

**Seventh Report to Court of
AlixPartners Restructuring, Inc.
as Receiver and Manager of
2265132 Ontario Inc.,
1384274 Ontario Inc. and
1019883 Ontario Inc.**

August 19, 2026

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

**AND IN THE MATTER OF THE APPOINTMENT OF A RECEIVER OVER THE
PROPERTY, ASSETS AND UNDERTAKING OF 2265132 ONTARIO INC.,
1384274 ONTARIO INC., 1019883 ONTARIO INC. AND
2195186 ONTARIO INC.**

**SEVENTH REPORT OF ALIXPARTNERS RESTRUCTURING, INC.
AS RECEIVER AND MANAGER**

AUGUST 19, 2026

1.0 Introduction

1. On December 5, 2024, the Ontario Superior Court of Justice (the "Court") issued an order granting protection under the *Companies' Creditors Arrangement Act* (the "CCAA") to Ashcroft Urban Developments Inc. ("AUDI"), 2067166 Ontario Inc. ("Park Place Senior"), 2265132 Ontario Inc. ("Ravines Senior"), Ashcroft Homes – La Promenade Inc. ("Promenade Senior"), 2195186 Ontario Inc. ("Envie I"), Ashcroft Homes – Capital Hall Inc. ("Envie II"), 2139770 Ontario Inc. ("Ravines Retirement") and 1019883 Ontario Inc. (the "Head Office Company" and collectively, the "CCAA Debtors").
2. Several of the CCAA Debtors' lenders opposed the continuation of the CCAA proceedings at the comeback motion heard on December 12, 2024. Pursuant to the Honourable Justice Mew's decision dated December 20, 2024, the Court dismissed the motion to extend the CCAA proceedings and granted motions made by CMLS Financial Ltd. ("CMLS"), Equitable Bank ("EQB"), ACM Advisors Ltd. ("ACM") and certain other lenders to appoint KSV Restructuring Inc. ("KSV") as interim receiver of all CCAA Debtors and 1384274 Ontario Inc. ("138 Ontario"), except for Ravines Retirement, over which BDO Canada Ltd. ("BDO") was appointed as receiver and manager pursuant to an application brought by Central 1 Credit Union.
3. On January 3, 2025, the Court issued an Order (the "Interim Receivership Order") appointing AlixPartners Restructuring, Inc. (formerly, KSV) ("AlixPartners")¹ as interim receiver (the "Interim Receiver"), without security, of all the property, assets and undertakings of the CCAA Debtors

¹ Effective June 1, 2026, AlixPartners was substituted in place of KSV as Court Officer in these proceedings pursuant to a Court order dated June 3, 2026. The professionals involved in this mandate from the outset remain unchanged.

(except for Ravines Retirement) and 138 Ontario pursuant to section 47(1) of the *Bankruptcy and Insolvency Act* ("BIA"), R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

4. Upon the appointment of the Interim Receiver, it was contemplated that, in due course, the interim receivership proceedings would be converted to receivership proceedings.
5. Pursuant to an Order of the Court granted February 24, 2025 (the "Receivership Order"), AlixPartners was appointed as receiver and manager (the "Receiver"), without security, of all the property, assets and undertaking of Park Place Senior, Ravines Senior, Promenade Senior, Envie I, the Head Office Company and 138 Ontario² (collectively, the "Companies" and individually, a "Company") (the "Ashcroft Receivership Proceedings"). On the same date, pursuant to applications made by CMLS and EQB, the Court granted separate receivership orders appointing KSV (now AlixPartners) as receiver and manager of the property, assets and undertaking of AUDI and Envie II. A copy of the Receivership Order is attached as Appendix "A".
6. On May 27, 2025, the Court issued an order (the "Ravines Sale Process Approval Order"), which approved, *inter alia*:
 - a) the Receiver's proposed sale process for Ravines Senior (the "Ravines Sale Process"); and
 - b) the Receiver's proposed sale process for the properties owned by Promenade Senior.

A copy of the Ravines Sale Process Order is attached as Appendix "B".

7. Pursuant to an Order of the Court granted July 21, 2025 (the "Park Place Retirement Receivership Order"), KSV (now AlixPartners) was appointed as receiver and manager, without security, of all the property, assets and undertaking of 1230172 Ontario Inc. ("Park Place Retirement").
8. Additionally, on July 21, 2025, the Court issued an Order, which approved, among other things, the sale process for Park Place Senior and Park Place Retirement.
9. The Receiver carried out the Court-approved sale process for Promenade Senior, Park Place Senior and Park Place Retirement, which did not result in a going-concern sale transaction. On November 4, 2025, the Court issued an Order, which approved, among other things, a refinancing transaction which resulted in the termination of the receivership proceedings for Promenade Senior, Park Place Senior and Park Place Retirement. The Receiver's discharge certificate in respect of those three debtors was filed

² 138 Ontario was not an applicant in the CCAA proceedings but was subject to the Interim Receivership Order and is subject to the Receivership Order.

on November 28, 2025. Since then, the Receiver has also been discharged as Receiver of Envie I – that discharge certificate was filed on July 23, 2026.

