

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

FIRST REPORT OF THE RECEIVER

August 21, 2024

Court File No. CV-24-00095337-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

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

Respondents

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

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

AUGUST 21, 2024

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APPENDICES

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APPENDIX “B” –	Real Property Legal Descriptions
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I. INTRODUCTION

1. Pursuant to the order of the Honourable Mr. Justice MacLeod of the Ontario Superior Court of Justice (the "**Court**") dated May 16, 2024 (the "**Receivership Order**"), BDO Canada Limited ("**BDO**") was appointed as receiver (the "**Receiver**") of all of the assets, undertakings and properties of Ashcroft Homes – 101 Richmond Road Inc. ("**101RR**"), Homes – 108 Richmond Road Inc. ("**108RR**") and Homes – 111 Richmond Road Inc. ("**111RR**") and collectively with 101RR and 108RR, "**Ashcroft**" or the "**Company**", save and except for the 114 Richmond Property (as defined in the Receivership Order) (collectively, the "**Property**"). The Receivership Order was effective June 17, 2024 (the "**Date of Appointment**"). A copy of the Receivership Order is attached hereto as **Appendix "A"**.

II. PURPOSE OF REPORT

2. The purpose of this first report of the Receiver (the "**First Report**") is to:
 - a) Provide this Court with certain information pertaining to the receivership, including:
 - (i) Ashcroft's background, current operations and certain facts leading to up to the appointment of the Receiver;
 - (ii) Activities of the Receiver leading up to and since the Date of Appointment;
 - (iii) The proposed sales process developed for the realization of the Real Property (defined below) to be undertaken by the Receiver (the "**Sales Process**"); and
 - (iv) The Receiver's interim statements of receipts and disbursements from the Date of Appointment to August 18, 2024.
 - b) Recommend that this Court make an order(s):
 - (i) Approving this First Report including the activities of the Receiver set out herein;
 - (ii) Amending the Receivership Order as detailed herein;
 - (iii) Approving the Sales Process; and
 - (iv) Approving the Receiver's interim statements of receipts and disbursements from the Date of Appointment to August 18, 2024.

III. QUALIFICATIONS

3. In preparing this First Report, the Receiver has relied upon unaudited financial information, Ashcroft's books and records, and other information provided to it (collectively, the "**Information**").

The Receiver has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided, and in consideration of the nature of the evidence provided to this Court, in relation to the relief sought therein. The Receiver has not, however, audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards (“GAAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, as such, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information. An examination of the Company’s financial forecasts in accordance with the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information reported on or relied upon in this First Report is based upon assumptions regarding future events; actual results achieved may vary from forecast and such variations may be material.

4. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars.

IV. BACKGROUND & EVENTS LEADING TO THE APPOINTMENT OF THE RECEIVER

Company Overview & Corporate Structure

5. Ashcroft is a privately-owned Ontario corporation which owns residential and commercial condominium units and development lands located in Ottawa, ON. The Company does not have any employees.
6. On March 1, 2022, 101RR and 111RR amalgamated and continued as 111RR.
7. The Property includes eighteen (18) residential condominium units and approximately 38,400 square feet of commercial condominium space located in Ottawa, Ontario (the “**Real Property**”), as more particularly described in **Appendix “B”**. The Real Property is located within the following buildings (collectively, the “**Richmond Buildings**”):
 - a) A 9-story building comprised of three interconnected towers with the municipal addresses 88, 90, 98, 100, 108 Richmond Road, Ottawa, ON; and
 - b) Two 6-story buildings with the municipal addresses 91, 95, 97, 103, 101, 111, 113, 115, 117, 119, 121 Richmond Road, Ottawa, ON and 360 Patricia Avenue, Ottawa, ON.
8. Each of the Richmond Buildings have a ground floor consisting exclusively of commercial retail space. The remaining levels of each of the buildings consist of residential units, the majority of which are not owned by the Company.

9. As a result of searches conducted by the Receiver's counsel, Dentons Canada LLP ("**Dentons**"), the Receiver has recently become aware of a number of additional real properties (the "**Additional Real Properties**") owned by the Company, as more particularly described in **Appendix "C"**. The Additional Real Properties are not subject to the DUCA Charges (defined below), and the Receiver was previously unaware of them. Based on the Receiver's review of the legal descriptions, the Additional Real Properties are located within the Richmond Buildings and most of them appear to be lockers or parking spaces, however the Receiver has not yet confirmed same. The Receiver notified counsel to DUCA Financial Services Credit Union Ltd. ("**DUCA**") of the Additional Real Properties and the Receiver is considering appropriate next steps.
10. The Company also owns development lands located at 114 Richmond Road, Ottawa, ON (the "**114 Richmond Property**"). Pursuant to the terms of the Receivership Order, the 114 Richmond Property does not form part of the Property over which the Receiver has been appointed.

