

Court File No. CV-24-00095337-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

**DUCA FINANCIAL SERVICES CREDIT UNION LTD.**

Applicant

- and -

**ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., AND ASHCROFT  
HOMES – 111 RICHMOND ROAD INC.**

Respondents

**SUPPLEMENTARY MOTION RECORD  
(returnable January 29, 2025)**

January 27, 2025

**DENTONS CANADA LLP**  
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Toronto-Dominion Centre  
Toronto, ON M5K 0A1

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*Lawyer for BDO Canada Limited, in its  
capacity as the Court-appointed Receiver of  
Ashcroft Homes – 101 Richmond Road Inc.,  
Ashcroft Homes – 108 Richmond Road Inc. and  
Ashcroft Homes – 111 Richmond Road Inc.*

**TO: SERVICE LIST**

**Service List  
as at November 4, 2024**

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# Tab 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

**DUCA FINANCIAL SERVICES CREDIT UNION LTD.**

Applicant

- and -

**ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., AND ASHCROFT  
HOMES – 111 RICHMOND ROAD INC.**

Respondents

**NOTICE OF MOTION  
(Supplemental)  
(returnable January 29, 2025)**

BDO Canada Limited (“**BDO**”), in its capacity as the court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Ashcroft Homes – 101 Richmond Road Inc., Ashcroft Homes – 108 Richmond Road Inc. and Ashcroft Homes – 111 Richmond Road Inc. (the “**Debtors**”), appointed pursuant to the Order of this Honourable Court, dated May 16, 2024, as amended and restated pursuant to the Amended and Restated Order, dated September 3, 2024 (the “**Receivership Order**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (the “**Court**”) on January 29, 2025, at 2:00 p.m., or as soon after that time as the motion can be heard.

**THE PROPOSED METHOD OF HEARING:** The motion is to be heard

- ☐ In writing under subrule 37.12.1 (1) because it is *(insert one of on consent, unopposed or made without notice)*;
- ☐ In writing as an opposed motion under subrule 37.12.1 (4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location

161 Elgin Street, Ottawa, Ontario, K2P 2K1 via Zoom (details to be provided by the Court at a later date).

**THE MOTION IS FOR:**

1. The relief as set out in the Receiver's Notice of Motion, dated January 14, 2025 (the "**Original Notice of Motion**"); and
2. Advice and directions as to whether the Receiver should be discharged at this time.
3. In the event this Honourable Court determines that the Receiver should be discharged, attached hereto as **Tab 3** of the Receiver's Supplemental Motion Record is a draft form of Discharge Order which the Receiver is prepared to consent to on certain terms. The relief requested in the draft Discharge Order includes, among other things:
  - (a) abridging the time for service of the Original Notice of Motion, the Supplemental Notice of Motion, the Motion Record and Supplemental Motion Record of the Receiver and validating service thereof;
  - (b) approving the reports of the Receiver as set out in the Original Notice of Motion and the Supplemental Report to the Third Report, dated January 27, 2025 (the "**Supplemental Third Report**"), and the activities and conduct of the Receiver described therein;
  - (c) approving the Receiver's interim statements of receipts and disbursements, as of January 24, 2025 (the "**R&Ds**");
  - (d) approving the professional fees and disbursements of the Receiver and its counsel, including the Fee Accrual (defined below);
  - (e) discharging BDO as Receiver from its duties in these proceedings upon the filing of a certificate (the "**Discharge Certificate**") confirming that the Receiver has completed the Remaining Matters (as defined in the Supplemental Third Report);

- (f) releasing the Receiver from any and all liability that the Receiver now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver, save and except for any gross negligence or wilful misconduct on the Receiver's part;
- (g) granting an indemnity in favour of the Receiver from the Debtors and guarantor; and
- (h) such further and other relief that the Receiver may request and this Honourable Court may consider just.

**THE GROUNDS FOR THIS MOTION ARE:**

- 4. This Supplemental Notice of Motion is supplemental to the Original Notice of Motion. All capitalized terms used but not defined herein shall have the meanings as set forth in the Original Notice of Motion.

**Background**

- 5. The Debtor's refinancing efforts, which commenced prior to the receivership, continued after the Receiver's appointment.
- 6. Pursuant to the Original Notice of Motion, the Receiver brought a motion originally returnable on January 23, 2025 for, among other things, approval of a sales process in respect of the Commercial Property and certain parking spots and lockers.
- 7. The Receiver's motion was adjourned on consent of the Applicant and Respondents in light of the Debtors' continued refinancing efforts.

**Discharge**

- 8. The Receiver understands that the Debtors and the Applicant would like to effect a refinancing.
- 9. The Receiver is prepared to consent to its discharge on certain terms, including the full repayment of the indebtedness owing to the Applicant, the payment of all priority payables

including HST and property taxes, the approval of the Receiver's fees and those of its counsel and the payment of such fees in full, the funding of a reserve to the Receiver for payment of all outstanding receivership liabilities and expenses, the Debtors' satisfying this Honourable Court as their ability to service their obligations as a going concern post-discharge including the payment of pre-filing unsecured creditors, and the issuance of a Discharge Order on terms satisfactory to the Receiver and the Court.

10. The draft form of discharge order contains a concept of Property Handover, with the Receiver no longer in possession and control of the Property upon the payment of the refinancing proceeds as set out therein, and the Receiver's formal discharge to occur at a later date upon the filing of its discharge certificate once it has completed the Remaining Matters (as described in the Supplemental Third Report).
11. Following the completion of the Remaining Matters, the Receiver will have completed its administration of the receivership.

#### **Approval of R&Ds and Fees**

12. The R&Ds are included to the Supplemental Third Report.
13. The Receiver has provided services and incurred disbursements for the period from May 1, 2024 to December 31, 2024, which are described in the Third Report and Fee Affidavit of Matthew Marchand, sworn January 13, 2025.
14. The Receiver has incurred legal fees of its legal counsel, Dentons Canada LLP, in respect of these proceedings for the period from June 6, 2024 to December 31, 2024, as more particularly set out in the Third Report and the Fee Affidavit of Sara-Ann Wilson, sworn January 14, 2025.
15. The Receiver and its counsel estimate that their fees and disbursements for the period from January 1, 2025 to discharge, will be no more than \$94,100 (including HST) (the "**Fee Accrual**"), provided that the Property is returned to the Debtors no later than January 31, 2025, as described in the Supplemental Third Report.

16. The Receiver requests that this Court approve the fees and disbursements of the Receiver and its counsel, including the Fee Accrual, as detailed in the Third Report, Supplemental Third Report and the affidavits as to fees (together, the “**Professional Fees**”).
17. The Receiver submits that the Professional Fees, together with the Fee Accrual, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order.

**Other Grounds**

18. Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
19. Section 101 of the *Courts of Justice Act*;
20. Rules 1.04, 1.05, 2.01, 2.03, 16.04 and 37 of the *Rules of Civil Procedure* (Ontario), as amended; and
21. Such further and other grounds as counsel may advise this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:**

22. The Third Report;
23. The Supplemental Third Report;
24. The Affidavit of Matthew Marchand sworn January 13, 2025;
25. The Affidavit of Sara-Ann Wilson sworn January 14, 2025; and
26. Such further and other materials as counsel may advise and this Honourable Court may permit.

January 27, 2025

**DENTONS CANADA LLP**

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Toronto, ON M5K 0A1

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*Lawyers for the Receiver, BDO Canada Limited*

**TO: SERVICE LIST**

DUCA FINANCIAL SERVICES CREDIT UNION  
LTD.

-and-

ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., and  
ASHCROFT HOMES – 111 RICHMOND ROAD INC.

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**NOTICE OF MOTION**

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*Lawyers for BDO Canada Limited, in its capacity as the Court-  
appointed Receiver of Ashcroft Homes – 101 Richmond Road Inc.,  
Ashcroft Homes – 108 Richmond Road Inc. and Ashcroft Homes –  
111 Richmond Road Inc.*

# Tab 2

ASHCROFT HOMES – 101 RICHMOND ROAD INC., ASHCROFT HOMES – 108 RICHMOND ROAD INC., ASHCROFT HOMES - 111 RICHMOND ROAD INC.

SUPPLEMENTAL REPORT TO THE THIRD REPORT OF THE RECEIVER

January 27, 2025

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**DUCA FINANCIAL SERVICES CREDIT UNION LTD.**

Applicant

- and -

**ASHCROFT HOMES – 101 RICHMOND ROAD INC., ASHCROFT HOMES – 108 RICHMOND  
ROAD INC., AND ASHCROFT HOMES - 111 RICHMOND ROAD INC.**

Respondents

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended, and under section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended**

**SUPPLEMENTAL REPORT TO THE THIRD REPORT OF BDO CANADA LIMITED  
IN ITS CAPACITY AS RECEIVER OF  
ASHCROFT HOMES – 101 RICHMOND ROAD INC., ASHCROFT HOMES – 108 RICHMOND  
ROAD INC., ASHCROFT HOMES - 111 RICHMOND ROAD INC.**

**JANUARY 27, 2025**

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## APPENDICES

APPENDIX "A" – Commitment Letter, dated September 26, 2024

APPENDIX "B" – January 2025 Refinancing Use of Funds

APPENDIX "C" – January 8, 2025 email from the Receiver to Mr. Difilippo

## I. PURPOSE OF REPORT

1. The purpose of this supplemental report to the Third Report of the Receiver (the “**Supplemental Third Report**”) is to:
  - a) Provide this Court with certain information related to the receivership, including:
    - (i) Activities of the Receiver since the date of the Third Report;
    - (ii) Updates with respect to the Debtors’ refinancing efforts; and
    - (iii) The Receiver’s interim statements of receipts and disbursements from the Date of Appointment to January 24, 2025 (the “**Interim R&D(s)**”).
  - b) Seek advice and directions from this Court in respect of whether the Receiver should be discharged at this time.
2. The Receiver is prepared to consent to its discharge on certain terms, including an Order:
  - a) approving all reports of the Receiver, including this Supplemental Third Report, and the activities and conduct of the Receiver contained therein;
  - b) approving the Receiver’s Interim R&D(s);
  - c) approving the fees and disbursements of the Receiver and its legal counsel, including fee accruals, as set out herein;
  - d) discharging BDO as Receiver from its duties in these proceedings upon the filing of a certificate (the “**Discharge Certificate**”) confirming that the Receiver has completed the Remaining Matters (defined below);
  - e) releasing the Receiver from any and all liability that the Receiver now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver, save and except for any gross negligence or wilful misconduct on the Receiver’s part; and
  - f) granting an indemnity in favour of the Receiver from the Debtors and guarantor.
3. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Third Report.

4. This Supplemental Report to the Third Report to the Court and all other court materials and orders issued and filed in these receivership proceedings are made available on the Receiver's case website <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/ashcroft-homes> and will remain available for a period of not less than six (6) months following the Receiver's discharge.

## II. QUALIFICATIONS

5. In preparing this Supplemental Third Report, the Receiver has relied upon unaudited financial information, Ashcroft's books and records, and other information provided to it (collectively, the "**Information**"). The Receiver has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided, and in consideration of the nature of the evidence provided to this Court, in relation to the relief sought therein. The Receiver has not, however, audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, as such, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information. An examination of the Debtors' financial forecasts in accordance with the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information reported on or relied upon in this Supplemental Third Report is based upon assumptions regarding future events; actual results achieved may vary from forecast and such variations may be material.
6. This Supplemental Third Report should be read in conjunction with the Third Report.
7. Unless otherwise noted, all monetary amounts contained in this Supplemental Third Report are expressed in Canadian dollars.

## III. ACTIVITIES OF THE RECEIVER

8. Since the date of the Third Report, the Receiver has performed the following activities:
  - a) Corresponded, coordinated with and provided direction to the property manager, Sleepwell, retained by the Receiver to support day-to-day operations, including property repairs and tenant related matters;
  - b) Corresponded directly with certain tenants to address their inquiries;
  - c) Corresponded with Colliers regarding Residential Sales Process updates and offers to purchase the Residential Unit Blocks;

- d) Consulted with its counsel, Dentons Canada LLP ("**Dentons**"), regarding various matters related to these proceedings including, among other things, an offer received in the Residential Sales Process, the Debtors' refinancing proposal and terms of discharge;
- e) Corresponded with the CRA regarding HST account balances, reconciliations and examination of pre-receivership HST filings;
- f) Provided DUCA with regular updates in connection with various aspects of these receivership proceedings; and
- g) Prepared this Supplemental Third Report.

#### IV. REFINANCING

9. As previously reported to this Court, the Debtors have continued their refinancing efforts post-receivership, which included entering into a commitment letter, dated September 26, 2024, a copy of which is attached hereto as **Appendix "A"**.
10. As detailed in the Third Report, since the November 14, 2024 Court hearing and the issuance of the November 28<sup>th</sup> Endorsement, the Debtors and the Receiver continued dialogue with respect to the Debtors' refinancing efforts and desire to terminate these proceedings and discharge the Receiver, including a reconciliation of pre-receivership arm's length unsecured creditor liabilities and the Debtors' cash flow projections. As a result of these discussions, the Receiver understands that pre-receivership arm's length unsecured debts owing appear to amount to \$240,282.46 and \$147,527.69 for 108RR and 111RR, respectively. The Receiver has not conducted a claims process to verify these amounts.
11. To assist these discussions, the Receiver prepared an updated estimated refinancing use of funds for the period ending January 31, 2025 (the "**Refinancing Use of Funds**"). A copy of the Refinancing Use of Funds is attached hereto as **Appendix "B"**. The revised refinancing calculation estimates a funding shortfall of approximately \$512,500, based on a facility size of \$8.75 million from the new lender, as at January 31, 2025. The Refinancing Use of Funds was provided by the Receiver to Mr. Difilippo by email dated January 8, 2025. The covering email from the Receiver also reiterated the list of outstanding items that would need to be addressed to terminate the Receiver. A copy of the January 8, 2025 email is attached hereto as **Appendix "C"**.
12. The list of items needed to complete a refinancing, terminate of the receivership proceedings and discharge of the Receiver are set out at paragraph 59 of the Third Report.

13. The Receiver is prepared to consent to an Order for its discharge on certain terms, including:

- a) the full repayment of the indebtedness owing to DUCA in the estimated amount of \$7,014,622.42 as at January 31, 2025;
- b) the payment of all estimated priority payables, including:
  - (i) pre-receivership HST owing to CRA in the amount of approximately \$73,000 and post-receivership HST liabilities, if any;
  - (ii) municipal property taxes owing on the Property, in the amount of approximately \$232,000 for the period up to January 31, 2025;
  - (iii) expenses and obligations incurred and accrued by the Receiver in the performance of its duties up to the date of discharge;
  - (iv) professional fees of the Receiver and its counsel, for the period up to January 31, 2025, plus an additional \$15,000 for costs incurred during a transition and following the handover of the Property to the Debtors; and
  - (v) a reserve payable to the Receiver to satisfy estimated accrued liabilities and transition related costs.
- c) the approval of the Receiver's fees and those of its counsel by the Court, including the Fee Accrual (defined below);
- d) the funding of a reserve to the Receiver for payment of all outstanding receivership liabilities and expenses, and the payment to the Receiver by Sleepwell of January net rents which shall be held by the Receiver as part of the reserve funds;
- e) the Debtors' satisfying this Honourable Court as their ability to service their obligations as a going concern post-discharge, including the payment of pre-filing unsecured creditors and inter-company payables;
- f) an indemnity from the Debtors and guarantor;
- g) the assumption by the Debtors of all liabilities that may arise in respect of the Property on and after the property handover date ("**Property Handover**"); and

h) a broad release substantially in the form as set out in the Commercial List Model Discharge Order.

14. Any reserve funds held by the Receiver after satisfying its obligations will be provided to the Debtors at the appropriate time prior to the Receiver's discharge. The anticipated net rental receipts for the month of January 2025 not yet collected, must be paid to the Receiver and applied against its outstanding liabilities or held as part of the reserve.
15. There are two ongoing Landlord and Tenant Board matters that were commenced after the Receiver's appointment. The Receiver has disclosed these matters to the Debtors and they must be assumed by the Debtors post-discharge.
16. The draft form of discharge order contains a concept of Property Handover, with the Receiver no longer in possession and control of the Property upon the payment of the refinancing proceeds as set out therein, and the Receiver's formal discharge to occur at a later date upon the filing of its discharge certificate once it has completed the Remaining Matters (as described below).

