Court File No. CV-24-00097134-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

CENTRAL 1 CREDIT UNION

Applicant

and

2139770 ONTARIO INC.

Respondent

MOTION RECORD
(RETURNABLE SEPTEMBER 9, 2026)

SimpsonWigle LAW LLP
1006 Skyview Drive, Suite 103
Burlington, ON L7P 0V1

Rosemary A. Fisher (LSO No. 32238T)
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Lawyers for the Receiver, BDO Canada Limited

TO: THE SERVICE LIST

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ONTARIO
SUPERIOR COURT OF JUSTICE

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Respondent

I N D E X

TAB 1

Court File No. CV-24-00097134-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

CENTRAL 1 CREDIT UNION

Applicant

- and -

2139770 ONTARIO INC.

Respondent

NOTICE OF MOTION
(Returnable: September 9th, 2026)

BDO Canada Limited ("**BDO**" or the "**Receiver**") in its capacity as receiver, without security, of the property, assets and undertakings of 2139770 Ontario Inc. (the "**Company**" or the "**Debtor**"), will make a Motion before a Judge on Wednesday, the 9th day of September, 2026, at 9:00 a.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard by video conference,

at the following location:

161 Elgin Street, Ottawa, Ontario.

THE MOTION IS FOR:

1. An Order substantially in the form attached at Tab 3 of the within Motion Record (the "**Ancillary Order**"), *inter alia:*

   (i) validating and abridging the time for service of the Notice of Motion and the Motion Record in the manner effected by the Receiver and an Order dispensing with service thereof on any party other than the parties served;

   (ii) approving the Second Report of the Receiver (the "**Second Report**") and the conduct, activities and actions to date;

   (iii) approving the Receiver's Interim Statement of Receipts and Disbursements as of July 31, 2026;

   (iv) approving, authorizing and directing the Receiver to distribute the net proceeds from the sale of the Property in accordance with the recommendations set out in the Receiver's Second Report;

   (v) sealing the Confidential Appendices to the Second Report of the Receiver until the earlier of the completion of the Transaction or further Order of this Honourable Court; and,

   (vi) such further Order as this Honourable Court deems just.

2. An Order substantially in the form attached at Tab 4 of the within Motion Record (the "**Approval and Vesting Order**"), *inter alia:*

   (i) approving the sale transaction (the "**Transaction**") contemplated by an Agreement of Purchase and Sale (the "**Sale Agreement**") between the

Receiver, as Vendor, and Verve Nepean Limited Partnership (“**Verve**” or the "**Purchaser**") by its general partner Verve Nepean GP Inc. (“**Verve Nepean GP**”), as assigned to it by DCMS Realty (Evergreen) Inc., dated June 9, 2026, (as amended June 24, 2026 and July 31, 2026), in respect of the land and buildings located at 626 Prado Private, Ottawa, Ontario, and legally described below, (the “**Property**”) and authorizing the Receiver to do all things and execute all documentation necessary to complete the transaction contemplated therein;

> PART OF BLOCKS 10 AND 25 PLAN 4M1327, PARTS 2, 22, 25, 29, 30, 31, 36 AND 53 PLAN 4R25794. SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 22 AND 29 PLAN 4R25794 AS IN OC881843. SUBJECT TO AN EASEMENT OVER PARTS 2, 25, 30, 31, 36 AND 53 PLAN 4R25794 AS IN OC909083; SUBJECT TO AN EASEMENT AS IN OC1200007; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1254247; TOGETHER WITH AN EASEMENT OVER ALL OF BLOCK 9 AND PART OF BLOCKS 10, 11 AND 25 PLAN 4M1327, PARTS 1, 3, 4, 5, 6, 7, 10, 11, 14, 15, 16, 17, 18, 20, 23, 24, 26, 27, 28, 32, 33, 34, 35, 37, 39, 40, 41, 42, 43, 44, 50, 51, 52 AND 54 PLAN 4R25794 AS IN OC1451771; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1560111; CITY OF OTTAWA; PIN: 04052-0802 (LT)

(ii) vesting the right, title and interest of the Debtor in the Property in and to the Purchaser free and clear of encumbrances save and except the Permitted Encumbrances as defined in the Sale Agreement upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the Approval and Vesting Order.

THE GROUNDS FOR THIS MOTION ARE:

Background

1. Pursuant to the Order of the Honourable Justice Mew dated December 20, 2024 (the "**Appointment Order**"), BDO was appointed as Receiver of the assets, undertakings and properties of the Debtor.

Sale Process

2. The Appointment Order empowers the Receiver to:

a) sell, convey, transfer, lease or assign the Real Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $100,000.00 provided that the aggregate consideration for all such transactions does not exceed $500,000.00; and,

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

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

b) to apply for any vesting order or other orders necessary to convey the Real Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Real Property.

3. The Debtor is one of several related companies which are part of a broader group of more than 55 affiliated entities known as the Ashcroft Homes Group. The business of the Group is the purchase, development and operation of residential communities in the Ottawa area for seniors, students and general residential markets and the lease or sale of accommodations in those communities. The Company operates Ravines Retirement at 626 Prado Private in Ottawa. There is, directly adjacent to this particular care home, a retirement residence which is physically connected to 626 Prado Private, although owned and operated by a separate corporation (2265132 Ontario Inc.). The connection between the care homes allows residents to use facilities in the adjacent building.

4. On December 5, 2024, Ashcroft Urban Developments, 2067166 Ontario Inc., 2139770 Ontario Inc. (the Company/Debtor), 2265132 Ontario Inc. (adjacent building at 636 Prado Private), Ashcroft Homes – La Promenade Inc., 2195186 Ontario Inc., Ashcroft Homes – Hall Inc. and 101988 Ontario Inc. (collectively, the "**CCAA Applicants**") made an application to this court for an initial order for the appointment of Grant Thornton Limited as monitor of the CCAA Applicants. Said CCAA application was granted by Justice Mew; however, it has recently been terminated in respect of this particular property at 626 Prado Private and, as well, at the adjacent property at 636 Prado Private.

5. The adjacent property is subject to a court-appointed receiver at the application of ACM Advisors Ltd. Alix Partners, formerly KSV Restructuring Inc. (“**AlixPartners**”) is the appointed receiver in respect of that property.

6. Pursuant to the Order of the Honourable Justice M. Smith dated April 24, 2025, a formalized sale process was approved and authorized by this Honourable Court.

7. Given the nature of the Company’s assets and operations and the unique nature of the Ravines Campus (as defined in the Second Report), the Receiver sought to market and complete a sale of the aforesaid properties and the parking areas in their entirety, which was ultimately agreed upon by each receiver and their respective senior secured stakeholders.

8. The Receiver entered into a Listing Agreement with N.R.E. Newmark Real Estate Canada Limited (“**Newmark**”). Newmark continuously marketed the Property using a thorough and extensive marketing campaign which included, among other things, email marketing to Newmark’s Seniors Housing Investor database, an active web presence and posting on the Multiple Listing Service.

9. 32 Confidentiality Agreements were signed, 51 individuals were added to the Virtual Data Room and 8 tours were completed by bona fide interested parties. Two offers were ultimately received by the bid deadline and the Receiver entered into a purchase and sale agreement dated December 8, 2025, which ultimately became void in April of 2026.

10. It was determined, with input and support from Newmark, AlixPartners and the senior stakeholders, that re-commencing the Sales Process would be time consuming, costly and may not yield additional benefit. As such, AlixPartners and the Receiver authorized Newmark to conduct a targeted outreach to 6 of the highest probability groups in the Ottawa region, which strategy is set out in the Second Report and defined as "**Phase 2**".

11. As a result of the Phase 2 strategy, two formal offers were received and the offer from Verve was ultimately accepted.

12. The Receiver is of the view that the sales process was a fair and public process and was conducted in a commercially reasonable manner.

13. The Receiver is of the opinion that the terms and conditions contained within the Sale Agreement are commercially reasonable and that the purchase price is within market value.

14. The Receiver has consulted with the first mortgagee, Central 1 Credit Union, relative to this Transaction and Central 1 Credit Union supports the completion of same. Upon approval of the Transaction by this Honourable Court, it will close in accordance with the terms of the Sale Agreement.

Secured, Priority and Other Creditors

15. Central 1 Credit Union holds a first mortgage over the Property with a principal balance in the amount of $28,000,000.00.

16. The Receiver has obtained a payout statement from Central 1 Credit Union for the total indebtedness which shows a balance outstanding of $42,206,830.40, with interest accrued to July 31st, 2026.

17. The Receiver has paid City of Ottawa 2025-2026 property taxes on the Property.

<u>Request for Protective Sealing Order</u>

18. The Receiver is of the view that a protective sealing order should issue in respect of the information and items in the Confidential Appendices. The Confidential Appendices contain commercially sensitive information which could prejudice the stakeholders of the Debtor's estate in the event that the Transaction is not completed.

<u>Approval of the Receiver's Interim Statement of Receipts and Disbursements</u>

19. The Appointment Order requires the Receiver and its legal counsel to pass its accounts from time to time.

20. The Receiver seeks approval of the Receiver's Statement of Receipts and Disbursements as detailed in the Second Report.

<u>Receiver's Proposed Distribution</u>

21. A title search conducted with respect to the Property on February 5th, 2026, indicates the following security interests on title in order of priority:

a) Charge/Mortgage registered as Instrument No. OC1666971, in the amount of $28 million in favour of Central 1 Credit Union;

b) Notice of Assignment of Rents registered as Instrument No. OC1666972 in favour of Central 1 Credit Union;

22. After payment of commission and closing adjustments, the Receiver is proposing to make a distribution to Central 1 Credit Union, as the primary secured creditor, to the maximum amount of the indebtedness owing to Central 1 Credit Union.

23. Such grounds as described in the Second Report of the Receiver, filed.

24. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Second Report of the Receiver and the appendices annexed thereto; and,

2. Such further and other evidence as counsel may adduce and this Honourable Court may permit.

August 24, 2026

SimpsonWigle LAW LLP
1006 Skyview Drive, Suite 103
Burlington, ON L7P 0V1

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Tel: (905) 639-1052
Fax: (905) 528-9008

Lawyers for BDO Canada Limited., in its capacity as Receiver of the assets, undertakings and property of 2139770 Ontario Inc.

TO: THE SERVICE LIST APPENDED AS SCHEDULE "A"

SCHEDULE "A"
SERVICE LIST

SERVICE LIST (as of August 19, 2026)	
CENTRAL 1 2810 Matheson Blvd. East 6th Floor Mississauga, ON L4W 4X7	**Suzanne Fisher** Tel: 905-282-8540 Email: SFisher@central1.com
GOWLING WLG (CANADA) LLP 1 First Canadian Place 100 King Street West, Suite 1600 Toronto, ON M5X 1G5 Lawyers for Central 1 Credit Union	**Susan Rosen** Tel: 416-862-3519 Email: susan.rosen@gowlingwlg.com **Heather Fisher** Tel: 416-369-7202 Email: heather.fisher@gowlingwlg.com
MANN LAWYERS LLP 300-11 Holland Avenue Ottawa, ON K1Y 4S1 Lawyers for the Respondent, 2139770 Ontario Inc.	**K. Scott McLean** Email: scott.mclean@mannlawyers.com **Alexander Bissonnette** Tel: 613 369 0358 Email: alexander.bissonnette@mannlawyers.com
DAVID CHOO 203 Clemov Avenue Ottawa, ON K1S 2B3 Guarantor	**David Choo** Email: dchoo@ashcrofthomes.ca
ASHCROFT HOMES GROUP 18 Antares Dr. Ottawa, ON K2E 1A9	**Manny DiFilippo** Email: mdifilippo@ashcrofthomes.ca

ALIXPARTNERS RESTRUCTURING, INC., (FORMERLY KSV RESTRUCTURING INC.) 220 Bay Street Toronto, ON M5H 1J9 Receiver of 2265132 Ontario Inc.	**Bobby Kofman** Email: robert.kofman@alixpartners.com **David Sieradzki** Email : david.sieradzki@alixpartners.com **Mitch Vininsky** Email: mitch.vininsky@alixpartners.com **Ross Graham** Email: ross.graham@alixpartners.com
NORTON ROSE FULBRIGHT CANADA LLP 222 Bay Street, Suite 3000 P.O. Box 53 Toronto, ON M5K 1E7 Lawyers for AlixPartners Restructuring Inc.	**Jennifer Stam** Tel: 416.202.6707 Email: jennifer.stam@nortonrosefulbright.com **Lauren Archibald** Tel: 416.278.3787 Email: lauren.archibald@nortonrosefulbright.com
BLANEY MCMURTRY LLP 2 Queen Street East, Suite 1500 Toronto, ON M5C 3G5 Lawyers for AlixPartners Restructuring Inc.	**Eric Golden** Tel: 416.593.3927 Email: egolden@blaney.com **Chad Kopach** Tel: 416.593.2985 Email: ckopach@blaney.com
BLUE ROCK LAW LLP 700, 215 - 9th Avenue SW, Calgary, AB T2P 1K3 Lawyers for Ashcroft Urban Developments Inc., 2067166 Ontario Inc., 2139770 Ontario Inc., 2265132 Ontario Inc., Ashcroft Homes – LA Promenade Inc., 2195186 Ontario Inc., Ashcroft Homes – Capital Hall Inc., and 1019883 Ontario Inc.	**David Mann, K.C.** Tel: 1-403-605-3992 Email: david.mann@bluerocklaw.com

GOWLING WLG (CANADA) LLP 1 First Canadian Place 100 King Street West, Suite 1600 Toronto, ON M5X 1G5 Lawyers for CIBC	**Clifton Prophet** Tel: 1-416-862-3509 Email: clifton.prophet@gowlingwlg.com
Retirement Homes Regulatory Authority 55 York St., Suite 700 Toronto, ON M5J 1R7	**David Litwin** Email: david.litwin@rhra.ca
FOGLER, RUBINOFF LLP Scotia Plaza 40 King Street West, Suite 2400 P.O. Box 215 Toronto, ON M5H 3Y2 Lawyers for the Retirement Homes Regulatory Authority	**Tim Duncan** Tel: 416-941-8817 Email: tduncan@foglers.com
DAVIES WARD PHILLIPS & VINEBERG LLP 155 Wellington St W Toronto, ON M5V 3J7 Lawyers for Farallon Capital Management, L.L.C.	**Natasha MacParland** Tel: 416.863.5567 Email: nmacparland@dwpv.com **Sean Monahan** Tel: 416.367.7468 Email: smonahan@dwpv.com
LIUNA LOCAL 3000 207-3380 South Service Road Burlington ON L7N 3J5	**Jacqueline Mondoux** | Business Representative Email: jmondoux@liuna3000.ca **Angela Rourke** /Senior Coordinator of Labour Relations Email: arourke@liuna3000.ca Tel (905) 632 1010 / Toll Free 1 (877) 282 9644
CITY OF OTTAWA Legal Services, Claims Unit 110 Laurier Avenue West, Third Floor Ottawa, ON K1P 1J1	Email: claims@ottawa.ca

Dentons Canada LLP 99 Bank Street, Suite 1420 Ottawa, ON K1P 1H4 Lawyers for MNP Ltd. in its capacity as court-appointed receiver of Ashcroft Homes Eastboro Inc. and Ashcroft Homes – 108 Richmond Road Inc.	**Fraser Mackinnon Blair** Tel: 613-783-9647 Email: fraser.mackinnon.blair@dentons.com
Dentons Canada LLP 99 Bank Street, Suite 1420 Ottawa, ON K1P 1H4 Lawyers for BDO Canada Ltd. 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.	**Sara-Ann Wilson** Tel: 416-863-4402 Email: sara.wilson@dentons.com
GOVERNMENT	
OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge St., Fourth Floor Toronto, ON M5C 2W7	Email: osbservice-bsfservice@ised-isde.gc.ca
MINISTRY OF FINANCE Ministry of the Attorney General (Ontario) Civil Law Division - Legal Services Branch 6-33 King St West Oshawa, ON L1H 8H5	Email: steven.groeneveld@ontario.ca
MINISTRY OF FINANCE Ministry of the Attorney General (Ontario) Collections Branch – Bankruptcy and Insolvency Unit 6-33 King St West Oshawa, ON L1H 8H5	Email: insolvency.unit@ontario.ca

ATTORNEY GENERAL OF CANADA ON BEHALF OF HIS MAJESTY THE KING IN RIGHT OF CANADA, AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE Department of Justice Ontario Regional Office - Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1	Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca **Saagar Uppal** Counsel, Tax Litigation Section, Department of Justice Tel.: (343) 598-3344 Email: Saagar.Uppal@justice.gc.ca

CENTRAL 1 CREDIT UNION
Applicant

-and-

2139770 ONTARIO INC.
Respondent

Court File No. CV-24-00097134-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

NOTICE OF MOTION

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Lawyers for BDO Canada Limited, the court-appointed receiver of 2139770 Ontario Inc.

#4844546.2

TAB 2

Court File No. CV-24-00097134-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

CENTRAL 1 CREDIT UNION

Applicant

- and -

2139770 ONTARIO INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUTPCY AND INSOLVENCY ACT*, R.S.C. 1985 c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43 AS AMENDED

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

AUGUST 24, 2026

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Appendix B	-	Reasons for Decision
Appendix C	-	Receiver’s First Report (without attachments)
Appendix D	-	Sale Process Approval Order
Appendix E	-	Receiver’s Interim Statement of Receipts & Disbursements
Appendix F	-	Property Tax Certificate dated August 19, 2026
Appendix G	-	Redacted Sale Agreement
Appendix H	-	Amendment #1 to Sale Agreement
Appendix I	-	Waiver and Amendment #2 to Sale Agreement
Appendix J	-	Assignment and Assumption of the Sale Agreement
Appendix K	-	PPSRS Search dated August 14, 2026
Appendix L	-	Parcel Register Search dated August 21, 2026

CONFIDENTIAL APPENDICES

Confidential Appendix 1	-	Newmark Phase 1 Update
Confidential Appendix 2	-	Newmark Phase 2 Update
Confidential Appendix 3	-	Sale Agreement

1.0 INTRODUCTION AND PURPOSE OF REPORT

1.1 Introduction

1.1.1 By way of an order of the Honourable Justice Mew of the Ontario Superior Court of Justice (the "**Court**") dated December 20, 2024 (the "**Appointment Order**"), BDO Canada Limited was appointed as the receiver and manager ("**BDO**" or the "**Receiver**"), without security, of all the Property (as defined in the Appointment Order) of 2139770 Ontario Inc. ("**213 Ontario**", "**Ravines Retirement**" or the "**Company**"). A copy of the Appointment Order is attached hereto as **Appendix A**.

1.1.2 The Company, together with various related entities including, but not limited to, 2265132 Ontario Inc. ("**Ravines Senior**"), sought and obtained an order granting protection under the *Companies' Creditors Arrangement Act* on December 5, 2024 (the "**CCAA Proceedings**"). At the comeback motion held on December 12, 2024, several lenders opposed the continuation of the CCAA Proceedings and pursuant to the decision of the Honourable Justice Mew dated December 20, 2024 (the "**Decision**"), a copy of which is attached hereto as **Appendix B**, the Court dismissed the motion to extend the CCAA proceedings and issued the Appointment Order, among other orders appointing Alix Partners, formerly KSV Restructuring Inc., ("**AlixPartners**") as interim receiver and subsequently receiver of Ravines Senior and 1384274 Ontario Inc. ("**138 Ontario**").

1.2 Background

1.2.1 Ravines Retirement owns and operates a 125-room retirement home from owned land municipally known as 626 Prado Private, Nepean Ontario (the "**Ravines Retirement Property**"). The Ravines Retirement Property, while a distinctly separate legal entity and municipal address, is intertwined with the neighbouring Ravines Senior. As outlined in the Receiver's First Report, there are a number of shared staff and services between the two facilities, including the on-site management team, insurance coverage, phone system, and shared facilities (pool, nursing station, cinema, etc.) as well as connecting above ground (1st floor) and underground corridors. Additionally, 138 Ontario owns the underground parking garage and above ground paved parking spaces (collectively the "**Parking Areas**") which are used by Ravines Retirement and Ravines Senior.

1.2.2 Overall, the Ravines Retirement Property is part of a parcel of land which comprises 5 separate PIN's associated with the site, each owned by a separate legal entity with shared roadways and parking (collectively the "**Ravines Campus**"), the shared use of which is subject to a Joint Use Management Agreement (the "**JUMA**").

1.2.3 The JUMA governs this arrangement, including maintenance, and access rights across multiple parcels. While the arrangement benefits residents (e.g., connected amenities), it adds complexity to any sale, as prospective buyers must also consider cross-easements and consistent management of shared components.

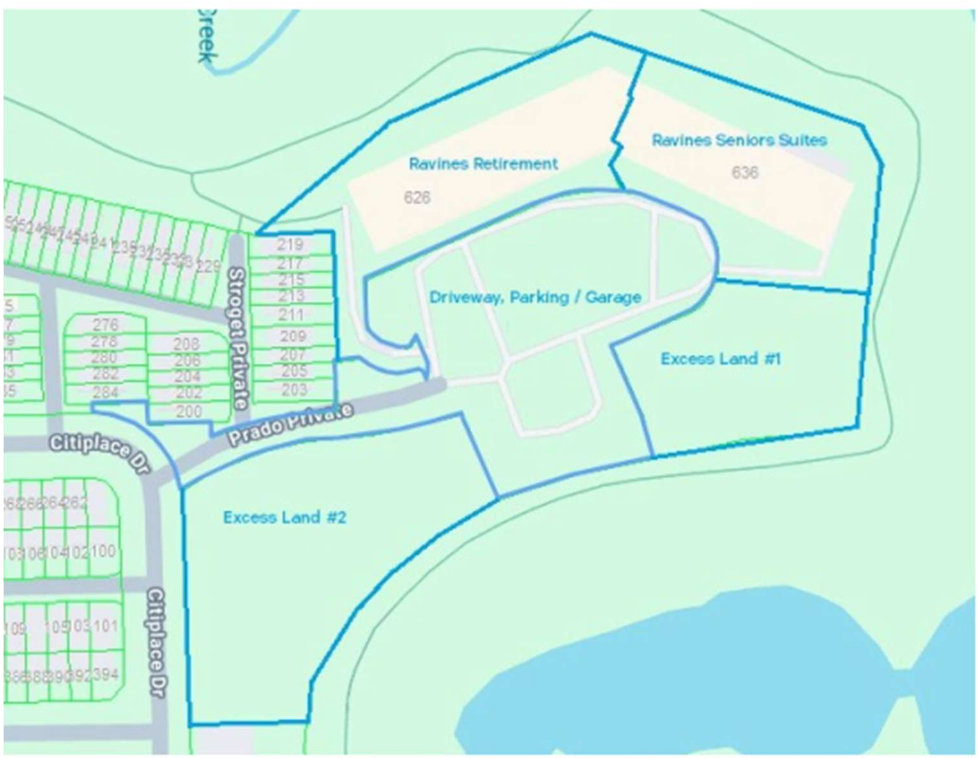
1.2.4 In addition to Ravines Retirement, Ravines Senior and the Parking Areas, all of which are subject to receivership proceedings (the "**Ravines Receivership**

Properties"), there are two parcels of excess land, owned by companies that are not subject to receivership proceedings, and are ultimately owned by Mr. David Choo through the corporations noted below.

1.2.5 Below is a chart which lists the legal ownership of each PIN together with the applicable Receiver of the first 3 entities:

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

1.2.6 The illustration below provides a sketch of the Ravines Campus:



1.2.7 In the Receiver's First Report dated April 7, 2025 (the "**First Report**"), the Receiver outlined the proposed plan to market the Ravines Retirement operations for sale. A copy of the First Report, without appendices, is attached as **Appendix C**. As outlined therein, given the intertwined operations as amongst the Properties, with the support of the respective primary stakeholders, the Receiver sought and obtained the Court's approval to list the Ravines Retirement Property for sale with N.R.E. Newmark Real Estate Canada Limited ("**Newmark**" or the "**Realtor**") and to market the site in conjunction with AlixPartners as receiver of Ravines Senior and 138 Ontario as it was deemed that prospective purchasers would be seeking to acquire the combined Ravines Receivership Properties, rather than split the site with another operator. The Court issued an Order dated April 17, 2025 approving, among other matters, the proposed Sale Process (the "**Sale Process Approval Order**"), and authorizing the Receiver to enter into the Newmark Listing Agreement. A copy of the Sale Process Approval Order is attached hereto as **Appendix D**.

1.2.8 As a result of the Sale Process undertaken, as outlined herein, the Receiver has entered into an Agreement of Purchase and Sale for the Ravines Retirement Property to Verve Nepean Limited Partnership (the "**Purchaser**") by its general partner Verve Nepean GP Inc., as assigned to it by DCMS Realty (Evergreen) Inc. ("**DCMS Realty**"), dated June 9, 2026 (as amended July 24, 2026 and July 31, 2026) the ("**Sale Agreement**"). Accordingly, among other things, the Receiver seeks the Court's approval of the proposed Sale Transaction (as defined herein).

1.3 Purpose of this Report

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

- Report to the Court on the Receiver's activities since its First Report;
- Provide the Court with details relating to the outcome of the Sale Process undertaken by the Receiver for the sale of the Ravines Retirement Property, and provide the basis for the Receiver's motion for one or more Orders, *inter alia*:
  - Approving this Second Report and the activities of the Receiver;
  - Approving and authorizing the Receiver to complete the Sale Transaction contemplated by the Sale Agreement (in the form appended in the Confidential Appendices (as defined herein) between the Receiver (on behalf of the Company), as seller and the Purchaser pursuant to which the Purchaser agrees to purchase, and the Receiver agrees to sell the Property therein (the "**Sale Transaction**"), subject to such minor amendments as the Receiver deems necessary or appropriate;
  - Vesting in the Purchaser all of the Company's right, title and interest, if any, in the Ravines Retirement Property free and clear of any and all encumbrances save the Permitted Encumbrances;
  - Sealing the Confidential Appendices to the Second Report until further Order of this Court or Closing (as defined in the Sale Agreement) of the Sale Transaction has occurred;
  - Approving the Receiver's interim statement of receipts and disbursements for the period December 20, 2024 to July 31, 2026 (the "**Interim R&D**");
  - Approving an interim distribution of the net proceeds from the Sale Transaction, (net of commissions closing adjustments and the Escrow Funds as defined herein), to be paid first to satisfy the indebtedness of Central 1

Credit Union ("**Central 1**" or the "**Senior Secured Lender**") to an amount not greater than its' outstanding indebtedness; and,

- Providing such further relief as the Court deems appropriate.

1.4 Terms of Reference

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

1.4.2 This Second Report has been prepared for the use of this Court in respect of the above-noted relief. This Second Report should not be relied upon for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.

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

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

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

2.0 RECEIVER'S ACTIVITIES & OPERATIONS

2.1 Operations and Vendors

2.1.1 In compliance with RHRA requirements, the Receiver has continued to work closely with on-site management in respect of the day-to-day operations, site repairs, and the ongoing due diligence efforts associated with the Sale Process, etc.

2.1.2 The Receiver has continued to work closely with the Company's vendors to ensure uninterrupted supply and services throughout the Receivership proceedings.

2.2 Employees and Union

2.2.1 Ravines Retirement's hourly employees are members of LIUNA Local 3000 (the "**Union**") and operate pursuant to a Collective Bargaining Agreement ("**CBA**") which expired on April 19, 2025. Despite requests to negotiate a new CBA, the Union advised they were not prepared to negotiate with the Receiver, but instead preferred to await the conclusion of a sale of the Ravines Retirement Property and then negotiate with the successful purchaser. An adjustment is provided for in the Sale Agreement for the estimated retroactive pay dating back to April 19, 2025 through to Closing (the "**Retro Pay**").

2.2.2 With the exception of the Retro Pay which will be adjusted for upon Closing and be the responsibility of the Purchaser, all other pre-receivership wages and vacation pay outstanding prior to the receivership including (as outlined in the First Report) Union Dues and Pension were paid/utilized in the normal course and accordingly, there are no known outstanding pre-receivership claims relating to employees that would otherwise rank in priority to the Senior Secured Lender.

2.3 Receipts & Disbursements

2.3.1 Attached hereto as **Appendix E** is the Receiver's Interim R&D for the period December 20, 2024 to July 31, 2026, which illustrates the combined operating account activity in the CIBC Account (as defined in the First Report) and the Receiver's trust account.

2.3.2 As illustrated, Receipts to date total approximately $12.3 million, relating primarily to rental collections, and cash on hand. Disbursements total approximately $10.65 million relating primarily to payroll, Property Tax Arrears and ongoing 2025 and 2026 property tax payments, food, repairs and maintenance, utilities, professional fees and other operating expenditures. As at July 31, 2026, the Receiver has approximately $1.6 million in its estate trust account.

2.3.3 A copy of the Tax Certificate evidencing that property taxes are paid in full is attached hereto as **Appendix F**.

2.4 Retirement Homes Regulatory Authority ("RHRA")

2.4.1 The Receiver and the RHRA agreed upon an outline of a plan in our capacity as Receiver of Ravines Retirement. Critical to RHRA was the Receiver's commitments on various operating matters, including to maintain the current General Manager (the “**GM**”) in place and to immediately advise RHRA if there are any changes to the employment status of the GM, if there are any significant operational changes the Receiver intends to make or if there are any risks associated with the provision of any care services at the facility, all of which are acceptable to the Receiver. Additionally, the Receiver has kept the RHRA apprised of the Sale Process as well as the Sale Agreement, which is subject to RHRA approval.

2.4.2 The Receiver understands that the Purchaser has submitted its applications with RHRA, on an expedited basis, for licenses to operate Ravines Retirement and Ravines Seniors.

