



**Report to Court of  
KSV Restructuring Inc.  
as Proposed Interim Receiver of Ashcroft  
Urban Developments Inc., 2067166 Ontario  
Inc., 2265132 Ontario Inc., Ashcroft Homes  
– La Promenade Inc. and 2195186 Ontario  
Inc. and Ashcroft Homes – Capital Hall Inc.**

December 11, 2024

**Contents**

**Page**

1.0 Introduction ..... 1  
    1.1 Purposes of this Report..... 2  
    1.2 Restrictions ..... 2  
    1.3 Currency ..... 2  
2.0 Background ..... 2

**Appendices**

**Appendix**

**Tab**

Brightwater BIO .....A  
Varsity email.....B

COURT FILE NO.: CV- 24-00098058-0000

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

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

REPORT OF KSV RESTRUCTURING INC.  
AS PROPOSED INTERIM RECEIVER

DECEMBER 11, 2024

## 1.0 Introduction

1. On December 5, 2024, the Ontario Superior Court of Justice (the "Court") issued an order granting Ashcroft Urban Developments Inc. ("Ashcroft Urban"), 2067166 Ontario Inc. ("Park Place Senior"), 2139770 Ontario Inc. ("Ravines Retirement"), 2265132 Ontario Inc. ("Ravines Senior"), Ashcroft Homes – La Promenade Inc. ("Promenade Senior"), 2195186 Ontario Inc., Ashcroft Homes – Capital Hall Inc. and 1019883 Ontario Inc. ("1019883") (each an "Applicant" and collectively the "Applicants") protection under the *Companies' Creditors Arrangement Act* (the "CCAA"). The comeback motion is scheduled to be heard on December 12, 2024.
2. Each Applicant carries on active business operations from a different location in and around Ottawa, Ontario. The real property at each location has its own mortgage, mortgagee(s) and creditors.
3. KSV Restructuring Inc. ("KSV") understands that some or all of the Applicants' mortgagees oppose the continuation of the CCAA proceedings and intend to seek the appointment of KSV as interim receiver of the legal entities holding the real property subject to their mortgages. The entities that are contemplated to be subject to the interim receivership are all of the Applicants other than Ravines Retirement and, potentially, 1019883, which owns the Applicants' head office. KSV understands that the mortgagee of Ravines Retirement, being Central 1 Credit Union, is seeking the appointment of BDO Canada Limited ("BDO") over the property of Ravines Retirement. Counsel to the mortgagee of 1019883, Canadian Western Bank, has not yet advised KSV of its position regarding the interim receivership.
4. KSV is filing this report (the "Report") in its capacity as proposed Interim Receiver.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) summarize KSV's preliminary game plan if appointed Interim Receiver; and
  - b) provide comments regarding certain parts of the affidavit of David Choo, the Applicants' principal, sworn December 3, 2024 (the "Choo Affidavit").

## 1.2 Restrictions

1. In preparing this Report, KSV has relied on (i) certain of the Applicants' financial and other information included in the Applicants' materials filed with the Court, (ii) financial information previously provided by certain of the Applicants' lenders to KSV as a result of advisory mandates performed by KSV for those lenders; and (iii) discussions with legal counsel to certain of the Applicants' lenders.
2. KSV 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, KSV 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 should perform its own diligence.

## 1.3 Currency

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

## 2.0 Background

1. KSV is the financial advisor to CMLS Financial Ltd. regarding its loans to Ashcroft Urban Developments Inc. ("Ashcroft Urban"), one of the Applicants, pursuant to an engagement letter dated October 15, 2024. KSV has also provided advisory services to Institutional Mortgage Corporation in respect of its mortgages registered on title to certain of the Applicants' real property. KSV has, among other things, met with Mr. Choo and certain of the Applicants' management team, including its financial advisor, and gained an understanding of the Applicants' business.
2. KSV's preliminary game plan, if appointed as Interim Receiver, is based on its extensive experience in similar multi-entity insolvency proceedings involving real property. KSV is also presently the receiver and manager of a seniors' residence in Oshawa, Ontario, called The Bartlett which is owned by Chancery (Oshawa) The Bartlett Limited Partnership ("Chancery").
3. In order to stabilize Chancery's performance and improve its financial results, KSV, as receiver and manager, retained Brightwater Senior Living Group, LLC ("Brightwater") as the property manager. Background information concerning Brightwater is provided in Appendix "A".