## V. RECEIVER'S INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

17. The Receiver's interim statements of receipts and disbursements for each of 108RR and 111RR for the period from the Date of Appointment to January 24, 2025 are set out in the chart below:

Receiver's Interim Statements of Receipts and Disbursements For the period June 17, 2024 to January 24, 2025			
	108RR	111RR	Total
<b>Receipts</b>			
Rental Income	\$ 185,928	\$ 359,598	\$ 545,527
Cash in bank accounts	50,797	66,518	117,315
HST collected	10,201	40,066	50,267
Interest income	1,160	3,147	4,307
HST refund	1,244	-	1,244
<b>Total receipts</b>	<b>249,331</b>	<b>469,330</b>	<b>718,661</b>
<b>Disbursements</b>			
Condo fees	130,237	97,232	227,469
Repairs and maintenance	30,462	25,707	56,170
HST remitted	6,737	28,734	35,471
Insurance	10,092	9,086	19,178
Property management fees	4,412	9,603	14,015
Utilities	3,581	8,423	12,004
HST paid	5,183	5,898	11,081
Appraisal	3,076	3,223	6,299
Security	150	375	525
Filing fees	80	80	161
Bank charges	51	107	158
<b>Total disbursements</b>	<b>194,062</b>	<b>188,467</b>	<b>382,529</b>
<b>Net receipts over disbursements</b>	<b>\$ 55,269</b>	<b>\$ 280,863</b>	<b>\$ 336,132</b>

18. As detailed in the table above, between the Date of Appointment and January 24, 2025, the Receiver has collected total receipts of \$249,331 and \$469,330 for 108RR and 111RR, respectively. The majority of the receipts relate to the collection of rent and funds from the Company's bank accounts. Total disbursements over the same period amounted to \$194,062 and \$188,467 for 108RR and 111RR, respectively, the majority of which relate to fees, repairs, maintenance and insurance. The Interim R&D's report net receipts over disbursements of \$55,269 and \$280,863 for 108RR and 111RR, respectively.
19. The Interim R&D's do not include receipts and disbursements of Sleepwell not yet reported to the Receiver or other accrued disbursements. As of the date of the Interim R&Ds, no professional fees have been paid by the Receiver to BDO or Dentons.

## VI. PROFESSIONAL FEES

20. As detailed in the Third Report, the Receiver has provided services and incurred disbursements during the period of May 1, 2024 to December 31, 2024 totaling \$403,729.00 of fees, plus disbursements of \$3,826.73 and HST of \$52,982.25, as set out in the Marchand Affidavit, a copy of which is attached as Appendix "Q" to the Third Report.
21. The Receiver has incurred legal fees of its legal counsel, Dentons, in respect of these proceedings, during the period of June 6, 2024 to December 31, 2024 totaling \$314,136.00 in fees, plus disbursements of \$6,068.77 and HST of \$41,516.87, as more particularly set out in the Wilson Affidavit, a copy of which is attached as Appendix "R" to the Third Report.
22. Additionally, the Receiver and Dentons estimate a fee and disbursement accrual of not more than \$94,100 (including HST) (the "**Fee Accrual**") to complete the Receiver's administration to the filing of the Discharge Certificate, provided that the Property is returned to the Debtors no later than January 31, 2025.
23. The Receiver requests that this Court approve its accounts and the accounts of its counsel, inclusive of the Fee Accrual as set out above.
24. The Receiver submits that the professional fees and expenses of the Receiver and its counsel, including the Fee Accrual, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Amended Receivership Order.

## VII. REMAINING MATTERS & DISCHARGE

25. If the Court determines the Receiver is to be discharged at this time, the Receiver will undertake the following remaining matters (the “**Remaining Matters**”) prior to filing the Discharge Certificate:
- a) Executing the steps necessary to assist with the proposed refinancing including the full payment of the estimated liabilities contained in the Refinancing Use of Funds;
  - b) Terminating the property management agreement with Sleepwell and coordinating the collection of all net receipts and accounting records in their possession and not yet turned over to the Receiver;
  - c) Terminating the listing agreement with Colliers, including termination of the Residential Sales Process;
  - d) Coordinating the return of possession and control of the Property to the Debtors;
  - e) Completing and filing the January 2025 sales tax returns, including remitting any liability owing to the CRA regarding post-receivership HST obligations;
  - f) Paying the fees of the Receiver and its counsel;
  - g) Returning to the Debtors’ the balance of funds held in reserve by the Receiver, if any, after the Receiver has satisfied any obligation or expense identified by the Receiver to be paid prior to discharge;
  - h) Attending to other administrative matters incidental to these proceedings such as filing the Receiver’s report pursuant to sections 246(2) and 246(3) of the Bankruptcy and Insolvency Act, as applicable; and
  - i) Filing its Discharge Certificate.
26. Upon the completion of the Remaining Matters, the Receiver will have completed its statutory duties as well as those set out in the Amended Receivership Order or subsequent orders of this Court and will in a position to file its Discharge Certificate.

## VIII. RECOMMENDATIONS

27. Based on the foregoing, the Receiver requests advice and directions as to whether it should be discharged at this junction. If the Receiver is not discharged, it intends to seek approval of the Commercial Sales Process and other relief as set out in its Notice of Motion, dated January 14, 2025.

All of which is respectfully submitted on the 27<sup>th</sup> day of January, 2025.

**BDO Canada Limited**  
**in its capacity as Court-Appointed Receiver of**  
**Ashcroft Homes – 101 Richmond Road Inc.;**  
**Ashcroft Homes – 108 Richmond Road Inc.; and**  
**Ashcroft Homes – 111 Richmond Road Inc.,**  
**and not in its personal or corporate capacity**  
**Per:**



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**Matthew Marchand, CPA, CMA, CIRP, LIT**  
Senior Vice President

Appendix “A”  
to the Supplemental Report to the Third  
Report of the Receiver

# HP ABL FUND 1 GP INC.

September 26, 2024

To: Ashcroft Homes – 108 Richmond Road Inc.  
Ashcroft Homes – 111 Richmond Road Inc.  
David Choo

VIA EMAIL: [dchoo@ashcrofthomes.ca](mailto:dchoo@ashcrofthomes.ca)

Dear David,

We are pleased to present this Commitment Letter pertaining to the proposed Credit Facility offered by the Lender to the Borrowers, which provides the terms and conditions in respect of same. The terms and conditions contained in this Commitment Letter are to be held confidential and may not be shared with third parties unless otherwise agreed to by the Lender in writing.

Lender:	HP ABL Fund I Limited Partnership, by its general partner HP ABL Fund I GP Inc. (the "Lender"), or entity as assigned. The Lender is a limited partnership formed and existing under and pursuant to the <i>Partnership Act</i> (Alberta)
Borrower(s):	Ashcroft Homes – 108 Richmond Road Inc. Ashcroft Homes – 111 Richmond Road Inc. (collectively, the " <b>Borrowers</b> ", each a " <b>Borrower</b> ")
Guarantor(s):	David Choo (the " <b>Guarantor</b> ")
Property:	Approximately 38,935 square feet of mixed retail and commercial condominium units and residential condominium units, all as more particularly described in Schedules "A", "B", and "C" attached hereto and forming a part hereof (the " <b>Property</b> ").
Loan Type and Amount:	Non-revolving term loan of a maximum of <b>EIGHT MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS (\$8,750,000.00)</b> (the " <b>Credit Facility</b> ").
Currency:	Unless otherwise indicated, all amounts contained herein are in Canadian dollars.
Term:	Twelve (12) month facility with a minimum term of NINE (9) months.
Interest Rate:	1.17% per month (14.04% per annum) on daily balance outstanding under the Credit Facility. To the extent permitted by law, the default rate of interest will be 2% per month (24% per annum).
Lender Fees:	The Lender Fee is <b>ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS AND NO CENTS (\$175,000.00)</b> (the " <b>Lender Fee</b> "), of which <b>TWENTY THOUSAND DOLLARS AND NO CENTS (\$20,000.00)</b> has been paid and received (the " <b>Initial Fee Payment</b> ") with the balance of <b>ONE HUNDRED FIFTY FIVE THOUSAND DOLLARS AND NO CENTS (\$155,000.00)</b> due on closing and payable out of the Advance. Should the transaction contemplated by this Commitment Letter not close for any reason, the Borrowers shall use the Initial Fee Payment to pay the Lender's due diligence and legal expenses on a solicitor and his own client full-indemnity basis.
Amortization:	Interest only, compounded monthly with monthly interest payments. Full loan balance due at end of Term.
Interest Reserve:	There shall be an Interest Reserve provided by the Borrower on closing in the amount of <b>NINE HUNDRED TWENTY ONE THOUSAND THREE HUNDRED SEVENTY FIVE DOLLARS AND NO CENTS (\$921,375.00)</b> which will be utilized to fund the first NINE (9) months' interest, subject to paragraph 2) of the "Prepayment" section below. If this loan is not repaid in full after NINE (9) months, then monthly interest payments are to be provided one (1) month in advance for each of the next THREE (3) months when the loan is due in full.
Target Advance Date:	October 1, 2024  Interest shall accrue from the Advance Date of the Credit Facility, whether or not the Borrowers and Guarantor are in a position to draw funds.

- First Payment: November 1, 2024 (interest payment out of the Interest Reserve)
- Balance Due Date: September 30, 2025
- Prepayment:
- 1) The Credit Facility may only be prepaid in full or in part prior to the minimum 9-month term upon thirty (30) days' written notice and upon full payment of all accrued interest and other amounts owing to the Lender, provided a minimum of NINE (9) months of interest has been paid.
  - 2) Additionally, and notwithstanding the foregoing, the Borrowers shall pay all proceeds (net of realtor and legal fees and associated closing costs) from sale of residential condominium units to Lender in lieu of Lender applying Interest Reserve to monthly interest payments, provided however that Lender shall at all times retain Interest Reserve and apply the same to interest owing after the expiry of the minimum 9-month term of this Credit Facility unless the Borrowers have prepaid the Credit Facility in full in accordance with paragraph 1) of this "Prepayment" section.
- Repayment: The full amount of the Credit Facility plus any costs, charges, fees, interest, or other amounts payable, accrued, or unpaid, are to be repaid immediately upon the expiry of the term of the Credit Facility.
- Documents Required: The Lender will proceed in obtaining a formal approval conditional upon the following:
- 1) Each Borrower and Guarantor delivering to the Lender or the Lender's Solicitor any and all documentation as may be requested by them relating in any way to the Property, the market value of the Property, the Security and/or its enforceability or the ability of each Borrower and Guarantor to comply with their material obligations under this Commitment Letter (the "Deliveries"). Such Deliveries shall include but not be limited to:
    - a) Lender satisfactory review of historic financial statements, T1 General & Notice of Assessment (3-year history), from each Borrower and Guarantor. Satisfactory review is to include confirmation of all taxes paid in full (if requested);
    - b) Updated appraisal of the Property confirming a minimum value of TWENTY MILLION DOLLARS (\$20,000,000.00);
    - c) Copies of all leases in place;
    - d) Personal Net Worth Statement, satisfactory to the Lender, for each non-incorporated Borrower and Guarantor;
    - e) Corporate organizational chart for each incorporated Borrower and Guarantor showing ultimate beneficial ownership to individuals as applicable and confirmed with the Central Share Registry;
    - f) Satisfactory Appraisal Transmittal Letter addressed to the Lender with respect to appraisals of the Property;
    - g) Environmental Phase I Site Assessment report prepared by an external consultant commissioned and acceptable to the Lender. Documentation of any and all remediation and sign off by appropriate organization.
    - h) Photo Identification satisfactory to the Lender for each non-incorporated Borrower and Guarantor, and any individual holding greater than 20% of common ownership in any Borrower or Guarantor.
  - 2) The Lender having reviewed the Deliveries and finding same acceptable in its sole and absolute discretion.
- Security: All such additional documents and information as the Lender shall require, which may include but not limited to the following:
- 1) Commitment Letter;
  - 2) First-ranking;

- a) mortgage charging the Property owned by each Borrower, as described in Schedules A, B, and C, for the amount of \$8,750,000.00, and
  - b) general assignment of rents registered against the Property of each Borrower, (collectively, the "Mortgage Collateral");
- 3) General Security Agreement charging all present and after acquired personal property of each Borrower (the "GSA Collateral", and together with the Mortgage Collateral, collectively the "Collateral");
  - 4) Guarantee by David Choo, limited to the principal amount of **FOUR MILLION DOLLARS AND NO CENTS (\$4,000,000.00)**;
  - 5) Assignment of insurance with Lender as a loss payee against the assets of the Borrowers, including the Property;
  - 6) Irrevocable Direction of Payment of Funds as more particularly described herein under the heading "Advance" (the "Direction of Funds");
  - 7) Such further security and other documentation the Lender and its solicitor may reasonably require.

**Loan Documents:**

"**Loan Documents**" means, collectively, this Commitment Letter, the documents listed under the heading "Security" hereunder, and all other documents, instruments and agreements executed and delivered by each Borrower and Guarantor, or any other obligor, in connection directly or indirectly with this Commitment Letter or the Credit Facility, or otherwise referred to or contemplated under or by this Commitment Letter or any such documents, instruments or agreements, as they may be amended, restated, supplemented or replaced from time to time.

**Representations and Warranties:**

Each Borrower and Guarantor hereby represent and warrant the following:

- 1) Each Borrower and Guarantor, as applicable, is duly formed and validly existing and in good standing, in compliance with its governing laws, and has the necessary capacity, power and authority to (a) carry on its business, (b) borrow, guarantee and/or grant security over its assets, as the case may be, and (c) enter into this Commitment Letter and the other Loan Documents to which it is a party and to perform its obligations thereunder.
- 2) Prior to funding of the Advance, the execution, delivery and performance of the Loan Documents by each Borrower and Guarantor, as applicable, will have been authorized by all necessary action and each Borrower and Guarantor has duly and validly executed and delivered the Loan Documents to which it is a party.
- 3) Upon execution thereof, the obligations of each Borrower and Guarantor under the Loan Documents to which each is a party will constitute legal, valid, and binding obligations, enforceable against each of them in accordance with their terms.
- 4) The execution, delivery and performance of the Loan Documents do not require any consents or approvals (except such that have been obtained), do not violate any applicable laws, do not conflict with, violate, or constitute a breach under the constating documents or under any agreements, contracts, or deeds to which each Borrower or Guarantor, as applicable, is a party or which is binding upon it or its assets.
- 5) Upon the disbursement of the Advance in accordance with the Direction of Funds to discharge all obligations to DUCA Financial Services Credit Union Ltd. ("DUCA") and BDO Canada Limited ("BDO") in relation to the Receivership appointed by Ontario Superior Court of Justice Court File No. CV-24-00095337-0000 (the "Receivership"), and as otherwise disclosed to the Lender in writing (hereafter referred to as, "discharging DUCA and BDO obligations"), each Borrower and Guarantor shall in all material respects be in compliance with all agreements to which it is a party or by which it is bound. Each Borrower and Guarantor holds all permits, licenses, certificates, approvals, consents, and other authorizations required under applicable laws (including environmental laws) to own its assets and to carry on its business. Each Borrower and Guarantor is in compliance with all of the conditions attaching to its permits, licenses, certificates, approvals, consents and other authorizations and its articles and by-laws.

- 6) **Upon discharging DUCA and BDO obligations**, there will be no actions, suits or arbitration proceedings and there are no legal proceedings pending or, to the best knowledge and belief of each Borrower and Guarantor, after due inquiry, threatened against any Borrower or Guarantor; and there are no actions, suits or arbitration proceedings and there are no legal proceedings relating directly or indirectly to the Property or that could potentially have a material adverse effect on the Property.
- 7) Each Borrower and Guarantor has filed, when due, all tax returns, reports and statements required to be filed by it and has paid, when due, all taxes due and payable on or before the due date thereof.
- 8) **Upon discharging DUCA and BDO obligations**, each Borrower and Guarantor will have good and marketable title to all its assets and each Borrower and Guarantor is the sole and absolute beneficial owner and registered owner of the Property, as applicable, with good and marketable title thereto, free and clear of all liens.
- 9) **Upon discharging DUCA and BDO obligations**, each Borrower and Guarantor will be solvent.
- 10) All information provided by each Borrower and Guarantor to the Lender is true and accurate in all material respects and the said information contains no material misstatement of fact nor does it omit a material fact which is necessary to make such information not misleading, and there is no fact which each Borrower or Guarantor has not disclosed in writing to the Lender which could have a material adverse effect.
- 11) The financial statements delivered from time to time to the Lender are complete and correct and fairly present the financial condition and results of operations of each Borrower or Guarantor, as applicable, as at their stated date, all in accordance with GAAP (or IFRS if adopted by each Borrower and Guarantor, as applicable, applied on a consistent basis throughout the periods specified).
- 12) The head offices of each Borrower and all its assets are located in the province of Ontario.
- 13) The head offices of each Guarantor and all its assets are located in the province of Ontario.
- 14) All real estate taxes in connection with the Property have been paid, when due on or before the due date thereof, including, without limitation, any municipal taxes, school taxes, and transfer duties.

The representations and warranties contained herein or in any certificates or documents delivered to the Lender pursuant hereto shall continue in full force and effect until the full payment and performance of all obligations hereunder or pursuant hereto.

**Positive Covenants:**

Each Borrower and Guarantor shall:

- 1) Duly and punctually pay all sums of money due and payable by it under or pursuant to this Commitment Letter and any other Loan Documents at the times and places, in the currencies and in the manner specified therein;
- 2) Conduct its business in a proper and efficient manner in accordance with normal industry standards, keep proper books, records, and accounts, preserve, protect and obtain all intellectual property, preserve and maintain in good repair, working order and condition all other assets used or useful in the conduct of its business, and obtain and maintain all material licenses, permits and regulatory approvals required for the operation of its business;
- 3) Promptly pay and discharge, when due, all its taxes, indebtedness, and other liabilities;
- 4) Insure and keep insured the Property and all other property, assets and business for its full insurable value and maintain civil liability insurance for such coverage and amounts as are acceptable to the Lender;
- 5) Give written notice to the Lender forthwith upon the occurrence of (a) any Event of Default, specifying the action contemplated in this respect; (b) the commencement of any action, suit or proceeding involving any Borrower and Guarantor or its assets, including the Property; (c) the registration of any lien; (d) a change or effect which has or could have a material adverse effect; (e) any new place of business; or (f) the existence of any new subsidiary;
- 6) Permit representatives of the Lender to examine, copy and make extracts from its books and records, to inspect any of its properties or assets, including the Property, and to discuss its business and affairs with its officers and auditors;
- 7) Diligently and in good faith contest or settle any actions, suits or legal proceedings instituted and outstanding or pending against it;

- 8) Ensure that all representations and warranties made in the Loan Documents are true and correct at all times, except for representations which, by their nature, are made only at the time when they are so made;
- 9) Promptly pay, when due, all real estate taxes in connection with the Property, including, without limitation, any municipal taxes, school taxes, and transfer duties.

