration of the assignment of the Property.

7.6 Closing Matters

Except as may otherwise be agreed to by the parties or their respective solicitors, all documents, monies, and other items (except items to be delivered at the Property) shall be delivered on the Closing Date as follows:

- (1) each of the Buyer and the Seller shall be obliged to retain a solicitor who is both an authorized Teraview Electronic Registration System or “**TERS**” user and in good standing with the Law Society of Ontario, and such solicitors are hereby authorized by the parties to enter into a document registration agreement in the form adopted by the Joint LSUC-CBAO Committee on Electronic Registration of Title Documents on March 29, 2004 or any replacement thereof with such changes as agreed to by the Seller’s solicitors and the Buyer’s solicitors, each acting reasonably (the “**Document Registration Agreement**” or “**DRA**”);
- (2) the delivery and exchange of Closing Documents and the Balance, and the release of them to the Seller and the Buyer, as the case may be, shall be governed by the DRA;
- (3) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by either party (in this paragraph called the “**Tendering Party**”) upon the other party (in this paragraph called the “**Receiving Party**”) when the solicitor for the Tendering Party has:
 - (a) delivered all applicable Closing Documents to the Receiving Party’s solicitor in accordance with the provisions of this Agreement;
 - (b) advised the solicitor for the Receiving Party, in writing, that the Tendering Party is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and
 - (c) completed all steps required by TERS to complete this Transaction that can be performed or undertaken by the Tendering Party’s solicitor without the cooperation or participation of the Receiving Party’s solicitor, and specifically when the Tendering Party’s solicitor has electronically “signed” the electronic transfers and any other registrable documentation for completeness and granted “access” to the Receiving Party’s solicitor (but without the Tendering Party’s solicitor releasing them for registration by the Receiving Party’s solicitor), without the necessity of personally attending upon the Receiving Party or the

Receiving Party's solicitor with the Closing Documents and without any requirement to have an independent witness evidencing the foregoing.

It is a condition of Closing that all matters of payment, execution and delivery of documents by each party to the other shall be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the Closing until everything required to be paid, executed and delivered under this Agreement at the Closing has been paid, executed and delivered.

ARTICLE 8 CONFIDENTIALITY

8.1 Announcements

No press release, public statement or announcement, or other public disclosure with respect to this Agreement or the Transaction may be made except with the prior written consent and joint approval of the Seller and the Buyer, or if required by Applicable Law or order of a Governmental Authority. Where public disclosure is required by Applicable Law or order of a Governmental Authority, the party required to make such disclosure will use its commercially reasonable efforts to obtain the approval of the other party, as to the form, nature and extent of the disclosure. Notwithstanding the foregoing, (A) each party may disclose the contents of this Agreement and the Transaction to their Affiliates and its and their respective directors, officers, employees, consultants, financial advisors, counsel and accountants (collectively, "**Representatives**"), (B) the Buyer may disclose the contents of this Agreement and the Transaction to its investors and potential financing sources, and (C) the Seller may disclose the contents of this Agreement in order to apply for the Approval and Vesting Order.

8.2 Confidentiality

- (a) The Buyer acknowledges that it has signed, and continues to be bound by, a confidentiality agreement with the Debtor with respect to the Property. The Buyer undertakes and agrees (and agrees to cause its agents, employees and representatives) to keep the existence and terms of this Agreement in strict confidence, except in the course of conveying necessary information to third parties directly involved in the Transaction, except as may be required by law or otherwise mutually agreed upon in writing by the parties and except as permitted pursuant to section 8.1.
- (b) From and after the Closing Date, the Seller shall, and shall cause its Affiliates, to hold and shall use its reasonable commercial efforts to cause its Representatives to hold, in confidence any and all confidential information (including, without limitation, processes, plans, data, reports, drawings, documents, business secrets, financial information or proprietary information of any other kind), whether written or oral, concerning the Buyer and the Assets, except to the extent that such information (i) is generally available to and known by the public through no fault of the Seller and its Affiliates or their respective Representatives or (ii) is lawfully acquired by the Seller or its Affiliates or their respective Representatives from and after the Closing Date from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation. If the Seller or any of its Affiliates or its Representatives are compelled to disclose any information by order

or by other requirements of Applicable Law, the Seller shall promptly notify the Buyer in writing and shall disclose only that portion of such information which the Seller is advised by its counsel is legally required to be disclosed, provided that the Seller shall use reasonable commercial efforts, at the cost and expense of the Buyer, to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information if reasonably requested by the Buyer. Nothing in this section 8.2 shall prevent the Seller, its Affiliates or their respective Representatives from using any information relating to the Assets for the purposes of enforcing their rights or complying with their obligations hereunder or defending any claim made by the Buyer under this Agreement.

ARTICLE 9

REMOVAL OF SIGNAGE; INTELLECTUAL PROPERTY

Within sixty (60) days after Closing, the parties agree to cooperate in the removal of any signage or other materials located on or about the Property that contain any Intellectual Property rights of the Seller that do not form part of the Purchased Intellectual Property (i.e. “Envie” branded materials), on such terms and at such times as the parties may mutually agree. Provided that the Seller’s removal of signage or its other branded assets does not cause damage to the Property, the Seller shall be under no obligation to effect repairs or any restoration in respect of any reasonable wear and tear, existing holes or other elements which were required for the installation of such signage or other branded assets at the Property.

[execution pages follow]

IN WITNESS WHEREOF the parties have executed this Agreement.

**HS CANADA 101 CHAMPAGNE, L.P. by its
general partner, HS CANADA 101
CHAMPAGNE GP INC.**

By: 
Jonathan Turnbull
Authorized Signatory

By: 
Stephen Gordon
Authorized Signatory

I/we have authority to bind the Limited Partnership

**KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Interim Receiver, without security, of the
property and lands listed on Schedule 1 hereto
and all of the property, assets and undertaking
of 2195186 Ontario Inc., and not in its personal
capacity or in any other capacity**

By: _____

I have authority to bind the Corporation

IN WITNESS WHEREOF the parties have executed this Agreement.

**HS CANADA 101 CHAMPAGNE, L.P. by its
general partner, HS CANADA 101
CHAMPAGNE GP INC.**

By: _____

Jonathan Turnbull
Authorized Signatory

By: _____

Stephen Gordon
Authorized Signatory

I/we have authority to bind the Limited Partnership

**KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Interim Receiver, without security, of the
property and lands listed on Schedule 1 hereto
and all of the property, assets and undertaking
of 2195186 Ontario Inc., and not in its personal
capacity or in any other capacity**

By: _____



Mitch Vininsky

I have authority to bind the Corporation

**SCHEDULE 1
PROPERTY**

Legal Description:

PIN 04102-0340 LT

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

Municipal Address:

101 Champagne Avenue South, Ottawa, Ontario K1S 4P3

SCHEDULE 2
CONTRACTS

Intentionally Deleted

SCHEDULE 3
PERMITTED ENCUMBRANCES

The Property is subject to the following Permitted Encumbrances:

1. Instrument No. OC665337 registered November 30, 2006, being a Bylaw of the City of Ottawa.
2. Instrument No. OC1442918 registered January 4, 2013, being a Notice of Agreement between The Ottawa Humane Society and Soho Champagne Condominiums Inc.
3. Instrument No. OC1651928 registered January 13, 2015, being a Notice of Agreement with the City of Ottawa.
4. Instrument No. OC1665645 registered March 11, 2015, being a Notice of Agreement with the City of Ottawa.
5. Instrument No. OC1665650 registered March 11, 2015, being a Notice of Agreement with the City of Ottawa.
6. Reference Plan 4R29600 registered June 23, 2016.
7. Instrument No. OC1798542 registered June 23, 2016, being an Application for Absolute Title.
8. Instrument No. OC1804530 registered July 11, 2016, being a Transfer of Easement in favour of Rogers Communications Inc.
9. Instrument No. OC1819925 registered August 24, 2016, being a Notice of Agreement between 2195186 Ontario Inc. and Ashcroft Homes Capital Hall Inc.
10. Instrument No. OC1829352 registered September 23, 2016, being Notice of Agreement relating to Instrument No. OC1651928.
11. Instrument No. OC1858806 registered January 6, 2017, being a Notice of Agreement between 2195186 Ontario Inc., Ashcroft Homes – Capital Hall Inc. and City of Ottawa relating to Instrument No. OC1665645.
12. Instrument No. OC1858810 registered January 6, 2017, being a Notice of Agreement between 2195186 Ontario Inc., Ashcroft Homes – Capital Hall Inc. and City of Ottawa.
13. Instrument No. OC1858817 registered January 6, 2017, being a Notice of an Agreement between 2195186 Ontario Inc., Ashcroft Homes – Capital Hall Inc. and City of Ottawa.
14. Instrument No. OC1952534 registered November 24, 2017, being a Charge in the principal amount of \$55,634,035 in favour of Peoples Trust Company.

