

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

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

**MOTION RECORD
(Returnable August 29, 2018)**

Date: August 23, 2018

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

Robert Kennedy (LSO #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Lawyers for the Receiver

TO: SERVICE LIST

EMAIL SERVICE LIST

(as at August 21, 2018)

TO:	<p>BDO CANADA LIMITED 123 Front Street West, Suite 1100 Toronto, ON M5J 2M2</p> <p>Gary Cerrato Tel: (416) 369-6058 Fax: (416) 865-0904 Email: gcerrato@bdo.ca</p> <p>Josie Parisi Tel: (416) 369-6031 Email: jparisi@bdo.ca</p> <p><i>Receiver</i></p>
AND TO:	<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto, Ontario M5K 0A1</p> <p>Robert Kennedy Tel: (416) 637-6756 Fax: (416) 863-4592 Email: robert.kennedy@dentons.com</p> <p><i>Lawyers for the Receiver</i></p>

<p>AND TO:</p>	<p>BORDON LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West, Suite 3400 Toronto, ON M5H 4E3</p> <p>Alex MacFarlane Tel: (416) 367-6305 Fax: (416) 367-6749 Email: amacfarlane@blg.com</p> <p>Alannah Fotheringham Tel: (416) 367-6394 Email: AFotheringham@blg.com</p> <p>Evita Ferreira Tel: (416) 367-6708 Email: EFerreira@blg.com</p> <p><i>Lawyers for The Guarantee Company of North America</i></p>
<p>AND TO:</p>	<p>ROBINS APPLEBY LLP 2600-120 Adelaide Street West Toronto, ON M5H 1T1</p> <p>Dominique Michaud Tel: (416) 360-3795 Email : dmichaud@robapp.com</p> <p><i>Lawyers for Diversified Capital Inc.</i></p>
<p>AND TO:</p>	<p>DEPARTMENT OF JUSTICE Ontario Regional office The Exchanging Tower, Box 36 130 King Street West, Suite 3400 Toronto, ON M5X 1K6</p> <p>Diane Winters Tel: (416) 973-3172 Email: diane.winters@justice.gc.ca</p> <p>Fozia Chaudary Tel: (416) 952-7722 Email: fozia.chaudary@justice.gc.ca</p>

<p>AND TO:</p>	<p>MINISTER OF FINANCE Legal Services Branch 33 King Street West, 6th Floor P.O. Box 327, Stn. A Oshawa, ON L1H 8H5</p> <p>Kevin O'Hara Tel: (905) 433-6934 Email: kevin.ohara@ontario.ca</p>
<p>AND TO:</p>	<p>LEVY ZAVET PC 315 Eglinton Avenue West Toronto, ON M5N 1A1</p> <p>Julian Binavince Tel: (416) 777-2244 Fax: (416) 477-2847 Email: JBinavince@LevyZavet.com</p> <p>Letitia Lee Tel: (416) 777-2244 ext. 730 Email: LLee@levyzavet.com</p> <p><i>Lawyers for Mansteel Rebar Ltd.</i></p>
<p>AND TO:</p>	<p>PALLET VALO LLP 77 City Centre Drive West Tower, Suite 300 Mississauga, ON L5B 1M5</p> <p>Maria Ruberto Tel: (905) 273-3300 Fax: (905) 273-6920 Email: mruberto@pallettvalo.com</p> <p><i>Lawyers for CRH Canada Group Inc.</i></p>

<p>AND TO:</p>	<p>VERBEEK & VERBEEK 1020 Matheson Blvd. East, Suite 12 Mississauga, ON L4W 4J9</p> <p>Peter Carol Verbeek Tel: (905) 602-6000 Fax: (905) 602-5000 Email: verbeeklaw@aol.com</p> <p><i>Lawyers for Desrosiers Geothermal Corporation</i></p>
<p>AND TO:</p>	<p>NORTON ROSE FULBRIGHT CANADA LLP 45 O'Connor Street, Suite 1500 Ottawa, ON K1P 1A4</p> <p>Dan J. Leduc Tel: (613) 780-1536 Fax: (613) 230-5459 Email: dan.leduc@nortonrosefulbright.com</p> <p><i>Lawyers for Summit Concrete & Drain Ltd.</i></p>
<p>AND TO:</p>	<p>KENNALEY CONSTRUCTION LAW 58 Peel Street Simcoe, ON N3Y 1S2</p> <p>Robert J. Kennaley (LSUC #40892B) Tel: (519) 426-2577 Fax: (519) 426-3777 Email: rjk@kennaley.ca</p> <p><i>Lawyers for Roni Excavating Limited</i></p>
<p>AND TO:</p>	<p>MOLDAVER BARRISTERS 1608-365 Bloor St. E. Toronto, ON M4W 3L4</p> <p>Brett D. Moldaver Tel: (416) 238-4123 Email: brett@moldaverbarristers.com</p> <p><i>Lawyers for Luigi Santaguida</i></p>

<p>AND TO:</p>	<p>TORKIN MANES LLP 151 Yonge Street, Suite 1500 Toronto, ON M5C 2W7</p> <p>Ryan Hauk Tel: (416) 643-8810 Email: RHauk@torkinmanes.com</p> <p>Stewart Thom Tel: (416) 777-5197 Email: sthom@torkinmanes.com</p> <p><i>Lawyers for Bluescape Construction Management Inc.</i></p>
<p>AND TO:</p>	<p>TORYS LLP 79 Wellington Street West, 30th Floor Box 270, TD South Tower Toronto, ON M5K 1N2</p> <p>Lily Coodin Tel: (416) 865-7541 Email: lcoodin@torys.com</p> <p>Adam M. Slavens Tel: (416) 865-7333 Email: aslavens@torys.com</p> <p><i>Lawyers for Tarion Warranty Corporation</i></p>
<p>AND TO:</p>	<p>ROMANO LAW OFFICE Barristers and Solicitors 22 Goodmark Place, Suite 11 Toronto, ON M9W 6R2</p> <p>Bernie Romano Tel: (416) 213-1225 Email: bernie@romanolaw.ca</p> <p><i>Lawyers for Shalom Electric Inc.</i></p>

<p>AND TO:</p>	<p>GOLDMAN SLOAN NASH & HABER LLP 1600-480 University Avenue Toronto, ON M5G 1V2</p> <p>Catherine Willson Tel: (416) 597-6488 Email: willson@gsnh.com</p>
<p>AND TO:</p>	<p>JOHN DARE 241 Applewood Crescent, Unit 9 Concord, ON L4K 4E6 Tel: (905) 266-0772 Email: john.dare@johndare.ca</p> <p>GOLDMAN SLOAN NASH & HABER LLP 480 University Avenue, Suite 1600 Toronto, ON M5G 1V2</p> <p>Robert Drake Tel: (416) 597-5014 Email: drake@gsnh.com</p> <p><i>Lawyers for Resform Construction Ltd.</i></p>
<p>AND TO:</p>	<p>BIRENBAUM, STEINBERG, LANDAU, SAVIN & COLRAINE, LLP 33 Bloor Street East, Suite 1000 Toronto, ON M4W 3H1</p> <p>Matthew Di Giovanni Tel: (416) 642-8818 Email: digiovanni@bslsc.com</p> <p><i>Lawyers for Quinn Dressel Associates</i></p>
<p>AND TO:</p>	<p>MANCINI ASSOCIATES LLP</p> <p>Robert Riteman Email: riteman@manciniassociates.com</p> <p>Angelo Mancini Email: acm@manciniassociates.com</p> <p><i>Lawyers for R. Mancini and Associates Ltd.</i></p>

<p>AND TO:</p>	<p>ROSS & McBRIDE LLP Commerce Place 1 King Street West, 10th Floor Hamilton, ON L8P 1A4</p> <p>Renata Kis Tel: (905) 667-6405 Email: rkis@rossmcbride.com</p> <p><i>Lawyers for McCallum Sather Architects Inc.</i></p>
<p>AND TO:</p>	<p>ARBESMAN HAMILTON LLP 509 Davenport Road Toronto, ON M4V 1B8</p> <p>Kara Hamilton Tel: (416) 481-5604 ext. 222 Fax: (416) 481-5829 Email: kara@ahlaw.ca</p> <p><i>Bare Trustee for the Syndicate Lenders</i></p>
<p>AND TO:</p>	<p>LERNERS LLP 85 Dufferin Avenue London, ON N6A 1K3</p> <p>Jane Scholes Tel: 1 (519) 640-6347 Fax: 1 (519) 935-3347 Email: jscholes@lernal.com</p> <p><i>Lawyers for Osmond Veterinary Professional Corporation</i></p>
<p>AND TO:</p>	<p>STEINBERG TITLE HOPE & ISRAEL LLP 5255 Yonge Street, Suite 1100 Toronto, ON M2N 6P4</p> <p>M. Michael Title Tel: (416) 225-2777 ext. 217 Fax: (416) 225-7112 Email: mtitle@sthilaw.com</p> <p><i>Lawyers for a group of investors</i></p>

COURIER SERVICE LIST
(as at August 21, 2018)

TO:	TERRASAN 327 ROYAL YORK RD. LIMITED 39 Newcastle Street Etobicoke, ON M8Y 1A3
AND TO:	COMMUNITY TRUST COMPANY 2350 Matheson Boulevard East Mississauga, ON L4W 5G9
AND TO:	OLYMPIA TRUST COMPANY 125 9 th Avenue SE, Suite 2200 Calgary, AB T2G 0P6

SERVICE LIST EMAILS

gcerrato@bdo.ca; jparisi@bdo.ca; robert.kennedy@dentons.com; amacfarlane@blg.com; dmichaud@robapp.com;
diane.winters@justice.gc.ca; fozia.chaudary@justice.gc.ca; kevin.ohara@ontario.ca; mruberto@pallettvalo.com;
verbeeklaw@aol.com; dan.leduc@nortonrosefulbright.com; rjk@kennaley.ca; brett@moldaverbarristers.com;
RHauk@torkinmanes.com; sthom@torkinmanes.com; lcoodin@torys.com; bernie@romanolaw.ca;
RJaipargas@blg.com; willson@gsnh.com; john.dare@johndare.ca; digiovanni@bslsc.com;
rriteman@manciniassociates.com; acm@manciniassociates.com; aslavens@torys.com; AFotheringham@blg.com;
drake@gsnh.com; rkis@rossmcbride.com; JBinavince@LevyZavet.com; LLee@levyzavet.com; kara@ahlaw.ca;
EFerreira@blg.com; mtitle@sthilaw.com; jscholes@lernalers.ca

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TAB 1

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

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

**NOTICE OF MOTION
(Returnable August 29, 2018)**

BDO Canada Limited (“**BDO**”), in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited (“**Terrasan**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on August 29, 2018, at 10:00 a.m., or as soon after that time as the motion may be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order, substantially in form attached hereto as **TAB 3** of the Motion Record, for the following relief:
 - (a) abridging the time for service of the Notice of Motion herein, Motion Record and the Ninth Report of BDO, in its capacity as Receiver, dated August 23, 2018 (the “**Ninth Report**”) so that this Motion is properly returnable on August 29, 2018, and dispensing with further service thereof;

- (b) approving a procedure to establish a holdback and holdback release mechanism (the “**Holdback Procedure**”) in connection with deposit claims related Project (as defined herein) that may be made against Tarion Warranty Corporation (“**Tarion**”) pursuant to bond number TM5120055 dated July 18, 2013;
- (c) approving and authorizing a full and final distribution by the Receiver to the Guarantee Company of North America (the “**Guarantee**”) from the Sale Proceeds in the amount of \$283,765.72 (the “**Guarantee Distribution**”), as set out in the Ninth Report;
- (d) approving and authorizing the settlement of lien claim and motion agreement dated July 31, 2018 between Resform Construction Limited (“**Resform**”) and the Receiver (the “**Settlement Agreement**”), and authorizing and directing the Receiver to make a distribution to Resform, in accordance with the terms of the Settlement Agreement;
- (e) approving the activities of the Receiver, together with the fees and disbursements of the Receiver, and its legal counsel, Dentons Canada LLP, as set out in the Ninth Report; and
- (f) such further and other grounds as counsel may advise and this Honourable Court may permit;

THE GROUNDS FOR THE MOTION ARE:

1. By Order of the Court dated February 24, 2017, BDO was appointed as the Receiver of all of the assets, undertakings and properties of Terrasan, pursuant to the application made by Centurion Mortgage Capital Corporation (“**Centurion**”);
2. Terrasan’s principal asset was a partially constructed residential condominium development located at 327 Royal York Rd., Toronto, Ontario, known as the “*On the Go Mimico*” (the “**Project**”);
3. On August 25, 2017, this Court granted an Approval and Vesting Order (the “**Approval and Vesting Order**”) which approved, among other things, the asset purchase agreement

dated July 28, 2017 (the “**2402871 APA**”) between the Receiver and 2402871 Ontario Inc. (the “**Purchaser**”), and the transaction as set out therein (the “**Transaction**”);

4. The closing of the Transaction occurred on September 15, 2017 and the Receiver received net sale proceeds in the amount of \$30,044,444 (the “**Sale Proceeds**”);
5. On October 10, 2017, the Court granted a distribution order in respect of the payment of all amounts due and owing by Terrasan to Centurion. The Receiver has distributed and paid all amounts due and owing to Centurion from the Sale Proceeds;
6. On November 16, 2017, the Court issued a Deposit Claims Procedure Order which outlined the procedure by which purchasers of condominium units (a “**Purchaser**”) could file a deposit claim with the Receiver in order to prove their deposit claims against Terrasan and ultimately the return of their deposit (“**Deposit Claims Procedure**”);
7. On April 18, 2018, the Court issued a distribution order approving and authorizing the Receiver to make distributions to Purchasers on account of a proven deposit claim determined pursuant to the Deposit Claims Procedure (the “**Deposit Claims Distribution Order**”). The obligations arising from a proven deposit claim are secured by the security held in favour of the Guarantee. The Receiver has substantially completed the distributions pursuant to the Deposit Claims Distribution Order;
8. As outlined in the Receiver’s seventh report dated April 13, 2018 filed in support of the Deposit Claims Distribution Order, counsel to the Receiver conducted a review of the security held by the Guarantee (the “**Guarantee Security**”). The security opinion, subject to the customary qualifications and assumptions contained therein, opines that: (i) the security held by the Guarantee is valid and legally enforceable against Terrasan, and (ii) the Guarantee has a first priority security interest in the assets sold pursuant to the 2402871 APA (and in turn, the Sale Proceeds);
9. The Guarantee issued surety bond TM5120055 to Tarion in relation to the Project (the “**Tarion Bond**”). Under the Tarion Bond, the Guarantee insured deposits made by Purchasers to a maximum of \$20,000 per Purchaser. The obligations arising from the Tarion Bond are secured by the Guarantee Security;

10. Notwithstanding that distributions pursuant to the Deposit Claims Distribution Order are virtually complete, Tarion is concerned about potential liability in the event there are outstanding deposits claims not known to Tarion, the Guarantee or the Receiver. Accordingly, Tarion is requesting that a holdback from the Sale Proceeds in the amount of \$200,000 be established in accordance with the proposed Holdback Procedure. The Receiver is of the view that the proposed Holdback Procedure is appropriate and reasonable in the circumstances, and further facilitates the release of the Tarion Bond back to the Guarantee in order to support the Guarantee Payout (as defined herein)
11. The Guarantee has provided a final payout statement to the Receiver in the amount of \$283,765.72 as due and owing to the Guarantee by Terrasan on account of outstanding premiums, and fees and expenses (the “**Guarantee Payout**”);
12. There are sufficient funds in the estate as outlined in the interim statement of receipts and disbursements attached to the Ninth Report to support the Guarantee Distribution. The Receiver is of the view that the Guarantee Distribution is appropriate and reasonable in the circumstances;
13. The settlement of lien claim and motion agreement dated July 31, 2018 between Resform Construction Limited (“**Resform**”) and the Receiver (the “**Settlement Agreement**”) is reasonable and the Receiver is of the view that the distribution to Resform in the amount of \$186,843.98, as outlined and in accordance with the terms of the Settlement Agreement, is appropriate in the circumstances;
14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. The Ninth Report of the Receiver; and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

DATED: August 23, 2018

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

Robert Kennedy (LSO #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Lawyers for the Receiver

TO: SERVICE LIST

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(Returnable August 29, 2018)

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

Robert J. Kennedy (LSO # 474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Lawyers for the Receiver

TAB 2

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

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

NINTH REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY

AS COURT APPOINTED RECEIVER

August 23, 2018

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INTRODUCTION AND PURPOSE OF THIS REPORT

Introduction

1. By Order of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**") dated February 24, 2017 (the "**Receivership Order**"), BDO Canada Limited ("**BDO**") was appointed as the Court-appointed receiver (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties (collectively, the "**Assets**") of Terrasan 327 Royal York Rd. Limited ("**Terrasan**" or the "**Company**"), pursuant to the application made by Centurion Mortgage Capital Corporation ("**Centurion**").
2. The Company's principal asset was a partially constructed residential condominium development known as the "*On the Go Mimico*" (the "**Project**"). The municipal address for the Project is 327 Royal York Rd., Toronto, Ontario (the "**Property**").
3. On April 3, 2017, this Court granted an Order (the "**Sale Process Order**") which, among other things, approved a marketing and sale process set out in respect of the Assets (the "**Sale Process**").
4. On August 25, 2017, this Court granted an Approval and Vesting Order which approved, among other things, the asset purchase agreement dated July 28, 2017 between the Receiver and 2402871 Ontario Inc., and the transaction as set out therein (the "**Transaction**").
5. The Transaction closed on September 15, 2017. The net sale proceeds totaling \$30,044,444 ("**Sale Proceeds**") stand in the place and stead of the Property in respect of the various mortgages and lien claims previously registered against title to the Property.
6. On October 10, 2017, the Court granted an Order (the "**Centurion Distribution Order**") which, among other things, directed the Receiver to make a distribution from the Sale Proceeds sufficient to repay the first mortgagee, Centurion, in full and final satisfaction of all amounts owing by Terrasan to Centurion.
7. On November 16, 2017 the Court granted an Order (the "**Deposit Claims Procedure Order**") which approved the deposit claims procedure to address the claims of the purchasers of the Project's condominium units (each a "**Purchaser**") and the deposits paid (the "**Deposit Claims Procedure**").
8. On April 18, 2018, the Court granted an Order (the "**Deposit Claims Distribution Order**") which, among other things, authorized and directed the Receiver to make a distribution

from the Sale Proceeds to purchasers with a proven deposit claim in an amount equal to the corresponding accepted deposit claim, in accordance with the Deposit Claims Procedure Order (a “**Deposit Claim Distribution**”).

9. On April 27, 2018, the Court granted an Order (the “**Deposit Claims Protocol Order**”) which, among other things, set out a protocol (the “**Deposit Claims Protocol**”) to address: (i) the delivery of Deposit Claims Procedure documentation, and (ii) the manner in which the Tarion Bond (as defined herein) would be reduced by the corresponding value of the delivered Deposit Claim Distributions, the value of the disallowed claims, and the value of the barred claims.
10. On July 6, 2018, the Court granted an Order (the “**Diversified Distribution Order**”) which, among other things, directed the Receiver to make a distribution from the Sale Proceeds sufficient to repay the third place mortgagee, (or second place mortgagee at the time of such distribution as the first mortgage had already been re-paid) Diversified Capital Inc. (“**Diversified**”), in full and final satisfaction of all amounts owing by Terrasan to Diversified.
11. The Receiver has set up a website at <http://extranets.bdo.ca/terrasan> (the “**Website**”). All prescribed materials filed by the Receiver and other parties relating to these receivership proceedings are available to creditors and other interested parties in electronic format on the Website. The Receiver makes periodic updates to the Website to ensure creditors and other interested parties are kept informed of recent developments.

Purpose of the Report

12. The purpose of this report dated August 23, 2018 (the “**Ninth Report**”) is to provide information to the Court with respect to:
 - (a) the Receiver’s activities since its eighth report dated July 4, 2018 (the “**Eighth Report**”);
 - (b) the Receiver’s progress with respect to the Deposit Claims Procedure;
 - (c) the Receiver’s progress with respect to the Deposit Claim Distributions; and
 - (d) the Receiver’s motion for an Order of this Court (the “**Holdback and Distribution Order**”):
 - (i) approving and authorizing a procedure to establish a holdback and holdback release mechanism (the “**Holdback Procedure**”) in connection

with deposit claims related to the Project that may be made against Tarion Warranty Corporation (“**Tarion**”) pursuant to bond number TM5120055 dated July 18, 2013 (the “**Tarion Bond**”);

- (ii) approving and authorizing a full and final distribution by the Receiver to the Guarantee Company of North America (the “**Guarantee**”) from the Sale Proceeds in the amount of \$283,765.72 (the “**Guarantee Distribution**”), as set out in the Ninth Report;
- (iii) approving and authorizing the settlement of lien claim and motion agreement dated July 31, 2018 between Resform Construction Limited (“**Resform**”) and the Receiver (the “**Settlement Agreement**”), and the distribution to Resform in the amount of \$186,843.98, as outlined and in accordance with the terms of the Settlement Agreement;
- (iv) approving the Ninth Report and the activities and conduct of the Receiver outlined herein;
- (v) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in this Ninth Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements; and
- (vi) approving the Receiver’s interim statement of receipts and disbursements to date (the “**Interim R&D**”).

Disclaimer

13. This Ninth Report is prepared solely for the use of the Court for the purpose of assisting the Court in making a determination whether to: (i) approve and authorize the Holdback Procedure, (ii) approve and authorize the Guarantee Distribution, (iii) approve and authorize the Settlement Agreement and Resform Distribution (as defined herein), (iv) approve the actions and conduct of the Receiver as set out in this Ninth Report, including the Interim R&D, and (v) grant any other ancillary relief being sought.
14. Except as otherwise described in this Ninth Report:
 - (a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or

partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

- (b) the Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
15. Unless otherwise stated, all monetary amounts contained in this Ninth Report are expressed in Canadian dollars.

BACKGROUND

16. Terrasan is a single purpose entity incorporated in Ontario for the purpose of developing the Project. The Project was to be developed into a condominium complex with 242 suites ranging between 537 sq. ft. to 2,700 sq. ft. including two levels of penthouses. Additionally, the Project was to include 193 residential parking stalls, 116 lockers and 8,245 sq. ft. of retail/commercial space.
17. The Receiver understands that approximately 208 condominium units had been pre-sold (the “**Pre-Construction Sales**”) and agreements of purchase and sale (a “**Purchase Agreement**”) had been executed between Terrasan and the Purchasers. In addition, Terrasan had received deposits on account of the Pre-Construction Sales. According to the Terrasan books and records, as at the receivership date: (i) 73 of the Purchase Agreements appeared to be valid and enforceable, and (ii) 135 Purchase Agreements appeared to have been terminated, due to the non-payment of milestone deposits as prescribed in each Purchase Agreement.
18. On October 10, 2017, the Receiver delivered correspondence to the Purchasers that executed a Purchase Agreement and advised those Purchasers that the Receiver closed the Transaction and as a result, Terrasan no longer had any ownership interest in the Property and would not be in a position to satisfy its obligations to those Purchasers with a valid and enforceable Purchase Agreement (the “**Purchaser Correspondence**”).
19. Following the delivery of the Purchaser Correspondence and upon receiving the Court’s approval of the Deposit Claims Procedure, the Receiver notified the Purchasers of the Deposit Claims Procedure and the requirement to complete and file with the Receiver the required documentation to prove any claim they may have pursuant to the Deposit Claims Procedure.

20. As noted in the Receiver's prior reports, the Receiver implemented the Deposit Claims Procedure and obtained the Deposit Claims Distribution Order authorizing Deposit Claim Distributions to Purchasers with proven deposit claims.

ACTIVITIES OF THE RECEIVER

21. In addition to the activities undertaken by the Receiver as detailed in its prior reports, the Receiver has, among other things:
- (a) continued to attend to the administration of the Deposit Claims Procedure, in particular, resolving three (3) notices of dispute delivered to the Receiver in respect of disallowed claims;
 - (b) engaged in further discussions with Tarion and the Guarantee regarding the reduction of the Tarion Bond equal to: (i) the value of the Receiver's Certificates (as defined herein) delivered by the Receiver in respect of Proven Deposit Claims, (ii) the total value of disallowed claims, and (iii) the total value of barred claims, in accordance with the Deposit Payment Protocol Order;
 - (c) completed the distribution to Diversified pursuant to the Diversified Distribution Order;
 - (d) engaged in further discussions with its legal counsel, Dentons, and trade creditors that filed lien claims against the Property regarding the potential priority of those claims in relation to the various mortgages that were registered against title to the Property;
 - (e) engaged in discussions and meetings with the mortgagees and lien claimants regarding the anticipated timing of distributions and the completion of the receivership administration; and
 - (f) completed other miscellaneous administrative obligations of the Receiver as required.

DEPOSIT CLAIMS PROCEDURE AND DISTRIBUTION UPDATE

22. Capitalized terms not otherwise defined in this section are as defined in the Deposit Claims Procedure Order, attached hereto as **Appendix A**.
23. As discussed in the Receiver's seventh report dated April 13, 2018 (the "**Seventh Report**"), establishing the Deposit Claims Procedure was necessary to enable the

Receiver, in consultation with the Guarantee, to: (i) determine proven Deposit Claims and facilitate the return of amounts payable in respect of Deposit Claims to Purchasers, and (ii) assist the Receiver and the Guarantee in quantifying the Guarantee's secured claim pursuant to its loan and security documentation as the Guarantee's claim is contingent in nature and based on the Guarantee's liability under the deposit insurance policies and the payment of Proven Deposit Claims. A copy of the Seventh Report (without appendices) is attached hereto as **Appendix B**.

- 24. Subsequent to the issuance of the Deposit Claims Procedure Order, the Receiver received and reviewed all Deposit Claims and, collaboratively with the Guarantee, determined the Deposit Claims as either accepted, disallowed or revised. The Receiver communicated with all Purchasers who filed a Deposit Claim.
- 25. The Receiver's final determination (as supported by the Guarantee) of the Deposit Claims received pursuant to the Deposit Claims Procedure Order, is summarized in the following table:

Terrasan Claims Summary		
	# of Claims	Total \$ Claimed
Accepted	76	\$ 3,767,046.61
Disallowed	30	515,018.46
Total	106	\$ 4,282,065.07

- 26. As noted in the Receiver's Eighth Report, the Receiver had received three (3) notices of dispute in respect of disallowed claims (the "**Disputed Claims**"). Each of the Disputed Claims include a claim of \$1,000 as an actual deposit amount paid to Terrasan. The remaining claim balance (ranging between \$4,650 and \$5,000) represents a claim for payment of a finder's fee or commission. The Receiver has now resolved the Disputed Claims by accepting a claim of \$1,000 for each Disputed Claim in accordance with the Deposit Claims Procedure, with the residual claim amounts remaining as a disallowed claim.
- 27. Pursuant to the Deposit Claims Procedure Protocol, the Receiver was to deliver a receiver's certificate to Tarion on a bi-weekly basis outlining the Deposit Claim Distributions made on account of the Proven Deposit Claims (a "**Receiver's Certificate**"). The following table summarizes the total value of the Receiver's Certificates delivered by the Receiver to Tarion and the Guarantee:

Deposit Claim Payments	
Total accepted Deposit Claims	\$ 3,767,046.61
Payments on account of Tarion Bond	1,428,335.00
Payments on account of Excess Condominium Deposit Insurance	2,335,711.61
Total payments	3,764,046.61
Net payments pending delivery to Purchasers	\$ 3,000.00

28. To date, the Receiver has delivered payments totaling \$3,764,046.61 in respect of Proven Deposit Claims. The Receiver is in the process of arranging the delivery of the \$1,000 payment to the three (3) Purchasers with resolved Disputed Claims at \$1,000 (the “**Remaining Distributions**”).

RECEIPTS AND DISBURSEMENTS

29. The Interim R&D, attached as **Appendix C**, reports net receipts over disbursements from the date of the Receiver’s appointment to August 23, 2018 of \$10,312,454.10.
30. The Receiver is seeking the Court’s approval of its Interim R&D.

SECURED CREDITORS and LIEN CLAIMANTS

Secured Creditors | Mortgages

31. Detailed below is a summary of the mortgages that were registered against title to the Property prior to the closing of the Transaction, and the corresponding amount of the registered mortgage (collectively, the “**Mortgages**”):

Creditor	Instrument Number	Charge
Centurion	AT4192730	\$21,800,000
GCNA	AT3841250	\$15,053,500
Diversified	AT3235332 and AT4035434	\$3,000,000
Olympia Trust Company / John Fletcher / Community Trust Company (“ Olympia ”)	AT3539503 and AT4464383 (Transfer of Charge)	\$15,000,000

32. As noted above:
- (a) pursuant to the Centurion Distribution Order, the Receiver distributed the amount of \$12,692,899.41 to the first mortgagee, Centurion, in full and final satisfaction of all amounts owing by Terrasan to Centurion;
- (b) pursuant to the Deposit Claims Distribution Order granted on April 18, 2018, the Receiver has (to date) made distributions totaling \$3,764,046.61 on account of

Deposit Claims Distributions, which are secured by the second position Guarantee mortgage, and anticipates delivery of the Remaining Distributions in the near future; and

- (c) pursuant to the Diversified Distribution Order granted on July 6, 2018, the Receiver distributed the amount of \$3,404,228.47 to the third position mortgagee, Diversified, in full and final satisfaction of all amounts owing by Terrasan to Diversified.

- 33. As noted in the Receiver's Seventh Report, the Receiver received a mortgage discharge statement from the fourth position mortgagee, Olympia Trust Company / Fletcher / Community Trust Company, which indicates that, as of December 17, 2017, the amount of \$11,160,862.42 was due and owing by Terrasan.

Lien Claims

- 34. The Receiver is advised by its counsel that liens (the "**Lien Claims**") totaling \$4,359,219.12 were registered against title to the Property pursuant to the *Construction Lien Act* (Ontario) (the "**CLA**"). A detailed listing of the lien claims is set out in paragraph 43 of Seventh Report.
- 35. The Receiver has received a legal opinion from Dentons that concludes that the priority of each Lien Claim to the Sale Proceeds is limited (in the circumstances) to the deficiency in the holdback (the "**Holdback Deficiency**") that was required to be retained by Terrasan pursuant to the CLA. An assessment of the Holdback Deficiency (based on the records of Terrasan and information received by the lien claimant) for each lien claimant has been completed by the Receiver, and in this regard, the Receiver is currently negotiating limited priority lien payments with each of the lien claimants.