10. Accordingly, there are presently three remaining debtors subject to these receivership proceedings, being Ravines Senior, 138 Ontario and the Head Office Company (collectively, the "Receivership Debtors"). Ravines Senior and 138 Ontario, and particularly the Ravines Sale Process, is the subject of this report and accompanying motion materials.

1.1 Purposes of this Report

1. The purposes of this report (the "Report") are to:
 - a) provide background information on the Ashcroft Receivership Proceedings and the Receivership Debtors;
 - b) summarize the results of the Ravines Sale Process carried out by the Receiver with the assistance of its realtor, N.R.E. Newmark Real Estate Canada Limited ("Newmark");
 - c) summarize a proposed transaction (the "Ravines Senior Transaction") contemplated by the purchase and sale agreement dated as of June 9, 2026 (as amended June 24, 2026 (the "First Amendment") and July 31, 2026 (the "Second Amendment") collectively and as the same may be further amended from time to time, the "Ravines Senior APS") between Verve Nepean Limited Partnership by its general partner Verve Nepean GP Inc. (the "Purchaser"), as assigned to it by DCMS Realty (Evergreen) Inc. ("DCMS Realty") and the Receiver, pursuant to which the Purchaser, through its nominees The Ravines SS Inc. and The Ravines PPP Inc., will acquire the real property (the "Ravines Senior Property") of Ravines Senior and 138 Ontario and certain related assets (together with the Ravines Senior Property, the "Purchased Assets") as described below;
 - d) set out the Receiver's recommendations regarding approval of the Ravines Senior Transaction and the proposed distributions of the net proceeds thereof;
 - e) provide an overview of the Receiver's activities since its sixth report to Court dated October 27, 2025 (the "Sixth Report");
 - f) recommend that the Court issue the following Orders:
 - i. an Approval and Vesting Order (the "AVO") providing for, among other things, the following relief:
 - approving the Ravines Senior Transaction;
 - declaring (the "Declaration") that neither 2252514 Ontario Inc. ("225 Ontario", collectively with 2139770 Ontario Inc., Ravines Senior, and 138 Ontario, the "Owners" and each an

"Owner") nor David Choo and any affiliated entity (collectively, the "Choo Entities") have any beneficial or legal entitlement to the Ravines Senior Property, other than Permitted Encumbrances (as defined in the Ravines Senior APS) and that the Real Property Agreements (as defined below) do not create any property right or entitlement in favour of the Choo Entities with respect to ownership of, or to subdivide, the Ravines Senior Property; and

- sealing the confidential appendices to this Report pending the completion of the Ravines Senior Transaction or further Order of the Court.

ii. an Order (the "Ancillary Order"):

- authorizing the Receiver to pay from the proceeds of the Ravines Senior Transaction any property tax arrears and make distributions to Ravines Senior's and 138 Ontario's principal and subordinate mortgagees, being ACM and Institutional Mortgage Corporation ("IMC"), respectively; and
- approving this Report and the activities of the Receiver contained therein.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) the Receivership Debtors' unaudited financial information and books and records; (ii) discussions with the Receivership Debtors' management team and Newmark; (iii) the affidavit of Mr. David Choo, sworn December 3, 2024 (the "First Choo Affidavit"); and (iv) information available in the public domain.
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information in this Report should perform its own due diligence.

1.3 Court Materials

1. Copies of the Court materials filed to-date in the Ashcroft Receivership Proceedings are available on the Receiver's case website (the "Case Website"):

<https://cdncases.alixpartners.com/experience/case/ashcroft>

1.4 Currency

1. All currency references in this report are in Canadian dollars.

2.0 Background

1. The Receivership Debtors are incorporated in Ontario and carry on business as part of the Ashcroft Homes Group, a residential and commercial real estate developer owned, directly or indirectly, by Mr. Choo. The Head Office Company is the owner of real property in Nepean, Ontario from which the Ashcroft Homes Group formerly operated. The Receiver has engaged a realtor to list the Head Office Company's real property for sale – that process is presently ongoing.
2. Ravines Senior operates an independent living seniors' residence (the "Ravines Senior Facility") located at 636 Prado Private, Ottawa. The Ravines Senior Facility consists of an eight-storey apartment building with 138 suites and various amenities. The Ravines Senior Facility has access to the adjacent two-storey parking facilities owned by 138 Ontario (the "Parking Facilities"). Ravines Senior is regulated and has a license issued by the Retirement Homes Regulatory Authority ("RHRA"), which license has been maintained by the Receiver since its appointment.
3. The Ravines Senior Facility shares certain amenities, staff and services with a 125-room retirement residence owned and operated by Ravines Retirement, which is located directly adjacent to the Ravines Senior Property at 626 Prado Private, Ottawa (the "Ravines Retirement Facility", and together with the Ravines Senior Facility and the Parking Facilities, the "Facilities"). The Facilities share, among other things, an on-site management team and are connected by both above-ground and underground corridors. As noted above, BDO is the receiver and manager of the Ravines Retirement Facility pursuant to an Order of the Court made on December 20, 2024 (Court File No. CV-24-00097134-0000).
4. Additional background information on the Ashcroft Homes Group and the Ashcroft Receivership Proceedings is included in the First Choo Affidavit, the Interim Receiver's first report dated February 14, 2025, and the Receiver's previous reports to Court, and accordingly, is not repeated in this Report.