15. Instrument No. OC1952535 registered November 24, 2017, being a Notice of Assignment of Rents-General in favour of Peoples Trust Company re: its Charge OC1952534.
16. Reference Plan 4R33801 registered May 27, 2021.
17. Instrument No. OC2393098 registered August 30, 2021, being a Transfer of Easement in favour of City of Ottawa.
18. Instrument No. OC2393106 registered August 30, 2021, being a Postponement by Peoples Trust Company of its security in favour of the City's Transfer of Easement OC2393098.
19. Instrument No. OC2401964 registered September 20, 2021, being a Notice of Agreement between 2195186 Ontario Inc. and Ashcroft Homes - Capital Hall Inc.

SCHEDULE 4
DUE DILIGENCE MATERIAL

Financial	
1.	Income statements for the last completed fiscal year
2.	Copy of previous and current year tax assessments and tax bills and any appeal information
3.	Utility Bills for past year
4.	Lease-up reports
5.	A list of & copies of outstanding work orders, notices, directives & letters of non-compliance issued by any governmental or other authority affecting the property, if any
6.	2024 Operating Budget
7.	Monthly rent rolls (as they become available)
8.	Historical capex spend/projects over the previous five years – amount and year
Documentation	
7.	List of equipment and furniture included in the sale (See Schedule 6)
8.	Summary of any current or proposed litigation
9.	A list of Contracts
10.	A list of Energy/Utility contracts
11.	Parking Information
12.	Copies of all fire & health inspection reports related to the property obtained by the Seller within the last 24 months
13.	Rent Roll
14.	Copies of Leases and amendments, notices of default and other material correspondence related thereto
15.	Property Insurance including details of current insurance coverage
Building Information - if available:	
16.	floor plans
17.	most recent survey of land and building

18.	Base Building Drawings/Plans: 1. Architectural 2. Mechanical and plumbing 3. Electrical 4. Structural 5. Landscaping 6. Civil
19.	Tenant Spaces--drawings/Plans
20.	Building Condition/Environmental Reports
21.	Municipal Agreements

SCHEDULE 5
AUTHORIZATION AND DIRECTION

TO: All Governmental Authorities having jurisdiction over the Property

RE: **101 Champagne Avenue South, Ottawa, Ontario K1S 4P3 (the “Property”)**

THE UNDERSIGNED, being the Interim Receiver of the Property, hereby authorizes and directs you to release any and all information relating to the Property which is in your possession including any information regarding any outstanding work orders or violations of any regulation or by-law administered by you to:

GOODMANS LLP
Bay Adelaide Centre - West Tower
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

and hereby consents to you having discussions with Goodmans LLP with respect to any information disclosed to Goodmans LLP and for so doing this shall be your good and sufficient authority.

This Authorization is given solely for the purpose of the release of such information which you currently may have on your records relating to the Property and expressly prohibits any on-site inspections or investigations by you of the Property.

This Authorization and any amendments hereto shall be considered validly executed and delivered by a party, if said party delivers an executed copy of this Authorization to the other party hereto by telecopier, facsimile device or e-mail (PDF). Such telecopied, facsimiled and/or emailed copy shall be deemed to have the same force and effect as an executed original.

DATED this ____ day of _____, 2025.

**KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Interim Receiver, without security, of the
property and lands listed on Schedule 1 hereto
and all of the property, assets and undertaking
of 2195186 Ontario Inc., and not in its personal
capacity or in any other capacity**

Per: _____
Name:
Title:

I have authority to bind the Corporation

SCHEDULE 6
EQUIPMENT/CHATTELS

Intentionally Deleted

SCHEDULE 7
APPROVAL AND VESTING ORDER

Intentionally Deleted

**AMENDMENT NO. 1 TO
AGREEMENT OF PURCHASE AND SALE**

MADE EFFECTIVE AS OF THE 24TH DAY OF MARCH, 2025.

AMONG:

**HS CANADA 101 CHAMPAGNE, L.P. by its general partner, HS CANADA
101 CHAMPAGNE GP INC.**

(the “**Buyer**”)

- and –

KSV RESTRUCTURING INC.,

solely in its capacity as the Court-appointed Interim Receiver, without security, of the property and lands listed on Schedule I of the APS and all of the property, assets and undertaking of 2195186 Ontario Inc., and not in its personal capacity or in any other capacity

(in such capacity, the “**Seller**”)

WHEREAS:

- A.** The Parties entered into an Agreement of Purchase and Sale made as of the 21st day of February, 2025 (the “**APS**”); and
- B.** The Parties desire to amend the APS on the terms and subject to the conditions set forth in this agreement (this “**Amendment**”).

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Definitions. Capitalized terms used and not defined in this Amendment have the respective meanings assigned to them in the APS.
- 2. Amendments. The APS shall be amended as follows:
 - (a) The definition of “Condition Date” in Section 1.1 of the APS is deleted in its entirety and replaced with the following:

“Condition Date” means May 8, 2025, subject to extension as set out in Section 3.4.
 - (b) The following is hereby added to Section 3.2 (c) of the APS:

Notwithstanding the foregoing or anything else in this Agreement to the contrary, the Buyer agrees to be responsible for all costs and expenses of Pinchin Ltd. and its

subcontractors (the “**Additional Costs**”) in connection with the second phase of the mold investigation, mechanical, electrical and plumbing (MEP) assessment and infrared electrical inspection in respect of the Property to be provided by Pinchin Ltd. (the “**Additional Work**”) with an estimated cost of \$113,170 plus HST, provided that after the first \$40,000 plus HST of Additional Costs incurred by the Buyer (the “**Initial Costs**”), the Seller shall be responsible for the remainder of the Additional Costs, to a maximum of \$73,170 plus HST (the “**Seller’s Additional Costs**”). In this regard, the Buyer shall instruct Pinchin Ltd. to issue two (2) invoices with respect to the Additional Costs as follows: (i) an invoice for the Initial Costs and any Additional Costs exceeding the Seller’s Additional Costs shall be issued directly to the Buyer; and (ii) an invoice for the Seller’s Additional Costs shall be issued directly to the Seller. It is further acknowledged and agreed that notwithstanding the foregoing or anything else in this Agreement to the contrary, the Seller shall be solely responsible for repairing drywall if and to the extent cut out for sample testing in connection with the Additional Work (the “**Drywall Work**”). For greater certainty, the indemnity and related obligations of the Buyer under this Section 3.2 (c) shall not apply to with respect to the Drywall Work.