Resform Settlement

- 36. Following numerous discussions, the Receiver entered into the Settlement Agreement with Resform. A copy of the Settlement Agreement is attached hereto as **Appendix D**.
- 37. Resform filed a lien in the amount of \$2,015,268 against title to the Property. Resform also filed notices of motion on August 30, 2017 and September 15, 2017 seeking, among other things, a priority payment in respect of demobilization costs of a crane located at the Project.

38. The Settlement Agreement contemplates a distribution to Resform in the amount of \$186,843.98 from the Sale Proceeds (the "**Resform Distribution**"). As noted above, the Receiver has reviewed the Lien Claim asserted by Resform and is of the view that the Settlement Agreement is reasonable. Additionally, the Receiver is of the view that the Resform Distribution is reasonable and appropriate in the circumstances.
39. Following the distributions contemplated by the Holdback and Distribution Order, sufficient cash remains in the estate to address the balance of the Lien Claims.

THE GUARANTEE DISTRIBUTION

40. As reported in the Seventh Report, the Receiver obtained a security opinion from its counsel (the "**Guarantee Security Opinion**") and, subject to the customary qualifications and assumptions contained therein, the Guarantee Security Opinion opines that: (i) the security held by the Guarantee is valid and legally enforceable against Terrasan, and (ii) the Guarantee currently has a first priority security interest in the Assets (now Sale Proceeds).
41. Total deposits paid by Purchasers for the purchase of a condominium unit at the Project, according to the Terrasan records, totaled \$5,930,681.61. On or before the claims bar date (January 24, 2018), deposit claims totaling \$4,282,065.07 were filed with the Receiver.
42. The amount of \$3,764,046.61 has been paid by way of Deposit Claims Distributions, which payments were made from the Sale Proceeds on account of the Guarantee's secured claim. The Receiver's administration of the Deposit Claims Procedure is complete as all deposit claims have been determined in accordance with the Deposit Claims Procedure Order.
43. The Guarantee has provided a final payout statement to the Receiver in the amount of \$283,756.72, as due and owing to the Guarantee by Terrasan on account of outstanding premiums, fees and expenses (the "**Guarantee Payout**"). A copy of the Guarantee Payout is attached hereto as **Appendix E**.
44. There are sufficient funds in the estate as outlined in the Interim R&D to support the Guarantee Distribution. The Receiver is of the view that the Guarantee Distribution is appropriate and reasonable in the circumstances.

HOLDBACK PROCEDURE

45. The Guarantee issued the Tarion Bond pursuant to the *Ontario New Home Warranties Plan Act* (Ontario) in the amount of \$4,840,000. Under the Tarion Bond, the Guarantee insured deposits made by Purchasers to a maximum of \$20,000 per Purchaser. The Guarantee also provided a Master Excess Condominium Deposit Insurance Policy to Terrasan, which insured individual Purchaser's deposits in excess of \$20,000.
46. Pursuant to the Deposit Claims Protocol Order, Tarion has delivered release letters to Terrasan and the Guarantee reducing the Tarion Bond from \$4,840,000 to \$200,000 (the "**Release Letters**"). The Release Letters account for all determined claims pursuant to the Deposit Claims Procedure (accepted, disallowed and barred).
47. Notwithstanding that the Receiver's determination of all deposit claims is complete and the distributions pursuant to the Deposit Claims Distribution Order are accounted for, Tarion has expressed a concern about potential liability in the event there are outstanding deposits claims not currently known to Tarion, the Guarantee or the Receiver. Accordingly, Tarion is requesting that a holdback from the Sale Proceeds be established in accordance with the proposed Holdback Procedure described below.
48. The Holdback Procedure set out in the proposed Holdback and Distribution Order contemplates the following (capitalized terms used in this paragraph are as defined in the Holdback and Distribution Order):
 - (a) the Receiver paying, within ten (10) Business Days of the granting the Holdback and Distribution Order, the amount of \$200,000 from the Sale Proceeds to Tarion (the "**Holdback**"), which amount shall be a holdback required to secure payment by Tarion in respect of a Tarion Claim that is made upon Tarion by a Purchaser prior to January 24, 2019 (the "**Outside Date**"), and against which Tarion may claim a Holdback Claim Amount;
 - (b) upon Tarion's receipt of the Holdback, Tarion shall deliver to the Guarantee the Tarion Bond for immediate cancellation and neither Tarion nor the Guarantee shall have any further obligations or liability whatsoever in respect of the Tarion Bond or the Project (in the case of Tarion, subject only to any Tarion claims that are to be dealt with pursuant to paragraph 6 of the Holdback and Distribution Order); and
 - (c) establishing a review mechanism for Tarion Claims received prior to the Outside Date, the frequency of reporting to the Receiver regarding Tarion Claims received

and Holdback Claim Amounts paid, and a procedure for delivering any Holdback Balance to the Receiver.

49. The Receiver is of the view that the proposed Holdback Procedure is appropriate and reasonable in the circumstances, facilitates the release of the Tarion Bond to the Guarantee in order to support the Guarantee Payout (as defined herein), and concludes all matters concerning deposit claims in the receivership proceedings.

FEES AND DISBURSEMENTS

50. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements, which are described in the Affidavit of Gary Cerrato sworn July 25, 2018, attached herein as **Appendix F**.
51. The detailed narratives contained in the invoices provide a fair and accurate description of the services provided and the amounts charged by BDO as Receiver. Included with the invoices is a summary of the time charges of partners and staff, whose services are reflected in the invoices, including the total fees and hours billed.
52. Additionally, the Receiver has incurred legal fees of its legal counsel, Dentons, in respect of these proceedings, as more particularly set out in the Affidavit of Robert Kennedy sworn August 23, 2018, attached herein as **Appendix G**.
53. The Receiver requests that the Court approve its interim accounts from February 1, 2018 to June 30, 2018 in the amount of \$150,349.61, inclusive of HST of \$17,296.86.
54. The Receiver also requests that the Court approve the interim accounts of its legal counsel for the period from January 1, 2018 to May 31, 2018 in the amount of \$209,365.59, inclusive of HST of \$24,067.90.
55. The Receiver respectfully submits that the Receiver's fees and disbursements, and Dentons' fees and disbursements, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order.

SUMMARY AND RECOMMENDATIONS

56. Based on the foregoing, the Receiver respectfully recommends that the Court:
 - (a) approve and authorize the Holdback Procedure;
 - (b) approve and authorize the Guarantee Distribution;

- (c) approve and authorize the Settlement Agreement and the Resform Distribution;
- (d) approve the Ninth Report and the activities and conduct of the Receiver outlined herein;
- (e) approve the fees and disbursements of the Receiver and its Dentons, as set out in this Ninth Report, and authorize the Receiver to pay all approved and unpaid fees and disbursements; and
- (f) approve the Receiver's Interim R&D;

All of which is respectfully submitted this 23rd day of August, 2018.

**BDO CANADA LIMITED,
in its capacity as the Court-appointed Receiver of
Terrasan 327 Royal York Rd. Limited, and not in its personal
or corporate capacity**

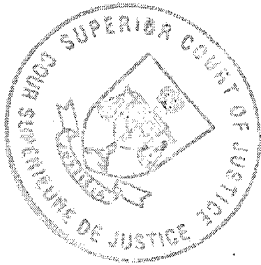
Per:



Name: Josie Parisi
Title: Senior Vice President

TAB A

18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1



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

THE HONOURABLE *MR*) TUESDAY, THE 16th DAY
JUSTICE *T McGEWON*) OF NOVEMBER, 2017

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

DEPOSIT CLAIMS PROCEDURE ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as Court appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("**Terrasan**") for an order approving a deposit claims procedure order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver dated November 13, 2017 and the Sixth Report of the Receiver dated November 13, 2017 (the "**Sixth Report**"), and on hearing the submissions of counsel for the Receiver, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Vanja Ginic sworn November 13, 2017 filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is abridged and validated such that this Motion is properly returnable today, and further service of the Notice of Motion and the Motion Record is hereby dispensed with.

INTERPRETATION

2. **THIS COURT ORDERS** that for the purposes of this Deposit Claims Procedure Order, and the schedules appended herein, the following terms shall have the following meanings:

- (a) **“Purchase Agreement”** means an agreement of purchase and sale between Terrasan and a Purchaser for the sale and purchase of a residential condominium unit at the development located at 327 Royal York Rd., Toronto Ontario and known as *“On the Go Mimico”*;
- (b) **“Business Day”** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (c) **“Calendar Day”** means a day, including Saturday, Sunday or any statutory holiday;
- (d) **“Certificate”** means the purchaser certificate of identity attached as **Schedule “H”** herein;
- (e) **“Claims Bar Date”** means 5:00 p.m. (Toronto time) on January 24, 2018, or such later date as may be ordered by the Court;
- (f) **“Claims Package”** means the document package to be sent by the Receiver to all Purchasers which shall include a copy of this Deposit Claims Procedure Order, a Deposit Claim Form, and such other materials and notices as the Receiver may consider necessary or appropriate;
- (g) **“Condominium Act”** means the *Condominium Act* (Ontario), R.S.O. 1998, c. 19, as amended;

- (h) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (i) “**Deposit**” means any monies including, without limitation, deposit monies and monies on account of extras and upgrades paid by a Purchaser pursuant to a Purchase Agreement for a Unit at the Project;
- (j) “**Deposit Claim**” means a claim by a Purchaser in respect of a Deposit, and any other amounts claimed by a Purchaser including claims pursuant to the ONHWPA, the Condominium Act and the MECDIP;
- (k) “**Deposit Claim Form**” means the claim form attached as Schedule “D” herein;
- (l) “**Deposit Claim Payment**” means a payment to a Purchaser in respect of a Proven Deposit Claim;
- (m) “**Deposit Claims Procedure**” means the deposit claims procedure attached as Schedule “B” herein;
- (n) “**Deposit Claims Procedure Order**” means this Deposit Claims Procedure Order;
- (o) “**Deposit Trustee**” means SRLaw, in its capacity as Deposit Trustee;
- (p) “**Guarantee**” means The Guarantee Company of North America;
- (q) “**MECDIP**” means the Master Excess Condominium Deposit Insurance Policy issued by the Guarantee;
- (r) “**Newspaper Notice**” means the newspaper notice to Purchasers, in the form substantially attached as Schedule “C” herein;
- (s) “**Notice of Revision or Disallowance**” means the notice of revision or disallowance, in the form substantially attached as Schedule “E” herein;
- (t) “**Notice of Dispute**” means the notice of dispute, in the form substantially attached as Schedule “F” herein;

- (u) “**ONHWPA**” means the *Ontario New Home Warranties Plan Act* (Ontario), R.S.O. 1990, c. O.31, as amended, and the regulations promulgated thereunder;
- (v) “**Project**” means the residential condominium development located at 327 Royal York Rd., Toronto, Ontario known as “*On the Go Mimico*”;
- (w) “**Proven Deposit Claim**” means the amount and/or validity of a Deposit Claim as finally determined by the Receiver, in consultation with the Guarantee, in accordance with this Deposit Claims Procedure Order, and for greater certainty, a Proven Deposit Claim will be “finally determined” for the purposes of this definition if:
 - (i) a Deposit Claim has been accepted by the Receiver, in consultation with the Guarantee;
 - (ii) the applicable time period for filing a Notice of Dispute has expired; and
 - (iii) the Court has made a determination with respect to the amount and/or validity of a Deposit Claim, and no appeal or application for leave to appeal therefrom has been taken or served, or where such appeal or application for leave to appeal has been dismissed, determined or withdrawn;
- (x) “**Purchaser**” means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity, who and/or that entered into a Purchase Agreement;
- (y) “**Receipt**” means the acknowledgment of receipt of funds attached as **Schedule “G”** herein;
- (z) “**Receivership Order**” means the receivership order granted on February 24, 2017 by the Court in these proceedings;

- (aa) “**SRLaw**” means Schneider Ruggerio LLP;
- (bb) “**Tarion**” means the Tarion Warranty Corporation;
- (cc) “**Unit**” means a residential condominium unit at the Project;
- (dd) “**Website**” means <http://www.extranets.bdo.ca/terrasan/>

TERMINATION OF PURCHASE AGREEMENT

3. **THIS COURT ORDERS** that Terrasan has fundamentally breached each and every Purchase Agreement and that each and every Purchase Agreement be and is hereby terminated, to the extent such Purchase Agreement has not otherwise been terminated prior to the date of this Deposit Claims Procedure Order.

DEPOSIT FUNDS HELD IN TRUST

4. **THIS COURT ORDERS** the Deposit Trustee to deliver:
- (a) all remaining funds held in trust by SRLaw in respect of all Deposits received by SRLaw, including all earned interest, to the Receiver (the “**Remaining Deposit Funds**”). The Remaining Deposit Funds shall be deposited into separate bank account held by the Receiver; and
 - (b) all books and records pertaining to the Deposits including, without limitation, the original MECDIP and all applicable endorsements (the “**Trust Records**”);

Upon delivery of the Remaining Deposit Funds and the Trust Records, the Deposit Trustee shall be released and forever discharged for any claims arising in respect of the Remaining Deposit Funds, other than in respect of any claims arising from gross negligence or wilful misconduct.

5. **THIS COURT ORDERS** that within 10 Business Days of the issuance of this Deposit Claims Procedure Order, the Receiver shall deliver correspondence, substantially in the form attached as **Schedule “A”** herein, to each Purchaser that the Receiver has identified, upon review of the Deposit Trustee records, to have a specific claim to deposit funds that form part of the Remaining Deposit Funds (a “**Deposit Trust Claim**”) from the Remaining Deposit Funds.

6. **THIS COURT ORDERS** that upon the Receiver receiving: (i) a properly completed Certificate, and (ii) an executed Receipt, the Receiver shall pay the Deposit Trust Claim to the Purchaser (a “**Deposit Trust Payment**”).

7. **THIS COURT ORDERS** that the Receiver and the Guarantee shall have no liability to any person for a payment made to a Purchaser pursuant to a Deposit Trust Claim: (i) where the identification provided to the Receiver was bogus, forged, tampered with, altered, falsified or counterfeit, and (ii) where the signature applied to a Certificate and / or Receipt was forged or falsified.

8. **THIS COURT ORDERS** that: (i) if a Purchaser does not present two pieces of original current (and not expired) Canadian or provincial government issued identification to the Receiver in accordance with this Deposit Claims Procedure Order, (ii) the Purchaser does not execute a Certificate or Receipt, or (iii) for any reason, the Receiver is not satisfied with the identification of a Purchaser, the Receiver is entitled to refuse to pay a Deposit Trust Claim to the Purchaser which shall be addressed pursuant to a further Order of this Court.

9. **THIS COURT ORDERS** that, in each case where the Receiver makes a payment in relation to a Deposit Trust Claim, the Purchaser (including its heirs, executors and assigns) shall be:

- (a) deemed to absolutely and unconditionally remise, release, acquit and forever discharge Terrasan, Tarion and the Guarantee for any claims for return of a Deposit Trust Claim, including interest thereon, other than in respect of any claims arising from gross negligence or wilful misconduct; and
- (b) forever barred, estopped and enjoined from making, asserting or enforcing any such claim for a Deposit Trust Claim, including interest thereon, against Terrasan, Tarion or the Guarantee and all such claims shall be forever extinguished as against all such parties, other than in respect of any claims arising from gross negligence or wilful misconduct.

10. **THIS COURT ORDERS** that any Purchaser that has a Deposit Trust Claim and a Deposit Claim is subject to paragraphs 5 to 9 of this Deposit Claims Procedure Order in respect

of a Deposit Trust Claim, and paragraphs 11 to 28 of this Deposit Claims Procedure Order in respect of a Deposit Claim.

DEPOSIT CLAIMS PROCEDURE

11. **THIS COURT ORDERS** that the Deposit Claims Procedure, attached as **Schedule "B"** herein, is hereby approved and the Receiver is hereby authorized and directed to implement the Deposit Claims Procedure, in conjunction with the Guarantee.

12. **THIS COURT ORDERS** that any Purchaser who fails to deliver a Deposit Claim Form in respect of a Deposit Claim in accordance with this Deposit Claims Procedure Order, on or before the Claims Bar Date shall:

- (a) be forever barred, estopped and enjoined from asserting or enforcing any claim in respect of a Deposit Claim as against Terrasan, Tarion, the Guarantee or the Deposit Trustee, and such Deposit Claim shall be forever extinguished, other than in respect of any claims arising from gross negligence or wilful misconduct; and
- (b) not be entitled to any further notice in respect of the Deposit Claims Procedure or in these proceedings.

13. **THIS COURT ORDERS** that the publication of the Newspaper Notice, the posting of the Claims Package and this Deposit Claims Procedure Order on the Website, and the mailing to the Purchasers of the Claims Package in accordance with the Deposit Claims Procedure and this Deposit Claims Procedure Order, shall constitute good and sufficient service and delivery of: (i) notice of this Deposit Claims Procedure Order, (ii) the Deposit Claims Procedure, and (iii) the Claims Bar Date, on all Purchasers.

14. **THIS COURT ORDERS** that a Deposit Claim Form shall be deemed timely filed only if delivered by registered mail, personal delivery, courier, e-mail (in PDF format) or facsimile transmission so as to actually be received by the Receiver on or before the Claims Bar Date.

15. **THIS COURT ORDERS** except as otherwise provided herein, the Receiver may deliver any notice or other communication to be given under this Deposit Claims Procedure Order to Purchasers by forwarding true copies thereof by ordinary mail, courier, personal delivery,

facsimile or e-mail (in PDF format) to such Purchaser at the address last shown on the books and records of Terrasan, and that any such service or notice by courier, personal delivery, facsimile or e-mail (in PDF format) 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 fifth Business Day after mailing.

16. **THIS COURT ORDERS** that where a Purchaser is represented by counsel, the Receiver may serve or deliver any notice of communication on such counsel in any manner permitted by this Deposit Claims Procedure Order, and service of a notice of communication on counsel shall constitute service on the Purchaser.

17. **THIS COURT ORDERS** that any notice or other communication to be given under this Deposit Claims Procedure Order by a Purchaser to the Receiver shall be in writing in substantially the form (if any) provided for in this Deposit Claims Procedure Order and will be sufficiently given only if delivered by registered mail, courier, personal delivery, facsimile or e-mail (in PDF format) addressed to:

BDO Canada Limited, Court appointed receiver of Terrasan
123 Front Street West, Suite 1100
Toronto, ON M5J 2M2
Fax No.: 416-865-0904
Email: onthegomimico@bdo.ca

18. **THIS COURT ORDERS** that the Receiver is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Deposit Claim Forms are completed and executed and may, if it is satisfied that a Deposit Claim has been adequately proven, waive strict compliance with the requirements of this Deposit Claims Procedure and this Deposit Claims Procedure Order.

19. **THIS COURT ORDERS** that the Receiver, in addition to its prescribed powers and duties under the Receivership Order, and under any statute, is authorized and directed to take such other actions and fulfill such other roles as are contemplated by the Deposit Claims Procedure and this Deposit Claims Procedure Order.

20. **THIS COURT ORDERS** that the Receiver and the Guarantee shall be entitled to assume and rely upon, without independent investigation, confirmation or verification, the

accuracy, truth, veracity, authenticity, validity and genuineness of: (i) the identification or any other information provided by a Purchaser to the Receiver or the Guarantee pursuant to this Order, and (ii) the signatures applied to a Certificate and / or Receipt by a Purchaser.

21. **THIS COURT ORDERS** that: (i) the Receiver, Tarion and the Guarantee shall have no liability to any person for a payment made to a Purchaser pursuant to a Proven Deposit Claim where the identification provided to the Receiver was bogus, forged, tampered with, altered, falsified or counterfeit, and (ii) the Receiver, Tarion and the Guarantee shall have no liability to any person for a payment made to a Purchaser pursuant to a Proven Deposit Claim where the signature applied to a Certificate and / or Receipt was forged or falsified.

22. **THIS COURT ORDERS** that: (i) if a Purchaser does not present two pieces of original current (and not expired) Canadian or provincial government issued identification to the Receiver and / or the Guarantee (as applicable) in accordance with this Claims Procedure Order, (ii) the Purchaser does not execute a Certificate or Receipt, or (iii) for any reason, the Receiver or the Guarantee is not satisfied with the identification of a Purchaser, the Receiver is entitled to refuse to pay a Deposit Claim to the Purchaser which shall be addressed pursuant to a further Order of this Court.

23. **THIS COURT ORDERS** that, in each case where the Receiver makes a payment in relation to a Proven Deposit Claim in accordance with the Deposit Claims Procedure, the Purchaser (including its heirs, executors and assigns) shall be:

- (a) deemed to absolutely and unconditionally remise, release, acquit and forever discharge Terrasan, Tarion, the Guarantee and the Deposit Trustee for any Deposit Claims or other claims or funds paid on account of the purchase of a Unit in the Project, including interest thereon, other than in respect of any claims arising from gross negligence or wilful misconduct; and
- (b) forever barred, estopped and enjoined from making, asserting or enforcing any such claim for a Deposit Claim or other funds paid to the Deposit Trustee on account of the purchase of a Unit in the Project including interest thereon against Terrasan, Tarion, the Guarantee or the Deposit Trustee and all such claims shall

be forever extinguished as against all such parties, other than in respect of any claims arising from gross negligence or wilful misconduct.

24. **THIS COURT ORDERS** that neither the Receiver, Terrasan, Tarion nor the Guarantee shall incur any liability or obligation as a result of the carrying out of the provisions of this Order, including, without limitation, in respect of Deposit Trust Payments or the refusal to deliver Deposit Trust Payments, the return of Deposits, or refusal to return Deposits pursuant to a Deposit Claim, other than in respect of any gross negligence or wilful misconduct on its part, and that no proceeding shall be commenced or continued against the Receiver, Terrasan, Tarion or the Guarantee in connection with the carrying out of the provisions of this Deposit Claims Procedure Order except with the written consent of the Receiver, Terrasan, Tarion or the Guarantee, as applicable, or with leave of this Court on seven (7) days' notice to the Receiver, Terrasan, Tarion or the Guarantee, as applicable.

25. **THIS COURT ORDERS** that nothing in this Order shall in any way: (a) affect, or derogate from the rights and obligations of the parties to the Tarion Warranty Corporation Bond, being bond number TM5120055 dated July 18, 2013 issued by the Guarantee in favour of Tarion, or (b) detract from or in any way alter the limitation of Tarion's liability contained in the ONHWPA.

26. **THIS COURT ORDERS** that all payments made in relation to a Proven Deposit Claim in accordance with the Claims Deposit Procedure shall be deemed to be in full and final satisfaction of any Deposit Claim the Purchaser may have in respect of the return of a Deposit Claim, and that: (i) Tarion shall have no further liability or obligation in respect of such claim pursuant to the ONHWPA; and (ii) the Guarantee, shall have no further liability or obligation in respect of such claim pursuant to the MECDIP.

27. **THIS COURT ORDERS** that upon the Receiver having concluded the Deposit Claims Procedure and all Proven Deposit Claims having been paid by the Receiver, the Receiver shall deliver up the MECDIP to the Guarantee for cancellation and any liability of the Guarantee thereunder shall be released.

28. **THIS COURT ORDERS** that the Receiver, Terrasan, Tarion and the Guarantee are hereby authorized and directed to cooperate and share information with each respective party, including information with respect to Purchasers, Deposit Claims and Deposit Trust Claims, to assist in the administration and processing of Deposit Claims, Deposit Trust Claims and any other claims asserted pursuant to the Deposit Claims Procedure.

29. **THIS COURT ORDERS** that once the Receiver, in conjunction with the Guarantee, has determined a Proven Deposit Claim pursuant to this Deposit Claims Procedure Order, the Guarantee shall provide the Receiver with a consent, substantially in the form attached as **Schedule "I"** herein, wherein it shall provide its consent to the Receiver to pay out such Proven Deposit Claim on behalf of the Guarantee from the receivership estate to the applicable Purchaser. The Receiver shall obtain a further Order of this Court authorizing and directing the Receiver to complete Deposit Claim Payments to Purchasers.

30. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in respect of the terms of this Order and in carrying out the terms of this Order.

31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver, Terrasan, the Guarantee and Tarion, and their respective 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, Terrasan, the Guarantee and Tarion, and their respective agents, as may be necessary or desirable to give effect to this Order or to assist the Receiver, Terrasan, the Guarantee and Tarion, and their respective agents, in carrying out the terms of this Order



ENTREPRENEUR INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 16 2017



VER / PAR:

SCHEDULE "A"
Deposit Trust Claim Correspondence

TO: (Insert Purchaser Contact Information)

RE: Notice to Purchaser of Condominium Unit at *On The Go Mimico* re: Deposit Funds Held in Trust

On February 24, 2017, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") appointed BDO Canada Limited as receiver and manager (the "**Receiver**") of all the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("**Terrasan**"), including the lands municipally known as 327 Royal York Road, Toronto, Ontario (the "**Lands**"), whereupon Terrasan was to develop the condominium project known as "*On The Go Mimico*" (the "**Project**").

On November 16, 2017, the Court granted a further order, prescribing the process by which the identity and status of all deposit claims of purchasers, with a valid and enforceable agreement of purchase and sale for the purchase of a condominium unit from Terrasan, is established for the purposes of the receivership proceedings (the "**Deposit Claims Procedure Order**"). A copy of the Deposit Claims Procedure Order may be accessed online at <http://www.extranets.bdo.ca/terrasan/courtdocs.cfm>

Capitalized terms not defined herein have the meaning given to those terms in the Deposit Claims Procedure Order.

Pursuant to paragraph 5 of the Deposit Claims Procedure Order, the Receiver has identified you, upon review of the Deposit Trustee records, to have a specific claim to deposit funds forming part of the Remaining Deposit Funds. According to the Deposit Trustee records, the Receiver is notifying you that the amount of \$_____ is currently forming part of the Remaining Deposit Funds to your credit and that you are entitled to the return of those funds pursuant to your Deposit Trust Claim.

You are requested to contact the Receiver as soon as possible. The Receiver's contact information is below:

BDO Canada Limited, Court appointed receiver of Terrasan
123 Front Street West, Suite 1100
Toronto, ON M5J 2M2
Fax No.: 416-865-0904
Email: onthegomimico@bdo.ca

Please review the provisions of the Deposit Claims Procedure Order relating to payments made in respect of a Deposit Trust Claim. Note that the Receiver will require the delivery of an

executed Certificate and Receipt prior to the release of funds on account of a Deposit Trust Claim.

If you have any questions or concerns, please do not hesitate to contact the Receiver attention: Katarina Masciantonio at (416) 369-6129.

SCHEDULE "B"
Deposit Claims Procedure

Notice of Deposit Claims Procedure

1. The Receiver shall cause a Claims Package to be sent to each known Purchaser, to the last known address or contact information contained in the Terrasan records, by regular mail, fax, courier or email (in PDF format) on or before November 24, 2017;
2. The Receiver shall cause the Newspaper Notice to be published in the Globe and Mail and Toronto Star on or before November 24, 2017;
3. The Receiver shall post the Claims Package on the Website on or before November 24, 2017;
4. The Receiver shall send a Claims Package to any person requesting such material as soon as reasonably practicable on receipt of a written request for a Claims Package from such person;

Filing of Deposit Claim Form and Determination

5. Every Purchaser asserting a Deposit Claim pursuant to this Deposit Claims Procedure shall set out its aggregate Deposit Claim in a written Deposit Claim Form, and shall deliver that Deposit Claim Form so that it is received by the Receiver no later than the Claims Bar Date, failing which such Purchaser shall stand forever barred, estopped, and enjoined from asserting or enforcing any Deposit Claim against Terrasan, Tarion and the Guarantee, and such claim shall be forever extinguished, subject to the terms of the Deposit Claims Procedure Order.
6. The Receiver shall send a copy of each and every completed Deposit Claim Form to the Guarantee for the review and evaluation of the Deposit Claim asserted by the Purchaser pursuant to this Deposit Claims Procedure. The Receiver, in consultation with the Guarantee, shall accept, revise or disallow the claim set out in such Deposit Claim Form. As part of the Receiver's evaluation of a Deposit Claim Form, the Receiver may consider, without limitation, the following materials:
 - (a) the agreement of purchase and sale entered into between Terrasan and the Purchaser;
 - (b) the proof of deposit payment(s) provided by the Purchaser;
 - (c) the records of the Deposit Trustee;

- (d) the identification provided by the Purchaser; and
 - (e) all documentation attached to the Deposit Claim Form in support of the amounts claimed by the Purchaser.
7. The Receiver shall provide notification to the Guarantee of the Receiver's determination of a Deposit Claim, as soon as reasonably practical.
 8. The Receiver, in consultation with the Guarantee, may attempt to resolve the amount of a Deposit Claim submitted pursuant to this Deposit Claims Procedure through negotiations with the Purchaser in respect of such claim, either before or after accepting, revising or disallowing such Deposit Claim.
 9. If the Receiver accepts a Deposit Claim as set forth in a Deposit Claim Form submitted to the Receiver in accordance with this Deposit Claims Procedure, that Deposit Claim shall be a Proven Deposit Claim.
 10. If the Receiver, in consultation with the Guarantee, chooses to revise or disallow a Deposit Claim as set forth in a Deposit Claim Form, the Receiver shall advise the Purchaser asserting such Deposit Claim of the determination by sending a Notice of Revision or Disallowance to such Purchaser.
 11. Any Purchaser who disputes the amount of its Deposit Claim as set forth in a Notice of Revision or Disallowance, shall deliver a Notice of Dispute to the Receiver by 5:00 p.m. (Toronto time) on the day that is fifteen (15) Calendar Days after the date of the Notice of Revision or Disallowance.
 12. Any Purchaser who fails to deliver a Notice of Dispute by the deadline set forth in paragraph 11 shall be deemed to accept the amount of its Deposit Claim as set out in the Notice of Revision or Disallowance and such Deposit Claim as set out in the Notice of Revision or Disallowance shall constitute a Proven Deposit Claim.
 13. Upon receipt of a Notice of Dispute, the Receiver shall send a copy to the Guarantee, as soon as reasonably practicable, and the Receiver, in consultation with the Guarantee, may attempt to resolve the amount of the disputed Deposit Claim with the Purchaser on a consensual basis.
 14. If a Deposit Claim is resolved by consent between the Receiver, the Guarantee and the Purchaser, the Receiver may accept a revised Deposit Claim Form setting forth the agreed amount of the Deposit Claim, and such settled Deposit Claim shall be a Proven Deposit Claim.