3.0 Ravines Sale Process

3.1 Overview

1. Since July 2025, the Receiver has carried out the Ravines Sale Process in accordance with the Ravines Sale Process Approval Order. The Ravines Sale Process was coordinated among the Receiver, BDO and Newmark to market Ravines Senior and Ravines Retirement as a "package" – although prospective purchasers were also permitted to submit offers to acquire either property/facility on its own. The Receiver considered a standalone transaction unlikely given the additional complexities involved, including delineating shared services and the like.

2. With the assistance and oversight of the Receiver, Newmark's activities with respect to conducting the Ravines Sale Process included:
 - a) preparing an investment brochure which summarized the offering (the "Teaser") and a confidential information memorandum ("CIM");
 - b) distributing a copy of the Teaser, along with a non-disclosure agreement ("NDA"), to an investor database of approximately 1,050 recipients on July 3, 2025;
 - c) advertising the opportunity on various dedicated websites, including RenX, Loopnet, CoStar and MLS;
 - d) populating a virtual data room ("VDR") with standard diligence documents and providing access to those interested parties who executed the NDA;
 - e) conducting several presentations on the opportunity to interested parties;
 - f) providing all parties who signed an NDA with a form of Agreement of Purchase and Sale ("APS"); and
 - g) setting an initial bid date of August 26, 2025 (the "Initial Bid Deadline").
2. Over the course of the Ravines Sale Process:
 - a) 32 parties executed the NDA and received the CIM and access to the VDR;
 - b) 8,000+ total views of the opportunity were recorded across various websites;
 - c) multiple interested parties submitted due diligence questions which were diligently addressed by Newmark and the Receiver;
 - d) eight (8) tours were conducted with interested parties; and
 - e) two (2) parties submitted a letter of intent ("LOI") on or prior to the Initial Bid Deadline.
3. A summary of the activities performed during the Ravines Sale Process and the LOIs received prior to the Initial Bid Deadline is attached hereto as Confidential Appendix "1".
4. Following consultation with ACM and IMC, and BDO's consultation with the principal secured lender of Ravines Retirement, the Receiver selected and engaged in extensive negotiations for a transaction with a prospective purchaser (the "Original Purchaser") who submitted the best offer on the Initial Bid Deadline.

3.2 Ravines Sale Process Results

The First Transaction

1. Following a period of negotiations, the Receiver and the Original Purchaser finalized the terms of an agreement of purchase and sale for the sale of the Purchased Assets on December 8, 2025 (as amended, the "First Ravines APS"). The Original Purchaser also finalized an agreement of purchase and sale with BDO for the Ravines Retirement Facility on the same date.
2. Under the First Ravines APS, the Original Purchaser had 60 days to conduct and satisfy itself with due diligence (the "First Ravines Due Diligence Date") with a further 30-day option solely in the event that it required additional time to obtain financing (the "First Ravines Extended Due Diligence Date").
3. The First Ravines Due Diligence Date was originally set to expire on February 6, 2026. At the request of the Original Purchaser, the First Ravines Due Diligence Date was subsequently extended (by email agreement) by one week and then again, pursuant to an amendment to the First Ravines APS dated as of February 12, 2026 by a further 30 days (thereby also extending the First Ravines Extended Due Diligence Date) to March 16, 2026. On March 16, 2026, the Original Purchaser sent a notice to the Receiver notifying the Receiver it was exercising its right to extend the due diligence date to the First Ravines Extended Due Diligence Date to April 15, 2026.
4. At the further requests of the Original Purchaser, the Receiver subsequently agreed to extend the First Ravines Extended Due Diligence Date to April 23, 2026. Despite ongoing good faith negotiations on further amendments requested by the Original Purchaser, the Original Purchaser did not waive its financing due diligence condition on April 23, 2026, and again requested a further extension of the First Ravines Extended Due Diligence Date. By this time, the Receiver had significant concerns about the repeated requests for extensions made by the Original Purchaser. The Receiver was also concerned in learning that the Original Purchaser had been engaged in discussions with, among others, David Choo and/or his representatives which facially appeared to be in violation of its obligations under its NDA. However, the Receiver ultimately agreed to a further extension to April 28, 2026, provided that the Original Purchaser waived its entitlement to exclusivity.
5. On April 28, 2026, the Original Purchaser advised that it was not "waiving the Due Diligence Conditions", was not proceeding with the transaction and requested the return of its deposit (the "Original Purchaser Deposit"). On April 30, 2026, the Receiver (through its counsel), wrote to the Original Purchaser's counsel (Gardiner Roberts LLP) advising the Original Purchaser that it viewed the Original Purchaser's actions of being in violation of its NDA and that its failure to waive the Extended Due Diligence Date was done improperly. Consequently, the Receiver advised of its intention to retain the Original Purchaser Deposit. On May 1, 2026, the Original Purchaser's lawyers responded disputing the Receiver's position and demanding repayment of the Original Purchaser Deposit. The Receiver ultimately settled

the issue with the Original Purchaser pursuant to which the parties agreed that: (a) \$15,000 of the Original Purchaser Deposit would be retained by the Receiver; (b) the Purchaser would release various consulting and building reports it had commissioned during its due diligence; and (c) the balance of the Original Purchaser Deposit would be released to the Original Purchaser.