Events Leading to Appointment of a Receiver & Causes of Insolvency

11. The Receiver understands that DUCA provided a non-revolving five-year term loan to the Company in the maximum principal amount of \$8.8 million (the "**Loan**") pursuant to a commitment letter dated October 30, 2018, between DUCA, as lender, and the Company, as borrower. The Loan was advanced on November 30, 2018, and matured on November 30, 2023. As security for the Loan, among other things, on December 21, 2018, DUCA registered mortgages/charges in the principal amount of \$8,800,000 (the "**DUCA Charges**") against the Real Property.
12. In November 2023, Ashcroft was noted in default by DUCA because the loan matured but was not repaid. On December 4, 2023, DUCA and Ashcroft entered into a forbearance agreement. Ashcroft did not repay the Loan by the end of the forbearance period, which constituted an event of default under the forbearance agreement, and DUCA subsequently delivered a demand letter and a notice of intention to enforce security. On April 9, 2024, DUCA commenced the application seeking the appointment of the Receiver.
13. On May 16, 2024, the Honourable Justice MacLeod issued the Receivership Order, however, the Court determined that the Receiver's powers and authorizations would not take effect until on or after June 17, 2024 to afford the Company additional time to complete a full refinancing of the indebtedness owing to DUCA, which the Company had represented to the Court at that time it was in the process of obtaining. In the interim period, the Receiver would monitor the business and affairs of the Company in such manner as the Receiver considered appropriate. The

Company was ultimately unsuccessful in completing a refinancing and the Receiver's powers and authorities pursuant to the Receivership Order took effect on the Date of Appointment.

V. ACTIVITIES OF THE RECEIVER

Prior to the Date of Appointment

14. The Receiver, prior to its appointment, corresponded with DUCA, DUCA's legal counsel and the Receiver's legal counsel, Dentons with regards to the appointment of the Receiver and the preparation and review of appointment application materials.
15. The Receiver monitored the business and affairs of the Company from May 16, 2024, to June 16, 2024, including the status of refinancing efforts.

Taking Possession and Control of the Property

16. The Receiver proceeded to take possession and control of the Property on the Date of Appointment, including (but not limiting to) the following actions;
 - a) Two (2) representatives of the Receiver attending at the Property;
 - b) Confirming the status of insurance policies with the Company's insurance brokers and requesting that BDO be added as additional named insured and loss payee, as applicable, under the insurance policies;
 - c) Changing the locks of the vacant Real Property units;
 - d) Arranging to obtain copies of available books and records of the Company;
 - e) Notifying the condominium corporations and their respective property managers (the "**Common Elements PMs**") of the Receiver's appointment;
 - f) Freezing the Company's bank accounts with the Bank of Montreal and the Canadian Imperial Bank of Canada, opening new bank accounts in the name of the Receiver and coordinating transfer of funds from the Company's bank accounts to the Receiver's bank accounts;
 - g) Notifying, in-person, all tenants (that were open-for-business, for commercial units, or within their dwelling, for residential units) of the Receiver's appointment, by providing a tenant notice letter and copy of the Receivership Order. The tenant notice letter outlined the appointment of the Receiver and the authority by which the appointment was made, instructions for directing future rent payments to the Receiver and the requirement to provide

the Receiver with a copy of the current lease agreement (the “**Tenant Letters**”). Additionally, the Tenant Letter was sent to all tenants via courier; and

- h) Arranging for the continuation of all essential services, including utilities, for the Real Property.

Other Activities of the Receiver since the Date of Appointment

17. Since the Date of Appointment, the Receiver has also performed the following activities:

- a) Reviewed the Ashcroft insurance policies with the relevant insurance brokers to understand the coverage afforded under the various policies, and issuing payments as needed to maintain good standing of the insurance accounts;
- b) Engaged in various communications, discussions and follow-ups with tenants regarding rent payments, lease documentation, lease amendments, lease terminations, tenant insurance coverage, repairs and maintenance requests, and leasehold improvements;
- c) Prepared and circulated frequently asked questions to tenants regarding the receivership proceedings;
- d) Investigated condominium fee arrears balances identified by the condominium corporations and attempted to discuss same with the condominium corporation’s legal counsel;
- e) Reviewed related party accounts receivable and sent collection letters to request payment of related party balances reporting owing to the Company;
- f) Requested copies of relevant condominium corporation documents, including, but not limited to, by-laws, building rules and regulations, building appraisals, and reserve fund study reports;
- g) Coordinated common area modification requests and other matters between the commercial tenants and the Common Elements PMs;
- h) Received tenant notices to terminate leases and coordinated the vacating of applicable Real Property units;
- i) Engaged Sleepwell Property Management (“**Sleepwell**”) as the property manager over the Real Property to manage the day-to-day operations of the units;
- j) Engaged Colliers International Realty Advisors Inc. to appraise the value of the Real Property;

