



**Second Report to Court of  
KSV Restructuring Inc. as Receiver of  
Chancery (Oshawa) The Bartlett Limited  
Partnership and Chancery (Oshawa) the  
Bartlett GP Inc.**

March 25, 2025

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COURT FILE NO.: CV-23-00700694-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

FIERA FP REAL ESTATE FINANCING FUND, L.P.

Applicant

- and -

CHANCERY (OSHAWA) THE BARTLETT LIMITED PARTNERSHIP and CHANCERY  
(OSHAWA) THE BARTLETT GP INC.

Respondents

SECOND REPORT OF KSV RESTRUCTURING INC.  
AS RECEIVER

MARCH 25, 2025

## 1.0 Introduction

1. This report (the “**Report**”) is filed by KSV Restructuring Inc. (“**KSV**”) in its capacity as receiver (the “**Receiver**”), without security, of the property, assets and undertaking (the “**Property**”) of Chancery (Oshawa) The Bartlett Limited Partnership (“**Chancery LP**”) and Chancery (Oshawa) the Bartlett GP Inc. (“**Chancery GP**” and with Chancery LP, the “**Partnership**”), including the real property known municipally as 550 Bond Street West, Oshawa, Ontario (the “**Real Property**”), appointed pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended.
2. KSV was appointed as Receiver pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made on July 20, 2023 (the “**Receivership Order**”). A copy of the Receivership Order and the endorsement of Madam Justice Kimmel of the same date are attached as Appendix “A”.
3. The application to appoint KSV as Receiver was made by Fiera FP Real Estate Financing Fund, L.P. (“**Fiera**”). As set out in Fiera’s application materials, Fiera was owed approximately \$54.6 million as of June 2, 2023, with interest and costs continuing to accrue after that date. Fiera also holds a senior ranking mortgage registered on title to the Real Property.
4. The principal purpose of the receivership proceeding is to preserve, market and sell the Property to maximize value for the Partnership’s stakeholders.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) provide background information about this proceeding;
  - b) provide an update on the operations of the Residence (as defined below); and
  - c) summarize the Receiver's intended next steps.

## 1.2 Restrictions

1. In conducting its review and preparing this report, the Receiver has relied upon the Partnership's unaudited financial statements, books and records and discussions with certain of the Partnership's representatives, as well as Fiera and its legal counsel, Aird & Berlis LLP.
2. The Receiver has not performed an audit or otherwise attempted to verify the accuracy or completeness of the financial information relied on 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 Company's financial information should perform its own diligence.
3. With the exception of the Court, the Receiver accepts no responsibility for any reliance placed by any third party on the Partnership's financial information presented herein.

## 2.0 Background

1. The Affidavit of Ralph Doerr, Managing Director of Real Estate Financing for Fiera, sworn on June 8, 2023 (the "**Affidavit**") filed in support of its receivership application provides, *inter alia*, the Partnership's background and the events that led to the commencement of these proceedings. Accordingly, that discussion is not repeated herein.
2. According to Chancery LP's limited partnership agreement dated August 18, 2017 (included as Exhibit "F" to the Affidavit), Chancery LP was formed to "develop 2.38 acres of development land located at 550 Bond Street West, Oshawa, Ontario, and to develop, build and stabilize a 129 suite seniors apartment building [...] and the ultimate lease-up and refinance or sale of the Project." For the purpose of this Report, the apartment building is referred to as the "**Residence**".
3. The Residence is marketed to seniors as "The Bartlett", which is a fully constructed and 129-unit apartment building with approximately 11,000 square feet of retail space.
4. The Partnership has nine employees.

5. When the receivership commenced, Hillspport Developments Inc. (“**Hillspport**”), one of the limited partners of Chancery LP, managed the Residence, including its operations and accounting functions, pursuant to a management agreement with the Partnership. A separate non-arm’s length entity owned by the principals of Hillspport operated an onsite bistro (the “**Bistro**”) and, prior to the date of the Receivership Order, operated a healthcare facility at the Residence (the “**Clinic**”).
6. As at the date of this Report, the Residence is approximately 90% occupied (115 out of 129 units are presently rented), one of which is a model suite.
7. On July 20, 2023, the Court approved a sale process for the Real Property (the “**Sale Process**”). The Receiver retained TD Cornerstone Commercial Realty Inc. (the “**Broker**”) to act as the listing agent.
8. Several offers were submitted on the bid deadline (being October 6, 2023, the “**Bid Deadline**”) and selected bidders were provided the opportunity to participate in a second round of bidding. In consultation with Fiera, the Receiver did not accept any of the bids, as was permitted by the terms of the Sale Process. The listing was subsequently cancelled; however, the Receiver and the Broker have continued discussions with several interested parties, and certain of those discussions are presently ongoing. A summary of the initial stages of the Sale Process is provided in the Receiver’s First Report to Court dated November 9, 2023 (the “**First Report**”), and as such, it is not repeated herein.
9. Information concerning the Residence is available at the following website: [www.thebartlettliving.com](http://www.thebartlettliving.com) and information concerning the Partnership can be found at the following website: [www.chanceryseniors.com](http://www.chanceryseniors.com).
10. Additional information regarding this proceeding, including a copy of the Affidavit and the First Report can be found on the Receiver’s website at: <https://www.ksvadvisory.com/experience/case/chancery>.