4. It is KSV's experience that in multi-entity real property receivership insolvencies, mortgagees are concerned that the costs of the proceedings, funding for the proceedings and the cash flow for each property be siloed so that each property is treated as if it was a separate proceeding. In KSV's experience, issues related to shared services and employees can be addressed while still respecting the individual priorities of lenders in respect of their individual properties. KSV recommended that provisions in this regard be incorporated into the draft interim receivership order. The Initial Order in the CCAA proceedings does not require this siloing, and it does not appear that this is required by the Amended and Restated Initial Order being sought by the Applicants. Absent this provision, positive cash flow entities may be subsidizing underperforming cash flow entities without regard to the distinct creditor interests of each corporate entity.
5. If appointed, KSV intends to work with Grant Thornton Limited, the Monitor appointed in the CCAA proceedings, to understand its communications with stakeholders, as well as the operations of each of the Applicants' businesses, including the head office support required for each entity. KSV also intends to work with the Applicants' management in this regard. Given the critical care and support provided by the Applicants' retirement residences, the ongoing assistance of the Monitor and the Applicants' executive management for a short period of time will assist to mitigate issues during a transition period while the Interim Receiver familiarizes itself with the Applicants' operations (the "Transition"). KSV would also coordinate with BDO, if BDO is appointed receiver of Ravines Retirement, in light of KSV's understanding of the shared services between Ravines Senior and Ravines Retirement.
6. Immediately following its appointment as Interim Receiver, KSV intends to engage Brightwater to review and oversee the operations of the retirement properties, being Ravines Senior, Park Place Senior and Promenade Senior.
7. As it relates to the two entities which operate student housing residences known as "Envie 1" and "Envie 2/Capital Hall", KSV intends to engage Varsity Properties Inc. ("Varsity") to oversee their operations during the interim receivership proceedings. KSV retained Varsity on a prior student residence receivership in Kingston, Ontario near Queen's University. An email from Varsity regarding its credentials is provided as Appendix "B".
8. The involvement of Brightwater (in respect of the retirement and seniors residences) and Varsity (in respect of the student residences) will assist KSV to stabilize certain of the Applicants' businesses with a view to identifying areas for improvement and eventually improving the net operating income of each, which is the key metric considered by interested parties to value the retirement home and student residence businesses. KSV may similarly engage a party with expertise in the hospitality sector to review and provide recommendations on improving the performance of the hotel property owned by Ashcroft Urban referred to in the Choo Affidavit as "ReStays".

9. KSV has also considered the valuation information included in the Choo Affidavit. KSV has been requested by certain of the lenders to comment on that information. KSV is one of the most active firms in real estate insolvencies. Based on its experience, KSV is concerned that the valuation evidence is optimistic and unrealistic given the cash flow of Applicants' properties relative to the debt. The valuation assumptions appear to reflect stabilized cash flows much higher than is presently the case. Additionally, many of the appraisals are aged (and some substantially aged), making them irrelevant from a value perspective<sup>1</sup>.
10. KSV has also reviewed a version of the cash flow forecast provided to counsel for certain of the mortgagees at approximately 11:00 pm on December 10, 2024. KSV does not know if this is the cash flow that the Applicants will be filing at the Comeback Motion. KSV cannot comment on the reasonableness of the cash flow forecast for several reasons including (i) there are no explanatory assumptions and (ii) there seem to be arithmetic errors in certain of the supporting schedules. KSV also notes that the cash flow does not appear to silo cash on a per entity basis and that remittances of sales taxes do not appear to be reflected.

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS PROPOSED INTERIM RECEIVER OF  
CERTAIN OF THE APPLICANTS  
AND NOT IN ITS PERSONAL CAPACITY**

---

<sup>1</sup> For example: a) the ReStays equity is based on "appraised valuations between April and June 2021"; b) the equity in the Capital Hall property is based "on an appraisal valuation dated 23 June 2022"; and c) the equity in the "Park Place Senior property" is based on "an appraisal valuation dated 30 September 2022".

## **Appendix “A”**



 brightwater  
Bio







# brightwater

## The Vision

Leading the way in innovation for tomorrow to enrich the lives of seniors today.

## The Mission

Inspire hope and enhance the lives of our seniors through the creation of an unparalleled approach to community design and amenities, leadership development, healthcare, engagement, and experiences.

## Core Values



# THE BRIGHTWATER TIMELINE

Brightwater currently operates 1,794 units with a vision to develop and/or manage 1-3 new communities a year, building our portfolio to over 2,500 units in the next 5 years. For more information on our current and previous projects, please visit our website at [www.brightwaterseniorliving.com](http://www.brightwaterseniorliving.com).