The Second Marketing Effort

6. As set out above, upon the Original Purchaser waiving exclusivity, the Receiver, BDO and Newmark, following consultation with the secured creditors of Ravines Senior and Ravines Retirement, agreed to a process whereby Newmark would re-canvass a short-list of prospective buyers based on its initial marketing efforts to determine whether any buyer would be willing to “step into the shoes of” the Original Purchaser under the First Ravines APS.
7. In that regard, Newmark approached six (6) potential buyers with the opportunity to assess whether such interest existed. In the interim period, the Original Purchaser also expressed a potential interest in re-submitting an offer (subject to additional conditions). Attached as Confidential Appendix “2” is a copy of the updated buyer list provided by Newmark.
8. As a result of these efforts, the Receiver received two (2) offers in respect of Ravines Senior Facility and the Parking Facilities, resulting in the Receiver selecting the Ravines Senior APS with the Purchaser as the successful bid. A summary of the two offers received during Newmark’s secondary marketing efforts is attached hereto as Confidential Appendix “3”. On June 9, 2026, the Receiver and DCMS Realty finalized the Ravines Senior APS (which was subsequently amended as set out herein).
9. DCMS Realty and the Purchaser are part of the group of companies known and operating as “Verve Senior Living” (“Verve”). Verve owns and operates several seniors and/or retirement facilities throughout Canada. The proposed transactions for the Facilities are complementary to Verve’s existing portfolio.

4.0 The Ravines Senior Transaction³

1. A summary of the key terms and conditions of the Ravines Senior APS is set out below:
 - a) Purchaser: Verve Nepean Limited Partnership by its general partner Verve Nepean GP Inc. (as assigned to it by DCMS Realty), through its nominees The Ravines SS Inc. and The Ravines PPP Inc.;
 - b) Purchase Price: For the reasons set out in Section 7 of this Report, the Receiver recommends that the Purchase Price be sealed. The Purchase

³ This summary is for general information purposes only and is subject in all respects to the full terms of the Ravines Senior APS. Capitalized terms used in this section of the Report, and not otherwise defined, have the meaning given to them in the Ravines Senior APS.

Price is to be adjusted prior to the Closing Date for, among other things, rent and all other charges payable by Residents, realty taxes, and other adjustments standard for a real estate transaction;

- c) Deposit: The Receiver recommends that the Deposit also be sealed;
- d) Payment of Purchase Price: The Purchase Price is to be paid and satisfied by the Purchaser at Closing as follows:
 - (i) the Deposit shall be credited against the Purchase Price;
 - (ii) \$529,743 (the "Escrow Amount") shall be paid to the Escrow Agent (defined below); and
 - (iii) the balance shall be paid to the Receiver by wire transfer of immediately available funds on the Closing Date;
- e) Purchased Assets: The Ravines Senior Property, the Assigned Contracts and the following assets, as they relate exclusively to the Business and the Ravines Senior Property: (i) all building equipment, fixtures, furniture and inventory; (ii) all rental or other payments accruing to the Vendor from and after the Closing Date; (iii) all books and records, social media accounts, telephone numbers and other intellectual property; (iv) computer hardware, software and related accessories; and (v) all vehicles (if any);
- f) Employees: The Purchaser may offer employment to selected employees on substantially similar terms and will recognize their prior service. The employees of Ravines Senior are non-unionized;
- g) Excluded Assets: Any assets, property or undertaking of Ravines Senior or 138 Ontario other than the Purchased Assets;
- h) 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;
- i) 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 Senior and/or 138 Ontario;
- j) 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 union certification applications filed up to the execution date of the Ravines Senior APS. 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;

- k) 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
- l) Material Conditions: The Ravines Senior APS is conditional upon the satisfaction or waiver of the following conditions, among others:
 - (i) the Due Diligence Conditions being satisfied or waived by 30 days after the Execution Date (the "Due Diligence Date");
 - (ii) the Third-Party Conditions having been satisfied by 15 days after the Due Diligence Date (the "Third-Party Condition Date");
 - (iii) the RHRA having confirmed in writing its intention to issue the Licence, subject only to certain limited exceptions;
 - (iv) the Ravines Retirement Transaction (as defined below) having been completed;
 - (v) 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;
 - (vi) the elevator license for each elevator located at the Ravines Senior Facility shall have been issued and be in good standing;
 - (vii) the inspection orders outlined in Technical Standards and Safety Authority Inspection Report #10381183 have been completed and paid for by the Vendor, to the satisfaction of the Purchaser;
 - (viii) 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;
 - (ix) all remediation work outlined in the 2026 annual reports, issued by Classic Fire + Life Safety on July 3, 2026, has been completed and paid for by the Vendor to the satisfaction of the Purchaser;
 - (x) code compliance infractions, identified by Gal Power in its 2025 annual fuel inspection report, are to be completed and paid for by the Vendor to the satisfaction of the Purchaser;