2.5 Cost Sharing

2.5.1 As outlined in the First Report, given the extensive network of legal entities in the Ashcroft Homes enterprise and the intertwined operations of the Ravines Retirement and Ravines Senior, there are a number of shared services and costs, however, Head Office advised there was no formal policy (written or otherwise) to document when/how costs are funded/shared. The Director of Finance confirmed that journal entries are processed to reflect adjustments for shared services, but generally funds were not being transferred as between Ravines Retirement and Ravines Senior. Generally, prior to the Receivership proceedings, Ravines Retirement had funded the majority of the shared costs of Ravines Senior.

2.5.2 As an illustration of the extensive intertwined shared costs, as at December 31, 2025, Ravines Senior is indebted to Ravines Retirement in the amount of approximately $5.1 million (the “**Ravines Senior Receivable**”). The Receiver is reviewing its interest in the Ravines Senior Receivable and the Receiver will be advancing a claim once the collective sale of Ravines Retirement and Ravines Senior to the Purchaser is concluded.

2.6 Resident Deposits – Pre-Receivership

2.6.1 As at the outset of the Receivership proceedings, the Receiver identified various past residents that had remitted deposits prior to the receivership date on account of last months’ rent totaling approximately $206,000 (“**Pre-Receivership Resident Deposits**”).

2.6.2 The Receiver understands that that all Resident Deposits submitted prior to the Receivership proceedings were deposited and co-mingled into the Company’s general bank account(s) along with all other bank deposits and were therefore not held/segregated in trust. Accordingly, based on the Receiver’s Counsel’s review, the Receiver understands that the claims of residents in relation to the Pre-Receivership Resident Deposits would rank as unsecured, and do not rank in priority to the Ravines Retirement Senior Secured Lender.

2.7 Government Accounts

2.7.1 The Receiver did not request nor commence a claims process however, Canada Revenue Agency (“**CRA**”) submitted an unsecured proof of claim dated April 3, 2025 relating to the Company’s RP0001 payroll source deduction account in the amount of $223.24.

2.7.2 Additionally, CRA submitted an unsecured proof of claim in respect of the Company's corporate income tax account in the amount of $429,592.

2.7.3 The Receiver understands that the Company's HST account shows an outstanding balance of approximately $1,800 relating to the pre-receivership periods of November 2024 and December 2025, years after registration of the Central 1 mortgage. The Receiver is reviewing with CRA if this represents HST amounts collected (i.e. deemed trust amounts). If the amount relates to a deemed trust, the Receiver's view is that it would not rank in priority to Central 1 in relation to its mortgage security on the Ravines Retirement Property and therefore CRA would not have an interest in the Net Sale Proceeds (as defined herein) pursuant to the Sale Agreement.

2.7.4 Based on the foregoing, the Receiver is not aware of any prior ranking CRA claims in respect of the Net Sale Proceeds.

3.0 SALE PROCESS AND APPROVAL

3.1 Introduction

3.1.1 Pursuant to the Appointment Order, the Receiver is authorized to market any or all of the Property including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its' discretion may deem appropriate.

3.1.2 The Receiver outlined the proposed Sale Process in its First Report, which was approved by the Court pursuant to the Sale Process Approval Order.

3.1.3 As outlined therein, given (i) the nature of the Company's assets and operations, and (ii) the unique nature of the Ravines Campus and how it is integrated with two other legal entities in receivership and two additional related entities, which are not in receivership the Receiver sought, in cooperation with AlixPartners, to market and complete a sale of the Ravines Retirement, Ravines Senior and the Parking Areas in their entirety, which transaction would require the cooperation of a number of parties.

3.2 Summary and Outcome of the Sale Process

3.2.1 The Court approved Sale Process, which is outlined in the First Report, provided the following general timeline and related steps:

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

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

3.2.3 Ultimately, the Sale Process was integrated with the AlixPartners sale for Ravines Senior and 138 Ontario, as each receiver and their respective senior secured stakeholders agreed it provided the best avenue to maximize realizations for all parties.

3.2.4 Subsequent to the issuance of the Sale Process Approval Order, the Receiver entered into the Newmark Listing Agreement, and Newmark promptly commenced a thorough and extensive marketing campaign, which included:

- Email marketing campaign to Newmark's Seniors Housing Investor database of approximately 1,050 recipients including distributing a brochure outlining the opportunity (the "**Teaser**") and a non-disclosure agreement (the "**NDA**");

- Active Web presence on RenX, Loopnet, CoStar, and Newmark's website resulting in excess of 8,000 impressions;

- Advertised the Ravines Receivership Properties on the Multiple Listing Service ("**MLS**");

- Preparation of a virtual data room for the review of any parties that executed the NDA;

3.2.5 A bid deadline of August 29, 2025 was set In line with the proposed Sale Process timeline the "**Bid Deadline**"). As a result:

- 32 NDA's were signed;

- 51 individuals were added to the Virtual Data Room;

- 8 tours were completed by bona fide interested parties;

3.2.6 As a result of the marketing efforts and related Sale Process undertaken, two offers were submitted in the initial phase of the Sale Process (hereinafter referred to as "**Phase 1**") by the Bid Deadline.

3.2.7 A detailed update on the process, interested parties and bids submitted in Phase 1 is outlined in Newmark's offer summary and sale process update, which is attached hereto as **Confidential Appendix 1**.

3.2.8 Based on the 2 offers submitted in Phase 1, and in consultation with the Senior Secured Lender, Newmark and AlixPartners, the Receiver narrowed its selection to one party. After extensive negotiations on the proposed terms, the Receiver entered into a purchase and sale agreement dated December 8, 2025 with the original purchaser of Ravines Retirement (the "**Original Purchaser**"), which agreement (the "**Original Purchase Agreement**") was subject to further due diligence, financing, RHRA approval, Court approval, etc.

3.2.9 After an extended period of due diligence and extensions agreed to by the Receiver, the Original Purchaser advised the Receiver on April 28, 2026 that it would not waive its final conditions and the Original Purchase Agreement became void and the Original Purchaser requested a refund of its deposit.

3.2.10 After further negotiations, the Receiver and the Original Purchaser agreed upon the terms of release of the Original Purchase Agreement, which included the forfeit of $15,000 of the Original Purchaser's deposit, the release to the Receiver of various external consulting reports requisitioned by the Original Purchaser and the release of the balance of the deposit to the Original Purchaser.

3.2.11 Thereafter, it was determined and agreed that re-commencing the Sale Process, would be time consuming, costly and may not yield additional benefit given that an extensive and transparent Sale Process had already been undertaken, and included all significant industry players.

3.2.12 As a result, and with the support of the Senior Secured Lender, the Receiver and AlixPartners authorized Newmark to conduct a targeted outreach to 6 of the highest probability groups (i.e. in the retirement home industry with an interest in the Ottawa Region), to determine if they were prepared to agree to the general terms of the Original Purchase Agreement which was previously negotiated/accepted, subject to a limited due diligence period, given that an extensive data room had been compiled (herein referred to as 'Phase 2' of the Sale Process).

3.2.13 Phase 2 Strategy:

- Newmark proceeded to contact six key targets in the retirement home space, some of which had previously expressed an interest in the opportunity, but may have not previously submitted a bid;

- Newmark used the same pricing guidance and form of purchase and sale agreement that had been negotiated with the Original Purchaser with an objective to minimize deal risk as much as possible, requesting a condensed (but reasonable) due diligence period.

3.2.14 As a result, two formal offers were submitted in Phase 2, and the Original Purchaser reconsidered a submission, but ultimately did not produce a follow-up offer.

3.2.15 A summary of the two offer submissions in Phase 2 is outlined in Newmark's Phase 2 update, a copy of which is attached hereto as **Confidential Appendix 2**.

3.3 Purchase and Sale Agreement

3.3.1 After review and negotiation of the offers submitted in Phase 2 of the Sale Process, the Receiver entered into an Agreement of Purchase and Sale (the "**Sale Agreement**") dated June 9, 2026 between the Receiver (on behalf of the Company), as seller and Verve Nepean Limited Partnership ("**Verve**" or the "**Purchaser**"), by its general partner Verve Nepean GP Inc., as assigned to it by DCMS Realty, as amended July 24, 2026 ("**Amendment #1**) and July 31, 2026 (the "**Waiver and Amendment #2**" and collectively the "**Sale Agreement**"), subject to such minor amendments as the Receiver deems necessary or appropriate.

3.3.2 The Sale Agreement, among other items, is conditional on the Court's and RHRA approval as well as the successful completion of the Purchaser's acquisition of Ravines Senior and the Parking Areas from AlixPartners.

3.3.3 Based on the Sale Process undertaken, the Receiver believes that the Sale Transaction is in the best interests of all stakeholders. The Receiver understands that the Purchaser and/or related entities also operate certain other similar properties and therefore have experience owning and operating retirement homes, and accordingly, the Receiver expects that RHRA approval will be granted, subject to Court approval.

3.3.4 A copy of the Sale Agreement with the commercially sensitive details redacted is attached as **Appendix G** and an unredacted copy of the Sale Agreement is attached as **Confidential Appendix 3.** Copies of Amendment #1 and the Waiver and Amendment #2 are attached as **Appendix H** and **Appendix I** of this First Report, respectively.

3.3.5 Below is a summary of the material terms and conditions in the Sale Agreement:

i. **Purchase Price and Deposit:** As outlined herein, the Purchase Price and Deposit amounts are considered confidential in nature, and accordingly, the Receiver is seeking a Sealing Order in respect of the Sale Agreement included in Confidential Appendix 3.

ii. Purchased Assets: As detailed in Schedule B of the Sale Agreement, the Purchased Assets include: the Ravines Retirement Property, the Assigned Contracts and the following assets to the extent of the interest of Ravines Retirement, as they relate exclusively to the Business and the Ravines Retirement Property: (i) chattels; (ii) all rental or other payments accruing to the Vendor from and after the Closing Date; (iii) all books and records (in the possession of the Receiver), social media accounts, telephone numbers and other intellectual property; (iv) computer hardware, software and related accessories; and (v) all vehicles (if any);

iii. Employees: The Purchaser may offer employment to selected non-unionized employees on substantially similar terms and will recognize their prior service and will accept unionized employees as Transferred Employees, as defined in the Sale Agreement.

iv. Excluded Assets: Any assets, property or undertaking of Ravines Retirement other than the Purchased Assets;

v. Assumed Liabilities: All liabilities and obligations under the Assigned Contracts, from and after the Closing Date, and any liabilities with respect to the Transferred Employees;

vi. Excluded Liabilities: Other than the Assumed Liabilities, the Purchaser shall not assume and shall not be liable for any debts, liabilities, commitments or obligations of Ravines Retirement;

vii. Representation and Warranties: Representations and warranties include: (i) the Vendor is not aware of any reason that any of the securities deposited with the City of Ottawa pursuant to the site plan agreement, dated September 5, 2026, (the “**Site Plan Agreement**”) would be required to be replaced by the Purchaser, and the Vendor will not take any steps to interfere with the ongoing availability of such securities to the City of Ottawa, for the purpose of the City of Ottawa completing any outstanding works or deficiencies set out in the Site Plan Agreement prior to Closing; (ii) after due inquiry, the Vendor is not aware of any securities currently deposited with the City of Ottawa pursuant to the subdivision agreement dated March 23, 2026 (the “**Subdivision Agreement**”); and (iii) since its appointment, the Vendor has not been advised of any new union certification applications filed up to the execution date of the Sale Agreement. Additional representations and warranties are consistent with the standard terms of an insolvency transaction, including on an “as is, where is” basis, with limited representations and warranties;

viii. Closing Date: 45 days after the earlier of the date that: (a) the AVO is granted; and (b) the date that Third Party Conditions (defined below) have been satisfied or waived, provided that the Closing Date shall not be sooner than eleven (11) days after the date on which the AVO is granted; and

ix. Material Conditions: The Ravines Retirement Sale Agreement is conditional upon the satisfaction or waiver of the following conditions, among others:

a. the Due Diligence Conditions being satisfied or waived by 30 days after the Execution Date (the “**Due Diligence Date**”);

b. the Third-Party Conditions having been satisfied by 15 days after the Due Diligence Date (the “**Third-Party Condition Date**”);

c. the RHRA having confirmed in writing its intention to issue the Licence, subject only to certain limited exceptions;

d. the sale of the Ravines Senior having been completed;

e. the Court issuing the AVO, including approval of the Declaration, no later than 15 business days following the expiration of the Third-Party Condition Date;

f. the work described in the letter dated July 23, 2026, from Triangle Pump Service Limited, as it relates to the fuel tank for the generator located at the Ravines Retirement Property, has been completed and paid for by the Vendor to the satisfaction of the Purchaser;

g. delivery by the Vendor to the Purchaser of the 2026 annual report issued by Classic Fire + Life Safety, and all remediation work outlined therein has been completed and paid for by the Vendor to the satisfaction of the Purchaser;

h. code compliance infractions, identified by Gal Power in its 2025 annual fuel inspection report, are to be completed, including Gal Power’s agreement to fill the fuel tank attached to the fuel lines it was unable to inspect, and paid for by the Vendor to the satisfaction of the Purchaser;

i. delivery by the Vendor to the Purchaser of Gal Power’s 2026 annual fuel inspection report, and any code compliance infractions identified therein are to be completed and paid for by the Vendor to the satisfaction of the Purchaser;

j. the Purchaser has received a compliance report from City of Ottawa in respect of the Site Plan Agreement and the Subdivision Agreement;

k. the Purchaser is satisfied that the securities held by City of Ottawa pursuant to the Site Plan Agreement are sufficient to cover any deficiencies identified by City of Ottawa;

l. the Purchaser, the Vendor and AlixPartners have entered into an escrow agreement, appointing the Vendor or AlixPartners as escrow agent (the "**Escrow Agent**"), which agreement shall , to the satisfaction of the Purchaser and the Vendor, acting reasonably, provide for release of the Escrow Amount to the Purchaser as and when the Purchaser completes any deficiencies identified under the Site Plan Agreement, as they relate to the Property or the Ravines Senior Property at 636 Prado Private, Ottawa, Ontario, in an amount equal to the amount paid by the Purchaser to correct such deficiencies, provided that the Purchaser's recourse for reimbursement for such deficiencies shall be solely to the Escrow Amount and, among other things, any residual amounts of the Escrow Amounts remaining after the date that is 12 months after the Closing Date; and

m. there are no arrears in respect of any accounts for property taxes or utilities which, if not paid, would be added to the property tax roll relating to the Property other than those which will be paid out of the Purchase Price and for which the Vendor will provide evidence of payment within five Business Days of Closing.

3.4 Status of Conditions

3.4.1 The Purchaser advised the Receiver on July 9, 2026 that it was waiving its Due Diligence Conditions. The Third-Party Conditions were scheduled to be waived on July 24, 2026, however, based on an amendment dated July 24, 2026 ("**Amendment #1**") and in consideration of $25,000 paid by the Purchaser to the Receiver, it was agreed to provide an additional one-week extension in relation to the Purchaser's Third Party Conditions. Subject to additional terms and conditions, including agreeing to set aside the Escrow Amount in relation to the Site Plan Agreement and certain additional representations and conditions on Closing, the Purchaser waived the Third Party Conditions on July 31, 2026 ("**Waiver and Amendment #2**").

3.4.2 With respect to the remainder of the conditions set out above and/or in the Sale Agreement or Amendment #2, the Receiver is not aware of any circumstances that would indicate that such conditions cannot be fulfilled prior to the expected Closing Date.

3.4.3 Pursuant to an Assignment of Purchase Agreement dated August 14, 2026, DCMS Realty advised the Receiver that Sale Agreement has been assigned to the Purchaser, a copy of which is attached hereto as **Appendix J**. The Purchaser has requested that title be held by its' nominee, The Ravines RR Inc., for the beneficial owner, being Verve.

3.5 Sale Approval

3.5.1 The Receiver believes that the Sale Process which has been conducted in accordance with the Sale Process Approval Order, was an effective method to fully expose the Ravines Retirement Property to the market and to identify potential parties that have an interest therein. Accordingly, the Receiver recommends that the Court approve the Sale Transaction for among other reasons, the following considerations:

(i) The Property was marketed in an open, transparent method via multiple dedicated websites including, but not limited to, MLS;

(ii) The Newmark marketing campaign (outlined herein) which included in excess of 1,000 contacts in the senior housing market was fair and canvassed the market broadly on an efficient basis to obtain the highest and best price;

(iii) Newmark which has extensive experience in the marketing and sale of senior homes, recommends acceptance of the Sale Agreement;

(iv) The Purchaser will continue operations of the Ravines Retirement Property (together with Ravines Senior) from the existing locations, thereby preserving union and non-union jobs and accommodations for the current and future residents;

(v) The Senior Secured Lender with a first ranking security interest in the Ravines Retirement Property supports the proposed Sale Transaction;

(vi) The Purchase Price is fair based on the Sale Process undertaken; and,

(vii) The Sale Transaction is not prejudicial to the Company's other creditors as it provides the best value based on the process undertaken and the other offers submitted.

3.5.2 Accordingly, the Receiver files this motion in support of its request for the approval of the Sale Transaction contemplated by the Sale Agreement, with such minor amendments as the Receiver may deem necessary or appropriate, and vesting the Ravines Retirement Property in the Purchaser or its' nominee pursuant to an approval and vesting order in a form consistent with the draft model order approved by the Commercial List Users' Committee of the Ontario Superior Court of Justice, to be effective upon satisfaction of the conditions precedent and payment of the Purchase Price.

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

4.0 PROPOSED DISTRIBUTION

4.1 Funds available for distribution

4.1.1 Based on the results of the Sale Process, and by proceeding with completing the Sale Transaction, the Receiver will be in a position to make a distribution to the Senior Secured Lender.

4.1.2 As outlined in the Interim R&D there is approximately $1.6 million in net funds on hand as at July 31, 2026. Given the nature of the operations, the figure will vary as at the timing of Closing and completion of the Receivership proceedings. However, the Receiver anticipates there will be sufficient funds to pay all post filing obligations as well as the Receiver's and its Counsel's fees from the funds anticipated to be on hand at the time of Closing.

4.1.3 Accordingly, the Receiver anticipates the net proceeds of the Sale Transaction, being the Purchase Price (less commissions, closing adjustments, and the Escrow Funds to be held (the "**Net Sale Proceeds**"), will be available for distribution. The Net Sale Proceeds will be less than the $42.2 million balance outstanding (including principal, interest and costs) that is owing to the Senior Secured Lender.

4.2 Senior Secured Lender

4.2.1 Based on a search of the Personal Property Security Registration System in Ontario ("**PPSRS**") conducted on August 14, 2026, a copy of which is attached hereto as **Appendix K,** Central 1 is the only creditor listed as having a registered security interest against the Company. Additionally, based on a current Parcel Register search of the Ravines Retirement Property, Central 1 is the only registered security holder on title. A copy of the Parcel Register is attached as **Appendix L**.

4.2.2 Simpson Wigle Law LLP, (the "**Receiver's Counsel**") reviewed the Central 1 security and provided its opinion that the security is valid and enforceable in accordance with its terms. A copy of Receiver's Counsel's opinion can be provided upon the Court's request.

4.2.3 Central 1 is owed in excess of the gross sale proceeds (even prior to consideration of real estate commissions, closing costs, outstanding fees, etc.). Accordingly, prior to consideration of any other potential recoveries, Central 1 will incur a shortfall on its outstanding indebtedness relative to the Net Sale Proceeds.

4.3 Proposed Distribution

4.3.1 With the exception of the Receiver's Charge pursuant to the Appointment Order, as outlined herein, the Receiver is not aware of any other claims that would rank in priority to Central 1, including employees, former residents or CRA. Accordingly, subject to the approval of this Honourable Court, the Receiver proposes to make a distribution to Central 1 of the Net Sale Proceeds from the Sale Transaction (the "**Proposed Central 1 Distribution**"), as that would provide a significant reduction in the Central 1 indebtedness and reduce the ongoing interest charges accruing.

4.3.2 Given the shortfall to Central 1 from the sale of the Ravines Retirement Property, and since no other creditor has a prior ranking interest in the net sale proceeds, the Receiver recommends and seeks the relief sought herein.

4.3.3 Central 1 supports the relief being sought by the Receiver.

4.3.4 The Receiver will be pursuing other potential realizable assets for the benefit of all Ravines Retirement creditors, including but not necessarily limited to, the Letters of Credit supporting the Site Plan Agreement and the Ravines Senior Receivable of in excess of $5.1 million. The Receiver will report the results of its efforts in a future report to the Court.

5.0 RELIEF SOUGHT

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

a) Approving this Second Report and the actions and activities of the Receiver described herein;

b) Approving the Receiver's Interim R&D;

c) Authorizing and directing the Receiver to complete the Sale Transaction as contemplated by the Sale Agreement, with such minor amendments as the Receiver may deem necessary or appropriate;

d) Upon completion of the Sale Transaction (as evidenced by the Receiver filing a certificate certifying same), vesting the Ravines Retirement Property in the Purchaser free and clear of all encumbrances, save and except Permitted Encumbrances, pursuant to an Approval and Vesting Order in a form consistent with the one approved by the Commercial List Users' Committee of the Ontario Superior Court of Justice, to be effective upon satisfaction of the conditions precedent, payment of the Purchase Price and delivery of a Certificate of the Receiver;

e) Approving the Proposed Central 1 Distribution of the Net Sale Proceeds from the Sale Transaction, to be paid to Central 1 as the first ranking secured creditor, to no more than the maximum amount of the indebtedness owing to Central 1;

a) Sealing the Confidential Appendices until the earlier of the closing of the Sale Transaction or further order of the Court; and,

f) Providing such further relief as the Court deems appropriate.

All of which is respectfully submitted this 24th day of August, 2026.

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

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

APPENDIX A

Court File No. CV-24-00097134-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	FRIDAY, THE 20TH
	)	
JUSTICE MEW	)	DAY OF DECEMBER, 2024

B E T W E E N:

CENTRAL 1 CREDIT UNION

Applicant

and

2139770 ONTARIO INC.

Respondent

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

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant, Central 1 Credit Union ("**Central 1**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing BDO Canada Limited ("**BDO**") as receiver and manager (in such capacities, the "**Receiver**") without security, over all property, assets and undertakings of 2139770 Ontario Inc. ("**213**" or the "**Debtor**") acquired for or used in relation to the Debtor's business, as hereinafter defined, was heard via Zoom videoconference this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the Application Record of the Applicant dated October 7, 2024, including the affidavit of Suzanne Fisher affirmed September 13, 2024 and the Exhibits thereto; the Responding Application Record of the Respondent dated September 20, 2024 including the Affidavit of Manny Difilippo sworn September 20, 2024 and the exhibits thereto; the Reply Affidavit of Suzanne Fisher affirmed September 22, 2024 and the exhibits thereto; the Supplementary Affidavit of Suzanne Fisher affirmed October 7, 2024 and the exhibits thereto; the Second Supplementary Affidavit of Suzanne Fisher affirmed December 11, 2024 and the exhibits thereto, the Affidavit of Ishbel Buchan sworn December 11, 2024 and the Exhibits thereto, the affidavit of Robert Gartner sworn December 10, 2024 and the Exhibits thereto, the affidavit of Curtis Jackson sworn December 11, 2024 and the Exhibits thereto, the affidavit of Aleksandar Nakevski sworn December 11, 2024 and the Exhibits thereto, the affidavit of David Choo sworn December 4, 2024 and the Exhibits thereto, the affidavit of David Choo sworn December 11, 2024 and the Exhibits thereto, the first report as of December 11, 2024 of Grant Thornton as monitor, the pre-filing report dated as of December 11 (the "**Monitor's First Report**"), 2024 of KSV as proposed Interim Receiver (the "**Pre-Filing Report"**), and on hearing the submissions of counsel for the Applicant and all other parties listed on the Counsel Slip, no one else appearing for any other party although duly served as appears from the Certificates of Service of Heather Fisher dated September 17, 2024; September 22, 2024; October 7, 2024; and December 11, 2024 and on reading the consent of BDO to act as the Receiver, filed,

SERVICE

1. **THIS COURT ORDERS** that, if necessary, the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO is hereby appointed Receiver, without security, of all of the assets,

undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

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

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(g) to settle, extend or compromise any indebtedness owing to the Debtor;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $100,000, provided that the aggregate consideration for all such transactions does not exceed $500,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required;

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and

accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

9. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

10. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except any Proceeding commenced by the RHRA pursuant to the provisions of the *Retirement Homes Act*, with the exception of sections 94, 98 and 99 of the *Retirement Homes Act*, or with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

11. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except, any Proceeding commenced by the RHRA pursuant to the provisions of the *Retirement Homes Act*, with the exception of sections 94, 98 and 99 of the *Retirement Homes Act*, or with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the

written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, including any regulatory requirements pursuant to the *Retirement Homes Act*, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

PROPERTY MANAGEMENT

14. **THIS COURT ORDERS** that if the Receiver elects to retain the services of 1019883 Ontario Inc., Ashcroft Homes – Central Park Inc., Alavida Lifestyles Inc., or any other entity affiliated with the corporate group known as Ashcroft Homes Group that provides management or support services to any one or more of the Debtors (collectively, the "**Ashcroft Managers**"), it shall have the discretion to pay out of rents received on January 1, 2025, the Ashcroft Managers in respect of those services in accordance with past practice and as set out in the cash flow forecast appended as Appendix "3" in the Monitor's First Report filed December 11, 2024.

15. **THIS COURT ORDERS** that the Ashcroft Managers and the Debtors shall cooperate fully with the Receiver and shall continue to provide property management and other services to the Receiver in accordance with arrangements with the Debtors until such time as the Receiver no longer requires their services. Neither the Ashcroft Managers nor the Debtors shall have any power or authority to make any discretionary

decisions in respect of property management nor shall they have any power or authority to alter any contractual obligations and neither the Ashcroft Managers nor the Debtors shall have any powers in respect of banking arrangements and credit authorization in respect of the Property.

CONTINUATION OF SERVICES

16. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court. Should any such service provider attempt to discontinue its services, the Receiver shall forthwith notify the RHRA of such attempt.

RECEIVER TO HOLD FUNDS

17. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein,

shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

20. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally

contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

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

RECEIVER'S ACCOUNTS

22. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or

otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

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

FUNDING OF THE RECEIVERSHIP

25. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

28. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

29. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/2139770-ontario-inc-oa-ravines-retirement-home>'.

30. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail,

courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

31. **THIS COURT ORDERS** that during the pendency of the Canada Post strike, any obligation of the Receiver to provide notice by ordinary mail shall be suspended provided that the Receiver shall post all such notices on its website and shall, to the extent possible, send such notices by email.

GENERAL

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

33. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

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

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

36. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

38. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court.

Graeme Mew J.

Issued on: December 24th, 2024

Mew J.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $_____________________

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver and manager (the "**Receiver**") of the assets, undertakings and properties 2139770 Ontario Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the ___ day of ______, 2024 (the "**Order**") made in an action having Court file number CV-24-00097134-0000, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $___________, being part of the total principal sum of $___________ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _______ day of each month] after the date hereof at a notional rate per annum equal to the rate of ______ per cent above the prime commercial lending rate of Bank of _________ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of ______________, 20__.

BDO Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: ________________________________

Name:
Title:

APPENDIX B

CITATION: Ashcroft Urban Developments Inc. (Re), 2024 ONSC 7192
COURT FILE NO.: CV-24-98508
(Ottawa)
DATE: 20241220

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:	
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED	*David Mann K.C.*, *Alexander Bissonette* and *Sarah DelVillano*, for the Applicants
AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166 ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA PROMENADE INC., 2195186 ONTARIO INC., ASHCROFT HOMES – CAPITAL HALL INC. and 1019883 ONTARIO INC. Applicants	*Randal Van de Mosselaer* and *Stephen Kroeger* for Grant Thornton Limited (the court-appointed monitor)
	Alan Merskey, Jeremy Bornstein and *Jamie Arabi* for ACM Advisors Ltd.
	Sanjeev Mitra and *Calvin Horsten* for CMLS Financial Ltd. and Equitable Bank
	Monique J. Jilesen and *Adam Davis* for Institutional Mortgage Capital Inc. in its capacity as general partner of IMC Limited Partnership
	Haddon Murray and *Heather Fisher* for Central 1 Credit Union
	Patrick Corney for Canadian Western Bank
	Raj Sahni for Peoples Trust Company
	Fraser Mackinnon Blair for MNP Ltd. in its capacity as court-appointed receiver of Ashcroft Homes – Eastboro Inc. and Ashcroft Homes – 108 Richmond Road Inc.
	Sara-Ann Wilson, 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.
)
) *Fozia Chaudary*, for Canada Revenue
) Agency
)
) *Jennifer Stam*, for KSV Restructuring Inc. in
) its capacity as proposed interim receiver

)
)
) **HEARD at Ottawa:** 12 December 2024 (by
) videoconference)

REASONS FOR DECISION

MEW J.

[1] On 5 December 2024, the applicants sought and obtained from me an initial order under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 ("CCAA"). The stay of proceedings secured by that initial order was sought by the applicants primarily to stay and prevent enforcement actions that had been, or were anticipated to be, taken by certain secured lenders of the applicants, and potentially other creditors, thereby enabling the applicants to advance their restructuring efforts, and continue to operate their businesses as going concerns.

[2] The initial order was obtained without advance notice to all but one of the secured creditors affected by the order. The exception, Central 1 Credit Union ("Central 1"), a secured creditor of 2139770 Ontario Inc., received less than an hour's notice of the hearing, as a result of which, although counsel attended the hearing at which the initial order was obtained, Central 1 took no position on the appropriateness of the initial order and fully reserved its rights. Central 1 also advised the court that there was already in existence an order by MacLeod RSJ that if there were further breaches by 2139770 Ontario of its forbearance agreement with Central 1, an order would be made for the appointment of a receiver and manager over the property, assets and undertakings of 2139770 Ontario Inc.

[3] A comeback hearing date was set for 12 December 2024, seven days after the date of the initial order.