# HIGHLIGHTS

## 14 Communities

- 5 Owned and Managed
- 9 Managed

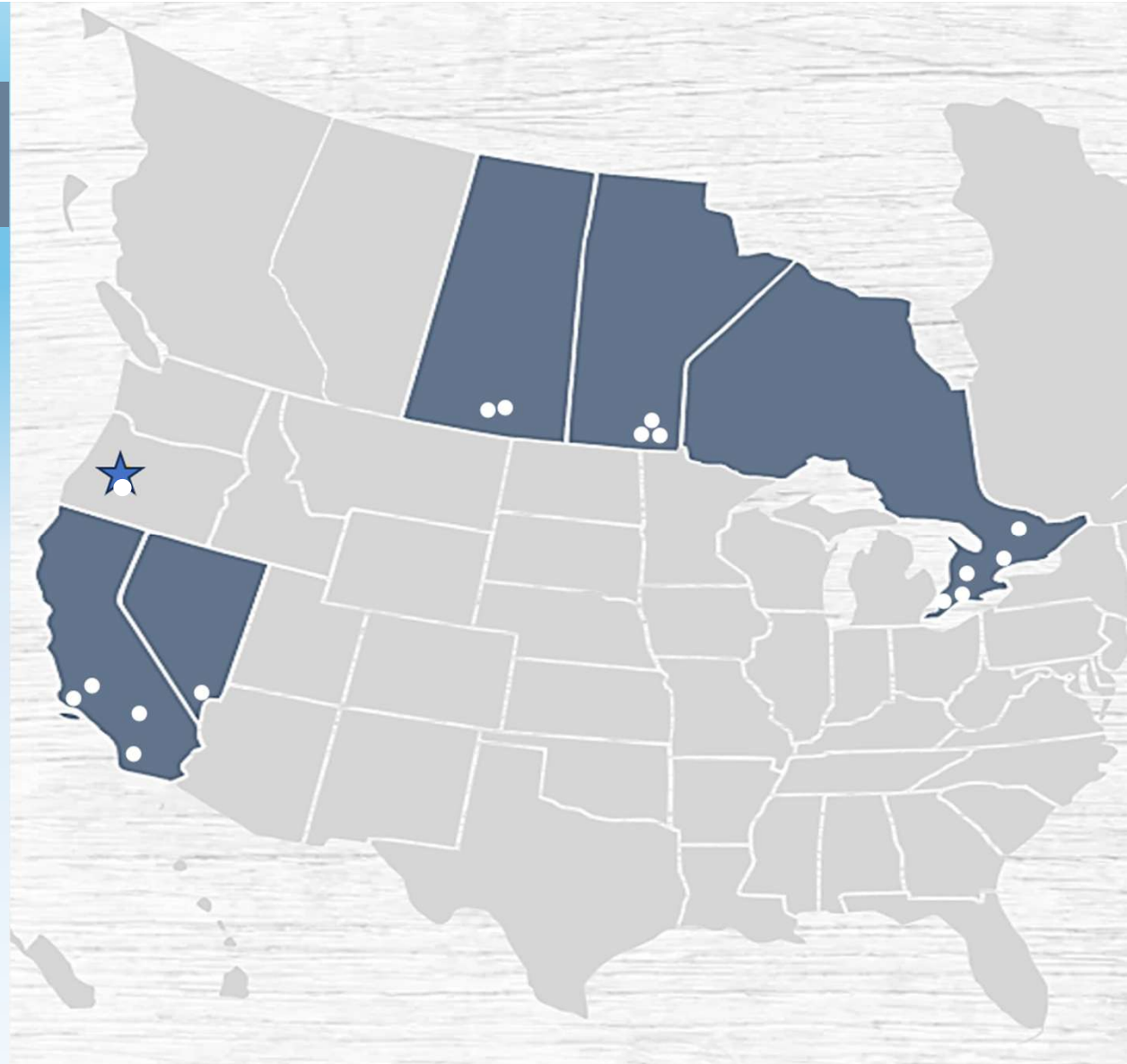
## 1794 Units in Total

- Independent Living - 940 Units
- Assisted Living - 565 Units
- Long Term Care - 136 Units
- Memory Care - 153 Units

Employees = ~1200

Company Occupancy = 91%

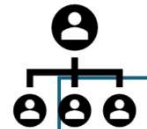
Revenue = ~108m



# INVESTMENT HIGHLIGHTS



State-of-the-art building construction & design



Market-leading operating management platform



Intimate knowledge of the market



Scalable platform for growth



**QUINTIN KING**  
**PRESIDENT | PRINCIPAL**



**STEVE YATES**  
**PRINCIPAL**



**RANDALL CORWIN**  
**PRINCIPAL**

Brightwaters core business values are founded in a strong commitment to provide an exceptional, vibrant, and loving environment for residents and families by carefully selecting team members that exhibit a warm, considerate and helpful spirit. Brightwater offers family/boutique style care with an institutional approach to asset management resulting in extraordinary resident satisfaction and market leading residences.