15. In the event the Receiver, the Guarantee and the Purchaser are not able to resolve the Deposit Claim amount and matters arising pursuant to the Notice of Dispute, the Purchaser shall schedule a motion before the Court, supported by an Affidavit setting out the basis for the Purchaser's Deposit Claim and dispute, to be heard not later than 30 Calendar Days following the delivery of the Notice of Dispute by the Purchaser to the Receiver. The Purchaser must serve the motion materials upon the Receiver and the Guarantee. In the event the Purchaser fails to schedule the motion by the aforementioned deadline, the Purchaser shall be deemed to accept the amount of the Deposit Claim as set out in the Notice of Revision and Disallowance.

Return of Deposit Monies / Claim

16. Upon a Deposit Claim Form being determined a Proven Deposit Claim, the Guarantee shall execute a consent, substantially in the form attached as **Schedule "I"**, consenting to the Receiver paying out such Proven Deposit Claim on behalf of the Guarantee to the applicable Purchaser (subject to further Order of the Court), upon receipt of the following:
 - (a) proof of the Purchaser's identity by providing a fully and properly completed Certificate; and
 - (b) an executed Receipt.

SCHEDULE "C"
Newspaper Notice

**NOTICE OF DEPOSIT CLAIMS PROCEDURE IN THE RECEIVERSHIP
OF TERRASAN 327 ROYAL YORK RD. LIMITED ("TERRASAN")**

On February 24, 2017, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") appointed BDO Canada Limited as receiver and manager (the "**Receiver**") of all the assets, undertakings and properties of Terrasan, including the lands municipally known as 327 Royal York Road, Toronto, Ontario, whereupon Terrasan was to develop the condominium project known as "*On The Go Mimico*".

On November 16, 2017, the Court granted a further Order, prescribing the process by which the identity and status of all deposit claims of purchasers, with a valid and enforceable agreement of purchase and sale for the purchase of a condominium unit from Terrasan. A copy of the Deposit Claims Procedure Order may be accessed online at <http://www.extranets.bdo.ca/terrasan/courtdocs.cfm>

Pursuant to the Deposit Claims Procedure Order, the Receiver is required, by November 24 2017, to send a Claims Package to each known Purchaser, with instructions regarding a deposit claims procedure whereby a Purchaser can submit and prove a Deposit Claim Form. In addition, the Deposit Claims Procedure Order requires the Receiver to publish this notice, in order to give notice of this proceeding to all Purchasers.

If you wish to assert a Deposit Claim, you may request a Claims Package by submitting a request in writing to the Receiver at the following address:

BDO Canada Limited, Court appointed receiver of Terrasan
123 Front Street West, Suite 1100
Toronto, ON M5J 2M2
Fax No.: 416-865-0904
Email: onthegomimico@bdo.ca

All Purchasers who wish to assert a Deposit Claim must submit a completed Deposit Claim Form to the Receiver at the above address on or before 5:00 PM (Toronto Time) on January 24, 2018 (the "**Claims Bar Date**"), in accordance with the Deposit Claims Procedure Order.

If you are a Purchaser, and you do not submit a Deposit Claim Form to the Receiver on or before the Claims Bar Date, your Deposit Claim will be forever barred and extinguished.

SCHEDULE "D"
Deposit Claim Form

**IN THE MATTER OF THE RECEIVERSHIP OF TERRASAN 327 ROYAL YORK RD.
LIMITED ("Terrasan")**

Regarding the claim of _____ (the "Purchaser")

All notices or correspondence regarding this claim are to be forwarded to the Purchaser at the following address:

Telephone Number: () _____ - _____

Email address: _____

Attention (Contact Person): _____

(All future correspondence will be delivered to the designated email address unless the Purchaser specifically requests hard copies)

Please provide hard copies of correspondence to the address above.

I, _____ (name of Purchaser), of _____
(City, Province or State), do hereby certify that:

1. The Purchaser has received a Claims Package from the Receiver, and wishes to assert a Deposit Claim.
2. I am the Purchaser.

OR

I am _____ (position/title) of the Purchaser:

3. I have knowledge of all the circumstances connected with the Deposit Claim referred to in this Deposit Claim Form.
4. A copy of the agreement of purchase and sale, including all amendments, exhibits, addendums or modifications, entered into between the Purchaser and Terrasan is attached as **Schedule "A"** herein (the "**Purchase Agreement**").

5. The Purchaser states that it has delivered a Deposit Claim to Terrasan in the total sum of \$_____ (CDN) as evidenced by the proof of the deposit amount(s) paid attached as **Schedule "B"** herein (by way of a cancelled cheque, or other form of proof from a financial institution to confirm that a deposit was paid by the Purchaser named on the Purchase Agreement) and the other proof attached hereto.
6. The Purchaser acknowledges and agrees that in each case where the Receiver makes a payment in relation to a Proven Deposit Claim in accordance with the Deposit Claims Procedure, the Purchaser (including its heirs, executors and assigns) shall be: (a) deemed to absolutely and unconditionally remise, release, acquit and forever discharge Terrasan, Tarion and the Guarantee for any Deposit Claims, claims for return of Deposit or other claims or funds paid on account of the purchase of a Unit in the Project, including interest thereon; and (b) forever barred, estopped and enjoined from making, asserting or enforcing any such claim for a Deposit Claim or other funds paid to SRLaw on account of the purchase of a Unit in the Project including interest thereon against Terrasan, Tarion or the Guarantee and all such claims shall be forever extinguished as against all such parties.
7. All capitalized terms not defined herein have the meaning given to such terms in the Deposit Claims Procedure Order.
8. This Deposit Claim Form must be received by the Receiver by no later than 5:00 p.m. (Toronto Time) on January 24, 2018 by either registered mail, personal delivery, courier, email (in PDF format) or facsimile transmission at the following address:

The Receiver:

BDO Canada Limited, Court appointed receiver of Terrasan
123 Front Street West, Suite 1100
Toronto, ON M5J 2M2
Fax No.: 416-865-0904
Email: onthegomimico@bdo.ca

Failure to file your Deposit Claim Form and required documentation as directed above will result in your Deposit Claim being forever barred and you will be prohibited from making or enforcing a Deposit Claim against Terrasan, Tarion and the Guarantee and shall not be entitled to further notice or distribution, if any, and shall not be entitled to participate in these proceedings.

Name of Purchaser:

Witness Signature

Per:

Name:

Title:

(Please Print)

SCHEDULE "E"
Notice of Revision or Disallowance

TO: _____ (the "Purchaser")

DATE:

DEPOSIT CLAIM NO.

**IN THE MATTER OF THE RECEIVERSHIP OF TERRASAN 327 ROYAL YORK RD.
LIMITED ("TERRASAN")**

Take notice that BDO Canada Limited, in its capacity as court-appointed receiver of Terrasan (the "Receiver") and the Guarantee have reviewed the Deposit Claim in respect of the above-named Purchaser, and has assessed the Deposit Claim Form in accordance with the order of the Superior Court of Ontario (Commercial List) issued on November 16, 2017 (the "**Deposit Claims Procedure Order**").

All capitalized terms not defined herein have the meaning given to such terms in the Deposit Claims Procedure Order.

The Receiver and the Guarantee have reviewed your Deposit Claim Form in accordance with the Deposit Claims Procedure Order, and the Receiver has revised or disallowed your Deposit Claim, for the following reason(s):

Subject to further dispute by you in accordance with the Deposit Claims Procedure Order, your Deposit Claim will be allowed as follows:

Name of Purchaser	Claim Amount per Deposit Claim Form	Amount of Deposit Claim revised / disallowed
	\$	\$

IF YOU WISH TO DISPUTE THE REVISION OR DISALLOWANCE OF YOUR DEPOSIT CLAIM AS SET FORTH HEREIN YOU MUST TAKE THE STEPS OUTLINED BELOW

The Deposit Claims Procedure Order provides that if you disagree with the revision or disallowance of your claim as set forth herein, you must:

1. before 5:00 P.M. on the fifteenth (15th) Calendar Day after your receipt of this Notice of Revision or Disallowance, whichever is earlier, deliver to the Receiver a completed Notice of Dispute; and
2. file an application with the Court, with copies to be sent to the Receiver immediately after filing, with such application to be:
 - i. supported by an affidavit setting out the basis for disputing this Notice of Revision or Disallowance; and
 - ii. returnable within thirty (30) Calendar Days of the date on which the Receiver receives your completed Notice of Dispute.

If you do not dispute the revision or disallowance of your Deposit Claim in accordance with the above instructions and the Deposit Claims Procedure Order, the amount of your Deposit Claim will deemed to be accepted, and the Deposit Claim shall be a Proven Deposit Claim in the amount set forth herein.

If you have any questions or concerns regarding the Deposit Claims Procedure, please contact the Receiver directly.

DATED the ____ day of _____, 2017

BDO CANADA LIMITED, in its capacity as
Receiver of Terrasan 327 Royal York Rd. Limited.

Per: _____

SCHEDULE "F"
Notice of Dispute

TO: BDO Canada Limited., in its capacity as Court-Appointed Receiver of Terrasan 327 Royal York Rd. Limited (the "Receiver")

DATE:

PROOF OF CLAIM NO.:

CLAIMANT: _____ (the "Purchaser")

IN THE MATTER OF THE RECEIVERSHIP OF TERRASAN 327 ROYAL YORK RD. LIMITED ("Terrasan")

Pursuant to the Deposit Claims Procedure Order dated November 16, 2017, the Purchaser hereby gives notice that it disputes the Notice of Revision or Disallowance dated _____, 2017, issued by the Receiver.

The Purchaser disputes the Deposit Claim as revised or disallowed in the said Notice of Revision or Disallowance as follows:

Amount of Revised Deposit Claim accepted by Receiver	Amount of Revised Deposit Claim as disputed
\$	\$

Reason for the dispute (*attach copies of any supporting documentation*)

Address for service of Notice of Dispute of Revision or Disallowance:

BDO Canada Limited, Court appointed receiver of Terrasan
123 Front Street West, Suite 1100
Toronto, ON M5J 2M2
Fax No.: 416-865-0904
Email: onthegomimico@bdo.ca

Pursuant to the Deposit Claims Procedure:

1. the Purchaser has commenced an application with the Court to resolve the dispute over its Deposit Claim as set forth herein, and will serve the Receiver with application materials under separate cover; and
2. The return date for the Purchaser's application is _____, 2018.

All capitalized terms not defined herein have the meaning given to such terms in the Deposit Claims Procedure Order.

THIS FORM AND ANY REQUIRED SUPPORTING DOCUMENTATION MUST BE RETURNED TO THE RECEIVER BY REGISTERED MAIL, PERSONAL SERVICE, EMAIL (IN PDF FORMAT), FACSIMILE OR COURIER TO THE ABOVE-NOTED ADDRESS, AND MUST BE RECEIVED BY THE RECEIVER BEFORE 5:00 PM ON THE THIRTIETH (30) CALENDAR DAY AFTER THE DATE OF THE NOTICE OF REVISION OR DISALLOWANCE.

DATED this ____ day of _____, 2017

Witness

Per: _____
(Name of Purchaser)

(if Purchaser is not an individual print name and titled of authorized signatory)

Name: _____

Title: _____

SCHEDULE "G"
Acknowledgement of Receipt of Funds

TO: BDO CANADA LIMITED, in its capacity as Court appointed receiver and manager of Terrasan 327 Royal York Rd. Limited ("Terrasan")

AND TO: THE GUARANTEE COMPANY OF NORTH AMERICA

AND TO: TARION WARRANTY CORPORATION

RE: Purchaser: [INSERT NAME OF PURCHASER(S)]

Project: *On the Go Mimico*

Property: Unit [INSERT UNIT #], Level [INSERT LEVEL #] being Residential Dwelling Suite [INSERT SUITE #]

THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT of the Deposit Monies in the total amount of \$ **[INSERT AMOUNT OF CHEQUE]** by way of cheque from BDO Canada Limited, in its capacity as Court appointed receiver manager of Terrasan, dated _____, 2018.

All capitalized terms not defined herein have the meaning given to such terms in the Deposit Claims Procedure Order.

The undersigned acknowledges and agrees that where the Receiver makes a payment in relation to a Proven Deposit Claim in accordance with the Deposit Claims Procedure, the undersigned (including its heirs, executors and assigns) shall be: (a) deemed to absolutely and unconditionally remise, release, acquit and forever discharge Terrasan, Tarion and the Guarantee for any Deposit Claims, claims for return of a Deposit or other claims or funds paid on account of the purchase of a Unit in the Project, including interest thereon; and (b) forever barred, estopped and enjoined from making, asserting or enforcing any such claim for a Deposit Claim or other funds paid to SRLaw on account of the purchase of a Unit in the Project including interest thereon against Terrasan, Tarion or the Guarantee and all such claims shall be forever extinguished as against all such parties.

This Receipt may be signed and transmitted by facsimile transmission, similar system reproducing the original, or electronic mail, provided that all such documents have been properly executed by the appropriate parties. The party transmitting any such document(s) shall also provide the original executed version(s) of same to the recipient within 2 Business Days upon the recipient's request.

DATED _____, 2017.

SIGNED, SEALED AND DELIVERED

Signature

Name (Please Print)

SCHEDULE "H"
Purchaser Certificate of Identity

TO: BDO CANADA LIMITED, in its capacity as Court appointed receiver and manager of Terrasan 327 Royal York Rd. Limited

AND TO: THE GUARANTEE COMPANY OF NORTH AMERICA (the "Guarantee")

AND TO: TARION WARRANTY CORPORATION ("Tarion")

RE: Return of Deposit Monies in the amount of \$ [INSERT DEPOSIT AMOUNT] (the "Deposit Monies"). Execution of the Acknowledgement of Receipt of Funds (the "Receipt")

Purchaser: [INSERT NAME OF PURCHASER(S)] (the "Purchaser")

Project: *On the Go Mimico*

Property: Unit [INSERT UNIT #], Level [INSERT LEVEL #] being Residential Dwelling Suite [INSERT SUITE #]

I _____, on the _____ day of _____, 2017 did appear at the offices of the Receiver and provide the following documentation to prove identity:

- 1) Insert the information for one piece of Canadian government issued photo identification (that is valid, current and not-expired) that has the first name and surname that matches the first name and surname of the Purchaser as contained in the Purchase Agreement:

ID Type: _____ ID No. _____

AND

- 2) One piece of Canadian government issued identification (that is valid, current and not-expired) that:

- a. has the first name and surname that matches the first name and surname of the Purchaser as contained in the Purchase Agreement; and

- b. that matches the Purchaser's address contained in the Purchase Agreement.

ID Type: _____ ID No. _____

Copies of the above noted pieces of identification are attached hereto.

I warrant and represent that the above noted pieces of identification are not bogus, forged, tampered with, altered, falsified or counterfeit and confirm that I am one and the same person that has executed the Receipt.

This Certificate is delivered pursuant to the Deposit Claims Procedure set out in the Order of the Ontario Superior Court of Justice dated November 16, 2017 in Court File No. CV-17-11679-00CL.

I understand that, upon receipt of the payment from the Receiver pursuant to the Proven Deposit Claim, the Purchaser (including its heirs, executors and assigns) shall be:

1. deemed to absolutely and unconditionally remise, release, acquit and forever discharge Terrasan, Tarion and the Guarantee in respect of a Deposit Claim; and
2. be forever barred, estoppel and enjoined from making, asserting or enforcing any such Deposit Claim against Terrasan, Tarion or the Guarantee and all such claims shall be forever extinguished as against all such parties.

All capitalized terms not defined herein have the meaning given to such terms in the Deposit Claims Procedure Order.

SIGNED, SEALED AND DELIVERED

Purchaser's Signature

Purchaser's Name (Please Print)

SCHEDULE "I"

Consent

TO: BDO CANADA LIMITED, in its capacity as Court appointed receiver and manager of Terrasan 327 Royal York Rd. Limited (the "Receiver")

RE: Consent and authorization of the undersigned regarding payment by the Receiver to [INSERT NAME OF PURCHASER(S)] (the "Purchaser") in the amount of \$ [INSERT PROVEN DEPOSIT CLAIM AMOUNT] (the "Proven Deposit Claim")

Project: *On the Go Mimico*

Property: Unit [INSERT UNIT #], Level [INSERT LEVEL #] being Residential Dwelling Suite [INSERT SUITE #]

The undersigned hereby consents to the Receiver to pay the amount of the Proven Deposit Claim to the Purchaser.

DATED the ____ day of _____, 2018

**THE GUARANTEE COMPANY
OF NORTH AMERICA**

Per: _____
"I have authority to bind the Company"

”

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

DEPOSIT CLAIMS PROCEDURE ORDER

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

Robert J. Kennedy (LSUC #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Vanja Ginic (LSUC #69981W)
Tel: (416) 367-4673
vanja.ginic@dentons.com

Lawyers for the Receiver

TAB B

Court File No. CV-17-11679-00CL

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

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

SEVENTH REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY

AS COURT APPOINTED RECEIVER

April 13, 2018

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INTRODUCTION AND PURPOSE OF THIS REPORT

Introduction

1. By Order of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**") dated February 24, 2017 (the "**Receivership Order**"), BDO Canada Limited ("**BDO**") was appointed as the Court-appointed receiver (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties (collectively, the "**Assets**") of Terrasan 327 Royal York Rd. Limited ("**Terrasan**" or the "**Company**"), pursuant to the application made by Centurion Mortgage Capital Corporation ("**Centurion**").
2. The Company's principal asset was a partially constructed residential condominium development known as the "*On the Go Mimico*" (the "**Project**"). The municipal address for the Project is 327 Royal York Rd., Toronto, Ontario (the "**Property**").
3. On April 3, 2017, this Court granted an Order (the "**Sale Process Order**") which, among other things, approved a marketing and sale process set out in respect of the Assets (the "**Sale Process**").
4. On August 25, 2017, this Court granted an Approval and Vesting Order (the "**Approval and Vesting Order**") which approved, among other things, the asset purchase agreement dated July 28, 2017 (the "**2402871 APA**") between the Receiver and 2402871 Ontario Inc. (the "**2402871**"), and the transaction as set out therein (the "**Transaction**").
5. The Transaction closed on September 15, 2017. The Receiver also filed the Receiver's Certificate on September 15, 2017 in accordance with the 2402871 APA and the Approval and Vesting Order, confirming that the Transaction had closed. The net sale proceeds totaling \$30,044,444 ("**Sale Proceeds**") stand in the place and stead of the Property in respect of the various mortgages and lien claims previously registered against title to the Property.
6. On October 10, 2017, the Court granted an Order (the "**Distribution Order**") which, among other things, directed the Receiver to make a distribution from the Sale Proceeds sufficient to repay the first mortgagee, Centurion, in full and final satisfaction of all amounts owing by Terrasan to Centurion.
7. On November 16, 2017 the Court granted an Order (the "**Deposit Claims Procedure Order**") which approved the deposit claims procedure to address the claims of the

purchasers of the Project's condominium units (each a "Purchaser") and the deposits paid (the "Deposit Claims Procedure").

8. The Receiver has set up a website at <http://extranets.bdo.ca/terrasan> (the "Website"). All prescribed materials filed by the Receiver and other parties relating to these receivership proceedings are available to creditors and other interested parties in electronic format on the Website. The Receiver makes periodic updates to the Website to ensure creditors and other interested parties are kept informed of recent developments.

Purpose of the Report

9. The purpose of this report dated April 13, 2018 (the "Seventh Report") is to provide information to the Court with respect to:
 - (a) the Receiver's activities since the Sixth Report dated November 13, 2017 (the "Sixth Report");
 - (b) the Receiver's progress with respect to the implementation of the Deposit Claims Procedure in accordance with the provisions of the Deposit Claims Procedure Order; and,
 - (c) the Receiver's motion for an Order of this Court:
 - (i) approving and authorizing distributions by the Receiver, from the Sale Proceeds, to those Purchasers with a Proven Deposit Claim (as defined in the Deposit Claims Procedure Order) in an amount equal to the corresponding accepted Deposit Claim, subject to any adjustment on account of the return of any Remaining Trust Funds payable to such Purchaser (the "Deposit Claim Distribution");
 - (ii) approving the Seventh Report and the activities and conduct of the Receiver outlined herein;
 - (iii) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP ("Dentons"), as set out in this Seventh Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements;
 - (iv) approving the Receiver's interim statement of receipts and disbursements to date (the "R&D Statement").

Disclaimer

10. This Seventh Report is prepared solely for the use of the Court for the purpose of assisting the Court in making a determination whether to: (i) approve the Deposit Claim Distribution, (ii) approve the actions and conduct of the Receiver as set out in this Seventh Report, including the R&D Statement, (iii) approve the fees of the Receiver and Dentons, and (iv) grant any other ancillary relief being sought.
11. Except as otherwise described in this Seventh Report:
 - (a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) the Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
12. Unless otherwise stated, all monetary amounts contained in this Seventh Report are expressed in Canadian dollars.

BACKGROUND

13. Terrasan is a single purpose entity incorporated in Ontario for the purpose of developing the Project. The Project was to be developed into a condominium complex with 242 suites ranging between 537 sq. ft. to 2,700 sq. ft. including two levels of penthouses. Additionally, the Project was to include 193 residential parking stalls, 116 lockers and 8,245 sq. ft. of retail/commercial space.
14. According to the Corporate Profile Report of Terrasan, Luigi Santaguida is listed as the sole officer and director of Terrasan. Mr. Santaguida is the acting President and Secretary of Terrasan and the sole employee.
15. The Receiver understands that approximately 208 condominium units had been pre-sold (the "Pre-Construction Sales") and agreements of purchase and sale (a "Purchase Agreement") had been executed between Terrasan and the Purchasers. In addition, Terrasan had received deposits (a "Deposit") on account of the Pre-Construction Sales. According to the Terrasan books and records (the "Records"), as at the receivership date: (i) 73 of the Purchase Agreements appear to be valid and enforceable, and (ii) 135

Purchase Agreements appear to have been terminated, due to the non-payment of milestone deposits as prescribed in each Purchase Agreement.

16. On October 10, 2017, the Receiver delivered correspondence to the Purchasers that executed a Purchase Agreement and advised those Purchasers that the Receiver closed the Transaction and as a result, Terrasan no longer had any ownership interest in the Property and would not be in a position to satisfy its obligations to those Purchasers with a valid and enforceable Purchase Agreement (the "Purchaser Correspondence").
17. Following the delivery of the Purchaser Correspondence and upon receiving the Court's approval of the Deposit Claims Procedure, the Receiver notified the Purchasers of the Deposit Claims Procedure and requested that they complete the required documentation to prove any claim they may have pursuant to the Deposit Claims Procedure.

ACTIVITIES OF THE RECEIVER

18. In addition to the activities undertaken by the Receiver as detailed in its prior reports (in particular since the Sixth Report), the Receiver has, among other things:
 - (a) attended to the implementation and administration of the Deposit Claims Procedure;
 - (b) directed Schneider Ruggiero LLP ("SRLaw"), the Deposit Trustee, to forward any deposit funds being held in its trust accounts to the Receiver pursuant to the Deposit Claims Procedure Order;
 - (c) responded to enquiries from Purchasers regarding the Deposit Claims Procedure and provided assistance to Purchasers to properly complete their respective claim forms;
 - (d) reviewed claims received from Purchasers;
 - (e) forwarded additional correspondence to Purchasers reminding them to file claims with the Receiver prior to the Claims Bar Date (defined below);
 - (f) engaged in discussion and meetings with The Guarantee Company of North America (the "Guarantee") regarding the Deposit Claims Procedure being administered by the Receiver and the details of Purchasers' claims received to date;

- (g) attended to several post-closing issues with respect to the Transaction;
- (h) cancelled the insurance policy over the condominium development and corresponded with the insurer regarding the refund to be provided to the Receiver;
- (i) numerous communications with the Canada Revenue Agency ("CRA") and the Department of Justice (the "DOJ") to request a trust exam of Terrasan's HST account;
- (j) continued its review of the Records in order to assess the status of the Purchase Agreements and the Deposits and reviewed a "loyalty program" that was implemented by Terrasan to sell units in the Project;
- (k) engaged in discussions with Dentons and trade creditors that filed lien claims against the Property regarding the potential priority of those claims in relation to the various mortgages that were registered against title to the Property;
- (l) engaged in discussions and meetings with the mortgagees and other secured creditors regarding the anticipated timing of distributions and the completion of the receivership administration;
- (m) responding to the motion filed by Resform Construction Ltd.;
- (n) meeting with representatives from Resform and their counsel to discuss and negotiate Resform's claims;
- (o) completed the Receiver's outstanding HST returns as required and closed existing Terrasan accounts; and,
- (p) completed other miscellaneous administrative obligations of the Receiver as required.

DEPOSIT CLAIMS PROCEDURE UPDATE

19. Capitalized terms not otherwise defined in this section are as defined in the Deposit Claims Procedure Order, attached herein as **Appendix A**.
20. On November 17, 2017, the Court granted the Deposit Claims Procedure Order that approved the Deposit Claims Procedure establishing a procedure for the Receiver to deal with the claims of the Purchasers and the Guarantee.

21. As discussed in the Sixth Report, establishing the Deposit Claims Procedure was necessary to enable the Receiver, in consultation with the Guarantee, to: (i) determine proven Deposit Claims and to facilitate the return of amounts payable in respect of Deposit Claims to Purchasers, and (ii) assist the Receiver and the Guarantee in quantifying the Guarantee's secured claim pursuant to its loan and security documentation as the Guarantee's claim is contingent in nature and based on the Guarantee's liability under the deposit insurance policies and the payment of Proven Deposit Claims.
22. The Deposit Claims Procedure Order also directed SRLaw to deliver to the Receiver all Remaining Deposit Funds held in trust by SRLaw. The Remaining Deposit Funds on account of Deposits amount to \$230,821.60, and were deposited by the Receiver as required by the Deposit Claims Procedure Order (consisting of \$157,089.61 in deposits and \$73,731.99 of interest).
23. Pursuant to the Deposit Claims Procedure Order, the Receiver completed the following on or before November 24, 2017:
 - (i) mailed Claims Packages to each of the 208 Purchasers on November 21, 2017;
 - (ii) published Newspaper Notices in the Globe and Mail and the Toronto Star; and,
 - (iii) posted the Claims Package on the Receiver's Website on November 21, 2017.
24. Additionally, the Receiver:
 - (a) on December 11, 2017, sent notices to Purchasers reminding them of the Claims Bar Date; and
 - (b) on January 23, 2018, contacted by email all Purchasers whose Claims Package had been returned to the Receiver in the mail.
25. As at the Claims Bar Date, the Receiver had received 106 Deposit Claims from Purchasers. Two Deposit Claims were received after the Claims Bar Date (the "**Late Deposit Claims**"), but were allowed by the Receiver. Shortly following the Claims Bar Date, the Receiver completed a preliminary review of the Deposit Claims and summarized them for the Guarantee as set out in the chart below:

Terrasas Claims Summary	
	Total
Accepted	27
Disallowed	32
Revised	4
Deposit Claims requiring additional information	43

26. On February 16, 2018, the Receiver delivered correspondence to all Purchasers whose claims were missing information and requested them to provide the required missing information to the Receiver on or before March 9, 2018.
27. With respect to the evaluation process, the Receiver established a secure and confidential electronic data room as a repository for all Deposit Claims and supporting information submitted by Purchasers to allow the Guarantee to review and evaluate Deposit Claims in accordance with the Claims Procedure Order.
28. The Receiver has consulted with the Guarantee in relation to the determination of Deposit Claims and in this regard, the Receiver's assessment (as approved by the Guarantee) of the Deposit Claims received in accordance with the Deposit Claims Procedure Order is as follows:

Terrasas Determined Claims Summary		
	Total	Amount
Accepted	66	3,404,992.91
Disallowed	33	405,005.00
Revised	6	427,832.16
Deposit Claim requiring additional information	1	44,235.00
Total	106	\$4,282,065.07

29. Attached herein as **Confidential Appendix A** is a claim determination summary outlining the proven, revised and disallowed claims.
30. On April 13, 2018, the Receiver delivered:
 - (a) correspondence to the Purchasers with a Proven Deposit Claim, advising that their Deposit Claim has been accepted; and

- (b) a notice of disallowance to the Purchasers that submitted a Deposit Claim that has been disallowed by the Receiver.
31. The Receiver anticipates the delivery of the notices of revision, on or before April 17, 2018.
32. For the balance of the Purchasers that did not file a Deposit Claim (104), as noted above and according to the Terrasan records, the corresponding Purchase Agreements for those Purchasers were terminated by correspondence from SRLaw on January 18, 2017 as a result of the non-payment of milestone deposits as required by the Purchase Agreement, with any previously paid deposits by a Purchaser being forfeited to Terrasan.
33. The Receiver is now in a position to commence the process associated with paying Proven Deposit Claims in accordance with the Deposit Claims Procedure Order.

CANADA REVENUE AGENCY PRIORITY CLAIMS

34. The Company's records indicate that at the date of receivership Terrasan had no employees (other than Mr. Santaguída), no outstanding wages, vacation pay or source deductions. In addition, the records show Terrasan had no outstanding HST obligations and was in an HST receivable position.
35. On November 13, 2017 the Receiver contacted CRA and requested a trust examination of the HST account. On December 11, 2017 the Receiver contacted CRA to obtain an update on the timing of the requested trust examination. In response to the Receiver's requests, CRA issued a Letter of Good Standing (the "Letter"). The Letter indicated that there were no outstanding balances or arrears in respect of the HST and corporate income tax accounts. The Letter further stated: "*CRA does not guarantee that the appropriate obligations have been met by Terrasan 327 Royal York Rd. Limited, or that other arrears exist*". Accordingly, this did not allow the Receiver to ascertain whether there were any HST liabilities and whether CRA would subsequently issue an assessment, after funds had already been distributed to creditors.
36. On January 2, 2018, the Receiver contacted CRA and again requested a trust examination. At that time, CRA advised that it would not conduct a trust examination and suggested the Receiver request a tax clearance certificate if it needed confirmation that no trust obligations existed.