[4] Because the initial order was obtained without notice, the onus rests "solely and squarely" with the applicants to prove that the initial order was appropriate and that the protection afforded by the initial order should be continued through an amended and restated initial order (the "ARIO": *General Chemical Canada Ltd. (Re)*, 2005 CanLII 1079 (ON SC), at para. 2).

[5] At the comeback hearing, secured creditors representing 84% of the secured debt opposed the continuation of the CCAA proceeding, and sought instead orders for the appointment of interim receivers to protect their interests.

[6] At the conclusion of the comeback hearing, I advised the parties that, pending the release of these reasons for decision, the initial order made by me on 5 December 2024 would remain in effect on an interim basis.

Background

[7] The eight applicant companies are part of a broader group of more than 55 affiliated entities known as the Ashcroft Homes Group. The founder and controlling mind of the Ashcroft Homes Group is David Choo. The business of the Group is the purchase, development and operation of residential communities in the Ottawa area for seniors, students, and general residential markets, and the lease or sale of accommodations in those communities.

[8] The companies and communities which comprise the Ashcroft Homes Group operate through four key brands as follows:

a. "Ashcroft Homes" – general residential, comprising master planned communities with single dwelling house areas, infill townhome neighbourhoods and condominium communities;

b. "Alavida Lifestyles" – retirement apartment and seniors' suites communities that allow for transition from independent to assisted living, with on-site health care and personal care services, amenities and other offerings and events;

c. "Envie" – student residential communities comprised of condominium platforms for lease, sale or investment; and

d. "REstays" – luxury short term rentals and hotel-like accommodation.

[9] Seven of the applicants own and operate separate residential properties, each within its own segregated operations, bank accounts, books and records, and assets. The applicants engage in inter-company transactions within the Ashcroft Homes Group, resulting in inter-company receivables and payables. Certain administrative services are provided on a centralised basis, but each entity pays for its respective share of those services. The eighth applicant is Ashcroft's head office.

[10] Four of the single purpose applicants are owned by David Choo, while three are owned by Mr. Choo and Envie Enterprises Inc., which is owned by Mr. Choo and the David and Chanti Choo Family Trust 2016.

[11] According to Mr. Choo, despite a history of generating significant revenues and having significant net equity holdings, in recent years various members of the Ashcroft Homes Group have encountered liquidity issues related to rising interest rates and a decline in occupancy rates.

This has left the applicants finding themselves in a position of insufficient liquidity to meet their current debt obligations.

[12] The applicants' current dilemma is summed up in paragraph 14 of Mr. Choo's affidavit sworn in support of the initial order:

> From late 2023 the Applicants began working with their respective lenders to address these shortfalls. That has resulted in a series of forbearance agreements and cross-guarantees being established that were designed to buy time to restore occupancy rates, including in some cases by the finalisation of construction, refinance existing lenders, and sell assets in order to pay down debt. One company in the Group recently entered in a sale for a project property for $183,000,000, resolving not only the financial position of that company, but also assisting with other debts across the Group. In recent months, however, we have received increasing numbers of demands from our lenders that make private, individual arrangements increasingly difficult to achieve.

[13] The applicants assert that the combined value of the applicants' real estate property is approximately $460,490,030, encumbered by approximately $284,511,617 in secured debt, leaving an estimated net equity of $175,978,413. As will be discussed below, the secured lenders challenge the reliability of the applicants' estimates which, they say, are based on dated appraisals that do not reflect current market values.

[14] The following table summarises the applicants, their related projects and locations, and the secured lenders for each:

Applicant	**Project**	**Location**	**Secured Lender(s)**	**Secured Debt**
Ashcroft Urban Developments	**REStays**	101 Queen Street & 110 Sparks Street, Ottawa	CMLS (EQ Bank is a "major participant" in the mortgage	$50,600,000
2067166 Ontario	**Park Place Senior**	120 Central Park Drive, Ottawa	(1) ACM (2) IMC	$26,396,895
2139770 Ontario	**Ravines Retirement**	626 Prado Private, Ottawa	Central 1	$38,173,696
2265132 Ontario	**Ravines Senior**	636 Prado Private, Ottawa	(1) ACM (2) IMC	$45,234,932

AH – La Promenade	**Promenade Seniors Suites**	130 & 150 Rossignol Drive, Ottawa (plus vacant land at 100 Rossignol Drive)	IMC	$37,000,000
2195186 Ontario	**Envie I**	101 Champagne Rd, Ottawa	Peoples Trust Company ACM	$57,853,430
AH – Capital Hall	**Envie II**	105 Champagne Avenue, Ottawa	Equitable Bank	$24,000,000
1019883 Ontario	**Head Office**	18 Antares Drive, Nepean	Canadian Western Bank	$4,134,370
			CRA	$1,118,294
TOTAL				**$284,511,617**

Lender Recovery Actions

[15] Lender recovery actions associated with the applicants are as follows:

Ashcroft Urban Developments (REStays)

[16] The financing term with CMLS Financial Ltd. ("CMLS") matured on 1 September 2023. CMLS made a demand and notice to enforce security on 15 November 2023, for failure to pay out the loan on maturity, and a further demand on 18 December 2023.

[17] A forbearance agreement was entered into on 23 February 2023, and an amended forbearance agreement on 3 July 2024, extending the time for compliance with the loan agreement to 30 September 2024, with a further extension granted on 19 November 2024 extending the time for compliance to 31 March 2025, and obliging the borrower to procure a mortgage in the amount of $20,000,000 charging the property of 2195186 Ontario Inc. (Envie I Project) and a guarantee from 219586 Ontario Inc. up to that amount, limited in recourse to its property. This further mortgage was a condition precedent to the second forbearance extension. As the mortgage was never received, CMLS takes the position that the second forbearance extension has not taken effect.

[18] When the original forbearance agreement was entered into, the borrower also provided a consent to a receivership in respect of the REStays property in the event that the borrower failed to refinance by the specified deadline. But for the stay of proceedings pursuant to the initial order, CMLS takes the position that the receiver consent that it obtained could have been activated.

[19] As at August 2024, Ashcroft Urban Developments indirectly paid the salaries of 53 employees through a related company, Ashcroft Homes – Central Park Inc.

2067166 Ontario Inc. (Park Place Senior)

[20] A first ranking mortgage was provided in November 2022 by ACM Advisors Ltd. (“ACM”), with a principal amount of $21,000,000. Security for this loan was agreed to be cross-defaulted and cross-collateralised with security under a parallel loan being provided to 2265132 Ontario Inc. (Ravines Senior). Institutional Mortgage Capital Canada Inc. (“IMC”) holds a second ranking mortgage, originally for the principal amount of $11,500,000 with 2265132 Ontario Inc. (Ravines Senior) as co-borrower and jointly and severally liable under the loan agreement. As of the end of October 2024, the balance of the combined debts secured by these mortgages stood at $26,396,895. As at 16 October 2024, this borrower had other outstanding obligations of $551,590, including $391,590 in property tax arrears.

[21] On 19 July 2024, a demand letter and notice of intention to enforce security under s. 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, was sent to 2067166 Ontario and to related guarantors in respect of the Park Place mortgage.

[22] On 5 November 2024, the parties entered into a forbearance agreement. Conditions precedent to ACM’s forbearance obligations included the execution of forbearance agreements between ACM and 2265132 Ontario Inc. (for Ravines Senior) and 2195186 Ontario Inc. (for Envie I). At the time of the initial order in this proceeding, negotiations with respect to the finalisation and execution of those other forbearance agreements were ongoing.

[23] As at August 2024, 2067166 Ontario Inc. paid the salaries of 38 employees directly, and paid 50% of the salaries of five management staff through 1230172 Ontario Inc. for Park Place Retirement.

2139770 Ontario Inc. (Ravines Retirement)

[24] Central 1 Credit Union provided mortgage financing on 16 March 2015 for the principal amount of $27,500,000, which was extended to $43,500,000 on 15 October 2019. The balance of the loan debt at the end of October 2024 was $38,173,696. The loan was scheduled to mature on 24 November 2024.

[25] The borrower has other outstanding obligations totalling $1,292.300, of which $406,300 is in property tax arrears, $394,000 in debts to various vendors, and $492,000 for income tax.

[26] On 9 August 2024, Central 1 issued a final demand to 2139770 Ontario Inc. as borrower, and to Mr. Choo as guarantor, demanding payment of $38,373,232.02 by 19 August 2024. Central 1 issued a notice of application to appoint a receiver with the demand correspondence.

[27] On 25 September 2024, a forbearance agreement was signed in relation to the Central 1 loan. On 7 October 2024, Central 1 issued an amended notice of application to appoint a receiver over the property, assets and undertakings of 213977 Ontario Inc. That application was heard by Regional Senior Justice MacLeod on 17 October 2024 and resulted in the issuance of a decision

on 29 October 2024, granting a postponement of the receivership application upon compliance by 2139770 Ontario Inc. with court imposed terms, together with the other terms of the forbearance agreement: *Central 1 Credit Union v. 2139770 Ontario Inc.*, 2024 ONSC 5988.

[28] As at August 2024, 2139770 Ontario Inc. paid the salaries of 100 employees directly, including salaries of management staff for the Ravines community, which are shared equally between 2139770 Ontario Inc. for Ravines Senior, and 2265132 Ontario Inc. for Ravines Retirement.

2265132 Ontario Inc. (Ravines Senior)

[29] This is another of the properties financed by ACM and IMC. As of the end of October, the net debt on the Ravines Senior loans was $45,234,932. Other outstanding obligations of the borrower totalled $473,000 as of 16 October 2024, including $330,000 in property tax arrears.

[30] On 19 July 2024, a demand letter and notice of intention to enforce security under s. 244 of the *Bankruptcy and Insolvency Act* was sent to 2265132 Ontario Inc. and its related guarantors in respect of the Ravines Senior mortgage.

[31] On 5 November 2024, the parties entered into a forbearance agreement, one of the conditions precedent to ACM's forbearance obligations being the execution of forbearance agreements between ACM and, *inter alia*, 2195186 Ontario Inc. (Envie I). That forbearance agreement had not yet been finalised and executed at the time of the initial order.

[32] As at August 2024, 2265132 Ontario Inc. paid the salaries of 41 employees directly, plus 50% of the costs of the management staff whose salaries are paid directly by 2139770 Ontario Inc. (Ravines Retirement).

Ashcroft Homes – La Promenade Inc. (Residences Promenade Seniors Suites)

[33] The borrower obtained mortgage finance from IMC on 24 September 2024 for an initial advance of $37,000,000 and a maximum loan amount of $42,000,000. An extension of the loan agreed on 22 December 2022 provided for maturity on 1 February 2024. The loan has not been repaid and the balance, as at the end of October 2024, is said to be $37,000,000.

[34] On 29 October 2024, Ashcroft Homes – La Promenade became guarantor on a $17,800,000 credit facility from Pillar Capital Corp. to another company in the Ashcroft Homes Group, 2181291 Ontario Inc. IMC was asked for its consent to the credit arrangement made with Pillar, but had not provided that consent at the time that credit facility was entered into.

[35] As at August 2024, Ashcroft Homes – La Promenade paid the salaries of 41 employees directly and paid for 50% of the salaries of five management staff with 1971446 Ontario Inc. for Promenade Retirement.

2195186 Ontario Inc. (Envie I)

[36] The first mortgage on this property was provided by Peoples Trust Company for the principal sum of $55,634,035, maturing 1 March 2028. A second priority loan was obtained from ACM Commercial Mortgage Fund in the principal amount of $11,200,000. As of the end of October 2024, the current balance of those loans was $57,853,430.

[37] The property is currently listed for sale. According to Mr. Choo, based on the broker's underwriting value, the net equity after all closing costs and repayment for secure debts is expected to be in excess of $50,000,000. There are, however, other outstanding obligations, totalling $7,480,470, of which $7,210,000 is said to be owing to the Canada Revenue Agency (although this debt is contested and listed for hearing in the Tax Court of Canada in 2025).

[38] As of August 2024, 2195186 Ontario Inc. paid the salaries of 47 employees through Ashcroft Homes – Central Park Inc.

Ashcroft Homes – Capital Hall Inc. (Envie II)

[39] This borrower obtained first mortgage financing from Equitable Bank on 1 September 2022 in the amount of $23,200,000. The current balance of the loan as at October 2024 is $23,200,000 plus outstanding interest of approximately $800,000.

[40] Equitable Bank issued a letter of demand on 9 October 2024 demanding payment of $24,296,447 forthwith and serving a notice of intention to enforce security. The loan is set to mature in January 2025.

1019883 Ontario Inc. – Head Office

[41] On 21 April 2022, 1019883 Ontario obtained mortgage financing from Canadian Western Bank ("CWB") in the amount of $4,500,000. The current debt owing on the loan is $4,134,370. There is also a lien registered on the title of the property for $1,029,987 in favour of the Canada Revenue Agency.

[42] On 16 August 2024, Canada Western Bank wrote to the borrower advising of defaults under the loan, including in respect of reporting requirements and payments of principal and interest. On 19 November 2024, Canada Western Bank offered to amend the loan terms with payment required in full by February 2025, approximately two years before the loan was set to mature.

[43] CWB sent a letter to 1019883 Ontario on 19 November 2024 advising that it wished to exit its banking relationship and proposing to amend its commitment letter. That proposed amending agreement was signed back by Mr. Choo (on behalf of 1019883 Ontario Inc. and as personal guarantor and, on behalf of Ashcroft Homes Inc., as corporate guarantor) on 29 November 2024, four business days before the applicants applied for CCAA protection. On 11 December 2024, CWB made a written demand for repayment of the indebtedness and provided 1019883 Ontario with notice of its intention to enforce CWB's security pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

[44] As of October 2024, there were 50 employees providing support and administrative services to the Ashcroft Homes Group, including administration, finance and accounting, marketing and sales, human resources, payroll and construction management services.

<u>CCAA Application</u>

[45] The notice of application in this matter was filed with the court on 3 December 2024.

[46] The affidavit of Mr. Choo, filed in support of the application, explained how, beginning in early 2023, the applicants had begun working with their lenders in an effort to address developing liquidity shortfalls. While some of those discussions had been successful, others had not. Ongoing cross-collateralisation requirements and pressure from existing lenders for more security, were stressing the projects. Further, what were described as significantly enhanced reporting requirements to lenders under forbearance terms had added a further burden on the applicants' infrastructure.

[47] The applicants proposed the appointment of Grant Thornton Limited as Monitor and Hawco Peters and Associates Inc. ("Hawco Peters") as Financial Advisor. In addition to a stay of proceedings against the applicants, stays were also sought in respect of certain "Additional Stay Parties" (all either affiliates, or directors and officers of one or all of the applicants).

[48] The applicants also sought approval of an initial Administration Charge up to a maximum amount of $200,000 over the applicants' properties to secure the fees and disbursements of the Monitor, the Financial Advisor, and their – and the applicants' – respective lawyers, to rank in priority after the existing secured lenders of any applicants in respect, and to the extent, of such lender's registered mortgage; and any taxing authority in respect, and to the extent, of such authority's statutory charge.

[49] Under the proposal, Mr. Choo would provide a debtor-in-possession credit facility (the "DIP Facility") of $1,500,000 without fees or interest, and with the proviso that the DIP lender's charge would rank in priority behind the securities of the secured lenders, any taxation authority to the extent of their statutory charge, and the Administration Charge, and would not secure obligations prior to these proceedings.

Initial Order Hearing

[50] Counsel for the applicants, for the proposed monitor, and for Central 1, appeared by video conference at 2:00 p.m. on 5 December 2024 (although in the case of counsel for Central 1, she advised that she had received less than an hour's notice of the hearing).

[51] At the 5 December hearing, counsel for the applicants advised the court that it had been his intention to get application materials out to the affected parties earlier in the week. However, this had been thwarted by the need for the proposed monitor to clear a potential conflict of interest, which had only been achieved shortly before the hearing began. As a result, for all intents and purposes, the initial order hearing proceeded *ex parte*.

[52] The applicants submitted that the CCAA proceedings and the stays of proceedings sought were the only viable means by which the applicants' businesses could be preserved and maximised for the benefit of all of the applicants' stakeholders, including not only secured lenders and other creditors, but also over 1,000 residents in the communities, over 500 employees, and the equity holders. Counsel described the relief sought as "surgical", only doing what was necessary, in order to preserve the *status quo* and continue the businesses in the ordinary course and to enable the applicants' retained financial advisors, Hawco Peters, to continue their work assisting the applicants with the financing and restructuring efforts. The court was advised that none of the secured creditors would be primed by the proposed arrangements. Nor, it was submitted, were the applicants seeking to "get a jump" on any of the secured lenders.

[53] The applicants had retained Hawco Peters on 26 July 2024 to assist in the sourcing and securing of additional capital for refinancing and restructuring within the Ashcroft Homes Group (including the applicants), and to provide advisory services, and sought a continuation of that retainer during the CCAA creditor protection process.

[54] After hearing the submissions of counsel, reviewing the materials filed, and considering the jurisdiction provided to the court by s. 11.02 of the CCAA to impose a stay of proceedings for a period of not more than ten days if satisfied that circumstances exist to make that order appropriate, I made the initial order as requested, setting a comeback date of 12 December 2024. I was satisfied that the applicants were insolvent and had liabilities in excess of $5 million and therefore eligible for the protection afforded by the CCAA. My order included, for the reasons articulated by this court in *Timminco Limited (Re)*, 2012 ONSC 506, at para. 66, provision for a charge over the applicants' property in the amount of up to $200,000, to secure the professional fees and disbursements of the proposed monitor, along with the lawyers of the Monitor, the lawyers of the applicants, and the Financial Advisors.

Comeback Hearing

[55] At the comeback hearing, the applicants sought an extension and expansion of the relief provided under the initial order to facilitate and advance the CCAA proceedings, through an ARIO providing, among other things, for:

a. Extension of the initial stay period up to and including 21 February 2025;

b. Authorising, but not requiring, the applicants to pay, with the consent of the Monitor, certain amounts owing for goods and services supplied to the applicants prior to the date of the initial order;

c. Expanding the applicants' restructuring authority, and the respective ability of the Financial Advisor and the Monitor, to assist with the applicants' restructuring efforts, beyond the limited required relief included in the initial order to ensure the applicants' ability to make payments and enter into contracts necessary to continue the normal course of operations and complete, or otherwise deal with, the applicants' projects;

d. Granting the applicants the right to:

   i. Dispose of redundant or non-material assets not exceeding $20,000 in any one transaction, or $100,000 in the aggregate;

   ii. Close the sale of any residential and commercial units to arm's length third parties for fair market value in the ordinary course of business, subject to the approval of the Monitor;

   iii. Continue or establish such listings for sale of subject properties for fair market value in the ordinary course of business, subject to the approval of the Monitor;

   iv. Enter into any new contractual arrangements for sale and thereafter close the sale of, parts of any property to arm's length third parties for fair market value in the ordinary course of business, which the applicable secured lender(s) and the Monitor, each acting reasonably, deem necessary or appropriate;

   v. List the whole of the Envie II property for sale on such terms and conditions as may be agreed by the secured lender, Equitable Bank, and the Monitor;

   vi. List the whole of the Promenade Seniors' Suites property for sale, separately or in conjunction with the property owned by affiliated corporation 1971446 Ontario Inc., at 110 Rossignol Drive, Ottawa (the Promenade Retirement Residence property) on such terms and conditions as may be agreed to by Ashcroft Homes-La Promenade Inc. (a secured lender to the Promenade Seniors' Suites property) and the Monitor;

e. Continuing the appointment of Hawco Peters and Associates Inc. as financial advisor to the applicants until further order of the court and securing the financial advisor's fees and costs under the Administration charge;

f. Approving the applicants' ability to borrow under a DIP Facility to be provided by Mr. Choo to finance their work and capital requirements and other general corporate purposes, post-filing expenses and costs, including granting a charge over the property to secure all amounts advanced under the DIP Facility;

g. Increasing the maximum amount of the Administration Charge from $200,000 to $700,000;

h. Approving milestones to advance the refinancing of the Ravines retirement residence to allow all indebtedness to be paid out to Central 1 by 30 June 2025; and

i. To seek such advice and direction as the applicants may advise to address issues concerning specific projects.

<u>Applicants' Position</u>

[56] The applicants are clear about their purpose in seeking CCAA protection:

> Here, the Stay of Proceedings is intended primarily to stay and prevent enforcement action that has and will be taken by the Secured Lenders and potentially other creditors. The Stay of Proceedings will preserve the *status quo* and afford the Applicants the breathing space and stability required to advance their restructuring efforts, in consultation with the Financial Advisors, including seeking approval of a DIP, further developing strategies to increase occupancy levels and/or sales of properties, exploring other restructuring alternatives and/or developing a plan of compromise or arrangement.

[57] The applicants further submit that the continuation of the creditor protection provided for under the initial order is essential, having regard to the current financial circumstances of the applicants; the "devastating effects" that bankruptcy, liquidation or uncoordinated enforcement actions would have on the projects and their residents, employees and other stakeholders; and, the value and potential value of each project and for the head office company to the applicants and the Ashcroft Homes Group as a whole.

[58] The applicants claim that, with the assistance of Hawco Peters, they have sourced replacement funding for two of the group's projects (non-applicant affiliates) and "anticipate" receipt of multiple term sheets by mid-December with a cumulative value in the range of $100,000,000 to $230,000,000 to replace multiple lenders. The stated goal and structure of this financing is to provide the applicants with sufficient time to complete started projects, improve occupancy numbers and "settle the waters currently muddied with demands and forbearances". The applicants continue:

> It is envisaged that this strategy will allow sufficient time to allow for the continued sell down of assets which will further deleverage the Ashcroft Homes Group, including the Applicants, and with the continuation of reducing interest rates will lead to traditional long term financing for the remaining real estate portfolio.

[59] According to the applicants, since the initial order was made, they have engaged in communication with various parties, including the secured lenders, either directly or through lawyers and the Financial Advisor related to:

a. Continuing commitment to a timeline for refinancing to allow Central 1 to be paid out and exit as secured lender to 2139770 Ontario Inc. (Ravines Retirement);

b. The proposed sale of the Promenade properties together and as a going concern with the secured lender to AH Ashcroft Homes – La Promenade, IMC, and the secured lender to 197446 Ontario Inc. (RBC); and

c. With CMLS on the REStays loan and in relation to the sale of the whole of the Envie II property.

[60] The applicants argue that the extension of the stay of proceedings will preserve the *status quo* and allow them to, among other things:

a. Operate the business in the ordinary course without disruption;

b. Avoid uncoordinated and stress sales or forced liquidations of the subject properties and projects, which would be value deteriorative and contrary to the best interests of the applicants' stakeholders, employees, tenants and other residents;

c. Preserve their existing tenant relationships and protect such tenants from "forced entries and other improper and disruptive conduct which might be taken by or on behalf of aggressive lenders";

d. Continue to pursue compensatory financing, sale and restructuring transactions capable of underpinning a consensual plan of compromise or arrangement and advance ongoing discussions related thereto, free of interruption caused by enforcement actions against the applicants and/or the properties; and

e. Continue to liaise with the secured lenders and other stakeholders in relation to the foregoing efforts, and also with the secured lender to the Promenade Retirement Residence property in relation to the proposed sale of the Promenade properties.

[61] Anticipating (and then responding to) opposition by a number of the secured creditors to restructuring proceedings under the CCAA, the applicants argue that the proposed extension of the stay of proceedings is appropriate given that:

a. Since the granting of the initial order they have acted in good faith and with due diligence to stabilise and continue the ordinary course operations of the businesses, to develop strategies, increase occupancy levels, and advance their restructuring objectives;

b. It is desirable to prevent uncoordinated and value destructive enforcement efforts by the secured lenders;

c. The CCAA process will best facilitate the maintenance of the residential communities, facilities and services comprising the projects (as compared to uncoordinated enforcement actions, such as the appointment of separate receivers to individual applicants and their projects, which will come at significant social and economic costs in the circumstances);

d. There is very significant equity in each of the properties, and therefore no risk that secured lender funds will not ultimately be recoverable;

e. The capital of the secured lenders will not be tied up for a longer period of time under the CCAA (as compared to receivership, having regard in particular to the sales and refinancing strategies already under way on behalf of the applicants);

f. The costs of up to eight separate receivers to the applicants and their respective advisors will far outweigh the costs of the continuing appointment of the Monitor and the Financial Advisor under the CCAA;

g. The stay of proceedings will preserve the *status quo* and afford the applicants “the breathing space and stability” required to continue the businesses in their ordinary course operations;

h. A stay is necessary to enable the continuations of engagement with the secured lenders and other stakeholders;

i. The revised cash flow forecast prepared by the Monitor demonstrates that the applicants, separately and together, have sufficient liquidity to fund their obligations and the costs of the CCAA proceedings; and

j. The Monitor is supportive of the proposed extension and stay of proceeding.

The Position of the Secured Lenders

[62] All but one of the secured lenders responding to the comeback motion oppose continuation of CCAA protection.

[63] ACM, CLMS Financial Ltd., Equitable Bank and IMC hold, between them, approximately $194,000,000 in secured debt, representing 68% of the total. Each of these lenders seeks the appointment of KSV Restructuring Inc. (“KSV”) as interim receiver.

[64] CWB also supports the ACM motion and the appointment of KSV as interim receiver.

[65] Collectively, I will refer to ACM, CLMS Financial Ltd., Equitable Bank, IMC and CWB as the “ACM Group”.

[66] Central 1, representing another approximately $38,000,000 of secured debt, supports the ACM Group, but with BDO Canada Limited as receiver and manager, as previously directed by MacLeod RSJ.

[67] The ACM Group and Central 1 together represent $232,000,000, or 84%, of the applicants’ secured indebtedness.

[68] Peoples Trust, as the first priority lender on the Envie I project, does not oppose the CCAA order sought. The Envie I property is in the midst of a sale process. Peoples Trust’s main concern is that whatever is determined appropriate by the court should not impede that sale. Accordingly, so long as Peoples Trust continues to receive monthly payments, it sees no reason to oppose the creditor protection that has been sought.

[69] The ACM Group argued that the test established by s. 11.02(2) has not been met. Section 11.02(2) provides that the court may extend a stay order for any period necessary, if the court is

satisfied that: (a) circumstances exist to make the order appropriate; and (b) the applicants have acted, and are acting, in good faith, and with due diligence.

[70] In respect of the first of these elements, the secured creditors say that it is unusual (although not completely unheard of) to order creditor protection under the CCAA for real property-centric entities, due to the nature of their security structures and operations. Rather, those entities and their stakeholders more commonly benefit from simpler receivership proceedings.

[71] On the second element, the secured lenders assert that the applicants proceeded to obtain a stay without notice to their major lenders, representing a marked departure from usual restructuring practices and the applicants' obligations under the CCAA to act in good faith and with diligence. These concerns were compounded by the failure of the applicants to serve their comeback hearing materials until less than 24 hours before the comeback hearing.

[72] Just as the making of orders under s. 11.02 of the CCAA are discretionary, so is the appointment of a receiver. Section 101 of the *Courts of Justice Act* provides that the court may appoint a receiver where it is just or convenient to do so. While a court must have regard to all of the circumstances when determining whether it is appropriate to appoint a receiver, the applicants submit that particular regard is to be had to the nature of the property and the rights of interests of all parties in relation thereto: *Bank of Nova Scotia v. Freure Village on Clair Creek*, 1996 CanLII 8258 (ON SC). Accordingly, as Osborne J. observed in *Antibe Therapeutics Inc. (Re)*, unreported, 22 April 2024, at para. 59:

> [W]here…there are competing applications for a continued insolvency proceeding under the CCAA, or the appointment of a receiver, the Court must consider all of the relevant factors in the exercise of its discretion to determine the most appropriate path forward.

[73] The secured creditors focus on a number of points, which they ask the court to consider in the exercise of its discretion.

[74] First, the proposed interim receiver, KSV, is already providing financial advice to CMLS Financial Ltd. regarding its loans to Ashcroft Urban Developments Inc. and has also provided advisory services to IMC in respect of its mortgages registered on title to certain of the applicants' real properties. KSV has ongoing experience as the receiver and manager of a seniors' residence in Oshawa, Ontario, where it has worked with a specialist property manager, Brightwater Senior Living Group LLC, to stabilise the performance of the seniors' residence and improve its financial results. If appointed as interim receiver of the Ashcroft entities, KSV intends to engage Brightwater to review and oversee the operations of the retirement properties owned by the applicants. With respect to the student housing residences, KSV intends to engage Varsity Properties Inc. to oversee their operations, having previously worked with Varsity on a prior student residence receivership in Kingston, Ontario. KSV's plan envisages similarly engaging a party with expertise in the hospitality sector to review and provide recommendations on improving the performance of the hotel property owned by Ashcroft Urban (REStays).

[75] The secured creditors contrast KSV's plan with what they describe as the absence of a restructuring pathway put forward by the applicants. To the extent that there is a path forward by the applicants, it comprises what the secured creditors consider to be unrealistic marketing plans. Furthermore, the cash flow projections provided by the monitor show that after thirteen weeks, there would be almost no DIP financing left.

[76] Another concern is that the values relied upon by the applicants are based on what the secured lenders regard as obsolete appraisals, some dating as far back as 2017. For example, in relation to the Park Place property, while Mr. Choo claims that there is $24.6 million of net equity after secured debt, the secured lender, ACM's internal valuation estimates reflect that there may not be any equity in that property.

[77] Second, and closely connected to the secured lenders' misgivings about the lack of a cogent road map for the restructuring, is a mounting loss of confidence in the applicants' management.

[78] For example, Promenade Senior Suites, a relatively new senior suite facility built in 2020, has a 65% occupancy rate. Yet the appraisal relied upon by the applicants assumes a stabilised 90% occupancy rate.

[79] There have also been regulatory and reputational concerns, and associated negative publicity, with respect to the management and operation of the Ashcroft seniors' and retirement facilities.

[80] The secured creditors say that trust has also been undermined as a result of what they regard as a lack of candour and straight dealing. IMC offers two examples.