- k) Coordinated the creation of new vendor accounts for the Receiver for ongoing services to the Real Property;
- l) Arranged for the repair and maintenance of immediate safety concerns or other priority matters associated with the condition of certain of the Real Property units, including but not limited to, air conditioning units, replacement of broken heat pumps, and plumbing repairs;
- m) Arranged for and assessed listing proposals from real estate brokers to lead the Sales Process, as further discussed herein;
- n) Planned and coordinated the Sales Process;
- o) Received and tracked inquiries from potential purchasers of the Real Property, which information will be provided to the sales agent engaged to lead the Sales Process;
- p) Prepared and mailed the notice and statement of the Receiver pursuant to sections 245(1) and 246(1) of the BIA to the Office of the Superintendent of Bankruptcy and the Company's known creditors;
- q) Contacted the Canada Revenue Agency ("**CRA**") to set up a new sales tax branch accounts;
- r) Responded to calls and inquiries from the Company's stakeholders, including suppliers and creditors;
- s) Prepared cash flow projections to identify any estimated funding requirements for the Receiver;
- t) Consulted with Dentons regarding various matters related to these proceedings;
- u) Consulted with management for the Ashcroft Group of Companies (as defined herein) regarding numerous matters related to the Property;
- v) Provided DUCA with regular updates in connection with various aspects of these receivership proceeding; and
- w) Prepared this First Report.

VI. BOOKS AND RECORDS

18. On the Date of Appointment, the Receiver attended at the Company's registered head office located at 18 Antares Drive, Ottawa, ON, in part to take possession of the Company's books and records. However, the Receiver was advised that the books and records of the Company (including financial, operational and bookkeeping records) were digitally integrated with the books and records of other related party companies under common ownership and/or common

control (the “**Ashcroft Group of Companies**”). Under the circumstances the Receiver has acquired electronic copies of relevant books and records to administer the receivership proceedings with the cooperation of the Ashcroft Group of Companies’ management.

19. The Receiver intends to acquire copies of any books and records of the Company that are not co-mingled with other entities in the Ashcroft Group of Companies, if any are identified. The Ashcroft Group of Companies’ management continues to assist the Receiver in locating relevant books and records, as needed.

VII. CREDITORS

Secured Claims

20. As referenced herein, DUCA is a secured creditor pursuant to the DUCA Charges. The Receiver understands that the Company was indebted to DUCA in the amount of approximately \$6.5 million as of March 22, 2024, which indebtedness continues to accrue interest and other costs.
21. The Receiver has also reviewed the PPSA which, with respect to 108RR reports the below listed registrations, which the Receiver understands are subordinate to the DUCA Charges.
 - a) The Canadian Imperial Bank of Commerce, registered July 21, 2015; and
 - b) The Royal Bank of Canada, registered March 18, 2021.

Priority Claims

22. DUCA’s security is subject to prior charges and security interest or claims in respect of the Property, which may include deemed trust claims, statutory claims pursuant to the *Bankruptcy and Insolvency Act* (“**BIA Claims**”) and outstanding municipal property taxes.
23. The Receiver understand the Company had no employees and was managed through related entities. As such, the Receiver is not aware of any employee claims which may constitute BIA Claims or any deemed trust claims associated with payroll.
24. The Receiver is in the process of confirming with CRA whether there are any amounts owing by the Company with respect to sales taxes.
25. The Receiver understands that the Company paid the first installment of 2024 municipal taxes in or around January 2024. The Receiver is in the process of coordinating with the municipality to obtain statements of account and copies of outstanding invoices, if any, associated with property taxes. To the extent there are property taxes owing on the Real Property, the Receiver

will need to satisfy any arrears owing and, subject to cash flow considerations, may extinguish any property tax arrears as a closing adjustment to the sale of any Real Property.

Unsecured Claims

26. The Company's books and records report unsecured claims owing by 108RR and 111RR as at June 17, 2024 of approximately \$34.0 million and approximately \$19.7, respectively. Included therein are amounts reported as owing by 108RR to related parties, including 111RR, totaling approximately \$33.6 million, while amounts reported as owing by 111RR to related parties totals \$19.6 million.