37. On January 11, 2018, the Receiver wrote to CRA requesting that tax clearance certificates be issued January 31, 2018. To date, the Receiver has not received an HST clearance certificate.
38. On January 31, 2018, the Receiver contacted the DOJ and requested assistance with either scheduling a trust examination or obtaining the tax clearance certificate. The DOJ suggested that the Receiver contact CRA and schedule the examination directly. The Receiver did so and was advised by CRA that there was no reason to complete an audit and they did not intend to do so.

RECEIPTS AND DISBURSEMENTS

39. The R&D Statement, attached herein as **Appendix B**, reports net receipts over disbursements from the date of the Receiver's appointment to April 13, 2018 of \$17,361,712.28
40. The Receiver is seeking the Court's approval of its R&D Statement.

SECURED CREDITORS

41. As discussed in the Sixth Report, detailed below is a summary of the mortgages that were registered against title to the Property prior to the closing of the Transaction, and the corresponding amount of the registered mortgage (collectively, the "Mortgages"):

Creditor	Instrument Number	Charge
Centurion	AT4192730	\$21,800,000
GCNA	AT3841250	\$15,053,500
Diversified	AT3235332 and AT4035434	\$3,000,000
Olympia Trust Company / John Fletcher / Community Trust Company ("Olympia")	AT3539503 and AT4464383 (Transfer of Charge)	\$15,000,000

42. Pursuant to the Distribution Order granted on October 10, 2017, the Receiver distributed the amount of \$12,692,899.41 to the first mortgagee, Centurion, in full and final satisfaction of all amounts owing by Terrasan to Centurion.
43. Additionally, the Receiver is advised by its counsel that the following liens ("Lien Claims") were registered against title to the Property:

Liens per PIN Search	
CRH Canada Group Inc.	\$ 435,519.00
Summit Concrete & Drain Ltd.	111,313.00
Roni Excavating Limited	504,413.00
Bluescape Construction Management Inc.	469,827.00
Mansteel Rebar Ltd.	228,336.00
Desrosiers Geothermal Corporation	285,237.00
R. Mancini and Associates Ltd.	34,881.00
R. Mancini and Associates Ltd.	29,826.00
Resform Construction Ltd.	2,015,268.00
Shalom Electric Inc.	73,198.12
McCallum Sather Architects Inc	115,432.00
Quinn Dressel Associates	55,969.00
Total	\$ 4,359,219.12

44. With respect to the Lien Claims, the Receiver and its legal counsel are in the process of resolving the Lien Claims.

SECURITY OPINIONS – SECURED CREDITORS

The Guarantee

45. The Receiver obtained a security opinion from its counsel (the "Guarantee Security Opinion") and, subject to the customary qualifications and assumptions contained therein, the Guarantee Security Opinion opines that: (i) the security held by the Guarantee is valid and legally enforceable against Terrasan, and (ii) the Guarantee has a first priority security interest in the assets sold pursuant to the 2402871 APA (the "Assets").
46. Subject to the customary assumptions and qualifications contained in the Guarantee Security Opinion, Receiver's counsel has opined that the subject Guarantee security documents:
- (a) constitute legal, valid and binding security interests in favour of the Guarantee in the Assets;
 - (b) is sufficient to secure the payment and performance of the obligations secured thereby; and
 - (c) is properly registered and in first position over all other secured creditors.

Diversified

47. The Receiver obtained a security opinion from its counsel (the "Diversified Security Opinion") and, subject to the customary qualifications and assumptions contained therein,

the Diversified Security Opinion opines that: (i) the security held by Diversified is valid and legally enforceable against Terrasan, and (ii) Diversified has a second priority security interest in the Assets.

48. Subject to the customary assumptions and qualifications contained in the Diversified Security Opinion, Receiver's counsel has opined that the subject Diversified security documents:
- (a) constitute legal, valid and binding security interests in favour of Diversified in the Assets;
 - (b) is sufficient to secure the payment and performance of the obligations secured thereby; and
 - (c) is properly registered and in second position over all other secured creditors.
49. According to a payout statement received on April 6, 2018, the amount of \$3,126,190.27 is claimed as owing to Diversified of April 6, 2018, together with interest accruing at 30 percent per annum. Attached herein as **Appendix C**, is a copy of the Diversified payout statement.

Olympia

50. The Receiver obtained a security opinion from its counsel (the "**Olympia Security Opinion**") and, subject to the customary qualifications and assumptions contained therein, the Olympia Security Opinion opines that: (i) the security held by Olympia is valid and legally enforceable against Terrasan, and (ii) Olympia has a third priority security interest in the Assets
51. Subject to the customary assumptions and qualifications contained in the Olympia Security Opinion, Receiver's counsel has opined that the subject Olympia security documents:
- (a) constitute legal, valid and binding security interests in favour of Olympia in the Assets;
 - (b) is sufficient to secure the payment and performance of the obligations secured thereby; and
 - (c) is properly registered and in third position over all other secured creditors.

52. According to a payout statement received on April 10, 2018, the amount of \$11,160,862.42 is claimed as owing to Olympia as of April 10, 2018. Attached herein as **Appendix D**, is a copy of the Olympia payout statement.

DIVERSIFIED – REQUEST FOR DISTRIBUTION

53. The Receiver has received a request from Diversified for a distribution in full and final satisfaction of all amounts owing by Terrasan to Diversified.
54. Notwithstanding that Diversified is subordinated and postponed to the Guarantee contractually pursuant to a Subordination, Postponement and Standstill Agreement dated April 12, 2016, Diversified is of the view that there is sufficient proceeds in the estate to allow for a distribution in priority the Guarantee.
55. At this time, the Receiver understands that the Guarantee and Diversified have conflicting views on this distribution request.

CASH SUMMARY

56. For ease of reference, the Receiver has prepared the table below which provides a summary of the potential known priority claims to the Sale Proceeds:

Estimated Cash Balances	
Balance in Receiver's Trust Account Apr 13, 2018 (per R&D)	\$17,361,712.28
Value of Deposit Claims received pursuant to the Claims Procedure	(4,282,065.07)
Reserve for Lien Claims	(4,359,219.12)
Balance Remaining for Costs and Further Distributions	\$ 8,720,428.09

FEES AND DISBURSEMENTS

57. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements, which are described in the Affidavit of Josie Parisi sworn April 13, 2018, attached herein as **Appendix E**.
58. The detailed narratives contained in the invoices provide a fair and accurate description of the services provided and the amounts charged by BDO as Receiver. Included with the invoices is a summary of the time charges of partners and staff, whose services are reflected in the invoices, including the total fees and hours billed.

59. Additionally, the Receiver has incurred legal fees of its legal counsel, Dentons, in respect of these proceedings, as more particularly set out in the Affidavit of Robert Kennedy sworn April 13, 2018, attached herein as **Appendix F**.
60. The Receiver requests that the Court approve its interim accounts from October 2, 2017 to January 31, 2018 in the amount of \$125,144.98, inclusive of HST of \$14,397.21.
61. The Receiver also requests that the Court approve the interim accounts of its legal counsel for the period from September 1, 2017 to December 31, 2017 in the amount of \$351,856.73, inclusive of HST of \$40,423.87.
62. The Receiver respectfully submits that the Receiver's fees and disbursements, and Dentons' fees and disbursements, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order.

SUMMARY AND RECOMMENDATIONS

63. Based on the foregoing, the Receiver respectfully recommends that the Court:
 - (a) approve the Deposit Claim Distribution;
 - (b) approve the Seventh Report and the activities and conduct of the Receiver outlined herein;
 - (c) approving the fees and disbursements of the Receiver and Dentons, as set out in this Seventh Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements;
 - (d) approve the Receiver's R&D Statement.

All of which is respectfully submitted this 13th day of April, 2018.

**BDO CANADA LIMITED,
in its capacity as the Court-appointed Receiver of
Terrasan 327 Royal York Rd. Limited, and not in its personal
or corporate capacity**

Per:

A handwritten signature in cursive script, appearing to read "J. Parisi".

Name: Josie Parisi
Title: Senior Vice President

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**SEVENTH REPORT OF BDO CANADA LIMITED,
IN ITS CAPACITY
AS COURT APPOINTED RECEIVER**

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

Robert Kennedy (LSO #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Vanja Ginic (LSO #69981W)
Tel: (416) 863-4673
vanja.ginic@dentons.com

Lawyers for the Receiver

TAB C

Schedule 'A'

IN THE MATTER OF THE RECEIVERSHIP OF
TERRASAN 327 ROYAL YORK RD. LIMITED

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
for the period February 24, 2017 to August 23, 2018

RECEIPTS:

Cash in Bank	\$	1,381,910.45
Building and Land		30,044,444.00
HST Refunds		206,258.55
Interest		209,140.23
Miscellaneous Refunds		210.55
Total Receipts	\$	31,841,963.78

DISBURSEMENTS:

Receiver's Fees	\$	445,686.43
Operating Expense		267,846.00
Municipal Taxes		56,955.28
Legal fees		600,717.01
Outside Consulting		69,644.08
Repairs and Maintenance		42,923.63
Property Management Fee		42,736.72
HST Paid on Disbursements		53,528.75
Insurance		59,930.20
HST on Receiver's Fees		57,939.22
Utilities		18,468.59
HST on Legal Fees		78,016.75
Advertising		9,059.60
Occupancy Permit		6,399.36
Occupancy Rent (Site Trailer)		5,055.00
Telephone		2,876.83
Miscellaneous Disbursements		5,409.57
Travel		504.50
Freight		290.00
Storage		285.00
Postage		553.93
Redirection of Mail		274.35
Filing Fee		70.00
Payment to Secured Creditor		3,404,228.47
Return of Deposit to Condo Purchasers		3,606,957.00
Loan /Financing Repayment - Centurion		12,692,899.41
Bank Charges		254.00
Total Disbursements	\$	21,529,509.68

RECEIPTS OVER DISBURSEMENTS **\$ 10,312,454.10**

TAB D

SETTLEMENT OF LIEN CLAIM AND MOTION

BETWEEN:

BDO CANADA LIMITED, solely in its capacity as receiver and manager of Terrasan 327 Royal York Rd. Limited and not in its personal capacity

- and -

RESFORM CONSTRUCTION LTD.

WHEREAS:

- A. On February 24, 2017, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), BDO Canada Limited was appointed as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("**Terrasan**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**Receivership Proceedings**");
- B. On April 3, 2017, the Court granted a sale process order which, among other things, approved a marketing and sale process in respect of the property municipally known as 327 Royal York Rd., Toronto, Ontario (the "**Property**");
- C. On August 25, 2017, the Court granted an approval and vesting order which, among other things, approved the asset purchase agreement dated July 28, 2017, between the Receiver and 2402871 Ontario Inc., as amended (the "**Purchase Agreement**"), and the sale of the Property;
- D. The sale transaction closed pursuant to the terms of the Purchase Agreement on September 15, 2017, and the Receiver was paid net sale proceeds in the amount of \$30,044,444 (the "**Sale Proceeds**");
- E. Registered on title to the Property were four (4) mortgages securing debt obligations owing by Terrasan as follows (in order of priority): (i) *Centurion Mortgage Capital Corporation* (paid by distribution order dated October 10, 2017, in the amount of \$12,692,899.41), (ii) *The Guarantee Company of North America* (estimated to be not greater than \$4,500,000, plus accruing interest and fees), (iii) *Diversified Capital Ltd.* (paid by distribution order dated July 6, 2018, in the amount of \$3,404,228.47), and (iv) *Olympia Trust Company / Fletcher / Community Trust Company* (in the amount of \$11,160,862.42 as of April 10, 2018, plus accruing interest and fees) (collectively, the "**Mortgagees**");
- F. The Receiver obtained an opinion from its legal counsel, Dentons Canada LLP, confirming that all of the Mortgagees' loan and security documentation, subject to the customary assumptions and qualifications, constitute legal, valid and binding security interests in favour of Mortgagees that are properly registered on title to the Property;
- G. Resform Construction Ltd. ("**Resform**") filed a lien against the Property on January 31, 2017 in the amount of \$2,105,268.26, a copy of which lien claim is attached as **Schedule "A"** herein (the "**Resform Lien Claim**");
- H. A dispute has arisen with the Receiver regarding the validity and priority of the Resform Lien Claim (the "**Lien Claim Dispute**");

- I. On August 30, 2017 and September 15, 2017, Resform filed notices of motion in the Receivership Proceedings seeking, among other things, a priority payment for demobilization costs, attached as **Schedule "B"** herein (including the supporting Affidavit without exhibits) (collectively, the "**Resform Motions**");
- J. The Receiver and Resform have resolved to settle the Lien Claim Dispute and the Resform Motions, on the terms set out herein;

NOW THEREFORE in consideration of the mutual covenants contained herein including, without limitation, the agreement by the Receiver to the payment of the amount of \$186,843.98 to Resform from the Sale Proceeds (the "**Payment**") on the terms and conditions set out herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1
SETTLEMENT

- 1.1 The Receiver and Resform hereby agree as follows:
 - (a) the Receiver hereby agrees to the Payment to Resform in respect of the limited lien priority of Resform over the Mortgagees relating to the deficiency in the holdback required to be held by Terrasan, and in respect of the Resform Motions, upon the granting of the Approval Order (as defined herein); and
 - (b) to provide the release pursuant to Article 2 hereof.

ARTICLE 2
RELEASE

- 2.1 Subject to Article 3, by virtue of the execution and delivery of this Settlement Agreement and the delivery of the Payment by the Receiver to Resform:
 - (a) Resform hereby releases any and all claims, whether known or unknown, which it may have ever had, may have, or at any time hereafter can, shall or may have or advanced in respect of the Resform Lien Claim, and any other claims that may be asserted by Resform in priority to the Mortgagees; and
 - (b) Resform hereby agrees to an Order dismissing, on a without costs basis, the Resform Motions and hereby releases the Receiver and Terrasan from any and all claims, whether known or unknown, which it may have ever had, may have, or at any time hereafter can, shall or may have or advanced in respect of all matters concerning the Resform Motions including, without limitation, claims associated with demobilization and all matters associated with the Receivership Proceedings.

ARTICLE 3
COURT APPROVAL

- 3.1 The effectiveness of this Settlement Agreement remains subject to obtaining a Court Order in the Receivership Proceedings: (i) approving the settlement of the Resform Lien Claim and Resform Motions, on the terms set forth in this Settlement Agreement, (ii) authorizing and directing the parties to the Settlement Agreement to take all steps necessary to give effect to the terms of this Settlement Agreement, and (iii) authorization and directing the Receiver to make the Payment to Resform.

ARTICLE 4
GENERAL

- 4.1 The recitals to this Settlement Agreement form part of this Settlement Agreement.
- 4.2 All monetary amounts referred to in this Settlement Agreement shall be in CAD currency.
- 4.3 This Settlement Agreement shall be governed by and construed in accordance with the laws of Ontario.
- 4.4 Any amendment to this Settlement Agreement shall be made in writing and shall be duly executed by all parties.
- 4.5 The parties hereby covenant and agree to do such further and other things that any other party may reasonably request to give full or better effect to the provisions of this Settlement Agreement.
- 4.6 This Settlement Agreement may be executed in counterparts and delivered via facsimile or email (pdf), and all counterparts, when taken together, shall constitute one Settlement Agreement.

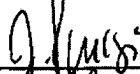
IN WITNESS WHEREOF the parties hereto have executed these presents effective July 31, 2018.

RESFORM CONSTRUCTION LTD.

Per:  _____

Name: Alex DeIulis - Pres.

BDO CANADA LIMITED, solely in its capacity as
Court appointed receiver and manager of
Terrasan 327 Royal York Rd. Limited and not in
its personal capacity

Per:  _____
Name: J. PARISI

SCHEDULE "A"
Resform Lien Claim

Properties

PIN 07617 - 0889 LT
Description LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4284438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO
Address TORONTO

Consideration

Consideration \$ 2,015,268.28

Claimant(s)

Name RESFORM CONSTRUCTION LTD.
Address for Service 3761 Hwy 89, R.R.#1
 Cookstown, Ontario
 L0L 1L0

I, Alex De Iulis, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, Alex De Iulis, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner TERRASAN 327 ROYAL YORK RD, LIMITED 93 Skyway Ave, Suite 200, Toronto, ON M8W 6N6
Name and address of person to whom lien claimant supplied services or materials TERRASAN 327 ROYAL YORK RD, LIMITED 327 Royal York Road, Erobicoke, ON M8Y 2P8
Time within which services or materials were supplied from 2016/04/14 to 2016/12/23
Short description of services or materials that have been supplied Concrete forming and related services
Contract price or subcontract price \$7,865,000.00 (Plus H.S.T.)
Amount claimed as owing in respect of services or materials that have been supplied \$2,015,268.28 (Plus H.S.T.)

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

John Dare 241 Applewood Crescent Unit 9 acting for Signed 2017 01 31
 Concord Applicant(s)
 L4K 4E8
Tel 905-266-0772
Fax 905-266-0773

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

JOHN DARE BARRISTER & SOLICITOR 241 Applewood Crescent Unit 9 2017 01 31
 Concord
 L4K 4E8
Tel 905-266-0772
Fax 905-266-0773

Fees/Taxes/Payment

Statutory Registration Fee \$63.35
Total Paid \$63.35

LRO # 80, Construction Lien

Received as AT4475863 on 2017 01 31 at 16:25

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 2

File Number

Claimant Client File Number:

RESFORM PR32185 DARE

SCHEDULE "B"
Resform Motion

COURT FILE NO. CV-17-11679-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

APPLICANT

-and-

TERRASAN 327 ROYAL YORK RD. LIMITED

RESPONDENT

NOTICE OF MOTION

(Returnable August 31, 2017)

Resform Construction Ltd., ("Resform") as lien claimant in respect of the property described in the Receivership Order and made by this Honourable Court on or about February 24, 2017, and by further Order of this Court made on or about August 25, 2017, will make a Motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) on **August 31, 2017 at 10:00 a.m.** or as soon thereafter as the Motion may be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: This Motion is to be heard orally.

THE MOTION IS FOR:

1. Directions with respect to the development and execution of a demobilization plan in regards to removal of certain assets and equipment currently located upon the property which is the subject matter of the Receivership Order;

2. Such further and other Order as to the payment to Resform in respect to the costs anticipated to be incurred by Resform in demobilizing. In the alternative, the posting of such security as to this Honourable Court may be just and appropriate in the circumstances;
3. An Order abridging the time for service of this Notice of Motion as may be required;
4. An Order dispensing with service of this Notice of Motion or alternatively, an Order dispensing with service of this Notice of Motion upon parties other than the Receiver, the Receivers Counsel and the Purchasers Counsel or otherwise as this Honourable Court may direct;
5. Such further and other relief as this Honourable Court deems just and appropriate;

THE MOVING PARTY, RESFORM, SHALL RELY UPON THE FOLLOWING DOCUMENTARY EVIDENCE:

1. The Affidavit of Sandro Brocca, sworn on August 30, 2017;

Dated August 30, 2017

John DaRe
Barrister & Solicitor
241 Applewood Cres., Unit 9
Concord, Ontario
L4K 4E6
Tel: 905-266-0772
Fax: 905-266-0773
LSUC# 30619L

Solicitor for Resform Construction Ltd.

TO: Dentons Canada LLP
77 King Street West, Suite 400
Toronto, Ontario
M5K 0A1
Attn: Robert Kennedy (LSUC#474070),
Counsel to the Receiver

TO: BDO Canada Limited
123 Front Street West, Suite 1100
Toronto, Ontario
M5J 2M2

Attn: Gary Cerrato, Receiver

TO: Schneider Ruggiero
1000 – 120 Adelaide Street West
Toronto, Ontario
M5H 3V1

Attn: Bruce Millburn, Solicitor for Purchaser

Centurion Mortgage Capital Corporation and Terrasan 327 Royal York Rd. Limited
(Applicant) (Respondent)

Court File Number: CV-17-11679-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

John DaRe Barrister & Solicitor
241 Applewood Cres., Unit 9
Concord, Ontario
L4K 4E6

Tel: 905-266-0772

Fax: 905-266-0773

LSUC# 30619L

Solicitor for the lien claimant,
Resform Construction Ltd.

COURT FILE NO. CV-17-11679-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

CENTURION MORTGAGE CAPITAL CORPORATION

APPLICANT

-and-

TERRASAN 327 ROYAL YORK RD. LIMITED

RESPONDENT

AFFIDAVIT OF SANDRO BROCCA

(SWORN ON AUGUST 30, 2017)

I, SANDRO BROCCA, of the Town of King, in the Province of Ontario, hereby MAKE OATH AND SAY AS FOLLOWS:

1. I am the General Manager of Resform Construction Ltd., ("Resform"), a lien claimant over the property municipally known as 327 Royal York Road, Toronto Ontario, (the "Property") and as such have knowledge of the matters I depose hereunder;
2. The Property is subject to a Receivership Order granted by the Superior Court of Justice on or about February 24, 2017, appointing BDO Canada Limited as the court appointed Receiver and Manager of the Property (the "Receiver"). To that extent I have had discussion with Gary Cerrato of the Receiver's office and wish to detail those discussions;
3. On or about June 28, 2017, I did meet with the Receiver at the Property. The purpose for the meeting was to conduct an inspection of the equipment, including scaffolding, tower crane, building material and tools (the "Resform Equipment") located upon the Property and which remained on the Property at the time the Receiver was appointed. Despite my solicitor having

advised the Receivers office of the existence of the Resform Equipment as early as March 2017 as well as the approximate One Hundred Thousand Dollars (\$100,000.00) of rental charges being incurred by Resform per month, to the best of my knowledge neither anyone at Resform nor my solicitor were advised of the Receivers position regarding the removal of the Resform Equipment or payment for that equipment;

4. Resform was not advised by the Receiver that it had negotiated an Asset Purchase Agreement until service of the Motion Record seeking a Vesting Order on or about August 21, 2017. Resform was not provided with an opportunity to remove the Resform Equipment nor has it been offered any compensation to date for its use.
5. I was advised by my solicitor of the granting of the Vesting Order on or about August 25, 2017, and requesting of me that I prepare a demobilization plan in order to expedite the removal of the Resform Equipment in order to facilitate the closing of the asset purchase transaction which I believe was originally scheduled to be completed on or about September 1, 2017.;
6. I advised the Receiver during our meeting of June 28th, 2017 that the process for demobilizing would require the obtaining of permits for dismantling and transportation of the crane, the closing of a roadway which services the Metrolinx Mimico Station and the involvement of various engineers as some of the equipment is currently supporting concrete structures and as such its removal must be engineered;
7. I furthermore advised Mr. Cerrato that the permit to dismantle the crane could not be obtained by Resform as the original permit was obtained by Terrasan 327 Royal York Rd Limited. I advised the Receiver that he would need to be responsible to ascertain whether or not that permit had expired and if so to re-apply for a new permit. That permit is required before the crane can be operated in any capacity, including its dismantling. I further advised him at that time that I estimated the total time to demobilize to be three (3) to four (4) weeks from obtaining the necessary permits;
8. Furthermore, I also requested at that time some assurance from the Receiver that it would pay for both for the engineering and the replacement of structures prior to commencing the

demobilization process. I did not receive any confirmation or promise of compensation. Accordingly, I did not formalize any demobilization strategy.

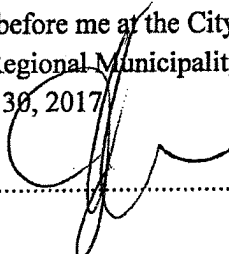
9. I have repeated the above advice to the Receiver on many occasions, including my most recent discussion with Mr. Cerrato earlier today. I verily believe that Mr. Cerrato was made to understand the due process that needed to be followed and that Resform is not in a position to demobilize until the Receiver applies for the necessary permit, agrees to the necessary engineering and furthermore agrees to compensation for the time and effort that Resform will need to expend in the process;
10. Now shown to me and attached hereto as Exhibit "A" to this my Affidavit is a true copy of email correspondence from my solicitor to the Receivers solicitor outlining the demobilization plan dated August 28, 2017. Now shown to my and attached hereto as Exhibit "B" to this my Affidavit is a true copy of email correspondence from my solicitor to the Receivers solicitor dated August 30, 2017. I have had discussions with James Cameron, whom I believe to be a principal of the purchaser and who may consider retaining the services of Resform in regards to the work required to complete construction of the condominium on site. That meeting is scheduled for August 31, 2017 at 9:00am. At this point I am not clear on whether or not the parties will be in a position to finalize any agreement;
11. I am also advised by my solicitor and verily believe that on or about August 28, 2017 he did have discussion with Bruce Millburn, solicitor with Schneider Ruggiero, solicitors for the purchaser. I am advised by Mr. DaRe and verily believe that he did communicate to Mr. Millburn that the process of demobilizing the Resform Equipment would likely take two (2) to three (3) weeks. Now shown to me and attached hereto as Exhibit "C" to this my Affidavit is Mr. Millburn's response that for liability reasons he was unprepared to complete the transaction pending this on-going issue;
12. I verily believe that Resform has in all respects conducted itself in a prudent and reasonable manner and remains willing to expedite as much as possible the retrieval of the Resform Equipment. However, I do not believe that it is fair or reasonable to require that Resform pay out of pocket the costs associated with the demobilization at this time, particularly in light of the fact that it has yet to receive any promise of compensation for the approximately Six Hundred

Thousand Dollars (\$600,000.00) it has incurred in rental charges since the appointment of the Receiver. I have calculated the costs associated with demobilization, including engineering and labour, and verily believe that those costs will approximate Three Hundred Fifty Thousand Dollars (\$350,000.00);

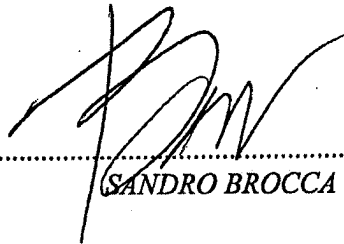
13. I swear this Affidavit in order to provide this Honourable Court with an update of Resform's efforts to date.

14. I swear this Affidavit verily believing the contents to be true and for no improper purpose.

Sworn before me at the City of Vaughan,
in the Regional Municipality of York on
August 30, 2017



Commissioner for Taking Affidavits
(or as may be)
John DARE



SANDRO BROCCA

Centurion Mortgage Capital Corporation and Terrasan 327 Royal York Rd. Limited
(Applicant) (Respondent)

Court File Number: CV-17-11679-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF
SANDRO BROCCA
(sworn August 30, 2017)

John DaRe Barrister & Solicitor
241 Applewood Cres., Unit 9
Concord, Ontario
L4K 4E6
Tel: 905-266-0772
Fax: 905-266-0773
LSUC# 30619L

Solicitor for the lien claimant,
Resform Construction Ltd.

Centurion Mortgage Capital Corporation and Terrasan 327 Royal York Rd. Limited
(Applicant) (Respondent)

Court File Number: CV-17-11579-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

John DaRe Barrister & Solicitor
241 Applewood Cres., Unit 9
Concord, Ontario
L4K 4E6
Tel: 905-266-0772
Fax: 905-266-0773

LSUC# 30619L

Solicitor for the lien claimant,
Resform Construction Ltd.

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

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

NOTICE OF MOTION

Resform Construction Ltd. ("**Resform**") will bring a motion to the court on a date to be set by the scheduling office of the Commercial List at the courthouse located at 393 University Avenue, Toronto, Ontario.

THE PROPOSED METHOD OF HEARING: The motion is to be heard:

in writing under subrule 37.12.1(1) because it is (insert one of on consent, unopposed or made without notice);

in writing as an opposed motion under subrule 37.12.1(4);

orally.

THE MOTION IS FOR:

1. if necessary, an order abridging the time for service of this notice of motion and motion record and validating the service of such motion materials;

2. an order:
 - a. fixing the compensation that BDO Canada Limited in its capacity as the court appointed receiver of the respondent (the “**Receiver**”) should pay to Resform in respect of the retention and use of Resform’s equipment, including scaffolding, tower crane, building materials, and tools from the date of appointment of the Receiver to the date on which this equipment is released to Resform; and
 - b. directing the Receiver to pay that compensation to Resform;
3. costs of this motion as against the Receiver on a substantial indemnity basis; and
4. such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. on February 24, 2017, the Receiver was appointed over all of the assets, undertakings, and property of the respondent;
2. the respondent is a single purpose development company whose principal asset is a partially constructed residential condominium development located at 327 Royal York Rd. Toronto, Ontario (the “**Property**”);
3. at the time of the Receiver’s appointment, Resform’s equipment, including scaffolding, tower crane, building materials, and tools, was on the Property;

4. in fact, Resform's equipment, and that of its subtrade Aluma System Inc. ("Aluma"), was in use to support the partially-built concrete structures that had been constructed prior to the appointment of the Receiver;
5. after the appointment of the Receiver, Resform's equipment remained on site and continued to support the partially-built development;
6. on March 7, 2017, Resform's counsel wrote to the Receiver to advise that Resform's equipment remained on site, that monthly rentals of that equipment approximate \$100,000, and asked if the Receiver was in a position to advise if that equipment could be removed from the Property;
7. the Receiver, nor its counsel, responded to Resform's March 7, 2017 letter;
8. similarly, Aluma's counsel wrote to counsel for the Receiver on June 9, 2017 that its scaffolding and forming equipment was currently in use and asking for the Receiver to either assume the monthly rental amounts or to allow it to remove the equipment;
9. Aluma had no definitive response from the Receiver, or its counsel, and followed up with letters dated June 16, 2017, July 26, 2017, and August 23, 2017;
10. as the Receiver had not paid Resform's monthly rental amounts, on June 9, 2017, representatives of Resform attended on the Property to retrieve Resform's equipment for use on another site and were denied entry to the Property by the Receiver;

11. on June 30, 2017, counsel for the Receiver wrote to Resform's counsel to remind Resform that any attendances at the Property or any attempts to remove equipment or supplies are in violation of the receivership order;
12. in response to counsel for the Receiver's email, counsel for Resform wrote the same day to repeat its request for payment for the use of Resform's equipment, and a decision as to when Resform could retrieve its equipment;
13. Resform received no response to this further request;
14. contemporaneously, as part of a court-approved sales process, the Receiver was not only inviting potential purchasers to bid on the respondent's real estate, but highlighted the Property's poured condominium foundation, the slab on grade, and a partial pouring of parking level 2;
15. Resform's equipment, and that of Aluma's, was supporting this partial construction, and was thus being used by the Receiver in its efforts to market the Property;
16. Resform and the Receiver have attempted to reach an agreement on the removal of Resform's equipment, but have failed to do so;
17. the Receiver and the respondent have retained and used Resform's equipment since February 24, 2017 without any payments or other compensation to Resform;

18. the use by the Receiver and the respondent of Resform's equipment has resulted in:
 - a. a benefit for other stakeholders of the respondent, through the higher realization of the sale of the Property as a potential going-concern development; and
 - b. a loss to Resform, through the absence of the monthly payments or any other amounts during the use of its equipment, the wear and tear and depreciation of the equipment, and the denial of alternative use of the equipment by Resform;

19. rules 3 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Regulation 194, as amended; and

20. such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. the affidavit of John DaRe sworn on August 24, 2017 and the exhibits attached thereto;

2. the affidavit of Sandro Brocca sworn on August 31, 2017 and the exhibits attached thereto;

3. the affidavit of Alex De Iulis sworn on September 15, 2017 and the exhibits attached thereto; and

4. such further and other evidence as counsel may advise and this Honourable Court permits.

