

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

B E T W E E N:

**IMC LIMITED PARTNERSHIP, BY ITS GENERAL PARTNER,  
INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.**

Applicant

- and -

**WESTCAN CEDAR GROVE VILLAGES INC.**

Respondent

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY  
AND INSOLVENCY ACT*, RSC 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, RSO 1990, c. C.43, AS AMENDED

**FACTUM OF THE RECEIVER**

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Inc., in its capacity as Receiver**

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**FACTUM OF THE RECEIVER**

**PART I – OVERVIEW<sup>1</sup>**

1. This Factum is submitted by AlixPartners Restructuring, Inc. (“**AlixPartners**”), formerly KSV Restructuring Inc., in its capacity as court-appointed receiver and manager (in such capacity, the “**Receiver**”) of all of the property, assets and undertakings of Westcan Cedar Grove Villages Inc. (the “**Debtor**”), including the real property municipally known as 5007 Highway 21, Port Elgin, Ontario (the “**Real Property**”), for its motion seeking, *inter alia*:

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<sup>1</sup> Capitalized terms used but not defined herein have the meaning defined in the First Report of the Receiver dated June 12, 2026 (the “**First Report**”).

- (a) an order approving the Receiver's marketing and sale process for the Real Property (the "**Sale Process**"), including the retention of Colliers Macaulay Nicolls Inc. ("**Colliers**") as listing agent;
- (b) an order approving the Receiver's activities, as described in the First Report; and
- (c) such further and other relief that the Receiver may request and this Honourable Court may consider just.

## **PART II – FACTS**

### **Background**

2. The Debtor is the general partner of Westcan Cedar Grove Limited (the "**LP**"). The Debtor holds registered title to the Real Property as bare trustee or nominee for the LP, who manages the operations of the Real Property.<sup>2</sup>

3. The Debtor's principal asset is the Real Property, which comprises a 118-acre site operated as a resort offering 165 seasonal recreational vehicle ("**RV**") and transient sites, together with 84 four-season sites available for rent.<sup>3</sup>

4. Certain designated areas of the Real Property (the "**PEL Lands**") have been leased to Port Elgin Living Inc. ("**PEL**"), a related company, for the purpose of developing an additional 129 year-round, long-term rental sites under a program involving the Canada Mortgage and Housing Corporation ("**CMHC**").<sup>4</sup>

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<sup>2</sup> First Report, s. 2.0 at para. 1.

<sup>3</sup> First Report, s. 2.0 at para. 2.

<sup>4</sup> First Report, s. 2.0 at para. 3.

5. On application by IMC, the Debtor's senior secured creditor, AlixPartners (previously KSV Restructuring Inc.) was appointed as Receiver pursuant to an Order of this Court made on April 27, 2026.<sup>5</sup>

### **The Sale Process**

6. Shortly following its appointment, the Receiver solicited proposals from two realtors to act as listing agent for the Real Property. The Receiver requested that each realtor provide background information regarding its experience, knowledge of the RV resort market, a marketing plan for the Real Property, an estimate of value and proposed commission structure.<sup>6</sup>

7. In consultation with IMC, the Receiver selected Colliers to act as listing agent for the Real Property. In doing so, the Receiver considered, among other things, Colliers' understanding of the unique positioning of the Real Property as a land lease community, its knowledge of the RV resort market, its ability to realize on the value and development potential of the CMHC-backed PEL Lands and its extensive experience in the marketing and sale of RV parks, including its prior completion of a \$740 million sale of a publicly traded REIT's modular housing portfolio.<sup>7</sup>

8. The Sale Process is described in detail in Section 4.3 of the First Report.<sup>8</sup>

9. Additional aspects of the Sale Process include:<sup>9</sup>

(a) the Real Property will be marketed on an "as is, where is" basis;

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<sup>5</sup> First Report, s. 1.0 at para. 1; Appendix "A" to the First Report (the "Appointment Order").

<sup>6</sup> First Report, s. 4.1 at paras. 1 and 2.

<sup>7</sup> First Report, s. 4.2 at paras. 1 and 2; Appendix "B" to the First Report.

<sup>8</sup> First Report, s. 4.3.

<sup>9</sup> First Reports. 4.3 at para. 2.

- (b) to the extent permitted by law, the Real Property will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to an approval and vesting order to be sought by the Receiver;
- (c) the Receiver will be entitled to extend any deadlines in the Sale Process if it considers it to be appropriate or necessary in the circumstances to maximize value;
- (d) the Receiver will have the right to reject any and all offers, including the highest dollar value offer(s);
- (e) the Receiver will not accept any offers that are insufficient to repay the IMC Debt without the consent of IMC;
- (f) nothing in the Sale Process precludes the Debtor from pursuing a refinancing transaction; and
- (g) any transaction will be subject to Court approval.

### **Activities of the Receiver**

10. Section 5.0 of the First Report provides a detailed summary of the Receiver's activities since the commencement of these proceedings.<sup>10</sup>

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<sup>10</sup> First Report, s. 5.0 at para. 1.

### PART III – ISSUES

11. The Receiver's motion raises the following main legal issues:
- (a) Should the Court approve the Sale Process, including the engagement of Colliers as the listing agent?
  - (b) Should the Court approve the Receiver's First Report, and the activities described therein?

### PART IV – LAW AND ARGUMENT

#### The Sale Process Should be Approved

12. This Court has jurisdiction to approve the Sale Process pursuant to section 243(1)(c) of the BIA.<sup>11</sup>
13. Paragraph 3 of the Appointment Order authorizes, among other things, the Receiver to:<sup>12</sup>
- (a) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
  - (b) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and other such 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.

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<sup>11</sup> *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, [s. 243\(1\)\(c\)](#).