[81] IMC had asked Ashcroft to keep it apprised about material developments on Ashcroft's whole portfolio of assets. IMC expressed concern when it was informed by Ashcroft that Central 1 was proposing a forbearance agreement or a receiver on the $43,000,000 facility related to the Ravines Retirement project. Significantly, Ashcroft did not disclose to IMC that one of the conditions of the forbearance agreement proposed by Central 1 was that La Promenade was to sign as a guarantor of the outstanding $38,000,000 in debt owed by Ashcroft to Central 1. Notwithstanding IMC's known concerns, Ashcroft then entered into a forbearance agreement with Central 1, doing so without notice to or approval of IMC, and contrary to Ashcroft's loan agreement with IMC.

[82] Subsequent to that, Ashcroft caused La Promenade to be amalgamated with another Ashcroft-controlled entity, again without IMC's consent (Ashcroft did originally request IMC's consent, which it knew was contingent upon completion of due diligence, but, when told by IMC on 25 October 2024 that providing the consent by a drop-dead date of 31 October was unrealistic, Ashcroft immediately proceeded, the same day, with the amalgamation). The secured lenders' concerns were further deepened by the immediate pre-filing conduct (i.e., lack of notice) of the applicants, to which reference has already been made.

[83] There are also claims that Ashcroft has exaggerated occupancy rates of some of the subject buildings. For example, ACM claims that on 18 September 2024, Ashcroft reported that Envie I

was 80% leased but when ACM's Vice-President – Investments toured Envie I on 18 November 2024, the property manager advised that the building was only 70%-73% leased.

[84] A third generalised cause for concern is that proceeding without sensitivity to the legal and practical separation between each of the eight projects, and their isolated contractual relations with the lenders, will prejudice the secured creditors.

[85] Although the applicants assert that each of the projects is managed separately, with segregated operations, including bank accounts, books and records, and assets, and with intercompany transactions effected at arm's length, the merger of the properties into what the secured creditors call an "asset melting pot" under the CCAA order, would force lenders to rescue properties to which they had no contractual relation.

[86] Despite the involvement, since August, of Hawco Peters, the investment advisors' efforts have not, to date, contributed to meeting the applicants' obligations to their secured lenders. Furthermore, the engagement of Hawco Peters relates to projects both outside and within the CCAA application.

[87] While the applicants' draft proposed ARIO has been amended to respond to the secured creditors' concerns about the lack of ringfencing on a project by project basis (a provision has been added which would prevent the applicants from making payments or other transfer of assets to any affiliated entities or related parties), as well as to limit the engagement of Hawco Peters to the applicants only, the secured creditors remain concerned that their interests will be prejudiced as a result of effected *de facto* extensions of their loan or forbearance agreements, coupled with a concomitant loss of ability to control the process and the possibility that their loans may not be fully covered by the projects they are secured against.

[88] Fourth, factors which might otherwise favour a CCAA process are, at best, neutral in the present case. There is no clear threat to the employees of the applicants. There are no duelling receiverships. The suggestion by Mr. Choo that tenants need to be protected from forced entries and disruptive conduct which might be taken by or on behalf of aggressive lenders is strongly refuted by the secured creditors.

[89] Finally, the secured creditors do not share Mr. Choo's belief that the prospects of successful refinancing, sale and restructuring efforts will be enhanced by providing CCAA protection. Some of the creditors are sanguine about the state of distress in the current commercial real estate market in general, and the Ottawa area market in particular.

[90] Ishbel Buchan, the Executive Vice President – Investments at ACM deposes that:

> ACM, and many other lenders I have spoken to, are dealing with multiple distressed assets. These lenders have in many instances, elected to make efforts to negotiate out-of-court arrangements with their commercial mortgage borrowers, similar to how ACM has unsuccessfully attempted to resolve matters with the Ashcroft.

She continues:

> Not surprisingly, the challenging macro-economic factors and market conditions described above have had a snowball effect where the relatively high number of distressed real assets has further led to depressed valuations and sales volumes. For example, Bobby Kofman of KSV, the proposed interim receiver, has advised me that in KSV's experience as the court-officer of dozens of real property projects across Canada, real property valuations are currently impaired, and transactions are limited, except at distressed pricing, including for industrial, development, residential, multi-family and hospitality properties.

Ms. Buchan concludes by stating that ACM is concerned that its secured indebtedness in relation to the Ashcroft projects will similarly be affected by the current state of the commercial real estate market in terms of property values and related sales velocity, such that the properties may sell for "significantly below estimated values and/or take much longer to sell than anticipated".

[91] Ultimately, the secured creditors regard the applicants as having sought CCAA protection in order to buy time to continue their hitherto ineffective attempt to raise meaningful amounts of new funding.

Discussion

[92] As D. M. Brown J. observed in *Romspen Investment Corporation v. 6711162 Canada Inc.*, 2014 ONSC 2781, at para. 61, both an order appointing a receiver and an initial order under the CCAA are highly discretionary in nature, requiring the court to consider and balance the competing interests of the various economic stakeholders. The specific factors taken into account by the court will, as a consequence, vary from case to case.

[93] Further, and as noted by Justice Osborne in *Antibe Therapeutics*, at para. 55:

> In making a determination about whether it is, in the circumstances of a particular case, just or convenient to appoint a receiver, the Court must have regard to all of the circumstances, but in particular the nature of the property and the rights and interests of all parties in relation thereto: *Bank of Nova Scotia v. Freure Village on the Clair Creek*, 1996 O.J. No. 5088, 1996 CanLII 8258.

No Presumption in Favour of Receivership

[94] Although, as commentators have observed, there is a presumption among insolvency practitioners that, when it comes to real property, in a contest between a receivership and the CCAA, the receivership is bound to emerge victorious (see Jeremy Opolsky, Jacob Babad and Mike Noel, *Receivership versus CCAA in Real Property Development: Constructing a Framework for Analysis* (2020), 18 Annual Review of Insolvency Law 199, 2020 CanLIIDocs 3602), there is no hard and fast rule to that effect. The nature of the security and the secured creditor's views are not fully determinative of whether a CCAA proceeding will be preferred: *BCIMC Construction Fund Corporation v. The Clover on Yonge Inc.*, 2020 ONSC 1953, per Koehnen J. at para. 104.

The Secured Creditors' Opposition

[95] As is the case in many real estate driven CCAA proceedings, the secured creditors see little incentive for surrendering control over the process of enforcing their security. Circumstances similar to those in the present case pertained in *Octagon Properties Group Ltd. (Re)*, [2009] A.J. No. 936 (Q.B.), where, at para. 17, Kent J. observed:

> This is not a case where it is appropriate to grant relief under the *CCAA*. First, I accept the position of the majority of first mortgagees who say that it is highly unlikely that any compromise or arrangement proposed by Octagon would be acceptable to them. That position makes sense given the fact that if they are permitted to proceed with foreclosure procedures and taking into account the current estimates of value, for most mortgagees on most of their properties they will emerge reasonably unscathed. There is no incentive for them to agree to a compromise. On the other hand if I granted *CCAA* relief, it would be these same mortgagees who would be paying the cost to permit Octagon to buy some time. Second, there is no other reason for *CCAA* relief such as the existence of a large number of employees or significant unsecured debt in relation to the secured debt. I balance those reasons against the fact that even if the first mortgagees commence or continue in their foreclosure proceedings that process is also supervised by the court and to the extent that Octagon has reasonable arguments to obtain relief under the foreclosure process, it will likely obtain that relief.

[96] It is noteworthy that in the present case, fully 84% of the secured creditors not only oppose the CCAA relief sought, but have combined to put forward the nomination of a common receiver to assist with the enforcement of their security. This arrangement significantly dilutes the force of the argument advanced by the applicants that the costs of up to eight separate receivers and their respective advisors will far outweigh the costs of continuing with the appointment of the Monitor and the Financial Advisor under the CCAA. It also renders as far less likely the prospect of "uncoordinated and stress sales or forced liquidations of the subject properties and projects".

Is There a Clear Plan?

[97] In their article *Receivership versus CCAA in Real Property Development: Constructing a Framework for Analysis*, Opolsky *et al.* express the following observation, based on a review of real-estate driven CCAA cases:

> An important consideration for the courts in granting a CCAA is the feasibility of a resolution under that CCAA proceeding. If the chances of a successful proposal are low, then a court may decide to order a receivership rather than spend time on a failed CCAA.

[98] The evidence and submissions put forward on behalf of the applicants have a distinctly aspirational quality. Their message is one of hope, despite the failures of the past eighteen months. The appointment of the Monitor to steady the ship, and bring order to the process of holding the

secured creditors at bay will, they hope, allow for a coordinated process, that maximises value and best serves the interests of all concerned parties.

[99] While there is a superficial attraction to the proposition that the applicants, with the assistance and guidance of the Monitor and the Financial Advisor, will succeed in the coming months, the applicants' plans, such as they are, appear to largely rest on a more benign interest rate environment, a more active property market, and improving occupancy rates. Despite changes in the interest environment in the year to date and well publicised public concerns about a lack of affordable housing, the applicants' malaises continue.

[100] I find myself more inclined to the view that the applicants are simply buying time ("[i]t is envisaged that this strategy will allow sufficient time to allow for the continued sell down of assets which will further deleverage the Ashcroft Homes Group, including the Applicants") and not much more.

[101] Specifically, I see nothing markedly better in the plans put forward by the applicants than those articulated by the secured creditors. Indeed, if anything, the plan put forward by KSV, the proposed interim receiver, has more substance, including the engagement of specialist property managers operating in the retirement residence and student residence markets in Ontario.

Confidence in Management

[102] The refrain that secured creditors have "lost confidence in management" of debtor companies is a familiar one in CCAA proceedings. This matter is clearly no exception.

[103] For at least eighteen months or more, the applicants have been engaged in an ongoing juggling act with their secured creditors, culminating in their current insolvent positions.

[104] Furthermore, a number of the secured creditors have raised concerns about the some of the cross-default and cross-collateralisation arrangements that have been made, as well as about the applicants' honesty and forthrightness in their dealings with the secured creditors. These concerns were compounded by what the secured creditors regard as a failure of the applicants to give any notice of their intention to seek an initial order (followed by extremely short service of the materials supporting their motion for an ARIO).

[105] The experience of Central 1 is perhaps indicative. Central 1 commenced receivership proceedings. There was a contested application heard by MacLeod RSJ. He found that it was apparent that the debtor – 2139770 Ontario Inc. – had not been able to comply with all of the terms of the forbearance agreement it had entered into, and that the defaults were not trivial. The debtor had failed to deliver "important information by the deadline it agreed to". He granted a postponement of the receivership order on strict terms, failing which the receivership order "will be made". Despite this, Central 1 complains that there have been numerous further breaches of the terms ordered by MacLeod RSJ. They say that the debtor failed to execute collateral security documents, and refused to pay the professional fees incurred under the forbearance agreement. On 2 December 2024, Central 1's lawyers requested an urgent return of the receivership application. The apparent response to that was the commencement of this proceeding, with the resultant affect

of securing a stay of Central 1's receivership proceeding, a stay that it seems highly unlikely could have been obtained in the receivership proceeding itself.

[106] While I would not subscribe to the view that the applicants have acted in bad faith, the secured creditors' expressed lack of confidence in management is understandable.

Outdated Appraisals

[107] The appraisals supporting Mr. Choo's stated valuation of the respective properties vary in their antiquity. The most dated appraisal is from 2017. None of them are from 2024. According to Ms. Buchan of ACM, once an appraisal is aged more than a few months, it is typically no longer relevant given various factors, including macro-economics and market conditions. This is particularly pertinent given the current level of distress in the commercial real estate market.

[108] The applicants concede that some of the appraisals are dated, but nevertheless maintain that they are reliable evidence of the value of the various properties and that, even allowing for some diminution of value due to the state of the current commercial property market, all of the properties have more than adequate net equity and, thus, that the CCAA proceeding poses little risk that the secured creditors will not fully realise their security.

[109] If the concerns about the true value of the properties were the only major objection of the secured creditors, it would probably not be enough to carry the day in favour of the receivership applications. However, viewed alongside other considerations, the concerns about valuation are yet another weight pulling on the receivership side of the scale.

Conclusion

[110] All of the parties agree that there is a need to stabilise the applicants' businesses. The question is whether that is best achieved through a receivership or a CCAA proceeding.

[111] The secured creditors have lost patience with the management of the applicants. Despite having brought on board investment advice from Hawco Peters, progress has been modest. Expectations that term sheets will shortly be presented for refinancing have yet to be realised. Unpaid taxes have mounted. Unsecured creditors have gone unpaid. Occupancy rates have remained sub-optimal. Regulators have even become involved due to concerns about the way in which one of the retirement residences is being run, with attendant poor publicity and reputational damage.

[112] Secured creditors representing 84% of the secured debt oppose the CCAA application. With the exception of Central 1, they all propose to use the same receiver. Their collaborative approach largely neutralises the usual concerns that an applicant for CCAA protection raises concerning uncoordinated and stress sales or forced liquidation. Nor is there any convincing evidence that the remedy proposed by the secured creditors will damage the interests of employees or tenants.

[113] The receivership remedy gives effect to the bargain made between the secured lenders and the applicants, and transfers control of the process from debtors in whom confidence has been lost

to creditors who should be entitled to make good on their security while there are still good prospects of them being made whole.

[114] Mr. Choo candidly acknowledges that the applicants have found themselves in a "difficult position to address their current liquidity obligations". Yet, to use the terminology of C. Campbell J. in *Dondeb Inc. (Re)*, 2012 ONSC 6087, at para. 25, to some extent the applicants have, by the manner in which they have (sometimes chaotically) played insolvent projects and their secured creditors off against each other and eroded the confidence of the creditors, been the authors of their own misfortune.

[115] It could, potentially, have been otherwise. Counsel for Peoples Trust submitted that one option that could have been considered would be to impose a shorter stay of proceedings to see if the other parties' concerns about the applicants' proposal could be resolved by the monitor, perhaps with a "super monitor order" to allay concerns about the applicants' management continuing to have control of the restructuring. And in *Dondeb Inc.*, Campbell J. observed, at para. 26, that had there been full and timely communication both the creditors and the court may have concluded that an acceptable CCAA plan could be developed. Because of the way this application has unfolded, that has not occurred. With the benefit of hindsight, that might be seen by the applicants as a missed opportunity.

<u>Decision</u>

[116] For the foregoing reasons, the motion to extend the stay of proceedings granted by the initial order is dismissed. The motion made by ACM Advisors Ltd., and supported by CMLS Financial Ltd., Equitable Bank, Institutional Mortgage Capital Canada Inc. and Canadian Western Bank for the appointment of a receiver and associated relief is granted.

[117] The receivership order and transition order requested by Central 1, in accordance with the order of MacLeod RSJ in Court File No. CV-24-00097134-0000 is granted.

[118] If the parties are unable to agree on any of the terms of the orders resulting from this decision, I may be spoken to.

Graeme Mew J.

Mew J.

Released: 20 December 2024

CITATION: Ashcroft Urban Developments Inc. (Re), 2024 ONSC 7192
COURT FILE NO.: CV-24-98508
(Ottawa)
DATE: 20241220

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

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

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

Applicants

REASONS FOR DECISION

Mew J.

Released: 20 December 2024

APPENDIX C

Court File No. CV-24-00097134-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

CENTRAL 1 CREDIT UNION

Applicant

- and -

2139770 ONTARIO INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUTPCY AND INSOLVENCY ACT*, R.S.C. 1985 c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43 AS AMENDED

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

APRIL 7, 2025

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Appendix D	-	Receiver’s 245/246 Notice

CONFIDENTIAL APPENDICES

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

1.0 INTRODUCTION AND PURPOSE OF REPORT

1.1 Introduction

1.1.1 By way of an order of the Honourable Justice Mew of the Ontario Superior Court of Justice (the "**Court**") dated December 20, 2024 (the "**Appointment Order**"), BDO Canada Limited was appointed as the receiver ("**BDO**" or the "**Receiver**"), without security, of all the Property (as defined in the Appointment Order) of 2139770 Ontario Inc. ("**213 Ontario**", "**Ravines Retirement**" or the "**Company**"). A copy of the Appointment Order is attached hereto as **Appendix A**.

1.1.2 The Company, together with various related entities including, but not limited to, 2265132 Ontario Inc. ("**Ravines Senior**"), sought and obtained an order granting protection under the *Companies' Creditors Arrangement Act* on December 5, 2024 (the "**CCAA Proceedings**"). At the comeback motion held on December 12, 2024, several lenders opposed the continuation of the CCAA Proceedings and pursuant to the decision of the Honourable Justice Mew dated December 20, 2024 (the "**Decision**"), a copy of which is attached hereto as **Appendix B**, the Court dismissed the motion to extend the CCAA proceedings and issued the Appointment Order, among other orders appointing KSV Restructuring Inc. ("**KSV**") as interim receiver and subsequently receiver of Ravines Senior and 1384274 Ontario Inc. ("**138 Ontario**").

1.2 Background

1.2.1 Ravines Retirement owns and operates a 125-room retirement home from owned land municipally known as 626 Prado Private, Nepean Ontario (the "**Ravines Retirement Property**"). The Ravines Retirement Property, while a distinctly separate legal entity and municipal address, is intertwined with the neighbouring Ravines Senior. As outlined further herein, there are a number of shared staff and services between the two facilities, including the on-site management team, insurance coverage, phone system, and shared facilities (pool, nursing station, cinema, etc.) as well connecting above ground (1st floor) and underground corridors. Additionally, 138 Ontario owns the underground parking garage and above ground paved parking spaces (collectively the "**Parking Areas**") which are used by Ravines Retirement and Ravines Senior.

1.2.2 Overall, the Ravines Retirement Property is part of a parcel of land which comprises 5 separate PIN's associated with the site, each owned by a separate legal entity with shared roadways and parking (collectively the "**Ravines Campus**"), the shared use of which is subject to a Joint Use Management Agreement (the "**JUMA**").

1.2.3 The JUMA governs this arrangement, including maintenance, and access rights across multiple parcels. While the arrangement benefits residents (e.g., connected amenities), it adds complexity to any sale, as prospective buyers must also consider cross-easements and consistent management of shared components.

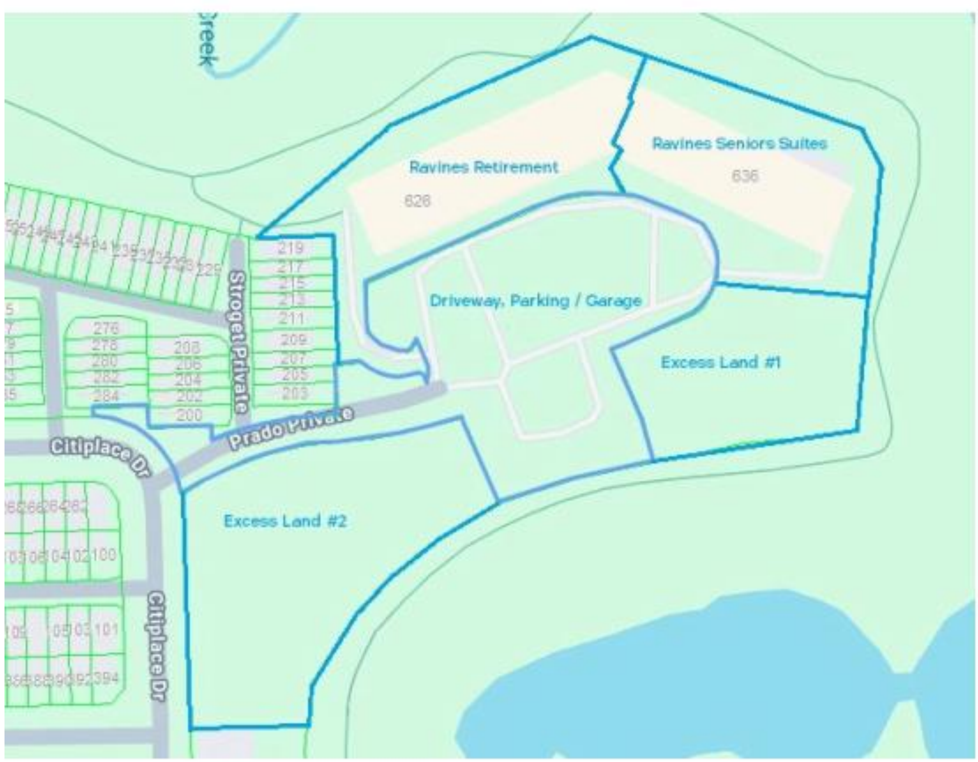
1.2.4 As outlined further herein, the Appraisers and Realtors from whom the Receiver sought listing proposals anticipate that any likely purchaser, would seek to acquire Ravines Retirement, Ravines Senior and 138 Ontario on a combined basis.

1.2.5 In addition to Ravines Retirement, Ravines Senior and the Parking Areas, all of which are subject to receivership proceedings (the "**Ravines Receivership Properties**"), there are two parcels of excess land, owned by companies that are not subject to receivership proceedings, and are ultimately owned by Mr. David Choo.

1.2.6 Below is a chart which lists the legal ownership of each PIN together with the applicable Receiver of the first 3 entities:

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

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



1.2.8 Ravines Retirement consists of 125 rooms (with 126 Units available for lease). Room 201 (i.e. 201A & 201B) is a companion suite on the memory care floor and in some instances is occupied as a 2 bedroom by one tenant and other times it's occupied by two tenants both charged rent & services. As of January 1, 2025 Ravines Retirement had 93 Units occupied (74.4%) and as at February 1, 2025 there were 97 Units occupied (77.6%), 11 of which include a secondary resident.

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

1.3 Purpose of this Report

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

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

1.4 Terms of Reference

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

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

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

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

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

2.0 RECEIVER'S ACTIVITIES & OPERATIONS

2.1 Introduction

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

2.2 Possession

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

2.3 Employees

2.3.1 Ravines operates with 7 salaried management staff, including the General Manager who is responsible for the day-to-day operations, as well as 99 unionized hourly employees. With the exception of the Director of Care (who is fully dedicated to Ravines Retirement), the remaining six positions split their time 50/50 as amongst Ravines Retirement and Ravines Senior. These employees are paid by Ravines Retirement and the Receiver has made arrangements with KSV to split the payroll cost on the shared 50/50 basis.

2.3.2 Ravines Retirement's hourly employees are members of LIUNA Local 3000 (the "**Union**") and operate pursuant to a Collective Bargaining Agreement ("**CBA**") which expires on April 19, 2025. The Union was asked to confirm dates to meet in March 2025 to discuss and negotiate an extension to the CBA. The Union advised it is available on May 29, 2025.

2.3.3 Subsequent to the Receiver's appointment, it was determined that the Union Dues and pension plan contributions for the Union members were outstanding for the periods September 2024 through December 2024 and totaled $13,487.72 and $29,197.81, respectively (the "**Union Remittance Arrears**"). With the consent of Central 1, the Union Remittance Arrears were funded as (i): Union Dues are deducted from payroll and accordingly represent wages subject to Section 81.4 of the BIA; and (ii) the outstanding pension remittances have priority pursuant to Section 81.6 of the BIA.

2.4 Insurance Policy

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

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

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

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

2.5 Property Taxes

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

2.6 Banking

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

2.7 Receipts & Disbursements

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

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

2.8 Vendors

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

2.9 Receiver's Notice:

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

2.10 Retirement Homes Regulatory Authority ("RHRA")

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

2.11 Cost Sharing

2.11.1 Given the extensive network of legal entities in the Ashcroft Homes enterprise and the intertwined operations of the Ravines Retirement and Ravines Senior, there are a number of shared services and costs, however, Head Office advises there is no formal policy (written or otherwise) to document when/how costs are funded/shared. The Director of Finance confirmed that journal entries are processed to reflect adjustments for shared services, but generally funds were not being transferred as amongst Ravines Retirement and Ravines Senior.

2.11.2 The Receiver agreed to terms with KSV and Head Office on a determination of the Cost Allocation for Head Office expenses (associated with the finance, HR and payroll processing function) as well as with KSV on the cost allocations with respect to the direct facility costs for Ravines Retirement and Ravines Senior (e.g. site management payroll, telephones).

2.11.3 Based on BDO's and KSV's pro-rata share and assuming the full cooperation of the remaining operating functions conducted at Head Office, Ravines Retirement pro-rata share of Head Office costs is approximately $15,000 per month.

3.0 SALE PROCESS

3.1 Introduction

3.1.1 Pursuant to the Appointment Order, the Receiver is authorized to market any or all of the Property including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

3.1.2 Given (i) the nature of the Companies' assets and operations, being an operating Retirement home and owning real property, and (ii) the unique nature of the Ravines Campus and how it is integrated with two other legal entities in receivership and two additional related entities, controlled by Mr. Choo, which are not in receivership, in order to maximize realizations for the stakeholders, the Receiver believes it is imperative to maximize exposure to the market. The Receiver is of the view that the market should be tested as fully as possible.

3.1.3 Accordingly, the Receiver is of the view that the best means of exposing Ravines Retirement for sale is to enter into a listing agreement with a licensed listing brokerage and have the Ravines Retirement Property exposed on the Multiple Listing Service ("**MLS**"), and if possible, and subject to an agreement as between the lenders associated with Ravines Retirement, Ravines Senior and the Parking Areas, to market the Ravines Campus as one operating entity.

3.1.4 While Ravines Retirement is a separate legal entity, it is expected that a sale will likely not be completed in isolation and that most prospective purchasers would be seeking to mitigate the risks associated with other entities having any form of ownership interest/control/influence at the Ravines Campus. Therefore, we expect purchasers will be looking to acquire the Ravines Retirement, Ravines Senior and the Parking Areas in its entirety, which transaction would require the cooperation of a number of parties. However, at this time, KSV and the respective lenders of Ravines Senior and 138 Ontario are not yet at the point of such a discussion.

3.2 Appraisals

3.2.1 The Receiver commissioned appraisals from the Seniors Housing & Healthcare Groups of Cushman & Wakefield ("**Cushman**") and CBRE Limited Valuation & Advisory Services ("**CBRE VAS**") (collectively the "**Appraisers**").

3.2.2 The Appraisals outline the assumptions and analysis undertaken by each of the Appraisers, together with their assessment of the Market Area, Market Overview and the basis of their respective valuations. The Appraisers utilized the Direct Capitalization, Discounted Cashflow and Direct Comparison approaches to value the Ravines Retirement Property. **Confidential Appendix 1** provides a summary of the 'As is' and 'Stabilized' Appraisal Valuations of Ravines Retirement.

3.2.3 Copies of the Cushman and CBRE VAS Appraisals are being submitted to the Court as Confidential Appendix 2 and Confidential Appendix 3, respectively.

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

3.3 Listing Proposals

3.3.1 The Receiver obtained listing proposals from three real estate brokerages (the "**Realtors**") with extensive experience in the senior housing market.

3.3.2 Similar to the Appraisers, the Realtors agreed that key industry players would most likely seek to purchase the Ravines properties on a combined basis and that each expects a higher sale value in marketing/selling Ravines Retirement in conjunction with the adjacent Ravines Senior and Parking Areas. The sentiment is, however, if Ravines Retirement and Ravines Senior are marketed/listed for one combined price, there should be an agreed upon purchase price allocation at the outset of the arrangement to avoid any disputes in the purchase price allocation at a later date when one or more final sales are being negotiated.

3.3.3 A summary of the listing proposals (the "**Listing Proposals**"), is being submitted to the Court as **Confidential Appendix 4**. The Summary of Listing Proposals contain commercially sensitive information that would negatively affect realizations if disclosed. The Receiver recommends that Confidential Appendix 4 be sealed until a sale of the Ravines Retirement Property is completed or until further order of the Court.

3.3.4 In their analyses, the Realtors utilized various assumptions in determining the valuation of the Ravines Retirement and provided various strategies and proposed commission rates.

3.3.5 In the Listing Proposals received, two (2) of the three (3) Realtors suggested listing the Ravines Retirement without a specific list price and seek offers from interested parties, while Newmark has proposed a listing price in order to provide the market with direction on pricing. In the circumstances, the Receiver agrees with this view in order to set directional pricing for interested parties.

3.3.6 Based on the Realtors' analyses/valuations, their proposed marketing strategies and their proposed commission structures, the Receiver recommends listing Ravines Retirement with Newmark based on their experience, ability to attract national exposure and lower commission rate structure, with the list price outlined in Confidential Appendix 4.

3.3.7 Subject to the Court's approval sought herein, the Receiver is negotiating a listing agreement with Newmark (the "**Newmark Listing Agreement**").

3.3.8 The Receiver has discussed the terms of the Listing Proposals with Central 1 and has been advised that Central 1 is supportive of the Receiver's recommendation with respect to entering into the Newmark Listing Agreement.

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

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

3.4 Proposed Sale Process

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

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

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

3.4.3 The Sale Process may be amended to enjoin the sale process of KSV for Ravines Senior and 138 Ontario, if the respective parties reach an agreement for such sale/marketing process.

3.4.4 Ravines Retirement shall be transferred free and clear of all liens and claims, subject to any permitted encumbrances, pursuant to an approval and vesting order to be issued by the Court approving the transaction.

3.4.5 The sale of Ravines Retirement will be on an "as is, where is" basis, without representations or warranties from the Receiver or any of its respective directors, officers, partners, employees, agents, advisors or estates, except those specified in the asset purchase agreement.

3.4.6 Each offer received will be reviewed and evaluated by the Receiver, considering factors such as the proposed purchase price, net value provided by such bid, deposit amount, the counterparties to such transactions, transaction speed and certainty, transaction costs, and the feasibility and timing of transaction completion, and such other matters as the Receiver may consider.

3.4.7 The Receiver recommends that the Court issue an Order approving the Sale Process for the following reasons:

(a) the Sale Process is reasonable and appropriate at this time based on the reasons identified above;

(b) the Sale Process is fair, open and transparent and is intended to canvass the market broadly on an efficient basis to obtain the highest and best price; and,

(c) the Sale Process and the timelines set out herein are flexible and provide sufficient time to obtain bids that maximize value for Ravines Retirement.