3. Limited Effect. Except as expressly provided in this Amendment, all of the terms and provisions of the APS, are and will remain in full force and effect. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the APS or as a waiver of or consent to any further or future action on the part of any Party that would require the waiver or consent of the other Parties.
4. References. On and after the date hereof, each reference in the APS to "this Agreement," "the Agreement," "hereunder," "hereof," "herein," or words of like import will mean and be a reference to the APS as amended by this Amendment.
5. Third Party Beneficiaries. The Parties intend that this Amendment shall not benefit or create any right or cause of action in, or on behalf of, any Person other than the Parties to this Amendment and no person or entity, other than the Parties to this Amendment shall be entitled to rely on the provisions of this Amendment in any claim, action, proceeding, suit, hearing or other forum.
6. Successors and Assigns. All of the covenants and agreements in this Amendment shall be binding upon the Parties and their respective successors and assigns and shall enure to the benefit of and be enforceable by the Parties and their respective successors and their permitted assigns pursuant to the terms and conditions of this Amendment.
7. Counterparts. This Amendment may be executed in counterparts and by the email transmission of an originally executed document.
8. Governing Law. This Amendment shall be governed by the laws of the Province of Ontario.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date hereof.

**HS CANADA 101 CHAMPAGNE, L.P. by its
general partner, HS CANADA 101
CHAMPAGNE GP INC.**

By: _____

Jonathan Turnbull
Authorized Signatory

By: _____

Stephen Gordon
Authorized Signatory

I/we have authority to bind the Limited Partnership

**KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
~~Interim~~ Receiver, without security, of the
property and lands listed on Schedule 1 of the
APS and all of the property, assets and
undertaking of 2195186 Ontario Inc., and not
in its personal capacity or in any other
capacity**



By: _____

I have authority to bind the Corporation

**AMENDMENT NO. 2 TO
AGREEMENT OF PURCHASE AND SALE**

MADE EFFECTIVE AS OF THE 1ST DAY OF MAY, 2025.

AMONG:

**HS CANADA 101 CHAMPAGNE, L.P. by its general partner, HS CANADA
101 CHAMPAGNE GP INC.**

(the “**Buyer**”)

- and –

KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed Receiver, without security, of the
property and lands listed on Schedule I of the APS and all of the property, assets
and undertaking of 2195186 Ontario Inc., and not in its personal capacity or in
any other capacity

(in such capacity, the “**Seller**”)

WHEREAS:

- A.** The Parties entered into an Agreement of Purchase and Sale made as of the 21st day of February, 2025 (the “**Original APS**”);
- B.** The Parties amended the Original APS by way of an amendment to the Original APS dated as of the 24th day of March, 2025 (the “**First Amendment**”); and
- C.** The Parties desire to amend the Original APS as amended by the First Amendment (collectively, the “**APS**”) on the terms set forth in this agreement (this “**Second Amendment**”).

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Definitions. Capitalized terms used and not defined in this Second Amendment have the respective meanings assigned to them in the APS.
- 2. Amendments. The APS shall be amended as follows:
 - (a) The definition of “Condition Date” in Section 1.1 of the APS is deleted in its entirety and replaced with the following:

“**Condition Date**” means June 9, 2025, subject to extension as set out in Section 3.4.

3. Limited Effect. Except as expressly provided in this Second Amendment, all of the terms and provisions of the APS, are and will remain in full force and effect. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the APS or as a waiver of or consent to any further or future action on the part of any Party that would require the waiver or consent of the other Parties.
4. References. On and after the date hereof, each reference in the APS to “this Agreement,” “the Agreement,” “hereunder,” “hereof,” “herein,” or words of like import will mean and be a reference to the APS as amended by this Second Amendment.
5. Third Party Beneficiaries. The Parties intend that this Second Amendment shall not benefit or create any right or cause of action in, or on behalf of, any Person other than the Parties to this Second Amendment and no person or entity, other than the Parties to this Second Amendment shall be entitled to rely on the provisions of this Second Amendment in any claim, action, proceeding, suit, hearing or other forum.
6. Successors and Assigns. All of the covenants and agreements in this Second Amendment shall be binding upon the Parties and their respective successors and assigns and shall enure to the benefit of and be enforceable by the Parties and their respective successors and their permitted assigns pursuant to the terms and conditions of this Second Amendment.
7. Counterparts. This Second Amendment may be executed in counterparts and by the email transmission of an originally executed document.
8. Governing Law. This Second Amendment shall be governed by the laws of the Province of Ontario.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the date hereof.

**HS CANADA 101 CHAMPAGNE, L.P. by its
general partner, HS CANADA 101
CHAMPAGNE GP INC.**

By: 

Jonathan Turnbull
Authorized Signatory

By: 

Stephen Gordon
Authorized Signatory

I/we have authority to bind the Limited Partnership

**KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Receiver, without security, of the property and
lands listed on Schedule 1 of the APS and all of
the property, assets and undertaking of
2195186 Ontario Inc., and not in its personal
capacity or in any other capacity**

By: 

I have authority to bind the Corporation

**AMENDMENT NO. 3 TO
AGREEMENT OF PURCHASE AND SALE**

MADE EFFECTIVE AS OF THE 29TH DAY OF MAY, 2025.

AMONG:

**HS CANADA 101 CHAMPAGNE, L.P. by its general partner, HS CANADA
101 CHAMPAGNE GP INC.**

(the “**Buyer**”)

- and –

KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed Interim Receiver, without security, of
the property and lands listed on Schedule I of the APS and all of the property,
assets and undertaking of 2195186 Ontario Inc., and not in its personal capacity or
in any other capacity

(in such capacity, the “**Seller**”)

WHEREAS:

- A.** The Parties entered into an Agreement of Purchase and Sale made as of the 21st day of February, 2025 (the “**Original APS**”);
- B.** The Parties amended the Original APS by way of an amendment to the Original APS dated as of the 24th day of March, 2025 (the “**First Amendment**”);
- C.** The Parties further amended the Original APS, as amended by the First Amendment by way of a second amendment thereto as of the 1st day of May, 2025 (the “**Second Amendment**”); and
- D.** The Parties desire to further amend the Original APS as amended by the First Amendment and the Second Amendment (collectively, the “**APS**”) on the terms set forth in this agreement (this “**Third Amendment**”).

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Definitions. Capitalized terms used and not defined in this Third Amendment have the respective meanings assigned to them in the APS.
- 2. Amendments. The APS shall be amended as follows:
 - (a) The definition of “Condition Date” in Section 1.1 of the APS is deleted in its entirety and replaced with the following:

“Condition Date” means July 9, 2025, subject to extension as set out in Section 3.4.

3. Limited Effect. Except as expressly provided in this Third Amendment, all of the terms and provisions of the APS, are and will remain in full force and effect. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the APS or as a waiver of or consent to any further or future action on the part of any Party that would require the waiver or consent of the other Parties.
4. References. On and after the date hereof, each reference in the APS to “this Agreement,” “the Agreement,” “hereunder,” “hereof,” “herein,” or words of like import will mean and be a reference to the APS as amended by this Third Amendment.
5. Third Party Beneficiaries. The Parties intend that this Third Amendment shall not benefit or create any right or cause of action in, or on behalf of, any Person other than the Parties to this Third Amendment and no person or entity, other than the Parties to this Third Amendment shall be entitled to rely on the provisions of this Third Amendment in any claim, action, proceeding, suit, hearing or other forum.
6. Successors and Assigns. All of the covenants and agreements in this Third Amendment shall be binding upon the Parties and their respective successors and assigns and shall enure to the benefit of and be enforceable by the Parties and their respective successors and their permitted assigns pursuant to the terms and conditions of this Third Amendment.
7. Counterparts. This Third Amendment may be executed in counterparts and by the email transmission of an originally executed document.
8. Governing Law. This Third Amendment shall be governed by the laws of the Province of Ontario.

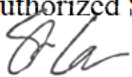
[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the date hereof.