September 15, 2017

JOHN DARE [LSUC No. 30619L]

Barrister & Solicitor
241 Applewood Cres., Unit 9
Concord, Ontario
L4K 4E6
Tel: (905) 266-0772
Fax: (905) 266-0773

GOLDMAN SLOAN NASH & HABER LLP

Barristers & Solicitors
480 University Avenue, Suite 1600
Toronto, Ontario
M5G 1V2

Robert J. Drake [LSUC No. 57083G]

Tel: (416) 597-5014
Fax: (416) 597-3370

Lawyers for the lien claimant, Resform
Construction Ltd.

CENTURION MORTGAGE CAPITAL CORPORATION
Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent
Court File No.: CV-17-11679-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceedings commenced at TORONTO

NOTICE OF MOTION

JOHN DARE [LSUC No. 30619L]

Barrister & Solicitor
241 Applewood Cres., Unit 9
Concord, Ontario
L4K 4E6

Tel: (905) 266-0772

Fax: (905) 266-0773

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480 University Avenue, Suite 1600
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M5G 1V2

Robert J. Drake [LSUC No. 57083G]

Tel: (416) 597-5014

Fax: (416) 597-3370

Lawyers for the lien claimant, Resform Construction Ltd.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

CENTURION MORTGAGE CAPITAL CORPORATION

APPLICANT

-and-

TERRASAN 327 ROYAL YORK RD. LIMITED

RESPONDENT

AFFIDAVIT OF JOHN DARE

(SWORN ON AUGUST 24, 2017)

I, JOHN DARE, of the Town of Kettleby, in the Province of Ontario, hereby MAKE OATH AND SAY AS FOLLOWS:

1. I am the Solicitor of Record for Resform Construction Ltd., ("Resform") a lien claimant over the property municipally known as 327 Royal York Road, Toronto, Ontario ("the Real Property"), and therefore have knowledge of the matters I dispose hereunder. Where I do not have such personal knowledge, I have stated the source of my information in all such cases believing such information to be true.
2. By Order of the Superior Court of Justice (Commercial List) dated February 24, 2017 (the "Receivership Order") BDO Canada Limited ("BDO") was appointed as the Court Appointed Receiver and manager (in such capacity the "Receiver") of all of the assets, undertakings and Real Property of the Owner, Terrasan 327 Royal York Rd. Limited.
3. Upon receipt of the Receivership Order, I communicated with the Receiver on behalf of Resform to advise that Resform's equipment remained on the Real Property (the "Resform Equipment"). A partial list of same is attached hereto as Exhibit "A". Now shown to me and attached hereto as Exhibit "B" to this my affidavit is a true copy of my email to Mr. Chow of the Receivers office dated March 7, 2017. Mr. Chow did not respond to said letter.

4. As appears from Exhibit "A", I advised Mr. Chow the equipment on site is subject to monthly rental payments of approximately one hundred thousand dollars (\$100,000.00). In fact, I am advised by Sandro Brocca of Resform that the monthly rental payments being incurred by Resform are as follows;

a. Tower Crane Rental	\$34,500.00
b. Form Work Shoring Equipment	\$70,764.10
c. Site Shack and Small Tools	\$5,520.00

I am furthermore advised by Alex De Iulis, principal with Resform, and verily believe that the costs of de-mobilizing the Resform Equipment may exceed four hundred thousand dollars (\$400,000.00) and take substantially longer to co-ordinate than the time frame suggested for completion of the asset purchase transaction set out in the Motion Record.

5. I have discussed this matter with my client and in particular, Alex De Iulis, principal with Resform and am advised and verily believe that the rental payments as due as set out in the previous paragraph, have in fact been incurred by them but have not in any way been compensated for by the Receiver or any other party.
6. One of Resform's equipment suppliers, Aluma Systems ("Aluma") has been paid for rental equipment by Resform to June 2017. I have had discussion with Catherine Wilson, Solicitors for Aluma, and understand that she has been seeking to retrieve equipment or alternatively receive compensation from the Receiver for same without success. I attach hereto five (5) separate emails provided to me from counsel for Aluma and delivered to Denton's Canada LLP collectively as Exhibit "C" to this my Affidavit. I am advised by Catherine Wilson and verily believe that despite her repeated requests, neither the Receiver nor its counsel have confirmed an arrangement with regards to retrieving the equipment or otherwise compensating Aluma for same, and for which compensation Aluma may look to Resform in the future.
7. I am advised by my client that on or about June 9, 2017 my client's representatives attended at the site to retrieve some of the Resform Equipment for use on another site. I am advised that they were denied access and that the Receiver's representative, Gary Cerrato, requested a meeting

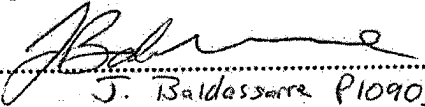
with my client on site which in fact took place on or about June 29, 2017. I am advised by Sandro Brocca, general manager with Resform, and verily believe that he attended the meeting and that the Receiver's agents would not commit to a de-mobilization plan. I am further advised by Mr. Brocca that some of the Resform Equipment was identified as being potentially necessary to keep the Real Property secured and that same would be specified in correspondence. I am advised by Mr. Brocca and verily believe that no such correspondence has been received to date.

8. On or about June 30, 2017, I received correspondence from counsel for the Receiver a true copy of which is now shown to me and attached hereto as Exhibit "D". Now also shown to me as Exhibit "E" is a true copy of my response to Robert Kennedy's email. I have not received a reply to same.
9. I have attempted to determine the purchase price of the proposed asset sale transaction for the Real Property and whether or not there might be sufficient funds remaining available for distribution which would sufficiently compensate Resform and its suppliers for the approximate six hundred thousand dollars (\$600,000.00) of obligations incurred or assumed after the issuance of the Receivership Order in maintaining the Resform Equipment on site. It is my concern that if the actual payment of the fees and disbursements of the Receiver and it's counsel is authorized at this time, without additional adequate information in regards to any surplus then remaining, Resform may not have access to sufficient sales proceeds from which it may achieve compensation for the cost and expenses incurred to date.
10. This Affidavit is sworn in an effort to alert the Court to the claims of Resform and its suppliers arising from the retention of the Resform Equipment by the Receiver, as I verily believe they have the right to assert a priority claim for compensation.
11. As at the time of swearing this Affidavit, being approximately 5:30PM on August 24, 2017, I have not received a substantive response from counsel to the Receiver in regards to whether there will be sufficient surplus from the proposed sale set aside to satisfy Resform's priority claim (nor in regards to the Receivers intention to honour the numerous requests for compensation previously made).

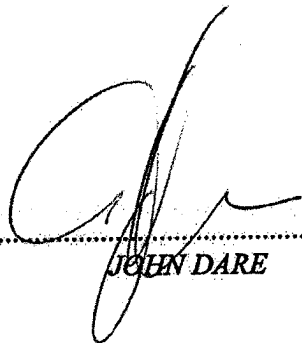
12. It is not the intention of Resform to oppose the sale transaction or the approval of the Receivers fees and those of its counsel. However, I verily believe that a sufficient surplus from the proposed sale needs to be set aside to satisfy Resform's priority claim (the "Holdback"). I believe that the Holdback should be Ordered by this Court in conjunction with the granting of the Vesting Order sought. Provided that the Receiver agrees to permit Resform to remove the Resform Equipment from the Real Property prior to the closing of the transaction, and provided in fact that Resform is able to do so before closing, which closing may have to be extended to accommodate same as it is not Resform's desire to deal with the purchaser of the assets of the Real Property, I believe that a Holdback of six hundred fifty thousand dollars (\$650,000.00) would be appropriate in the circumstances.

13. I swear this Affidavit verily believing the contents to be true and for no improper purpose.

Sworn before me at the City of Vaughan,
in the Regional Municipality of York on
August 24, 2017


.....
J. Baldassarre P10903

Commissioner for Taking Affidavits
(or as may be)


.....
JOEL DARE

Court File No. CV-17-11679-00CL
TERRASAN 327 ROYAL YORK RD. LIMITED
Respondent

CENTURIAN MORTGAGE CAPITAL CORPORATION
Applicant

and

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
PROCEEDING COMMENCED AT TORONTO

RESPONDING AFFIDAVIT OF
JOHN DARE
(sworn August 24, 2017)

JOHN DARE
Barrister and Solicitor
241 Applewood Crescent, Unit 9
Concord, Ontario
L4K 4E6

Attention: John DaRe (LSUC # 30619L)

Tel: (905) 266-0772

Fax: (905) 266-0773

Solicitor for Resform Construction Inc.

COURT FILE NO. CV-17-11679-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

CENTURION MORTGAGE CAPITAL CORPORATION

APPLICANT

-and-

TERRASAN 327 ROYAL YORK RD. LIMITED

RESPONDENT

AFFIDAVIT OF SANDRO BROCCA

(SWORN ON AUGUST 30, 2017)

I, SANDRO BROCCA, of the Town of King, in the Province of Ontario, hereby MAKE OATH AND SAY AS FOLLOWS:

1. I am the General Manager of Resform Construction Ltd., ("Resform"), a lien claimant over the property municipally known as 327 Royal York Road, Toronto Ontario, (the "Property") and as such have knowledge of the matters I depose hereunder;
2. The Property is subject to a Receivership Order granted by the Superior Court of Justice on or about February 24, 2017, appointing BDO Canada Limited as the court appointed Receiver and Manager of the Property (the "Receiver"). To that extent I have had discussion with Gary Cerrato of the Receiver's office and wish to detail those discussions;
3. On or about June 28, 2017, I did meet with the Receiver at the Property. The purpose for the meeting was to conduct an inspection of the equipment, including scaffolding, tower crane, building material and tools (the "Resform Equipment") located upon the Property and which remained on the Property at the time the Receiver was appointed. Despite my solicitor having

advised the Receivers office of the existence of the Resform Equipment as early as March 2017 as well as the approximate One Hundred Thousand Dollars (\$100,000.00) of rental charges being incurred by Resform per month, to the best of my knowledge neither anyone at Resform nor my solicitor were advised of the Receivers position regarding the removal of the Resform Equipment or payment for that equipment;

4. Resform was not advised by the Receiver that it had negotiated an Asset Purchase Agreement until service of the Motion Record seeking a Vesting Order on or about August 21, 2017. Resform was not provided with an opportunity to remove the Resform Equipment nor has it been offered any compensation to date for its use.
5. I was advised by my solicitor of the granting of the Vesting Order on or about August 25, 2017, and requesting of me that I prepare a demobilization plan in order to expedite the removal of the Resform Equipment in order to facilitate the closing of the asset purchase transaction which I believe was originally scheduled to be completed on or about September 1, 2017.;
6. I advised the Receiver during our meeting of June 28th, 2017 that the process for demobilizing would require the obtaining of permits for dismantling and transportation of the crane, the closing of a roadway which services the Metrolinx Mimico Station and the involvement of various engineers as some of the equipment is currently supporting concrete structures and as such its removal must be engineered;
7. I furthermore advised Mr. Cerrato that the permit to dismantle the crane could not be obtained by Resform as the original permit was obtained by Terrasan 327 Royal York Rd Limited. I advised the Receiver that he would need to be responsible to ascertain whether or not that permit had expired and if so to re-apply for a new permit. That permit is required before the crane can be operated in any capacity, including its dismantling. I further advised him at that time that I estimated the total time to demobilize to be three (3) to four (4) weeks from obtaining the necessary permits;
8. Furthermore, I also requested at that time some assurance from the Receiver that it would pay for both for the engineering and the replacement of structures prior to commencing the

demobilization process. I did not receive any confirmation or promise of compensation. Accordingly, I did not formalize any demobilization strategy.

9. I have repeated the above advice to the Receiver on many occasions, including my most recent discussion with Mr. Cerrato earlier today. I verily believe that Mr. Cerrato was made to understand the due process that needed to be followed and that Resform is not in a position to demobilize until the Receiver applies for the necessary permit, agrees to the necessary engineering and furthermore agrees to compensation for the time and effort that Resform will need to expend in the process;
10. Now shown to me and attached hereto as Exhibit "A" to this my Affidavit is a true copy of email correspondence from my solicitor to the Receivers solicitor outlining the demobilization plan dated August 28, 2017. Now shown to my and attached hereto as Exhibit "B" to this my Affidavit is a true copy of email correspondence from my solicitor to the Receivers solicitor dated August 30, 2017. I have had discussions with James Cameron, whom I believe to be a principal of the purchaser and who may consider retaining the services of Resform in regards to the work required to complete construction of the condominium on site. That meeting is scheduled for August 31, 2017 at 9:00am. At this point I am not clear on whether or not the parties will be in a position to finalize any agreement;
11. I am also advised by my solicitor and verily believe that on or about August 28, 2017 he did have discussion with Bruce Millburn, solicitor with Schneider Ruggiero, solicitors for the purchaser. I am advised by Mr. DaRe and verily believe that he did communicate to Mr. Millburn that the process of demobilizing the Resform Equipment would likely take two (2) to three (3) weeks. Now shown to me and attached hereto as Exhibit "C" to this my Affidavit is Mr. Millburn's response that for liability reasons he was unprepared to complete the transaction pending this on-going issue;
12. I verily believe that Resform has in all respects conducted itself in a prudent and reasonable manner and remains willing to expedite as much as possible the retrieval of the Resform Equipment. However, I do not believe that it is fair or reasonable to require that Resform pay out of pocket the costs associated with the demobilization at this time, particularly in light of the fact that it has yet to receive any promise of compensation for the approximately Six Hundred

Thousand Dollars (\$600,000.00) it has incurred in rental charges since the appointment of the Receiver. I have calculated the costs associated with demobilization, including engineering and labour, and verily believe that those costs will approximate Three Hundred Fifty Thousand Dollars (\$350,000.00);

13. I swear this Affidavit in order to provide this Honourable Court with an update of Resform's efforts to date.

14. I swear this Affidavit verily believing the contents to be true and for no improper purpose.

Sworn before me at the City of Vaughan,
in the Regional Municipality of York on
August 30, 2017

.....
Commissioner for Taking Affidavits
(or as may be)

Jedd DARE

.....
SANDRO BROCCA

Centurion Mortgage Capital Corporation and Terrasan 327 Royal York Rd. Limited
(Applicant) (Respondent)

Court File Number: CV-17-11679-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF
SANDRO BROCCA
(sworn August 30, 2017)

John DaRe Barrister & Solicitor
241 Applewood Cres., Unit 9
Concord, Ontario
L4K 4E6
Tel: 905-266-0772
Fax: 905-266-0773

LSUC# 30619L

Solicitor for the lien claimant,
Resform Construction Ltd.

COURT FILE NO. CV-17-11679-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

CENTURION MORTGAGE CAPITAL CORPORATION

APPLICANT

-and-

TERRASAN 327 ROYAL YORK RD. LIMITED

RESPONDENT

AFFIDAVIT OF ALEX DE IULIS

(SWORN ON SEPTEMBER 15, 2017)

I, ALEX DE IULIS, of the City of Toronto, in the Province of Ontario, hereby MAKE OATH AND SAY AS FOLLOWS:

1. I am a principal of Resform Construction Ltd., (“Resform”), a lien claimant over the property municipally known as 327 Royal York Road, Toronto, Ontario (the “Property”) and as such have knowledge of the matters I depose hereunder. Where I do not have personal knowledge I state the source of my knowledge verily believing same to be true;
2. Throughout the period of Receivership of the Property, Resform has maintained on the Property various of its construction material and equipment, both owned and rented, which collectively I refer to as the “Resform Equipment”. The Resform Equipment remains on the site as of the date hereof although Resform and the Receiver, BDO Canada Limited, have been working diligently to develop a demobilization strategy and methodology for the removal of the Resform Equipment which I understand is required to be completed prior to the Purchaser of the Property, 2402871 Ontario Inc., completing the asset purchase transaction which was approved by this Honourable Court and a Vesting Order granted on or about August 25, 2017;

3. As indicated in the third report of BDO Canada Limited, the Resform Equipment includes scaffolding which continues to support certain concrete structures at the Property. The removal of that scaffolding will require engineered shoring to be temporarily placed in the place of the scaffolding to be removed to ensure the integrity of the structure. Resform has attempted in good faith to accomplish an engineering protocol by working with the Receiver. Notwithstanding, I understand from my discussions with Sandro Brocca, the general manager of Resform and the individual that has been directly dealing with the Receivers office, that Resform has been frustrated on many occasions.
4. On or about June 28, 2017, I am advised by Mr. Brocca that he attended a site meeting in the company of Mr. Cerrato from the Receivers office and a representative of Quinn Dressel Associates, engineers of record. I am advised by Mr. Brocca that the purpose of that meeting was not to review demobilization of equipment specifically, but rather to discuss the reshoring and safety of two concrete structures that were being supported by the Resform Equipment.
5. I am further advised by Mr. Brocca and verily believe that the Receiver expressed his intent that Resform not demobilize from site but rather expressed his intent in having Resoform discuss with potential purchasers leaving the Resform Equipment on site to be utilized when construction started up again under the new ownership. I understand from Mr. Brocca however, that before providing any names of prospective purchasers, Resform was required to sign a non-disclosure agreement. I am advised by both Mr. Brocca and Resform's solicitor, John DaRe, that a non-disclosure agreement was never provided by the Receiver.
6. I am further advised by Mr. Brocca that the process of accessing the site in order to inspect the equipment has been a difficult one to arrange with the Receiver. On September 2, 2017 I am advised that Resform was denied access to the site to remove small tools belonging to Resform. As recently as the week of September 11, 2017, Mr. Brocca has been attempting to co-ordinate a further site visit with all interested parties, to discuss the damaged tower crane and finalizing demobilization but has not received any reply from the Receiver as at the time of swearing of this Affidavit.
7. Resform has been attempting to demobilize since March, 2017. Demobilization was part of our contract with the previous owner. In April and May, 2017, Resform had various discussions with

the project managers of the site, Empire Communities and specifically Paul Pellagrino who was the acting project manager of the site under the direction of the Receiver. I am advised by Sandro Brocca and verily believe that after many attempts to demobilize, Mr. Pellagrino advised Mr. Brocca that Resform attempt to deal directly with the Receiver as the Receiver was not providing direction or assisting in facilitating demobilization. I verily believe that the Receiver did delay and continues to delay participating in the demobilization process of the Resform Equipment in order to avoid the liability and expense associated with same.

8. Notwithstanding that Resform has been assisting in this Receivership by permitting the Resform Equipment to remain on site during the sales process and notwithstanding that much of the Resform Equipment was indeed required as an essential service to support existing and unfinished concrete structures, the Receiver has chosen not acknowledged any obligation to compensate Resform, despite repeated attempts by Resform to seek such compensation or alternatively to remove the Resform Equipment;
9. Following is what I believe to be the true costs incurred or to be incurred by Resform on account of the Resform Equipment being on site:

Monthly Breakdown

i.	Tower Crane	\$23,000.00
ii.	Scaffolding	\$30,767.03
iii.	Wall/Column Forms	\$14,147.07
iv.	Site Office/Tools	\$5,520.00
v.	<u>Formwork Equipment</u>	<u>\$2,850.00</u>
TOTAL		\$76,284.10

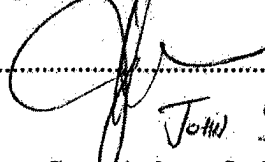
Total Cost per Month (Receivership Order made on February 24, 2017)

i.	March 2017	\$76,284.10
ii.	April 2017	\$76,284.10
iii.	May 2017	\$76,284.10
iv.	June 2017	\$76,284.10
v.	July 2017	\$76,284.10
vi.	August 2017	\$76,284.10
vii.	<u>September 15, 2017</u>	<u>\$38,142.05</u>
TOTAL		\$495,846.65


10. I have had the Resform estimators attempt to calculate the true costs of the demobilization process. This process has become substantially more complicated as a result of a recent inspection conducted on the crane which shows that it has suffered damage. Now shown to me and attached hereto as Exhibit "A" to this my Affidavit is a report provided to us from Oxford Builders Supplies received from Tower Crane Inspection Services with regards to damage on the crane.
11. As a result of the crane damage, Oxford wishes to dismantle the crane immediately. Now shown to me and attached hereto as Exhibit "B" to this my Affidavit is a true copy of an email delivered by Mr. Brocca to the Receiver of September 13, 2017 with regards to demobilization of the crane. I am advised by Mr. Brocca that he has received no response from the Receiver.
12. Not being able to utilize the existing crane complicates the dismantling and demobilizing process. Attached hereto as Exhibit "C" to this my Affidavit is a true copy of an detailed estimate of the costs anticipated to be incurred by Resform in demobilization and recalculated as a result of the crane damage together with the detailed demobilization plan previously provided to the Receiver. I have reviewed those estimates with my estimator, Chad Buttineau and Sandro Brocca, and verily believe them to be accurate.
13. Finally, I confirm that notwithstanding the Receivers lack of acknowledgement to pay to Resform its costs incurred. I have directed, our solicitor John DaRe, to communicate with the Receivers solicitor to confirm that the non-payment issue will not delay Resform from providing the necessary services to ensure an expedient demobilization of the Resform Equipment.
14. I note from the Receivers online marketing teaser attached hereto as Exhibit "D" to this my Affidavit that the Receiver has been utilizing the structures supported by the Resform Equipment in its sales process. I verily believe that Resform's support throughout has assisted the Receiver directly and all creditors in achieving a sale of the assets and they will consequently all profit from same.
15. I swear this Affidavit verily believing its contents to be true and in support of Resform's priority claim for essential services provided to the Receiver and, to this extent, furthermore rely on the

Affidavit of Sandro Brocca previously sworn and filed on August 31, 2017, and for no improper purpose;

Sworn before me at the City of Vaughan,
in the Regional Municipality of York on
September 15, 2017



JOHN DARE
Commissioner for Taking Affidavits
(or as may be)



ALEX DE IULIS

Centurion Mortgage Capital Corporation and Terrasan 327 Royal York Rd. Limited
(Applicant) (Respondent)

Court File Number: CV-17-11679-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF ALEX DE IULIS
(sworn September 15, 2017)

John DaRe Barrister & Solicitor
241 Applewood Cres., Unit 9
Concord, Ontario
L4K 4E6
Tel: 905-266-0772
Fax: 905-266-0773

LSUC# 30619L

Solicitor for the lien claimant,
Resform Construction Ltd.

TAB E

Guarantee's Payout Claim**Claim:**

Premiums:

Overdue Premiums	79,930.21
<u>Premiums Due to Aug. 29, 2018 Since Last Renewal Date</u>	<u>1,335.02</u>
Total	81,265.23

Legal Expenses:

Total Legal Costs	144,440.49
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Claims Management Costs:

Total <u>Claim Expenses To August 22, 2018</u>	58,060.00
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Total Claim:**283,765.72**

TAB F

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

AFFIDAVIT OF GARY CERRATO

I, GARY CERRATO, of the City of Newmarket, in the Province of Ontario, **MAKE OATH AND SAY** that:

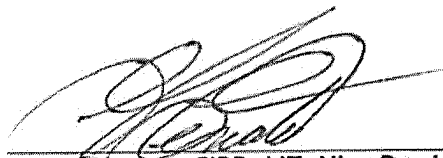
1. I am a Vice President of BDO Canada Limited, and as such have personal knowledge of the matters referred to herein.
2. By Order of the Honourable Mr. Justice Wilton Siegel, dated February 24, 2017 (the "Order"), BDO Canada Limited was appointed as Court-appointed Receiver (the "Receiver") of Terrasan 327 Royal York Rd. Limited.
3. Pursuant to the Order, the Receiver has provided services and incurred disbursements which are more particularly described in the detailed accounts attached hereto and marked as Exhibit "A".

4. The time shown in the detailed accounts attached as Exhibit "A" are a fair and accurate description of the services provided and the amounts charged by the Receiver, which reflect the Receiver's time as billed at its standard billing rates.
5. The Receiver requests that the Court approve its interim accounts for the period from February 1, 2018 to 30 June 2018 in the amount of \$150,349.61 inclusive of HST of \$17,296.86 for the services set out in Exhibit "A".
6. This affidavit is sworn in support of the Receiver's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto,
 in the Province of Ontario, this
 25th day of July 2018.



Commissioner for Taking Affidavits, etc



Gary Cerrato, CIRP, LIT, Vice President

**Antonio Montasano, a Commissioner, etc.,
 Province of Ontario, for BDO Canada LLP
 and BDO Canada Limited, and
 their subsidiaries, associates and affiliates.
 Expires December 31, 2020.**

This is Exhibit "A" referred to in the affidavit of

Gary Cerrato

Sworn before me this 25th day of July 2018


A COMMISSIONER FOR TAKING AFFIDAVITS

**Antonio Montesano, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited, and
their subsidiaries, associates and affiliates.
Expires December 21, 2020.**



Tel: 416 865 0210
 Fax: 416 865 0904
 www.bdo.ca

BDO Canada Limited
 123 Front Street W, Suite 1100
 Toronto ON M5J 2M2 Canada

Terrasas 327 Royal York Rd. Limited
 c/o BDO Canada Limited
 123 Front Street West, Suite 1100
 Toronto, ON
 M5J 2M2

Date	Invoice
25 July 2018	#Terrasan-006

RE TERRASAN 327 ROYAL YORK RD. LIMITED

TO OUR FEE FOR PROFESSIONAL SERVICES rendered from 1 February 2018 to 30 June 2018 in connection with our Receivership Engagement of the above-noted, as described below (please note that time for January 8, 2018 was omitted on previous invoice):

Our Fee	\$ 126,577.20
Disbursements	
Postage - Mailing to Purchasers	146.69
Administrative Fee - 5%	6,328.86
	6,475.55
Subtotal	133,052.75
HST - 13.00% (#R101518124)	17,296.86
TOTAL	\$ 150,349.61

Summary of Time Charges:

	Hours	Rate	Amount
M. Chow, Partner	0.90	595.00	535.50
J. Parisi, Partner	123.40	495.00	61,083.00
M. Hanson, Partner	1.00	495.00	495.00
E. Migus, Partner	1.75	550.00	962.50
G. Cerrato, Senior Manager	76.70	465.00	35,665.50
M. Marchand, Senior Manager	2.30	305.00	701.50
D. Adams, Senior Manager	8.60	305.00	2,623.00
H. Daoust, Senior Manager	0.80	325.00	260.00
K. Masciantonio, Sr. Administrator	7.10	195.00	1,384.50
T. Montesano, Administrator	85.30	198 / 200	16,991.20
Administrative Support	40.90		5,875.50
Total	348.75		\$ 126,577.20



Date	Professional	Description	Hrs.
8-Jan-18	Cerrato, Gary	Review of claims information with K. Masciantonio; call with J. Parisi and R. Kennedy re Resform situation.	1.1
1-Feb-18	Masciantonio, Katarina	Review voicemails from unit purchasers and return phone call; prepare deposit slip for insurance refund; review onthegomimico email inbox and respond to same.	0.5
1-Feb-18	Parisi, Josie	Review late claim; discussions with R. Kennedy re liens and requests from GCNA.	0.4
2-Feb-18	Masciantonio, Katarina	Review onthegomimico email inbox and log claims.	0.2
2-Feb-18	Parisi, Josie	Review final letters to deposit holder regarding missing information, discussions with R. Kennedy re same; review draft 7th report of the receiver; discussions re same with G. Cerrato.	4.1
5-Feb-18	Masciantonio, Katarina	Review onthegomimico email inbox and respond to enquiries.	0.1
5-Feb-18	Parisi, Josie	Call with R. Kennedy regarding claims log and prep for call with T. Wishart.	0.6
6-Feb-18	Parisi, Josie	Discussing outline of report with R. Kennedy and G. Cerrato	0.3
7-Feb-18	Masciantonio, Katarina	Phone call from purchaser re deposit claim; review onthegomimico inbox and respond to inquiries; log claims; update summary.	0.4
8-Feb-18	Masciantonio, Katarina	Review email from T. Scianitti re Bell and respond to same.	0.1
8-Feb-18	Montesano, Tony	File HST return.	0.1
12-Feb-18	Cerrato, Gary	Review of correspondence received; return call to Olympia investor.	0.5
12-Feb-18	Masciantonio, Katarina	Conference call with T. Wishart, J. Parisi and D. Adams re deposit claims summary; calls from unit holder re deposit claims process.	0.7
12-Feb-18	Parisi, Josie	Call with GCNA regarding our review of the claims; call with D. Michaud re Diversified claim; call with R. Kennedy re court report and update re Diversified; prepare a report outline to start preparing court report.	2.6
13-Feb-18	Adams, David	Meeting with J. Parisi re file debrief and court reports to be drafted; attend conference call with GCNA re deposit claims procedure review.	0.5
13-Feb-18	Parisi, Josie	Draft sections of the seventh court report.	0.9