- (xi) 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;
 - (xii) the Purchaser has received a compliance report from City of Ottawa in respect of the Site Plan Agreement and the Subdivision Agreement;
 - (xiii) 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;
 - (xiv) the Purchaser, the Vendor and BDO have entered into an escrow agreement, appointing the Vendor or BDO as escrow agent (the "Escrow Agent"), which agreement shall be, to the satisfaction of the Purchaser and the Vendor, 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 Retirement Residences property at 626 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
 - (xv) 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.
2. A redacted version of the Ravines Senior APS (together with the First Amendment and the Second Amendment) is attached as Appendix "C". An unredacted version of the Ravines Senior APS is provided as Confidential Appendix "4".

4.1 Status of Conditions

1. On July 9, 2026, being the original Due Diligence Date, the Purchaser confirmed it was waiving its Due Diligence Conditions.
2. The Third-Party Condition Date was originally scheduled for July 24, 2026. The Third-Party Condition date was subsequently extended by one week to July 31, 2026, in consideration of \$25,000 paid by the Purchaser pursuant to the First Amendment.

3. Over the course of the following week, the Receiver and the Purchaser engaged in a number of discussions to resolve remaining items raised by the Purchaser. On July 31, 2026, the Purchaser and Receiver entered into the Second Amendment, which provided for certain additional terms and conditions to the Ravines Senior Transaction (summarized above), including the establishment of the Escrow Amount and certain additional representations and conditions to Closing. Pursuant to the Second Amendment, the Purchaser also waived the Third-Party Conditions.
4. On July 31, 2026, DCMS Realty advised the Receiver that, pursuant to Section 8.25 of the Ravines APS, it had assigned its right in the Ravines APS to the Purchaser.
5. With respect to the remainder of the conditions (including the conditions set out in 4.0(I)(v) to (xv) above, which were added as a result of the Second Amendment), the Receiver is not aware of any circumstances that would indicate that such conditions cannot be fulfilled prior to the expected Closing Date. As of the date of this Report, the activities contemplated in the conditions set out in 4.0(vi) and 4.0(xi) have been completed.

4.2 Receiver's Recommendation

1. The Receiver recommends that the Court issue the AVO approving the Ravines Senior Transaction and vesting title to the Purchased Assets in the Purchaser for the following reasons:
 - a) the Ravines Sale Process was conducted in accordance with the Ravines Sale Process Approval Order;
 - b) based on its review, the Receiver is satisfied that the Ravines Sale Process conducted by Newmark was a comprehensive and fair process that thoroughly canvassed the market of potential buyers of the Purchased Assets;
 - c) after the termination of the First Ravines APS, Newmark re-canvassed a targeted list of buyers, resulting in the Ravines Senior Transaction, which is largely on the same or improved economic terms relative to the First Ravines APS;
 - d) the Receiver believes that the terms of the Ravines Senior APS are commercially reasonable;
 - e) Newmark is familiar with the Ontario real estate and senior residence markets and recommends acceptance of the Ravines Senior APS;
 - f) absent the Ravines Senior Transaction being completed, a further protracted marketing period would be necessary. The carrying costs for the Ravines Senior Property, including municipal property taxes, utilities, insurance, interest accruing on the ACM and IMC mortgages, and professional costs, will erode the proceeds available for distribution, with no certainty that a superior transaction could be identified and/or completed;

- g) ACM and IMC, the principal economic stakeholders in these proceedings, have advised the Receiver that they consent to, and are supportive of, the approval by the Court of the Ravines Senior Transaction;
- h) the Purchaser has also entered into an agreement of purchase and sale for the acquisition of the Ravines Retirement Facility with BDO, which is subject to approval by this Court (the "Ravines Retirement Transaction"). The joint sale of the Facilities in separate but coordinated transactions will limit disruption to the operations and provide for the most efficient transition to the Purchaser; and
- i) the Receiver has worked cooperatively with BDO over the course of the Ravines Sale Process, including ensuring that each of their respective principal economic stakeholders were consulted with and supportive of the major milestones involved in the Ravines Sale Process, the proposed Ravines Senior Transaction and the Ravines Retirement Transaction. The process has been lengthy and complex, particularly given the failed transaction with the Original Purchaser. In the Receiver's view, the Ravines Senior Transaction is the result of a significant effort by multiple parties over the course of nearly 15 months and represents a highly successful outcome in the circumstances.