**HS CANADA 101 CHAMPAGNE, L.P. by its
general partner, HS CANADA 101
CHAMPAGNE GP INC.**

By: 

Jonathan Turnbull
Authorized Signatory

By: 

Stephen Gordon
Authorized Signatory

I/we have authority to bind the Limited Partnership

**KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Interim Receiver, without security, of the
property and lands listed on Schedule 1 of the
APS and all of the property, assets and
undertaking of 2195186 Ontario Inc., and not
in its personal capacity or in any other
capacity**

By: 

I have authority to bind the Corporation

**AMENDMENT NO. 4 TO
AGREEMENT OF PURCHASE AND SALE**

MADE EFFECTIVE AS OF THE 9TH DAY OF JULY, 2025.

AMONG:

**HS CANADA 101 CHAMPAGNE, L.P. by its general partner, HS CANADA
101 CHAMPAGNE GP INC.**

(the “**Buyer**”)

- and -

KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed Interim Receiver, without security, of
the property and lands listed on Schedule I of the APS and all of the property,
assets and undertaking of 2195186 Ontario Inc., and not in its personal capacity or
in any other capacity

(in such capacity, the “**Seller**”)

WHEREAS:

- A.** The Parties entered into an Agreement of Purchase and Sale made as of the 21st day of February, 2025 (the “**Original APS**”);
- B.** The Parties amended the Original APS by way of an amendment to the Original APS dated as of the 24th day of March, 2025 (the “**First Amendment**”);
- C.** The Parties further amended the Original APS, as amended by the First Amendment by way of a second amendment thereto as of the 1st day of May, 2025 (the “**Second Amendment**”);
- D.** The Parties further amended the Original APS, as amended by the First Amendment and the Second Amendment by way of a third amendment thereto as of the 29th day of May, 2025 (the “**Third Amendment**”); and
- E.** The Parties desire to further amend the Original APS as amended by the First Amendment, the Second Amendment and the Third Amendment (collectively, the “**APS**”) on the terms set forth in this agreement (this “**Fourth Amendment**”).

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Definitions. Capitalized terms used and not defined in this Fourth Amendment have the respective meanings assigned to them in the APS.

2. Amendments. The APS shall be amended as follows:
 - (a) The definition of “Condition Date” in Section 1.1 of the APS is deleted in its entirety and replaced with the following:

“Condition Date” means July 14, 2025, subject to extension as set out in Section 3.4.
3. Limited Effect. Except as expressly provided in this Fourth Amendment, all of the terms and provisions of the APS, are and will remain in full force and effect. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the APS or as a waiver of or consent to any further or future action on the part of any Party that would require the waiver or consent of the other Parties.
4. References. On and after the date hereof, each reference in the APS to “this Agreement,” “the Agreement,” “hereunder,” “hereof,” “herein,” or words of like import will mean and be a reference to the APS as amended by this Fourth Amendment.
5. Third Party Beneficiaries. The Parties intend that this Fourth Amendment shall not benefit or create any right or cause of action in, or on behalf of, any Person other than the Parties to this Fourth Amendment and no person or entity, other than the Parties to this Fourth Amendment shall be entitled to rely on the provisions of this Fourth Amendment in any claim, action, proceeding, suit, hearing or other forum.
6. Successors and Assigns. All of the covenants and agreements in this Fourth Amendment shall be binding upon the Parties and their respective successors and assigns and shall enure to the benefit of and be enforceable by the Parties and their respective successors and their permitted assigns pursuant to the terms and conditions of this Fourth Amendment.
7. Counterparts. This Fourth Amendment may be executed in counterparts and by the email transmission of an originally executed document.
8. Governing Law. This Fourth Amendment shall be governed by the laws of the Province of Ontario.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment as of the date hereof.

**HS CANADA 101 CHAMPAGNE, L.P. by its
general partner, HS CANADA 101
CHAMPAGNE GP INC.**

By: 

Jonathan Turnbull
Authorized Signatory

By: 

Stephen Gordon
Authorized Signatory

I/we have authority to bind the Limited Partnership

**KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Interim Receiver, without security, of the
property and lands listed on Schedule 1 of the
APS and all of the property, assets and
undertaking of 2195186 Ontario Inc., and not
in its personal capacity or in any other
capacity**

By: 

I have authority to bind the Corporation

**AMENDMENT NO. 5 TO
AGREEMENT OF PURCHASE AND SALE**

MADE EFFECTIVE AS OF THE 14TH DAY OF JULY, 2025.

AMONG:

**HS CANADA 101 CHAMPAGNE, L.P. by its general partner, HS CANADA
101 CHAMPAGNE GP INC.**

(the “**Buyer**”)

- and -

KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed Receiver, without security, of the
property and lands listed on Schedule I of the APS and all of the property, assets
and undertaking of 2195186 Ontario Inc., and not in its personal capacity or in any
other capacity

(in such capacity, the “**Seller**”)

WHEREAS:

- A.** The Parties entered into an Agreement of Purchase and Sale made as of the 21st day of February, 2025 (the “**Original APS**”);
- B.** The Parties amended the Original APS by way of an amendment to the Original APS dated as of the 24th day of March, 2025 (the “**First Amendment**”);
- C.** The Parties further amended the Original APS, as amended by the First Amendment by way of a second amendment thereto as of the 1st day of May, 2025 (the “**Second Amendment**”);
- D.** The Parties further amended the Original APS, as amended by the First Amendment and the Second Amendment by way of a third amendment thereto as of the 29th day of May, 2025 (the “**Third Amendment**”);
- E.** The Parties further amended the Original APS, as amended by the First Amendment, the Second Amendment and the Third Amendment by way of a fourth amendment thereto as of the 9th day of July, 2025 (the “**Fourth Amendment**”); and
- F.** The Parties desire to further amend the Original APS as amended by the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment (collectively, the “**APS**”) on the terms set forth in this agreement (this “**Fifth Amendment**”).

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. Capitalized terms used and not defined in this Fifth Amendment have the respective meanings assigned to them in the APS.
2. Amendments. The APS shall be amended as follows:
 - (a) The definition of “Condition Date” in Section 1.1 of the APS is deleted in its entirety and replaced with the following:

“Condition Date” means July 21, 2025, subject to extension as set out in Section 3.4.
3. Limited Effect. Except as expressly provided in this Fifth Amendment, all of the terms and provisions of the APS, are and will remain in full force and effect. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the APS or as a waiver of or consent to any further or future action on the part of any Party that would require the waiver or consent of the other Parties.
4. References. On and after the date hereof, each reference in the APS to “this Agreement,” “the Agreement,” “hereunder,” “hereof,” “herein,” or words of like import will mean and be a reference to the APS as amended by this Fifth Amendment.
5. Third Party Beneficiaries. The Parties intend that this Fifth Amendment shall not benefit or create any right or cause of action in, or on behalf of, any Person other than the Parties to this Fifth Amendment and no person or entity, other than the Parties to this Fifth Amendment shall be entitled to rely on the provisions of this Fifth Amendment in any claim, action, proceeding, suit, hearing or other forum.
6. Successors and Assigns. All of the covenants and agreements in this Fifth Amendment shall be binding upon the Parties and their respective successors and assigns and shall enure to the benefit of and be enforceable by the Parties and their respective successors and their permitted assigns pursuant to the terms and conditions of this Fifth Amendment.
7. Counterparts. This Fifth Amendment may be executed in counterparts and by the email transmission of an originally executed document.
8. Governing Law. This Fifth Amendment shall be governed by the laws of the Province of Ontario.

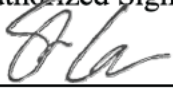
[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Fifth Amendment as of the date hereof.