**Negative Covenants:**

Each Borrower and Guarantor shall not:

- 1) Directly or indirectly, at any time, assume, create, incur, or suffer to exist any lien upon any of the Collateral, present and future, other than in favour of the Lender or as consented to in writing by the Lender;
- 2) Sell, alienate, assign, lease or otherwise dispose of the Collateral, present and future, other than sales in the normal course of its business;
- 3) Directly or indirectly make any loan to or investment in any person;
- 4) Change the nature of its business, cease to conduct its business or terminate its existence;
- 5) In the case of a Borrower, change the location of its head offices or move its assets outside the province of Ontario;
- 6) In the case of a Guarantor, change the location of its head offices or move its assets outside the province of Ontario;
- 7) Enter into any merger, consolidation, or amalgamation, or liquidate, wind up or dissolve itself;
- 8) Make any material changes in its accounting or reporting or financial reporting practices, except as required by GAAP.

**Ongoing Reporting:**

Each Borrower and Guarantor will provide such financial and other information as the Lender may reasonably request, from time to time, including, but not limited to:

- 1) Monthly bank statements of each Borrower;
- 2) Quarterly in-house financials of each Borrower;
- 3) Evidence of payment of all government priority payables within FIFTEEN (15) days of their respective due dates; and
- 4) Monthly report as to sales of units of the Property secured as Collateral in connection with this Credit Facility.

**Ongoing Covenants:**

Each Borrower and Guarantor shall pay when due all statutory liens, trust, other Crown claims including employee source deductions, GST, PST, EHT, WEPPA, Property taxes and Worker Compensation program premiums.

**Conditions:**

Availability of borrowings and disbursement of the net Advance after deductions in accordance with this Commitment Letter are conditional upon, but not limited to:

- 1) Acceptance by each Borrower and Guarantor of this Commitment Letter;
- 2) Approval of transaction by Lender's Credit Committee;
- 3) Satisfactory inspection by Lender or its agent(s) of the assets pledged, including potential site visit;
- 4) Delivery and registration of the Security in a form acceptable to the Lender;
- 5) Each Borrower and Guarantor having paid statutory liens, trust, and other Crown Claims, including employee source deductions, GST, PST, etc.;
- 6) Confirmation of taxes owing on the Property paid prior to funding the Advance;
- 7) Corporate legal opinion pertaining to each Borrower and Guarantor (as applicable) to be issued by counsel for each Borrower and Guarantor, as applicable, with underlying resolution(s) and officer's certificate;
- 8) Each Borrower and Guarantor, as applicable, obtaining a Title Insurance policy over the Property in favour of the Lender and in form and substance satisfactory to the Lender.

**Events of Default:**

The Borrower(s) shall (jointly) be in default under this Commitment Letter and a default shall occur pursuant to this Commitment Letter and any other existing or future agreements delivered by each Borrower to the Lender or between each Borrower and the Lender if (each, an "Event of Default"):

- 1) a Borrower or Guarantor fails to pay any of the principal, interest, costs or other fees under this Commitment Letter or any other Loan Document when due;

- 2) a Borrower or Guarantor fails to comply with any other obligation to the Lender;
- 3) any representation or warranty made by a Borrower or Guarantor in this Commitment Letter and in any agreement between a Borrower and the Lender, or any loan or credit application made in connection with any indebtedness, was untrue when made;
- 4) any priority or legal charge is registered against all or any part of the Collateral and is not discharged within SEVEN (7) days after a request by the Lender that such priority or legal charge be discharged;
- 5) all or any material part of the Property is condemned or expropriated;
- 6) a Borrower or Guarantor becomes bankrupt or insolvent;
- 7) a petition in bankruptcy is filed against a Borrower or any Guarantor;
- 8) a Borrower or Guarantor makes a proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy;
- 9) a Borrower or Guarantor makes an application as a debtor in any insolvency proceeding or any other person makes an application against a Borrower or Guarantor in any insolvency proceeding;
- 10) a Borrower or Guarantor sells, transfers, or disposes of in any other manner the Collateral, any part thereof, or any interest therein (unless the Lender has approved in writing such sale, transfer or other disposition);
- 11) An execution, judgment or order of execution is filed or made against the Property or any part thereof and remains unsatisfied for a period of ten (10) days;
- 12) A change in control of a Borrower or Guarantor occurs without the prior written consent of the Lender.

**Advance:**

Upon approval and satisfaction of all Conditions Precedent to advance the Credit Facility, the Lender will fund an advance in accordance with the **Direction of Funds** in the amount of \$8,750,000.00 of which (approximately):

- 1) \$6,836,833.73, or such other amount as is required, shall be paid to discharge existing first mortgage registered to DUCA;
- 2) \$425,000.00, or such other amount as is required, shall be paid to BDO in connection with Court Costs and associated legal fees;
- 3) \$921,375.00 shall be paid to Lender for the Interest Reserve (heldback from Advance by Lender at time of funding);
- 4) \$155,000.00 shall be paid to Lender for the balance of the Lender Fee (heldback from Advance by Lender at time of funding);
- 5) \$183,750.00 (being \$175,000.00 plus GST) to Hawco Peters & Associates for advisory service fees,

with the balance, if any, paid to the Borrowers' solicitors after all legal accounts in connection with services to the Lender are paid. For clarity: **the Lender's legal fees shall be paid from the Advance prior to the balance, if any, being disbursed to the Borrowers' solicitor. In the event there is a shortfall or anticipated shortfall in paying all of the foregoing from the Advance, including the legal accounts rendered in connection with services to the Lender, the Borrowers shall satisfy and discharge such shortfall with their own funds by way of solicitor's trust cheque payable to the Lender's solicitor before the Advance shall be disbursed as set out herein.**

**Documentation:**

The Loan Documents and Security shall be in a form in all respects satisfactory to the Lender and its solicitors. All legal fees and expenses relating to the granting of the above Credit Facility shall be borne by the Borrower, including the Lender's legal fees.

**Governing Law:**

The laws applicable in the Province of Ontario, Canada, shall apply to this Commitment Letter.

**Previous Agreements:**

This Commitment Letter replaces any other document or agreement issued prior to the date hereof in respect of the Credit Facility, including, without limitation, the Term Sheet dated August 28, 2024.

***[Remainder of page intentionally left blank; signature page to follow]***

Acceptance:

This Commitment Letter is open for acceptance by the Borrower by executing where indicated on the signature page and returning same to the Lender by 5:00 p.m. on September 27, 2024, after which time this Commitment Letter shall, at the option of the Lender, become null and void.

**HP ABL FUND 1 LIMITED PARTNERSHIP**  
by its general partner **HP ABL FUND 1 GP INC.**

By: Michael McLean  
Michael McLean, Authorized signatory

Acceptance:

This Commitment Letter may be accepted by each Borrower and Guarantor by signing, dating, and returning to the Lender, by the Acceptance date, a duly executed copy of this letter.

Accepted this 27 day of September, 2024.

Borrower:

**ASHCROFT HOMES – 108 RICHMOND ROAD INC.**

By: David Choo  
David Choo, President  
*I have authority to bind the corporation*

Borrower:

**ASHCROFT HOMES – 111 RICHMOND ROAD INC.**

By: David Choo  
David Choo, President  
*I have authority to bind the corporation*

Guarantor:

David Choo

Appendix “B”  
to the Supplemental Report to the Third  
Report of the Receiver

**Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)",  
Estimated Refinancing Use of Funds as at January 31, 2025**

HP ABL Fund 1 Limited Partnership Loan

Total loan amount	\$ 8,750,000.00
Held back by HP:	
Interest Reserve	(921,375.00)
Lender Fee	(155,000.00)
Hawco Peters fee	(183,750.00)
Title insurance	(4,636.00)
Legal fees and trust fees	(33,456.00)
Subtotal	(1,298,217.00)
Net loan transferred to Mann Lawyers	\$ 7,451,783.00
Less: DUCA Indebtedness:	
Principal	(6,456,740.92)
Legal fees (includes HST)	(203,589.47)
Financial consultancy fees	(76,662.41)
Interest (accrued interest to January 31, 2025)	(276,629.62)
Discharge/statement fee	(1,000.00)
Estimated DUCA Indebtedness to January 31, 2025	(7,014,622.42)
Less: Subtotal 1 (see 'Summary of Estate Accounts')	(840,827.89)
Less: Subtotal 2 (see 'Summary of Estate Accounts')	(108,881.07)
Estimated refinancing surplus (shortfall) as at January 31, 2025	(512,548.38)

Note

- [1] The estimated refinancing surplus (shortfall) is subject to the assumptions and schedules contained herein. This includes assumptions related to future events in order to assemble these estimates. Actual results may differ from those estimated.
- [2] The estimated refinancing surplus (shortfall) is before the consideration of pre-receivership liabilities (unless noted otherwise) and excludes estimated funds to operate the business post-receivership, including:
- i) Servicing pre-receivership unsecured and other liabilities to be serviced post-refinancing;
  - ii) Working capital funding required to continue ongoing operations post-refinancing;
  - iii) Debt servicing or other capital costs to fund the new capital structure of the entity post-refinancing.
- [3] DUCA per Diem Rate of \$875.41.

Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)")  
Summary of Estate Accounts and Estimate of Accrued Activities

	Notes	108RR	111RR	Total	Supporting Detail Reference
Receiver's receipts over disbursements as at December 31, 2024	[1]	\$ 36,642.25	\$ 227,845.60	\$ 264,487.85	[A]
Less: Actual December 2024 accrued expenses	[2]	(1,325.20)	(833.70)	(2,158.90)	[B]
Add: Estimated December 2024 accruals	[3]	12,322.37	11,774.38	24,096.76	[C]
	[4]	47,639.42	238,786.28	286,425.71	
Less: Pre-receivership sales taxes liabilities	[5]	(11,500.00)	(61,500.00)	(73,000.00)	[D]
Less: Property taxes payable	[6]	(142,225.54)	(89,890.07)	(232,115.61)	[E]
Less: Professional fees of Receiver and it's legal counsel to December 31, 2024	[7]	(411,068.99)	(411,068.99)	(822,137.98)	[F]
<b>Subtotal 1</b>		<b>\$ (517,155.11)</b>	<b>\$ (323,672.78)</b>	<b>\$ (840,827.89)</b>	
Estimated January 2025 professional fees for Receiver and it's legal counsel	[8]	(39,550.00)	(39,550.00)	(79,100.00)	[G]
Receiver's Reserves	[9]	(17,116.75)	(12,664.32)	(29,781.07)	Reserve's Sch.
<b>Subtotal 2</b>		<b>\$ (56,666.75)</b>	<b>\$ (52,214.32)</b>	<b>\$ (108,881.07)</b>	
Estimated operating activity for January 2025	[10]	\$ 19,488.53	\$ 44,028.09	\$ 63,516.62	[H]

**Notes:**

- [1] Receiver's activity (cash basis) from date of appointment to December 31, 2024, per Estates' general ledgers.
- [2] Actual December 2024 accrued expenses to be paid in January 2025.
- [3] Estimated December 2024 net rental income and reporting to be received from property manager, on or around January 11th, as well as unpaid accrued expenses.
- [4] This is an estimate of activity to December 31, 2024, inclusive of accruals for invoiced and uninvoiced expenses and does not reflect an actual cash balance as at December 31, 2024.
- [5] Pre-receivership HST liabilities, including estimate of interest and penalties. Subject to audit by CRA and assessment of interest and penalties.
- [6] Outstanding property taxes pursuant to property tax statements, inclusive of estimate of late fees and penalties. Subject to confirmation with municipality. A contingency amount is included for potential additional interest and penalties. Additionally, includes as estimate of 2025 property taxes.
- [7] Includes fees, disbursements and HST to December 31, 2024. Allocated equally (50/50) between Estates for purposes of presentation. Actual allocation subject to revision. Does not include DUCA's legal fees.
- [8] Estimate subject to actual time incurred to complete activities necessary to administer Estates. Includes HST. Allocated equally (50/50) between Estates for purposes of presentation. Actual allocation subject to revision. Does not includes DUCA's legal fees.
- [9] Estimate of funds to be held in reserve by Receiver.
- [10] Estimated net operating activity for January 2025. The timing of cash flows for January 2025 will largely occur in February 2025 (i.e. rent collections are payable from the property manager in Feb. 2025 and expenses will be invoiced in Feb. 2025). Therefore, we have excluded the net operating receipts from available cash for the purpose of determining required cash for refinancing by the end of January. Funds will be paid by property manager to Receiver in mid-February, and Receiver will add these net funds to the reserves held by the Receiver.
- [11] Excludes following potential liabilities:
- |  |              |              |              |
|--|--------------|--------------|--------------|
| (i) Potential pre-receivership condo fee arrears estimated to be:                  | \$ 36,683.26 | \$ -         | \$ 36,683.26 |
| (ii) External accountant fees engaged without Receiver's consent, estimated to be: | \$ 14,125.00 | \$ 14,125.00 | \$ 28,250.00 |
- [12] Excludes all pre-receivership liabilities unless otherwise noted herein.
- [13] Remains subject to review by the Receiver, DUCA and Debtors.
- [14] Estimates are based on assumptions related to future events. Actual results may differ from those estimated.
- [15] Excludes post-receivership HST refunds, if any. Excludes pre-receivership HST refunds, if any. HST returns subject to audit by CRA.
- [16] Excludes recovery of any deposits paid by Receiver or refund of insurance premiums.

Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)")  
Details Supporting Summary of Estate Accounts and Estimate of Future Activity

	108RR	111RR	Total	Reference	Notes
<b>Cash Position as at December 31, 2024</b>					
<b>Statement of receipts and disbursements as at December 31, 2024 [Actual]</b>					
Receipts:					
Rental Income	\$ 163,271.47	\$ 294,343.33	\$ 457,614.80		
Cash in bank accounts	50,797.17	66,517.91	117,315.08		
HST collected	9,189.06	33,630.45	42,819.51		
Interest income	990.72	2,495.83	3,486.55		Does NOT include December 2024 accrued interest income (to be paid in January 2025)
Total receipts	224,248.42	396,987.52	621,235.94		
Disbursements:					
Condo fees	130,236.87	97,231.78	227,468.65		Includes Jan. 2025 monthly condo fees, cheque issued in Dec. 2024
Repairs and maintenance	28,018.02	21,265.90	49,283.92		
Insurance	10,091.73	9,085.83	19,177.56		
Appraisal	3,076.16	3,222.58	6,298.74		
HST ITCs	4,591.24	4,896.55	9,487.79		
HST remitted	5,259.15	18,539.07	23,798.22		
Utilities	2,427.51	6,826.11	9,253.62		
Property management fees	3,624.07	7,511.68	11,135.75		
Security	150.00	375.00	525.00		
Bank charges	80.42	80.42	160.84		
Filing fees	51.00	107.00	158.00		
Total disbursements	187,606.17	169,141.92	356,748.09		
Net receipts/(disbursements)	36,642.25	227,845.60	264,487.85	[A]	
<b>December 2024 Accruals [Actual]</b>					
Less:					
Utilities	(1,325.20)	(833.70)	(2,158.90)		Charges up to mid-December 2024 (based on Nov. 2024 actual utilities)
Total	(1,325.20)	(833.70)	(2,158.90)	[B]	
<b>December 2024 Accruals [Estimated]</b>					
Add:					
December 2024 net rent collections from property manager	17,584.50	34,674.01	52,258.51		Estimated based on previous Sleepwell collections. See "Sleepwell Jan. 2025" workbook.
Less: Est. repairs and maintenance reductions	(600.00)	(1,200.00)	(1,800.00)		Estimated based on previous a trending of repairs and maintenance charges reported between Oct. 2024 and Dec. 2024.
Less:					
Waste Management	-	(3,486.58)	(3,486.58)		Estimated outstanding invoice for Nov. 2024 (based on Oct. 2024 payment)
Waste Management	-	(3,486.58)	(3,486.58)		Estimated outstanding invoice for Dec. 2024 (based on Oct. 2024 payment)
Cleaning	-	(152.78)	(152.78)		
Post-receivership HST balances owing/(refundable) (cash basis)	(654.19)	(10,177.25)	(10,831.44)		Nov. 2024 and Dec. 2024 HST balances owing (excludes any refunds).
Property Management fees	(1,182.74)	(2,062.74)	(3,245.47)		Estimated December 2024 property management fees (based on Nov. 2024 figures)
Property Management expenses	(1,500.00)	(1,500.00)	(3,000.00)		The property manager is in the process of reporting Dec. 2024 expense activity. This is a placeholder for potential costs, subject to change based on actuals.
Utilities - Uninvoiced period accrual	(1,325.20)	(833.70)	(2,158.90)		Estimated accrued charges from mid-December to end-of-December. A full month of utility charges has been included to account for higher costs in winter months.
Total	12,322.37	11,774.38	24,096.76	[C]	
<b>HST Payable</b>					
Pre-receivership HST liability	(9,672.53)	(59,101.47)	(68,774.00)		Amount payable per CRA MyBusiness Account effective Jan 2, 2025. For 108RR, the potential refund of \$4,121.63 has not been assessed and is not included in these figures.
Pre-receivership HST liability - estimated interest and penalties	(327.47)	(898.53)	(1,226.00)		Estimated accrued interest and penalties on pre-receivership balances owing (rounded total amount owing before contingency to \$70,000).
Pre-receivership HST liability - contingency	(1,500.00)	(1,500.00)	(3,000.00)		The calculation of interest and penalties is an estimate prepared by the Receiver. A contingency has been included in case interest and penalties are higher than anticipated.
Total	(11,500.00)	(61,500.00)	(73,000.00)	[D]	
<b>Property Taxes Payable</b>					
Unpaid property taxes	(129,597.41)	(81,057.85)	(210,655.26)		Based on property tax statements plus an estimate of accrued property taxes from Jan. 1 to 31, 2025
Unpaid property taxes - interest and penalties	(10,128.13)	(6,332.22)	(16,460.35)		Estimate of accrued penalties and interest (see municipal taxes schedule)
Unpaid property taxes - contingency	(2,500.00)	(2,500.00)	(5,000.00)		The calculation of interest and penalties is an estimate prepared by the Receiver. A contingency has been included in case interest and penalties are higher than anticipated.
Total	(142,225.54)	(89,890.07)	(232,115.61)	[E]	
<b>Professional fees and disbursements to December 31, 2024</b>					
Receiver [BDO Canada]	(230,268.99)	(230,268.99)	(460,537.98)		Includes HST
Receiver's legal counsel [Dentons]	(180,800.00)	(180,800.00)	(361,600.00)		Includes HST
Total	(411,068.99)	(411,068.99)	(822,137.98)	[F]	
Jan. 2025 professional fees of Receiver and it's legal counsel [Estimated]	(39,550.00)	(39,550.00)	(79,100.00)	[G]	Estimated professional fees of Receiver and its legal counsel for January 2025. Includes HST.
<b>Operating activity for January 2025 [Estimated]</b>					
Operating receipts	21,821.16	56,882.45	78,703.61		See "Jan. 2025 Operating" workbook.
Operating Disbursements	(2,332.63)	(12,854.36)	(15,186.99)		See "Jan. 2025 Operating" workbook.
Total	19,488.53	44,028.09	63,516.62	[H]	