# THE BRIGHTWATER DIFFERENCE



Institutional grade partner & best- in class operator



Market leading manager



Growth focused management

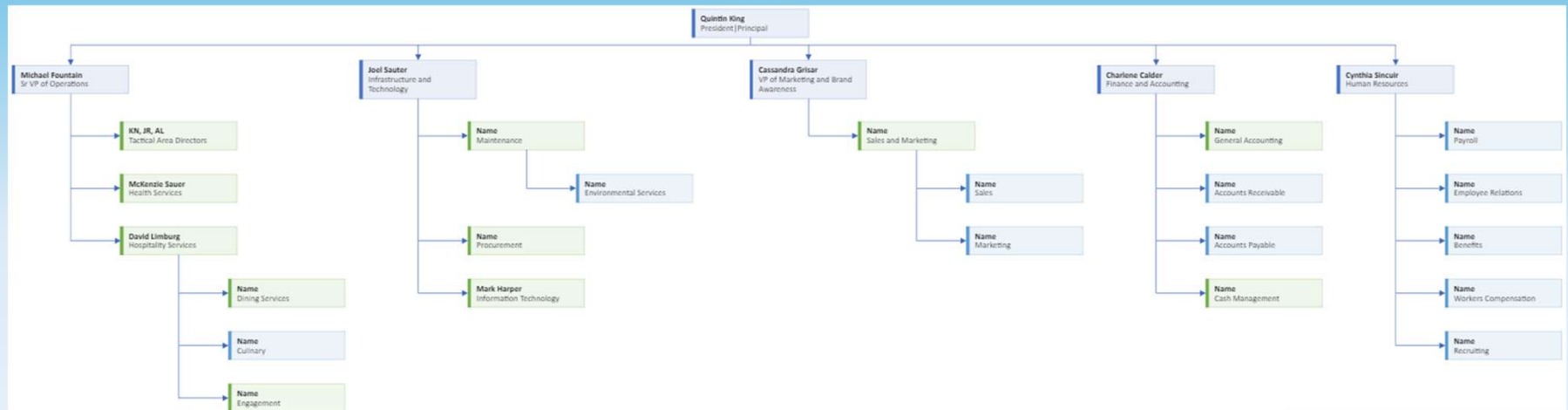


Seniors Housing pedigree & proven track record of excellence



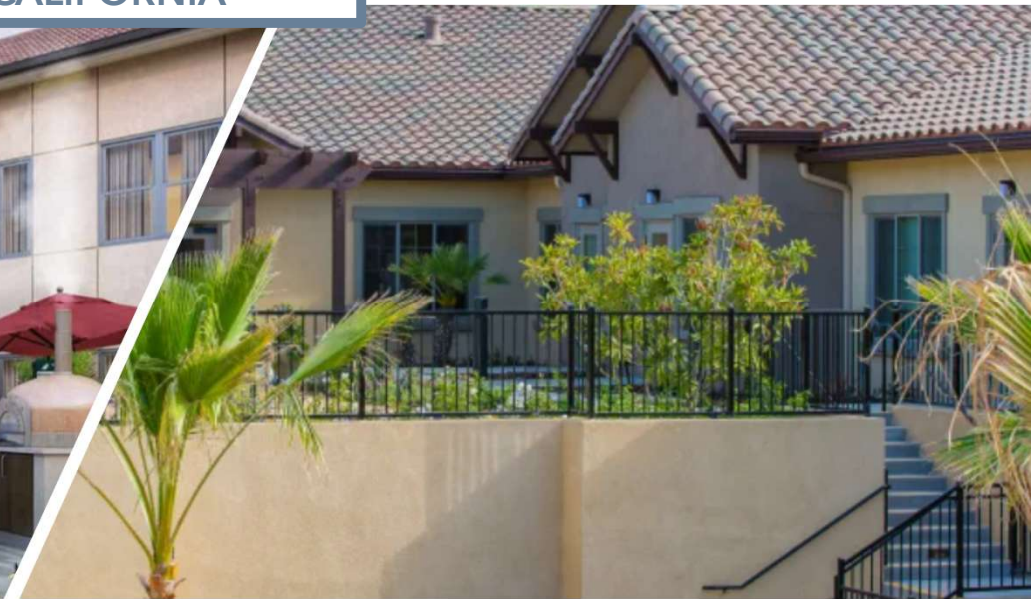
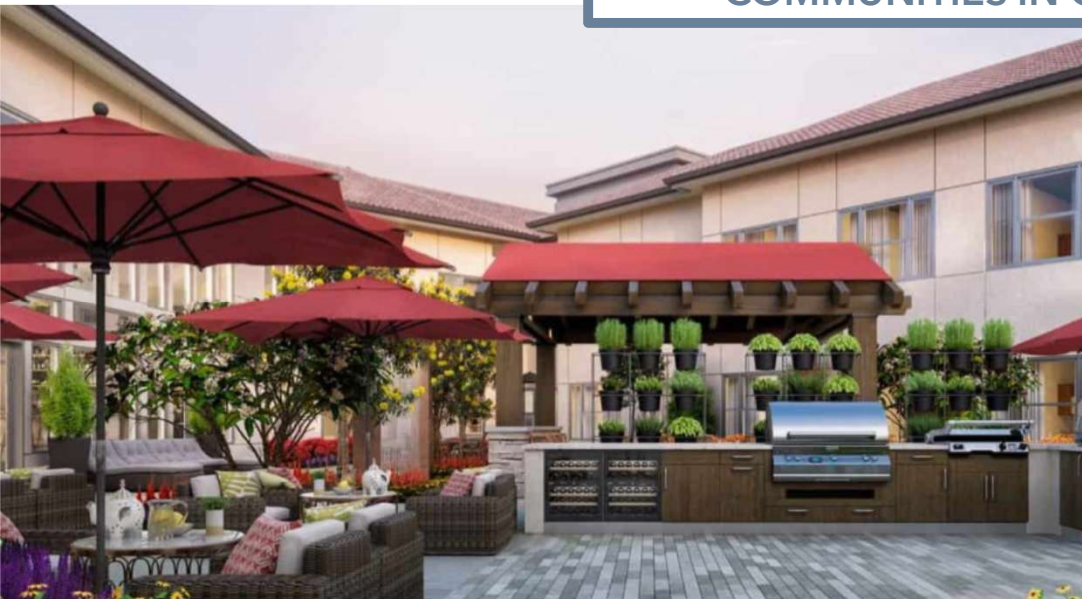
Existing platform with focus on growth

# MEET THE ORGANIZATION





COMMUNITIES IN CALIFORNIA







Communities in Saskatchewan





COMMUNITIES IN ONTARIO





## COMMUNITY PORTFOLIO HISTORY

The innovative Brightwater team was honored to have built from the ground up and transitioned ownership of many state-of-the-art Assisted Living & Memory Care facilities within the U.S. and Canada. Here are just a few examples of what Brightwater had skillfully designed with the attention to detail focusing on Healthcare providing 24/7 onsite nursing staff, Chef prepared meals, a variety of warm suite floor plans with full kitchenettes along with many other features and services to make their communities the ultimate and desirable destination for Retirement Living.

# OUR TECHNOLOGY



# THE BRIGHTWATER WAY

## Our Commitment:

Imagine and celebrate the joys of daily living with Brightwater. A great cup of coffee, a walk with a dog, or a refreshing trip to the salon are some of the simplest everyday pleasures that mean the most to our residents. These are the moments that make us feel like we're at home. This is why we at Brightwater continue to build programs and experiences designed to help you live your life YOUR way. We won't ask you to change who you are to fit into our communities. Instead, we design spaces, services, and amenities that adapt to your life, your needs, and your choices. We strive to provide communities with resources you want to live as you wish. For some, this means living as you always have, while for others, living as you've always wanted.

To create an atmosphere of rich, healthy living, we've worked to develop beautifully designed, meticulously managed communities supported by high-caliber professionals focused on your living experience. From exceptional dining experiences to meaningful social activities and diverse healthcare services, Brightwater communities represent the utmost in thoughtful senior living tailored to you.