4.0 RECOMMENDATIONS

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

a) approving this First Report and the actions of the Receiver described herein;

b) approving the Receiver's Interim R&D.

c) approving the Sale Process;

d) authorizing the Receiver to enter into the Newmark Listing Agreement on a stand-alone basis or if deemed advisable, cooperatively with KSV in respect of a potential marketing of Ravines Retirement, Ravines Senior and 138 Ontario;

e) sealing Confidential Appendices 1, 2, 3 and 4 until the earlier of the closing of the transaction or transactions for the sale of Ravines Retirement or further order of the Court; and,

f) Providing such further relief as the Court deems appropriate.

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

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

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

APPENDIX D

Court File No. CV-24-00097134-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	THURSDAY, THE 17TH
	)	
JUSTICE	)	DAY OF APRIL, 2025

B E T W E EN:

CENTRAL 1 CREDIT UNION

Applicant

- and -

2139770 ONTARIO INC.

Respondent

ORDER
(Sale Process Approval)

THIS MOTION, made by BDO Canada Limited ("**BDO**" or the "**Receiver**") in its capacity as receiver, without security, of the property, assets and undertakings of 2139770 Ontario Inc. (the "**Company**" or the "**Debtor**"), for an Order approving the Receiver's proposed sale process was heard this day via videoconference at 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Motion and the First Report of the Receiver dated April 7th, 2025 (the "**First Report**"), filed, and upon hearing submissions of counsel for the Receiver, Central 1 Credit Union, 2139770 Ontario Inc., KSV Restructuring Inc. and the Department of Justice, no one else appearing although duly served as evidenced in the Affidavit of Service sworn April 8, 2025, filed.

SALES PROCESS APPROVAL

1. **THIS COURT ORDERS** that the sales process protocol proposed by the Receiver, as set out in Section 3.4 of its First Report (the "**Sales Process**"), be and is hereby approved. The Receiver is hereby authorized to carry out the Sales Process and to take such steps as it considers necessary or desirable in carrying out its obligations thereunder, all subject to prior approval of this Court being obtained before completion of any sale transaction under the Sales Process.

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

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

PIPEDA

4. **THIS COURT ORDERS** that, pursuant to clause 7(3) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in

any other applicable jurisdictions, the Receiver is hereby authorized and permitted to disclose and provide to its agents and any potential purchasers in the Sales Process personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the Sales Process (a "**Transaction**"). Each person to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Receiver or, in the alternative, destroy all such information and provide confirmation of its destruction to the Receiver. Any purchaser under a Transaction shall maintain and protect the privacy of such information and, upon closing of a Transaction, shall be entitled to use the personal information provided to it in a matter that is in all material respects identical to the prior use of such information by the Respondent, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed and provide confirmation of its destruction to the Receiver.

SEALING ORDER

5. **THIS COURT ORDERS** that the Confidential Appendices 1, 2, 3 and 4 to the First Report be and are hereby sealed until the earlier of the completion of the Sales Process or further Order of this Honourable Court.

REPORT APPROVAL

6. **THIS COURT ORDERS** that the conduct, activities and actions of the Receiver, as set out in the First Report, are hereby approved.

7. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements, as set out in the First Report, is hereby approved.

Justice M. Smith

Issuance on April 24, 2025

#4212576.1

CENTRAL 1 CREDIT UNION -and- 2139770 ONTARIO INC.
Applicant Respondent

Court File No. CV-24-00097134-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

ORDER

SimpsonWigle LAW LLP
1006 Skyview Drive, Suite 103
Burlington, Ontario
L7P 0V1

Rosemary A. Fisher (LSO #32238T)
E-mail: fisherr@simpsonwigle.com
Tel: (905) 639-1052
Fax: (905) 528-9008

Lawyers for BDO Canada Limited., in its capacity as Receiver of the assets, undertakings and property of 2139770 Ontario Inc.

#4212576.1

APPENDIX E

2139770 Ontario Inc. o/a Ravines Retirement Residences
Receiver's Statement of Receipts and Disbursements
For the period December 20, 2024 to July 31, 2026

	2139770 CIBC Account	Receiver's Account	Total
Receipts			
Cash on hand	$ 111,334	$ -	$ 111,334
Rent Collections	725,321	11,313,838	12,039,159
Interest	-	48,969	48,969
Deposit on Sale of Assets - Forefeited	-	15,000	15,000
Transfer (from)/to Estate account	(5,903)	5,903	-
Total Receipts	$ 830,751	$ 11,383,710	$ 12,214,462
Disbursements			
Payroll, Benefits and Source Deductions	$ 722,777	$ 5,177,528	$ 5,900,305
Property taxes	-	792,252	792,252
Union Dues	-	236,115	236,115
Operating Expenses and Materials	-	261,016	261,016
Food	53,533	686,607	740,140
Repairs and Maintenance	1,153	602,604	603,756
Equipment Lease Payments	-	26,366	26,366
Insurance	-	101,193	101,193
Receiver's Fees (incl. HST)	-	565,000	565,000
Legal (incl. HST)	-	64,425	64,425
Contractors	3,446	215,153	218,599
Management fees	32,832	111,771	144,604
Utilities	4,543	760,601	765,145
Office expenses and general	5,921	44,165	50,086
RHRA Fees	6,183	85,694	91,877
Appraisals	-	30,510	30,510
Interest and bank charges	363	8,722	9,085
HST Remittances	-	940	940
Miscellaneous	-	2,044	2,044
Total Disbursements	$ 830,751	$ 9,772,705	$ 10,603,456
Net Cash Balance	$ -	$ 1,611,005	$ 1,611,005

APPENDIX F

TAX CERTIFICATE / CERTIFICAT DE TAXES
CITY OF OTTAWA / VILLE D'OTTAWA

Roll Number / Numéro du Rôle: **0614.120.475.66250.0000**

Owner(s) / Propriétaire(s)
2139770 ONTARIO INC

Street Address / Adress Municipale:
626 PRADO PVT

Legal / Légale:
PLAN 4M1327 PT BLKS 10 AND
25 RP 4R25794 PARTS 2 22 25
29 30 31 36 AND 53
IRREG
1.00AC 257.48FR D

Issued To / Envoyer à:

SIMPSONWIGLE LAW LLP
103-1006 SKYVIEW DR
BURLINGTON ON
L7P 0V1

Certificate Number / Numéro de certificat:	**426003**
Tax Certificate Fee / Frais de certificat de taxes:	$ 74.00
Certified as at / Certifié en date du:	AUG/AOÛT 19, 2026
Your Reference / Votre référence:	MAT89897

Remarks / Remarques
2026 VUT DECLARATION NOT REQUIRED

Pending Fees / Frais en suspens

STATEMENT OF TAX ARREARS / ÉTAT D'ARRÉRAGES DE TAXES

Year / Année	Taxes Outstanding / Taxes impayeés	Interest Outstanding / Intérêt impayé	Other Charges / Autres frais	Balance Outstanding / Solde dû
2025	$0.00	$0.00	$0.00	$0.00
2024	$0.00	$0.00	$0.00	$0.00
2023+	$0.00	$0.00	$0.00	$0.00

Prior Year Tax Levy / Taxes prélevées année précèdante: $214,019.03 **Total Arrears / total des arrérages:** **$0.00**

STATEMENT OF CURRENT TAXES / ÉTAT DES TAXES COURANTES

Taxes Levied / Taxes prélevées	Penalty Added / Pénalité imposée	Total including Penalty / Total, pénalité comprise	Payments/Adjustments / Paiements/Ajustements	Total Payable / Montant total à payer
$221,874.65	$0.00	$221,874.65	$-221,874.65	**$0.00**

Due Dates and Instalment Amounts / Dates d'échéance et versements

Interim Taxes / Provisoires	MAR/MARS 19, 2026	$107,009.43
Final Taxes / Finales	JUN/JUIN 18, 2026	$114,865.22

Local Improvements and Other Charges Levied / Améliorations locales et autres redevances prélevées

Local ID Code / Code d'identification	Description / Description	Year of Expiry / Année d'expiration	Annual Charge / Montant annuel

TOTAL PAYABLE AS AT DATE OF CERTIFICATE / SOLDE À LA DATE DU CERTIFICAT: **$0.00**

The penalty / interest rate on past due taxes and arrears is **1.250 %** **per month.**

La pénalité / le taux d'intérêt est de **1.250 %** **par mois** sur les taxes en souffrance et les arrérages.

(SEE BACK FOR IMPORTANT INFORMATION) **(VOIR AU VERSO POUR RENSEIGNEMENTS IMPORTANTS)**

Joseph K Muhr

FOR THE TREASURER OR TAX COLLECTOR
POUR LE TRÉSORIER OU LE PERCEPTEUR DES TAXES

City of Ottawa, Revenue Services
100 Constellation Drive, 4th Floor, East
Ottawa ON K2G 6J8
Tel: 613-580-2444 Fax: 613-580-2457
TTY: 613-580-2401
E-mail: revenue@ottawa.ca
Web site: ottawa.ca

Ville d'Ottawa, Services des recettes
100, promenade Constellation, 4e étage est
Ottawa ON K2G 6J8
Tél. : 613-580-2444 Téléc. :613-580-2457
ATS: 613-580-2401
Courriel : revenue@ottawa.ca
Site web : ottawa.ca

Important Information

Within 30 days of the issuance of a tax certificate, the requesting party may obtain a verbal update of the status of the relevant tax roll.

This certificate has been prepared in accordance with the provisions of Section 352 of the Municipal Act, 2001 R.S.O. 2001 c25 and may be subject to the following:

1. Penalty/Interest has been calculated to the date of issue of this certificate. Payments received after the end of the month or after the due dates may be subject to additional penalty/interest charges.

2. Adjustments authorized by statute not applied to the Collector's Roll at the date of certification may be added subsequently without further notice and may include:
   a. Additional taxes and adjustments levied and made under the Assessment Act, R.S.O. 1990, c.A31; and
   b. Tax adjustments, tax apportionments, local improvement charges, and any other charges made under the Municipal Act.

3. The information on this certificate is based on payments tendered being honoured by the bank upon which they are drawn.

4. Any credit balance appearing on this certificate is not verified and no adjustment should be made unless the credit balance is verified in writing as an overpayment.

I hereby certify this statement shows the current year's taxes and all arrears of taxes (prior years) against the above land.

Informations importantes

Dans les 30 jours suivant la délivrance d'un certificat d'impôts foncier, le demandeur peut obtenir une mise à jour verbale de l'état du rôle d'imposition pertinent.

Ce certificat a été préparé conformément aux dispositions de l'article 352 de la Loi de 2001 sur les municipalités L.R.O. 2001, chapitre 25, et peut être assujetti aux dispositions suivantes :

1. Pénalité/intérêt a été calculé à la date de réception de ce certificat; les paiements reçus après la fin du mois ou après la date d'échéance peuvent être soumis à des pénalités/frais d'intérêt supplémentaires;

2. Les rajustements autorisés par la loi qui n'ont pas été appliqués au rôle du percepteur à la date de certification peuvent être ajoutés par la suite sans avis préalable et peuvent inclure :
   a. des taxes et rajustements supplémentaires imposés et perçus en vertu de la Loi sur l'évaluation foncière, L.R.O. 1990, chapitre A31;
   b. des rajustements fiscaux, répartitions fiscales, taxes d'améliorations locales et tous autres frais imposés en vertu de la Loi sur les municipalités.

3. Les informations figurant sur ce certificat reposent sur le principe que les paiements effectués seront honorés par la banque où se trouve le compte sur lequel ils sont tirés.

4. Tout solde créditeur figurant sur ce certificat n'est pas vérifié, et aucun rajustement ne devrait être fait à moins que le solde créditeur ne soit vérifié par écrit en tant que versement excédentaire.

J'atteste par la présente que ce relevé indique les impôts de l'année en cours et tous les arriérés d'impôt (années précédentes) pour le terrain indiqué ci-dessus.

APPENDIX G

AGREEMENT OF PURCHASE AND SALE

BDO Canada Limited, solely in its capacity as
court-appointed receiver and manager of the property,
assets and undertaking of
2139770 Ontario Inc.,
and not in its personal capacity

-as the Vendor-

- and –

DCMS Realty (Evergreen) Inc.
-as the Purchaser-

THIS AGREEMENT OF PURCHASE AND SALE dated with effect as of June 9th, 2026 (the "**Execution Date**")

BETWEEN:

BDO Canada Limited ("**BDO**") solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of 2139770 Ontario Inc., and not in its personal capacity (the "**Vendor**")

- and -

DCMS Realty (Evergreen) Inc. (the "**Purchaser**")

RECITALS:

A. Pursuant to an Order of the Ontario Superior Court of Justice (the "**Court**") dated December 20, 2024, the "**Appointment Order**"), BDO was appointed as the receiver and manager (the "**Receiver**") of, among other things, the property, assets and undertaking of 2139770 Ontario Inc. ("**Ravines Retirement**" or the "**Debtor**").

B. Pursuant to the Appointment Order, the Receiver is authorized to market and sell the property, assets and undertaking of the Debtor.

C. The Vendor and the Purchaser have entered into this Agreement to set forth the terms and conditions pursuant to which the Purchaser agrees to purchase, and the Vendor agrees to sell the Debtor's rights, title and interest in and to the Purchased Assets (as defined below).

D. This Agreement is subject to approval by the Court, and the completion of the Transaction is subject to the Court issuing the Approval and Vesting Order (as defined below), all as more particularly described herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Vendor and the Purchaser (individually, a "**Party**" and collectively, the "**Parties**") covenant and agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions

Unless otherwise provided for herein, all capitalized terms set out below when used in this Agreement shall have the meaning ascribed thereto unless the context expressly or by necessary implication otherwise requires:

"**Adjustment Date**" means 11:59 p.m. Eastern Time on the day immediately preceding the Closing Date.

"**Adjustments**" means the adjustments to the Purchase Price provided for and determined pursuant to Article 4.

"**Agreement**" means this agreement together with all schedules and instruments in written amendment or confirmation of it and the expression. "**Section**" followed by a number means and refers to the ascribed thereto Section of this Agreement.

"**Application for Vesting Order**" means an Application for Vesting Order to be submitted for registration in the Land Registry Office for the Land Titles Division of Ottawa-Carleton (No. 4) in connection with the Approval and Vesting Order and in the form prescribed by the *Land Titles Act* (Ontario) and/or the *Land Registration Reform Act* (Ontario).

"**Appointment Order**" has the meaning ascribed thereto in Recital A.

"**Approval and Vesting Order**" means an order issued by the Court, substantially in the form of the template Model Approval and Vesting Order approved by the Commercial List Users' Committee for use by the Court, approving this Agreement and the Transaction, and conveying to the Purchaser all of the Debtor's right, title and interest in and to the Purchased Assets free and clear of all Encumbrances except the Permitted Encumbrances.

"**Assigned Contracts**" has the meaning given to it in Section 2.2.

"**Assumed Liabilities**" has the meaning given to it in Section 2.3.

"**Balance**" has the meaning ascribed thereto in Section 3.1(c).

"**BDO**" has the meaning ascribed thereto on page 1.

"**Books and Records**" has the meaning ascribed thereto in Schedule "B" .

"**Business**" means the business of Ravines Retirement in respect of the ownership and operation of the retirement residence referred to as "Ravines Seniors' Suites & Retirement Residence" and all ancillary activities related thereto.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

"**Claims**" means all claims, demands, complaints, actions, suits, causes of action, orders, charges, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, including loss of value, professional fees, including fees of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

"**Closing**" has the meaning ascribed thereto in Section 1.1(a).

"**Closing Date**" means the date on which the Transaction, including the satisfaction of the Purchase Price and the delivery of the Closing Documents, shall be completed, on the date that is forty five 45 days after the earlier of (a) the date on which the Approval and Vesting Order is granted; and (b) the date on which the Third Party Conditions have been satisfied or waived by the Purchaser provided the Closing Date shall not be sooner than eleven days after the date on which the Approval and Vesting Order has been obtained, or such later date as agreed to in writing by the Purchaser and the Vendor, each acting reasonably.

"**Closing Documents**" means those documents and deliveries to be delivered in connection with the Closing as contemplated in this Agreement including those set out in Section 7.5.

"**Closing Time**" means the time of Closing as evidenced by the Receiver's Certificate or as otherwise agreed to by the Vendor and the Purchaser in writing.

"**Collective Agreements**" means collective agreements (including expired collective agreements which have not been renewed) and related documents including benefit agreements, letters of understanding, letters of intent and other written communications (including arbitration awards) by which the Debtor is bound or which impose any obligations upon the Debtor or set out the understanding of the parties or an interpretation with respect to the meaning of any provisions of such collective agreements;

"**Confidential Information**" means non-public, confidential, or proprietary information or Personal Information which is furnished to the Purchaser by the Vendor, the Debtor and/or their respective employees, agents, or representatives, including information about identifiable individuals (including information about Employees, suppliers, customers, directors, officers, shareholders or members), but does not include information that is or becomes generally available to the public other than as a result of disclosure by the Purchaser or its representatives in breach of this Agreement or that is independently developed by the Purchaser's employees or representatives without access or reference to any Confidential Information.

"**Court**" has the meaning ascribed thereto in Recital A.

"**Cure Costs**" means all amounts necessary to cure any monetary defaults existing in respect of any Assigned Contracts that are required to be paid as a condition to assuming such Assigned Contract.

"**Debtor**" has the meaning ascribed thereto in Recital A.

"**Deposit**" has the meaning ascribed thereto in Section 3.1(a).

"**DRA**" has the meaning ascribed thereto in Section 1.1(d).

"**Due Diligence Conditions**" has the meaning ascribed thereto in Section 7.1(a).

"**Due Diligence Date**" has the meaning ascribed thereto in Section 7.1(a).

"

"**Employees**" means all those individuals employed exclusively at or in respect of the operation of the Property, and includes non-union and union employees, whether on a full-time, part-time, temporary or casual basis.

"**Employee Liability**" means any and all liabilities (whether by statute, contract, common law or otherwise) owed to any of the Employees, or otherwise arising out of, or resulting from, the relationship between the Debtor (or any predecessor of the Debtor) and any of the Employees, including any liability arising as a result of such party being deemed to be a successor employer, related employer or otherwise responsible or liable for payment of any amounts owing to, on behalf of, or in respect of, any of the Employees (including, but not limited to, the Transferred Employees), whether pursuant to the *Employment Standards Act* (Ontario), the *Pay Equity Act* (Ontario) or the *Workplace Safety and Insurance Act, 1997* (Ontario). Without limiting the foregoing, Employee Liabilities shall include:

(i) all salaries, wages, bonuses, commissions, vacation pay, public holiday pay and other compensation relating to the employment of the Employees (including accrued but unpaid vacation pay and any retroactive pay) and all Liabilities under employee benefit plans relating to employment of the Employees; and

(ii) all termination pay, severance pay, damages in lieu of reasonable notice and other related Liabilities (under statute, contract, common law or otherwise) in respect of the termination and/or severance of employment of the Employee.

"**Encumbrance**" means any restrictive covenant, easement, servitude, right-of-way, encroachment, pledge, lien, charge, security agreement, security interest, debenture, trust deed, assignments by way of security or any other right or interest, of any nature which is binding on (or registered on title to) the Property.

"**Environmental Laws**" means Laws relating to the protection of human health and the environment, and includes Laws relating to the storage, generation, use, handling, manufacture, processing, transportation, treatment, Release, remediation, management and disposal of Hazardous Substances.

"**Estimated Gross Pay Increase**" has the meaning given to it in Section 6.6

"**ETA**" means Part IX of the *Excise Tax Act*, R.S.C., 1985, c. E-15, as amended, restated, supplemented or substituted from time to time.

"**Execution Date**" means the date of this Agreement as set out on the top of page 1.

"**Excluded Assets**" has the meaning given to it in Section 2.4.

"**Excluded Liabilities**" has the meaning given to it in Section 2.5.

"**First Deposit**" has the meaning given to it in Section 3.1(a)

"**Governmental Authority**" means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal governments, including any district, agency, commission, board, arbitration panel or authority and any subdivision of the foregoing, having or claiming to have jurisdiction over part or all of the Purchased Assets, the Transaction and/or one or both of the Parties, or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

"**GST/HST**" means the goods and services tax or the harmonized sales tax imposed under the ETA.

"**Hazardous Substances**" means pollutants, contaminants, wastes of any nature, hazardous substances, hazardous materials, toxic substances, prohibited substances, dangerous substances or dangerous goods regulated by or under Environmental Laws.

"**ITA**" means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.), as amended, restated, supplemented or substituted from time to time.

"**Interim Period**" means the period between the close of business on the Execution Date and the Closing on the Closing Date.

"**Laws**" means any and all applicable laws, including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, and general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which the word is used.

"**Leases**" means the existing binding offers to lease, and all existing agreements to lease, leases, renewals of lease, and other rights or licenses granted to possess or occupy space within the Property now or hereafter together with all security, guarantees and indemnities of the Residents', sub-Residents' and licensees' obligations thereunder, in each case as amended, renewed or otherwise varied to the date hereof, and including, without limitation, any parking and/or storage space.

"**Licence**" means any licence, permit, authorization, certificate or approval issued or granted to, conferred upon, or otherwise created for, Ravines Retirement in connection with the Business under the RHRA.

"**Licensing Act**" means the *Retirement Homes Act*, 2010 (Ontario) and regulations relating thereto, as amended from time to time.

"**Newmark**" means N.R.E. Newmark Real Estate Canada Limited.

"**Off-Title Compliance Matters**" means open permits or files, work orders, deficiency notices, directives, notices of violation, non-compliance and/or complaint and/or other outstanding matters or matters of non-compliance with the zoning and/or other requirements of any Governmental Authorities or any open building permits and orders relating to any of the foregoing.

"**Parties**" has the meaning ascribed thereto on page 1.

"**Permitted Encumbrances**" are the Encumbrances listed in Schedule "E" hereto.

"**Person**" is broadly interpreted and includes an individual, partnership, corporation, trust, unincorporated organization, company, government, or any department or agency thereof, and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual.

"**Personal Information**" means information, including personal health information, that is protected by any Privacy Laws.

"**Privacy Laws**" means the *Personal Information Protection and Electronic Documents Act* (Canada), the applicable provincial privacy legislation, including without limitation, the *Personal Health Information Protection Act* (Ontario) and any comparable law governing the collection, use, disclosure or protection of Personal Information.

"**Property**" means the property and premises legally described in Schedule "A".

"**Purchase Price**" has the meaning ascribed thereto in Section 3.1.

"**Purchased Assets**" means the assets, property and undertaking owned or used or held for use by the Debtor listed in Schedule "B", including the Property and the Assigned Contracts, and for certainty excludes the Excluded Assets and the Excluded Liabilities.

"**Purchaser**" has the meaning ascribed thereto on page 1.

"**Purchaser's Solicitor**" means, or such other firm or firms of solicitors or agents as are retained by the Purchaser from time to time and notice of which is provided to the Vendor.

"**Ravines Retirement**" ascribed thereto in Recital A.

"**Receiver**" has the meaning ascribed thereto in Recital A.

"**Receiver's Certificate**" means the certificate attached as a schedule to the Approval and Vesting Order to be filed with the Court by the Receiver, certifying, *inter alia,* that the Receiver has received (i) the Purchase Price and any Taxes payable on Closing; and (ii) confirmation from the Purchaser that all conditions of Closing in Sections 7.1 and 7.3 of this Agreement have been satisfied or waived.

"**Release**" has the meaning prescribed in any Environmental Laws and includes any release, spill, leak, pumping, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of Hazardous Substances.

"**Rent**" means the rent, and all other charges, payable by Residents under the Leases.

"**Resident**" means any Person having a right to occupy any rentable area of the Property pursuant to a Lease, and its successors and permitted assigns; and "Resident" means any one of the Residents.

"**RHRA**" means Retirement Homes Regulatory Authority.

"***Sale of Goods Act* (Ontario)**" means the *Sale of Goods Act*, R.S.O. 1990, c. S.1, as amended, restated, supplemented or substituted from time to time.

"**Sales Taxes**" means any federal or provincial sales tax (including GST/HST), retail, use, consumption, personal property, land transfer, customs, excise, transfer, or similar taxes, duties or charges.

"**Second Deposit**" has the meaning ascribed thereto in Section 3.1(b)

"**Tax Returns**" means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in written, electronic or other form) and any amendments, schedules, attachments, supplements, appendices and exhibits thereto, which have been prepared or filed or are required to be prepared or filed in respect of Sales Taxes.

"**Third Party Condition Date**" has the meaning given to it in Section 1(b)

"**Third Party Condition**" has the meaning given to it in Section 1(b)

"**Transaction**" means collectively the transactions contemplated in this Agreement.

"**Transferred Employees**" has the meaning given to it in Section 6.6.

"Union" has the meaning ascribed thereto in Section 6.6

"**Vendor**" has the meaning ascribed thereto on page 1.

"**Vendor's Solicitor**" means Simpson Wigle Law LLP, Attention: Rosemary Fisher, or such other firm or firms of solicitors or agents as are retained by the Vendor from time to time and notice of which is provided to the Purchaser.

ARTICLE 2
SALE TRANSACTION

2.1 Agreement of Purchase and Sale

(a) The Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser hereby agrees to purchase and assume from the Vendor, the Debtor's rights, title and interest in the Purchased Assets, in accordance with the terms and conditions of this Agreement.

(b) The agreement of the Vendor and the Purchaser set forth in Section 2.1(a) creates and constitutes a binding agreement of purchase and sale for the Debtor's rights, title and interest in the Purchased Assets, on the terms of this Agreement.

2.2 Assigned Contracts and Due Diligence Information

Subject to the terms and conditions of this Agreement, at the Closing Time, the Vendor will assign to the Purchaser all of the Debtor's rights, benefits and interests in and to the following contracts (the "**Assigned Contracts**"):

(a) All Leases;

(b) Any contracts, plans or other documents related to Transferred Employees; and

(c) Those contracts the Purchaser has provided written notice to the Vendor at least ten (10) Business Days prior to the Closing Date setting out those contracts which the Purchaser has elected to assume on Closing. The Vendor shall terminate all other contracts on or before Closing.

This Agreement and any document delivered under this Agreement shall not constitute an assignment or an attempted assignment of any Assigned Contract contemplated to be assigned to the Purchaser under this Agreement which is not assignable without the consent of a third party or the approval of a court of competent jurisdiction, if such consent or approval has not been obtained.

The Purchaser acknowledges that, to the extent any consents or approvals are required to be obtained with respect to any Assigned Contract, it shall have the sole responsibility to obtain such consent or approval. For greater certainty, the Vendor shall have no obligation to pay any Cure Costs associated with any Assigned Contracts. No later than five (5) Business Days prior to the Due Diligence Date, the Vendor shall provide to the Purchaser an accounts payable listing based on the Debtor's books and records.

This Agreement shall not constitute an assignment of any rights, benefits or remedies under any contracts, Leases, and any Purchased Assets that are not assignable by the Vendor to the Purchaser without the consent and/or approval of another party or parties (collectively, the "**Third Party**") and that Third Party consent and/or approval is not obtained by the Purchaser prior to the Closing Date.

The Vendor shall execute and deliver to the Purchaser, within three (3) Business Days following request from the Purchaser, authorization to the Governmental Authority necessary to permit the Purchaser to obtain information from their files but excluding authorizations for any inspections. The Purchaser shall not request that any Governmental Authority inspect the Property.

2.3 Assumption of Liabilities

In connection with the acquisition of the Purchased Assets, the Purchaser shall assume the following liabilities on Closing:

(a) the liabilities and obligations of the Debtor under the Assigned Contracts, from and after the Closing Date;

(b) all liabilities with respect to Transferred Employees as set out in Section 6.6; and

(c) those liabilities specifically set out in Schedule "C " hereto.

2.4 Excluded Assets

Notwithstanding any provision of this Agreement to the contrary, the Purchased Assets shall not include any assets, property or undertaking of the Debtor other than the Purchased Assets ("**Excluded Assets**").

2.5 Excluded Liabilities

For greater certainty, except for the Assumed Liabilities, as provided in Section 2.3, the Purchaser shall not assume and shall not be responsible for any of the liabilities, debts, commitments or obligations of the Debtor or the Business or relating to the Purchased Assets (the "**Excluded Liabilities**").