5.0 The Declaration

1. As set out above, the Parking Facilities are owned by 138 Ontario. A copy of the parcel register for the Parking Facilities, which is identified by PIN 04052-0801(LT), is attached as Appendix "D".
2. The Receiver understands that the Choo Entities have previously claimed an entitlement to certain portions of the Parking Facilities. In particular, the Receiver understands that the Choo Entities, through 225 Ontario (or another related entity), the Owner of 631 Prado Private, Ottawa (the "225 Property"), intended or intends to develop the 225 Property into a proposed condo residence referred to as "Ravines 3" ("Ravines 3") and, as a result, this future development would share facilities, including the Parking Facilities, with Ravines Senior and Ravines Retirement.
3. Forthwith, after the Purchaser waived the Third-party Conditions, the Receiver notified the Choo Entities of the Ravines Senior APS, its status and the Receiver's intention to seek Court approval as soon as possible. Copies of the unredacted Ravines Senior APS were provided to the Choo Entities and their counsel on August 7, 2026 and a draft AVO was provided to them on August 12, 2026. Despite further following up, as of the date of this Report, the Choo Entities have not provided a complete position on whether they intend to oppose any portion of the Receiver's motion and relief requested. Considering the Choo Entities' position, the Purchaser requires the Declaration as a condition of the Ravines Senior Transaction.

Parking Facility Documents and Encumbrances

4. In connection with the request for the Declaration, the Receiver and Receiver's counsel have reviewed the following documents:
 - a) a site plan dated March 2005 (the "Original Site Plan") prepared by M. David Blakely Architect Inc. for the Choo Entities; and
 - b) a parking matrix dated April 4, 2017 (the "Parking Matrix") prepared by M. David Blakely Architect Inc. for the Choo Entities.
5. The Receiver and Receiver's counsel have also considered the following encumbrances on title to the Parking Facilities:
 - a) a site plan agreement dated September 5, 2006 (the "Site Plan Agreement") between 2058743 Ontario Corp. ("205") and the City of Ottawa (the "City"), registered as Instrument No. OC722168 on May 25, 2007;
 - b) a shared facilities agreement dated April 4, 2012 (the "SFA", and together with the Site Plan Agreement, the "Real Property Agreements") among 225 Ontario, 138 Ontario, Ravines Senior, and Ravines Retirement, and Ashcroft Homes - Citiplace Inc., registered on title as Instrument No. OC1352990 on April 19, 2012;
 - c) a transfer easement dated February 6, 2013 (the "Easement") from 138 Ontario in favour of Ravines Retirement, Ravines Senior and 225 Ontario; and
 - d) a charge / mortgage registered as Instrument No. OC2564946 (the "ACM Mortgage") on December 21, 2022, from 138 Ontario in favour of Computershare Trust Company of Canada.
6. Copies of the Original Site Plan, Parking Matrix, Site Plan Agreement, SFA, Easement and ACM Mortgage are attached as Appendices "E" through "H".

The Choo Entities' Position

7. As set out above, the Choo Entities have communicated to the Receiver that they intend to take the position that 225 Ontario is the beneficial owner of 130 parking spots, which are proposed to be delineated as future condominium units within the Parking Facilities. The Choo Entities have sent emails to the Receiver on October 8, 2025 setting out their position. Copies of the emails are attached as Appendix "I".
8. The Receiver understands the Choo Entities' argument to be as follows:
 - a) the Site Plan Agreement, filed with the City, demonstrates the intended allocation of 130 of the future proposed parking spots to 225 Ontario;

- b) the Parking Matrix reflects the intended allocation of the future parking spots to 225 Ontario; and
- c) at the time of the ACM Mortgage, it was disclosed to ACM that it was intended that there would only be a certain number of parking spots eventually designated to Ravines Senior.

The Receiver's Analysis

Site Plan, Site Plan Agreement and Parking Matrix

- 9. The Original Site Plan (which was registered on title pursuant to the Site Plan Agreement) was developed by the Choo Entities to demonstrate to the City their intention regarding development of the lands that now consist of the Ravines Senior Property, the Ravines Retirement Facility, the 225 Property and the Parking Facilities.
- 10. At the time of the Original Site Plan, all of the Ravines Senior Property, the Ravines Retirement Facility, the 225 Property and the Parking Facilities were owned by 205, with the apparent intention of future parceling out and subdivision of the various parcels of land.
- 11. Based on a review of the current parcel registers for each of the relevant parcels, it is apparent that the parcels are now owned as follows:
 - (i) the Ravines Senior Property (Parcel 0799);
 - (ii) the 225 Property (Parcel 0800);
 - (iii) the Parking Facilities, along with 138 Ontario's private roadway (Parcel 0801); and
 - (iv) the Ravines Retirement Facility (Parcel 0802) (collectively, the "Current Parcels").
- 12. The Original Site Plan and the Parking Matrix indicate a future intent for certain parking spaces owned by 138 Ontario to be allocated to "Ravines 3". Attached as Appendix "J" are copies of the parcel registers (PINs) in respect of the above properties.