VIII. TENANT MATTERS

Rent Collections

27. At the Date of Possession, there were 29 rental tenants (18 residential tenants and 11 commercial tenants) occupying the Real Property for which the Receiver provided the Tenant Letters informing the tenants of the requirement to remit all rents to the Receiver. At the Date of Appointment, the 18 residential tenants had aggregate monthly rent roll of approximately \$39,000 while the 11 commercial tenants had an aggregate monthly rent roll of approximately \$82,000 (inclusive of base rent, additional rent and applicable sales tax) for a total aggregate rent roll of approximately \$121,000.
28. The Receiver has collected approximately \$100,000 of rent for the month of July 2024. The rent collections from August onwards will be administered by Sleepwell, although certain tenants may continue to remit rent payments directly to the Receiver. The Receiver and Sleepwell have collected approximately \$50,000 and \$18,000, respectively, of rent for the month of August 2024. Sleepwell and the Receiver continue to coordinate the collection of rents and arrears.

Tenant Notices to Vacate

29. Since the Date of Appointment, the Receiver has received five (5) notices from tenants (four (4) residential and one (1) commercial) advising of their intention to terminate their lease and vacate their respective unit.
30. Each of the leases for the four (4) residential tenants were on a month-to-month basis and the tenants have provided the Receiver with sufficient notice to terminate their respective lease. The Receiver will coordinate the return of possession and keys to the Receiver at the appropriate time for each of the affected units. The Receiver has honoured the last month rent deposits for these four (4) residential tenants.

31. A commercial tenant, Ashcroft Homes – Monocle Inc. (“**Monocle**”), whom is a related party to the Company, requested the termination of their lease which was set to expire in July 2026. As this related party tenant had historically not paid rent in cash and informed the Receiver of its inability to pay cash rent going forward, the Receiver and this tenant agreed to mutually terminate the lease and the early surrender of the commercial unit to the Receiver. It was also agreed upon that the Receiver would, among other things, continue to retain all rights and remedies available to the Receiver on behalf of the landlord, including the recovery of arrears or other tenant defaults under the lease.

IX. AMENDMENTS TO RECEIVERSHIP ORDER

32. The Receiver, through its counsel, attempted to register the Receivership Order against title to the Real Property in the Ottawa land registry office. It is customary in receivership proceedings that involve real property assets that the Receivership Order be registered against title to any real property owned by the debtor in order to provide notice of the pendency of the receivership.
33. The land registrar declined to register the Receivership Order because the Receivership Order does not expressly contain the real property legal descriptions, including property identification numbers, for the Real Property over which the Receiver has been appointed. The primary purpose behind the Amendments to the Receivership Order is to include the real property descriptions, including property identification numbers.
34. As of the date of this First Report, the Receiver is investigating the Additional Real Properties and whether further amendments to the Receivership Order and the descriptions of the Real Property will be necessary or appropriate.
35. Additionally, at paragraph 21 of the Receivership Order, there is text reading “issuance on 16, 2024” which appears to have been inserted inadvertently and should be removed. The Receiver requests the Receivership Order also be amended to remove this stray text.

X. REALIZATION PROCESS

Accounts Receivable

36. As at the Date of Appointment, the Company’s books and records reported there were no rent arrears. However, upon review, the Receiver determined that each of a residential tenant, Ashcroft Homes – Central Park Inc., and a commercial tenant, Monocle, both of which are related parties to the Company, had historically not paid rent in the form of cash. Rather the rents for these units were recorded as a related party receivable.

37. The Receiver was unable to collect 100% of the July rents from 4 residential tenants and certain August rents also remain outstanding. Sleepwell will pursue the collection of rent arrears for all current tenants.
38. The books and records identify significant accounts receivable owing from related companies. Specifically, it is reported that 111RR is owed approximately \$22.5 million from ten related parties, including 108 RR, while 108RR is owed approximately \$32.1 million from twenty-four related parties. The Receiver has sent collection notices to each of the related parties requesting payment for the balances owing and documentation supporting the nature of the transactions with the Company. Additionally, the Receiver has requested management for the Ashcroft Group of Companies to provide the Receiver with documentation detailing the nature of the transactions and debts owing to the Company. As at the date of this First Report, neither management for the Ashcroft Group of Companies nor any of the related parties with balances reported as owing to the Company have responded to the Receiver.