**HS CANADA 101 CHAMPAGNE, L.P. by its
general partner, HS CANADA 101
CHAMPAGNE GP INC.**

By: 

Jonathan Turnbull
Authorized Signatory

By: 

Stephen Gordon
Authorized Signatory

I/we have authority to bind the Limited Partnership

**KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Receiver, without security, of the property
and lands listed on Schedule 1 of the APS and
all of the property, assets and undertaking of
2195186 Ontario Inc., and not in its personal
capacity or in any other capacity**

By: 

I have authority to bind the Corporation

**AMENDMENT NO. 6 TO
AGREEMENT OF PURCHASE AND SALE**

MADE EFFECTIVE AS OF THE 21ST DAY OF JULY, 2025.

AMONG:

**HS CANADA 101 CHAMPAGNE, L.P. by its general partner,
HS CANADA 101 CHAMPAGNE GP INC.**

(the “**Buyer**”)

- and -

KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed Receiver, without security, of
the property and lands listed on Schedule I of the APS and
all of the property, assets and undertaking of 2195186 Ontario Inc., and
not in its personal capacity or in any other capacity

(in such capacity, the “**Seller**”)

WHEREAS:

- A.** The Parties entered into an Agreement of Purchase and Sale made as of the 21st day of February, 2025 (the “**Original APS**”);
- B.** The Parties amended the Original APS by way of an amendment to the Original APS dated as of the 24th day of March, 2025 (the “**First Amendment**”);
- C.** The Parties further amended the Original APS, as amended by the First Amendment by way of a second amendment thereto as of the 1st day of May, 2025 (the “**Second Amendment**”);
- D.** The Parties further amended the Original APS, as amended by the First Amendment and the Second Amendment by way of a third amendment thereto as of the 29th day of May, 2025 (the “**Third Amendment**”);
- E.** The Parties further amended the Original APS, as amended by the First Amendment, the Second Amendment and the Third Amendment by way of a fourth amendment thereto as of the 9th day of July, 2025 (the “**Fourth Amendment**”);
- F.** The Parties further amended the Original APS, as amended by the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment by way of a fifth amendment thereto as of the 14th day of July, 2025 (the “**Fifth Amendment**”); and
- G.** The Parties desire to further amend the Original APS as amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment (collectively, the “**APS**”) on the terms set forth in this agreement (this “**Sixth Amendment**”).

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. Capitalized terms used and not defined in this Sixth Amendment have the respective meanings assigned to them in the APS.

2. Amendments. The APS shall be amended as follows:

(a) Section 1.1 of the APS is hereby amended by deleting the definition of “**Alternative Financing**”.

(b) Section 1.1 of the APS is hereby amended by replacing the definition of “**Assumed Contracts**” with the following:

“**Assumed Contracts**” is defined in section 3.8.

(c) Section 1.1 of the APS is hereby amended by deleting the definition of “**Balance**”.

(d) Section 1.1 of the APS is hereby amended by replacing the definition of “**Closing Date**” with the following:

“**Closing Date**” means September 1, 2025, as may be extended by either of the Buyer or the Seller in their respective sole discretion to the Outside Date in the event that any condition to closing specified herein (except for those conditions that by their nature are to be satisfied at the Closing) has yet to be satisfied, or such other Business Day as the Buyer and the Seller mutually agree. “**Closing Documents**” means collectively, the documents delivered pursuant to section 7.1 and section 7.2.

(e) Section 1.1 of the APS is hereby amended by adding the following definition:

“**Excess Amount**” is defined in section 2.7(c)(iv).

(f) Section 1.1 of the APS is hereby amended by replacing the definition of “**Mortgage**” with the following:

“**Mortgage**” means, collectively, (a) the existing first mortgage and assignment of rents granted by the Debtor in favour of the Mortgagee and registered on November 24, 2017, in the Land Registry Office for the Land Titles Division of Ottawa-Carlton (No. 4) as Instruments no. OC1952534 and OC1952535, respectively, as well as all other security held by the Mortgagee as collateral or additional security thereto provided that same relates solely to the Property (collectively, the “**Peoples Trust Mortgage**”); and (b) the existing second mortgage and assignment of rents granted by the debtor in favour of the Mortgagee and registered on November 24, 2017 in the Land Registry Office for the Land Titles Division of Ottawa-Carlton (No. 4) as Instruments No. OC1952639 and OC1952640 respectively, as

well as all other security held by the Mortgagee as collateral or additional security thereto provided that same relates solely to the Property (collectively, the “**ACM Mortgage**”).

- (g) Section 1.1 of the APS is hereby amended by replacing the definition of “**Mortgagee**” with the following:

“**Mortgagee**” means, in the case of the Mortgage in subsection (a) of the definition of Mortgage, Peoples Trust Company and, in the case of the Mortgage in subsection (b) of the definition of Mortgage, Computershare Trust Company of Canada, as titleholder for the benefit of ACM CMF Services Ltd., as trustee for ACM Commercial Mortgage Fund.

- (h) Section 1.1 of the APS is hereby amended by adding the following definition:

“**Outside Date**” means October 1, 2025 or such other Business Day as the Buyer and the Seller mutually agree.

- (i) Section 1.1 of the APS is hereby amended by replacing the definition of “**Permitted Encumbrances**” with the following:

“**Permitted Encumbrances**” means those Encumbrances listed in Schedule “D” to the Approval and Vesting Order.

- (j) Section 1.1 of the APS is hereby amended by adding the following definition:

“**Priority Payables**” means the amounts necessary, without duplication, to satisfy (i) the obligations secured by the Receiver’s Charge¹ and the Receiver’s Borrowings Charge², including estimates to the Receiver’s discharge; (ii) the obligations owing to any creditor which would be entitled to claim priority over the security interest of each Mortgagee in the Property, including municipal property taxes and water arrears; (iii) the realtor commission pursuant to the Listing Agreement between the Debtor and CMLS Realty Ltd. dated July 17, 2024; (iv) tenant inducements to vacate the Property in the aggregate amount of \$614,922 (or such other amount as agreed to by the Seller with the consent of Peoples Trust Company and ACM Advisors Ltd.); (v) a reserve to be held by the Receiver in trust in the amount of the estimated fees and disbursements of a trustee in bankruptcy and its legal counsel to

¹ Receiver’s Charge means, collectively, the Receiver’s Charge as defined in the Receivership Order of Justice Mew dated February 24, 2025 and the Interim Receiver’s Charge as defined in the Interim Receiver Order of Justice Mew dated December 20, 2024.

² Receiver’s Borrowings Charge means, collectively, the Receiver’s Borrowings Charge as defined in the Receivership Order of Justice Mew dated February 24, 2025 and the Interim Receiver’s Borrowings Charge as defined in the Interim Receiver Order of Justice Mew dated December 20, 2024.

administer a bankruptcy of the Debtor; (vi) if applicable, termination costs payable to the Property manager in accordance with the terms of the Property Management Agreement between the Receiver and Keilty Realty Management Inc. dated March 3, 2025; (vii) the amount of overdue principal and interest as of the Closing Date pursuant to the Peoples Trust Mortgage and the full amount of any legal fees and expenses incurred by such Mortgagee and CMHC in connection with the Interim Receivership Proceedings, the prior proceeding under the Companies' Creditors Arrangement Act (Canada) and any receivership or other insolvency proceedings as of the Closing Date; (viii) the amount, if any, determined to be due to Ottawa Carleton Standard Condominium Corporation No. 1081 in respect of shared facilities costs as of the Closing Date, with the consent of Peoples Trust Company and ACM Advisors Ltd.; (ix) the amount, if any, required to replace the existing performance deposit held by the City of Ottawa pursuant to Notice of Site Plan Agreement OC1665645 and the costs, if any, over and above such deposit to satisfy the outstanding obligations pursuant to Notice of Site Plan Agreement OC1665645 as agreed to by the Buyer and the Seller with the consent of Peoples Trust Company and ACM Advisors Ltd.; and (x) obligations owing by the Receiver or the Debtor for services rendered from the date of the Receivership Order up to the Closing Date, as estimated by the Receiver.