The Easement and Shared Facilities Agreement

- 13. Under the Easement and Shared Facilities Agreement, each of Ravines Senior, Ravines Retirement and 225 Ontario are provided with various access, shared costs and related rights as it relates to the Parking Facilities given that, among other things, both Ravines Senior and Ravines Retirement have and will require access to the Parking Facilities for purposes of their operations. More specifically the Easement and Shared Facilities Agreement provide for the following:
 - *Easement:* The Easement provides a right of way in, along and through the roadways, parking ramps, sidewalks and other areas of the Parking

Facilities for vehicular and pedestrian access, including maintenance and service personnel, in favor of the Current Parcels. It further provides the necessary easements in favor of the Current Parcels in order to operate, repair and maintain and draw service from storm and sanitary sewers and water mains located on the Parking Facilities (and the private road also located thereon) as well as the right to maintain, repair, replace and draw power from emergency electrical generation equipment as may be located thereon; and

- *Shared Facilities Agreement*: The Shared Facilities Agreement is the governing document for how the Current Parcels shall cooperate and share the maintenance, repair and replacement, and management costs of access rights provided for in the Easement (i.e. the shared services, being the private roadway, the sanitary and sewer lines, common electrical transformers, landscaping, common pathways, a common entrance, and other elements intended to serve more than one building located on the Current Parcels).

14. As set out above, as 225 Ontario was the intended future developer of a third property, the Real Property Agreements and Easement provide same or similar rights to 225 Ontario as they provide to the other developed parcels.

Conclusion

15. As set out above, the Receiver's counsel has conducted a thorough review of the documents provided to them and based on its review, has advised the Receiver that it does not see any basis on which 225 Ontario has any beneficial entitlement to any portion of the Parking Facilities. The Receiver's counsel has come to this conclusion for the following reasons:
 - a) The Real Property Agreements – the Real Property Agreements address the rights and obligations of each Owner regarding what may be constructed on its own parcel, as well as requirements relating to access and parking across the parcels, in compliance with applicable provincial and municipal zoning and development regulations. The Real Property Agreements, however, do not and cannot create an ownership interest in another Owner's land. Under Ontario law, any transfer of ownership rights or subdivision of land can occur only through a formal subdivision application or consent process and the associated municipal approvals under the *Planning Act*. The Real Property Agreements therefore do not confer any right on an Owner to acquire or subdivide another Owner's parcel;
 - b) None of the Easement, the Original Site Plan or the Parking Matrix create or confer any right on an Owner to acquire or subdivide another Owner's parcel. Instead, these documents provide certain encumbrance rights (as described above) and reflect what the Choo Entities intended for future development and shared use across the various parcels by their respective Owners;

- c) The Choo Entities have provided no documentary evidence that would indicate that 138 Ontario held any portion of the Parking Facilities in trust for the benefit of 225 Ontario. The Choo Entities have provided no evidence of beneficial ownership, other than an assertion of such and documents showing a future intention to condominiumize the Parking Facilities lands in order to allocate various beneficial rights and potentially, parking stalls to the future 225 Ontario development; and
 - d) Finally, the ACM Mortgage and IMC's second-ranking mortgage, registered as Instrument No. OC2565123 in the original principal amount of \$11.5 million (with Ravines Senior and 2067166 Ontario Inc. as co-borrowers), encumber the totality of the Parking Facilities.
- 16. The conclusion of the Receiver, after review of the title encumbrances and documents in existence as of the date of the receivership, is that the Parking Facilities are wholly and beneficially owned by 138 Ontario.
 - 17. The AVO does not seek to vest the Real Property Agreements off title; they will remain as Permitted Encumbrances. Rather, the Declaration simply confirms the existing state of title, and 225 Ontario remains free to enter into contractual arrangements regarding parking use within the Parking Facilities.
 - 18. The request for declaratory relief in this circumstance is necessary so that the Purchaser has certainty as to its ownership rights in respect of the Purchased Assets.

6.0 Proposed Distributions to Secured Lenders

- 1. ACM is the principal secured creditor of Ravines Senior, pursuant to the ACM Mortgage.
- 2. According to ACM's mortgage discharge statement dated August 12, 2026, ACM is owed approximately \$29.5 million under the ACM Mortgage, inclusive of lender costs and accrued interest to July 31, 2026 (together with additional interest and fees up to the date of distribution, the "ACM Indebtedness"). The ACM Mortgage is registered on title to Ravines Senior in the principal amount of \$63,200,000 (given that it was originally cross collateralized with a loan in connection with the Park Place Senior property). A copy of ACM's mortgage discharge statement is attached as Appendix "K".
- 3. IMC is a subordinate secured creditor of Ravines Senior pursuant to a loan agreement dated December 5, 2022 (the "Ravines Senior IMC Loan"). The Ravines Senior IMC Loan is secured by a second-ranking mortgage and general assignment of rents over the real property of Ravines Senior.