Date	Professional	Description	Hrs.
14-Feb-18	Adams, David	Complete review of filing materials and discuss deposit claims procedure with J. Parisi; review sixth report of the Receiver and being draft seventh report to court re distribution to Diversified.	2.3
14-Feb-18	Cerrato, Gary	Discussion with J. Parisi re claims procedure and discussions and review of draft section of report.	0.8
14-Feb-18	Masciantonio, Katarina	Respond to inquiry; phone call from condo unit holder re deposit claim.	0.2
14-Feb-18	Parisi, Josie	Prepare claim section of report.	1.6
15-Feb-18	Adams, David	Complete draft seventh report; review interim statement of receipts and disbursements; complete review and revisions to seventh report; forward to J. Parisi for review and comment.	3.8
15-Feb-18	Masciantonio, Katarina	Draft letters to unit purchasers re information requests.	3.9
15-Feb-18	Montesano, Tony	Prepare interim SRD.	0.3
15-Feb-18	Parisi, Josie	Discussions with D. Adams regarding Terrasan Report, call with R. Kennedy re GCNA and reaching out to Alex. Speaking with R. Kennedy re update on Resform. Commence reviewing draft disallowance letter and request for info letters.	1.3
16-Feb-18	Adams, David	Review draft report with J. Parisi; discussions with R. Kennedy re application and seventh report of the Receiver.	1.0
16-Feb-18	Cerrato, Gary	Review of report; meeting with J. Parisi re same.	2.0
16-Feb-18	Masciantonio, Katarina	Prepare information request letters for mailing.	1.0
16-Feb-18	Montesano, Tony	Scan and e-mail Notice to Purchaser of Condominium letter requesting to prove claim; address inquiry from A. Haick and K. Berdnik.	1.0
16-Feb-18	Parisi, Josie	Review additional request for information letters to deposit claimants.	0.9
16-Feb-18	Parisi, Josie	Review first draft of report.	1.0
20-Feb-18	Cerrato, Gary	Further updates to report; review of claims summary; review of correspondence received from D. Michaud and A. McFarlane.	1.7
20-Feb-18	Montesano, Tony	Meet with B. Mitra condominium purchaser to review and discuss additional information provided; address question from D. Ionno condominium purchasers.	1.0



Date	Professional	Description	Hrs.
20-Feb-18	Parisi, Josie	Review final report, discuss changes with G. Cerrato, review reserve calculation.	2.4
21-Feb-18	Marchand, Matthew	Receive voicemail from creditor; receive email from creditors; correspondence with D. Adams re same.	0.1
21-Feb-18	Montesano, Tony	Respond to various condominium purchasers inquiries regarding letters received; review of additional information; respond to condominium purchasers receipt of information; update procedure claim log; upload additional information.	2.0
21-Feb-18	Parisi, Josie	Call with R. Kennedy regarding Resforms motion, which is to be adjourned today, discussion regarding GCNA's position regarding deposit claims, discussion regarding Diversified's position; review changes to draft report.	0.9
22-Feb-18	Cerrato, Gary	respond to purchaser calls re update on status of claims procedure; review of correspondence received.	0.5
22-Feb-18	Montesano, Tony	Respond to various condominium purchasers inquiries regarding letters received; review of additional information; respond to condominium purchasers receipt of information; update procedure claim log; upload additional information.	2.0
22-Feb-18	Parisi, Josie	Correspondence with various deposit claimants; review final version of court report; discussions with R. Kennedy re email from D. Michaud; deposit claims and GCNA's position.	1.9
23-Feb-18	Montesano, Tony	Respond to various condominium purchasers inquiries regarding letters received; review of additional information; respond to condominium purchasers receipt of information; update procedure claim log; upload additional information.	1.5
23-Feb-18	Parisi, Josie	Discussions with R. Kennedy re GCNA and Diversified; review information provided by deposit holder; review Receiver's interim report and provide comments.	1.7
26-Feb-18	Adams, David	Finalize 246 report changes and make arrangements with T. Montesano re final signatures and completing mail out to creditors.	1.0
26-Feb-18	Cerrato, Gary	Return calls from unit purchasers; review of correspondence received.	0.5
26-Feb-18	Montesano, Tony	Address questions from condominium purchasers; review additional provided; update log summary.	1.0
27-Feb-18	Cerrato, Gary	Return calls to unit holders re status of claims process; discuss issues re claims with T. Montesano.	0.5



Date	Professional	Description	Hrs.
27-Feb-18	Parisi, Josie	Meet with Kim D to go through the missing information to prove her claim, review additional claim info that has come in from deposit claimants advised that they needed to submit additional information; call with R. Kennedy re same.	0.7
28-Feb-18	Cerrato, Gary	Attend conference call with J. Parisi, A. McFarlane, D. Michaud and R. Kennedy to discuss issues and procedure with obtaining court approval to distribute funds to Diversified; discuss same with J. Parisi; return call from lien claimant re status of payment of lien.	1.5
28-Feb-18	Montesano, Tony	Review additional claim information provided, respond to inquiries from condominium purchasers, update log.	0.5
28-Feb-18	Parisi, Josie	Call with A. McFarlane, D. Michaud and R. Kennedy re distribution; discussion with G. Cerrato and R. Kennedy after the call.	1.6
1-Mar-18	Montesano, Tony	Review additional information provided by Condo Purchasers; discuss claim with B. Mitra.	1.0
1-Mar-18	Montesano, Tony	Contact T. Scianitti to discuss the return of modem to Bell; contacted Bell Canada to discuss return of same.	0.3
2-Mar-18	Montesano, Tony	Review of additional information received from condominium purchasers in regards to claim process; respond to inquiries from same; update summary log; upload information.	1.5
5-Mar-18	Montesano, Tony	Review of additional information provided by purchasers; numerous discussion with purchasers; confirm information received; meet with K. Hall purchaser to review information address any inquires.	1.0
6-Mar-18	Montesano, Tony	Review additional received.	1.0
7-Mar-18	Marchand, Matthew	Correspondence with D. Adams re creditor correspondence.	0.1
7-Mar-18	Montesano, Tony	Review additional information received from condominium purchasers; update tracking log; upload additional information; respond to purchaser's questions and inquiries.	1.0
8-Mar-18	Cerrato, Gary	Discussion with T. Montesano re additional claims information; reviewing claims sheet; return call to unit holders re status of claims procedure; attend to correspondence received.	1.3
8-Mar-18	Montesano, Tony	Review additional information provided by Condo Purchasers; correspond via e-mail with Condo Purchasers; upload additional information on network; search through APS to locate amendment to APS for K. Hall; discuss proof of deposit with A. Haick, S. Kahn and K. Olszewski.	1.5



Date	Professional	Description	Hrs.
8-Mar-18	Parisi, Josie	Respond to questions from T. Montesano re deposit claims and respond to deposit claimant. Send email to R. Kennedy re deposit claimant issue.	0.6
9-Mar-18	Montesano, Tony	File HST return - Feb. 2017.	0.1
9-Mar-18	Montesano, Tony	Review additional information provided by condominium purchasers; respond to condominium purchaser's inquiries; discussion with Chris Dilts from R. Chepil regarding claim Mr. Rutman; upload additional information received to network.	0.5
13-Mar-18	Marchand, Matthew	Receive voicemail and email from creditor re updates; correspondence with T. Montesano re same.	0.2
13-Mar-18	Montesano, Tony	Review of additional deposit claim information received; address inquiries from condominium purchasers; update summary log; upload additional information.	1.0
15-Mar-18	Cerrato, Gary	Return unit holder calls.	0.5
15-Mar-18	Marchand, Matthew	Review faxes received re deposit claims; correspondence with T. Montesano re same.	0.1
15-Mar-18	Montesano, Tony	Review claim and proof of deposits for A. Rutman Unit# 305	1.0
16-Mar-18	Cerrato, Gary	Review of correspondence received.	0.5
16-Mar-18	Montesano, Tony	Review of additional information received; respond to condominium purchaser inquiries.	0.5
16-Mar-18	Parisi, Josie	Reviewing all claims that provided additional information to ensure it was complete.	1.9
19-Mar-18	Marchand, Matthew	Matters related to claimants submissions.	0.3
19-Mar-18	Parisi, Josie	Call with deposit claimant regarding his claim; email to GCNA regarding additional information to be uploaded.	0.6
20-Mar-18	Parisi, Josie	Prepare for meeting at Dentons re deposit claims and finalize report to court.	1.1
21-Mar-18	Cerrato, Gary	Attend meeting with J. Parisi at Dentons LLP.	0.5
21-Mar-18	Montesano, Tony	Review of condominium purchasers claimants; update log; send same to R. Kennedy.	0.5



Date	Professional	Description	Hrs.
21-Mar-18	Parisi, Josie	Going through additional information provided by claimants and updating the listing T. Montesano, call with D. Michaud, calls with R. Kennedy re claims and diversified distribution; responding to various deposit claimants questions and requests for updates.	1.2
22-Mar-18	Cerrato, Gary	Conference call with J. Parisi and R. Kennedy to discuss diversified distribution; call with R. Ma from Vandyk re Diversified distribution; reviewing creditor correspondence.	1.7
22-Mar-18	Parisi, Josie	Conference call with R. Kennedy re distribution motion and lien claims, discussions with D. Michaud re his motion, review various emails from D. Michaud and A. McFarlane regarding their respective positions.	1.4
23-Mar-18	Parisi, Josie	Discussions with R. Kennedy re updating report for distribution and update of claims.	0.4
26-Mar-18	Cerrato, Gary	Review of correspondence received; return call to units holders re update on status of claims procedure.	0.7
27-Mar-18	Parisi, Josie	Respond re 1706 deposit claim.	0.1
28-Mar-18	Cerrato, Gary	Update discussion with J. Parisi on the status of claims distribution and Diversified distribution; review of correspondence received; return calls to unit holders re update on status of claims procedure and distribution.	0.9
28-Mar-18	Montesano, Tony	Respond to condominium purchaser request; update.	0.3
28-Mar-18	Parisi, Josie	Correspondence with R. Kennedy re disallowance notices, requests for lien claimants, updated claims register.	0.9
29-Mar-18	Cerrato, Gary	Respond to inquiries from unit holders re update on status of claims distribution; review of correspondence received.	0.7
29-Mar-18	Montesano, Tony	Respond to condominium purchasers inquiries.	0.3
29-Mar-18	Parisi, Josie	Email correspondence and call with deposit claimant (Polly Lee) regarding deficiencies in her deposit claim and explaining procedure to her; answering various questions.	0.4
2-Apr-18	Cerrato, Gary	Reviewing claims procedure information; reviewing claims procedure log and reconcile with claims information; discussion re same with T. Montesano.	2.0
2-Apr-18	Montesano, Tony	Review of Condo purchaser claims; update summary log with J. Parisi.	2.0



Date	Professional	Description	Hrs.
2-Apr-18	Parisi, Josie	Correspondence with GCNA re claims process, correspondence with R. Kennedy re disallowances and barred claims.	0.3
3-Apr-18	Cerrato, Gary	Conference call with R. Kennedy and J. Parisi to discuss claims procedure and diversified distribution; reviewing claims procedure summary and updating same; meeting with T. Montesano re same.	2.5
3-Apr-18	Marchand, Matthew	Review correspondence from claimant; correspondence with T. Montesano re same.	0.1
3-Apr-18	Montesano, Tony	File March 2018 HST return; review and confirm information received from condominium purchaser uploaded to data room and the network.	1.0
3-Apr-18	Parisi, Josie	Conference call with R. Kennedy regarding deposit claim order and update report. Reconciliation of claims for report, report update; reconciling claims list; discussions.	3.1
4-Apr-18	Marchand, Matthew	Review email from claimant; correspondence with T. Montesano re same.	0.1
4-Apr-18	Montesano, Tony	Send balance of condominium purchaser's information to B. Quay to upload into data room; address questions and inquiries from condominium purchasers regarding status of deposit claims procedure; search and send forfeit letters to R. Kennedy; review changes to log summary.	2.0
5-Apr-18	Cerrato, Gary	Vetting additional information from claimants; conference call with J. Parisi and R. Kennedy to discuss issues with claims procedure and to discuss settlement offer with Resform.	5.0
5-Apr-18	Montesano, Tony	Review and Update Claim with G. Cerrato; forward additional information to B. Quay for uploading to the data room.	3.0
5-Apr-18	Parisi, Josie	Call with R. Kennedy to discuss report and claims update, call with T. Wishart, review additional info on claims. Call with Rob Kennedy to discuss proposed resolution on Resform.	2.1
6-Apr-18	Cerrato, Gary	Working on vetting claims for claims procedure; updating claims schedules.	5.0
6-Apr-18	Montesano, Tony	Review and update claims with G. Cerrato; work on and update Claim Determination Summary; contact T. Lakovic to discuss proof of claim; request for cancelled cheques; contact A. Maharaj condo purchaser regarding proof of deposit.	3.0



Date	Professional	Description	Hrs.
6-Apr-18	Parisi, Josie	Detailed review of the claims log, discussion with G. Cerrato re same; make appropriate changes; discussions with R. Kennedy re same.	3.6
9-Apr-18	Montesano, Tony	Contacted S. Panda condo purchasers unit# 2307 to advise that she was omitted in error in mailing for request of additional information; advised proof of deposit by way of cancelled cheque or bank statement is required; purchaser to provide the proof review additional information provided by K. Asnani Unit# 701; correspond with J. Parisi regarding same; pull information from for unit701; correspond with T Lakovic request for additional information; attend to questions from T. Wishart regarding deposit funds; forward updated excel summary log to same.	2.5
9-Apr-18	Parisi, Josie	Prepare for meeting with GCNA, meet with GCNA to reconcile the deposit claims log and provide additional information.	1.9
10-Apr-18	Montesano, Tony	Review of additional information received from condominium purchasers; respond via e-mail to inquiries from condominium purchasers; forward proof of deposit to R. Kennedy at Dentons; forward same to B. Quay upload to data room.	1.0
10-Apr-18	Parisi, Josie	Call with rob to go through the final claims analysis and discuss how the bond releases operate.	1.8
11-Apr-18	Montesano, Tony	Meet with J. Parisi to review, confirm and update Claim Determination Summary & Barred Claim Summary; discussion with N. Canizares regarding proof of claim of unit#1601; review additional condo purchasers information; upload; forward to B. Quay upload to data room.	2.0
11-Apr-18	Parisi, Josie	Reconciliation of Receivers claim summary to Dentons, review disallowance notices and send for finalization, call with R. Kennedy to discuss GCNA's position, review email from GCNA's counsel, discussions with R. Kennedy re GCNA's email, call with Diversified to advise of status of distribution, call with R. Kennedy regarding modifications to report and next steps.	4.9
12-Apr-18	Montesano, Tony	Discussion with A. Maharej re: amending proof of claim; review barred claim summary and claim determination summary; respond to A. Borujerdi inquiry regarding status of deposit claims process.	1.5



Date	Professional	Description	Hrs.
12-Apr-18	Parisi, Josie	Review email correspondence from D. Michaud re Diversified's position relative to GCNA's email of yesterday. Correspondence with R. Kennedy re Diversified position. Prep correspondence to deposit holders, correspondence with GCNA, various discussions with T. Montesano re process. Calls with R. Kennedy re claims process.	3.7
13-Apr-18	Chow, Mark	Review correspondence from Dentons.	0.3
13-Apr-18	Montesano, Tony	Search e-mail addresses; e-mail acceptance and disallowance letters to condo purchaser; spoke with K. Kevin condo purchaser regarding amending his proof of claim to correct amount claimed.	2.5
13-Apr-18	Parisi, Josie	Call with R Kennedy to go through the motion materials, changes to court report, review acceptance letters, review numerous emails regarding GCNA and Diversified priority issue, various revisions and updates to report.	6.1
16-Apr-18	Marchand, Matthew	Review email and attachment from J. Parisi re motion record; correspondence with IT re receiver's website.	0.1
16-Apr-18	Parisi, Josie	Prepare memo to approved deposit holders and circulate to Dentons, prep schedule G, H & I for preparations in anticipation of payment of claims. Conference call with GCNA and Diversified regarding a distribution to Diversified in advance of GCNA.	2.6
17-Apr-18	Montesano, Tony	Conversation with M. Ferriera re condominium purchaser claimant; respond to various condominium purchasers re status of return of deposits.	1.0
18-Apr-18	Cerrato, Gary	Discussion with J. Parisi re developments at Court; returning condominium purchasers that received disallowances; discussions with T. Montesano re claims procedure issues.	1.0
18-Apr-18	Chow, Mark	Update discussion with J. Parisi re file status and court hearing.	0.3
18-Apr-18	Montesano, Tony	Zuleyma E. Chicas condominium purchaser called regarding disallowance letter she received; spoke with A. Smith lawyer for D. and P. Trapasso regarding arrangements to issue cheque in St. Catharines office.	0.5
18-Apr-18	Parisi, Josie	Attend court on Terrasan.	3.8
19-Apr-18	Cerrato, Gary	Return calls from various deposit claimants, review revision notices, memo and letters, review certificate, receipts and acknowledgement letters for claims protocol; discussion with T. Montesano re claims procedure.	1.9



Date	Professional	Description	Hrs.
19-Apr-18	Marchand, Matthew	Coordinate posting of court documents to Receiver's website.	0.2
19-Apr-18	Montesano, Tony	Deal with K. Asnan Unit#701 regarding acceptance of claim.	0.2
19-Apr-18	Parisi, Josie	Review and approve disbursements, receive calls from various deposit claimants to discuss letters and as questions, update to memo, draft revision notices, review certificate, receipts and acknowledgement letters.	1.9
20-Apr-18	Cerrato, Gary	Dealing with claims procedure letters and disallowances; reviewing claims schedule to confirm correspondence is correct; meeting with J. Parisi re same.	2.5
20-Apr-18	Marchand, Matthew	Review email from claimant re disallowed claim; correspondence with T. Montesano re same.	0.1
20-Apr-18	Montesano, Tony	E-mail notice to Condo Purchasers regarding the return of their deposits; respond to inquiries from condominium purchasers; prepare payment return of deposit for M. Ferrera.	2.5
20-Apr-18	Parisi, Josie	Prepare memo to approved and give direction to send out; Refify receipt, confirmation certificates for each of the proven deposit claimants; discussions with G. Cerrato regarding the trust funds and the revision notices. Prepare wording for website. Speak to various deposit claimants. Various communication with V. Ginic re procedure.	4.1
23-Apr-18	Cerrato, Gary	Dealing with claims procedure.	1.0
23-Apr-18	Montesano, Tony	Prepare distribution for the return of Deposit Funds to condominium purchasers; draft notice of revision; address questions from condominium purchaser regarding timing for release of funds.	2.0
23-Apr-18	Parisi, Josie	Review Power of Attorney from deposit claimant, discussions with R. Kennedy re same and provide correspondence with M Cinipar re his deposit.	1.4
24-Apr-18	Cerrato, Gary	Dealing with claims procedure matters; discussions with J. Parisi and T. Montesano re same.	1.0
24-Apr-18	Marchand, Matthew	Discussion with G. Cerrato and T. Montesano re claims procedure and related matters; review of claims procedure order.	0.7
24-Apr-18	Montesano, Tony	Prepare distribution of return of Deposit Funds; draft and send e-mail's to condominium purchasers advising all parties must attend office to pick-up cheque; discuss revision letters with G. Cerrato; contact certain condominium purchaser to discuss arrangements to pick-up cheque at a local BDO office.	1.5



Date	Professional	Description	Hrs.
24-Apr-18	Parisi, Josie	Call with R. Kennedy to discuss protocol and Statutory declaration; review changes to Deposit Claims Protocol and Stat Dec; call regarding interest; call with deposit claimants regarding so claims.	2.3
25-Apr-18	Cerrato, Gary	Dealing with claims process; return call to syndicated investor on the Olympia mortgage to discuss status of receivership and distributions; review of deposit refund protocol; discussions with T. Montesano re Revision Claims; discussions re various distribution issues with J. Parisi; conference call with R. Kennedy and J. Parisi to discuss various issues with regard to the deposit refund protocol and other issues with regard to refunding monies to deposit claims holders.	2.3
25-Apr-18	Montesano, Tony	Numerous discussion with Condo Purchasers regarding time frame for picking up deposit funds; deal with condo purchaser that received disallowance letters; assisting them with locating and completing the notice of dispute.	2.0
25-Apr-18	Parisi, Josie	Review all cheques requests for payment of deposits; review changes to Claims Protocol Order; discussions with R. Kennedy re protocol and side letters; additional call with R. Kennedy re additional revision to protocol.	3.3
26-Apr-18	Cerrato, Gary	Reviewing notices of revision; review of deposit payment protocol documentation; various calls with R. Kennedy re same; review of draft order.	2.5
26-Apr-18	Montesano, Tony	Discussion with L. Johnson regarding disallowance of claim and process to dispute; address questions from A. Maharaj; P. Apostolakos regarding timeframe to attend office to pick-up deposit funds; make changes to revision letters forward to G. Cerrato for review.	1.0
26-Apr-18	Parisi, Josie	Sign all cheques and check to ensure proper name and amounts, review draft revision notices, 4 conference calls with R. Kennedy re claims protocol and side letter; discussions with G. Cerrato re same.	3.3
27-Apr-18	Cerrato, Gary	Conference call with R. Kennedy and J. Parisi to discuss undertaking to provide electronic records to Tarion and the timing of same; discussions re language required in Notices of Revision; return calls to unit holders re deposit payment issues; meet with unit holder re picking up his cheque.	2.2
27-Apr-18	Marchand, Matthew	Arrange to have court documents posted to Receiver's website.	0.1



Date	Professional	Description	Hrs.
27-Apr-18	Montesano, Tony	Communicate with a number of condo purchasers regarding arrangements to pick-up return of deposit funds; meet with K. Asnani condo purchaser pick-up cheque; discussion with G. Cerrato regarding re-vision letters; receive from L. Dula confirm payments.	3.0
27-Apr-18	Parisi, Josie	Call with G. Cerrato and R. Kennedy re email received from D. Michaud re timelines to complete certain tasks, follow up with GCNA re consents, discussions Polly Lee re her claim. Calls with various purchasers regarding their claims.	1.9
30-Apr-18	Cerrato, Gary	Dealing with claims payment protocol; discussions with T. Montesano re same; review of undertaking information to provide to Tarion; review of amendments to Notices of Revision; return calls to unit holders; lengthy call with Olympia syndicated mortgage holder to discuss status of distributions and claims process.	1.7
30-Apr-18	Migus, Eugene	Communication with customers regarding cheque payments.	0.15
30-Apr-18	Montesano, Tony	Meet with Condo Purchasers re: return of Deposit Funds; gather information; proof of ID; make copies.	4.5
30-Apr-18	Parisi, Josie	Meeting with certain purchasers to release deposits, calls from purchasers re their deposits, review email from R. Kennedy re side letter, discussions with T. Montesano re process and certificates to be prepared.	2.1
1-May-18	Cerrato, Gary	Dealing with claims payment protocol undertakings; reviewing payments made by the Receiver to date and prepare and execute Receiver's Certificate evidencing payments; discussions with J. Parisi re payment protocol undertakings; conference call with J. Parisi and R. Kennedy re cheques released and certificate requirement.	2.5
1-May-18	Migus, Eugene	Telephone discussion with S. Marquis; meeting with S. and E. Marquis.	0.4
1-May-18	Montesano, Tony	Discussion with G. Cerrato regarding the Data Room; confirm all information sent to B. Quay to be uploaded to Data Room; contact C. Wohlfield request access to Data Room; conversation with A. Becker from the Hamilton Office regarding receipt of documents to be signed by condo purchaser; discussion with G. Cerrato regarding Notice of Revision Letters; communicate with S. Rickards from the Hamilton Office regarding request for Condo Purchaser to attend the Hamilton Office; arrange and coordinate to have documents signed by M. Cappuccitti condo purchaser in our New York Office; correspond with E. Migus confirm receipt of documents couriered to his attention for E. M. Marquis & Selwyn L. Marquis; communicate with C. Parker condo	4



Date	Professional	Description	Hrs.
		purchaser confirm ID required; correspond with D. Heslop and A. Leung, co-ordinate date and time of pick-up of cheque; scan revision letter to Info@lawyers.ca re A. Rutman; send revision letters to J. McCallum, W. Zarzeczny, B. Pasierbek and Z. Pasierbek.	
1-May-18	Parisi, Josie	Call with R. Kennedy re cheques released to date, requirement for certificate and requirement for documentation for Tarion; discussions with B. Chiasson re pulling together all documentation; discussions with Purchaser and making arrangements to obtain their funds from another BDO office; discussions with BDO NYC re assistance with a purchaser located in NYC; return various phone calls. Review Receiver's certificate #1 and discuss with R. Kennedy.	2.2
2-May-18	Cerrato, Gary	review of correspondence re claims payment protocol and issues with upcoming motion of Diversified.	0.5
2-May-18	Montesano, Tony	Correspond with J. Paradiso from BDO New York regarding documents couriered to her attention re: Matthew Cappuccitti; correspond with C. Dilts Ross Chepil regrading e-mail received regarding A. Rutman acceptance of the revision claim; correspond with L. Cavers from the St. Catharines office regarding Peter Apostolakos & Kanela Katis; communicate with E. Migus from the Mississauga office re Cezary Kurzyna & Joanna Kurzyna Unit# 1905 would like to pick-up their cheque at the Mississauga Office; correspond with J. Parisi regarding acceptance letters for revision claimants Units 305 & 2206 do not wish to dispute their claim.	1.5
2-May-18	Parisi, Josie	Call with R. Kennedy to discuss Receiver's certificate and correspondence with D. Michaud re his motion, review email from D. Michaud re deal with Morrison.	1.4
3-May-18	Cerrato, Gary	Review of correspondence received; return of unit holder calls; review of correspondence re Notices of Revision; discuss deposit claims protocol undertakings with J. Parisi; review and discuss issues with Diversified distribution.	1.1
3-May-18	Migus, Eugene	Communication with R. Cinapri; subsequent meeting with R. Cinapri; telephone call from C. Kurzyna.	0.4
3-May-18	Montesano, Tony	Meet K. Hall and A. Hall, S. Halford and N. Luisi and R. Dack Heslop condo purchasers re: return of deposit funds; respond to condo purchasers inquiries regarding scheduling a time and date to pick-up cheque; discussion status of deposit claim with P. Lee and G. Gilmour.	1.5



Date	Professional	Description	Hrs.
3-May-18	Parisi, Josie	Review and sign side letter, discussions with Dom re certificate to support his motion, call to R. Kennedy to discuss revision notices, discussions with T. Montesano re deposits released.	0.4
3-May-18	Parisi, Josie	Call Robert re motion being brought forward by Diversified, discuss next steps, discussions with various purchasers.	0.7
4-May-18	Cerrato, Gary	Dealing with claims protocol undertakings; prepare receiver's certificate and schedules.	1.7
4-May-18	Migus, Eugene	Meetings with C. Kurzyna and J. Kurzyna.	0.3
4-May-18	Montesano, Tony	Meet with condo purchasers regarding return of deposit funds; arrange for courier of documents to the Mississauga and Hamilton office; for pick-up by Condo Purchasers; forward copy of acceptance letters to T. Wishart; prepare cheque requisitions for Anastasia Rutman Unit# 305 & Joanne McCallum Unit 2206; communicate with M. Cappuccitti regarding picking up cheque in out NY office; correspond same with J. Paradiso; communicate with C. Dilts lawyer for Ms. Rutman.	3.5
4-May-18	Parisi, Josie	Review listing of missing termination letters and provide to Dentons, discussions with R. Kennedy re Diversified's motion, review receiver's certificate, make changes, discussions with G. Cerrato; discussions with Joyce of BDO NYC re deposit moneys to be picked up in NYC.	2.2
7-May-18	Cerrato, Gary	Attend to correspondence received.	0.3
8-May-18	Migus, Eugene	Meeting with K. Cinapri.	0.2
8-May-18	Montesano, Tony	Meet with Condo Purchasers regarding return of deposit funds process; correspond with J. MaCullum and C. Adams condominium purchasers re: arrange time for pick-up of funds.	0.5
9-May-18	Cerrato, Gary	Review of correspondence received; discussion re Diversified motion with J. Parisi.	0.2
9-May-18	Montesano, Tony	Correspond with S. Rickards arrange to send documents.	0.3
9-May-18	Parisi, Josie	Call with R. Kennedy re Diversified's motion, start preparing court report.	1.2
10-May-18	Cerrato, Gary	Review of Notices of Dispute and discuss with T. Montesano; review of additional payments to approved deposit claimants.	0.5
10-May-18	Montesano, Tony	File April 2018 HST Return.	0.2



Date	Professional	Description	Hrs.
10-May-18	Montesano, Tony	Upload Notice of Disputes to network.	0.3
10-May-18	Montesano, Tony	Respond to inquiries from condominium purchaser re disallowance of claim.	0.5
10-May-18	Parisi, Josie	Discussions with R. Kennedy re motion being adjourned, receiver's certificate, discussions with T, Montesano re certain deposit documentation received.	0.6
11-May-18	Cerrato, Gary	Filing of Receiver's Certificate 3 and assembling documents; review of correspondence and follow up on status of claims procedure.	1.0
11-May-18	Chow, Mark	Review correspondence on court application status from Robins Appleby.	0.3
11-May-18	Montesano, Tony	Spoke with M. Dylewski re POA for M. and B. Kasprzyk; advised will require 2 pc's of original Government ID at time of picking up cheque; meet with C. Adams re: return of deposit funds; correspond with G. Galmour via e-mail schedule date and time for pick-up of cheque; discussion with I. Johnson re: disallowance and notice of dispute; next step in process; e-mail J. McCullum regarding schedule 'H' not signed.	0.8
11-May-18	Parisi, Josie	Review receiver's certificate, discussions with G. Cerrato re outstanding deposit claims, review POA for two deposit holders and provide direction to T. Montesano, email correspondence with R. Kennedy re motion on Tuesday.	0.8
14-May-18	Cerrato, Gary	Review of correspondence received.	0.5
14-May-18	Montesano, Tony	Spoke with D. Ionno condominium purchaser re: schedule date and time to attend office to pick up return of deposit funds.	0.2
14-May-18	Parisi, Josie	Review email from R. Kennedy re the claims process and the next steps; providing info as requested.	0.4
15-May-18	Cerrato, Gary	Meeting with T. Montesano to review electronic records by unit to determine missing information to comply with court order.	2.5
15-May-18	Montesano, Tony	Meet with G. Cerrato to ensure that all additional information requested of Condo Purchasers is uploaded to network; meet with A. Rutman re: return of deposit funds; discuss date and time with D. Ionno re: return of deposit funds.	1.0