### 3.0 Operations Update

1. Following the conclusion of the Sale Process, and in consultation with Fiera and the Broker, the Receiver took steps to improve the amenities at the Residence with a view to increasing its operating income so that a purchase price higher than the offers received in the Sale Process could be achieved. These activities are summarized below.

#### 3.1 Property Management

1. Effective July 1, 2024, the Receiver retained Brightwater Senior Living Group, LLC (“**Brightwater**”) to replace Hillspport as property manager of the Residence, including the Bistro. Brightwater specializes in senior community management and residence operations. The Receiver decided to replace the property manager to improve the operations of the Residence, with the aim of improving the resident experience, achieving higher rental rates and maximizing the value of the Residence.

2. Since Brightwater's engagement, the Receiver and Brightwater, in consultation with Fiera, have worked closely to monitor the Residence's performance, with a focus on increasing occupancy and rental rates and improving on-site services by offering residents a better Bistro experience and by leasing the Clinic.

### 3.2 The Clinic

1. On August 28, 2024, the Receiver and 16120482 Canada Inc. (the "Tenant") executed a lease for the Clinic. The Tenant operates local pharmacies and has sub-leased a portion of the space to a group of physicians. The Tenant has been completing renovations. The Clinic is scheduled to open on April 1, 2025.

### 4.0 Distributions

1. Since being appointed, the Receiver has made distributions from excess cash flow to Fiera totaling approximately \$4.2 million, as permitted pursuant to paragraph 11 of the Receivership Order.

### 5.0 Next Steps

1. The Receiver is continuing to work with Brightwater to oversee the operations of the Residence.
2. The Receiver continues to engage extensively with Fiera and the Broker to advance the sale of the Residence. The Receiver has engaged in ongoing discussions with various interested parties since the Bid Deadline, certain of which are ongoing. The Receiver is working diligently to complete a value maximizing transaction as soon as possible. Any transaction will be subject to the approval of the Court.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS RECEIVER OF  
CHANCERY (OSHAWA) THE BARTLETT LIMITED  
PARTNERSHIP AND CHANCERY (OSHAWA) THE  
BARTLETT GP INC. AND NOT IN ITS PERSONAL  
OR IN ANY OTHER CAPACITY**

## **Appendix “A”**



Court File No. CV-23-00700694-00CL

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

THE HONOURABLE MADAM

)

THURSDAY, THE 20TH

JUSTICE KIMMEL

)

DAY OF JULY, 2023

)

**FIERA FP REAL ESTATE FINANCING FUND, L.P.**

Applicant

- and -

**CHANCERY (OSHAWA) THE BARTLETT LIMITED PARTNERSHIP and  
CHANCERY (OSHAWA) THE BARTLETT GP INC.**

Respondents

**APPLICATION UNDER 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**

**ORDER  
(appointing Receiver)**

**THIS APPLICATION**, made by Fiera FP Real Estate Financing Fund, L.P. (“**Fiera**”) 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 KSV Restructuring Inc. (“**KSV**”) as receiver (in such capacity, the “**Receiver**”), without security, of: (i) all of the assets, undertakings and properties of Chancery

(Oshawa) The Bartlett Limited Partnership (“**Chancery LP**”) and Chancery (Oshawa) the Bartlett GP Inc. (“**Chancery GP**” and with Chancery LP, the “**Debtors**”); and (ii) the real property known municipally as 550 Bond Street West, Oshawa, Ontario and legally described in PINs 16301-0236 (LT), 16301-0464 (LT) and 16301-0462 (LT) (the “**Real Property**” and with (ii), the “**Property**”), was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavit of Ralph Doerr sworn June 8, 2023 and the exhibits thereto, the Report of KSV as Proposed Receiver dated July 13, 2023 (the “**Proposed Receiver’s Report**”) and on hearing the submissions of counsel for Fiera and such other counsel as were present, no one appearing for any other stakeholder although duly served as appears from the affidavit of service of Tamie Dolny sworn June 9, 2023, the affidavits of service of Neil Markowski sworn June 14, 2023, the affidavit of service of Samantha Hans sworn July 13, 2023, the affidavit of service of Alec Hoy sworn July 13, 2023, the affidavits of service of Lisa Maitman sworn July 14, 2023, and on reading the consent of KSV to act as the Receiver,

## **SERVICE**

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

## **APPOINTMENT**

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

## **RECEIVER’S POWERS**

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

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

- (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate and carry on the business of the 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 the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors 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 the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to the Debtors, 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 \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* 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 the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors 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.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **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.