- (k) The definition of "**Purchase Price**" in Section 1.1 of the APS is deleted in its entirety and replaced with the following: "**Purchase Price**" means [REDACTED] plus an amount, if any, equal to per diem realty taxes and interest on the Mortgage (at current contractual rates) for each day from and after September 2, 2025, until and including the earlier of (i) the Closing Date and (ii) October 1, 2025, and less an amount, if any, equal to [REDACTED] with any reduction of the Purchase Price to be applied to reduce the amount of the ACM Mortgage being assumed by the Purchaser and, for greater certainty, not to be applied to reduce any of the Priority Payables or any part of the Peoples Trust Mortgage being assumed. The Parties acknowledge that the reduction from the original Purchase Price of [REDACTED] is reflective of, and in complete satisfaction of, any and all matters revealed in the Buyer's due diligence investigations or otherwise known to the Buyer in respect of the Assets, including, without limitation, the environmental status of the Assets, the existence of any Work Orders known to the Buyer as of the date of Amendment No. 6 to Agreement of Purchase and Sale and the status of or compliance with any Permitted Encumbrances other than those that are not partially waived in Amendment No. 6 to Agreement of Purchase and Sale. For certainty this definition is intended to supplement, and not limit or vary, Section 2.5 of the APS. For certainty, the Assets expressly exclude any insurance claims of the Debtor or recoveries in respect thereof in connection with the environmental status of the

Buildings, which shall remain the property of the Debtor and any other named insureds or persons covered by applicable insurance policies.

- (l) The APS is hereby amended to insert the following new Section 1.15:

1.15 Tenant Matters/Vacant Possession

The Buyer shall not assume any Leases with Tenants (save and except the Lease with the commercial tenant) and the Tenants (save and except the commercial tenant) shall have vacated the Property on or before the Closing Date. Notwithstanding any other provision hereof, in no circumstance shall the Buyer assume or have any liability to the Tenants (save and except in relation to the Lease with the commercial tenant for the period from and after the Closing Date), including in connection with the termination of their respective Leases or otherwise in connection with the Property being vacated by the Tenants. Subject to the Approval and Vesting Order being issued and entered, the Seller shall implement the process contemplated by the Approval and Vesting Order relating to the Property being vacated and the Buyer shall reasonably cooperate with the Seller in this regard (provided that the Buyer shall not be required to expend any funds or incur any liability in connection with such cooperation).

- (m) Section 2.7 of the APS is hereby deleted in its entirety and replaced with the following:

The Purchase Price shall be paid and satisfied as follows:

- (a) by the 3rd Business Day following the Acceptance Date, the Buyer shall pay FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) (the “**First Deposit**”) by wire transfer to the Seller’s Solicitors, which sum shall be held in trust pending the closing of the Transaction, or the termination of this Agreement;
- (b) by the 3rd Business Day following the date of mutual acceptance of the Sixth Amendment, the Buyer shall pay TWO MILLION DOLLARS (\$2,000,000.00), (the “**Second Deposit**”) by wire transfer to the Seller’s Solicitors, which sum shall be held in trust pending the closing of the Transaction, or the termination of this Agreement;
- (c) on the Closing Date,
 - (i) application of the Deposit (other than the interest thereon which shall be paid to the Buyer);

- (ii) the Buyer shall pay to the Seller's Solicitors in cash by wire transfer of immediately available funds the positive difference, if any, between the amount required to pay all Priority Payables and the Deposit, which Priority Payables, as at the date hereof, are estimated to be approximately \$3,500,000 (not including the amounts set out in paragraphs (viii) and (ix) in the definition of Priority Payables), which estimate shall be revised by the Seller and delivered to the Buyer no later than 3 Business Days prior to Closing;
- (iii) to the extent not included in Priority Payables, the assumption of the Peoples Trust Mortgage (the principal amount outstanding thereunder as of the Closing Date to be verified by a mortgage assumption statement provided by such Mortgagee) in accordance with section 3.6; and
- (iv) in respect of the balance of the Purchase Price, the assumption of the ACM Mortgage (the principal amount outstanding thereunder as of the Closing Date, together with the amount of any accrued and unpaid interest as of the Closing Date, costs (including without limitation the full amount of any legal fees and expenses incurred by such Mortgagee and CMHC in connection with the Interim Receivership Proceedings, the prior proceeding under the Companies' Creditors Arrangement Act (Canada) and any receivership or other insolvency proceedings), expenses and fees to which such Mortgagee is entitled pursuant to its loan and security documents in connection with the ACM Mortgage and the repayment thereof, to be verified by a mortgage assumption statement provided by such Mortgagee) in accordance with section 3.6; provided, however, that if and to the extent the amount set out in such mortgage statement, when added to the amounts set out in (a), (b) and (c)(i), (ii) and (iii) immediately above exceeds the amount of the Purchase Price (such excess amount, the "**Excess Amount**"), the Buyer shall only be obligated to assume the amount set out in such mortgage assumption statement less the Excess Amount and the Mortgage Assumption with respect to the ACM Mortgage shall include the foregoing.

The Deposit shall be held by the Seller's Solicitors in trust pending the completion or other termination of this Agreement in an interest-bearing account or term deposit with any of the five largest Schedule I Canadian chartered banks. All interest accruing on the Deposit shall be paid to the Buyer on the completion of the Transaction or on termination of this Agreement, unless the Buyer is in default hereunder, in which event the

Deposit and such interest shall be paid to the Seller without prejudice to the Seller's rights to pursue any other remedy. In holding the Deposit, the Seller's Solicitors shall be a mere stakeholder. If a dispute arises as to whom the Deposit and interest are payable, the Seller's Solicitors shall be entitled to pay all sums then held by them in trust for the parties into a court of competent jurisdiction in the Province of Ontario and they shall be thereafter free of all liability in connection therewith.

- (n) Section 2.8(a) of the APS is hereby deleted in its entirety and replaced with the following:
 - (a) The parties shall adjust only for realty taxes and rents in respect of the commercial tenant (including security deposits). The Seller shall be responsible for all expenses and entitled to all revenue accrued from the Assets ending on the day preceding the Closing Date and thereafter the Buyer shall be responsible for all expenses and shall be entitled to all revenue accruing from the Assets.
- (o) Section 2.8(b) of the APS is hereby deleted in its entirety and replaced with the following:
 - (b) A draft statement of adjustments shall be delivered to the Buyer by the Seller not less than five (5) Business Days prior to the Closing Date and shall have annexed to it details of the calculations used by the Seller to arrive at all debits and credits on the statement of adjustments and a final statement of adjustments shall be delivered to the Buyer by the Seller on the Closing Date. Notwithstanding anything in this Agreement to the contrary, there shall be no further adjustments and no holdbacks of any closing proceeds.
- (p) Section 2.8(e) of the APS is hereby deleted in its entirety and replaced with the following:
 - (e) If the Closing does not occur on the first day of a month, then rents received by the Seller in respect of the commercial tenant for the month in which Closing occurs shall be adjusted for based on the existing additional rent estimates. All rental arrears, recoveries and any other claims against Tenants that have accrued prior to Closing (collectively, the "**Tenant Receivables**") shall remain the property of the Seller on Closing and no adjustment shall be made on the statement of adjustments.
- (q) Section 2.8(k) of the APS is hereby amended by adding "and unless paid by the Seller to the Mortgagee" after "is assumed on Closing" in the first line thereof.
- (r) Section 2.8(l) of the APS is hereby deleted in its entirety.

- (s) Section 3.4(b) of the APS is hereby deleted in its entirety and replaced with the following:

Intentionally deleted.