Date	Professional	Description	Hrs.
16-May-18	Cerrato, Gary	Dealing with claim payment and protocol issues and reconciling missing information and ensuring same is saved in the network.	2.5
16-May-18	Montesano, Tony	Met with D. Ionno re: condominium purchaser re: return of deposit funds; Correspond via e-mail with B. Pasierbek condo unit purchaser re: return of deposit funds; discuss same with G. Cerrato.	0.5
17-May-18	Montesano, Tony	Correspond with Tara Wishart from the Guarantee Company of North America re: processing consent for B. Pasierbek and Z. Pasierbek Unit #1407; spoke with B. Bartolini re: J. McCallum condo purchaser need to have her sign schedule "H" identity form.	0.5
18-May-18	Cerrato, Gary	Review of correspondence received re claims procedure.	0.5
18-May-18	Montesano, Tony	Correspond via e-mail with Z. Pasierbek and M. Yanekina condominium purchasers.	0.4
18-May-18	Parisi, Josie	Emails exchange with R. Kennedy re protocol information.	0.5
22-May-18	Cerrato, Gary	Working on assembling deposit payment procedure data for Tarion; conference call with J. Parisi and R. Kennedy to discuss status of deposit payment procedure and review claims.	3.5
22-May-18	Daoust, Hugo	Telephone call with T. Montesano from Toronto office to remit deposit to a mortgage buyer; receive information by email.	0.3
22-May-18	Montesano, Tony	Meet with J. Parisi and G. Cerrato to discuss balance of deposit claimants; contact H. Daoust in our Montreal office re J. Colonna condominium purchaser would like to go the Montreal office; spoke with E. Migus re Unit 1904 G. Marandola and 1501 G. Gilmour and C. Adam would prefer at attend the Mississauga Office.	1.0
22-May-18	Parisi, Josie	Conference call with R. Kennedy to deal with remaining claims and the information required for Tarion; also discussion regarding court last week; discussions with G. Cerrato re report prep for reduction of bond; discussion regarding other file matters.	2.6
23-May-18	Montesano, Tony	Meet with B. and Z. Pasierbek re return of deposit funds; courier documents for Unit 1904 G. Marandola and 1501 G. Gilmour and C. Adam to E. Migus; courier documents for J. Colonna, Unit 1401- Condo Purchaser to the Montreal Office; contact Malgorzata POA for M. Kasprzyk and B. Kasprzyk unit 905, request update on request to obtain original proof of ID for condo purchasers.	0.5



Date	Professional	Description	Hrs.
24-May-18	Cerrato, Gary	Return of calls re Notices of Dispute and discuss possible resolution of same; return call to Olympia syndicated mortgage broker; dealing with assembling Deposit Payment Protocol documentation and review of same.	2.5
28-May-18	Migus, Eugene	Meetings with G. Marandola and G. Gilmour.	0.3
29-May-18	Cerrato, Gary	Review of status of claims; review of correspondence received; prepare receiver's certificate 4 and accompanying documents.	1.0
29-May-18	Daoust, Hugo	Take appointment with Mr. Colonna, meet him, sign documents, remit cheque and send to Toronto.	0.5
29-May-18	Montesano, Tony	Met with M. Dylewski power of attorney for Malgorzata and Boguslaw Kasprzyk for Deal with Unit# 905, return of deposit funds.	0.4
29-May-18	Parisi, Josie	Review and discuss Tarion's letter re ratchetting down of the bond.	0.1
30-May-18	Cerrato, Gary	Review of claims procedure status; review and sign further correspondence to proven deposit claim holders; respond to call from syndicated mortgage holder re status of claims procedure and timing of further distributions to Diversified and Olympia.	1.5
30-May-18	Montesano, Tony	Draft letters for Units 1507, 1609 and 2406 outstanding proven deposit claims to be paid; mail and scan to same.	0.5
31-May-18	Cerrato, Gary	Dealing with claims procedure documentation; reviewing claims summary update; forward information to R. Kennedy; return call re status of claims procedure with syndicated mortgage holder (Olympia mortgage).	1.5
31-May-18	Montesano, Tony	Upload APS's to barred claim condominium purchasers.	1.0
31-May-18	Parisi, Josie	Assist in assembling info for Tarion on USB.	0.4
1-Jun-18	Cerrato, Gary	Review and respond to correspondence received re status of claims process; return call to Olympia mortgage holder.	0.7
1-Jun-18	Montesano, Tony	Upload the Agreement of Purchase and Sale to the Barred Claims condominium purchasers file.	3.5
4-Jun-18	Cerrato, Gary	Conference call with R. Kennedy and J. Parisi to discuss claims procedure status and discuss distribution issues and to strategize in general.	1.0
5-Jun-18	Cerrato, Gary	Review of correspondence.	0.7



Date	Professional	Description	Hrs.
5-Jun-18	Montesano, Tony	Discussion with W. Zarzecny re does not intend to dispute claim; received e-mail from W. Zarzecny confirming same.	0.2
6-Jun-18	Montesano, Tony	Load APS's re barred claims to network.	1.5
7-Jun-18	Montesano, Tony	Transfer of APS's on to memory stick, send same to R. Kennedy at Dentons LLP.	1.0
7-Jun-18	Cerrato, Gary	Review of correspondence received.	0.5
8-Jun-18	Montesano, Tony	Correspond with L. Hilario re return of deposit funds.	0.3
8-Jun-18	Marchand, Matthew	Review email from claimant re attendance at office to retrieve cheque; correspondence with T. Montesano re same.	0.1
11-Jun-18	Parisi, Josie	Call with R. Kennedy re Tarion email and Receivers certificate #5; discussions with G. Cerrato re outstanding deposit holder's cheques.	0.6
13-Jun-18	Cerrato, Gary	Review of correspondence received; review of remaining claims issues with T. Montesano.	0.5
15-Jun-18	Cerrato, Gary	Review of correspondence received; return creditor call.	0.5
19-Jun-18	Parisi, Josie	Drafting 8th report of the receiver, discussions with R. Kennedy re report.	4.1
21-Jun-18	Parisi, Josie	Prepare 8th report; call with R. Kennedy regarding 8th report.	5.7
21-Jun-18	Cerrato, Gary	Call with individual that filed Notice of Dispute to discuss treatment of disputed claims.	0.3
22-Jun-18	Parisi, Josie	Working on draft report, discussions with G. Cerrato re claims information to be included in the report.	5.8
25-Jun-18	Parisi, Josie	Preparing the 8th report, discussion with M. Hansen regarding review the report.	3.4
25-Jun-18	Cerrato, Gary	Review of draft report; discussions re same with J. Parisi.	0.7
25-Jun-18	Hanson, Michael	Second partner review eighth report.	1.0
26-Jun-18	Parisi, Josie	Review changes to draft court report and make changes as appropriate; review NOM and provide comments, call with Vanja re discrepancy in figures in report, numerous discussions with R. Kennedy re distribution to diversified, review email exchanges with Tarion and GCNA; discussions with D. Michaud re distributions; discussions with G. Cerrato re same.	3.3



Date	Professional	Description	Hrs.
27-Jun-18	Cerrato, Gary	Review of report; reviewing claims procedure figures; discuss same with J. Parisi.	1.0
29-Jun-18	Cerrato, Gary	Review of correspondence received; return call to Olypia syndicated mortgage holder to update on status of interim distribution to Diversified.	0.5
29-Jun-18	Montesano, Tony	Follow-up with S. Hilariocondo purchaser re return of deposit funds.	0.1
29-Jun-18	Parisi, Josie	Discussions with R. Kennedy; emails to R. Kennedy re distribution and keeping court date.	1.3

TAB G

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

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

**AFFIDAVIT OF ROBERT KENNEDY
(Sworn August 23, 2018)**

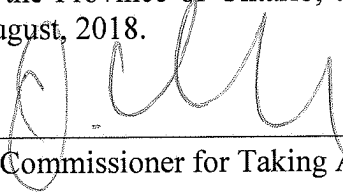
I, **ROBERT KENNEDY**, of the City of Toronto, in the Province of Ontario, **SWEAR
AND SAY AS FOLLOWS:**

1. I am a Partner with Dentons Canada LLP ("**Dentons**"), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated February 24, 2017 (the "**Receivership Order**"), BDO Canada LLP was appointed Receiver and Manager of Terrasan 327 Royal York Rd. Limited in the within proceedings (the "**Receiver**").
3. The Receiver retained Dentons as counsel to advise it with regard to the matters related to its appointment and the exercise of its powers and performance of its duties.

4. The Receivership Order provides at paragraph 21 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges.
5. The Dentons fees and disbursements for the period of January 1, 2018 – May 31, 2018 (the “**Fee Period**”), are summarized in the invoices rendered to the Receiver (the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoices and that it considers the fees and disbursements as fair and reasonable. Attached and marked as **Exhibit “A”** are the Invoices.
6. Attached and marked as **Exhibit “B”** is a schedule summarizing the Invoices, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit “C”** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. For the Fee Period, Dentons voluntarily applied a discount to the fees charged under the Invoice. The amount of the discount is reflected in the Invoice.
9. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.

10. I make this affidavit in support of the motion for, among other things, approval of the fees and disbursements of Dentons and for no other or improper purpose.

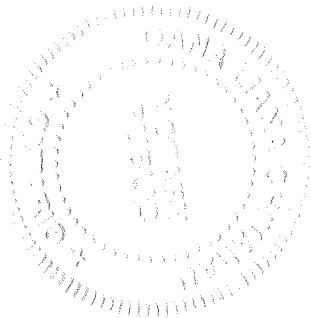
SWORN before me at the City of Toronto
in the Province of Ontario, this 23rd day of
August, 2018.



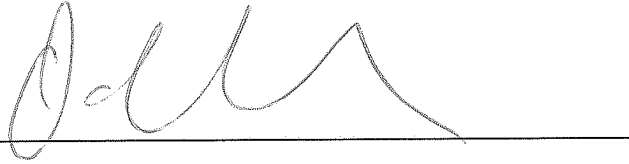
A Commissioner for Taking Affidavits, etc.



ROBERT KENNEDY



THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 23rd DAY OF AUGUST,
2018.

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by several loops and a long horizontal stroke at the end. The signature is written above a solid horizontal line.

A Commissioner for Taking Affidavits, etc.

BDO Canada LLP
1100-123 Front Street West
Toronto, ON M5J 2M2
Attention: Mark Chow**INVOICE # 3348913**GST/HST # R121996078
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
April 30, 2018	201205-000011	Robert Kennedy

BDO Canada LLP
Re: Receivership Proceedings of Terrasan 327 Royal York Rd.
Limited

Professional Fees	\$ 74,730.00
Less: Discount	<u>(1,730.00)</u>
Net Professional Fees	\$ 73,000.00
Disbursements	76.59
HST (13.0%) on \$73,076.59	<u>9,499.96</u>
Total Amount Due	<u>\$ 82,576.55</u> CAD

Payment Options:	
<p><u>Cheques:</u> Cheques payable to Dentons Canada LLP and mailed to the above noted address.</p> <p><u>Wire Transfer:</u> Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account : 0004-324</p>	<p><u>Internet Banking:</u> Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 201205. Please email us at Edm.Accounting@dentons.com referencing invoice number and payment amount.</p> <p><u>Credit Card:</u> Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No. _____ Expiry Date: _____ Amount: _____ Cardholder Name: _____ Signature: _____</p>
<p>Please email us at AR.Canada@dentons.com referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.</p>	

We are very grateful to have you as a client and appreciate your business.
 Please provide your feedback to us at www.dentons.com/en/clientfeedbackcanada

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED for the period ending December 31, 2017:

Date	Timekeeper	Description of Work
02-Jan-18	Robert Kennedy	Work on claims process matters. Conversation with Dom Michaud regarding lien claims and administration matters. Correspondence to and from Alex MacFarlane regarding NDA and claims process. Various correspondence to and from Josie Parisi. Correspondence to John DaRe. Review revised NDA.
03-Jan-18	Robert Kennedy	Work on claims process matters.
04-Jan-18	Robert Kennedy	Correspondence to and from Josie Parisi. Work on claims process matters. Review revised NDA.
09-Jan-18	Robert Kennedy	Work on claims process matters. Correspondence from and to Josie Parisi. Review correspondence regarding lien matters. Conference with Vanja Ginic. Review revised NDA. Voicemail left with Josie Parisi.
09-Jan-18	Vanja Ginic	Email correspondence regarding Mancini lien claim. Review of Mancini claim and invoices. Discussion with Robert Kennedy regarding same.
10-Jan-18	Robert Kennedy	Review revised NDA. conversation with Alex MacFarlane. Various correspondence to and from Alex MacFarlane. Correspondence to and from Josie Parisi. Work on lien claim matters. Conference with Vanja Ginic regarding lien claims. Work on claims process matters.
10-Jan-18	Vanja Ginic	Discussion with Robert Kennedy regarding lien claims. Email correspondence with Robert Riteman and Robert Mancini. Email correspondence with Kara Hamilton regarding Olympia payout letter and advance summary. Preliminary review of Fletcher statements. Discussion with Robert Kennedy regarding Mancini lien claim call. Email correspondence with Robert Riteman and Robert Mancini to schedule lien claim call.
11-Jan-18	Robert Kennedy	Review correspondence from Alex MacFarlane. Revise NDA. Correspondence to Josie Parisi. Work on claims process matters. Various correspondence to and from Katarina Masciantonio. Review correspondence from Vanja Ginic regarding lien claims.
11-Jan-18	Vanja Ginic	Preparing for call with Mancini lien claimant and counsel. Reviewing Mancini lien claim. Call with Robert Riteman. Email report on call to Robert Kennedy. Email correspondence with Bernie Romano regarding lien claim status. Review deposit claim chart and email

Date	Timekeeper	Description of Work
		correspondence regarding same. Email from Kara Hamilton regarding Fletcher deposit confirmation.
12-Jan-18	Robert Kennedy	Various correspondence to and from Kat Masciantonio. Correspondence to and from Josie Parisi regarding NDA. Work on claims process matters.
12-Jan-18	Vanja Ginic	Reviewing statements of advance and deposit confirmations for Fletcher mortgage. Voicemail from counsel for Mansteel Rebar.
13-Jan-18	Robert Kennedy	Correspondence to Kat Masciantonio. Work on claims process matters. Review and finalize NDA. Correspondence to Alex MacFarlane.
15-Jan-18	Robert Kennedy	Various correspondence to and from Kat Masciantonio regarding claims process matters. Work on claims process matters. Various correspondence to and from Josie Parisi. Correspondence from and to Alex MacFarlane. Correspondence to John DaRe.
15-Jan-18	Vanja Ginic	Reviewing company records of invoices for lien claimants. Estimating holdback entitlement for each lien claim. Updating lien claim chart to reflect estimates. Email from Robert Kennedy regarding Resform motion.
16-Jan-18	Robert Kennedy	Attend meeting at BDO regarding claims process matters. Conversation with Josie Parisi regarding: Resform motion. Correspondence to John DaRe. Work on claims process matters.
16-Jan-18	Vanja Ginic	Email correspondence with Robert Kennedy regarding lien claim negotiations and Resform priority motion.
17-Jan-18	Robert Kennedy	Correspondence to and from Kat Masciantonio. Attend meeting at BDO re: deposit claims. Review deposit claims procedure order. Review summary. Review deposit claim. Review correspondence from Josie Parisi. Attend to Resform motion matters. Various correspondence to and from John DaRe. Conversation with Josie Parisi. Conference with Vanja Ginic.
18-Jan-18	Robert Kennedy	Review correspondence from Alex MacFarlane and NDA. Work on claims process matters. Review summary.
18-Jan-18	Vanja Ginic	Attending at Resform scheduling motion. Email to Josie Parisi reporting on same.
19-Jan-18	Robert Kennedy	Work on claims procedure matters. Conference with Vanja Ginic regarding lien claims matters.
19-Jan-18	Vanja Ginic	Email correspondence from Robert Riteman regarding accounting and mortgagee advances. Email to Robert Kennedy regarding same.
22-Jan-18	Robert Kennedy	Work on claims process matters. Work on construction lien claim matters. Voicemail left with Robert Mancini.

Date	Timekeeper	Description of Work
		Conversation with Kat Masciantonio. Review executed NDA. Correspondence to and from Alex MacFarlane. Conversation with Dom Michaud regarding Diversified claim and priority claims.
22-Jan-18	Vanja Ginic	Discussion with Robert Kennedy regarding deposit claims process and form of correspondence to address missing documentation. Drafting form of correspondence to deposit claimants addressing same. Reviewing Deposit Claim Procedure Order and confirming required documentation.
23-Jan-18	Robert Kennedy	Review various correspondence regarding claims process matters. Work on claims process matters. Review revised claims summary. Conversation with Josie Parisi regarding claims process and lien matters. Review correspondence from Dom Michaud. Various conference calls with Josie Parisi and Gary Cerratto regarding claims process and lien claim matters. Work on lien claim matters. Conference with Karen Groulx regarding lien claim matters. Voicemail left with Alex MacFarlane.
23-Jan-18	Vanja Ginic	Discussion with Robert Kennedy regarding construction lien claims. Reviewing holdback estimate chart and lien claim materials in preparation of discussions with claimants. Email memo to Robert Kennedy summarizing key negotiation points for discussions with lien claimants.
24-Jan-18	Karen Groulx	Conference call with Robert Kennedy and BDO regarding issues concerning priority claim to holdback and strategy for moving forward in dealing with lien claims. Providing instructions to Adam Ollenberger to update case on trust provisions and proceeds of sale in insolvency situation.
24-Jan-18	Robert Kennedy	Work on claims procedure matters. Work on lien claims matters. Conference call with Josie Parisi and Gary Cerratto. Conference with Vanja Ginic. Correspondence to Alex MacFarlane. Review correspondence from Dom Michaud. Voicemail left with Dom Michaud. Voicemail left with Josie Parisi. Review correspondence from Kara Hamilton. Consider distributions issues. Attend conference call with Josie Parisi, Gary Cerratto and Karen Groulx. Review correspondence from Dom Michaud.
24-Jan-18	Vanja Ginic	Email from Dominique Michaud. Call and voicemail to Maria Ruberto regarding lien claim. Email from Kara Hamilton. Reviewing holdback summaries and preparing for calls with lien claimants. Calls to Matthew

Date	Timekeeper	Description of Work
		DiGiovanni (Quinn Dressell), Julian Binavince (Mansteel Rebar), and Peter Verbeek (Desrosiers Geothermial) regarding quantification of lien claim.
25-Jan-18	Karen Groulx	Telephone call with Gary, Robert and Josie Parisi regarding next steps. Discussion with Vanja regarding analysis of holdback amounts to date and issue regarding monies in bank account. Receipt and review of email from Gary Cerrato and report attached thereto.
25-Jan-18	Robert Kennedy	Work on lien matters. Conference with Karen Groulx and Vanja Ginic regarding lien matters. Review correspondence from Dom Michaud. Conversation with Dom Michaud. Various conversations with Josie Parisi. Various correspondence to and from Gary Cerratto. Voicemail left with Alex MacFarlane. Review update regarding claims procedure matters. Conference call with Dom Michaud and representatives of BDO. Various conference calls with Josie Parisi and Gary Cerratto. Review file materials regarding bank accounts.
25-Jan-18	Vanja Ginic	Call with Karen Groulx to discuss lien claims, holdback entitlement, and trust claim to cash on hand in company bank account. Discussion with Robert Kennedy regarding quantification of holdback entitlement and settlement agreements. Discussion with Karen Groulx regarding same and review of holdback calculations. Email correspondence with lien claim counsel. Drafting email summarizing benefits of settlement agreements to resolve lien claims over payment of funds into court. Call with BDO and Dominique Michaud to discuss deposit claim reserve and HST issues. Review comments on draft email.
26-Jan-18	Karen Groulx	Telephone conference with Gary Cerratto and Josie Parisi regarding bank information obtained and next steps.
26-Jan-18	Robert Kennedy	Review correspondence from Karen Groulx. Work on lien claim matters. Conversation with Robert Riteman. Conference call with Maria Ruberto. Work on claims process matters.
26-Jan-18	Vanja Ginic	Preparing for and attending conference call with Maria Ruberto and Robert Kennedy to discuss CRH Canada Group's lien claim.
27-Jan-18	Karen Groulx	Telephone call with Robert Kennedy regarding next steps and additional information provided by Gary.
27-Jan-18	Robert Kennedy	Review various correspondence from Gary Cerrato. Conversation with Karen Groulx. Work on lien claim matters.

Date	Timekeeper	Description of Work
29-Jan-18	Robert Kennedy	Various correspondence to and from Alex MacFarlane. Correspondence to and from Josie Parisi. Work claims procedure matters.
31-Jan-18	Robert Kennedy	Work on claims process matters. Conversation with Alex MacFarlane. Correspondence to and from Alex MacFarlane.
01-Feb-18	Robert Kennedy	Correspondence to and from Alex MacFarlane. Work on claims process matters. Correspondence to Josie Parisi. Conversation with Josie Parisi.
05-Feb-18	Robert Kennedy	Work on claims process matters. Correspondence to and from Alex MacFarlane. Review correspondence from Dom Michaud. Consider distribution matters.
06-Feb-18	Robert Kennedy	Review correspondence from Dom Michaud. Voicemail left with Adams Slavens. Various correspondence to and from Josie Parisi. Conversation with Josie Parisi. Conversation with Alex MacFarlane. Consider distribution issues. Work on claims process matters. Conversation with Josie Parisi regarding lien claim issues.
08-Feb-18	Robert Kennedy	Work on claims process matters. Voicemail received from Adam Slavens. Review claims summary.
09-Feb-18	Robert Kennedy	Various correspondence to and from Tara Wishart. Various correspondence to and from Josie Parisi. Review deposit claims procedure order. Correspondence to Kat Masciantonio.
12-Feb-18	Robert Kennedy	Various correspondence to and from Josie Parisi. Work on claims process matters. Conversation with Alex MacFarlane regarding process and distribution matters. Voicemail received from Dom Michaud. Review correspondence from Dom Michaud. Conversation with Josie Parisi. Consider next steps regarding motion.
13-Feb-18	Robert Kennedy	Review correspondence from Dom Michaud. Conversation with Dom Michaud. Work on claims process matters. Consider motion issues. Review correspondence from Dom Michaud.
13-Feb-18	Vanja Ginic	Email to John DaRe regarding scheduling of Resform motion. Discussion with Robert Kennedy regarding same.
14-Feb-18	Robert Kennedy	Work on claims process matters. Correspondence to Dom Michaud. Consider motion matters. Conversation with Josie Parisi. Meeting with David Adams regarding motion matters.
15-Feb-18	Robert Kennedy	Review various correspondence from Dom Michaud. Review payout statement. Conversation with Alex MacFarlane. Work on claims procedure matters.

Date	Timekeeper	Description of Work
		Various conversations with Josie Parisi. Review Resform matter. Correspondence to John DaRe. Correspondence to Alex MacFarlane. Review correspondence to deposit claimants. Conversation with Dom Michaud.
16-Feb-18	Robert Kennedy	Work on claims process matters. Correspondence to and from Josie Parisi. Various correspondence to and from David Adams regarding Report. Work on motion materials. Various correspondence to and from Alex MacFarlane. Review delivered correspondence to deposit claimants.
19-Feb-18	Robert Kennedy	Various correspondence to and from Josie Parisi regarding distribution matters and motion. Various correspondence to and from Alex MacFarlane regarding distribution matters and claims procedure.
20-Feb-18	Robert Kennedy	Review various correspondence regarding distribution matters. Work on claims process matters. Review correspondence from John DaRe regarding Resform motion. Various correspondence to and from Josie Parisi regarding Resform motion. Consider strategy and preparation for Court attendance.
21-Feb-18	Robert Kennedy	Various correspondence to and from Josie Parisi and Vanja Ginic. Preparation for Court attendance. Conversation with Josie Parisi. Attend Court. Correspondence to Josie Parisi regarding endorsement. Various correspondence to and from Dom Michaud. Various correspondence to and from Alex MacFarlane. Conversation with Dom Michaud.
21-Feb-18	Vanja Ginic	Discussion with Robert Kennedy regarding construction lien matters and Olympia mortgage. Email to Maria Ruberto regarding call to discuss lien priority. Review of Olympia loan agreement and Diversified payout statement.
22-Feb-18	Robert Kennedy	Conversation with Alex MacFarlane. Various correspondence to and from Alex MacFarlane. Correspondence to and from Dom Michaud. Voicemail left with Josie Parisi. Various correspondence to and from Josie Parisi. Conversation with Josie Parisi.
23-Feb-18	Robert Kennedy	Work on claims process matters. Correspondence to Dom Michaud. Conversation with Dom Michaud. Correspondence from and to Alex MacFarlane.
26-Feb-18	Robert Kennedy	Work on lien matters. Conversation with Josie Parisi. Work on claims procedure matters.
27-Feb-18	Robert Kennedy	Work on claims process matters. Conversation with Josie Parisi.
27-Feb-18	Vanja Ginic	Voicemail from Adeline at Verbeek & Verbeek LLP.

Date	Timekeeper	Description of Work
		Review lien claim materials of Desrosiers Geothermal Corporation. Call and voicemail to Adeline to discuss Desrosiers lien claim
28-Feb-18	Robert Kennedy	Review claims procedure order. Preparation for conference call regarding distribution matters. Attend conference call. Conference with Josie Parisi and Gary Cerratto regarding distribution matters. Consider strategy regarding distribution order.
01-Mar-18	Robert Kennedy	Review correspondence from John DaRe. Correspondence from and to Maria Ruberto. Work on lien matters.
01-Mar-18	Vanja Ginic	Email correspondence with Maria Ruberto regarding lien claim assessment.
09-Mar-18	Robert Kennedy	Review correspondence from John DaRe. Correspondence to Vanja Ginic.
09-Mar-18	Vanja Ginic	Reviewed email correspondence from lien claimants regarding update inquiries. Email to Robert Kennedy regarding same.
12-Mar-18	Robert Kennedy	Work on claims procedure matters. Review correspondence from John DaRe. Conference with Vanja Ginic. Correspondence to John DaRe. Various correspondence to and from Josie Parisi. Correspondence from and to Adam Slavens. Various correspondence from and to Dom Michaud.
12-Mar-18	Vanja Ginic	Email from Robert Kennedy regarding concerns over Olympia mortgage being a collateral mortgage. Reviewing and analyzing Olympia documents regarding same. Email to Robert Kennedy summarizing analysis and conclusion.
13-Mar-18	Robert Kennedy	Conversation with Adam Slavens regarding claims procedure matters. Conversation with Adam Haick. Voicemail to and from Dom Michaud. Review correspondence from Kara Hamilton. Review analysis regarding Olympia.
14-Mar-18	Robert Kennedy	Work on lien claim matters. Work on claims procedure matters. Consider distribution matters. Conversation with Dom Michaud. Correspondence to John DaRe. Correspondence to Josie Parisi.
14-Mar-18	Vanja Ginic	Call with Peter Verbeek, his client, and Robert Kennedy regarding Desrosiers lien claim. Email to Peter Verbeek attaching Receiver's Report and link to BDO website. Email from Peter Verbeek regarding payouts. Email correspondence with Robert Kennedy regarding same.
16-Mar-18	Robert Kennedy	Review correspondence from Josie Parisi. Consider next steps regarding claims procedure and distributions.

Date	Timekeeper	Description of Work
		Conversation with Josie Parisi.
19-Mar-18	Robert Kennedy	Review correspondence from Alex MacFarlane. Various correspondence to and from Josie Parisi.
20-Mar-18	Robert Kennedy	Work on claims process matters. Conference with Vanja Ginic regarding lien claim matters. Review summary. Correspondence to and from Josie Parisi. Correspondence to Alex MacFarlane.
20-Mar-18	Vanja Ginic	Email correspondence with Ryan Hauk regarding scheduling of a call to discuss Bluescape lien claim and settlement. Discussion with Robert Kennedy regarding same. Review of Bluescape claim and preparing for call. Call with Ryan Hauk. Drafting summary of lien claim correspondence and discussions. Email correspondence with Robert Kennedy regarding same.
21-Mar-18	Robert Kennedy	Various correspondence to and from Josie Parisi. Various correspondence to and from Alex MacFarlane. Work on claims process matters.
21-Mar-18	Vanja Ginic	Email from Peter Verbeek regarding mortgagee payouts. Email to Robert Kennedy regarding same.
22-Mar-18	Robert Kennedy	Various correspondence to and from Josie Parisi. Conversation with Josie Parisi. Consider claims process matters and construction lien matters. Conference call with Josie Parisi and Gary Cerrato.
23-Mar-18	Vanja Ginic	Email to Peter Verbeek regarding mortgagee payouts. Call with Robert Kennedy regarding status of construction lien discussions and security opinions.
27-Mar-18	Robert Kennedy	Various correspondence to and from Josie Parisi. Work on claims process matters. Conference with Vanja Ginic regarding construction lien matters.
27-Mar-18	Vanja Ginic	Email to Robert Kennedy regarding Peter Verbeek's request for mortgagee payout information. Review of Construction Lien Act to assess entitlement to such information. Discussion with Robert Kennedy and Karen Groulx regarding same.
28-Mar-18	Vanja Ginic	Email from Dom Michaud regarding Diversified motion. Email from Peter Verbeek requesting payout information. Discussion with Robert Kennedy regarding same. Review of payout statements from Diversified and Olympia.
29-Mar-18	Robert Kennedy	Work on lien claim matters. Various correspondence to and from Dom Michaud. Conversation with Dom Michaud. Work on claims process matters. Conversation with Alex MacFarlane. Attend to scheduling matters.
29-Mar-18	Vanja Ginic	Drafting response to Peter Verbeek's request for

Date	Timekeeper	Description of Work
30-Mar-18	Robert Kennedy	mortgagee payouts. Call with Robert Kennedy to discuss same and standard form of correspondence for Proven Deposit Claims. Email to Peter Verbeek. Work on claims process matters. Work on motion materials.