<sup>12</sup> Appointment Order, paras. 3(d) and 3(j).

14. In the case of *Royal Bank of Canada v. Soundair Corp.* (“**Soundair**”), the Ontario Court of Appeal held that a court was to consider the following factors when deciding whether to approve the sale of property subject to a receivership:<sup>13</sup>

- (a) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;
- (b) the efficacy and integrity of the process by which offers are obtained;
- (c) whether there has been unfairness in the working out of the process; and
- (d) the interests of all parties.

15. In *CCM Master Qualified Fund Ltd. v. blutip Power Technologies Ltd.*, the Court held that the criteria identified in *Soundair* also inform the determination of whether to approve a court-appointed receiver’s proposed sale process. Specifically, the court is to assess:<sup>14</sup>

- (a) the fairness, transparency and integrity of the proposed process;
- (b) the commercial efficacy of the proposed process in light of the specific circumstances facing the receiver; and
- (c) whether the sale process will optimize the chances, in the particular circumstances, of securing the best possible price for the assets up for sale.

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<sup>13</sup> [\*Royal Bank of Canada v. Soundair Corp.\* \(1991\), 4 OR \(3d\) 1 at para 16 \(ONCA\)](#)

<sup>14</sup> [\*CCM Master Qualified Fund v. blutip Power Technologies\*, 2012 ONSC 1750 at para 6](#)

16. The Receiver recommends that the Court approve the Sale Process, including the retention of Colliers as the listing agent, for the following reasons:<sup>15</sup>

- (a) the Sale Process was designed to be a fair, open and transparent process intended to canvass the market broadly on an orderly basis. The terms are consistent with real estate sale processes conducted in the context of receivership proceedings;
- (b) there will be no delay commencing the Sale Process – Colliers has already commenced preparing marketing materials and is familiar with the Real Property. This should allow for the process to be conducted on a timely basis, which will assist to reduce costs;
- (c) the duration of the Sale Process is sufficient to allow interested parties to perform diligence and to submit an offer by the earliest possible offer deadline of August 17, 2026. The Sale Process is intended to be flexible based on market feedback at the time and Colliers’ guidance, and accordingly, the Receiver will have the right to extend or amend timelines, as appropriate;
- (d) Colliers’ team for this assignment is based in Toronto and has extensive experience selling RV resorts and leasehold land communities across Canada. Colliers’ team also has experience selling real property in insolvency proceedings;
- (e) based on the Receiver’s experience, Colliers’ commission rate (4%) and work fee should a refinancing be completed (up to \$150,000 in two time-based increments) are consistent with market and reasonable in the circumstances;

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<sup>15</sup> First Report, s. 4.4 at para. 1.

- (f) the Sale Process preserves the Debtor's ability to continue to pursue its refinancing transaction, the completion of which would be subject to Court approval; and
- (g) IMC consents to the terms of the Sale Process, including the terms of Colliers' engagement.

### **The Activities of the Receiver Should Be Approved**

17. The Court has the inherent jurisdiction to review and approve the activities of a court-appointed receiver as set out in its reports.<sup>16</sup>

18. Court approval allows the court officer to bring its activities before the court and present an opportunity to address stakeholders' concerns, while enabling the court to satisfy itself that the activities have been conducted in a prudent and diligent manner.<sup>17</sup>

19. The activities set out in the First Report were all necessary and undertaken in good faith pursuant to the Receiver's duties and powers set out in the Appointment Order, and were in each case in the best interest of the Debtor's stakeholders.<sup>18</sup>

20. The Receiver therefore respectfully submits that the First Report and the activities described therein should be approved.

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<sup>16</sup> [Bank of America Canada v. Willam Investments Ltd.](#) (1996), 1996 CanLII 2782 (ONCA).

<sup>17</sup> [Target Canada Co. \(Re\)](#), 2015 ONSC 7574 at para 23; [Triple-I Capital Partners Limited v 12411300 Canada Inc.](#), 2023 ONSC 3400 at paras 65-66.

<sup>18</sup> First Report, s. 5.0 at para. 1.

**PART V – RELIEF SOUGHT**

21. For the reasons set out above, the Receiver respectfully recommends and requests that the Court grant the relief sought on this motion.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 12<sup>th</sup> day of June, 2026.

per:

A handwritten signature in black ink, appearing to be 'D. J.', written in a cursive style.

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**CHAITONS LLP**

*Lawyers for AlixPartners Restructuring, Inc.,  
in its capacity as Court-Appointed Receiver*

**SCHEDULE “A”**

**LIST OF AUTHORITIES**

**Case law**

1	<a href="#"><u>Bank of America Canada v Willann Investments Ltd, 1996 CanLII 2782</u></a>	
2	<a href="#"><u>CCM Master Qualified Fund v blutip Power Technologies, 2012 ONSC 1750</u></a>	6
3	<a href="#"><u>Royal Bank of Canada v Soundair Corp, 4 OR (3d) 1</u></a>	16
4	<a href="#"><u>Target Canada Co (Re), 2015 ONSC 7574</u></a>	23
5	<a href="#"><u>Triple-I Capital Partners Limited v 12411300 Canada Inc, 2023 ONSC 3400</u></a>	65-66

I certify that I am satisfied as to the authenticity of every authority.

*Note: Under the Rules of Civil Procedure, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (rule 4.06.1(2.2)).*

Date June 12, 2026



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*Signature*

**SCHEDULE “B”**  
**RELEVANT STATUTES**

**Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended**

**Court may appoint receiver**

243 (1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

- (a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
- (b) exercise any control that the court considers advisable over that property and over the insolvent person’s or bankrupt’s business; or
- (c) take any other action that the court considers advisable.

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Respondent

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Proceeding Commenced in Toronto

**FACTUM**

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