Sales Process

39. The Receiver determined that it needs to engage the services of a licensed real estate broker to assist with the marketing and sale of the Real Property. The Receiver approached nine (9) real estate brokers to solicit listing proposals for the Real Property. The real estate brokers approached included a combination of regional and national brokerage agencies with a mix of experience in residential or commercial real estate (or both). The Receiver received a total of six (6) listing proposals; five (5) of which were solicited and one (1) from an unsolicited party.
40. The listing proposals suggested a variety of strategies in realizing on the Real Property. The variety of strategies was, in part, prompted by the unique composition of the Real Property which includes:
 - a) Residential units occupied by tenants (18 units at the Date of the Appointment, which will be reduced to 14 units given the termination notices received) (the “**Occupied Residential Units**”);
 - b) Residential units not occupied (zero units at the Date of the Appointment, but four (4) vacated or soon to be vacated units given the termination notices received) (the “**Vacant Residential Units**”);
 - c) Commercial units occupied by tenants (which consisted of 11 units at the Date of the Appointment and approximately 24,000 square feet, which has been reduced to 10 units

and approximately 19,600 square feet given the Monocle lease termination) (the “**Occupied Commercial Units**”); and

- d) Commercial units not occupied (which consisted of 10 units at the Date of the Appointment and approximately 14,200 square feet, which has been increased to 11 units and approximately 18,700 square feet given the Monocle lease termination) (the “**Vacant Commercial Units**”).

41. In determining the optimal marketing and sales strategy, the Receiver considered a variety of factors, including:

- a) The pricing recommended within the listing proposals received and the estimated gross sale(s) proceeds of selling the Property as individual units or en-bloc;
- b) Making efforts to launch the Sales Process, at the recommendation of the realtors which submitted listing proposals, after the labour day long weekend in September to take advantage of the late summer/early fall selling season;
- c) The number of Court appearances required, and associated costs, with obtaining Court approvals and other matters related to completing the sale(s);
- d) The impact of the resulting sale(s) on tenants;
- e) The estimated timeframe for completing the sale(s); and
- f) The support of DUCA for the selected sales strategy.

42. In balancing the aforementioned factors, the Receiver has selected, subject to Court approval, Colliers Macaulay Nicolls Inc., Brokerage (“**Colliers Brokerage**”) to lead the proposed Sales Process, which given the unique mix of Property, will consist of:

- a) Listing the Occupied Residential Units and the Vacant Residential Units, in three (3) ‘small blocks’ of five (5) to seven (7) units per block, with each block being comprised of units within the same building, where possible;
- b) Listing the Occupied Commercial Units as a single bloc of units; and
- c) Listing each of the Vacant Commercial Units separately.

43. Summarized in the table below are certain other key aspects of the Sales Process:

Term / Event	Description
<u>Occupied Residential Units and Vacant Residential Units</u>	
Pricing Strategy	<ul style="list-style-type: none"> Listings will be priced.

Term / Event	Description
	<ul style="list-style-type: none"> Based on the estimated investment value.
Offer Deadline	<ul style="list-style-type: none"> The Receiver will utilize a bid-after date, which is estimated to be set for 2-weeks following the launch of marketing efforts by Colliers Brokerage. After the bid-after date, offers will be reviewed on a first-come, first-serve basis.
<u>Occupied Commercial Units</u>	
Pricing Strategy	<ul style="list-style-type: none"> Listing will be unpriced (although presented as \$1 on MLS system).
Offer Deadline	<ul style="list-style-type: none"> An offer date will be set at a time after sufficient market interest has been obtained and will not be set within the first 30-days following the launch of marketing efforts by Colliers Brokerage. Once determined, offer deadline date will be set to 10-days and communicated to all parties which have expressed an interest in submitting an offer.
<u>Vacant Commercial Units</u>	
Pricing Strategy	<ul style="list-style-type: none"> Listings will be priced. Pricing range will be based on square footage.
Offer Deadline	<ul style="list-style-type: none"> No offer deadline. Offers will be considered as received after listing on a first-come, first-serve basis.
<u>Common Terms to the Sales Process</u>	
Solicitation	<ul style="list-style-type: none"> Marketing materials created by Colliers Brokerage at the cost of Colliers Brokerage. Notification to potential interested parties performed by Colliers Brokerage. Listing on website of Colliers Brokerage. Listing on the MLS system.
Due Diligence	<ul style="list-style-type: none"> Interested parties shall be required to execute a non-disclosure agreement and return it to Colliers Brokerage in order to gain access to confidential information maintained in a data room.
Deposit	<ul style="list-style-type: none"> A deposit of 10% of the purchase price is required with each offer.