- (t) Section 3.6(b) of the APS is hereby amended by replacing the words “shall not exceed \$15,000.00” with “shall not exceed \$15,000.00 in respect of each of the Peoples Trust Mortgage and the ACM Mortgage”.
- (u) Section 3.6(d) is hereby deleted in its entirety.
- (v) Section 3.8 of the APS is hereby amended by replacing “five (5) Business Days” with “ten (10) Business Days”.
- (w) Section 3.9(d) is hereby replaced with the following:

Mortgage Assumption. The completion of the Mortgage Assumptions, provided that the Buyer has complied with its obligations pursuant to Section 3.6.

- (x) Section 3.11(c) of the APS is hereby added as follows:

The Closing shall have occurred on or before the Outside Date; provided that a party shall not be entitled to rely on this condition to terminate this Agreement if the reason for the Closing not occurring on or before the Outside Date is a result of such party’s breach of this Agreement. Closing of the Transaction on the Closing Date shall be evidence of each party’s waiver of this condition, without the requirement for any further act or formality on the part of either party.

- (y) Section 3.10(c) is hereby amended by deleting the words “or Redemption” in the heading and the words “, and no Person shall have taken any action to redeem the Assets” in the body of the provision.
- (z) Section 3.10(d) is hereby amended by adding the words “or otherwise caused the Purchase Price to be satisfied in accordance with Section 2.7 hereof” following the words “Purchase Price”.
- (aa) Section 3.11(a) of the APS is hereby deleted in its entirety and replaced with the following:

- (a) the Court shall have issued and entered an order of the Court substantially in the form attached as Schedule “A” to the Fifth Amendment and otherwise in form and substance satisfactory to the Buyer, acting reasonably, *inter alia*, (x) approving this Agreement and the Transaction and conveying to the Buyer upon Closing all of the Debtor’s and the Seller’s right, title and interest in and to the

Assets free and clear of all (i) Claims, and (ii) Encumbrances other than Permitted Encumbrances and (y) approving a process, such that all of the Tenants (save and except the commercial tenant) shall have vacated the Property on or before the Outside Date and granting related relief (the “**Approval and Vesting Order**”); and

- (bb) Section 3.11 of the APS is hereby amended by deleting the last sentence thereof and replacing it with the following: “The foregoing condition specified in Section 3.11(a) is a true condition precedent that cannot be waived by either party hereto.”
- (cc) Section 3.12(b) of the APS is deleted in its entirety and replaced with the following:
 - (b) If any condition set out in section 3.11 is not satisfied or performed prior to the time specified therefor or (if permitted) waived by both of the parties, this Agreement shall automatically be terminated, in which case neither party shall be under any further obligation to the other to complete the Transaction and any Deposit and all interest accrued thereon shall be returned in accordance with section 2.7.
- (dd) Section 3.13 of the APS is hereby deleted.
- (ee) Sections 3.14(a), (b) and (c) are deleted in their entirety and replaced with the following:
 - (a) The Seller shall prepare and deliver to the Buyer the Seller’s draft motion materials for the Approval and Vesting Order (including the Seller’s report to be filed in connection therewith) (the “**Motion**”).
 - (b) The Buyer and its legal counsel shall be given a reasonable opportunity to review and comment on the draft Motion materials (the “**Review Period**”).
 - (c) The Motion will be scheduled for a hearing before Justice Mew on July 31, 2025 (the “**Motion Hearing Date**”); and
 - (c.1) Immediately following the Review Period and execution of the Fifth Amendment, the Seller shall serve and file the Motion and use its reasonable commercial efforts to obtain the Approval and Vesting Order from the Court by no later than on the Motion Hearing Date.
- (ff) Section 6.1 of the APS is hereby amended by adding the following sentence at the end thereof:

Notwithstanding anything herein to the contrary, the Seller shall not enter into any new Leases or extend any existing Leases.

(gg) Section 7.1(c) is hereby deleted in its entirety and replaced with the following:

the assignment and assumption of the commercial lease between 2195186 Ontario Inc. (operating as Envie Student Building) as landlord and 13492575 Canada Inc. (operating as Safi Fine Food) as tenant dated January 6, 2022, including an indemnity given by the Buyer in favour of the Seller with respect to claims under the Leases for matters occurring on or after the Closing Date;

(hh) Section 7.2(a) is hereby deleted in its entirety and replaced with the following:

the payment contemplated by Section 2.7(c)(ii) by wire transfer in immediately available funds, together with all other amounts required to be paid by the Buyer to the Seller hereunder at the Time of Closing, if any;

(ii) Section 7.2(d) is hereby deleted in its entirety and replaced with the following:

the assignment and assumption of the commercial lease between 2195186 Ontario Inc. (operating as Envie Student Building) as landlord and 13492575 Canada Inc. (operating as Safi Fine Food) as tenant dated January 6, 2022.

(jj) Section 7.2(h) is hereby deleted in its entirety and replaced with the following:

Intentionally deleted

(kk) Section 7.6(2) is hereby amended to delete the word "Balance" and replace it with "payment contemplated by Section 2.7(c)(ii)".

3. Partial Waiver. The Buyer hereby confirms that it waives the due diligence condition set out in Section 3.4(a) of the APS save and except for the following matters:

(a) The Buyer being satisfied that each of the Leases (save and except the Lease of the commercial tenant [REDACTED] [REDACTED] has been terminated and each of the Tenants (save and except the commercial tenant) shall have vacated the Property on or before the Outside Date.

(b) The Buyer being satisfied with the status of the Shared Facilities Agreement attached to Instrument No. OC2401964, including the accrued and future obligations owing thereunder, on or before August 21, 2025.

(c) The Buyer being satisfied that the City of Ottawa has consented to Transaction pursuant to Notice of Site Plan Agreement OC1665645, as amended including the satisfaction of any outstanding requirements in order to obtain such consent (including, without limitation, the transfer or replacement of the existing performance deposit, the provision of as built drawings and final inspections) on or before August 21, 2025.

- (d) The amount of the Priority Payables on the Closing Date is not more than \$4.8 million.

The Buyer and the Seller confirm and agree that the Condition Date with respect to the Buyer satisfying or waving the foregoing is hereby extended to the dates set out in the foregoing. The Seller hereby covenants to use reasonable commercial efforts to help achieve the satisfaction matters set out in subsection (a) hereof.

4. Limited Effect. Except as expressly provided in this Sixth Amendment, all of the terms and provisions of the APS, are and will remain in full force and effect. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the APS or as a waiver of or consent to any further or future action on the part of any Party that would require the waiver or consent of the other Parties.
5. References. On and after the date hereof, each reference in the APS to “this Agreement,” “the Agreement,” “hereunder,” “hereof,” “herein,” or words of like import will mean and be a reference to the APS as amended by this Sixth Amendment.
6. Third Party Beneficiaries. The Parties intend that this Sixth Amendment shall not benefit or create any right or cause of action in, or on behalf of, any Person other than the Parties to this Sixth Amendment and no person or entity, other than the Parties to this Sixth Amendment shall be entitled to rely on the provisions of this Sixth Amendment in any claim, action, proceeding, suit, hearing or other forum.
7. Successors and Assigns. All of the covenants and agreements in this Sixth Amendment shall be binding upon the Parties and their respective successors and assigns and shall enure to the benefit of and be enforceable by the Parties and their respective successors and their permitted assigns pursuant to the terms and conditions of this Sixth Amendment.
8. Counterparts. This Sixth Amendment may be executed in counterparts and by the email transmission of an originally executed document.
9. Governing Law. This Sixth Amendment shall be governed by the laws of the Province of Ontario.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Sixth Amendment as of the date hereof.