2.6 As Is, Where Is

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Purchaser acknowledges and agrees in favour of the Vendor that as of the Execution Date and the Closing Date:

(a) the Purchaser is purchasing the Debtor's right, title and interest in the Purchased Assets (including the state of title thereto and/or the state of the Encumbrances) and accepting and assuming the Purchased Assets, including the Property, on an "as is, where is" basis, without any written or oral statements, representations, warranties, promises or guaranties of any nature or kind whatsoever, either legal or conventional, express or implied (by operation of law or otherwise), as to title to the Purchased Assets, the condition of any of the Purchased Assets, the Encumbrances, the existence of any default on the part of the Debtor, the physical, environmental or other condition of, in, on, under or in the vicinity of the Property, the use permitted at the Property, the existence of the Encumbrance and/or Off-Title Compliance Matters affecting the Property, the heritage attributes, serviceability or any other aspects of the Property and the Encumbrances, including the location or configuration of any and all easements, rights of way and encroachments affecting the Property (including, but not limited to, the encroachment of same on to any neighbouring lands), and the conformity of such easements, rights of way and encroachments to any plans or specifications for the Property, the structural integrity or any other aspect of the physical condition of any of the Property, compliance with Environmental Laws, the conformity of the Property to past, current or future applicable zoning or building code requirements or other applicable Laws, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill or any other matter affecting the stability or integrity of the Property, or any building or structure situated on or as part of the Property, the sufficiency of any drainage, whether the Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area, the existence or non-existence of underground and/or above ground storage tanks, the availability of public utilities, access, parking and/or services for the Property, the fitness or suitability of the Property for occupancy or any intended use (including matters relating to health and safety), the potential for further development of the Property, the existence of land use, zoning or building entitlements affecting the Property, the presence, Release or use of Hazardous Substances or other regulated substances in, under, on or about the Property or any neighbouring lands; and without limiting the foregoing, any and all conditions or warranties expressed or implied pursuant to the *Sale of Goods Act* (Ontario) will not apply and are hereby waived by the Purchaser;

(b) any disclosure in respect of any of the Purchased Assets was made available to the Purchaser solely as a courtesy but the Purchaser is not entitled to rely on such disclosure, and it is expressly acknowledged by the Purchaser that no written or oral statement, representation, warranty, promise or guarantee of any nature or kind whatsoever, either legal or conventional, express or implied (by operation of law or otherwise), is made by the Vendor and/or its legal counsel, or other advisors or representatives or any agent or broker of the Vendor, including Newmark, as to the accuracy, currency or completeness of any such disclosure, and each of them expressly disclaims any and all liabilities with respect to such disclosure and any and all errors therein or omissions therefrom;

(c) the Purchaser conducted its own independent review, inspection, diligence and investigations and formed its own independent opinions and conclusions in respect of the Purchased Assets;

(d) the Purchased Assets may be subject to certain Off-Title Compliance Matters, municipal requirements, including building or zoning by-laws and regulations, easements or servitudes for hydro, gas, telephone affecting the Property, and like services to the Property, and restrictions and covenants which run with the land, including but not limited to the Permitted Encumbrances. Without limiting the foregoing, the Vendor shall not be responsible for rectification of any matters disclosed by any Governmental Authority having jurisdiction, including without limitation Off-Title Compliance Matters, and the Purchaser shall accept the Property subject to such matters;

(e) if any statement, error or omission shall be found in the particulars of the legal and/or the Property's description, the same shall not annul the sale or entitle the Purchaser to be relieved of any obligation hereunder, nor shall any compensation be allowed to the Purchaser in respect thereof; and

(f) the Vendor (and any broker or agent retained by the Vendor, including Newmark) has no, and shall have no, obligations or responsibility to the Purchaser after Closing with respect to any matter relating to the Purchased Assets or the condition thereof, save and only to the extent expressly provided in this Agreement.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The Purchase Price for the Debtor's right, title and interest in the Purchased Assets shall be a total [redacted] ($[redacted]) DOLLARS (exclusive of all Sales Taxes, if any) (the "**Purchase Price**"). Subject only to the Adjustments in accordance with this Agreement, the Purchase Price shall be paid to the Vendor, as follows:

(a) Within three (3) Business Days following the Execution Date, the Purchaser shall pay the sum of $[redacted] DOLLARS (the "**First Deposit**"), by wire transfer to the Vendor or as it may otherwise direct in writing to be held in trust as a deposit in an interest bearing account of the Vendor pending the completion or other termination of this Agreement;

(b) within three (3) Business Days of the Third-Party Condition Date, the Purchaser shall pay the sum of $[redacted] DOLLARS (the **Second Deposit**") and, together, with the First Deposit, (collectively the "**Deposit**") by wire transfer of immediately available funds to the Vendor, to be held in trust in an interest bearing account of the Vendor, in accordance with the terms and conditions of this Agreement; and

(c) the Purchaser shall pay the balance of the Purchase Price (the "**Balance**"), subject only to the Adjustments made in accordance with this Agreement, by wire transfer of immediately available funds to the Vendor or as it may direct on the Closing Date.

3.2 Deposit

(a) If the Transaction is completed, the Deposit together with all accrued interest earned thereon, if any, shall be released to the Vendor forthwith on Closing and applied to the Purchase Price.

(b) If the Transaction is not completed by any reason other than the default of the Vendor or failure to obtain the Approval and Vesting Order, the full amount of the Deposit together with all accrued interest earned thereon, if any, shall be paid to the Vendor as liquidated damages (and not as a penalty) to compensate the Vendor for the expenses incurred and the delay caused and opportunities foregone as a result of the failure of the Transaction to close.

(c) If the Transaction is not completed by reason of the default of the Vendor or because the Purchaser fails to waive the Due Diligence Conditions prior to the Due Diligence Date, or fails to waive the Third-Party Conditions prior to the Third-Party Condition Date, and so long as the Purchaser is not in breach of any pre-closing obligations, the full amount of the Deposit together with all accrued interest earned thereon shall be paid to the Purchaser as full and final settlement and the Purchaser shall have no further recourse against the Vendor.

3.3 Allocation of Purchase Price

The Purchase Price shall be allocated among the Purchased Assets as proposed by the Purchaser and agreed to by the Vendor, acting reasonably, no later than three (3) Business Days prior to the Closing Date, and the Parties agree to file any Tax Returns any other tax filings made by either of them consistent with such Purchase Price allocation. Failure to agree on any allocation among the Purchased Assets shall not result in the termination of this Agreement, but rather shall result in the nullity of the application of this Section 3.3, such that each party shall be free to make its own allocation.

ARTICLE 4
ADJUSTMENTS

4.1 Statement of Adjustments and Absence of Post-Closing Adjustments

The Vendor shall prepare a statement of Adjustments and deliver same to the Purchaser no later than five (5) Business Days prior to the Closing Date. If the amount of any of the Adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be made by the Vendor based upon the best information available to the Parties as of the Adjustment Date, each Party acting reasonably, and such estimate shall serve as a final determination. The final form of statement of adjustments shall be satisfactory to the Vendor and the Purchaser, each acting reasonably. There shall be no further Adjustments or readjustments after Closing of any amounts adjusted or intended to be adjusted on the statement of Adjustments pursuant to this Agreement and the amounts set out on the statement of Adjustments shall be final.

4.2 General Adjustments

(a) The adjustments shall include all Rent and other charges payable under the Leases for the month in which the Closing Date occurs, realty taxes, water and assessment rates, local improvement rates and charges and, except as set out in this Agreement, other adjustments established by usual practice in the municipality in which the Property is located for the purchase and sale of similar properties (the "**Adjustments**"). In addition, the Adjustments shall include the other matters referred to in this Agreement which are stated to be the subject of adjustments and shall exclude the other matters in this Agreement which are stated not to be the subject of adjustment. Any rental arrears and account receivables payable or accrued prior to the Closing Date shall remain the property of the Vendor and there shall be no adjustment in favour of the Vendor on the statement of adjustments for such amounts.

(b) Any amount of Rent or other amounts received or collected by the Purchaser after the Closing Date from a Resident that owes receivables or rental arrears to the Vendor on Closing shall be credited: (a) first, to the current month's Rent; (b) second, to any rental arrears owing to the Purchaser and accruing from and after the Closing Date; and (c) third, to any such receivables or rental arrears owed to the Vendor, which last-mentioned amount shall be paid to the Vendor promptly after the amounts in clauses (a) and (b) above have been credited as set out above.

(c) Adjustments shall be made as of the Adjustment Date. From and after the Closing Date, the Purchaser shall be responsible for all expenses and shall be entitled to all revenue from the Purchased Assets. The Vendor shall be responsible for all expenses and entitled to all revenue from the Purchased Assets for that period after the Execution Date and ending on the Adjustment Date.

(d) The Purchaser shall be responsible for and pay, in addition to the Purchase Price, all applicable Sales Taxes, if any, payable in connection with the transfer of any of the Purchased Assets by the Vendor to the Purchaser.

ARTICLE 5
INTERIM PERIOD

5.1 Interim Period

(a) During the Interim Period, the Vendor shall maintain the Purchased Assets in the ordinary course of business, provided that the Vendor may, but shall have no obligation whatsoever to perform or to expend any money on any maintenance, repairs, replacement or any other similar work to effect same in respect of any Purchased Assets that are materially damaged or destroyed by fire or other casualty.

(b) In the event that prior to the Closing Date all or a part of the Purchased Assets are damaged or destroyed or expropriated, the Vendor shall advise the Purchaser thereof by notice in writing as soon as practicable after being aware of such damage, destruction or expropriation.

(c) In the event that the Purchased Assets shall be materially damaged or destroyed by fire or other casualty during the Interim Period, then the Vendor shall advise the Purchaser, in writing, as soon as reasonably practicable of the Vendor learning of same, which notice must, in all cases, be delivered prior to the Closing Time. In the event that the Purchased Assets suffer such material damage or destruction then the Purchaser shall be entitled, in its sole and absolute discretion, to elect to (a) terminate this Agreement by notice, in writing, to the other party and in such event the Parties hereto shall be released from all obligations and Liabilities hereunder, or (b) to accept payment of any and all related insurance proceeds. Such option shall be exercised three (3) Business Days after notification to the Purchaser by the Vendor of the occurrence of such damage or destruction (or prior to the Closing Date if such occurrence takes place within three business days of the Closing Date). If, because of such damage, destruction or casualty, the Purchaser elects, by notice under this Section 5.1, not to complete the Transaction, this Agreement shall be terminated automatically and the Purchaser shall be entitled only to a return of the Deposit but without any other compensation or claim against the Vendor. If the Purchaser does not exercise their option under this Section 5.1 to decline to complete the Transaction, the Purchaser shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance referable to such damage or destruction, if any (upon payment of any applicable deductible charges).

For the purposes of this Section 5.1 "materially damaged or destroyed" means damage or destruction to the Purchased Assets caused by fire or other casualty:

(A) resulting in loss or damage to the Purchased Assets that exceeds fifteen percent (15%) of the total Purchase Price (inclusive of the Deposit); and

(B) that renders the existing retirement home on the Land incapable of housing tenants or Residents on the Closing Date or, with commercially reasonable repairs, within ninety (90) days following the Closing Date (whether as a licenced retirement home or otherwise).

Where any damage or destruction is not material, the Purchaser shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance referable to such damage or destruction, if any, upon payment of any applicable deductible charges.

If any dispute arises under this Section 5.1 as to whether damage or destruction is material, such dispute will be determined by the Court or by such other person or in such other manner as the Court may direct, or the parties may agree.

ARTICLE 6
REPRESENTATIONS, WARRANTIES & COVENANTS

6.1 Vendor's Representations and Warranties

The Vendor represents and warrants to the Purchaser as follows:

(a) subject to the granting of the Approval and Vesting Order, the execution and delivery of this Agreement, and the performance by the Vendor of its obligations hereunder and each of the Closing Documents, has been duly authorized by all necessary corporate and other action on the part of Vendor;

(b) subject to the granting of the Approval and Vesting Order, this Agreement constitutes a legal, valid, and binding obligation of Vendor, enforceable against it in accordance with its terms;

(c) subject to the granting of the Approval and Vesting Order, the Vendor has the right to sell the Purchased Assets in accordance with the provisions of this Agreement and has not sold or otherwise disposed or agreed to sell or otherwise dispose of any of the Purchased Assets;

(d) the Vendor is not aware of any proceedings, pending or threatened, to enjoin the Transaction contemplated by this Agreement;

(e) other than the Court-ordered charges granted pursuant to the Appointment Order and registration of the Appointment Order, which shall be discharged and terminated in accordance with the Approval and Vesting Order, the Vendor has not done any act to encumber the Land and will not encumber the Land from the date of acceptance hereof to the date of Closing;

(f) since its appointment there are no outstanding Employee grievances up to the Execution Date in connection with the Business except as disclosed in Schedule E;

(g) the Vendor has not previously sold and will not dispose of or sell the Land or any portion thereof between the date hereof and the date of Closing~~.~~;

(h) since its' appointment the Vendor has not been advised of any new union certification applications that have been filed up to the Execution Date;

(i) there is no strike, labour dispute, work slowdown or stoppage pending or, to the Vendor's knowledge, threatened against the Business, the Vendor or the Debtor;

(j) each of the Debtor and the Vendor is a not a non-resident of Canada within the meaning of the ITA as of the date of this Agreement nor on the Closing Date; and

(k) Ravines Retirement is registered for GST/HST purposes under Subdivision D of Division V in Part IX of the ETA under registration number 856491816 RT0001.

6.2 Purchaser's Representations and Warranties

The Purchaser represents and warrants to the Vendor as follows:

(a) the Purchaser is duly incorporated, organized and is validly subsisting under the Laws of the jurisdiction of its incorporation, and has all requisite corporate capacity, power and authority to carry on business in which the Property is located, to acquire the Purchased Assets, to enter into this Agreement, and to carry out the Transaction in the manner contemplated by this Agreement;

(b) the Purchaser is or will be on Closing (or, if the Purchaser is a trustee, nominee or agent on behalf of another Person or Persons, such other Person is or Persons are) a registrant for purposes of the ETA and such registrations shall on Closing be in full force and effect and shall not have been cancelled or revoked on the Closing Date;

(c) the execution and delivery of this Agreement and the performance by the Purchaser of its obligations hereunder:

(i) has been duly authorized by all necessary corporate action on the part of the Purchaser;

(ii) will not result in the violation of the Purchaser's articles of incorporation, by-laws or any agreement to which the Purchaser is bound; and

(iii) will not result in the violation of any Laws;

(d) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms;

(e) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the Transaction by the Purchaser;

(f) the Purchaser has, and will have at Closing, all funds on hand necessary to pay the Purchase Price and any Sales Taxes payable and that are not self-assessed and remitted by the Purchaser;

(g) The Purchaser is not aware of any orders or proceedings pending before any Governmental Authority, or any threatened to be brought by or before any Governmental Authority by or against the Purchaser, affecting the legality, validity or enforceability of this Agreement or the consummation of the Transaction by the Purchaser; and

(h) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

6.3 Purchaser's Covenants

(a) The Purchaser shall use commercially reasonable efforts to take all such actions as are within its power or control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control , so as to ensure compliance with each of the conditions and covenants set forth in Article 7 which are for its benefit or for the mutual benefit of the Parties.

(b) The Purchaser agrees it will pursue the expedited RHRA approvals process for the new Purchaser's License.

(c) The Purchaser will promptly notify the Vendor upon:

(i) becoming aware of any order or any complaint requesting an order restraining or enjoining the execution of this Agreement or the consummation of the Transaction; or

(ii) receiving any notice from any Governmental Authority of its intention:

(A) to institute a suit or proceeding to restrain or enjoin the execution of this Agreement or the consummation of the Transaction; or

(B) to nullify or render ineffective this Agreement or such Transaction.

6.4 Vendor's Covenants

(a) The Vendor agrees, subject to the terms of the Approval and Vesting Order, to thereafter take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to fulfill the conditions set forth in Article 7 which are for the benefit of the Vendor or the mutual benefit of the Parties.

(b) The Vendor will promptly notify the Purchaser upon:

(i) becoming aware of any order or any complaint requesting an order restraining or enjoining the execution of this Agreement or the consummation of the Transaction; or

(ii) receiving any notice from any Governmental Authority of its intention:

(A) to institute a suit or proceeding to restrain or enjoin the execution of this Agreement or the consummation of the Transaction; or

(B) to nullify or render ineffective this Agreement or such Transaction.

6.5 Tax Matters

(a) The Purchaser will pay to the Vendor on Closing, in addition to the Purchase Price, all applicable Sale Taxes, or other like charges properly payable by the Purchaser and collectible by the Vendor in connection with the purchase and sale of the Purchased Assets.

(b) Pursuant to subsection 221(2) and 228(4) of the ETA, the Purchaser shall, on or before the day on which the Purchaser's GST/HST return for the reporting period in which the GST/HST becomes payable is required to be filed, self-assess and remit GST/HST on the portion of the Purchase Price allocable to that portion of the Property and any other Purchased Assets that are real property for purposes of the ETA and report such GST/HST on its Tax Returns.

(c) The Purchaser agrees to indemnify and save the Vendor harmless from and against all claims and demands for payment of all applicable Sales Taxes, if any, in connection with this Agreement and the Transaction, including penalties and interest and any liability or costs incurred as a result of any failure to pay those taxes when due.

(d) The Purchaser's obligations under this Section 6.5 shall survive and not merge on Closing.

6.6 Employment Matters

(a) The Purchaser may, in its sole discretion, offer new employment, conditional upon Closing and effective as of the Closing Date, to such of the non-unionized Employees as determined by the Purchaser, in its sole discretion, on terms and conditions substantially similar to their respective terms and conditions of employment with the Debtor existing as of the Closing Date.

(b) Immediately following the execution of this Agreement, the Vendor will provide access to and undertake all reasonable efforts to make available to the Purchaser the executive or management employees of the Debtor for the purpose of discussing the employment or offering new employment to any Employees as of the Closing Date on terms substantially similar to their respective terms and conditions of employment with the Debtor existing as of the Closing Date, but any such offer to employ or any expression of interest shall be made subject to

(a) confidentiality; (b) the issuance of the Approval and Vesting Order; and (c) Closing.

(c) No later than ten (10) Business Days prior to the Closing Date the Purchaser shall provide the Vendor with a list of the Employees of the Debtor it wishes to offer employment on terms and conditions substantially similar to and no less favourable than those they currently enjoy. The Employees who accept the Purchaser's offer and all union employees shall collectively be referred to as "Transferred Employees". Regardless of the foregoing, all Employees of the Debtor shall be terminated, effective immediately prior to Closing.

(d) the Vendor shall credit the Purchaser on the Statement of Adjustments with an amount equal to three percent and one half (3.5%) of the gross pay of all unionized Employees (being those Employees represented by Labourers International Union of North America Local 3000 (the "**Union**"), for the period from April 20, 2025 up to the Closing Date (the "**Estimated Gross Pay Increase**") in lieu of any retroactive pay or other compensation that may become payable to such Employees as a result of the negotiation or ratification of a new collective bargaining agreement for such period, and this adjustment for the Estimated Gross Pay Increase shall not be subject to readjustment, regardless of whether a new collective bargaining agreement is executed prior to or after Closing, and regardless of the actual terms ultimately agreed upon, unless the amount of the Estimated Gross Pay Increase is paid by the Vendor prior to Closing in which case this adjustment shall not be made by the Vendor, or the actual gross pay increase of the unionized Employees for the period from April 20, 2025 is less than the Estimated Gross Pay Increase and that actual gross pay increase is paid by the Vendor prior to Closing in which case this adjustment shall not be made by the Vendor.

(e) Following the Closing Date, the Purchaser shall assume and be responsible for all Employee Liabilities with respect to Transferred Employees that arise on or after the Closing Date.

6.7 Exclusivity

During the period beginning on the Execution Date and ending on the earlier of Closing or the earlier termination of this Agreement in accordance with its terms, none of the entities comprising the Vendor will not directly or indirectly in any manner (a) entertain, solicit or encourage; (b) furnish or cause to be furnished any information to any Persons (other than the Purchaser or its representatives) in connection with; or (c) negotiate or otherwise pursue, any proposal or discussions for or in connection with any possible sale of any Purchased Assets, the Property, or of the Business, no matter how structured, including by sale of all or any significant or controlling part of the ownership interests of any of the entities comprising the Vendor and Debtor, by sale or licence of all or any significant part of the Purchased Assets, or by any merger or other business combination involving any of the entities comprising the Vendor or otherwise.

6.8 Survival of Covenants

Except as otherwise expressly provided in this Agreement to the contrary, no representations, warranties, covenants or agreements of the Vendor or the Purchaser in this Agreement shall survive Closing.

ARTICLE 7
CLOSING

7.1 Conditions of Closing for the Benefit of the Purchaser

The Purchaser's obligation to complete the Transaction is subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser by notice to the Vendor prior to Closing, unless otherwise described herein:

(a) On the Execution Date the Purchaser will provide the Vendor with a list of initial due diligence requests which can be amended and supplemented for up to 5 Business Days following the Execution Date. On or before the date that is thirty (30) days after the Execution Date (the "**Due Diligence Date**"), the Purchaser shall have such time to, (i) review and approve evidence that the Vendor has free, clear and absolute title to the Purchased Assets subject only to the Permitted Encumbrances and exceptions acceptable to the Purchaser in its sole discretion; (ii) be satisfied with a Phase 1 (and if necessary a phase 2) environmental site assessment report and an engineering report in its sole discretion; and (iii) conduct and be satisfied with such site inspections, inquiries and reviews as the Purchaser considers appropriate in order to satisfy itself in its sole and unfettered discretion as to the physical and environmental condition and financial viability of the Purchased Assets (collectively the "**Due Diligence Conditions**"). The Due Diligence Conditions will be satisfied or waived on or before the Due Diligence Date by the Purchaser, in writing

(b) On or before the date that is 45 days after the Execution Date (the "**Third-Party Condition Date**"), but only if the Purchaser confirms satisfaction or waiver of the Due Diligence Conditions, the Purchaser shall have such time to, for all third-party deliveries, inquiries and requests, (i) conduct and be satisfied with such inquiries and reviews as the Purchaser considers appropriate in order to satisfy itself in its sole and unfettered discretion as to the physical and environmental condition and financial viability of the Purchased Assets, and (ii) obtain a satisfactory and binding acquisition financing commitment (the "**Third-Party Conditions**"). The Third-Party Conditions will be satisfied or waived in writing on or before the Third-Party Condition Date;

(c) the representations and warranties of the Vendor in Section 6.1 shall in all material respects be true and correct as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date;

(d) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Vendor on or before the Closing Date shall have been complied with or performed by the Vendor in all material respects;

(e) the Purchaser shall have received all of the Closing Documents to be delivered by the Vendor pursuant to Section 7.5 (a);

(f) on or before the Closing, the Purchaser completing the purchase of the property known as "Ravines Seniors Suites" located at 636 Prado Private, Ottawa, Ontario with KSV Restructuring Inc., solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of 2265132 Ontario Inc. and 1384274 Ontario Inc.;

(g) the Vendor shall have complied with all the terms contained in this Agreement applicable to the Receiver prior to the Closing Date;

(h) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction contemplated herein or otherwise claiming that such completion is improper;

(i) the Purchaser receiving from RHRA its expressed intention to provide the License with respect to one or more of the licences applied for, such License being conditional only on the Closing of the Transaction and subject only to the discovery by RHRA of any new and material information requiring RHRA to revoke or otherwise modify its expressed intention to provide the License;

(j) the Service List shall be in form and substance satisfactory to the Purchaser, acting reasonably;

(k) the draft Approval and Vesting Order shall be in form and substance satisfactory to the Purchaser, acting reasonably, and shall be, once issued, posted on the Receiver's website and delivered to the Service List;

If the Purchaser does not advise the Vendor in writing at any time prior to the expiry of the Due Diligence Date in respect of the Due Diligence or Third-Party Condition Date in respect of the Third Party Conditions, that it is satisfied with the results of its investigations or that it is waiving the conditions contained in Section 7.1(a), or 7.1(b) of this Agreement, shall be terminated and the Parties shall have no further liabilities to one another hereunder or this Agreement in respect to the Purchased Assets, save and except that the Deposit shall be returned to the Purchaser with interest and without deduction.

7.2 Conditions of Closing for the Benefit of the Vendor

The Vendor's obligation to complete the Transaction is subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor by notice to the Purchaser prior to Closing:

(a) the representations and warranties of the Purchaser in Section 6.2 shall in all material respects be true and correct as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date;

(b) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed by the Purchaser;

(c) the Purchaser shall have paid the Balance to the Vendor plus all Sales Taxes thereon, if any (with the exception of applicable land transfer taxes and GST/HST self-assessed pursuant to subsection 221(2) of the ETA, each of which will be paid directly to the applicable Governmental Authority); and

(d) the Vendor shall have received all of the Closing Documents to be delivered by the Purchaser pursuant to Section 7.5(b).

7.3 Conditions of Closing for the Mutual Benefit of the Parties

The obligations of either the Vendor or the Purchaser to complete the Transaction are subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the mutual benefit of each of the Parties and may only be waived, in whole or in part, by written agreement of the Parties to this Agreement prior to Closing:

(a) no Governmental Authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order that prohibits the Transaction from being completed on Closing;

(b) the draft Approval and Vesting Order shall have been delivered to the Purchaser within 5 Business Days following the expiry of the Third-Party Condition Date; and

(c) the Approval and Vesting Order shall have been issued by the Court no later than fifteen (15) Business Days following the expiry of the Third-Party Condition Date, subject to Court availability.

7.4 Access

(a) Until the Closing Date, the Purchaser and its representatives shall have reasonable access to the Property, and to the books and records relating to the Business, the Purchased Assets and the Assumed Liabilities, as the Purchaser may reasonably require from time to time in connection with the Transaction, and at the Purchaser's sole risk and expense, in each case subject to the remaining provisions of this Section 7.4.

(b) The Purchaser shall have no right to conduct invasive, intrusive or destructive testing or physical disturbance of the Property, except upon prior written consent of the Vendor, such consent not to be unreasonably withheld.

(c) Notwithstanding anything else contained here, the Purchaser shall carry out the inspections as referred to in Section 7.4(a) and 7.4(b) respectively, on the following conditions:

(i) the Purchaser and its representatives shall not interfere with the ordinary course of Business of the Debtor;

(ii) the Purchaser shall observe the rights of the Residents under the Leases;

(iii) the Purchaser shall observe all health and safety protocols, policies and requirements of the Vendor and/or the Residents;

(iv) all such visits shall occur during the normal business hours of the Debtor; and

(v) any and all inspection fees, appraisal fees, and other expenses of any kind incurred by the Purchaser relating to the inspection, investigation, testing or measurement of the Property shall be solely for the Purchaser's account and shall be promptly paid by the Purchaser.

(d) The Purchaser acknowledges that its access to the Property shall be subject to the applicable Laws, including the *Residential Tenancies Act (Ontario)* and the Licensing Act. The Purchaser agrees that in carrying out any inspections, investigations or tests of the Property, the Purchaser and its representatives shall use commercially reasonable efforts to minimize any interference with or disruption to the normal operation of the Property and the occupation of apartment suites at the Property by any Residents. The Purchaser shall make requests for any access to the Vendor on not less than three (3) Business Days' notice to the Vendor. The Vendor shall have the right to accompany the Purchaser or its representatives on any inspections, investigations and tests undertaken pursuant to this Section.

(e) The Purchaser agrees to repair forthwith any damage to the Property from its inspections or investigations as referred to in Section 7.4(a) and Section 7.4(b), respectively, at the Purchaser's expense and shall indemnify and hold the Vendor harmless from and against any and all Claims that may be suffered or incurred, directly or indirectly, by the Vendor arising from or in respect of the inspections or investigations as referred to.

(f) If the Purchaser fails to repair any such damage forthwith following written notice from the Vendor, the Vendor shall be entitled to set off the cost of any such repairs, as estimated by an arm's length independent architect, engineer, quantity surveyor or other qualified expert, against the amount of the Deposit.

(g) This Section 7.4 shall survive any termination of this Agreement and shall survive Closing.

7.5 Closing Documents

On or before Closing, subject to the provisions of this Agreement, each of the Vendor and the Purchaser shall execute or cause to be executed and shall deliver or cause to be delivered into escrow in accordance with the DRA, the following, which shall be in form and substance reasonably satisfactory to the Purchaser and the Vendor and their respective solicitors (the "**Closing Documents**"), provided that none such documents shall contain covenants, representations or warranties which are in addition to or more onerous upon either the Vendor or the Purchaser than those expressly set forth in this Agreement:

(a) By the Vendor:

(i) a direction of funds for the payment of the Balance (as adjusted);

(ii) a bill of sale;

(iii) the Receiver's Certificate;

(iv) an assignment and assumption agreement of the Assigned Contracts and the Assumed Liabilities;

(v) the Approval and Vesting Order;

(vi) at least two (2) Business Days prior to Closing, the statement of Adjustments evidencing the Adjustments made as of the Adjustment Date in accordance with Section 4.1;

(vii) a notice of direction to the Residents advising of the change in ownership of the Property and directions relating to the payment of Rent and other payments under the Leases;

(viii) a transfer of the post-Receivership Resident trust funds, if applicable, together with all records related thereto;

(ix) keys, security cards and alarm codes related to the Property;

(x) a bring down certificate dated as of the Closing Date, confirming:

(A) that all of the representations and warranties of the Vendor contained in Section 6.1 of this Agreement are true and correct in all material respects as of the Closing Date, with the same effect as though made on and as of the Closing Date; and

(B) that, the Vendor has not been served with any notice of appeal with respect to the Receivership Order or the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or enjoin, restrict or prohibit the completion of the Transaction; and

(xi) such other documents as the Purchaser or the Purchaser's Solicitors shall reasonably require in good faith in accordance with this Agreement or as may be required under applicable Laws.

(b) By the Purchaser:

(i) the Balance (as adjusted), payable to the Vendor or as it directs;

(ii) the bill of sale;

(iii) an assignment and assumption agreement of the Assigned Contracts and the Assumed Liabilities;

(iv) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in Section 6.2 of this Agreement are true and correct in all material respects as of the Closing Date, with the same effect as though made on and as of the Closing Date;

(v) an indemnity in favour of the Vendor in respect of HST; and

(vi) such other documents as the Vendor or the Vendor's Solicitors shall reasonably require in good faith in accordance with this Agreement or as may be required under applicable Laws.

7.6 Closing Date

(a) The completion of the Transaction contemplated by this Agreement (the "**Closing**") shall take place virtually, by the exchange of executed Closing Documents by facsimile, email, other electronic means or courier on the Closing Date.

(b) Subject to satisfaction or waiver by the relevant Party or Parties, as applicable, of the conditions of closing in its favour contained in this
CLOSING, at Closing, the Purchaser will pay or satisfy the Purchase Price in accordance with Article 3, and the Closing of the Transaction will take effect, pursuant to the Approval and Vesting Order, upon delivery of the Receiver's Certificate.

7.7 Closing Arrangements

(a) On or before the Closing Date, subject to satisfaction or waiver by the Purchaser of the conditions of Closing in its favour contained in Sections 7.1 and 7.3, the Purchaser shall confirm to the Vendor the satisfaction of all conditions to Closing.