Term / Event	Description
	<ul style="list-style-type: none"> • Deposits for all unsuccessful offers will be returned. • Deposits for successful offers are non-refundable.
Court Approval	<ul style="list-style-type: none"> • All sale transactions will be subject to Court approval.
Closing Date	<ul style="list-style-type: none"> • As mutually agreed upon between the Receiver and purchaser(s).
Commission	<ul style="list-style-type: none"> • 3.5% (cooperating at 1.5%) for the Occupied Residential Units and Vacant Residential Units. • 3.0% (cooperating at 1.5%) for the Occupied Commercial Units and Vacant Commercial Units.
Break Fee	<ul style="list-style-type: none"> • No break fees.
Listing Term	<ul style="list-style-type: none"> • 6-months.
Receiver's Reservation of Rights	<ul style="list-style-type: none"> • The Receiver reserves the right in its reasonable discretion to, among other things: <ul style="list-style-type: none"> ○ waive strict compliance with any one or more of the Sales Process parameters detailed herein; ○ create or extend any deadline set forth in the Sales Process; ○ reject any or all offers; ○ not be bound to accept the highest or any offer; ○ consult with DUCA and other stakeholders as it determines necessary or appropriate, in its sole discretion; ○ terminate the Sales Process in consultation with DUCA and other stakeholders; and ○ adopt such ancillary and procedural rules not otherwise set out in the Sales Process.

44. Additionally, certain parties have expressed an interest in leasing vacant residential and vacant commercial units. To the extent leasing vacant units will benefit the Sales Process, the Receiver, together with Colliers Brokerage may lease vacant units and include the newly leased units within the Occupied Residential Units or Occupied Commercial Units, as applicable.

45. It is the Receiver's opinion that the proposed Sales Process represents a public and transparent process under which potential purchasers will be marketed and given the opportunity to provide offers. The proposed Sales Process will balance the need to complete a sale(s) in a reasonable time and adequately expose the Real Property to the marketplace to maximize recovery for stakeholders.
46. DUCA is supportive of the Sales Process.

XI. RECEIVER'S INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

47. The Receiver's interim statements of receipts and disbursements for each of 108RR and 111RR for the period from the Date of Appointment to August 18, 2024 (the "Interim R&D(s)") are illustrated in the chart below:

Receiver's Interim Statements of Receipts and Disbursements For the period June 17, 2024 to August 18, 2024		
	108RR	111RR
Receipts		
Rental Income	\$ 64,530	\$ 74,219
Cash in bank accounts	50,797	66,518
HST collected	3,446	7,943
Interest income	131	294
Total receipts	118,904	148,974
Disbursements		
Condo fees	18,901	12,805
Repairs and maintenance	12,390	9,225
Insurance	10,092	9,086
Appraisal	3,076	3,223
HST Paid	2,011	1,618
Bank charges	34	17
Total disbursements	46,503	35,973
Net receipts over disbursements	\$ 72,401	\$ 113,001

- a) As detailed in the table above, between the Date of Appointment and August 18, 2024 the Receiver has collected total receipts of \$118,904 and \$148,974 for 108RR and 111RR, respectively. The majority of the receipts relate to the collection of rent and funds from the Company's bank accounts. Total disbursements over the same period amounted to \$46,503 and \$35,973 for 108RR and 111RR, respectively, the majority of which relate to condo fees, repairs and maintenance and insurance. The Interim R&Ds report net receipts over disbursements of \$72,401 and \$113,001 for 108RR and 111RR, respectively.
- b) The Interim R&Ds do not include receipts and disbursements of Sleepwell or other accrued disbursements.

XII. RECOMMENDATIONS

48. Based on the foregoing, the Receiver respectfully recommends that the Court issue an order(s):

- (a) Approving the First Report and the activities of Receiver set out herein;
- (b) Amending the Receivership Order as detailed herein;
- (c) Approving the Sales Process; and
- (d) Approving the Interim R&Ds.

All of which is respectfully submitted on the 21st day of August, 2024.

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



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

Appendix “A” to the First Report of the Receiver



Court File No. CV-24-00095337-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.

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THURSDAY, THE 16TH

JUSTICE C. MACLEOD

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DAY OF MAY, 2024

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

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

Respondents

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicant, DUCA Financial Services Credit Union Ltd. (“**DUCA**”), 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 as receiver (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Ashcroft Homes – 101 Richmond Road Inc., Ashcroft Homes – 108 Richmond Road Inc. (“**108 Richmond**”), and Ashcroft Homes – 111 Richmond Road Inc. (collectively, the “**Debtors**” and individually, a “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of DUCA, which includes the affidavit of Ivan Bogdanovich, sworn April 23, 2024 and the Exhibits thereto, the Responding Record of the Debtors, and on hearing the submissions of counsel for DUCA and the Debtors, no one appearing for any other party although duly served as appears from the affidavits of service of