5. **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.

6. **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.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords, if any, 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**

8. **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 THE DEBTORS OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors 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 the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **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.

11. **THIS COURT ORDERS** that the stay of proceedings as described in paragraph 10 of this Order shall not apply to halt or delay interest payments owing to Fiera under any applicable debt instrument between the relevant Debtor and Fiera.

## **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 the Debtors, 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 the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors 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 the Debtors, if any, shall remain the employees of the Debtors 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 AND ANTI-SPAM LEGISLATION**

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.

17. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

## LIMITATION ON ENVIRONMENTAL LIABILITIES

18. **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

19. **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

20. **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.

21. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their 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.

22. **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**

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

24. **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.

25. **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.

26. **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**

27. **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 <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the “**Rules**”) this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules 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 and shall be accessible by selecting the Debtors’ names from the engagement list at the following URL: <https://www.ksvadvisory.com/experience/case/chancery>.

28. **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.

## **SALE PROCESS APPROVAL**

29. **THIS COURT ORDERS** that the Sale Process (as defined and described in the Proposed Receiver's Report) be and is hereby approved. The Receiver is hereby authorized to carry out the Sale Process and to take such steps as it considers necessary or desirable in carrying out its obligations thereunder, including entering into a realtor listing agreement, subject to prior approval of this Court being obtained before completion of any sale transaction under the Sale Process.

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

31. **THIS COURT ORDERS** that the Receiver may apply to the Court for directions with respect to the Sale Process at any time on at least seven (7) days' notice to the service lists established in these proceedings or such other notice as directed or permitted by the Court

32. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions the Receiver is hereby authorized and permitted to disclose and provide to its agents and any potential purchasers in the Sale Process personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the Sale Process (a "**Transaction**"). Each person to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Receiver or, in the alternative, destroy all such information and provide confirmation of its destruction to the Receiver. Any purchaser under a Transaction shall maintain and protect the privacy of such information and, upon closing of a Transaction, shall be entitled to use the personal information provided to it in a manner that 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 and provide confirmation of its destruction to the Receiver.

## **GENERAL**

33. **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.

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

35. **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.

36. **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.

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

38. **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.

39. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order without the need for entry or filing.



Digitally signed by Jessica  
Kimmel

Date: 2023.07.20 15:25:08 -04'00'

## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver (the "**Receiver**") of the real property known municipally as 550 Bond Street West, Oshawa, Ontario (the "**Real Property**") and all the other assets, undertakings and properties of Chancery (Oshawa) The Bartlett Limited Partnership and Chancery (Oshawa) The Bartlett GP Inc. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors and all proceeds thereof (together with the Real Property, the "**Property**"), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 20th day of July, 2023 (the "**Order**") made in an application having Court file number CV-23-00700694-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon payable on a monthly basis calculated daily and not in advance, based on a 365-day year, on the outstanding amount owing to the Lender, and compounded monthly on the last date of each month after the date hereof, at a notional rate per annum equal to the rate of fifteen percent.

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

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

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

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

KSV Restructuring Inc., solely in its capacity as  
Receiver of the Property, and not in its personal  
capacity

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

Name:

Title:

- and -

**Court File No./N° du dossier du greffe : CV-23-00700694-00CL**  
**CHANCE**  
**PARTNERSHIP et al.**

Applicant

Respondents

Court File No. CV-23-00700694-00CL

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

Proceedings commenced at Toronto

**ORDER**  
**(appointing Receiver)**

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**Lawyers for the Applicant**



ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-23-00700694-00CL DATE: 20 July 2023

NO. ON LIST: 3

TITLE OF PROCEEDING: FIERA FP REAL ESTATE FINANCING FUND LP v. CHANCERY (OSHAWA)  
THE BARTLETT LTD PARTNERSHIP

BEFORE JUSTICE: KIMMEL

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party, Crown:**

Name of Person Appearing	Name of Party	Contact Info
Steven Graff / Tamie Dolny	Aird & Berlis LLP on behalf of Fiera FP Real Estate Financing Fund, L.P.	<a href="mailto:sgraff@airdberlis.com">sgraff@airdberlis.com</a> / <a href="mailto:tdolny@airdberlis.com">tdolny@airdberlis.com</a>