[Join us at Brightwater](#)  
We'll help You stay You

A large, white, lowercase letter 'b' is positioned on the left side of the right half of the page. It is partially overlaid by a white wavy line that curves across the page. The background of this section is a solid blue color with a subtle gradient.

LOW

## **Appendix “B”**

---

**From:** A.J. Keilty <[AJK@keilty.com](mailto:AJK@keilty.com)>  
**Sent:** December 10, 2024 7:55 PM  
**To:** Mitch Vininsky <[mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com)>  
**Cc:** Connor Patterson <[Connor.Patterson@keilty.com](mailto:Connor.Patterson@keilty.com)>; Brandon Ackerman <[Brandon.Ackerman@varsitycommunities.com](mailto:Brandon.Ackerman@varsitycommunities.com)>  
**Subject:** Varsity Communities | Ottawa

Hi Mitch,

Nice to speak with you today about your potential Ottawa community. We would be pleased to assist you in evaluating the operations of the property and if necessary to provide third-party property management services.

Varsity Communities is a premier property management firm specializing in purpose-built student housing in Ontario. With over two decades of experience, we have become a trusted partner for universities, developers, and investors, delivering exceptional living experiences that foster academic excellence and resident well-being.

### **Proven Track Record in Student Housing**

Our extensive experience in operating high-quality student residences allows us to tailored our services to meet the unique needs of university students. We have successfully completed the initial lease-up of 4,500 beds in new student housing developments, and over the past 20 years have graduated thousands of students through our communities.

Notable properties managed include:

- **Albert Terrace:** A 110-bed residence in Kingston, Ontario.
- **Foundry Barrie:** A 360-bed community in Barrie, Ontario.
- **GEO:** A 551-bed facility in Kingston, Ontario.
- **Unity Point + Place:** A 650-bed community in Kingston, Ontario.
- **Taylorwood Townhomes:** A 464-bed complex in Oshawa, Ontario.
- **University Studios:** A 308-bed residence in Oshawa, Ontario.
- **University Towns:** A 452-bed community in Oshawa, Ontario.
- **Avant Toronto:** A 300-bed community in Toronto, Ontario.

### **Comprehensive Property Management Services**

Varsity Communities offers a full suite of third-party property management services:

- **Marketing and Leasing:** We implement targeted marketing strategies and utilize digital platforms to ensure swift lease-ups.

- **Resident Engagement:** Our team fosters community-focused environments through programming, events, and responsive service.
- **Facilities Management:** We provide top-tier maintenance and facility operations to ensure residences remain safe, clean, and welcoming.
- **Financial Oversight:** Through rigorous accounting and reporting, we ensure transparency and accountability for all stakeholders.

### **Innovative Technology Integration**

We embrace modern technology to enhance operational efficiency and resident experience, utilizing specialized property management software, digital leasing platforms, and automated systems to streamline operations and provide data-driven insights.

### **Experienced and Dedicated Team**

Our team comprises seasoned professionals with backgrounds in real estate, hospitality, and property management, all dedicated to delivering quality housing solutions and fostering a sense of belonging among residents.

### **Commitment to Community**

We understand that student housing is more than a business—it's about creating a home where students can thrive academically and socially. We pride ourselves on fostering an inclusive environment that supports students' personal and educational success.

### **Why Varsity Communities?**

Our decades of expertise managing large-scale, purpose build student accommodation properties positions us as a leader in the Canadian market. By choosing Varsity Communities, you partner with a team dedicated to excellence in property management, resident and owner satisfaction.

Let us bring our knowledge, resources, and innovative approach to your student housing project in Ottawa. When the time is right please let us know how we can be of assistance to you.

Thank you again for reaching out.

Best Regards,

AJK

---

**A.J. Keilty**, President

**Varsity Communities**

Real Estate Investment Management

Office: [613-704-1541](tel:613-704-1541) Mobile: [613-541-8534](tel:613-541-8534)



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

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

PROCEEDING COMMENCED AT  
OTTOWA

**PRE-FILING REPORT OF THE  
PROPOSED INTERIM RECEIVER**

**NORTON ROSE FULBRIGHT CANADA LLP**  
222 Bay Street, Suite 3000, P.O. Box 53  
Toronto, ON M5K 1E7

**Jennifer Stam, LSO#: 46735J**  
Tel: 416.202.6707  
jennifer.stam@nortonrosefulbright.com

**Lauren Archibald, LSO#: 87151U**  
Tel: 416.278.3787  
lauren.archibald@nortonrosefulbright.com

Lawyers for the Proposed Interim Receiver