Russell Crawford affirmed May 1, 2024, and Ariyana Botejue affirmed May 2, 2024, and on reading the consent of BDO Canada Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”), save and except for the real property municipally known as 114 Richmond Road, Ottawa, Ontario and bearing legal description PART OF LOT 13 PLAN 449 AND PART OF BLOCK C PLAN 152, BEING PARTS 2, 3 AND 7 ON PLAN 4R-28155.; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 2 AND 3 ON PLAN 4R-28155 AS IN OC1430889; SUBJECT TO AN EASEMENT IN GROSS OVER PART 3 ON PLAN 4R-28155 AS IN OC1455884; SUBJECT TO AN EASEMENT AS IN OC1455885; SUBJECT TO AN EASEMENT AS IN OC1457862; SUBJECT TO AN EASEMENT IN GROSS AS IN OC1595888; CITY OF OTTAWA, all of which is PIN 04021-0451 (LT) (being the “**114 Richmond Property**”).
3. **THIS COURT ORDERS** that this Order is without prejudice to any security, priority, or other claims DUCA may have to the personal property assets of 108 Richmond as the same relate to the 114 Richmond Property or otherwise.

RECEIVER’S POWERS

4. **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, on and after the 17th day of June, 2024, 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 Debtors, 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 a 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 a Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;

- (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 a 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 a 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 \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; 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.
- (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 a Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of a Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by a Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which a 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 Debtors, and without interference from any other Person. In the interim, being as of the date of this Order until June 16, 2024 (the “**Interim Period**”), prior to exercising these powers, the Receiver may monitor the business and affairs of the Debtors in such manner as the Receiver may consider to be appropriate, and the Debtors shall fully cooperate in a timely manner with the Receiver to fulfill its monitoring role. The Receiver, in its monitoring role during the Interim Period, shall be afforded all protections otherwise afforded to it in this Order, and without limiting the generality of the foregoing, including the limitation of liability as set out in paragraph 18 of this Order.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

9. **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 with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST A DEBTOR OR THE PROPERTY

10. **THIS COURT ORDERS** that no Proceeding against or in respect of a Debtor or the Property shall be commenced or continued except 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 a Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that all rights and remedies against the Debtors, 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 Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (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

12. **THIS COURT ORDERS** that 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 a Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with a 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 a 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 a 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 a 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.

RECEIVER TO HOLD FUNDS

14. **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

15. **THIS COURT ORDERS** that all employees of a Debtor shall remain the employees of that Debtor until such time as the Receiver, on the Debtors 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

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such

information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **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

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under 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

19. **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.
20. **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.
21. **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

22. **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 \$100,000 (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.

23. **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.
24. **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.
25. **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

26. **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-%20commercial/#Part III The E-Service List](https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-%20commercial/#Part_III_The_E-Service_List)) 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

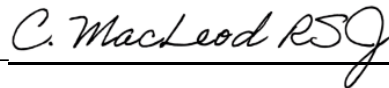
with the following URL <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/ashcroft-homes>

27. **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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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.

GENERAL

28. **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.
29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
30. **THIS COURT ORDERS** that the Receiver is hereby authorized and empowered, but not obligated, to cause one or more of the Debtors to make an assignment in bankruptcy and nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any Debtor.
31. **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.

32. **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.
33. **THIS COURT ORDERS** that DUCA may recover costs incurred in bringing this Application and obtaining this order as may be provided by the terms of DUCAs security or, if not so provided by DUCA's security, and subject to the rights, if any, of the Respondents to dispute those costs.
34. **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.



Issuance on May 31, 2024

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the “**Receiver**”) of the assets, undertakings and properties of Ashcroft Homes – 101 Richmond Road Inc., Ashcroft Homes – 108 Richmond Road Inc. and Ashcroft Homes – 111 Richmond Road Inc. (collectively, the “**Debtors**” and individually, a “**Debtor**”) acquired for, or used in relation to a business carried on by a Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated the 16th day of May, 2024 (the “**Order**”) made in an action having Court file number CV-24-0009537-0000, 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.

35. 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.

36. 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.

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

38. 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.
39. 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.
40. 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:

DUCA FINANCIAL SERVICES CREDIT UNION
LTD.

-and-

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

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT OTTAWA

ORDER

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

Timothy R. Dunn (LSO #342491)
Tel: (416) 597-4880
Email: tdunn@blaney.com

Stephen Gaudreau (LSO #65895M)
Tel: (416) 596-4285
Email: sgaudreau@blaney.com

Lawyers for the Applicant

Appendix “B” to the First Report of the Receiver

SCHEDULE “A”

LEGAL DESCRIPTIONS OF THE PROPERTY

101 Richmond Properties:

1. Unit 6, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0006(LT), in LRO #4.
2. Unit 11, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0011(LT), in LRO #4.
3. Unit 12, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0012(LT), in LRO #4.
4. Unit 13, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0013(LT), in LRO #4.
5. Unit 14, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0014(LT), in LRO #4.
6. Unit 15, Level 1, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0015(LT), in LRO #4.
7. Unit 20, Level 3, Ottawa-Carleton Standard Condominium Plan No. 889 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1315688; City of Ottawa, being all of PIN 15889-0056(LT), in LRO #4.