4. According to IMC's mortgage discharge statement dated August 10, 2026, IMC is owed approximately \$13.9 million under the Ravines Senior IMC Loan, inclusive of lender costs and accrued interest to August 31, 2026 (together with additional interest and fees up to the date of distribution, the "IMC Indebtedness"). A copy of IMC's mortgage discharge statement is attached as Appendix "L".
5. The Receiver requested that NRF, as its independent legal counsel, conduct a review of the security granted by Ravines Senior and 138 Ontario in favour of ACM and IMC. NRF provided the Receiver with an opinion that, subject to standard assumptions and qualifications, the security granted by Ravines Senior and 138 Ontario in favour of ACM and IMC constitutes valid and enforceable security interests and charges, as applicable. A copy of the security opinion can be provided, should the Court wish to review it.
6. As of the date of this Report, approximately \$884,000 is on deposit in the Receiver's bank account in respect of Ravines Senior, which is comprised of the cash on deposit upon the Receiver's appointment, the cash flow generated from Ravines Senior's operations less the costs of these proceedings. The Receiver has not required any additional external funding over the course of these proceedings.
7. Subject to completion of the Ravines Senior Transaction, there is projected to be sufficient funds on hand to repay in full both ACM and IMC. The Monitor recommends that the Court authorize the Receiver to repay in full ACM Indebtedness and IMC Indebtedness for the following reasons:
 - a) the Receiver is not aware of any obligations which rank, or may rank, in priority to either ACM or IMC other than property tax arrears, which are required to be paid from the proceeds of the Ravines Senior Transaction pursuant to the Ravines Senior APS and are contemplated to be paid pursuant to the proposed Ancillary Order;
 - b) the updated Parcel Register for Ravines Senior and 138 Ontario does not reflect any new registrations. NRF has also conducted updated personal property registry searches (which are attached as Appendix "M") which similarly do not reflect any new registrations or any registrations that, on their face, would appear to rank in priority to ACM and IMC.
 - c) there will be sufficient surplus funds in the Receiver's account following the proposed distributions to ACM and IMC to fund any costs to completion of these proceedings;
 - d) the Receiver has obtained independent legal opinions on the validity and enforceability of the security granted in favour of ACM and IMC; and
 - e) delaying these proposed distributions will result in further interest and costs accruing in favour of ACM and IMC, which will unduly reduce the funds available for unsecured creditors in these proceedings.

8. Based on the foregoing, the Receiver considers the proposed distributions to be fair, reasonable and appropriate in the circumstances.
9. The surplus remaining after the proposed distributions is to be held by the Receiver pending further Court Order. Following closing of the Ravines Senior Transaction, the Receiver will bring a motion in the near term to approve the basis on which any surplus funds will be dealt with, which is likely to commence with a claims process to be administered by the Receiver.

7.0 Sealing

1. The Receiver is seeking approval of a sealing order in respect of the Confidential Appendices to this Report, being the unredacted version of the Ravines Senior APS, buyers list and the offer summaries prepared by Newmark. If the Ravines Senior Transaction does not close for any reason, the Ravines Sale Process will likely need to resume. If the terms of the offers submitted to-date are not sealed, future bidders and stakeholders of Ravines Senior would have access to information regarding the potential purchase price contemplated in connection with the Ravines Sale Process and other negotiated commercial terms, which could negatively impact the opportunity to maximize realizations in the future.
2. It is contemplated that the Confidential Appendices be sealed pending further Order of the Court. The Receiver does not believe that any party will be prejudiced if this information is sealed at this time.
3. The salutary effects of sealing the Confidential Appendices from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Receiver is of the view that sealing these documents is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25. Accordingly, the Receiver believes the proposed sealing order is appropriate in the circumstances.

8.0 Overview of the Receiver's Activities

1. A summary of the Receiver's activities relating to the Sixth Report are set out below. Since the Sixth Report, the Receiver's activities with respect to the Receivership Debtors include the following:
 - a) overseeing the Ravines Sale Process, including working closely with Newmark in that regard;
 - b) addressing due diligence requests submitted by interested parties to facilitate the Ravines Sale Process;
 - c) reviewing and discussing the offers with Newmark;
 - d) corresponding with ACM and IMC, and/or their respective legal counsel, regarding all material matters in the Ashcroft Receivership Proceedings;

- e) preparing cash flow projections for the Receivership Debtors' operations and providing budget-to-actual variance analyses to the mortgagees;
- f) working closely with BDO on allocating and satisfying shared costs between Ravines Senior and Ravines Retirement;
- g) overseeing the affairs of the Receivership Debtors' businesses, including controlling receipts and disbursements;
- h) conducting various remediation activities to repair deficiencies identified at the Ravines Senior Facility;
- i) corresponding with representatives of the RHRA and its legal counsel, in connection with the Debtors' licenses;
- j) working closely with Brightwater Senior Living concerning its engagement as property manager of Ravines Senior;
- k) negotiating the Ravines Senior Transaction and advancing all elements thereof with Newmark, the Purchaser and legal counsel;
- l) working with NRF on all receivership matters;
- m) responding to emails and calls from creditors, suppliers, tenants, employees and other stakeholders;
- n) maintaining the Case Website for the Ashcroft Receivership Proceedings and the Park Place Retirement Proceedings; and
- o) drafting this Report.

9.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the AVO and the Ancillary Order.

All of which is respectfully submitted,

AlixPartners Restructuring, Inc.

**ALIXPARTNERS RESTRUCTURING, INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
2265132 ONTARIO INC., 1384274 ONTARIO INC. AND
1019883 ONTARIO INC.
AND NOT IN ITS PERSONAL CAPACITY**