**For Defendant, Respondent, Responding Party, Defence:**

Name of Person Appearing	Name of Party	Contact Info

**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
Joseph Bellissimo	KSV Restructuring Inc.	<a href="mailto:jbellissimo@cassels.com">jbellissimo@cassels.com</a>
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**ENDORSEMENT OF JUSTICE KIMMEL:**

1. Fiera FP Real Estate Financing Fund, L.P. ("Fiera" or the "Applicant") seeks orders, inter alia:
  - a. an Order (the "Receivership Order") appointing KSV Restructuring Inc. ("KSV") as receiver (in such capacity, the "Receiver") of: (i) all of the assets, undertakings and properties of Chancery (Oshawa) The Bartlett Limited Partnership and Chancery (Oshawa) the Bartlett GP Inc. (collectively, the "Debtors"); and (ii) the real property known municipally as 550 Bond Street West, Oshawa, Ontario and legally described in PINs 16301-0236 (LT), 16301- 0464 (LT) and 16301-0462 (LT) (the "Land" and with (i), the "Property");
  - b. approval the sale process for the Property proposed by KSV ("Sale Process") in its report dated July 13, 2023 (the "Proposed Receiver's Report"); and
  - c. an Order (the "Rectification Order" and with the Receivership Order, the "Orders") declaring that certain minor errors in certain of the Security (as defined below) entered into mutually by the Applicant and the Chancery Group (as defined below) are rectified.
2. This motion has proceeded on an unopposed basis. At the outset, the court disclosed a conflict that would prevent an adjudication today on any issues of controversy dependent upon the affidavit of Stephen Suske affirmed July 19, 2023 that was primarily directed to one aspect of the proposed Receiver's Sale Process (the time that had been allotted for the phase 2 marketing). The other issue that had been raised in that affidavit, about the inclusion of another prospective listing agent in the pool of potential agents to be considered by the proposed Receiver, was agreeable to the applicants and the Receiver.
3. After a brief recess the parties reached a compromise on the disputed marketing period, with the result that the final form of order was not opposed by any party, upon the inclusion in this endorsement of the following modification with respect to the approval of the Sale Process:

Pursuant to Paragraph 29 of the receivership order dated July 20, 2023 (the "**Receivership Order**") (terms as defined therein), the Sale Process is hereby approved subject to a modification that Phase 2 - Marketing under column "Timeline" at section 4.2 of the Proposed Receiver's Report be changed from "Day 29 to Day 63/68" to "Day 29 to Day 79".
4. Fiera has the right under its various security and loan documents to appoint the Receiver. The Receiver has consented to act as a court-appointed officer. Furthermore, it is just and convenient to appoint the Receiver for the ultimate purpose of effecting a timely sales process to monetize the Land and preserve the Property for the benefit of all stakeholders.
5. The Land is marketed for lease to seniors online as "The Bartlett", which is a fully constructed 129-unit apartment building with approximately 11,000 square feet of retail space and which functions as a

seniors' apartment building (the "Project"). The Project was financed by Fiera through credit facilities (collectively, the "Credit Facilities"), all as set out in a commitment letter dated November 25, 2020, as amended. Fiera holds certain security for the Credit Facilities made available pursuant to the Commitment Letter (collectively, the "Security"). Fiera is owed the principal sum of \$53,250,000 (which includes an interest reserve in the amount of \$3,185,000) (the "Loan"). The maturity date on the Loan was March 31, 2023, which has not been extended. Interest, fees and costs continue to accrue.