108 Richmond Properties:

1. Unit 1, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0001 (LT), in LRO #4.
2. Unit 2, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0002(LT), in LRO #4.
3. Unit 3, Level 1, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0003(LT), in LRO #4.

4. Unit 1, Level 2, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0004(LT), in LRO #4.
5. Unit 11, Level 2, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0014(LT), in LRO #4.
6. Unit 37, Level 4, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0089(LT), in LRO #4.
7. Unit 6, Level 5, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0106(LT), in LRO #4.
8. Unit 16, Level 6, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0166(LT), in LRO #4.
9. Unit 34, Level 6, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0184(LT), in LRO #4.
10. Unit 37, Level 6, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0187(LT), in LRO #4.
11. Unit 7, Level 7, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0207(LT), in LRO #4.
12. Unit 15, Level 9, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0315(LT), in LRO #4.
13. Unit 34, Level 9, Ottawa-Carleton Standard Condominium Plan No. 963 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1653772; City of Ottawa, being all of PIN 15963-0334(LT), in LRO #4.

111 Richmond Properties:

1. Unit 2, Level 1, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0002(LT), in LRO #4.

2. Unit 7, Level 1, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0007(LT), in LRO #4.
3. Unit 9, Level 1, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0009(LT), in LRO #4.
4. Unit 1, Level 2, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0010(LT), in LRO #4.
5. Unit 6, Level 2, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0015(LT), in LRO #4.
6. Unit 11, Level 2, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0020(LT), in LRO #4.
7. Unit 24, Level 3, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0048(LT), in LRO #4.
8. Unit 20, Level 8, Ottawa-Carleton Standard Condominium Plan No. 937 and its appurtenant interest; subject to easements as set out in Schedule A as in OC1551657; City of Ottawa, being all of PIN 15937-0164(LT), in LRO #4.

Appendix “C” to the First Report of the Receiver

LEGAL DESCRIPTIONS OF ADDITIONAL PROPERTIES

Registered Owner: Ashcroft Homes – 108 Richmond Road Inc.

1. UNIT 47, LEVEL 4, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 963 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1653772; CITY OF OTTAWA, being all of PIN 15963-0099 (LT), in LRO #4.

Registered Owner: Ashcroft Homes – 111 Richmond Road Inc.

1. UNIT 1, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0113 (LT), in LRO #4.
2. UNIT 2, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0114 (LT), in LRO #4.
3. UNIT 3, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0115 (LT), in LRO #4.
4. UNIT 4, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0116 (LT), in LRO #4.
5. UNIT 5, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0117 (LT), in LRO #4.
6. UNIT 10, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0122 (LT), in LRO #4.
7. UNIT 11, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0123 (LT), in LRO #4.

8. UNIT 12, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0124 (LT), in LRO #4.
9. UNIT 13, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0125 (LT), in LRO #4.
10. UNIT 14, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0126 (LT), in LRO #4.
11. UNIT 15, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0127 (LT), in LRO #4.
12. UNIT 16, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0128 (LT), in LRO #4.
13. UNIT 17, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0129 (LT), in LRO #4.
14. UNIT 18, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0130 (LT), in LRO #4.
15. UNIT 19, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0131 (LT), in LRO #4.
16. UNIT 20, LEVEL A, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0132 (LT), in LRO #4.

17. UNIT 52, LEVEL B, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0225 (LT), in LRO #4.
18. UNIT 125, LEVEL C, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0367 (LT), in LRO #4.
19. UNIT 133, LEVEL C, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 889 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1315688; CITY OF OTTAWA, being all of PIN 15889-0375 (LT), in LRO #4.
20. UNIT 110, LEVEL B, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 937 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1551657; CITY OF OTTAWA, being all of PIN 15937-0360 (LT), in LRO #4.
21. UNIT 55, LEVEL D, OTTAWA-CARLETON STANDARD CONDOMINIUM PLAN NO. 937 AND ITS APPURTENANT INTEREST; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN OC1551657; CITY OF OTTAWA, being all of PIN 15937-0536 (LT), in LRO #4.

DUCA FINANCIAL SERVICES CREDIT UNION
LTD.

-and-

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

Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

FIRST REPORT OF THE RECEIVER

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

John Salmas (LSO # 42336B)
Tel: 416-863-4737
john.salmas@dentons.com

Sara-Ann Wilson (LSO # 56016C)
Tel: 416-863-4402
sara.wilson@dentons.com

Fraser Mackinnon Blair (LSO #66683L)
Tel: 613-783-9647
fraser.mackinnon.blair@dentons.com

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