Tenants	Unit	Start date	End date	Rent Roll	Dec. 2024 Collections (estimated)	Entity	Collection Notes
	88 Richmond Road - 104	7/1/2019	1/1/2060	\$ 2,620.50	\$ 2,620.50	108RR	
	88 Richmond Road - 510	6/1/2024	5/31/2025	2,450.00	2,450.00	108RR	
	88 Richmond Road - 513	10/1/2022	11/30/2024	-	-	108RR	
	88 Richmond Road - 810	8/1/2023	1/1/2060	-	2,172.50	108RR	Vacancy starts in Jan. 2025
	88 Richmond Road- Commercial - A,C,D	6/1/2024	5/31/2034	22,361.58	-	108RR	Rent not paid in cash per lease terms (rent free period)
	90 Richmond Road- Commercial - H	8/1/2019	7/31/2025	2,486.00	2,486.00	108RR	
	91 Richmond Road- Commercial - A	11/15/2019	11/14/2029	3,950.48	3,950.48	111RR	
	97 Richmond Road- commercial - D+E	9/1/2019	8/31/2029	5,659.88	5,659.88	111RR	
	98 Richmond Road - 503	7/27/2017	1/1/2060	1,814.25	1,814.25	108RR	
	98 Richmond Road - 802	4/1/2021	1/1/2060	1,793.75	1,793.75	108RR	
	98 Richmond Road- Commercial - J	11/1/2022	10/31/2027	6,309.17	-	108RR	Collected by BDO directly in Dec. 2024
	101 Richmond Road - 320	11/1/2023	10/31/2024	2,500.00	-	111RR	Arrears
	103 Richmond Road- Commercial - F,G,H,I,J	6/1/2012	5/31/2027	22,108.45	-	111RR	Collected by BDO directly in Dec. 2024
	108 Richmond Road - 106	9/1/2020	1/1/2060	1,947.50	1,947.50	108RR	
	108 Richmond Road - 607	2/1/2024	8/1/2026	2,300.00	2,300.00	108RR	
	111 Richmond Road- Commercial - A	12/1/2019	11/30/2029	8,520.75	8,520.75	111RR	
	117 Richmond Road- Commercial - D	6/1/2022	5/31/2027	5,990.70	5,990.70	111RR	
	119 Richmond Road- Commercial - E	11/1/2019	10/31/2029	5,793.10	-	111RR	Arrears
	121 Richmond Road- Commercial - F	9/1/2022	8/31/2027	3,906.00	3,906.00	111RR	
	360 Patricia Avenue - 102	12/1/2017	1/1/2060	1,594.50	-	111RR	Arrears
	360 Patricia Avenue - 107	9/29/2023	1/1/2060	2,200.00	2,200.00	111RR	
	360 Patricia Avenue - 201	10/1/2021	1/1/2060	2,357.50	-	111RR	Arrears
	360 Patricia Avenue - 324	8/1/2023	7/31/2025	2,346.20	2,346.20	111RR	
	360 Patricia Avenue - 820	1/1/2024	12/31/2024	2,100.00	2,100.00	111RR	
				<u>\$ 113,110.31</u>	<u>\$ 52,258.51</u>		
					\$ 17,584.50	108RR	
					<u>34,674.01</u>	111RR	
					<u>\$ 52,258.51</u>		
					<u>Accts. with recurring arrears</u>		
					\$ -	108RR	
					<u>12,245.10</u>	111RR	
					<u>\$ 12,245.10</u>		
				\$ 113,110.31	Total above		
				<u>(22,361.58)</u>	Less: Dentist rent not paid in cash		
				<u>\$ 90,748.73</u>			
				<u>\$ 90,748.71</u>	Dec. 2024 monthly rent		
				<u>\$ 0.02</u>	Variance		

Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)")  
Municipal Property Taxes Schedule

Property	Roll Number	Final Taxes	Interim Payments	Past Due Credit	Total Due as at June 20,	
					2024	Notes
101 Richmond Road OCSCP 889 Level 1 Unit 6	Comm 91 0614.084.301.32106.0000	\$ 4,695.97	\$ (2,132.15)	\$ 26.31	\$ 2,590.13	
101 Richmond Road OCSCP 889 Level 1 unit 8	Comm 95 0614.084.301.32108.0000	4,642.91	(2,108.06)	26.02	2,560.87	
101 Richmond Road OCSCP 889 Level 1 unit 9	Comm 97 0614.084.301.32109.0000	4,191.88	(1,903.29)	23.53	2,312.12	
101 Richmond Road OCSCP 889 Level 1 unit 10	comm 98 0614.084.301.32110.0000	2,334.73	(1,060.06)	13.26	1,287.93	
101 Richmond Road OCSCP 889 Level 1 unit 11	Comm 1 0614.084.301.32111.0000	2,122.47	(963.70)	12.09	1,170.86	
101 Richmond Road OCSCP 889 Level 1 unit 12	Comm 1 0614.084.301.32112.0000	4,191.88	(1,903.29)	1,928.81	4,217.40	
101 Richmond Road OCSCP 889 Level 1 unit 13	Comm 1 0614.084.301.32113.0000	4,642.91	(2,108.06)	(1,856.63)	678.22	
101 Richmond Road OCSCP 889 Level 1 unit 14	Comm 1 0614.084.301.32114.0000	4,642.91	(2,108.06)	26.02	2,560.87	
101 Richmond Road OCSCP 889 Level 1 unit 15	Comm 1 0614.084.301.32115.0000	4,908.22	(2,228.53)	27.49	2,707.18	
101 Richmond Road 320 Residential	0614.084.301.32156.0000	4,574.66	(2,237.90)	27.68	2,364.44	
101 Richmond Road OCSCP 889 Level A Parking	0614.084.301.32213.0000	6,815.16	(3,332.43)	41.53	3,524.26	
101 Richmond Road OCSCP 889 Level C Bicycle racks	0614.084.301.32215.0000				-	We do not have the property tax bill for this roll number. Based on historical payme
360 Patricia Ave 102	0614.084.301.32802.0000	2,697.50	(1,320.01)	16.47	1,393.96	
360 Patricia Ave 107	0614.084.301.32807.0000	2,948.59	(1,442.79)	17.97	1,523.77	
360 Patricia Ave 109 Commercial units	0614.084.301.32809.0000	54,388.41	(24,694.46)	301.11	29,995.06	
360 Patricia Ave 201	0614.084.301.32810.0000	4,514.87	(2,208.66)	27.33	2,333.54	
360 Patricia Ave 206	0614.084.301.32815.0000	2,697.50	(1,320.01)	16.47	1,393.96	
360 Patricia Ave 211	0614.084.301.32820.0000	3,498.59	(1,711.71)	21.25	1,808.13	
360 Patricia Ave 324	0614.084.301.32848.0000	4,514.87	(2,208.66)	27.33	2,333.54	
360 Patricia Ave 820	0614.084.301.32964.0000	3,020.32	(1,477.85)	18.40	1,560.87	
360 Patricia Ave OCSCP 937 Level A Parking	0614.084.301.32965.0000	2,379.33	(1,163.43)	14.56	1,230.46	
360 Patricia Ave OCSCP 937 Level B Locker	0614.084.301.32966.0000	292.94	(143.22)	2.11	151.83	
108 Richmond Road OCSCP 963 Level 1 Commercial	0614.084.401.10059.0000	30,688.58	(14,011.32)	173.50	16,850.76	
108 Richmond Road 106	0614.084.401.10060.0000	4,586.61	(2,243.74)	27.00	2,369.87	
108 Richmond Road 406	0614.084.401.10094.0000	5,387.70	(2,635.45)	32.54	2,784.79	
108 Richmond Road 607	0614.084.401.10121.0000	4,299.67	(2,103.42)	26.04	2,222.29	
98 Richmond Road OcSCP 963 Level 1 Commercial	0614.084.401.10159.0000	63,772.67	(29,032.78)	357.74	35,097.63	
98 Richmond Road 503	0614.084.401.10200.0000	4,084.44	(1,998.19)	24.76	2,111.01	
98 Richmond Road 802	0614.084.401.10232.0000	3,809.46	(1,863.73)	23.12	1,968.85	
88 Richmond Road OCSCP 963 Level 1	0614.084.401.10249.0000	64,735.46	(29,392.43)	362.24	35,705.27	
88 Richmond Road 104	0614.084.401.10250.0000	5,076.84	(2,483.43)	30.68	2,624.09	
88 Richmond Road 313	0614.084.401.10279.0000	4,610.53	(2,255.43)	28.66	2,383.76	
88 Richmond Road 510	0614.084.401.10304.0000	3,618.14	(1,770.18)	21.97	1,869.93	
88 Richmond Road 513	0614.084.401.10307.0000	4,622.48	(2,261.29)	27.97	2,389.16	
88 Richmond Road 810	0614.084.401.10346.0000	3,630.11	(1,776.02)	22.04	1,876.13	
88 Richmond Road 110 Level A	0614.084.401.10356.0000	2,056.51	(1,005.58)	12.64	1,063.57	
88 Richmond Road 110 Level B	0614.084.401.10357.0000	316.88	(154.93)	2.24	164.19	
Total		\$ 334,012.70	\$ (154,764.25)	\$ 1,932.25	\$ 181,180.70	

	108RR	111RR	Total
Total 2024 property taxes	\$ 205,296.08	\$ 128,716.62	\$ 334,012.70
Interim Payments	(94,987.92)	(59,776.33)	(154,764.25)
Past Due Credit	1,173.14	759.11	1,932.25
Total Due as at May 16, 2024	111,481.30	69,699.40	181,180.70
Penalty Rate of Arrears (Note 1)	9.09%	9.09%	
Est. interest an penalties	10,128.13	6,332.22	16,460.35

Est. Contingency	2,500.00	2,500.00	5,000.00
Est. total due from 2024 property tax arrears	124,109.43	78,531.62	202,641.05
Est. 2025 property taxes	18,116.11	11,358.45	29,474.56
Est. total due as at Jan. 31, 2025	\$ 142,225.54	\$ 89,890.07	\$ 232,115.61

Penalty Rate of Arrears (Note 1)

Penalty Rate per Month	1.25%	1.25%
# of months from Jul. 1, 2024 to Jan. 31, 2025	7	7

Increase in initial balance owing	9.09%	9.09%
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Est. 2025 Property Taxes (Note 2)

Total 2024 property taxes	\$ 205,296.08	\$ 128,716.62
Increase per City of Ottawa 2025 budget	3.90%	3.90%
Total est. 2025 property taxes	\$ 213,302.63	\$ 133,736.57
# of days in 2025	31	31
Estimated proportion of accrued 2025 property taxes	\$ 18,116.11	\$ 11,358.45
		\$ 29,474.56

The calculation of interest and penalties is an estimate prepared by the Receiver.  
A contingency has been included in case interest and penalties are higher than anticipated.

Calculated seperately, based on the compounding of monthly interest and penalties

**Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)")**
**Est. of January 2025 Outstanding Operating Cash Flows**

	Vendor	108RR	111RR	Total	Notes
<b>Receipts</b>					
Rental income - Residential		\$ 12,926.00	\$ 13,098.20	\$ 26,024.20	Based on vacancies effective January 1, 2025.
Rental income - Commercial base rent		4,756.50	38,158.91	42,915.41	Based on vacancies effective January 1, 2025.
Rental income - Commercial CAM		3,033.33	11,441.51	14,474.84	Based on vacancies effective January 1, 2025.
					This reduction from rental receipts accounts for tenants who have historically not paid monthly rent when due.
Uncollectible rent collection reserve		-	(12,245.10)	(12,245.10)	
Interest on bank account		100.00	100.00	200.00	
HST collections		1,005.33	6,328.93	7,334.26	
HST refund		-	-	-	See Chart 1: HST Continuity
<b>Total Revenue</b>		<b>21,821.16</b>	<b>56,882.45</b>	<b>78,703.61</b>	
<b>Disbursements</b>					
Condo Fees	Various	-	-	-	Per detailed condo fee schedule. Monthly condo fees are \$18,888.54 in 108RR and \$13,470.16 in 111RR and are due the first of the month. The January 2025 condo fees were paid in Dec. 2024.
Cleaning	JL Advantage	-	440.70	440.70	Est. based on new billing rate for 2025
Garbage Disposal	Waste Management	-	2,234.44	2,234.44	Est. based on run rate
Property Management Fees	Sleepwell	707.30	2,050.28	2,757.58	Est. 4.0% of base rent
Repairs and maintenance		300.00	600.00	900.00	Est. based on run rate
Utilities (Hydro)	Hydro Ottawa	320.00	1,100.00	1,420.00	Est. based on run rate. Excludes \$225.00/month/account for required deposit.
Utilities (Gas)	Enbridge	-	100.00	100.00	Est. based on run rate. This will increase in winter months (potentially significantly).
Insurance		-	-	-	Insurance premiums paid in full for coverage period. No estimate has been made for premium refund as insurance is assumed to continue in perpetuity.
Property Taxes		-	-	-	No ongoing payments. See arrears calculations.
HST paid (ITCs)		172.55	848.31	1,020.85	
HST remitted to CRA		832.78	5,480.62	6,313.41	See Chart 1: HST Continuity
<b>Total Disbursements</b>		<b>2,332.63</b>	<b>12,854.36</b>	<b>15,186.99</b>	
<b>Total Outstanding Nov. 2024 Operating Cash Flows</b>		<b>\$ 19,488.53</b>	<b>\$ 44,028.09</b>	<b>\$ 63,516.62</b>	

**Chart 1: HST Continuity**

Est. HST ITCs	\$ 172.55	\$ 848.31	\$ 1,020.85	13% of estimated operating disbursements
Rental income HST collected	(1,005.33)	(6,328.93)	(7,334.26)	Per rent roll schedule (not included)
HST refund (payable)	\$ (832.78)	\$ (5,480.62)	\$ (6,313.41)	

**Notes:**

[1] This summary of January activity was compiled to estimate the outstanding operating cash flows specifically for January 2025. This schedule should not be interpreted as representing a standard month of operating activity for the Debtors. Furthermore, the information is exclusive of certain items that remain applicable to ongoing operations (including property tax expenses, insurance premiums and any required debt servicing costs) on a normal monthly basis and should not be interpreted as representative of normal course monthly business profitability.

Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)")  
 Est. of Post-Closing Receiver's Reserves

No.	Name	108RR	111RR	Total	Explanation
1	Sleepwell property management transition fees	\$ 799.25	\$ 2,316.82	\$ 3,116.07	There may be fees incurred by Sleepwell if annual rent payments are not transitioned prior to Feb. 2025. A reserve equal to one (1) month of standard property management fees has been included as a reserve.
2	Repairs and maintenance - Contingency	300.00	600.00	900.00	A contingency of 1 month's operating expenses for minor repair and maintenance performed by property manager
3	Utilities - Hydro - standard	320.00	1,100.00	1,420.00	One (1) month of hydro expenses to account for any usage increases not included in accruals. Three (3) months of gas expenses to account for usage increases resulting from recent change to colder weather.
4	Utilities - Gas - changing weather	-	300.00	300.00	The tenants of Unit 510 have launched an application with the LTB. Although the Receiver believes its actions were appropriate and supportable in the circumstances, Sleepwell has cautioned the LTB may issue an award in favour of the tenants. The timeframe from resolving the LTB application is not known. We have included a reserve equivalent to 3 months of rent, as an estimate to resolve matters related to this matter.
5	LTB Application (Unit 510)	7,350.00	-	7,350.00	
6	Realtor marketing fee reimbursement	847.50	847.50	1,695.00	Estimate for reimbursement of Collier's hard costs related to marketing materials.
7	Professional fees - Transition cost	7,500.00	7,500.00	15,000.00	To account for post-refinancing transitioning items, up to and including date of Receiver's discharge.
8	Contingency	-	-	-	Estimated operating activity for Jan. 2025 per 'Jan_2025_Operating' schedule to act as overall general contingency.
		<u>\$ 17,116.75</u>	<u>\$ 12,664.32</u>	<u>\$ 29,781.07</u>	

Appendix “C”  
to the Supplemental Report to the Third  
Report of the Receiver

**From:** [Marchand, Matthew](#)  
**To:** [mdifilippo@ashcrofthomes.ca](#)  
**Cc:** [raymond.murray@mannlawyers.com](#); [dchoo@ashcrofthomes.ca](#); [tbonsor@ashcrofthomes.ca](#); [aboettger@bdo.ca](#); [Salmes, John](#); [Wilson, Sara-Ann](#)  
**Subject:** Ashcroft re Refinancing and Discharge of Receiver  
**Date:** Wednesday, January 8, 2025 4:12:40 PM  
**Attachments:** [imageffa7fe.PNG](#)  
[imagec5ee25.PNG](#)  
[Ashcroft - Summary of Refinancing Calculation Estimate \(Jan 8, 2025\).xlsx](#)  
[Ashcroft - Pre-Receivership Unsecured Third Party Liabilities \(Jan 8, 2024\).xlsx](#)

**[WARNING: EXTERNAL SENDER]**

Good afternoon Manny,

In response to your request for a list of items needed to complete a refinancing and discharge of the Receiver, below is a summary of such items:

1. Evidence of available funding to complete the proposed refinancing.
  - a. At your request the Receiver has prepared a revised refinancing calculation estimate. We have prepared the revised refinancing calculation estimate with an as at date of January 31, 2025. The revised refinancing calculation estimates a funding shortfall of approximately \$512,500, based on a facility size of \$8.75 million from the new lender, as at January 31, 2025. The revised refinancing calculation is subject to numerous notes and assumptions contained therein, including future events, and actual results may vary from those estimated. The revised refinancing calculation is attached.
2. As most recently proposed by yourself, confirmation from the new lender that they will allow sale proceeds to be used to pay pre-receivership third party unsecured creditors in full.
  - a. Based on the information made available to the Receiver, it appears the pre-receivership third party unsecured debts owing amount to \$240,282.46 and \$147,527.69 for 108RR and 111RR, respectively. Attached for reference is a summary of these figures inclusive of notes.
3. Form of discharge order, including reserves, remaining tasks/transition items and indemnity provided in favour of BDO.
4. DUCA's set of requirements. To be provided by DUCA.
5. The endorsement of Justice MacLeod dated November 28, 2024, states that the proposed refinancing transaction would need to include releases of, or deferrals in respect of, the payment of intercompany debts. In that regard numerous related party entities are subject to separate receivership/interim receivership orders. Please provide the position/agreement of the Court Officers in those other proceedings in respect of the proposed repayment methodology in that regard.
6. Any remaining issues in dispute, if any, (including professional fees) will need to be resolved before the Receiver is able to be discharged.

Please let us know if you have any questions.

Kind regards,

Matthew Marchand, CPA, CMA, CIRP, LIT  
 Partner & Senior Vice President, Business Restructuring & Turnaround Services  
 Financial Advisory Services  
 Direct: 416-369-4755  
[BDO Canada Limited](#)  
 20 Wellington Street East, Suite 500  
 Toronto, Ontario, Canada M5E 1C5

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**Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)",  
Estimated Refinancing Use of Funds as at January 31, 2025**

HP ABL Fund 1 Limited Partnership Loan

Total loan amount	\$ 8,750,000.00
Held back by HP:	
Interest Reserve	(921,375.00)
Lender Fee	(155,000.00)
Hawco Peters fee	(183,750.00)
Title insurance	(4,636.00)
Legal fees and trust fees	(33,456.00)
Subtotal	(1,298,217.00)
Net loan transferred to Mann Lawyers	\$ 7,451,783.00
Less: DUCA Indebtedness:	
Principal	(6,456,740.92)
Legal fees (includes HST)	(203,589.47)
Financial consultancy fees	(76,662.41)
Interest (accrued interest to January 31, 2025)	(276,629.62)
Discharge/statement fee	(1,000.00)
Estimated DUCA Indebtedness to January 31, 2025	(7,014,622.42)
Less: Subtotal 1 (see 'Summary of Estate Accounts')	(840,827.89)
Less: Subtotal 2 (see 'Summary of Estate Accounts')	(108,881.07)
Estimated refinancing surplus (shortfall) as at January 31, 2025	(512,548.38)

Note

- [1] The estimated refinancing surplus (shortfall) is subject to the assumptions and schedules contained herein. This includes assumptions related to future events in order to assemble these estimates. Actual results may differ from those estimated.
- [2] The estimated refinancing surplus (shortfall) is before the consideration of pre-receivership liabilities (unless noted otherwise) and excludes estimated funds to operate the business post-receivership, including:
- i) Servicing pre-receivership unsecured and other liabilities to be serviced post-refinancing;
  - ii) Working capital funding required to continue ongoing operations post-refinancing;
  - iii) Debt servicing or other capital costs to fund the new capital structure of the entity post-refinancing.
- [3] DUCA per Diem Rate of \$875.41.

Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)")  
Summary of Estate Accounts and Estimate of Accrued Activities

	Notes	108RR	111RR	Total	Supporting Detail Reference
Receiver's receipts over disbursements as at December 31, 2024	[1]	\$ 36,642.25	\$ 227,845.60	\$ 264,487.85	[A]
Less: Actual December 2024 accrued expenses	[2]	(1,325.20)	(833.70)	(2,158.90)	[B]
Add: Estimated December 2024 accruals	[3]	12,322.37	11,774.38	24,096.76	[C]
	[4]	47,639.42	238,786.28	286,425.71	
Less: Pre-receivership sales taxes liabilities	[5]	(11,500.00)	(61,500.00)	(73,000.00)	[D]
Less: Property taxes payable	[6]	(142,225.54)	(89,890.07)	(232,115.61)	[E]
Less: Professional fees of Receiver and it's legal counsel to December 31, 2024	[7]	(411,068.99)	(411,068.99)	(822,137.98)	[F]
<b>Subtotal 1</b>		<b>\$ (517,155.11)</b>	<b>\$ (323,672.78)</b>	<b>\$ (840,827.89)</b>	
Estimated January 2025 professional fees for Receiver and it's legal counsel	[8]	(39,550.00)	(39,550.00)	(79,100.00)	[G]
Receiver's Reserves	[9]	(17,116.75)	(12,664.32)	(29,781.07)	Reserve' Sch.
<b>Subtotal 2</b>		<b>\$ (56,666.75)</b>	<b>\$ (52,214.32)</b>	<b>\$ (108,881.07)</b>	
Estimated operating activity for January 2025	[10]	\$ 19,488.53	\$ 44,028.09	\$ 63,516.62	[H]

**Notes:**

- [1] Receiver's activity (cash basis) from date of appointment to December 31, 2024, per Estates' general ledgers.
- [2] Actual December 2024 accrued expenses to be paid in January 2025.
- [3] Estimated December 2024 net rental income and reporting to be received from property manager, on or around January 11th, as well as unpaid accrued expenses.
- [4] This is an estimate of activity to December 31, 2024, inclusive of accruals for invoiced and uninvoiced expenses and does not reflect an actual cash balance as at December 31, 2024.
- [5] Pre-receivership HST liabilities, including estimate of interest and penalties. Subject to audit by CRA and assessment of interest and penalties.
- [6] Outstanding property taxes pursuant to property tax statements, inclusive of estimate of late fees and penalties. Subject to confirmation with municipality. A contingency amount is included for potential additional interest and penalties. Additionally, includes as estimate of 2025 property taxes.
- [7] Includes fees, disbursements and HST to December 31, 2024. Allocated equally (50/50) between Estates for purposes of presentation. Actual allocation subject to revision. Does not include DUCA's legal fees.
- [8] Estimate subject to actual time incurred to complete activities necessary to administer Estates. Includes HST. Allocated equally (50/50) between Estates for purposes of presentation. Actual allocation subject to revision. Does not includes DUCA's legal fees.
- [9] Estimate of funds to be held in reserve by Receiver.
- [10] Estimated net operating activity for January 2025. The timing of cash flows for January 2025 will largely occur in February 2025 (i.e. rent collections are payable from the property manager in Feb. 2025 and expenses will be invoiced in Feb. 2025). Therefore, we have excluded the net operating receipts from available cash for the purpose of determining required cash for refinancing by the end of January. Funds will be paid by property manager to Receiver in mid-February, and Receiver will add these net funds to the reserves held by the Receiver.
- [11] Excludes following potential liabilities:
- |  |              |              |              |
|--|--------------|--------------|--------------|
| (i) Potential pre-receivership condo fee arrears estimated to be:                  | \$ 36,683.26 | \$ -         | \$ 36,683.26 |
| (ii) External accountant fees engaged without Receiver's consent, estimated to be: | \$ 14,125.00 | \$ 14,125.00 | \$ 28,250.00 |
- [12] Excludes all pre-receivership liabilities unless otherwise noted herein.
- [13] Remains subject to review by the Receiver, DUCA and Debtors.
- [14] Estimates are based on assumptions related to future events. Actual results may differ from those estimated.
- [15] Excludes post-receivership HST refunds, if any. Excludes pre-receivership HST refunds, if any. HST returns subject to audit by CRA.
- [16] Excludes recovery of any deposits paid by Receiver or refund of insurance premiums.

Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)")  
Details Supporting Summary of Estate Accounts and Estimate of Future Activity

	108RR	111RR	Total	Reference	Notes
<b>Cash Position as at December 31, 2024</b>					
<b>Statement of receipts and disbursements as at December 31, 2024 [Actual]</b>					
Receipts:					
Rental Income	\$ 163,271.47	\$ 294,343.33	\$ 457,614.80		
Cash in bank accounts	50,797.17	66,517.91	117,315.08		
HST collected	9,189.06	33,630.45	42,819.51		
Interest income	990.72	2,495.83	3,486.55		Does NOT include December 2024 accrued interest income (to be paid in January 2025)
Total receipts	224,248.42	396,987.52	621,235.94		
Disbursements:					
Condo fees	130,236.87	97,231.78	227,468.65		Includes Jan. 2025 monthly condo fees, cheque issued in Dec. 2024
Repairs and maintenance	28,018.02	21,265.90	49,283.92		
Insurance	10,091.73	9,085.83	19,177.56		
Appraisal	3,076.16	3,222.58	6,298.74		
HST ITCs	4,591.24	4,896.55	9,487.79		
HST remitted	5,259.15	18,539.07	23,798.22		
Utilities	2,427.51	6,826.11	9,253.62		
Property management fees	3,624.07	7,511.68	11,135.75		
Security	150.00	375.00	525.00		
Bank charges	80.42	80.42	160.84		
Filing fees	51.00	107.00	158.00		
Total disbursements	187,606.17	169,141.92	356,748.09		
Net receipts/(disbursements)	36,642.25	227,845.60	264,487.85	[A]	
<b>December 2024 Accruals [Actual]</b>					
Less:					
Utilities	(1,325.20)	(833.70)	(2,158.90)		Charges up to mid-December 2024 (based on Nov. 2024 actual utilities)
Total	(1,325.20)	(833.70)	(2,158.90)	[B]	
<b>December 2024 Accruals [Estimated]</b>					
Add:					
December 2024 net rent collections from property manager	17,584.50	34,674.01	52,258.51		Estimated based on previous Sleepwell collections. See "Sleepwell Jan. 2025" workbook.
Less: Est. repairs and maintenance reductions	(600.00)	(1,200.00)	(1,800.00)		Estimated based on previous a trending of repairs and maintenance charges reported between Oct. 2024 and Dec. 2024.
Less:					
Waste Management	-	(3,486.58)	(3,486.58)		Estimated outstanding invoice for Nov. 2024 (based on Oct. 2024 payment)
Waste Management	-	(3,486.58)	(3,486.58)		Estimated outstanding invoice for Dec. 2024 (based on Oct. 2024 payment)
Cleaning	-	(152.78)	(152.78)		
Post-receivership HST balances owing/(refundable) (cash basis)	(654.19)	(10,177.25)	(10,831.44)		Nov. 2024 and Dec. 2024 HST balances owing (excludes any refunds).
Property Management fees	(1,182.74)	(2,062.74)	(3,245.47)		Estimated December 2024 property management fees (based on Nov. 2024 figures)
Property Management expenses	(1,500.00)	(1,500.00)	(3,000.00)		The property manager is in the process of reporting Dec. 2024 expense activity. This is a placeholder for potential costs, subject to change based on actuals.
Utilities - Uninvoiced period accrual	(1,325.20)	(833.70)	(2,158.90)		Estimated accrued charges from mid-December to end-of-December. A full month of utility charges has been included to account for higher costs in winter months.
Total	12,322.37	11,774.38	24,096.76	[C]	
<b>HST Payable</b>					
Pre-receivership HST liability	(9,672.53)	(59,101.47)	(68,774.00)		Amount payable per CRA MyBusiness Account effective Jan 2, 2025. For 108RR, the potential refund of \$4,121.63 has not been assessed and is not included in these figures.
Pre-receivership HST liability - estimated interest and penalties	(327.47)	(898.53)	(1,226.00)		Estimated accrued interest and penalties on pre-receivership balances owing (rounded total amount owing before contingency to \$70,000).
Pre-receivership HST liability - contingency	(1,500.00)	(1,500.00)	(3,000.00)		The calculation of interest and penalties is an estimate prepared by the Receiver. A contingency has been included in case interest and penalties are higher than anticipated.
Total	(11,500.00)	(61,500.00)	(73,000.00)	[D]	
<b>Property Taxes Payable</b>					
Unpaid property taxes	(129,597.41)	(81,057.85)	(210,655.26)		Based on property tax statements plus an estimate of accrued property taxes from Jan. 1 to 31, 2025
Unpaid property taxes - interest and penalties	(10,128.13)	(6,332.22)	(16,460.35)		Estimate of accrued penalties and interest (see municipal taxes schedule)
Unpaid property taxes - contingency	(2,500.00)	(2,500.00)	(5,000.00)		The calculation of interest and penalties is an estimate prepared by the Receiver. A contingency has been included in case interest and penalties are higher than anticipated.
Total	(142,225.54)	(89,890.07)	(232,115.61)	[E]	
<b>Professional fees and disbursements to December 31, 2024</b>					
Receiver [BDO Canada]	(230,268.99)	(230,268.99)	(460,537.98)		Includes HST
Receiver's legal counsel [Dentons]	(180,800.00)	(180,800.00)	(361,600.00)		Includes HST
Total	(411,068.99)	(411,068.99)	(822,137.98)	[F]	
Jan. 2025 professional fees of Receiver and it's legal counsel [Estimated]	(39,550.00)	(39,550.00)	(79,100.00)	[G]	Estimated professional fees of Receiver and its legal counsel for January 2025. Includes HST.
<b>Operating activity for January 2025 [Estimated]</b>					
Operating receipts	21,821.16	56,882.45	78,703.61		See "Jan. 2025 Operating" workbook.
Operating Disbursements	(2,332.63)	(12,854.36)	(15,186.99)		See "Jan. 2025 Operating" workbook.
Total	19,488.53	44,028.09	63,516.62	[H]	