6. Upon maturity of the Loan, various demands were made and notices were given under the BIA.

#### Appointment of Receiver

7. Section 101 of the *Courts of Justice Act*, as amended provides for the appointment of a receiver by this Court where it is "just or convenient". Section 243(1) of the BIA also provides that, on an application by a secured creditor, this Court may appoint a receiver if it considers it to be just or convenient to do so to: (a) take possession over the assets of an insolvent person; (b) exercise any control that the Court considers advisable over the property and business; or (c) take any other action that the Court considers advisable.
8. The Applicant is a secured creditor with a perfected security interest pursuant to its real property registrations and PPSA registration. It delivered the requisite notices pursuant to s. 244 of the BIA and the ten-day notice period has expired. The other technical requirements under the BIA for the appointment of the Receiver have been satisfied.
9. In order for the Court to order the appointment of a receiver, the Applicant must demonstrate that it is just and convenient in light of the interests of all the affected parties. This requires the court to consider all of the circumstances, the nature of the property, and the rights and interests of all parties, including the rights of the secured creditor under its security. See *Bank of Nova Scotia v. Freure Village on the Clair Creek*, 1996 CanLII 8258 (ONSC), at paras. 10 -13; See also *Elleway Acquisitions Ltd. v. Cruise Professionals Ltd.*, 2013 ONSC 6866, in which Morawetz J., as he then was, stated:  
... while the appointment of a receiver is generally regarded as an extraordinary equitable remedy, courts do not regard the nature of the remedy as extraordinary or equitable where the relevant security document permits the appointment of a receiver. This is because the applicant is merely seeking to enforce a term of an agreement that was assented to by both parties. [ ... ]
10. There has been a default, there is evidence that the Security may be deteriorating and there is a contractual right to appoint a receiver. I consider it to be just and convenient to do so in the circumstances of this case and for the reasons outlined in more detail in the material filed in support of this application.
11. I am also satisfied that the terms of the appointment order in this case are appropriate. This is reinforced by the fact that no party opposes them and they are substantially in line with the terms of the Commercial List Model Order.

#### Approval of the Sale Process

12. In *CCM Master Qualified Fund Ltd y blutip Power Technologies Ltd.*, 2012 ONSC 1750 at para 6, the court held that the criteria identified in *Royal Bank of Canada v. Soundair Corp.*, [1991] 83 DLR (4th) 76, 4 OR (3d) 1, at para 16, also inform the determination of whether to approve a court-appointed receiver's proposed sale process, as a court must assess the commercial efficacy of the process, the fairness of the process, and whether the process will optimize the chances of securing the best price for the assets.
13. In this case,
  - a. The Sale Process will be conducted by KSV as Receiver, and will include a process to determine a listing agent considered appropriate by the receiver to list the Real Property for sale;

- b. The Sale Process will contemplate a broad public marketing process for the Real Property, including the preparation of relevant marketing materials. This comprehensive marketing process will provide extensive exposure for maximization of value of the assets;
  - c. KSV, as Receiver, will evaluate offers as and when received on key objective criteria, including, but not limited to, consideration offered, closing conditions (if any), time required to close and other relevant factors;
  - d. The Sale Process (as now modified by the agreed upon qualification noted earlier in this endorsement) is commercially reasonable and consistent with other processes approved by this Honourable Court.
14. The Sale Process also preserves a credit bid option for Fiera, which is a recognized feature of some commercial real estate processes in insolvency proceedings. *See Kingsett Mortgage Corp. and Dorr Capital Corp v. Stateview Homes (Minu Towns) Inc. et al.* (June 5, 2023) SCJ [Commercial List] CV-23-00698576-00CL (Endorsement).
15. The parties having sorted through the objection to KSV's proposed Sale Process such that it is now unopposed, and having regard to the relevant *Soundair* principles, I am satisfied that the Sale Process should be approved.

#### Rectification of Security

16. The Applicant has identified a minor administrative typographical error in certain of the Security (including in certain guarantees) due to a mutual mistake. In particular, while the legal description of each parcel making up the Land is stated correctly in the Documentation, the third PIN listed in the Documentation states "PIN 16301-0236 (LT)", when it should instead state "PIN 16301-0462 (LT)" in order to match the corresponding legal description.
17. The financing statements registered under the *Personal Property Security Act*, RSO 1990, c P.10 ("PPSA") are not invalidated by virtue of this type of administrative or typographical mistake. See PPSA s. 46(4) and *Re Lambert*, [1994] 119 DLR (4th) 93, 20 OR (3d) 108; see also *Fairbanx Corp. v. Royal Bank of Canada*, 2010 ONCA 385.
18. Rectification is an equitable remedy that is available in situations such as this, to correct a contract in order to reflect the common intention of the contracting parties. See *Royal Bank of Canada v El-Bris Ltd.*, 2008 ONCA 601 at para 13.
19. This Honourable Court has previously rectified mutual mistake errors in insolvency matters using the doctrine of rectification where typographical errors are improperly recorded, if it is "beyond any serious dispute that both parties intended from the outset that [the error] was the result of a simple clerical mistake". See *Bridging Finance Inc. v 1033803 Ontario Inc.*, 2023 ONSC 1721, at para 45.
20. I am satisfied that these factors are met in this case and that the rectification order requested (and not opposed) should be granted.

#### Orders

21. The two amended orders now signed by me (Order Appointing the Receiver/Approving the Sale Process and Rectification Order) may now issue.



KIMMEL J.