(b) On or before Closing, the Parties' respective solicitors shall exchange the Closing Documents in escrow in accordance with the escrow closing arrangements set out in Section 1.1(d) and the Balance and any Taxes that are not self-assessed and remitted by the Purchaser shall be delivered to or paid to the order of the Vendor, in trust, in accordance with Article 3 and the Deposit and the Balance shall remain in escrow with the Vendor until the Vendor has (i) submitted for registration the Application for Vesting Order on title to the Property and, (ii) contemporaneously with confirmation that the Application for Vesting Order has been so submitted for registration, delivered the Receiver's Certificate to the Purchaser, upon the occurrence of which the escrow shall be lifted, the Closing Documents shall take effect as of the date and time set out in the Receiver's Certificate, the entire amount of the Deposit and the Balance shall, subject to the terms of the Appointment Order and the Approval and Vesting Order and Section 1.1(d), be forthwith released to the Vendor and the Closing shall be deemed to have occurred as of such date and time set out in the Receiver's Certificate and fully signed Closing Documents shall be released to each of the Vendor and Purchaser.

(c) The Vendor shall not, under any circumstances, be required to verify or determine the validity of any written notice or other document whatsoever delivered to the Vendor in connection with the trust funds or the satisfaction of conditions of Closing and the Vendor is hereby relieved of any liability or responsibility for any loss or damage which may arise as a result of the acceptance by the Vendor of any such written notice or other document or as a result of filing the Receiver's Certificate.

(d) The Vendor and Purchaser hereby agree to complete the Transaction by electronic registration pursuant to Part III of the *Land Registration Reform Act* (Ontario) and the *Electronic Registration Act* (Ontario). The Vendor and Purchaser acknowledge and agree that the exchange of closing funds and the Closing Documents and the release thereof to the Vendor and Purchaser will: (a) not occur at the same time as the registration of the Application for Vesting Order (and any other documents intended to be registered in connection with the completion of this Transaction); and (b) be subject to conditions whereby the solicitor(s) receiving any of the Closing Documents will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the respective solicitors of the Vendor and the Purchaser. The Vendor and Purchaser irrevocably instruct their respective solicitors to be bound by the document registration agreement in the form of the agreement amended by the Real Estate Liaison Group in March 2021, and posted on the Law Society of Ontario's website on June 10, 2021, which original document was created and adopted by the Joint LSUC-CBAO Committee on Electronic Registration of Title Documents on March 29, 2004 (subject in each case to necessary amendments agreed to by the respective solicitors) ("**DRA**"). The Parties covenant and agree to cause their respective solicitors to enter into the DRA at least two (2) Business Days prior to the Closing Date. The exchange of the Closing Documents will occur electronically and in counterparts.

(e) The Purchaser acknowledges that the Vendor may rely upon the provisions of Section 3.2 hereof and this Section 7.7.

(f) This Section 7.7 shall survive the Closing or termination of this Agreement.

7.8 Filings and Authorizations

Each of the Vendor and the Purchaser, as promptly as practicable after the execution of this Agreement, will make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to consummate the purchase and sale of the Purchased Assets in accordance with the terms of this Agreement, including, but not limited to, the issuance of, or an undertaking to issue, a Licence under the Licensing Act in replacement of the existing Licence under the Licensing Act held in respect of the Business. The Vendor and the Purchaser shall co-ordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, providing each other with all notices and information supplied to or filed with any Governmental Authority (except for notices and information which the Vendor or the Purchaser, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Authority.

7.9 Termination

This Agreement may, by notice in writing given at or prior to Closing, be terminated:

(a) automatically and without any further action or notice by either Party, immediately upon the issuance of a final and non-appealable order, decree, or ruling or any other action by a Governmental Authority to restrain, enjoin or otherwise prohibit the Transaction;

(b) by mutual written agreement of the Purchaser and the Vendor;

(c) by the Purchaser if any of the conditions in Section 7.1 have not been satisfied on or before the Closing Date or such other time described in Section 7.1 and the Purchaser has not waived such condition;

(d) by the Vendor if any of the conditions in Section 7.9(d) have not been satisfied on or before the Closing Date and the Vendor has not waived such condition; or

(e) by either Party if Closing has not occurred on or before the Closing Date, provided that a Party may not terminate this Agreement pursuant to this Section 7.9(d) if it has failed to perform any one or more of its obligations or covenants under this Agreement and the Closing has not occurred because of such failure.

If the Agreement is terminated in accordance with the provisions of this Section 7.9, this Agreement shall be null and void and of no further force or effect whatsoever and, the Deposit together with any interest accrued thereon shall forthwith be return to the Purchaser, whereupon neither the Vendor nor the Purchaser shall have any continuing rights or obligations hereunder (save in respect of provisions which are expressly stated to survive the termination of this Agreement); provided that if this Agreement was terminated because of a default of the Vendor or because of any reason other than the default of the Vendor or failure to obtain the Approval and Vesting Order, then such termination shall be subject to Section 3.2(b) and 3.2(c), as the case may be.

ARTICLE 8
OTHER PROVISIONS

8.1 Confidentiality

(a) The Purchaser shall keep confidential all Confidential Information obtained from the Vendor, the Debtor, and/or their respective agents or representatives in connection with the Transaction and shall not use the Confidential Information for any purposes unrelated to the Transaction. For greater certainty, any confidentiality agreement entered into by the Purchaser in connection with the

Transaction shall continue to be in effect until Closing. Any publicity relating to the Transaction shall be mutually agreed upon by the Receiver and the Purchaser, provided that the Purchaser acknowledges the Receiver shall be entitled to disclose information regarding the Transaction for the purposes of seeking the Approval and Vesting Order.

(b) The Purchaser's use and disclosure of Personal Information in connection with the conduct of the Business after Closing (or termination of this Agreement) shall be carried out in compliance with all applicable Laws. The Purchaser shall protect and safeguard the Personal Information against unauthorized collection, use or disclosure using security measures appropriate to the sensitivity of the information, as provided by Privacy Laws. The Confidential Information shall be retained by the Purchaser only for as long as necessary to fulfill the purposes related to the Transaction, after which it shall be securely deleted by Purchaser or returned in accordance with Privacy Laws and the terms of any confidentiality agreement.

(c) The terms and provisions of this Section 8.1 shall survive Closing or termination of this Agreement.

8.2 Assignment

Prior to Closing, the Purchaser shall be entitled to assign all or any portion of its interest to an affiliate of the Purchaser (the "**Permitted Assignee**") upon written notice to the Vendor. In the event of an assignment to the Permitted Assignee, as a condition precedent thereto, the Permitted Assignee shall enter into an assumption with the Vendor in form satisfactory to the Parties, each acting reasonably, and provided that such assignment shall relieve the Purchaser of any of its obligations or Liabilities under this Agreement. In addition, the Permitted Assignee shall comply with the provisions of Section 221(2)(b) and 228(4)(a) of the HST Legislation.

8.3 Time of the Essence

Time shall be of the essence of this Agreement.

8.4 Entire Agreement

This Agreement (including any other schedules thereto) constitutes the entire agreement between the Parties with respect to the Transaction and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, legal or conventional, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the Transaction.

8.5 Waiver

(a) No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the Party to be bound by the waiver.

(b) No failure on the part of the Vendor or the Purchaser to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

8.6 Further Assurances

Each of the Parties covenants and agrees to do such things, to attend such meetings and to execute such further conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time, both before and after Closing, in order to effectively assign and transfer the Purchased Assets to the Purchaser and carry out the terms and conditions of this Agreement in accordance with their true intent, including to register the Application for Vesting Order on title to the Purchased Assets. The provisions of this Section 8.6 shall survive and shall not merge on Closing.

8.7 Severability

If any provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.

8.8 Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party irrevocably and unconditionally consents to the jurisdiction and venue of the Court and all courts competent to hear appeals therefrom for the resolution of any disputes under this Agreement.

8.9 Statute References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

8.10 Headings

The division of this Agreement into Sections and the insertion of headings is for convenience of reference only and are not to be considered in, and shall not affect, the construction or interpretation of any provision of this Agreement.

8.11 References

Where in this Agreement reference is made to an article or section, the reference is to an article or section in this Agreement unless the context indicates the reference is to some other agreement.

The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. The word "includes" or "including" shall mean "includes without limitation" or "including without limitation", respectively. The word "or" is not exclusive.

8.12 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

8.13 Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 5:00 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day. Where in this Agreement a number of days is prescribed, the number shall be computed by excluding the first day and including the last day.

8.14Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement all dollar amounts referred to in this Agreement are stated in Canadian Dollars.

8.15 Notice

Any notice, consent or approval required or permitted to be given in connection with this Agreement shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:

(a) in the case of a notice to the Vendor at:

BDO Canada Limited, in its capacity as the Receiver of the property, assets and undertaking of the Debtor, and not in its personal or corporate capacity and without personal liability

Suite 805, 25 Main St. West
Hamilton, Ontario, L8P 1H1

Attention: Christoper J. Mazur
Email: cmazur@bdo.ca

With a copy to the Vendor's Solicitors:

Simpson Wigle Law LLP
1006 Skyview Dr. #103
Burlington, Ontario L7P 0V1

Attention: Rosemary Fisher
Email: FisherR@simpsonwigle.com

(b) in the case of a notice to the Purchaser at:

c/o Verve Senior Living
5290 Yonge Street, Suite 200
Toronto, ON M2N 5P9

Attention: David Bird

Email: dbird@verveseniorliving.com

with a copy to the Purchaser's Solicitors:
Gowling WLG (Canada) LLP
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, ON M5X 1G5

Attention: Clifton Prophet

Email: clifton.prophet@gowlingwlg.com

A notice is deemed to be given and received (i) if sent by email, personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, or (iii) if transmitted by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile. Any Party may change its address for service from time to time by providing a notice in accordance with the foregoing.

8.16 Subdivision Control Legislation

This Agreement and the Transaction are subject to compliance with the subdivision control requirements of the *Planning Act* (Ontario).

8.17 No Registration of Agreement

The Purchaser covenants and agrees not to register or cause or permit to be registered this Agreement or any notice of this Agreement on title to any of the Property and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof shall be registered on title to the Property and/or any part thereof and the Purchaser shall be deemed to be in material default under this Agreement if it makes, or causes or permits, any registration to be made on title to the Property and/or any part thereof prior to the successful completion of the Transaction contemplated herein on the Closing Date. The Purchaser shall indemnify and save the Vendor harmless from and against any and all Claims whatsoever arising from or with respect to any such registration, including, all the legal fees, on a full indemnity basis, including those incurred by the Vendor with respect to obtaining the removal of such registration.

This indemnity shall survive and not merge on the expiration, non-completion and/or termination of this Agreement for any reason.

8.18 Solicitors As Agents

Any notice, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser, and by the Vendor's Solicitors on behalf of the Vendor, and any tender of Closing Documents and the Balance may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

8.19 Third Party Costs

Each of the Parties hereto shall be responsible for the costs of their own solicitors, respectively, in respect of the Transaction. The Purchaser shall be solely responsible for and shall pay, in addition to the Purchase Price, all fees and expenses in respect of any land transfer taxes and transfer duties payable on the transfer of the Property, all registration taxes, fees and other costs payable in respect of registration of any documents to be registered by the Purchaser or the Vendor at Closing and all federal and provincial sales and other taxes payable upon or in connection with the conveyance or transfer of the Purchased Assets, including, goods and services tax, harmonized sales tax or other similar value added or multi-staged tax imposed by any applicable provincial legislation, as and any other provincial sales taxes. This Section 8.19 shall survive the Closing or the termination of this Agreement.

8.20 Interpretation

The Parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to their revision, (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement, and (c) the terms and provisions of this Agreement shall be construed fairly as to all Parties hereto and not in favour of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

8.21 Capacity of Vendor

The Purchaser acknowledges and agrees that the Vendor is entering into this Agreement solely in its capacity as Receiver of the property, assets and undertakings of the Vendors and not in its personal capacity and shall in no circumstances have any personal liability hereunder.

8.22 No Third Party Beneficiaries

Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person, other than the Purchaser and the Vendor (and its brokers or agents, including Newmark), and no Person, other than the Purchaser and the Vendor, shall be entitled to rely on the provisions hereof in any Claim, proceeding, hearing or other forum. The Purchaser acknowledges and agrees that the Vendor, acting in its capacity as the court appointed Receiver of the property of the Debtor, and the brokers or agents of the Receiver, including Newmark, will have no liability in connection with this Agreement whatsoever, in their capacity as Receiver or broker or agent to the Receiver, in their personal capacity or otherwise.

8.23 Enurement

This Agreement shall become effective when executed by the Vendor, and the Purchaser and after that time shall be binding upon and enure to the benefit of the Parties and their respective heirs, executors, personal legal representatives, successors and permitted assigns. The Purchaser has and shall have no right to assign, convey and/or transfer its rights and/or obligations hereunder or to direct title to any of the Purchased Assets to any other Person or to effect a "change of control" so as to indirectly effect the foregoing, without in each case first obtaining the prior written consent of the Vendor, which consent may be arbitrarily and unreasonably withheld by the Vendor.

8.24 Amendments

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Vendor and the Purchaser, except that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor.

8.25 Assignment

No party may assign any of its rights or benefits under this Agreement except with the prior written consent of the other party, not to be unreasonably withheld or delayed. Upon any such assignment by the Purchaser, the Purchaser shall not be relieved and released from any obligations and liabilities under the Agreement until Closing. Notwithstanding the foregoing, the Vendor consents to the Purchaser assigning this Agreement to an entity to be formed, which will be an entity related to the Purchaser. **provided that the Purchaser notifies the Vendor of such assignment not less than ten (10) Business Days prior to date of the hearing in respect of the Approval and Vesting Order.**

8.26 Counterparts and Delivery

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the Parties adopt any signatures received by electronic transmission as original signatures of the Parties.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the Parties have executed this Agreement.

BDO CANADA LIMITED, solely in its capacity as receiver and manager of the property, assets and undertaking of 2139770 Ontario Inc. , and not in its personal capacity

By: ______________________________

Name: Christoper J. Mazur

Title: Senior Vice President

DCMS Realty (Evergreen) Inc.

By: ______________________________

Name: Domenic Gesualdi

Title: President

By: ______________________________

Name: Alon Ossip

Title: Vice-President

SCHEDULE "A"
PROPERTY

PART OF BLOCKS 10 AND 25 PLAN 4M1327, PARTS 2, 22, 25, 29, 30, 31, 36 AND 53 PLAN 4R25794. SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 22 AND 29 PLAN 4R25794 AS IN OC881843. SUBJECT TO AN EASEMENT OVER PARTS 2, 25, 30, 31, 36 AND 53 PLAN 4R25794 AS IN OC909083; SUBJECT TO AN EASEMENT AS IN OC1200007; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1254247; TOGETHER WITH AN EASEMENT OVER ALL OF BLOCK 9 AND PART OF BLOCKS 10, 11 AND 25 PLAN 4M1327, PARTS 1, 3, 4, 5, 6, 7, 10, 11, 14, 15, 16, 17, 18, 20, 23, 24, 26, 27, 28, 32, 33, 34, 35, 37, 39, 40, 41, 42, 43, 44, 50, 51, 52 AND 54 PLAN 4R25794 AS IN OC1451771; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1560111; CITY OF OTTAWA

PIN 04052 – 0802 LT

SCHEDULE "B"
PURCHASED ASSETS

The "**Purchased Assets**" means all right, title and interest of the Debtors in and to the following assets as of the Closing Time, as they relate exclusively to the Business and the Property:

(a) the Property;

(b) the Assigned Contracts;

(c) the Debtor's interest, if any, in any chattels used in connection with the Property;

(d) all rental and other payments accruing to the Vendor from and after the Closing Date under the terms of the Leases;

(e) all books, records, plans, files, drawings, engineering information, manuals, and papers to the extent not prohibited by law (collectively, the "**Books and Records**"),located at the Property and/or in the possession of the Vendor including without limitation:

  (i) records of present Residents, including the resident care plans for such Residents;

  (ii) customer relationship management records in place on the Execution Date;

  (iii) employment records in respect of Transferred Employees;

  (iv) all historical emails and email archives for all Employees who have a Business email address;

  (v) contact particulars for current Residents, Employees, independent contractors, agents and sales leads;

  (vi) accounting records required to prepare year-end financial statements or to satisfy auditor requests;

(f) social media accounts, telephone numbers, and fax numbers and any and all other intellectual property of the Business;

(g) computer hardware (including laptops, desktops, iPads, tablets), software and related accessories (including docking stations, monitors, keyboards and mice), servers, configured networks and switches (including IP address information, usernames and passwords), Wi-Fi infrastructure (including IP address information, usernames and passwords), and nurse call system including escalation tree and server, telephone system including all desk telephones and all telephone numbers and fax numbers which are located at the Property;

(h) any vehicles registered to the Debtor, subject to encumbrances;

SCHEDULE "C"
ASSUMED LIABILITIES

As per the terms of the Agreement under Section 2.3

SCHEDULE "D "
PERMITTED ENCUMBRANCES

INSTRUMENT NO. CR475141	Notice registered on April 6, 1964
INSTRUMENT NO. NS146175	Order in Council registered on March 26, 1982
INSTRUMENT NO. NS146176	Order in Council registered on March 26, 1982
INSTRUMENT NO. 4M1327	Plan Subdivision registered on May 4, 2007
INSTRUMENT NO. OC715042	City of Ottawa Notice of Subdivision Agreement registered on May 4, 2007
INSTRUMENT NO. OC722167	City of Ottawa Notice registered on May 25, 2007
INSTRUMENT NO. OC722168	City of Ottawa Notice registered on May 25, 2007
INSTRUMENT NO. OC808435	City of Ottawa Notice registered on December 14, 2007
INSTRUMENT NO. OC881843	Transfer Easement to Hydro Ottawa Limited registered on July 30, 2008
INSTRUMENT NO. OC909083	Transfer Easement to Rogers Cable Communications Inc. registered on September 30, 2008
INSTRUMENT NO. OC1135995	Crown Notice registered on July 16, 2010
INSTRUMENT NO. OC1200007	Transfer Easement to Rogers Communications Inc. registered on January 18, 2011
INSTRUMENT NO. OC1254247	Transfer Easement to Bell Canada registered on July 6, 2011
INSTRUMENT NO. OC1296708	City of Ottawa Notice registered on October 21, 2011
INSTRUMENT NO. 4R25794	Plan Reference registered on December 1, 2011
INSTRUMENT NO. OC1325637	City of Ottawa Notice registered on January 18, 2012
INSTRUMENT NO. OC1325638	City of Ottawa By-Law registered on January 18, 2012
INSTRUMENT NO. OC1352990	Notice from 2139770 Ontario Inc., 2265132 Ontario Inc., 2252514 Ontario Inc., 1384274 Ontario Inc., and Ashcroft Homes – Citiplace Inc. registered on April 19, 2012

INSTRUMENT NO. OC1451930	Land Registrar's Order registered on February 7, 2013
INSTRUMENT NO. OC1560108	City of Ottawa Notice registered on February 20, 2014
INSTRUMENT NO. OC1560111	Transfer Easement to City of Ottawa registered on February 20, 2014

SCHEDULE "E"

APPENDIX H

AMENDING AGREEMENT

This Agreement is dated July 24, 2026 (the "**Effective Date**").

BETWEEN:

BDO Canada Limited, solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of 2139770 Ontario Inc., and not in its personal capacity
(the "**Vendor**")

- and -

DCMS Realty (Evergreen) Inc.
(the "**Purchaser**")

RECITALS:

A. The Vendor and the Purchaser are party to an Agreement of Purchase and Sale dated June 9, 2026 (the "**Purchase Agreement**") in respect of the purchase and sale of the Purchased Assets, as further described in the Purchase Agreement.

B. The parties wish amend the Purchase Agreement to extend the Third Party Condition Date as set out herein.

NOW THEREFORE, in consideration of the non-refundable amount of **$25,000** payable by the Purchaser to the Vendor (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

1.0 Definitions

1.1 Initially capitalized terms used but not defined in this Agreement have the meanings given to them in the Purchase Agreement.

2.0 Amendments

2.1 Section 7.1(b) of the Purchase Agreement is amended by replacing "On or before the date that is 45 days after the Execution Date" with "On or before 5:00 p.m. (Ontario time) on July 31, 2026".

2.2 Except as amended herein, the Purchase Agreement remains unchanged and in full force and effect.

3.0 Further Assurances

3.1 Each party shall, at the reasonable request of the other party, execute and deliver such further documents, deeds, and instruments, and shall do and or cause to be done any acts, as may be reasonably necessary to give full effect to the intent and meaning of this Agreement.

4.0 Governing Law

4.1 This Agreement shall be governed by the Laws in force in the Province of Ontario with respect to matters relating to the Evergreen Residence and the Province of Alberta with respect to matters relating to the Alberta Residences, and in any other instances shall be governed by Alberta law.

5.0 Entire Agreement

5.1 This Agreement, together with the Purchase Agreement, constitutes the entire agreement of the parties and there are no representations, warranties, promises, agreements, conditions, obligations, or inducements, express or implied, not contained in this Agreement. Any representations, warranties, promises, agreements, conditions, obligations, or inducements, express or implied, not contained in this Agreement or the Purchase Agreement will not bind the parties and will not affect the construction or interpretation of this Agreement or the rights and obligations of the parties.

6.0 Successors and Assigns

6.1 This Agreement enures to the benefit of, and will be binding upon, each of the parties hereto and their respective heirs, executors, successors, and permitted assigns.

7.0 Severability

7.1 If any provision of this Agreement or its application to any person or circumstance is held to be illegal, invalid, or unenforceable by a court, that provision will be considered separate and severable from this Agreement and the remaining provisions of this Agreement will remain in full effect and bind the parties as though the illegal, invalid, or unenforceable provision had not been included.

8.0 Counterparts

8.1 This Agreement may be executed in counterpart. Each executed counterpart is deemed to be an original and the counterparts, together, constitute the same agreement. A signed copy of this Agreement delivered by fax, email, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[*Remainder of page intentionally left blank. Signature page follows*.]

The parties have executed this Agreement as of the Effective Date.

BDO Canada Limited, solely in its capacity as receiver and manager of the property, assets and undertaking of 2139770 Ontario Inc., and not in its personal capacity

Per: ______________________________

Name: Christopher J. Mazur
Title: Senior Vice President

I have authority to bind the receiver and manager.

DCMS Realty (Evergreen) Inc.

Per: ______________________________

Name: Domenic Gesualdi
Title: President

Per: ______________________________

Name: Alon Ossip
Title: Vice-President

I/We have authority to bind the corporation.

The parties have executed this Agreement as of the Effective Date.

BDO Canada Limited, solely in its capacity as receiver and manager of the property, assets and undertaking of 2139770 Ontario Inc., and not in its personal capacity

Per: ______________________________

Name: Christopher J. Mazur
Title: Senior Vice President

I have authority to bind the receiver and manager.

DCMS Realty (Evergreen) Inc.

Per: Domenic Gesualdi
Domenic Gesualdi (Jul 24, 2026 17:03:22 EDT)

Name: Domenic Gesualdi
Title: President

Per: Alon Ossip (Jul 24, 2026 16:47:32 EDT)

Name: Alon Ossip
Title: Vice-President

I/We have authority to bind the corporation.

APPENDIX I

WAIVER AND AMENDING AGREEMENT

This Agreement is dated July 31, 2026 (the "**Effective Date**").

BETWEEN:

BDO Canada Limited, solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of 2139770 Ontario Inc., and not in its personal capacity
(the "**Vendor**")

- and -

DCMS Realty (Evergreen) Inc.
(the "**Purchaser**")

RECITALS:

A. The Vendor and the Purchaser are party to an Agreement of Purchase and Sale dated June 9, 2026, as amended June 24, 2026 (collectively, and as the same may be further amended or modified, the "**Purchase Agreement**") in respect of the purchase and sale of the Purchased Assets, as further described in the Purchase Agreement.

B. The Vendor and the Purchaser are entering into this Agreement to, among other things, evidence the waiver by the Purchaser of the condition set out in Section 7.1(b) of the Purchase Agreement.

C. The Vendor and the Purchaser have agreed to amend the Purchase Agreement on the terms as set out herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

1.0 Definitions

1.1 Initially capitalized terms used but not defined in this Agreement have the meanings given to them in the Purchase Agreement.

2.0 Satisfaction/Waiver of Conditions

2.1 The Purchaser hereby irrevocably waives the condition set out in Section 7.1(b) of the Purchase Agreement. For greater certainty the foregoing waiver is not intended to be a notice of the satisfaction and/or waiver of any other condition in the Purchase Agreement in favour of the Purchaser.

3.0 Amendments

3.1 Section 3.1 of the Purchase Agreement is amended by replacing "**FORTY MILLION ($40,000,000.00)** DOLLARS" with "**THIRTY-NINE MILLION SIX HUNDRED THOUSAND ($39,600,000.00)** DOLLARS"

3.2 Section 3.1(c) of the Purchase Agreement is amended to read in full as follows (with the deleted text shown in strikethrough and new text shown in double underscore for the convenience of the reader):

(c) The Purchaser shall pay the sum of **$529,743** DOLLARS (the "**Escrow Amount**"), in escrow, to the Escrow Agent (defined below); and

(d) the Purchaser shall pay the balance of the Purchase Price (the “**Balance**”), subject only to the Adjustments made in accordance with this Agreement, by wire transfer of immediately available funds to the Vendor or as it may direct on the Closing Date.

3.3 Section 3.2(c) of the Purchase Agreement is amended to read in full as follows (with the deleted text shown in strikethrough and new text shown in double underscore for the convenience of the reader):

(c) If the Transaction is not completed by reason of the default of the Vendor <u>(including, for certainty, failure to satisfy any of the conditions set out in Section 7.1 of this Agreement)</u> or because the Purchaser fails to waive the Due Diligence Conditions prior to the Due Diligence Date, or fails to waive the Third-Party Conditions prior to the Third-Party Condition Date, and so long as the Purchaser is not in breach of any pre-closing obligations, the full amount of the Deposit together with all accrued interest earned thereon shall be paid to the Purchaser as full and final settlement and the Purchaser shall have no further recourse against the Vendor “(including, without limitation, failure to satisfy any of the conditions set out in Section 7.1 of this Agreement).

3.4 The following new subsections are added in the proper alpha-numeric order to Section 6.1 of the Purchase Agreement:

(l) The Vendor is not aware of any reason that any and all securities deposited with City of Ottawa pursuant to the Site Plan Agreement dated September 5, 2006, as amended (the “**Site Plan Agreement**”), would be required to be replaced by the Purchaser and the Vendor will not take any steps to interfere with the ongoing availability of such securities to City of Ottawa for the purpose of City of Ottawa completing any outstanding works or deficiencies set out in the Site Plan Agreement prior to Closing.

(m) After due inquiry, the Vendor is not aware of any securities currently deposited with the City of Ottawa pursuant to the Subdivision Agreement dated March 23, 2006 (the “**Subdivision Agreement**”).

3.5 The following new subsections are added in the proper alpha-numeric order to Section 7.1 of the Purchase Agreement:

(l) The work described in the letter dated July 23, 2026 from Triangle Pump Service Limited, as it relates to the fuel tank for the generator located at the Property has been completed and paid for by the Vendor to the satisfaction of the Purchaser;

(m) Delivery by the Vendor to the Purchaser of the 2026 annual report issued by Classic Fire + Life Safety, and all remediation work outlined therein has been completed and paid for by the Vendor to the satisfaction of the Purchaser;

(n) Code compliance infractions identified by Gal Power in its 2025 annual fuel inspection report are to be completed, including Gal Power’s agreement to fill the fuel tank attached to the fuel lines it was unable to inspect, and paid for by the Vendor to the satisfaction of the Purchaser;

(o) Delivery by the Vendor to the Purchaser of Gal Power’s 2026 annual fuel inspection report, and any code compliance infractions identified therein are to be completed and paid for by the Vendor to the satisfaction of the Purchaser;

(p) The Purchaser has received a compliance report from City of Ottawa in respect of the Site Plan Agreement and the Subdivision Agreement;

(q) The Purchaser is satisfied that the securities held by City of Ottawa pursuant to the Site Plan Agreement are sufficient to cover any deficiencies identified by City of Ottawa;

(r) The Purchaser, AlixPartners Restructuring, Inc. (formerly KSV Restructuring Inc.), in its capacity as court-appointed receiver and manager of the property, assets and undertaking of 2265132 Ontario Inc. and 1384274 Ontario Inc., and BDO Canada Limited, in its capacity as court-appointed receiver and manager of the property, assets and undertaking of 2139770 Ontario Inc. have entered into an escrow agreement, appointing AlixPartners Restructuring Inc. or BDO Canada Limited as escrow agent, which agreement shall be to the satisfaction of the Purchaser and the respective Vendors acting reasonably, that provides for release of the Escrow Amount to the Purchaser as and when the Purchaser completes any deficiencies identified under the Site Plan Agreement as they relate to the Property or the Ravines Apartments property at 636 Prado Private, Ottawa, Ontario, in an amount equal to the amount paid by the Purchaser to correct such deficiencies provided that the Purchaser's recourse for reimbursement for such deficiencies shall be solely to the Escrow Amount and, among other things, any residual amounts of the Escrow Amounts remaining after the date that is 12 months after the Closing Date;

(s) There are no arrears in respect of any accounts for property taxes or utilities which, if not paid, would be added to the property tax roll relating to the Property other than those which will be paid out of the Purchase Price and for which the Vendor will provide evidence of payment within 5 Business Days of Closing.

3.6 Section 7.4(d) of the Purchase Agreement is amended to delete the following sentence: "The Purchaser shall make requests for any access to the Vendor on not less than three (3) Business Days' notice to the Vendor."

3.7 Except as amended herein, the Purchase Agreement remains unchanged and in full force and effect.

4.0 <u>Further Assurances</u>

4.1 Each party shall, at the reasonable request of the other party, execute and deliver such further documents, deeds, and instruments, and shall do and or cause to be done any acts, as may be reasonably necessary to give full effect to the intent and meaning of this Agreement.