Tenants	Unit	Start date	End date	Rent Roll	Dec. 2024 Collections (estimated)	Entity	Collection Notes
	88 Richmond Road - 104	7/1/2019	1/1/2060	\$ 2,620.50	\$ 2,620.50	108RR	
	88 Richmond Road - 510	6/1/2024	5/31/2025	2,450.00	2,450.00	108RR	
	88 Richmond Road - 513	10/1/2022	11/30/2024	-	-	108RR	
	88 Richmond Road - 810	8/1/2023	1/1/2060	-	2,172.50	108RR	Vacancy starts in Jan. 2025
	88 Richmond Road- Commercial - A,C,D	6/1/2024	5/31/2034	22,361.58	-	108RR	Rent not paid in cash per lease terms (rent free period)
	90 Richmond Road- Commercial - H	8/1/2019	7/31/2025	2,486.00	2,486.00	108RR	
	91 Richmond Road- Commercial - A	11/15/2019	11/14/2029	3,950.48	3,950.48	111RR	
	97 Richmond Road- commercial - D+E	9/1/2019	8/31/2029	5,659.88	5,659.88	111RR	
	98 Richmond Road - 503	7/27/2017	1/1/2060	1,814.25	1,814.25	108RR	
	98 Richmond Road - 802	4/1/2021	1/1/2060	1,793.75	1,793.75	108RR	
	98 Richmond Road- Commercial - J	11/1/2022	10/31/2027	6,309.17	-	108RR	Collected by BDO directly in Dec. 2024
	101 Richmond Road - 320	11/1/2023	10/31/2024	2,500.00	-	111RR	Arrears
	103 Richmond Road- Commercial - F,G,H,I,J	6/1/2012	5/31/2027	22,108.45	-	111RR	Collected by BDO directly in Dec. 2024
	108 Richmond Road - 106	9/1/2020	1/1/2060	1,947.50	1,947.50	108RR	
	108 Richmond Road - 607	2/1/2024	8/1/2026	2,300.00	2,300.00	108RR	
	111 Richmond Road- Commercial - A	12/1/2019	11/30/2029	8,520.75	8,520.75	111RR	
	117 Richmond Road- Commercial - D	6/1/2022	5/31/2027	5,990.70	5,990.70	111RR	
	119 Richmond Road- Commercial - E	11/1/2019	10/31/2029	5,793.10	-	111RR	Arrears
	121 Richmond Road- Commercial - F	9/1/2022	8/31/2027	3,906.00	3,906.00	111RR	
	360 Patricia Avenue - 102	12/1/2017	1/1/2060	1,594.50	-	111RR	Arrears
	360 Patricia Avenue - 107	9/29/2023	1/1/2060	2,200.00	2,200.00	111RR	
	360 Patricia Avenue - 201	10/1/2021	1/1/2060	2,357.50	-	111RR	Arrears
	360 Patricia Avenue - 324	8/1/2023	7/31/2025	2,346.20	2,346.20	111RR	
	360 Patricia Avenue - 820	1/1/2024	12/31/2024	2,100.00	2,100.00	111RR	
				<u>\$ 113,110.31</u>	<u>\$ 52,258.51</u>		
					\$ 17,584.50	108RR	
					<u>34,674.01</u>	111RR	
					<u>\$ 52,258.51</u>		
					<u>Accts. with recurring arrears</u>		
					\$ -	108RR	
					<u>12,245.10</u>	111RR	
					<u>\$ 12,245.10</u>		
				\$ 113,110.31	Total above		
				<u>(22,361.58)</u>	Less: Dentist rent not paid in cash		
				<u>\$ 90,748.73</u>			
				<u>\$ 90,748.71</u>	Dec. 2024 monthly rent		
				<u>\$ 0.02</u>	Variance		

Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)")  
Municipal Property Taxes Schedule

Property	Roll Number	Final Taxes	Interim Payments	Past Due Credit	Total Due as at June 20,	
					2024	
101 Richmond Road OCSCP 889 Level 1 Unit 6	Comm 91 0614.084.301.32106.0000	\$ 4,695.97	\$ (2,132.15)	\$ 26.31	\$ 2,590.13	
101 Richmond Road OCSCP 889 Level 1 unit 8	Comm 95 0614.084.301.32108.0000	4,642.91	(2,108.06)	26.02	2,560.87	
101 Richmond Road OCSCP 889 Level 1 unit 9	Comm 97 0614.084.301.32109.0000	4,191.88	(1,903.29)	23.53	2,312.12	
101 Richmond Road OCSCP 889 Level 1 unit 10	comm 98 0614.084.301.32110.0000	2,334.73	(1,060.06)	13.26	1,287.93	
101 Richmond Road OCSCP 889 Level 1 unit 11	Comm 1 0614.084.301.32111.0000	2,122.47	(963.70)	12.09	1,170.86	
101 Richmond Road OCSCP 889 Level 1 unit 12	Comm 1 0614.084.301.32112.0000	4,191.88	(1,903.29)	1,928.81	4,217.40	
101 Richmond Road OCSCP 889 Level 1 unit 13	Comm 1 0614.084.301.32113.0000	4,642.91	(2,108.06)	(1,856.63)	678.22	
101 Richmond Road OCSCP 889 Level 1 unit 14	Comm 1 0614.084.301.32114.0000	4,642.91	(2,108.06)	26.02	2,560.87	
101 Richmond Road OCSCP 889 Level 1 unit 15	Comm 1 0614.084.301.32115.0000	4,908.22	(2,228.53)	27.49	2,707.18	
101 Richmond Road 320 Residential	0614.084.301.32156.0000	4,574.66	(2,237.90)	27.68	2,364.44	
101 Richmond Road OCSCP 889 Level A Parking	0614.084.301.32213.0000	6,815.16	(3,332.43)	41.53	3,524.26	
101 Richmond Road OCSCP 889 Level C Bicycle racks	0614.084.301.32215.0000				-	
360 Patricia Ave 102	0614.084.301.32802.0000	2,697.50	(1,320.01)	16.47	1,393.96	
360 Patricia Ave 107	0614.084.301.32807.0000	2,948.59	(1,442.79)	17.97	1,523.77	
360 Patricia Ave 109 Commercial units	0614.084.301.32809.0000	54,388.41	(24,694.46)	301.11	29,995.06	
360 Patricia Ave 201	0614.084.301.32810.0000	4,514.87	(2,208.66)	27.33	2,333.54	
360 Patricia Ave 206	0614.084.301.32815.0000	2,697.50	(1,320.01)	16.47	1,393.96	
360 Patricia Ave 211	0614.084.301.32820.0000	3,498.59	(1,711.71)	21.25	1,808.13	
360 Patricia Ave 324	0614.084.301.32848.0000	4,514.87	(2,208.66)	27.33	2,333.54	
360 Patricia Ave 820	0614.084.301.32964.0000	3,020.32	(1,477.85)	18.40	1,560.87	
360 Patricia Ave OCSCP 937 Level A Parking	0614.084.301.32965.0000	2,379.33	(1,163.43)	14.56	1,230.46	
360 Patricia Ave OCSCP 937 Level B Locker	0614.084.301.32966.0000	292.94	(143.22)	2.11	151.83	
108 Richmond Road OCSCP 963 Level 1 Commercial	0614.084.401.10059.000	30,688.58	(14,011.32)	173.50	16,850.76	
108 Richmond Road 106	0614.084.401.10060.000	4,586.61	(2,243.74)	27.00	2,369.87	
108 Richmond Road 406	0614.084.401.10094.000	5,387.70	(2,635.45)	32.54	2,784.79	
108 Richmond Road 607	0614.084.401.10121.000	4,299.67	(2,103.42)	26.04	2,222.29	
98 Richmond Road OcSCP 963 Level 1 Commercial	0614.084.401.10159.000	63,772.67	(29,032.78)	357.74	35,097.63	
98 Richmond Road 503	0614.084.401.10200.000	4,084.44	(1,998.19)	24.76	2,111.01	
98 Richmond Road 802	0614.084.401.10232.000	3,809.46	(1,863.73)	23.12	1,968.85	
88 Richmond Road OCSCP 963 Level 1	0614.084.401.10249.0000	64,735.46	(29,392.43)	362.24	35,705.27	
88 Richmond Road 104	0614.084.401.10250.0000	5,076.84	(2,483.43)	30.68	2,624.09	
88 Richmond Road 313	0614.084.401.10279.0000	4,610.53	(2,255.43)	28.66	2,383.76	
88 Richmond Road 510	0614.084.401.10304.0000	3,618.14	(1,770.18)	21.97	1,869.93	
88 Richmond Road 513	0614.084.401.10307.0000	4,622.48	(2,261.29)	27.97	2,389.16	
88 Richmond Road 810	0614.084.401.10346.0000	3,630.11	(1,776.02)	22.04	1,876.13	
88 Richmond Road 110 Level A	0614.084.401.10356.0000	2,056.51	(1,005.58)	12.64	1,063.57	
88 Richmond Road 110 Level B	0614.084.401.10357.0000	316.88	(154.93)	2.24	164.19	
Total		\$ 334,012.70	\$ (154,764.25)	\$ 1,932.25	\$ 181,180.70	

	108RR	111RR	Total
Total 2024 property taxes	\$ 205,296.08	\$ 128,716.62	\$ 334,012.70
Interim Payments	(94,987.92)	(59,776.33)	(154,764.25)
Past Due Credit	1,173.14	759.11	1,932.25
Total Due as at May 16, 2024	111,481.30	69,699.40	181,180.70
Penalty Rate of Arrears (Note 1)	9.09%	9.09%	
Est. interest an penalties	10,128.13	6,332.22	16,460.35

Est. Contingency	2,500.00	2,500.00	5,000.00
Est. total due from 2024 property tax arrears	124,109.43	78,531.62	202,641.05
Est. 2025 property taxes	18,116.11	11,358.45	29,474.56
Est. total due as at Jan. 31, 2025	\$ 142,225.54	\$ 89,890.07	\$ 232,115.61

Penalty Rate of Arrears (Note 1)

Penalty Rate per Month	1.25%	1.25%
# of months from Jul. 1, 2024 to Jan. 31, 2025	7	7

Increase in initial balance owing	9.09%	9.09%
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Est. 2025 Property Taxes (Note 2)

Total 2024 property taxes	\$ 205,296.08	\$ 128,716.62
Increase per City of Ottawa 2025 budget	3.90%	3.90%
Total est. 2025 property taxes	\$ 213,302.63	\$ 133,736.57
# of days in 2025	31	31
Estimated proportion of accrued 2025 property taxes	\$ 18,116.11	\$ 11,358.45
		\$ 29,474.56

Notes

We do not have the property tax bill for this roll number. Based on historical payme

The calculation of interest and penalties is an estimate prepared by the Receiver.  
A contingency has been included in case interest and penalties are higher than anticipated.

Calculated seperately, based on the compounding of monthly interest and penalties

**Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)")**
**Est. of January 2025 Outstanding Operating Cash Flows**

	Vendor	108RR	111RR	Total	Notes
<b>Receipts</b>					
Rental income - Residential		\$ 12,926.00	\$ 13,098.20	\$ 26,024.20	Based on vacancies effective January 1, 2025.
Rental income - Commercial base rent		4,756.50	38,158.91	42,915.41	Based on vacancies effective January 1, 2025.
Rental income - Commercial CAM		3,033.33	11,441.51	14,474.84	Based on vacancies effective January 1, 2025.
Uncollectible rent collection reserve		-	(12,245.10)	(12,245.10)	This reduction from rental receipts accounts for tenants who have historically not paid monthly rent when due.
Interest on bank account		100.00	100.00	200.00	
HST collections		1,005.33	6,328.93	7,334.26	
HST refund		-	-	-	See Chart 1: HST Continuity
<b>Total Revenue</b>		<b>21,821.16</b>	<b>56,882.45</b>	<b>78,703.61</b>	
<b>Disbursements</b>					
Condo Fees	Various	-	-	-	Per detailed condo fee schedule. Monthly condo fees are \$18,888.54 in 108RR and \$13,470.16 in 111RR and are due the first of the month. The January 2025 condo fees were paid in Dec. 2024.
Cleaning	JL Advantage	-	440.70	440.70	Est. based on new billing rate for 2025
Garbage Disposal	Waste Management	-	2,234.44	2,234.44	Est. based on run rate
Property Management Fees	Sleepwell	707.30	2,050.28	2,757.58	Est. 4.0% of base rent
Repairs and maintenance		300.00	600.00	900.00	Est. based on run rate
Utilities (Hydro)	Hydro Ottawa	320.00	1,100.00	1,420.00	Est. based on run rate. Excludes \$225.00/month/account for required deposit.
Utilities (Gas)	Enbridge	-	100.00	100.00	Est. based on run rate. This will increase in winter months (potentially significantly).
Insurance		-	-	-	Insurance premiums paid in full for coverage period. No estimate has been made for premium refund as insurance is assumed to continue in perpetuity.
Property Taxes		-	-	-	No ongoing payments. See arrears calculations.
HST paid (ITCs)		172.55	848.31	1,020.85	
HST remitted to CRA		832.78	5,480.62	6,313.41	See Chart 1: HST Continuity
<b>Total Disbursements</b>		<b>2,332.63</b>	<b>12,854.36</b>	<b>15,186.99</b>	
<b>Total Outstanding Nov. 2024 Operating Cash Flows</b>		<b>\$ 19,488.53</b>	<b>\$ 44,028.09</b>	<b>\$ 63,516.62</b>	

**Chart 1: HST Continuity**

Est. HST ITCs	\$ 172.55	\$ 848.31	\$ 1,020.85	13% of estimated operating disbursements
Rental income HST collected	(1,005.33)	(6,328.93)	(7,334.26)	Per rent roll schedule (not included)
HST refund (payable)	\$ (832.78)	\$ (5,480.62)	\$ (6,313.41)	

**Notes:**

[1] This summary of January activity was compiled to estimate the outstanding operating cash flows specifically for January 2025. This schedule should not be interpreted as representing a standard month of operating activity for the Debtors. Furthermore, the information is exclusive of certain items that remain applicable to ongoing operations (including property tax expenses, insurance premiums and any required debt servicing costs) on a normal monthly basis and should not be interpreted as representative of normal course monthly business profitability.

**Ashcroft Homes - 108 Richmond Road Inc. ("108RR"), Ashcroft Homes - 111 Richmond Road Inc. ("111RR", and collectively "Estate(s)")**  
**Est. of Post-Closing Receiver's Reserves**

No.	Name	108RR	111RR	Total	Explanation
1	Sleepwell property management transition fees	\$ 799.25	\$ 2,316.82	\$ 3,116.07	There may be fees incurred by Sleepwell if annual rent payments are not transitioned prior to Feb. 2025. A reserve equal to one (1) month of standard property management fees has been included as a reserve.
2	Repairs and maintenance - Contingency	300.00	600.00	900.00	A contingency of 1 month's operating expenses for minor repair and maintenance performed by property manager
3	Utilities - Hydro - standard	320.00	1,100.00	1,420.00	One (1) month of hydro expenses to account for any usage increases not included in accruals. Three (3) months of gas expenses to account for usage increases resulting from recent change to colder weather.
4	Utilities - Gas - changing weather	-	300.00	300.00	The tenants of Unit 510 have launched an application with the LTB. Although the Receiver believes its actions were appropriate and supportable in the circumstances, Sleepwell has cautioned the LTB may issue an award in favour of the tenants. The timeframe from resolving the LTB application is not known. We have included a reserve equivalent to 3 months of rent, as an estimate to resolve matters related to this matter.
5	LTB Application (Unit 510)	7,350.00	-	7,350.00	
6	Realtor marketing fee reimbursement	847.50	847.50	1,695.00	Estimate for reimbursement of Collier's hard costs related to marketing materials.
7	Professional fees - Transition cost	7,500.00	7,500.00	15,000.00	To account for post-refinancing transitioning items, up to and including date of Receiver's discharge.
8	Contingency	-	-	-	Estimated operating activity for Jan. 2025 per 'Jan_2025_Operating' schedule to act as overall general contingency.
		<u>\$ 17,116.75</u>	<u>\$ 12,664.32</u>	<u>\$ 29,781.07</u>	



**Ashcroft Homes - 108 Richmond Road Inc, and Ashcroft Homes - 111 Richmond Road Inc.**  
**Pre-Receiverhip Unsecured Third Party Creditors Summary**

<b>Entity</b>	<b>108RR</b>	<b>111RR</b>	<b>Total</b>	<b>Notes</b>
Obligations per M. Difilippo Affidavit	\$ 209,761.33	\$ 121,114.88	\$ 330,876.21	2(a)
Aged accounts payable	16,396.13	12,287.81	28,683.94	2(b)
Accrued liabilities	-	-	-	3
External accounting fees	14,125.00	14,125.00	28,250.00	4
Condo fee arrears	-	-	-	5
Corporate tax, including estimate for interest	-	-	-	6
Tenant last months rent deposits	-	-	-	7
<b>Total Pre-Receiverhip Unsecured Third Party Creditor:</b>	<b>\$ 240,282.46</b>	<b>\$ 147,527.69</b>	<b>\$ 387,810.15</b>	

**Notes**

1 This analysis has been prepared utilizing the books and records of the Company, discussions with M. Difilippo and T. Bonsor and the M. Difilippo Affidavit sworn November 26, 2024. The Receiver has not conducted a Creditor Claims Process for the purpose of verifying and confirming pre-receivership unsecured claims. The Receiver does not represent that this summary reflects the complete and accurate listing of pre-receivership third party unsecured liabilities.

2(a) Per Affidavit of M. Difilippo sworn November 26, 2024, unsecured pre-receivership payables are as follows:

<b>Category</b>	<b>108RR</b>	<b>111RR</b>	<b>Total</b>
Accounts payable	\$ 118,869.55	\$ 17,707.09	\$ 136,576.64
Trade payable	1,118.00	-	1,118.00
O/S cheques	89,773.78	33,639.37	123,413.15
O/S cheques - Corporate tax	-	59,578.57	59,578.57
Interest on corporate tax (est.)	-	10,189.85	10,189.85
	<b>\$ 209,761.33</b>	<b>\$ 121,114.88</b>	<b>\$ 330,876.21</b>

2(b) It is asserted in the M. Dilippo Affidavit that certain aged trade payables, summarized below, are not considered liabilities due to their age and have been excluded from the accounts payable in note 2(a). However, aging alone does not eliminate the obligation.

<b>Category</b>	<b>108RR</b>	<b>111RR</b>	<b>Total</b>
Aged accounts payable	\$ 16,396.13	\$ 12,287.81	\$ 28,683.94

3 Accrued liabilities are comprised of property taxes, accounting/tax return accruals, DUCA interest, etc. All of these items are separately (and specifically) included in the estimated refinancing calculation.

4 External accountant fees were incurred pre-receivership and invoiced post-receivership. It is not clear to the Receiver if these fees have been paid and are therefore included as pre-receivership unsecured obligations.