**HS CANADA 101 CHAMPAGNE, L.P. by its
general partner, HS CANADA 101
CHAMPAGNE GP INC.**

By: 

Jonathan Turnbull
Authorized Signatory

By: 

Stephen Gordon
Authorized Signatory

I/we have authority to bind the Limited Partnership

**KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Receiver, without security, of the property and
lands listed on Schedule 1 of the APS and all of
the property, assets and undertaking of
2195186 Ontario Inc., and not in its personal
capacity or in any other capacity**

By: _____

I have authority to bind the Corporation

IN WITNESS WHEREOF, the Parties have executed this Sixth Amendment as of the date hereof.

**HS CANADA 101 CHAMPAGNE, L.P. by its
general partner, HS CANADA 101
CHAMPAGNE GP INC.**

By: _____

Jonathan Turnbull
Authorized Signatory

By: _____

Stephen Gordon
Authorized Signatory

I/we have authority to bind the Limited Partnership

**KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Receiver, without security, of the property and
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the property, assets and undertaking of
2195186 Ontario Inc., and not in its personal
capacity or in any other capacity**

By: _____



I have authority to bind the Corporation

SCHEDULE “A”

FORM OF APPROVAL AND VESTING ORDER

[attached]

1383-6905-9608

Appendix “H”

To: All Residents of 101 Champagne Avenue South (Envie Student)
From: Juli Yee, General Manager
Date: July 23, 2025

Re: Proposed Sale of Property – Requirement for Vacant Possession

Dear Residents,

We write to inform you of important developments concerning the property located at 101 Champagne Avenue South, Ottawa, Ontario (Envie Student) (the “**Property**”) that will impact your tenancy at the Property.

KSV Restructuring Inc., the Court-appointed Receiver of the Property and the landlord, 2195186 Ontario Inc. (the “**Landlord**”), will be bringing a motion before the Ontario Superior Court of Justice in Ottawa on July 31, 2025, seeking, among other things, the Court’s approval of a proposed sale of the Property to a prospective purchaser.

The motion materials will be available at the following weblink: <https://www.ksvadvisory.com/experience/case/ashcroft>. The motion will be heard virtually, and a Zoom link for the hearing will be circulated by email to the email address we have on file for the tenants.

As you know, earlier this year, a leading environmental engineering firm assessed the Property and confirmed by laboratory analysis the presence of mould at multiple locations throughout the building.

A condition of the proposed sale is that the Property be delivered with vacant possession as of September 1, 2025, so that the prospective purchaser can commence remediation of the mould conditions following completion of the proposed sale.

The nature and extent of the mould remediation work is likely to cause mould spores to become airborne in the building. Given the health risks associated with this work, no tenant can be permitted to remain at the Property after August 31, 2025.

In the circumstances, at the hearing on July 31, 2025, the Receiver will be requesting that the Court issue an Order which, among other things:

1. approves the sale of the Property;
2. directs all residential tenants to vacate the Property prior to September 1, 2025;
3. approves the settlement (as described below) between the Receiver and each tenant at the Property that is prepared to voluntarily terminate its lease and provide vacant possession of its unit by August 31, 2025; and

4. grants leave to the Receiver to take the required steps to have the Sheriff for the City of Ottawa provide vacant possession of the Property to the Receiver in respect of, among other things, any residential units at the Property where the tenant has not entered into a settlement agreement by August 15, 2025, or that have not been vacated by the end of the day on August 31, 2025.

Proposed Settlement Agreement

If the Court grants the requested Order, the Receiver will be authorized to enter into settlements (each a **"Settlement Agreement"**) with tenants on the following terms:

- The tenant will vacate its unit prior to September 1, 2025;
- The tenant will execute a N11 – Agreement to End the Tenancy form (the **"N11 Form"**);
- The tenant will execute a release in a form to be approved by the Court (the **"Release"**);
- Compensation will be paid by the Receiver to each tenant equal to two (2) months' rent, intended to support relocation expenses. This payment will be made to each tenant who has signed the Settlement Agreement, N11 Form and the Release, after it has been confirmed that the tenant has vacated its unit;
- The last month's rent deposit will be applied to rent coming due on August 1, 2025 (for new tenants whose leases do not begin until August 1 or September 1, the last month's rent deposit will be refunded). The rent deposit will be applied as of August 1, 2025, and will not be prorated in the event a tenant vacates their unit prior to August 31, 2025; and
- When vacating the unit, the tenant will be authorized to remove the furniture in its unit before September 1, 2025 (at their own cost) even though these items are owned by the Landlord (this does not apply to new tenants whose leases do not begin until August 1 or September 1).

Legal Context

Formal written notice requiring the tenants to vacate their units prior to September 1, 2025 will be delivered following the Court's ruling, including specific dates and steps for vacating the building and receiving the above support, together with the Settlement Agreement, N11 Form, and Release for execution.

If the Court grants the Receiver the relief it is seeking on the motion, any tenant who does not sign the Settlement Agreement will still have to vacate their unit prior to September 1, 2025, even if their lease is not being voluntarily terminated. Any resulting claim against the Landlord, including any claim under the *Residential Tenancies Act, 2006*, S.O. 2006,

c.17, will be an unsecured claim. It is not expected that there will be any funds available to make any payment to the Landlord's unsecured creditors in the circumstances of the receivership.

In terms of the limited notice being provided for vacating the Property relative to the four month notice period provided under the *Residential Tenancies Act* for extensive repairs and demolition, the concern, among others, is the health and safety issues set out above.

Contact and Next Steps

To assist you with the relocation process and to locate alternate accommodation, we have compiled a list of nearby properties you may wish to consider:

- **The Revalie – 770 Brookfield Road**
<https://revalieottawa.ca>
- **The Lennox – 90 Champagne Avenue**
<https://thelennox.ca>
- **Soho Residences – 111 Champagne Avenue**
<https://www.sohoresidences.com/ottawa>
- **Soho Champagne – 115 Champagne Avenue**
<https://sohoc2.com>
- **Hillside Apartments - 250 Besserer Street**
<https://www.hillsideapartments.com/>

We encourage residents to explore these and other local options as soon as possible.

We will continue to provide updates on this process as they become available.

If you have questions or require assistance, please contact us.

Thank you for your cooperation and understanding during this time.

Yours sincerely,

Juli Yee,

General Manager

SETTLEMENT AGREEMENT
[TENANT NAME AND UNIT NUMBER]

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

B E T W E E N:

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

-and-

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

WHEREAS

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

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

6. Pursuant to an Order of the Court dated July 31, 2025 (the “**Approval Order**”), among other things the Court approved the Transaction, ordered vacant possession of the Building by August 31, 2025, and authorized the Receiver to enter into a settlement agreement with the Building’s tenants on the terms below.

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

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

1. The Tenant shall sign an N11 – Agreement to End the Tenancy in the form attached as **Schedule “A”**.

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

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

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

4. The Tenant shall vacate the Residential Unit on or before August 31, 2025. The Lease Deposit will be applied as of August 1, 2025, and will not be prorated in the event the Tenant vacates their Residential Unit prior to August 31, 2025. The Tenant shall have no right of return or right of first refusal in respect of the Residential Unit.

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

6. Upon confirmation by Varsity that the Tenant has vacated its Residential Unit, the Receiver shall pay to the Tenant the sum of \$[PAYMENT], being an amount equal to two Monthly Rent Payments under the Residential Lease.

7. The Tenant acknowledges having had a sufficient opportunity to review this Agreement and the Release and to obtain independent legal advice in respect thereof, and that the only consideration for this Agreement and the Release is as set forth herein and that no other promises

or representations of any kind have been made to the Tenant to cause them to sign this Agreement or the Release.

DATED this day of August, 2025

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

Per: _____

Name:

Position:

*(I have authority to bind the
corporation)*

Witness

[TENANT NAME]

FULL AND FINAL RELEASE

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

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

HEREBY FULLY RELEASES AND FOREVER DISCHARGES:

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

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

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

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

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

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

Witness

[TENANT NAME]