5.0 <u>Governing Law</u>

5.1 This Agreement shall be governed by the Laws in force in the Province of Ontario.

6.0 <u>Entire Agreement</u>

6.1 This Agreement, together with the Purchase Agreement, constitutes the entire agreement of the parties and there are no representations, warranties, promises, agreements, conditions, obligations, or inducements, express or implied, not contained in this Agreement. Any representations, warranties, promises, agreements, conditions, obligations, or inducements, express or implied, not contained in this Agreement or the Purchase Agreement will not bind the parties and will not affect the construction or interpretation of this Agreement or the rights and obligations of the parties.

7.0 <u>Successors and Assigns</u>

7.1 This Agreement enures to the benefit of, and will be binding upon, each of the parties hereto and their respective heirs, executors, successors, and permitted assigns.

8.0 Severability

8.1 If any provision of this Agreement or its application to any person or circumstance is held to be illegal, invalid, or unenforceable by a court, that provision will be considered separate and severable from this Agreement and the remaining provisions of this Agreement will remain in full effect and bind the parties as though the illegal, invalid, or unenforceable provision had not been included.

9.0 Counterparts

9.1 This Agreement may be executed in counterpart. Each executed counterpart is deemed to be an original and the counterparts, together, constitute the same agreement. A signed copy of this Agreement delivered by fax, email, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[*Remainder of page intentionally left blank. Signature page follows*.]

The parties have executed this Agreement as of the Effective Date.

BDO Canada Limited, solely in its capacity as receiver and manager of the property, assets and undertaking of 2139770 Ontario Inc., and not in its personal capacity

Per: ______________________________

Name: Christopher J. Mazur
Title: Senior Vice President

I have authority to bind the receiver and manager.

DCMS Realty (Evergreen) Inc.

Per: Domenic Gesualdi
Domenic Gesualdi (Jul 31, 2026 12:03:39 EDT)

Name: Domenic Gesualdi
Title: President

Per: Alon Ossip (Jul 31, 2026 11:26:58 EDT)

Name: Alon Ossip
Title: Vice-President

I/We have authority to bind the corporation.

APPENDIX J

ASSIGNMENT OF PURCHASE AGREEMENT

THIS AGREEMENT made as of the 14 day of August, 2026

BETWEEN:

DCMS REALTY (EVERGREEN) INC.
(hereinafter called the "**Assignor**")

- and -

VERVE NEPEAN LIMITED PARTNERSHIP
(hereinafter called the "**Assignee**")

WHEREAS by a Purchase Agreement dated June 9, 2026, as amended June 24, 2026 and July 31, 2026, as may be further amended from time to time (collectively, the "**Purchase Agreement**"), between the Assignor, as purchaser, and BDO Canada Limited, solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of 2139770 Ontario Inc., and not in its personal capacity, as vendor (the "**Vendor**"), the Assignor agreed to purchase and assume from the Vendor and the Vendor agreed to sell and assign to the Assignor its interest in the property municipally known as 626 Prado Private, Nepean, Ontario (the "**Property**") and in the retirement home and business known as "The Ravines" being operated on the Property;

AND WHEREAS the Assignor has agreed to grant to the Assignee and the Assignee has agreed to accept from the Assignor an assignment of all of the Assignor's rights, title, interest, obligations and liabilities under the Purchase Agreement.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereto hereby agree as follows:

1. The Assignor does hereby transfer, assign and set over onto the Assignee, its successors and assigns, all of the rights, title, obligations and liabilities of the Assignor in and to the Purchase Agreement together with the full benefit of all deposits, covenants, agreements, obligations, terms, conditions, representations and warranties of any nature or kind whatsoever arising from or out of or in any way in connection with the Purchase Agreement.

2. The Assignee hereby accepts the foregoing transfer and assignment by the Assignor and covenants with the Assignor to assume all of the obligations and liabilities of the Assignor under the Purchase Agreement. In addition, the Assignee hereby agrees to indemnify and save harmless the Assignor from and against any and all losses, costs, damages, expenses, claims, demands or proceedings arising out of or in any way relating to the failure by the Assignee to fully comply with the terms of the Purchase Agreement.

3. Each party shall, from time to time, at the request of the other party, execute such further assurances as either shall reasonably require with respect to the Purchase Agreement or this assignment.

4. This assignment shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns and shall be governed by and construed in accordance with the laws of the Province of Ontario.

5. This assignment may be executed by the parties in separate counterparts (by original, facsimile or email signature) each of which when so executed and delivered shall be an original, but all such counterparts together shall together constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this assignment as of the date first above written.

DCMS REALTY (EVERGREEN) INC.

By: ______________________

Name: Domenic Gesualdi
Title: President

By: ______________________

Name: Ernest J. Cappellacci
Title: Vice President & Secretary

VERVE NEPEAN LIMITED PARTNERSHIP by its general partner VERVE NEPEAN GP INC.

By: ______________________

Name: Alon Ossip
Title: President

By: ______________________

Name: Domenic Gesualdi
Title: Vice President

APPENDIX K

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PSSME02         PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM       08/14/2026
CCCL204               DISPLAY 1C REGISTRATION - SCREEN 1               13:26:56
ACCOUNT : 009233-0001       FAMILY :   1 OF   1       ENQUIRY PAGE :   1 OF   2
FILE CURRENCY : 13AUG 2026
SEARCH  : BD  : 2139770 ONTARIO INC.

00 FILE NUMBER : 704046852   EXPIRY DATE : 05MAR 2028 STATUS :
01 CAUTION FILING :          PAGE : 001 OF 001       MV SCHEDULE ATTACHED :
   REG NUM : 20150305 1624 1862 2883 REG TYP: P  PPSA    REG PERIOD: 8
02 IND DOB :            IND NAME:
03 BUS NAME: 2139770 ONTARIO INC.
                                                               OCN :
04 ADDRESS : 18 ANTARES DRIVE
   CITY    : NEPEAN                 PROV: ON    POSTAL CODE: K2E 1A9
05 IND DOB :            IND NAME:
06 BUS NAME:
                                                               OCN :
07 ADDRESS :
   CITY    :                        PROV:       POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
        CENTRAL 1 CREDIT UNION
09 ADDRESS : 2810 MATHESON BOULEVARD EAST
   CITY    : MISSISSAUGA            PROV: ON    POSTAL CODE: L4W 4X7
  CONS.                              MV                  DATE OF   OR NO FIXED
  GOODS INVTRY. EQUIP  ACCTS  OTHER  INCL     AMOUNT       MATURITY    MAT DATE
10        X      X      X      X      X
   YEAR MAKE                    MODEL               V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: GOWLING LAFLEUR HENDERSON LLP - SUSAN D. ROSEN
17 ADDRESS : SUITE 1600, 1 FIRST CANADIAN PLACE
   CITY    : TORONTO                PROV: ON     POSTAL CODE: M5X 1G5
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PSSME04         PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM       08/14/2026
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FILE CURRENCY : 13AUG 2026
SEARCH  : BD  : 2139770 ONTARIO INC.
                                                          FILE NUMBER 704046852
                  PAGE   TOT                    REGISTRATION NUM      REG TYPE
01 CAUTION  :     001 OF 1    MV SCHED:     20230228 1423 3005 2040
21 REFERENCE FILE NUMBER : 704046852
22 AMEND PAGE:     NO PAGE:    CHANGE: B  RENEWAL REN YEARS: 05   CORR PER:
23 REFERENCE DEBTOR/    IND NAME:
24       TRANSFEROR:    BUS NAME: 2139770 ONTARIO INC.

25 OTHER CHANGE:
26 REASON:
27 /DESCR:
28       :
02/05 IND/TRANSFEREE:
03/06 BUS NAME/TRFEE:
                                                                 OCN:
04/07 ADDRESS:
         CITY:                        PROV:       POSTAL CODE:
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
   CITY    :                        PROV :       POSTAL CODE :
  CONS.                              MV                     DATE OF      NO FIXED
  GOODS INVTRY EQUIP ACCTS OTHER   INCL      AMOUNT       MATURITY OR  MAT DATE
10
11
12
13
14
15
16 NAME : CENTRAL 1 CREDIT UNION
17 ADDRESS : 2810 MATHESON BLBD
   CITY    : MISSISSAUGA            PROV : ON    POSTAL CODE : L4W 4X7
```

END OF REPORT

APPENDIX L

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PART OF BLOCKS 10 AND 25 PLAN 4M1327, PARTS 2, 22, 25, 29, 30, 31, 36 AND 53 PLAN 4R25794. SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 22 AND 29 PLAN 4R25794 AS IN OC881843. SUBJECT TO AN EASEMENT OVER PARTS 2, 25, 30, 31, 36 AND 53 PLAN 4R25794 AS IN OC909083; SUBJECT TO AN EASEMENT AS IN OC1200007; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1254247; TOGETHER WITH AN EASEMENT OVER ALL OF BLOCK 9 AND PART OF BLOCKS 10, 11 AND 25 PLAN 4M1327, PARTS 1, 3, 4, 5, 6, 7, 10, 11, 14, 15, 16, 17, 18, 20, 23, 24, 26, 27, 28, 32, 33, 34, 35, 37, 39, 40, 41, 42, 43, 44, 50, 51, 52 AND 54 PLAN 4R25794 AS IN OC1451771; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1560111; CITY OF OTTAWA

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS MAY 1, 2006.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
DIVISION FROM 04052-0781

PIN CREATION DATE:
2012/03/26

OWNERS' NAMES: 2139770 ONTARIO INC.
CAPACITY: ROWN
SHARE:

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2012/03/26 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
CR475141	1964/04/06	NOTICE				C
REMARKS: SKETCH ATTACHED						
NS146175	1982/03/26	ORDER IN COUNCIL				C
REMARKS: AMENDMENT						
NS146176	1982/03/26	ORDER IN COUNCIL				C
REMARKS: AMENDMENT						
4M1327	2007/05/04	PLAN SUBDIVISION				C
OC715042	2007/05/04	NO SUB AGREEMENT		CITY OF OTTAWA	2058743 ONTARIO CORP.	C
OC722167	2007/05/25	NOTICE	$1	CITY OF OTTAWA	2058743 ONTARIO CORP.	C
OC722168	2007/05/25	NOTICE	$1	CITY OF OTTAWA	2058743 ONTARIO CORP.	C
OC754913	2007/08/03	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** 2058743 ONTARIO CORP.	2139770 ONTARIO INC.	
OC808435	2007/12/14	NOTICE	$1	CITY OF OTTAWA	2058743 ONTARIO CORP. 2139770 ONTARIO INC.	C
OC881843	2008/07/30	TRANSFER EASEMENT	$1	2139770 ONTARIO INC.	HYDRO OTTAWA LIMITED	C

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
OC909083	2008/09/30	TRANSFER EASEMENT	$2	2139770 ONTARIO INC.	ROGERS CABLE COMMUNICATIONS INC.	C
OC1135995	2010/07/16	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA		C
	REMARKS: AIRPORT ZONING REGULATION					
OC1143739	2010/08/04	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2139770 ONTARIO INC.	PACIFIC & WESTERN BANK OF CANADA	
OC1143740	2010/08/04	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** 2139770 ONTARIO INC.	PACIFIC & WESTERN BANK OF CANADA	
	REMARKS: OC1143739					
OC1143750	2010/08/04	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2139770 ONTARIO INC.	ROYNAT INC.	
OC1143757	2010/08/04	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** 2139770 ONTARIO INC.	ROYNAT INC.	
	REMARKS: OC1143750					
OC1200007	2011/01/18	TRANSFER EASEMENT	$1	ASHCROFT HOMES - CITI PLACE INC. 2058743 ONTARIO CORP. 2139770 ONTARIO INC.	ROGERS COMMUNICATIONS INC.	C
	REMARKS: PLANNING ACT STATEMENTS					
OC1254247	2011/07/06	TRANSFER EASEMENT	$1	2139770 ONTARIO INC.	BELL CANADA	C
	REMARKS: PLANNING ACT STATEMENTS					
OC1254249	2011/07/06	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PACIFIC & WESTERN BANK OF CANADA	BELL CANADA	
	REMARKS: OC1143739 TO OC1254247					
OC1296708	2011/10/21	NOTICE	$1	CITY OF OTTAWA	2139770 ONTARIO INC.	C
4R25794	2011/12/01	PLAN REFERENCE				C
OC1316761	2011/12/15	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2139770 ONTARIO INC.	CANADIAN IMPERIAL BANK OF COMMERCE	
OC1316762	2011/12/15	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** 2139770 ONTARIO INC.	CANADIAN IMPERIAL BANK OF COMMERCE	
	REMARKS: OC1316761					
OC1325637	2012/01/18	NOTICE	$1	CITY OF OTTAWA	2139770 ONTARIO INC.	C

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: SITE PLAN AGREEMENT						
OC1325638	2012/01/18	BYLAW		CITY OF OTTAWA		C
REMARKS: BY-LAW 2011-460						
OC1352990	2012/04/19	NOTICE		2139770 ONTARIO INC. 2265132 ONTARIO INC. 2252514 ONTARIO INC. 1384274 ONTARIO INC. ASHCROFT HOMES - CITIPLACE INC.		C
OC1364727	2012/05/24	POSTPONEMENT		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE	CITY OF OTTAWA	
REMARKS: OC1316761 TO OC1325637						
OC1364728	2012/05/24	POSTPONEMENT		*** COMPLETELY DELETED *** PACIFIC & WESTERN BANK OF CANADA	CITY OF OTTAWA	
REMARKS: OC1143739 TO OC1325637						
OC1364729	2012/05/24	POSTPONEMENT		*** COMPLETELY DELETED *** ROYNAT INC.	CITY OF OTTAWA	
REMARKS: OC1143750 TO OC1325637						
OC1451930	2013/02/07	LR'S ORDER		LAND REGISTRAR		C
REMARKS: AMENDS LEGAL DESCRIPTION						
OC1461550	2013/03/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
REMARKS: OC1316761.						
OC1560108	2014/02/20	NOTICE	$1	CITY OF OTTAWA	2139770 ONTARIO INC.	C
OC1560109	2014/02/20	POSTPONEMENT		*** COMPLETELY DELETED *** PACIFIC & WESTERN BANK OF CANADA	CITY OF OTTAWA	
REMARKS: OC1143739 TO OC1560108						
OC1560110	2014/02/20	POSTPONEMENT		*** COMPLETELY DELETED *** ROYNAT INC.	CITY OF OTTAWA	
REMARKS: OC1143750 TO OC1560108						
OC1560111	2014/02/20	TRANSFER EASEMENT	$2	2139770 ONTARIO INC.	CITY OF OTTAWA	C
OC1560112	2014/02/20	POSTPONEMENT		*** COMPLETELY DELETED *** PACIFIC & WESTERN BANK OF CANADA	CITY OF OTTAWA	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: OC1143739 TO OC1560111						
OC1560113	2014/02/20	POSTPONEMENT		*** COMPLETELY DELETED *** ROYNAT INC.	CITY OF OTTAWA	
REMARKS: OC1143750 TO OC1560111						
OC1666971	2015/03/16	CHARGE	$28,000,000	2139770 ONTARIO INC.	CENTRAL 1 CREDIT UNION	C
OC1666972	2015/03/16	NO ASSGN RENT GEN		2139770 ONTARIO INC.	CENTRAL 1 CREDIT UNION	C
REMARKS: OC1666971						
OC1667508	2015/03/18	TRANSFER	$485,100	2139770 ONTARIO INC.	2139770 ONTARIO INC.	C
OC1686210	2015/06/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** PACIFIC & WESTERN BANK OF CANADA		
REMARKS: OC1143739.						
OC1686765	2015/06/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYNAT INC.		
REMARKS: OC1143750.						
OC2165685	2019/11/15	NOTICE	$10	2139770 ONTARIO INC.	CENTRAL 1 CREDIT UNION	C
REMARKS: OC1666971						
OC2756330	2025/01/08	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	BDO CANADA LIMITED	C
REMARKS: APPOINTING RECEIVER						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

TAB 3

Court File No. CV-24-00097134-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	WEDNESDAY, THE 9TH
	)	
JUSTICE	)	DAY OF SEPTEMBER, 2026

B E T W E EN:

CENTRAL 1 CREDIT UNION

Applicant

\- and -

2139770 ONTARIO INC.

Respondent

ORDER
(Ancillary Relief)

THIS MOTION, made by BDO Canada Limited ("**BDO**" or the "**Receiver**") in its capacity as receiver, without security, of the property, assets and undertakings of 2139770 Ontario Inc. (the "**Company**" or the "**Debtor**"), for an Order, inter alia:

1. validating and abridging the time for service of the Notice of Motion and the Motion Record in the manner effected by the Receiver and an Order dispensing with service thereof on any party other than the parties served;
2. approving the Second Report of the Receiver (the "Second Report") and the conduct, activities and actions to date;
3. approving the Receiver's Interim Statement of Receipts and Disbursements as of

July 31, 2026;

4. approving, authorizing and directing the Receiver to distribute the net proceeds from the sale of the Property in accordance with the recommendations set out in the Receiver's Second Report;
5. sealing the Confidential Appendices to the Second Report of the Receiver until the earlier of the completion of the Transaction or further Order of this Honourable Court; and,
6. such further Order as this Honourable Court deems just,

was heard this day via videoconference at 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Motion and the Second Report of the Receiver dated August 24, 2026 (the "**Second Report**"), filed, and upon hearing submissions of counsel for the Receiver and such other counsel in attendance at the motion, no one else appearing although duly served as evidenced in the Affidavit of Service sworn August ___, 2026,

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

2. **THIS COURT ORDERS** that the conduct, activities and actions of the Receiver, as set out in the Second Report, are hereby approved.

3. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements as of July 31, 2026, as set out in the Second Report, is hereby approved.

4. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the distributions as described in the Second Report.

5. **THIS COURT ORDERS** that the Confidential Appendices to the Second Report of the Receiver be and are hereby sealed until the earlier of the completion of the Transaction or further Order of this Honourable Court.

____
Justice

CENTRAL 1 CREDIT UNION -and- 2139770 ONTARIO INC.
Applicant Respondent

Court File No. CV-24-00097134-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

ORDER

SimpsonWigle LAW LLP
1006 Skyview Drive, Suite 103
Burlington, Ontario
L7P 0V1

Rosemary A. Fisher (LSO #32238T)
E-mail: fisherr@simpsonwigle.com
Tel: (905) 639-1052
Fax: (905) 528-9008

Lawyers for BDO Canada Limited., in its capacity as Receiver of the assets, undertakings and property of 2139770 Ontario Inc.

TAB 4

~~Revised: January 21, 2014~~

Court File No. CV-24-00097134-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

~~COMMERCIAL LIST~~

THE HONOURABLE	)	~~WEEKDAY~~WEDNESDAY, THE ~~#~~ 9TH
	)	
JUSTICE	)	DAY OF ~~MONTH~~SEPTEMBER, ~~20YR~~2026

B E T W E E N:

~~PLAINTIFF~~ CENTRAL 1 CREDIT UNION

~~Plaintiff~~Applicant

\- and –

~~DEFENDANT~~ 2139770 ONTARIO INC.

~~Defendant~~Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~BDO Canada Limited in its capacity as the Court-appointed receiver and manager ("**BDO**" or the "**Receiver**") of the undertakings, propert~~y~~ies and assets of ~~[DEBTOR]~~2139770 Ontario Inc. (the "**Debtor**") for an ~~o~~Order (i) approving the sale transaction (the "**Transaction**") contemplated by an ~~a~~Agreement of ~~p~~Purchase and ~~s~~Sale ~~(the "**Sale Agreement**")~~ between the Receiver and ~~[NAME OF PURCHASER]~~Verve Nepean Limited Partnership (the "**Purchaser**") by its general partner Verve Nepean GP Inc. ("**Verve Nepean GP**"), as assigned to it by DCMS Realty (Evergreen) Inc., dated June 9, 2026 (as amended June 24, 2026 and July 31, 2026)~~[DATE]~~ (the "**Sale Agreement**") and appended to the Second Report of the Receiver dated ~~[DATE]~~ August 24, 2026 (the "**Second Report**"), and vesting in the

Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"); (ii) declaring that none of the Choo Entities (as defined herein) has any beneficial or legal entitlement to the Purchased Assets described on Schedule "B" hereto, other than in respect of Permitted Encumbrances (as defined herein); and (iii) sealing the Confidential Appendices to the Second Report of the Receiver, was heard this day via Zoom videoconference at ~~330 University Avenue, Toronto~~161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Motion and the Second Report, filed, and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~the Purchaser, and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the ~~a~~Affidavit of Service of ~~[NAME]~~Tanisha Lashley sworn [DATE] filed~~[1]~~:

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

~~1.~~2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,~~[2]~~ and the execution of the Sale Agreement, *nunc pro tunc*, by the Receiver~~[3]~~ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

~~[1] This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

~~[2] In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

~~[3] In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

~~2.~~3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement ~~[~~and listed on Schedule B hereto~~]~~[4] shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"~~[5]~~) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order of the Honourable Justice ~~[NAME]~~Mew dated ~~[DATE]~~December 20, 2024; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D, all of which are collectively referred to as the "**Permitted Encumbrances**")) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][~~Land Titles Division of ~~{LOCATION}~~Ottawa-Carleton (No. 4) of an Application for Vesting Order in the form

~~[4] To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

~~[5] The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

prescribed by the *Land Titles Act* ~~and/or the *Land Registration Reform Act*~~][6], the Land Registrar is hereby directed to:

(a) enter ~~the Purchaser~~ The Ravines RR Inc. as the owner of the subject real property identified in Schedule B hereto (the "**Real Property**") in fee simple~~,~~;

(b) ~~and is hereby directed to~~ delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto; and,

~~3.~~(c) vest title as herein provided, free and clear of, and without regard to, any relevant writs of executions that may have been filed with the Sheriff as against each and every registered owner, either before or after the date of this Order providing for vesting.

~~4.~~5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds~~[7]~~ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale~~[8]~~, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

~~5.~~6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

~~6.~~7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and

[6] ~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

~~[7] The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

~~[8] This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees~~, including personal information of those employees listed on Schedule "•" to the Sale Agreement~~. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

~~7.~~8. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

~~8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

9. **THIS COURT DECLARES** that neither of 2252514 Ontario Inc., David Choo, nor any affiliated entity (the "**Choo Entities**") have any beneficial or legal entitlement to the Real Property other than in respect of Permitted Encumbrances, provided that, and for greater certainty, the site plan agreement registered as Instrument OC722168 (the "**Site**

Plan Agreement"), as amended by Instruments OC808435 and OC1325637, and the shared facilities agreement registered as Instrument OC1352990 (the "**Shared Facilities Agreement**") do not create any property right or entitlement in favour of the Choo Entities with respect to ownership of or to subdivide the Real Property as contemplated by the terms of the Site Plan Agreement or the Shared Facilities Agreement.

10. **THIS COURT ORDERS** that the Confidential Appendices to the Second Report of the Receiver be and are hereby sealed until the earlier of completion of the sale of the Purchased Assets as evidenced by the filing of the Receiver's Certificate, or further order of the Court.

~~9.~~11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver's Certificate

Court File No. CV-24-00097134-0000~~___________~~

ONTARIO

SUPERIOR COURT OF JUSTICE

~~**COMMERCIAL LIST**~~

B E T W E E N:

CENTRAL 1 CREDIT UNION ~~PLAINTIFF~~

~~Plaintiff~~Applicant

- and –

2139770 ONTARIO INC.~~DEFENDANT~~

~~Defendant~~Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Mew ~~[NAME OF JUDGE]~~ of the Ontario Superior Court of Justice (the "**Court**") dated ~~[DATE OF ORDER]~~December 20, 2024, ~~[NAME OF RECEIVER]~~BDO Canada Limited was appointed as the receiver (the "**Receiver**") of the undertakings, propert~~y~~ies and assets of 2139770 Ontario Inc.~~[DEBTOR]~~ (the "**Debtor**").

B. Pursuant to an Order of the Court dated [DATE], the Court approved the ~~a~~Agreement of ~~p~~Purchase and ~~s~~Sale made as of ~~[DATE OF AGREEMENT]~~June 9, 2026 (the "**Sale Agreement**") between the Receiver ~~[Debtor]~~ and Verve Nepean Limited Partnership by its general partner Verve Nepean GP Inc., as assigned to it by DCMS Realty (Evergreen) Inc.,~~[NAME OF PURCHASER]~~ (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 7.1, 7.2 and 7.3~~●~~ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in section 7.1, 7.2 and 7.3 ~~●~~ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at ________ [TIME] on _______ [DATE].

BDO Canada Limited~~[NAME OF RECEIVER]~~, in its capacity as Receiver of the undertakings, propert~~y~~ies and assets of 2139770 Ontario Inc. ~~[DEBTOR]~~, and not in its personal capacity and without personal or corporate liability

Per: ______________________________

Name: Christopher J. Mazur

Title: Senior Vice President

Schedule B – Purchased Assets

Property known municipally as 626 Prado Private, Ottawa, Ontario, and legally described as: PART OF BLOCKS 10 AND 25 PLAN 4M1327, PARTS 2, 22, 25, 29, 30, 31, 36 AND 53 PLAN 4R25794. SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 22 AND 29 PLAN 4R25794 AS IN OC881843. SUBJECT TO AN EASEMENT OVER PARTS 2, 25, 30, 31, 36 AND 53 PLAN 4R25794 AS IN OC909083; SUBJECT TO AN EASEMENT AS IN OC1200007; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1254247; TOGETHER WITH AN EASEMENT OVER ALL OF BLOCK 9 AND PART OF BLOCKS 10, 11 AND 25 PLAN 4M1327, PARTS 1, 3, 4, 5, 6, 7, 10, 11, 14, 15, 16, 17, 18, 20, 23, 24, 26, 27, 28, 32, 33, 34, 35, 37, 39, 40, 41, 42, 43, 44, 50, 51, 52 AND 54 PLAN 4R25794 AS IN OC1451771; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1560111; CITY OF OTTAWA; PIN: 04052-0802 (LT)

Schedule C – Claims to be deleted and expunged from title to Real Property

1. OC1666971 being a Charge in favour of Central 1 Credit Union in the amount of $28,000,000, registered on 2015/03/16
2. OC1666972 being a Notice of Assignment of Rents-General in favour of Central 1 Credit Union, registered on 2015/03/16
3. OC2165685 being a Notice in favour of Central 1 Credit Union, registered on 2019/11/15
4. OC2756330 being an Application to Register Court Order in favour of BDO Canada Limited, registered on 2025/01/08

Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property

(unaffected by the Vesting Order)

a. Any reservation or unregistered restrictions, rights of way, easements or covenants that run with the land;

b. Any registered or unregistered agreements or easements with a municipality or a supplier of utility services including without limitation, electricity, water, sewage, gas, telephone or cable television or any other telecommunication service;

c. Any laws, by-laws and regulations and all outstanding work orders, deficiencies notices and notices of violation affecting the land;

d. Any minor easements for the supply of utility service to the land or adjacent lands;

e. Any encroachments disclosed by any errors or omissions in existing surveys of the Real Property or neighbouring properties and any title defect, encroachment or breach of zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey or the Real Property and survey matters generally;

f. Any exceptions and qualifications set forth in the *Land Titles Act* (Ontario);

g. Any reservation contained in the original grant from the Crown;

h. Any Land Registrar's registered orders;

i. Any reference plans or condominium description plans;

j. If applicable, any registered condominium declaration or condominium by-laws;

k. The following registered instruments affecting the Purchased Assets:

INSTRUMENT NO. CR475141	Notice registered on April 6, 1964
INSTRUMENT NO. NS146175	Order in Council registered on March 26, 1982
INSTRUMENT NO. NS146176	Order in Council registered on March 26, 1982
INSTRUMENT NO. 4M1327	Plan Subdivision registered on May 4, 2007
INSTRUMENT NO. OC715042	City of Ottawa Notice of Subdivision Agreement registered on May 4, 2007
INSTRUMENT NO. OC722167	City of Ottawa Notice registered on May 25, 2007
INSTRUMENT NO. OC722168	City of Ottawa Notice registered on May 25, 2007
INSTRUMENT NO. OC808435	City of Ottawa Notice registered on December 14, 2007

INSTRUMENT NO. OC881843	Transfer Easement to Hydro Ottawa Limited registered on July 30, 2008
INSTRUMENT NO. OC909083	Transfer Easement to Rogers Cable Communications Inc. registered on September 30, 2008
INSTRUMENT NO. OC1135995	Notice registered on July 16, 2010
INSTRUMENT NO. OC1200007	Transfer Easement to Rogers Communications Inc. registered on January 18, 2011
INSTRUMENT NO. OC1254247	Transfer Easement to Bell Canada registered on July 6, 2011
INSTRUMENT NO. OC1296708	City of Ottawa Notice registered on October 21, 2011
INSTRUMENT NO. 4R25794	Plan Reference registered on December 1, 2011
INSTRUMENT NO. OC1325637	City of Ottawa Notice registered on January 18, 2012
INSTRUMENT NO. OC1325638	City of Ottawa By-Law registered on January 18, 2012
INSTRUMENT NO. OC1352990	Notice from 2139770 Ontario Inc., 2265132 Ontario Inc., 2252514 Ontario Inc., 1384274 Ontario Inc., and Ashcroft Homes – Citiplace Inc. registered on April 19, 2012
INSTRUMENT NO. OC1451930	Land Registrar’s Order registered on February 7, 2013
INSTRUMENT NO. OC1560108	City of Ottawa Notice registered on February 20, 2014
INSTRUMENT NO. OC1560111	Transfer Easement to City of Ottawa registered on February 20, 2014

CENTRAL 1 CREDIT UNION -and- 2139770 ONTARIO INC.
Applicant Respondent

Court File No. CV-24-00097134-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT OTTAWA

MOTION RECORD

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Lawyers for BDO Canada Limited., in its capacity as Receiver of the assets, undertakings and property of 2139770 Ontario Inc.

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