5 The Receiver continues its efforts to verify if any pre-receivership condo fees are in arrears and outstanding. The following condo fee arrears may be outstanding (as not yet verified by condo corporations legal counsel). We have not included in the above calculations since the amounts have not yet been confirmed.

	<b>108RR</b>	<b>111RR</b>
Potential pre-receivership condo fee arrears	\$ 36,683.26	\$ -

6 Corporate tax arrears and estimated interest are included in the M. Difilippo affidavit sworn November 26, 2024

7 Tenant last month rent deposit represent a liability with no known immediate cash flow impact as the cash flow impact, being a reduction in cash inflows will occur when the applicable month of last month rent is applied to a tenants account. As such, the liability is not included in the above calculation.

DUCA FINANCIAL SERVICES CREDIT UNION  
LTD.

-and-

ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., and  
ASHCROFT HOMES – 111 RICHMOND ROAD INC.

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**SUPPLEMENTAL REPORT TO THE THIRD REPORT  
OF THE RECEIVER**

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*Lawyer for BDO Canada Limited, in its capacity as the Court-  
appointed Receiver of Ashcroft Homes – 101 Richmond  
Road Inc., Ashcroft Homes – 108 Richmond Road Inc. and  
Ashcroft Homes – 111 Richmond Road Inc.*

# Tab 3

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE	)	WEDNESDAY, THE 29 <sup>TH</sup>
	)	
JUSTICE	)	DAY OF JANUARY, 2025

B E T W E E N:

**DUCA FINANCIAL SERVICES CREDIT UNION LTD.**

Applicant

- and -

**ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., AND ASHCROFT  
HOMES – 111 RICHMOND ROAD INC.**

Respondents

**DISCHARGE ORDER**

**THIS MOTION**, made by BDO Canada Limited (“**BDO**”), in its capacity as the court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Ashcroft Homes – 101 Richmond Road Inc., Ashcroft Homes – 108 Richmond Road Inc. and Ashcroft Homes – 111 Richmond Road Inc. (collectively, the “**Debtors**”), appointed pursuant to the Order of this Court, dated May 16, 2024 (“**Initial Receivership Order**”), as amended and restated by the Amended and Restated Order of this Court, dated September 3, 2024 (the “**Amended Receivership Order**”), for the discharge of the Receiver, and an order granting certain relief, was heard this day at 161 Elgin Street, Ottawa, Ontario via videoconference.

**ON READING** the Third Report of the Receiver dated November 4, 2024 (the “**Third Report**”), Supplemental Report to the Third Report of the Receiver dated January 17, 2025 (the “**Supplemental Third Report**”), the Affidavit of Matthew Marchand, sworn January 13, 2025 (the “**Marchand Affidavit**”), the Affidavit of Sara-Ann Wilson, sworn January 14, 2025 (the

“**Wilson Affidavit**”), and on hearing the submissions of counsel for the Receiver, counsel for the Debtors, and counsel for the Applicant, and the other parties listed on the counsel slip, no one else appearing although served as evidenced by the Affidavit of Amanda Campbell sworn January 14, 2025, and January ●, 2025, filed;

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Receiver’s Notice of Motion dated January 14, 2025, Notice of Motion, dated January 27, 2025, Motion Record and Supplemental Motion Record, is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **REPORTS AND ACTIVITIES**

2. **THIS COURT ORDERS** that the Supplemental Report to the First Report of the Receiver, dated August 30, 2024, the Second Report to the Court of the Receiver, dated November 4, 2024, the Supplemental Report to the Second Report of the Receiver, dated November 13, 2024, the Second Supplemental Report to the Second Report, dated November 14, 2024, the Third Report and the Supplemental Third Report, and the activities and conduct of the Receiver as described therein, be and are hereby approved.

### **R&Ds**

3. **THIS COURT ORDERS** that the Receiver’s interim statements of receipts and disbursements as of January 24, 2025, be and are hereby approved.

### **FEES**

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period from May 1, 2024 to December 31, 2024 plus the estimate to complete the administration of the within proceedings, as set out in the Third Report, the Supplemental Third Report, and the Marchand Affidavit, be and are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of Dentons Canada LLP for the period from June 6, 2024 to December 31, 2024, plus the estimate to complete the

administration of the within proceedings, as set out in the Third Report, the Supplemental Third Report, and the Wilson Affidavit, be and are hereby approved.

## **REFINANCING**

6. **THIS COURT ORDERS** that the Receiver is authorized to take any steps which the Receiver determines to be necessary or appropriate to assist with closing the transaction (the “**Refinancing**”) detailed in the Commitment Letter, dated September 26, 2024, as amended from time to time, and attached as Appendix “A” to the Supplemental Third Report.

7. **THIS COURT ORDERS** that the Receiver’s estimated refinancing use of funds for the period ending January 31, 2025 (the “**Refinancing Use of Funds**”), attached as Appendix “B” to the Supplemental Third Report, is hereby approved.

8. **THIS COURT ORDERS AND DIRECTS** that the net proceeds of the Refinancing, in an amount totaling \$● (the “**Refinancing Amount**”), held in trust by Mann Lawyers LLP, shall be paid as follows no later than one (1) business day from the date of this Order, and written confirmation of payment provided immediately thereafter to the Receiver:

- (a) to Blaney McMurtry LLP, counsel to the Applicants, the amount of \$7,014,622.42, on account of the indebtedness owing by the Debtors to the Applicant, plus applicable per diem, as set out in the Applicant’s payout statement, dated [DATE];
- (b) to Canada Revenue Agency, the amount of approximately \$73,000 on account of the Debtors’ HST liabilities owing as of the date of the Initial Receivership Order, plus any accrued interest and penalties thereon (the “**Pre-Filing HST**”);
- (c) municipal property taxes owing on the Property, in the approximate amount of \$232,000, including amounts owing, if any, as of the date of the Initial Receivership Order and estimated accruals to January 31, 2025, plus penalties and interest (if any) (the “**Property Taxes**”); and
- (d) the balance paid to the Receiver, or as the Receiver may direct.

9. **THIS COURT ORDERS** that the Receiver is hereby authorized to pay from the funds received pursuant to paragraph 8(d) hereof, available cash on hand and any subsequent receipts, in accordance with the Refinancing Use of Funds, and without any need for further Court approval, the following amounts (collectively, with the Pre-Filing HST and the Property Taxes, the “**Priority Payables**”):

- (a) all accrued and unpaid post-receivership obligations of the Debtors and the Receiver in an amount as approved by the Receiver in its sole discretion;
- (b) the remaining administrative and operational costs required to complete the within receivership proceedings;
- (c) all unpaid fees and disbursements of the Receiver and its counsel as approved herein;
- (d) HST owing to Canada Revenue Agency for the post-receivership period, if any; and
- (e) all other amounts payable by the Receiver prior to discharge, as the Receiver may determine, in its sole discretion.

10. **THIS COURT ORDERS** that the Receiver’s liability to make the payments set forth herein, if any, is limited to the monies held by the Receiver in its capacity as Receiver, and the Receiver shall have no liability for making any payments set forth herein in its personal or corporate capacity.

11. **THIS COURT ORDERS** that the Debtors are liable for and assume the obligation to pay any and all unpaid deemed trust obligations of the Debtors and/or the Receiver owing to the Crown, including, without limitation, HST owing to Canada Revenue Agency and other amounts as may become due and owing as a result of an audit by CRA or otherwise.

12. **THIS COURT ORDERS AND DECLARES** that it is satisfied that the implementation of the Refinancing will allow the Debtors to satisfy all pre-receivership obligations, all post-receivership obligations, and that the Refinancing along with the Debtors’ normal course

operations will afford the Debtors sufficient liquidity to satisfy all post-receivership termination obligations incurred by them in the ordinary course of business.

### **PROPERTY HANDOVER**

13. **THIS COURT ORDERS** that upon the payment of all amounts set out in paragraph 8 hereof, the Receiver will be deemed to no longer be in possession or control of the Property (the “**Property Handover**”), other than the balance of the Refinancing Amount and the Reserve Funds (as defined herein). From and after the date of the Property Handover, the Receiver shall have no obligation or liability in respect of the Property or the business of the Debtors, other than solely in respect of the administration of the monies remaining in the hands of the Receiver. For clarity, after the Property Handover, the Debtors shall be responsible for (a) all outstanding obligations and liabilities of the Debtors whether arising as a result of the Debtors’ operations or otherwise, including all liabilities that accrued during the receivership for which the Reserve Funds are insufficient to pay, and (b) all Landlord and Tenant Board matters in respect of the Property currently ongoing or that may otherwise arise before the Receiver’s discharge.

### **RESERVE FUNDS**

14. **THIS COURT ORDERS** that, after payment of all amounts set out in the Refinancing Use of Funds and/or otherwise approved herein, the Receiver shall hold \$29,781.07 of the Refinancing Amount as a reserve (the “**Reserve Funds**”) which shall be applied by the Receiver to satisfy any shortfall in available cash on hand for payment of Priority Payables and any other amounts identified in the Refinancing Use of Funds or otherwise determined by the Receiver should be paid prior to its discharge. For clarity, the Reserve Funds shall continue to be held by the Receiver after the Property Handover and used to pay any Priority Payables and any other amounts identified in the Refinancing Use of Funds or otherwise determined by the Receiver for such period of time as the Receiver determines appropriate prior to the filing of its Discharge Certificate.

15. **THIS COURT ORDERS** that the January 2025 rent payments detailed in para 14 of the Supplemental Third Report shall be paid to the Receiver and added to the Reserve Funds, and the

Receiver is authorized to utilize such funds to make payments detailed in the Refinancing Use of Funds or otherwise approved herein.

16. **THIS COURT ORDERS** that, after payment of all Priority Payables and all other obligations deemed necessary to be satisfied by the Receiver, to the satisfaction of the Receiver, the Receiver shall pay any monies remaining in its hands including any excess Reserve Funds to the Debtors or as the Debtors may direct prior to the Receiver's discharge.

## **REGISTRATIONS**

17. **THIS COURT ORDERS** that upon receipt by the Applicant of the amount set out in paragraph 8(a) hereof, the Debtors are authorized to discharge the registrations listed on **Schedule "A"** hereto (the "**DUCA Registrations**") in favour of the Applicant against the Property. The Applicant is directed to execute all documents reasonably requested by the Debtors, at the Debtors' expense, to effect the discharge of the DUCA Registrations.

18. **THIS COURT DIRECTS** that upon the filing of the Discharge Certificate (defined below) the Debtors are authorized to discharge the Amended Receivership Order having instrument numbers OC2702189 and OC2723920 from title to the Property. The Receiver is directed to execute all documents reasonably requested by the Debtors, at the Debtors' expense, to effect the discharge of the Amended Receivership Order from title to the Property.

19. **THIS COURT ORDERS** that upon registration of the Discharge Certificate in the Land Registry Office for the Registry Division of Ottawa-Carleton (No. 4) (the "**Land Registrar**"), the Land Registrar is hereby directed to delete and expunge from title to the Property instrument numbers OC2702189 and OC2723920 in connection with the Amended Receivership Order.

## **DISCHARGE AND RELEASE**

20. **THIS COURT ORDERS** that upon payment of the amounts set out herein and upon the Receiver filing a certificate (the "**Discharge Certificate**") substantially in the form attached hereto as **Schedule "B"**, certifying, among other things, that the Priority Payables have been paid in full, the indebtedness owing by the Debtors to the Applicant has been repaid in full, the balance of the Reserve Funds (if any) have been paid to the Debtors, and the Receiver has

completed the activities described in the Supplemental Third Report, the Receiver shall be discharged as Receiver of the assets, undertakings and properties of the Debtors, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of BDO in its capacity as Receiver.

21. **THIS COURT ORDERS AND DECLARES** that BDO is hereby released and discharged from any and all liability that BDO now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, BDO is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, including, without limitation, all pre-receivership liabilities, any accrued and/or unpaid liabilities from and after the commencement of these proceedings which any alleged creditor in that regard asserts a claim after the date hereof, and any liabilities for which the Debtors may become liable after the Property Handover has occurred, save and except for any gross negligence or wilful misconduct on the Receiver's part.

22. **THIS COURT ORDERS** that, for the purposes of filing the Discharge Certificate, the Receiver may rely on, (a) written confirmation from the Applicant or counsel to the Applicant that the indebtedness owing by the Debtors to the Applicant has been repaid in full, and (b) written confirmation from the Debtors or counsel to the Debtors that the payments in paragraphs 8(b) and (c) have been paid in full.

## **INDEMNITY**

23. **THIS COURT ORDERS** that the Debtors and David Choo shall, jointly and severally, indemnify, hold harmless and defend BDO and the Applicant, and each of their respective affiliates, directors, officers, employees, agents, representatives, shareholders, partners, successors, advisors, counsel, and permitted assigns (collectively, the “**Indemnified Parties**”), from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments,

settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including legal fees, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, that are incurred by the Indemnified Parties as a result of, relating to or in any way arising out of: (a) the business or affairs of the Debtors; (b) the within proceeding; (c) BDO acting in its capacity as Receiver in the within proceeding; (d) the payments described herein, the Property Handover, or any other matter set forth herein; or (d) the Applicant's involvement in the within proceedings and in respect of its underlying debt and security documents in connection with the credit facilities the Applicant has granted to the Debtors. For clarity, the indemnity set forth herein shall survive the Receiver's discharge.

#### **TERMINATION OF CHARGES**

24. **THIS COURT ORDERS** that upon the filing the Discharge Certificate by the Receiver, the Receiver's Charge and the Receiver's Borrowings Charge (each as defined in the Amended Receivership Order) shall be automatically terminated.

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**Schedule “A” – DUCA Registrations****OC2066793****OC2066810****OC2066800****OC2066797****OC2066806****OC2066813**

**Schedule “B” – Discharge Certificate**

Court File No. CV-24-00095337-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

**DUCA FINANCIAL SERVICES CREDIT UNION LTD.**

Applicant

- and -

**ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., AND ASHCROFT  
HOMES – 111 RICHMOND ROAD INC.**

Respondents

**DISCHARGE CERTIFICATE****RECITALS**

A. Pursuant to the Order of the Court dated January 29, 2025 (the “**Discharge Order**”), BDO Canada Limited (“**BDO**”) shall be discharged as Receiver, effective upon the Receiver filing a certificate with the Court confirming the payment of all Priority Payables, the repayment of the Applicant and the completion of the remaining activities described in the Receiver’s Supplemental Report to the Third Report to the Court, dated January 27, 2025 (the “**Supplemental Third Report**”), provided however that, notwithstanding the Receiver’s discharge: (a) BDO will remain as Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership, and (b) BDO will continue to have the benefit of the provisions of all Orders made in this proceeding including all approvals, protections and stays of proceedings in favour of BDO, in its capacity as Receiver.

B. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Discharge Order.

**THE RECEIVER CERTIFIES** the following:

1. all remaining activities described in the Third Report and the Supplemental Third Report have been completed to the satisfaction of the Receiver;
2. the Receiver has been advised that the indebtedness owing by the Debtors to the Applicant has been paid in full;
3. the Receiver has been advised that all payments to be made by the Debtors or their counsel pursuant to paragraph [●] of the Discharge Order have been made;
4. all Priority Payables have been paid in full to the satisfaction of the Receiver;
5. the Reserve has been paid to the Receiver, and any amounts of the Reserve not required for the payment of Priority Payables and other amounts has been returned to the Debtors or as the Debtors directed; and
6. the Debtors have not made the Receiver aware of any matter in respect of any pre-receivership liabilities including, without limitation, any intercompany liabilities or post receivership termination obligations which they are unable to satisfy.

**THIS CERTIFICATE** is dated \_\_\_\_\_, 2025.

**BDO CANADA LIMITED**, solely in its capacity as Receiver of Ashcroft Homes – 101 Richmond Road Inc., et al., and not in its personal capacity or in any other capacity

Per: \_\_\_\_\_

Name:

Title:

DUCA FINANCIAL SERVICES CREDIT UNION  
LTD.

-and-

ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., and  
ASHCROFT HOMES – 111 RICHMOND ROAD INC.  
Respondents

Applicant

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**DISCHARGE ORDER**

**DENTONS CANADA LLP**  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, ON M5K 0A1

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*Lawyer for BDO Canada Limited, in its capacity as the Court-appointed Receiver of Ashcroft Homes – 101 Richmond Road Inc., Ashcroft Homes – 108 Richmond Road Inc. and Ashcroft Homes – 111 Richmond Road Inc.*

# Tab 4

Court File No. CV-24-00095337-0000

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**~~COMMERCIAL LIST~~**

THE HONOURABLE  
 JUSTICE

)

)

)

~~WEEKDAY, THE #~~

WEDNESDAY, THE 29<sup>TH</sup>

DAY OF

~~MONTH~~JANUARY,

~~20YR~~2025

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

~~PLAINTIFF~~ Applicant  
Plaintiff

- and -

ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., AND ASHCROFT  
HOMES – 111 RICHMOND ROAD INC.

~~DEFENDANT~~ Respondents  
Defendant

**DISCHARGE ORDER**

THIS MOTION, made by BDO Canada Limited (“**BDO**”), in its capacity as the court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Ashcroft Homes – 101 Richmond Road Inc., Ashcroft Homes – 108 Richmond Road Inc. and Ashcroft Homes – 111 Richmond Road Inc. (collectively, the “**Debtors**”), appointed pursuant to the Order of this Court, dated May 16, 2024 (“**Initial Receivership Order**”), as amended and restated by the Amended and Restated Order of this Court, dated September 3, 2024 (the “**Amended Receivership Order**”), for the discharge of the Receiver, and an order granting certain relief, was heard this day at 161 Elgin Street, Ottawa, Ontario via videoconference.

~~THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor"), for an order:~~

- ~~1. approving the activities of the Receiver as set out in the report of the Receiver dated [DATE] (the "Report");~~
- ~~2. approving the fees and disbursements of the Receiver and its counsel;~~
- ~~3. approving the distribution of the remaining proceeds available in the estate of the Debtor;~~  
~~{and}~~
- ~~4. discharging [RECEIVER'S NAME] as Receiver of the undertaking, property and assets of the Debtor; and~~
- ~~5. releasing [RECEIVER'S NAME] from any and all liability, as set out in paragraph 5 of this Order<sup>1</sup>;~~

~~was heard this day at 330 University Avenue, Toronto, Ontario.~~

~~ON READING the Third Report, the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the Receiver, no one else appearing although served as evidenced by the Affidavit of [NAME] sworn [DATE], filed<sup>2</sup>; dated November 4, 2024 (the "**Third Report**"), Supplemental Report to the Third Report of the Receiver dated January 17, 2025 (the "**Supplemental Third Report**"), the Affidavit of Matthew Marchand, sworn January 13, 2025 (the "**Marchand Affidavit**"), the Affidavit of Sara-Ann Wilson, sworn January 14, 2025 (the~~

<sup>1</sup> ~~If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.~~

<sup>2</sup> ~~This model order assumes that the time for service does not need to be abridged.~~

“Wilson Affidavit”), and on hearing the submissions of counsel for the Receiver, counsel for the Debtors, and counsel for the Applicant, and the other parties listed on the counsel slip, no one else appearing although served as evidenced by the Affidavit of Amanda Campbell sworn January 14, 2025, and January □, 2025, filed;

## SERVICE

1. THIS COURT ORDERS that the time for service of the Receiver’s Notice of Motion dated January 14, 2025, Notice of Motion, dated January 27, 2025, Motion Record and Supplemental Motion Record, is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

## REPORTS AND ACTIVITIES

+2. THIS COURT ORDERS that the ~~activities~~ Supplemental Report to the First Report of the Receiver, ~~as set out in the Report~~, dated August 30, 2024, the Second Report to the Court of the Receiver, dated November 4, 2024, the Supplemental Report to the Second Report of the Receiver, dated November 13, 2024, the Second Supplemental Report to the Second Report, dated November 14, 2024, the Third Report and the Supplemental Third Report, and the activities and conduct of the Receiver as described therein, be and are hereby approved.

## R&Ds

3. THIS COURT ORDERS that the Receiver’s interim statements of receipts and disbursements as of January 24, 2025, be and are hereby approved.

## FEES

24. THIS COURT ORDERS that the fees and disbursements of the Receiver ~~and its counsel~~ for the period from May 1, 2024 to December 31, 2024 plus the estimate to complete the administration of the within proceedings, as set out in the Third Report ~~and the Fee Affidavits,~~ the Supplemental Third Report, and the Marchand Affidavit, be and are hereby approved.

5. THIS COURT ORDERS that the fees and disbursements of Dentons Canada LLP for the period from June 6, 2024 to December 31, 2024, plus the estimate to complete the

administration of the within proceedings, as set out in the Third Report, the Supplemental Third Report, and the Wilson Affidavit, be and are hereby approved.

## REFINANCING

6. THIS COURT ORDERS that the Receiver is authorized to take any steps which the Receiver determines to be necessary or appropriate to assist with closing the transaction (the “Refinancing”) detailed in the Commitment Letter, dated September 26, 2024, as amended from time to time, and attached as Appendix “A” to the Supplemental Third Report.

7. THIS COURT ORDERS that the Receiver’s estimated refinancing use of funds for the period ending January 31, 2025 (the “Refinancing Use of Funds”), attached as Appendix “B” to the Supplemental Third Report, is hereby approved.

8. THIS COURT ORDERS AND DIRECTS that the net proceeds of the Refinancing, in an amount totaling \$□ (the “Refinancing Amount”), held in trust by Mann Lawyers LLP, shall be paid as follows no later than one (1) business day from the date of this Order, and written confirmation of payment provided immediately thereafter to the Receiver:

- (a) to Blaney McMurtry LLP, counsel to the Applicants, the amount of \$7,014,622.42, on account of the indebtedness owing by the Debtors to the Applicant, plus applicable per diem, as set out in the Applicant’s payout statement, dated [DATE];
- (b) to Canada Revenue Agency, the amount of approximately \$73,000 on account of the Debtors’ HST liabilities owing as of the date of the Initial Receivership Order, plus any accrued interest and penalties thereon (the “Pre-Filing HST”);
- (c) municipal property taxes owing on the Property, in the approximate amount of \$232,000, including amounts owing, if any, as of the date of the Initial Receivership Order and estimated accruals to January 31, 2025, plus penalties and interest (if any) (the “Property Taxes”); and
- (d) the balance paid to the Receiver, or as the Receiver may direct.

9. THIS COURT ORDERS that the Receiver is hereby authorized to pay from the funds received pursuant to paragraph 8(d) hereof, available cash on hand and any subsequent receipts, in accordance with the Refinancing Use of Funds, and without any need for further Court approval, the following amounts (collectively, with the Pre-Filing HST and the Property Taxes, the “Priority Payables”):

- (a) all accrued and unpaid post-receivership obligations of the Debtors and the Receiver in an amount as approved by the Receiver in its sole discretion;
- (b) the remaining administrative and operational costs required to complete the within receivership proceedings;
- (c) all unpaid fees and disbursements of the Receiver and its counsel as approved herein;
- (d) HST owing to Canada Revenue Agency for the post-receivership period, if any; and
- (e) all other amounts payable by the Receiver prior to discharge, as the Receiver may determine, in its sole discretion.

10. THIS COURT ORDERS that the Receiver’s liability to make the payments set forth herein, if any, is limited to the monies held by the Receiver in its capacity as Receiver, and the Receiver shall have no liability for making any payments set forth herein in its personal or corporate capacity.

11. THIS COURT ORDERS that the Debtors are liable for and assume the obligation to pay any and all unpaid deemed trust obligations of the Debtors and/or the Receiver owing to the Crown, including, without limitation, HST owing to Canada Revenue Agency and other amounts as may become due and owing as a result of an audit by CRA or otherwise.

12. THIS COURT ORDERS AND DECLARES that it is satisfied that the implementation of the Refinancing will allow the Debtors to satisfy all pre-receivership obligations, all post-receivership obligations, and that the Refinancing along with the Debtors’ normal course

operations will afford the Debtors sufficient liquidity to satisfy all post-receivership termination obligations incurred by them in the ordinary course of business.

### PROPERTY HANDOVER

13. THIS COURT ORDERS that upon the payment of all amounts set out in paragraph 8 hereof, the Receiver will be deemed to no longer be in possession or control of the Property (the “Property Handover”), other than the balance of the Refinancing Amount and the Reserve Funds (as defined herein). From and after the date of the Property Handover, the Receiver shall have no obligation or liability in respect of the Property or the business of the Debtors, other than solely in respect of the administration of the monies remaining in the hands of the Receiver. For clarity, after the Property Handover, the Debtors shall be responsible for (a) all outstanding obligations and liabilities of the Debtors whether arising as a result of the Debtors’ operations or otherwise, including all liabilities that accrued during the receivership for which the Reserve Funds are insufficient to pay, and (b) all Landlord and Tenant Board matters in respect of the Property currently ongoing or that may otherwise arise before the Receiver’s discharge.

### RESERVE FUNDS

14. THIS COURT ORDERS that, after payment of all amounts set out in the Refinancing Use of Funds and/or otherwise approved herein, the Receiver shall hold \$29,781.07 of the Refinancing Amount as a reserve (the “Reserve Funds”) which shall be applied by the Receiver to satisfy any shortfall in available cash on hand for payment of Priority Payables and any other amounts identified in the Refinancing Use of Funds or otherwise determined by the Receiver should be paid prior to its discharge. For clarity, the Reserve Funds shall continue to be held by the Receiver after the Property Handover and used to pay any Priority Payables and any other amounts identified in the Refinancing Use of Funds or otherwise determined by the Receiver for such period of time as the Receiver determines appropriate prior to the filing of its Discharge Certificate.

15. THIS COURT ORDERS that the January 2025 rent payments detailed in para 14 of the Supplemental Third Report shall be paid to the Receiver and added to the Reserve Funds, and the

Receiver is authorized to utilize such funds to make payments detailed in the Refinancing Use of Funds or otherwise approved herein.

316. THIS COURT ORDERS that, after payment of ~~the fees and disbursements herein approved~~ all Priority Payables and all other obligations deemed necessary to be satisfied by the Receiver, to the satisfaction of the Receiver, the Receiver shall pay ~~the~~ any monies remaining in its hands ~~to [NAME OF PARTY]<sup>3</sup>~~ including any excess Reserve Funds to the Debtors or as the Debtors may direct prior to the Receiver's discharge.

## REGISTRATIONS

17. THIS COURT ORDERS that upon receipt by the Applicant of the amount set out in paragraph 8(a) hereof, the Debtors are authorized to discharge the registrations listed on Schedule "A" hereto (the "DUCA Registrations") in favour of the Applicant against the Property. The Applicant is directed to execute all documents reasonably requested by the Debtors, at the Debtors' expense, to effect the discharge of the DUCA Registrations.

18. THIS COURT DIRECTS that upon the filing of the Discharge Certificate (defined below) the Debtors are authorized to discharge the Amended Receivership Order having instrument numbers OC2702189 and OC2723920 from title to the Property. The Receiver is directed to execute all documents reasonably requested by the Debtors, at the Debtors' expense, to effect the discharge of the Amended Receivership Order from title to the Property.

19. THIS COURT ORDERS that upon registration of the Discharge Certificate in the Land Registry Office for the Registry Division of Ottawa-Carleton (No. 4) (the "**Land Registrar**"), the Land Registrar is hereby directed to delete and expunge from title to the Property instrument numbers OC2702189 and OC2723920 in connection with the Amended Receivership Order.

## DISCHARGE AND RELEASE

420. THIS COURT ORDERS that upon payment of the amounts set out ~~in paragraph 3 hereof~~ herein and upon the Receiver filing a certificate ~~certifying that it has~~ (the "**Discharge Certificate**") substantially in the form attached hereto as **Schedule "B"**, certifying, among other things, that the Priority Payables have been paid in full, the indebtedness owing by the Debtors to

<sup>3</sup> ~~This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.~~

the Applicant has been repaid in full, the balance of the Reserve Funds (if any) have been paid to the Debtors, and the Receiver has

completed the ~~other~~ activities described in the Supplemental Third Report], the Receiver shall be discharged as Receiver of the ~~undertaking, property and~~ assets, undertakings and properties of the ~~Debtor~~ Debtors, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of ~~[RECEIVER'S NAME]~~ BDO in its capacity as Receiver.

521. ~~{~~ **THIS COURT ORDERS AND DECLARES** that ~~[RECEIVER'S NAME]~~ BDO is hereby released and discharged from any and all liability that ~~[RECEIVER'S NAME]~~ BDO now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of ~~[RECEIVER'S NAME]~~ BDO while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, ~~[RECEIVER'S NAME]~~ BDO is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, including, without limitation, all pre-receivership liabilities, any accrued and/or unpaid liabilities from and after the commencement of these proceedings which any alleged creditor in that regard asserts a claim after the date hereof, and any liabilities for which the Debtors may become liable after the Property Handover has occurred, save and except for any gross negligence or wilful misconduct on the Receiver's part.<sup>4</sup>

22. **THIS COURT ORDERS** that, for the purposes of filing the Discharge Certificate, the Receiver may rely on, (a) written confirmation from the Applicant or counsel to the Applicant that the indebtedness owing by the Debtors to the Applicant has been repaid in full, and (b) written confirmation from the Debtors or counsel to the Debtors that the payments in paragraphs 8(b) and (c) have been paid in full.

## INDEMNITY

23. **THIS COURT ORDERS** that the Debtors and David Choo shall, jointly and severally, indemnify, hold harmless and defend BDO and the Applicant, and each of their respective affiliates, directors, officers, employees, agents, representatives, shareholders, partners, successors, advisors, counsel, and permitted assigns (collectively, the **"Indemnified Parties"**), from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments,

<sup>4</sup> The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.

settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including legal fees, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, that are incurred by the Indemnified Parties as a result of, relating to or in any way arising out of: (a) the business or affairs of the Debtors; (b) the within proceeding; (c) BDO acting in its capacity as Receiver in the within proceeding; (d) the payments described herein, the Property Handover, or any other matter set forth herein; or (d) the Applicant's involvement in the within proceedings and in respect of its underlying debt and security documents in connection with the credit facilities the Applicant has granted to the Debtors. For clarity, the indemnity set forth herein shall survive the Receiver's discharge.

#### **TERMINATION OF CHARGES**

24. **THIS COURT ORDERS** that upon the filing the Discharge Certificate by the Receiver, the Receiver's Charge and the Receiver's Borrowings Charge (each as defined in the Amended Receivership Order) shall be automatically terminated.

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Schedule "A" – DUCA RegistrationsOC2066793OC2066810OC2066800OC2066797OC2066806OC2066813

- -

Schedule “B” – Discharge Certificate

Court File No. CV-24-00095337-0000

ONTARIO  
SUPERIOR COURT OF JUSTICE

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., AND ASHCROFT  
HOMES – 111 RICHMOND ROAD INC.

Respondents

DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to the Order of the Court dated January 29, 2025 (the “**Discharge Order**”), BDO Canada Limited (“**BDO**”) shall be discharged as Receiver, effective upon the Receiver filing a certificate with the Court confirming the payment of all Priority Payables, the repayment of the Applicant and the completion of the remaining activities described in the Receiver’s Supplemental Report to the Third Report to the Court, dated January 27, 2025 (the “**Supplemental Third Report**”), provided however that, notwithstanding the Receiver’s discharge: (a) BDO will remain as Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership, and (b) BDO will continue to have the benefit of the provisions of all Orders made in this proceeding including all approvals, protections and stays of proceedings in favour of BDO, in its capacity as Receiver.

B. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Discharge Order.

**THE RECEIVER CERTIFIES** the following:

1. all remaining activities described in the Third Report and the Supplemental Third Report have been completed to the satisfaction of the Receiver;
2. the Receiver has been advised that the indebtedness owing by the Debtors to the Applicant has been paid in full;
3. the Receiver has been advised that all payments to be made by the Debtors or their counsel pursuant to paragraph [ ] of the Discharge Order have been made;
4. all Priority Payables have been paid in full to the satisfaction of the Receiver;
5. the Reserve has been paid to the Receiver, and any amounts of the Reserve not required for the payment of Priority Payables and other amounts has been returned to the Debtors or as the Debtors directed; and
6. the Debtors have not made the Receiver aware of any matter in respect of any pre-receivership liabilities including, without limitation, any intercompany liabilities or post receivership termination obligations which they are unable to satisfy.

**THIS CERTIFICATE** is dated \_\_\_\_\_, 2025.

**BDO CANADA LIMITED**, solely in its capacity  
as Receiver of Ashcroft Homes – 101 Richmond  
Road Inc., et al., and not in its personal capacity or  
in any other capacity

Per: \_\_\_\_\_

Name:

Title:

DUCA FINANCIAL SERVICES CREDIT UNION  
LTD.

-and-

ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., and  
ASHCROFT HOMES – 111 RICHMOND ROAD INC.

Applicant

Respondents

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**DISCHARGE ORDER**

**DENTONS CANADA LLP**

77 King Street West, Suite  
400 Toronto-Dominion Centre  
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*Lawyer for BDO Canada Limited, in its capacity as the*  
*Court-appointed Receiver of Ashcroft Homes – 101 Richmond*  
*Road Inc., Ashcroft Homes – 108 Richmond Road Inc. and*  
*Ashcroft Homes – 111 Richmond Road Inc.*

<b>Summary report:</b> <b>Litera Compare for Word 11.4.0.111 Document comparison done on</b> <b>1/27/2025 1:22:09 PM</b>	
<b>Style name:</b> Underline Strikethrough	
<b>Intelligent Table Comparison:</b> Active	
<b>Original filename:</b> C:\Users\campbellam\OneDrive - Dentons\Documents\AB, BC and CL Model Orders\receivership-discharge-order-EN.doc	
<b>Modified filename:</b> C:\Users\campbellam\OneDrive - Dentons\Documents\Draft Discharge Order (BDO) Ashcroft - January 2025(82178124.15).pdf	
<b>Changes:</b>	
Add	174
Delete	69
Move From	7
Move To	7
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>257</b>

DUCA FINANCIAL SERVICES CREDIT UNION  
LTD.

-and-

ASHCROFT HOMES – 101 RICHMOND ROAD INC.,  
ASHCROFT HOMES – 108 RICHMOND ROAD INC., and  
ASHCROFT HOMES – 111 RICHMOND ROAD INC.

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**SUPPLEMENTARY MOTION RECORD**

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77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, ON M5K 0A1

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*Lawyer for BDO Canada Limited, in its capacity as the  
Court-appointed Receiver of Ashcroft Homes – 101  
Richmond Road Inc., Ashcroft Homes – 108 Richmond Road  
Inc. and Ashcroft Homes – 111 Richmond Road Inc.*