Timekeeper	Hours	Rate	Fees
Karen Groulx	3.3	595.00	1,963.50
Robert Kennedy	105.7	595.00	62,891.50
Vanja Ginic	25.0	395.00	9,875.00
Total	134.0		\$74,730.00

TOTAL PROFESSIONAL FEES	\$ 74,730.00
Less: Discount	<u>(1,730.00)</u>
NET PROFESSIONAL FEES	\$ 73,000.00

TAXABLE DISBURSEMENTS

Binding Books / Documents	\$ 3.20
Long Distance Telephone Calls	4.29
Photocopy & Printing Charges	69.10
TOTAL TAXABLE DISBURSEMENTS	\$ 76.59

TOTAL DISBURSEMENTS	<u>76.59</u>
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TOTAL FEES AND DISBURSEMENTS	\$ 73,076.59
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TAXES

HST (13.0%) on Professional Fees of \$73,000.00	\$ 9,490.00
HST (13.0%) on Taxable Disbursements of \$76.59	<u>9.96</u>
TOTAL TAXES	<u>9,499.96</u>

TOTAL AMOUNT DUE	<u>\$ 82,576.55</u> CAD
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BDO Canada LLP
1100-123 Front Street West
Toronto, ON M5J 2M2**INVOICE # 3362791**GST/HST # R121996078
QST # 1086862448 TQ 0001

Attention: Mark Chow

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
July 11, 2018	201205-000011	Robert Kennedy

BDO Canada LLP
Re: Receivership Proceedings of Terrasan 327 Royal York Rd.
Limited

Professional Fees	\$ 115,637.00
Less: Discount	<u>(4,637.00)</u>
Net Professional Fees	\$ 111,000.00
Disbursements	1,221.10
HST (13.0%) on \$112,061.10	<u>14,567.94</u>
Total Amount Due	<u>\$ 126,789.04</u> CAD

Payment Options:	
<p><u>Cheques:</u> Cheques payable to Dentons Canada LLP and mailed to the above noted address.</p> <p><u>Wire Transfer:</u> Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account : 0004-324</p>	<p><u>Internet Banking:</u> Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 201205. Please email us at Edm.Accounting@dentons.com referencing invoice number and payment amount.</p> <p><u>Credit Card:</u> Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No. _____ Expiry Date: _____ Amount: _____ Cardholder Name: _____ Signature: _____</p>
<p>Please email us at AR.Canada@dentons.com referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.</p>	

We are very grateful to have you as a client and appreciate your business.
 Please provide your feedback to us at www.dentons.com/en/clientfeedbackcanada

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED for the period ending May 31, 2018:

Date	Timekeeper	Description of Work
02-Apr-18	Robert Kennedy	Correspondence to and from Dom Michaud. Various correspondence to and from Josie Parisi. Consider distribution matters and motion. Review receiver's report. Work on claims process matters.
02-Apr-18	Vanja Ginic	Reviewing Deposit Claims Procedure Order. Drafting form of notice for proven claims. Email to Robert Kennedy regarding same.
03-Apr-18	Robert Kennedy	Work on claims process matters. Various correspondence to and from Josie Parisi. Conference call with Josie Parisi and Gary Cerrato regarding claims process matters and motion. Review correspondence from John DaRe. Correspondence to John DaRe. Conversation with John DaRe. Work on motion matters. Correspondence from and to Alex MacFarlane.
04-Apr-18	Robert Kennedy	Work on claims process matters. Review disallowances. Work on motion materials. Various correspondence to and from Josie Parisi.
05-Apr-18	Robert Kennedy	Work on motion materials. Work on claims process matters. Various correspondence to and from Josie Parisi. Conference with Josie Parisi and Gary Cerrato regarding claims process and lien matters.
05-Apr-18	Vanja Ginic	Review notes on Resform meeting. Email and call with Robert Kennedy regarding Resform settlement. Review of estate proceeds and allocation among mortgagees. Email to Robert Kennedy regarding same.
06-Apr-18	Robert Kennedy	Work on lien claim matters. Conference with Vanja Ginic. Work on motion materials.
06-Apr-18	Vanja Ginic	Review lien claim chart and holdback summary. Email correspondence with Josie Parisi and Gary Cerrato regarding holdback summaries and Resform priority claim. Discussion with Robert Kennedy regarding same.
09-Apr-18	Karen Groulx	Telephone call with Vanja regarding opinion required regarding priority issues. Drafting outline of opinion.
09-Apr-18	Robert Kennedy	Work on claims process matters. Review various correspondence regarding claims process. Conference with Vanja Ginic regarding opinions and lien matters. Conversation with Alex MacFarlane. Work on motion matters.
09-Apr-18	Vanja Ginic	Discussion with Robert Kennedy regarding lien claim

Date	Timekeeper	Description of Work
		priority and opinions. Call with Karen Groulx to discuss construction lien opinion. Drafting GCNA security opinion. Reviewing GCNA loan and security documents. Reviewing Fletcher and Diversified loan and security documents and advance statements. Drafting fact section of construction lien priority opinion. Email correspondence with Karen Groulx regarding same.
10-Apr-18	Karen Groulx	Working on Terrasan opinion. Brief discussion with Vanja regarding same. Review of various liens to ascertain timing of mortgages and which section 78 provisions would apply.
10-Apr-18	Robert Kennedy	Work on motion materials. Various discussions with Vanja Ginic regarding lien claims and motion matters. Various conversations with Josie Parisi. Conversation with Alex MacFarlane regarding motion matters. Consider distribution matters. Work on claims process matters.
10-Apr-18	Kenneth Kraft	Discuss distribution and opinion issues with Rob Kennedy. Vanja Ginic e-mail exchanges. Start to review draft opinions.
10-Apr-18	Vanja Ginic	Drafting GCNA opinion. Reviewing GCNA security documents and registrations. Revising Olympia opinion. Reviewing Olympia security documents. Drafting opinion on construction lien priority. Reviewing various mortgagee loan and security documents. Reviewing summary of holdback priority claims. Cross-referencing same against documents and invoices submitted by lien claimants. Call with Josie Parisi to discuss Resform lien. Discussion with Robert Kennedy regarding GCNA claim, construction lien opinion and Resform settlement. Revising Olympia and GCNA opinions. Email correspondence with Ken Kraft regarding review of opinions. Compiling relevant loan and security documents for Ken Kraft to review.
11-Apr-18	Annette Fournier	Obtain further instruments registered on title and forward same to Vanja Ginic.
11-Apr-18	Karen Groulx	Revising draft opinion.
11-Apr-18	Robert Kennedy	Work on claims process matters. Various conversations with Josie Parisi. Various conversations with Adam Slavens. Various conversations with Alex MacFarlane. Attend conference call with Alex MacFarlane and Adams Slavens regarding distribution matters. Work on motion materials. Various discussions with Vanja Ginic. Review correspondence from Dom Michaud. Various conversations with Josie Parisi regarding distribution matters. Conference call with Dom Michaud and Josie

Date	Timekeeper	Description of Work
		Parisi.
11-Apr-18	Kenneth Kraft	Review draft opinions. Meet with Vanja Ginic to discuss comments. Discussion with Rob Kennedy on sealing with respect to depositor identity information for court report. Update from Vanja Ginic on opinions.
11-Apr-18	Vanja Ginic	Drafting Olympia and GCNA opinion. Discussions with Ken Kraft regarding same. Reviewing additional instruments registered on title. Discussion with Robert Kennedy regarding opinion and motion material. Reviewing Receiver's Seventh Report and draft Distribution Order. Drafting Notice of Motion. Providing comments on Distribution Order.
12-Apr-18	Stevan Manojlovic	Preparing legal opinion for construction lien claims.
12-Apr-18	Karen Groulx	Continued work on opinion regarding priority issues. (Review of lien claims and consideration of date of mortgages.)
12-Apr-18	Karen Groulx	Continued work on Terrasan opinion. Review of Indemnity Agreement and collateral agreement mortgage terms.
12-Apr-18	Robert Kennedy	Work on lien matters. Various conferences with Vanja Ginic regarding motion matters. Various correspondence to and from Dom Michaud. Conversation with Dom Michaud. Work on motion materials. Various correspondence to and from Alex MacFarlane. Work on claims process matters. Various conversations with Josie Parisi. Work on receiver's report.
12-Apr-18	Kenneth Kraft	Review revised drafts of GCNA and Fletcher opinions and related discussions with Vanja Ginic on steps necessary to finalize opinions.
12-Apr-18	Vanja Ginic	Prepare for and attend call with John DaRe regarding Resform settlement. Discussion with Karen Groulx regarding construction lien opinion. Considering construction lien act priority and impact of mortgagee claims. Instructions to Stevan Manojlovic to draft lien descriptions for opinion. Revising GCNA and Olympia opinions. Updating service list. Discussion with Robert Kennedy regarding GCNA priority as against construction lien claimants. Call with Karen Groulx regarding same. Revising Seventh Report. Finalizing GCNA and Olympia opinions.
13-Apr-18	Esme Cragg	Review of a registered Notice amending the principal amount secured by the Charge and telephone call with Vanja Ginic with respect to same.
13-Apr-18	Robert Kennedy	Work on motion materials. Various correspondence to

Date	Timekeeper	Description of Work
13-Apr-18	Vanja Ginic	<p>and from Dom Michaud. Review various correspondence from Alex MacFarlane. Review various correspondence from Adam Slavens. Review claims procedure order. Conversation with Alex MaFarlane. Various correspondence to and from Josie Parisi. Work on receiver's report. Various conversations with Josie Parisi. Various conferences with Vanja Ginic regarding motion matters. Attend to service matters.</p> <p>Call with Josie Parisi regarding Diversified charge. Call with Alex Macfarlane regarding Deposit Claims Procedure Order. Reviewing Diversified registrations and charge. Call with Esme to confirm whether principal indicated on Diversified charge includes interest. Reviewing Diversified loan agreements for language regarding same. Revising Notice of Motion, Report and Order. Discussions with Robert Kennedy regarding motion materials. Reviewing fee affidavit and schedules. Reviewing finalized motion record. Service of same.</p>
16-Apr-18	Robert Kennedy	<p>Work on motion matters. Various correspondence to and from Dom Michaud. Conference with Vanja Ginic regarding motion and lien matters. Various conversations with Josie Parisi. Review claims procedure order regarding distribution process. Various correspondence to and from Alex MacFarlane. Various conversations with Alex MacFarlane. Preparation for conference call regarding distributions. Attend conference call. Conversation with Adam Slavens.</p>
16-Apr-18	Kenneth Kraft	<p>Discuss with Rob Kennedy and Vanja Ginic priority issues with GCNA and Construction Lien Act claims.</p>
16-Apr-18	Vanja Ginic	<p>Revising cover letter to courier service list. Drafting affidavit of service and swearing same. Attending to filing of Motion Record and confidential appendix. Call with Robert Kennedy regarding lien claims and Diversified distribution. Email circulating invite for Diversified call. Email to Julian Binavince. Voicemail from Bernie Romano. Call with Julian Binavince to discuss lien claim and distribution motion on account of proven deposit claims. Updating lien claim correspondence summary regarding same. Email to Robert Kennedy regarding same. Considering lien claim priority with Robert Kennedy and Ken Kraft. Call with GCNA, Diversified and Tarion regarding Diversified distribution</p>
17-Apr-18	Karen Groulx	<p>Making revisions to draft opinion regarding Guarantee mortgage issue. Brief discussion with Vanja regarding draft opinion.</p>

Date	Timekeeper	Description of Work
17-Apr-18	Robert Kennedy	Work on motion materials. Various discussions with Vanja Ginic regarding motion matters and lien matters. Review draft correspondence regarding proven claims and distribution. Review claims procedure order. Conversation with Dom Michaud. Preparation for motion. Correspondence from and to Alex MacFarlane.
17-Apr-18	Vanja Ginic	Discussion and analysis with Karen Groulx regarding priority of lien claimants and GCNA. Reviewing revised construction lien opinion and revising same. Discussion with Robert Kennedy regarding same.
17-Apr-18	Vanja Ginic	Discussion with Robert Kennedy regarding the Deposit Claim distribution order. Reviewing materials and preparing submissions for motion.
18-Apr-18	Robert Kennedy	Various correspondence to and from Alex MacFarlane. Various correspondence to and from Josie Parisi. Preparation for motion. Conversation with Alex MacFarlane. Conference with Vanja Ginic. Review and revise Order. Attend motion. Conference with Vanja Ginic regarding bond protocol.
18-Apr-18	Vanja Ginic	Preparing for and attending at motion for a distribution order on account of purchaser proven claims. Attending to issuance and distribution of order and endorsement. Discussion with Robert Kennedy regarding need for a report in respect of GCNA/Tarion protocol.
19-Apr-18	Robert Kennedy	Work on claims process matters. Various correspondence to and from Vanja Ginic. Voicemail received from Alex MacFarlane. Work on deposit protocol matters.
19-Apr-18	Vanja Ginic	Email from Josie Parisi regarding interest on purchaser deposits.
20-Apr-18	Robert Kennedy	Review various correspondence regarding claims procedure matters. Work on protocol. Correspondence to and from Josie Parisi. Consider next steps.
23-Apr-18	Robert Kennedy	Work on protocol matters. Various correspondence to and from Alex MacFarlane. Correspondence Josie Parisi.
24-Apr-18	Robert Kennedy	Various correspondence to and from Alex MacFarlane. Various correspondence to and from Adam Slavens. Various conversations with Josie Parisi regarding protocol. Work on protocol. Work on claims process matters. Conference with Vanja Ginic.
24-Apr-18	Vanja Ginic	Reviewing Deposit Claims Procedure Order and considering whether it needs to be revised in respect of the GCNA - Tarion Protocol. Discussion with Robert Kennedy regarding same. Review of Condominium Act provisions and Regulations regarding interest on

Date	Timekeeper	Description of Work
		purchaser deposits. Call with Josie Parisi regarding same.
25-Apr-18	Robert Kennedy	Work on protocol matters. Attend conference call with Adams Slavens and Alex MacFarlane regarding protocol matters. Various correspondence to and from Josie Parisi. Work on claims process matters. Various conversations with Josie Parisi and Gary Cerratto. Various conversations with Alex MacFarlane. Various correspondence to and from Dom Michaud. Work on draft Order. Attend conference call with Adam Slavens and Alex MacFarlane regarding protocol and motion matters.
25-Apr-18	Vanja Ginic	Attending conference call regarding Protocol. Drafting language for revised notices. Drafting Protocol approval order. Revising protocol approval order. Email to Robert Kennedy regarding same. Email to Josie Parisi with proposed language for Notices of Revisions in respect of interest claimed on purchaser deposits.
26-Apr-18	Robert Kennedy	Work on protocol matters. Attend Court regarding adjournment. Work on claims process matters. Various conference calls with Josie Parisi and Gary Cerratto regarding protocol and claims process matters. Review notice of revisions. Various conference calls with Alex MacFarlane and Adam Slavens regarding protocol. Conversation with Brett Moldaver. Correspondence to Brett Moldaver. Various correspondence to and from Josie Parisi and Gary Cerratto regarding protocol and claims process matters. Various correspondence from and to Dom Michaud. Conversation with Dom Michaud. Work on Order.
26-Apr-18	Kenneth Kraft	Discuss with Rob Kennedy disclosure issues related to GCNA and protocol.
27-Apr-18	Robert Kennedy	Work on protocol matters. Review and revise Order. Preparation for Court. Attend Court. Various correspondence regarding protocol matters. Various conversations with Josie Parisi and Gary Cerratto regarding protocol matters. Various correspondence to and from Dom Michaud. Work on claims process matters. Correspondence to Gary Cerratto. Conversation with Josie Parisi. Conversation with Dom Michaud.
30-Apr-18	Robert Kennedy	Various correspondence to and from Adam Slavens. Various correspondence to and from Josie Parisi. Work on claims process matters. Review protocol. Conversation with Adam Slavens.
01-May-18	Robert Kennedy	Review correspondence from Josie Parisi. Review

Date	Timekeeper	Description of Work
		certificate and protocol.
02-May-18	Robert Kennedy	Work on claims process matters. Various correspondence to and from Josie Parisi.
03-May-18	Robert Kennedy	Various correspondence to and from Josie Parisi regarding claims process matters. Conversation with Alex MacFarlane. Correspondence to Adam Slavens regarding Tarion side letter. Conversation with Josie Parisi. Review correspondence from Dom Michaud. Correspondence to Dom Michaud. Work on claims process. Consider May 15 motion matters.
04-May-18	Robert Kennedy	Conversation with Alex MacFarlane. Various correspondence to and from Josie Parisi regarding claims process matters. Various correspondence to and from Gary Cerratto regarding claims process matters. Review Receiver's Certificates. Various conversations with Gary Cerratto regarding Receiver's Certificates. Review correspondence from Alex MacFarlane. Conversation with Dom Michaud. Correspondence to Adams Slavens and Alex MacFarlane enclosing Receiver's Certificates.
07-May-18	Robert Kennedy	Various correspondence to and from Josie Parisi. Correspondence to and from Dom Michaud. Conversation with Dom Michaud. Review correspondence from Evita Ferreira.
09-May-18	Robert Kennedy	Work on claims process matters. Correspondence to and from Alex MacFarlane. Conversation with Dom Michaud. Voicemail from and to Alex MacFarlane. Voicemail from and to Josie Parisi.
10-May-18	Robert Kennedy	Work on claims process matters. Various correspondence to and from Dom Michaud. Conversation with Dom Michaud. Voicemail from and to Alex MacFarlane. Conversation with Josie Parisi regarding claims process matters and motion.
10-May-18	Vanja Ginic	Email from Peter Verbeek regarding mortgage payouts. Email to Robert Kennedy regarding same.
11-May-18	Robert Kennedy	Work on claims process matters. Review protocol. Review notices of dispute. Various correspondence to and from Gary Cerratto. Various correspondence to and from Josie Parisi. Review receiver's certificate and materials. Work on construction lien matters.
12-May-18	Robert Kennedy	Review Receiver's Certificate. Correspondence to Adam Slavens and Alex MacFarlane.
14-May-18	Robert Kennedy	Work on claims process matters. Voicemail from and to Alex MacFarlane. Correspondence to Josie Parisi regarding claims process matters. Consider strategy re:

Date	Timekeeper	Description of Work
		motion. Work on lien matters. Review correspondence from Josie Parisi. Review correspondence from Adam Slavens.
15-May-18	Robert Kennedy	Preparation for Court attendance. Conversation with Josie Parisi. Attend Court. Work on claims process matters. Correspondence to Josie Parisi and Gary Cerratto regarding endorsement. Review Receiver's Certificate. Correspondence to Adam Slavens regarding Receiver's Certificate. Correspondence to Adam Slavens regarding claim information. Conversation with Alex MacFarlane regarding Court attendance. Conversation with Josie Parisi regarding motion attendance. Conversation with Paul Hancock. Work on lien matters. Correspondence to Dom Michaud and Kara Hamilton.
15-May-18	Vanja Ginic	Email correspondence with Robert Kennedy and Josie Parisi regarding Olympia debt.
16-May-18	Robert Kennedy	Work on claims process matters. Voicemail from and to Josie Parisi. Work on lien claim matters.
17-May-18	Karen Groulx	Receipt and review of voicemail from counsel for lien claimant and forwarding same to Vanja. Brief discussion with Vanja regarding current status.
17-May-18	Robert Kennedy	Work on construction lien matters. Conversation with Kevin Power. Various correspondence to and from Adam Slavens. Work on claims process matters.
17-May-18	Vanja Ginic	Call with Karen Groulx in connection with update request from lien claimant.
18-May-18	Robert Kennedy	Various correspondence to and from Adam Slavens. Work on claims process matters. Conversation with Adam Slavens regarding protocol and step-down payments. Various correspondence to and from Josie Parisi. Consider next steps regarding notices of dispute. Work on construction lien matters.
22-May-18	Robert Kennedy	Work on claims process matters. Review and revise claims summary. Various correspondence to and from Josie Parisi. Attend conference call regarding claims process matters. Correspondence to Kara Hamilton.
23-May-18	Robert Kennedy	Work on claims process matters. Review Limen Group lien documentation. Consider stay motion. Review correspondence from Paul Hancock.
24-May-18	Robert Kennedy	Various correspondence to and from Paul Hancock. Attend to Limen Group motion matters. Various correspondence to and from Josie Parisi. Work on claims process matters. Correspondence from and to Kara Hamilton. Review correspondence from Kevin Power.

Date	Timekeeper	Description of Work
25-May-18	Robert Kennedy	Work on claims process matters. Correspondence to Gary Cerratto regarding claims process matters. Review motion materials regarding Limen Group. Various correspondence to and from Gary Cerratto regarding claims process matters. Review correspondence from Adam Slavens.
28-May-18	Robert Kennedy	Various correspondence to and from Josie Parisi and Gary Cerratto. Review Limen Group motion materials. Work on claims process matters. Provide comments on Order. Various correspondence with Josie Parisi regarding motion materials. Conference with Vanja Ginic. Various correspondence to and from Paul Hancock's office.
28-May-18	Vanja Ginic	Call with Robert Kennedy to discuss motion regarding Limen Group Ltd. claim. Review of materials.
29-May-18	Robert Kennedy	Various correspondence to and from Josie Parisi. Conference with Vanja Ginic regarding motion. Review Order and endorsement. Correspondence to Josie Parisi and Gary Cerratto. Various conversations with Dom Michaud regarding claims process and distribution matters. Work on lien matters. Correspondence to Adam Slavens.
29-May-18	Vanja Ginic	Review motion material and prepare for call with Robert Kennedy to discuss matter. Attending at motion.
30-May-18	Robert Kennedy	Review revised Receiver's Certificate. Work on claims process matters. Various correspondence to and from Gary Cerratto and Josie Parisi. Correspondence to and from Adam Slavens. Work on Resform lien claim. Review memorandum regarding lien claims. Conversation with Josie Parisi.
31-May-18	Michelle Ling	Picking up package/USB for Robert Kennedy at BDO's office.
31-May-18	Robert Kennedy	Various correspondence to and from Adam Slavens. Revise claim determination summary. Various correspondence to and from Josie Parisi. Correspondence to Kara Hamilton. Correspondence to Gary Cerratto. Work on Resform lien claim matters. Review file documentation regarding protocol.

Timekeeper	Hours	Rate	Fees
Annette Fournier	0.4	300.00	120.00
Esme Cragg	0.2	450.00	90.00
Karen Groulx	5.0	595.00	2,975.00
Kenneth Kraft	3.9	880.00	3,432.00
Michelle Ling	0.5	230.00	115.00
Robert Kennedy	143.5	595.00	85,382.50
Stevan Manojlovic	1.9	260.00	494.00
Vanja Ginic	58.3	395.00	23,028.50
Total	213.7		\$115,637.00

TOTAL PROFESSIONAL FEES \$ 115,637.00
 Less: Discount (4,637.00)
NET PROFESSIONAL FEES \$ 111,000.00

TAXABLE DISBURSEMENTS

Binding Books / Documents \$ 127.15
 Computerized Title Search 34.00
 Courier & Delivery 121.95
 Long Distance Telephone Calls 2.50
 Photocopy & Printing Charges 769.50
 Travel-Public Transit 6.00

TOTAL TAXABLE DISBURSEMENTS \$ 1,061.10

NON-TAXABLE DISBURSEMENTS

Filing Fee* \$ 160.00

TOTAL NON-TAXABLE DISBURSEMENTS \$ 160.00

TOTAL DISBURSEMENTS 1,221.10

TOTAL FEES AND DISBURSEMENTS \$ 112,221.10

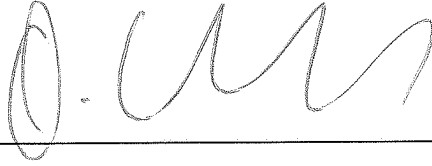
TAXES

HST (13.0%) on Professional Fees of \$111,000.00 \$ 14,430.00
 HST (13.0%) on Taxable Disbursements of \$1,061.10 137.94

TOTAL TAXES 14,567.94

TOTAL AMOUNT DUE \$ 126,789.04 CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 23^d DAY OF AUGUST,
2018.



A Commissioner for Taking Affidavits, etc.

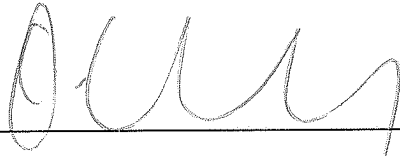
EXHIBIT "B"

Summary of Invoices and Calculation of Average Hourly Billing Rates of Dentons Canada LLP

The Period January 1, 2018 ending May 31, 2018

Date	Invoice No.	Fees	Discount	Disbursements	Taxes(HST)	Hours	Average Rate	Total
April 30, 2018	3348913	73,000.00	1,730.00	76.59	9,499.96	134	528.33	82,576.55
July 11, 2018	3362791	111,000.00	4,637.00	1,221.10	14,567.94	213.7	463.13	126,789.04
TOTALS:		\$184,000.00	\$6,367.00	\$1,297.69	\$24,067.90	347.7	495.73	\$209,365.59

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 23rd DAY OF JULY, 2018.



A Commissioner for Taking Affidavits, etc.

EXHIBIT "C"

Standard Billing Rates of Dentons Canada LLP (before discount)

For the period January 1, 2018 ending May 31, 2018

	<u>Rate</u>	<u>Year of Call</u>
Karen Groulx	\$595.00	1990
Kenneth Kraft	\$880.00	1991
Robert Kennedy	\$595.00	2002
Esme Cragg	\$450.00	2013
Vanja Ginic	\$395.00	2016
Stevan Manojlovic	\$260.00	Articling Student
Michelle Ling	\$230.00	Summer Law Student
Annette Fournier	\$300.00	Paralegal

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF ROBERT KENNEDY
(Sworn August 23, 2018)**

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

Robert Kennedy (LSO #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Lawyers for the Receiver

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**NINTH REPORT OF BDO CANADA LIMITED, IN ITS
CAPACITY AS COURT APPOINTED RECEIVER**

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

Robert Kennedy (LSO #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Lawyers for the Receiver

TAB 3

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

THE HONOURABLE) WEDNESDAY, THE 29th DAY
JUSTICE) OF AUGUST, 2018
)

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

**ORDER
(Holdback and Distribution Order)**

THIS MOTION, made by BDO Canada Limited, in its capacity as Court appointed receiver and manager (the “**Receiver**”), for an order,

- (a) approving the Holdback Procedure (as defined herein);
- (b) approving and authorizing a full and final distribution by the Receiver to the Guarantee (as defined herein) from the Sale Proceeds in the amount of \$283,765,72 (the “**Guarantee Distribution**”), as set out in the ninth report of the Receiver dated August 23, 2018 (the “**Ninth Report**”);
- (c) approving the activities of the Receiver, together with the fees and disbursements of the Receiver, and its legal counsel, Dentons Canada LLP, as set out in the Ninth Report; and

- (d) such further and other relief as counsel may advise and this Honourable Court may deem just;

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver dated August 23, 2018 and the Ninth Report, and on hearing the submissions of counsel for the Receiver, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Amanda Campbell sworn August 23, 2018 filed:

SERVICE

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

INTERPRETATION

2. **THIS COURT ORDERS** that, for the purposes of this Order, the following terms shall have the following meanings:

- (a) **“Acknowledgment”** has the meaning ascribed to such term in paragraph 3 of this Order;
- (b) **“Business Day”** means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (c) **“Claimant”** means a Person asserting a Tarion Claim;
- (d) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (e) **“Deposit”** means any monies including, without limitation, deposit monies and monies on account of extras and upgrades, paid by a Person pursuant to a Purchase Agreement for a Unit at the Project;
- (f) **“Deposit Trustee”** means Schneider Ruggerio LLP;
- (g) **“Guarantee”** means The Guarantee Company of North America;
- (h) **“Holdback”** has the meaning ascribed to such term in paragraph 4 of this Order;

- (i) “**Holdback Balance**” has the meaning ascribed to such term in paragraph 6(c) of this Order;
- (j) “**Holdback Claim Amount**” means amounts in respect of accepted Tarion Claims and any administration fees and other amounts to which Tarion may be entitled in connection therewith pursuant to the Tarion Bond;
- (k) “**Holdback Procedure**” means the procedures outlined in this Order in connection with the establishment of the Holdback and the procedure for the return of the Holdback Balance to the Receiver;
- (l) “**MECDIP**” means the Master Excess Condominium Deposit Insurance Policy issued by the Guarantee;
- (m) “**ONHWPA**” means the *Ontario New Home Warranties Plan Act* (Ontario), R.S.O. 1990, c. O.31, as amended, and the regulations promulgated thereunder;
- (n) “**Order**” means this Order;
- (o) “**Outside Date**” has the meaning ascribed to such term in paragraph 4 of this Order;
- (p) “**Person**” means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity, and for greater certainty, such term includes the Deposit Trustee;
- (q) “**Project**” means the residential condominium development located at 327 Royal York Rd., Toronto, Ontario known as “*On the Go Mimico*”;
- (r) “**Purchase Agreement**” means an agreement of purchase and sale between Terrasan and a Person for the sale and purchase of a residential condominium unit at the development located at 327 Royal York Rd., Toronto Ontario and known as “*On the Go Mimico*”;
- (s) “**Sale Proceeds**” means the proceeds generated from the closing of the Court approved transaction between the Receiver and 2402871 Ontario Inc. pursuant to an asset purchase agreement dated July 28, 2017;
- (t) “**Tarion**” means the Tarion Warranty Corporation;

- (u) “**Tarion Bond**” means the Tarion bond, being bond number TM5120055 dated July 18, 2013 issued by the Guarantee in favour of Tarion;
- (v) “**Tarion Claim**” means any right or claim of any Person against Tarion under the ONHWPA in respect of the Project;
- (w) “**Terrasas**” means Terrasan 327 Royal York Rd. Limited;
- (x) “**Unit**” means a residential condominium unit at the Project;

NOTICES OF DISPUTE

3. **THIS COURT ORDERS** that the Holdback Procedure outlined in this Order, including, without limitation, the cancellation by Tarion of the Tarion Bond, shall only become effective upon the receipt by Tarion of a certificate from the Receiver: (a) certifying that each of the Purchasers that have filed Notices of Dispute (as such term is defined in the Deposit Claims Procedure Order) have each settled their Notice of Dispute Claims with the Receiver and have each signed the Acknowledgment of Receipt of Funds attached as Schedule “G” to the Deposit Claims Procedure Order (the “**Acknowledgment**”), and (b) attaching each of the foregoing signed Acknowledgments.

TARION HOLDBACK

4. **THIS COURT ORDERS** that the Receiver shall pay, within ten (10) Business Days of the granting of this Order, the amount of \$200,000 from the Sale Proceeds to Tarion (the “**Holdback**”), which amount shall be a holdback required to secure payment by Tarion in respect of a Tarion Claim that is made upon Tarion by a Claimant prior to January 24, 2019 (the “**Outside Date**”), and against which Tarion may claim a Holdback Claim Amount;

5. **THIS COURT ORDERS** that upon Tarion's receipt of the Holdback pursuant to paragraph 4, Tarion shall deliver to the Guarantee the Tarion Bond for immediate cancellation and neither Tarion nor the Guarantee shall have any further obligations or liability whatsoever in respect of the Tarion Bond or the Project (in the case of Tarion, subject only to any Tarion Claims that are to be dealt with pursuant to paragraph 6), and any and all claims, including without limitation any suits, debts, causes of action that any Person has, may have or could have pursuant to, or arising from the Tarion Bond or the Project as against the Guarantee and Tarion,

be and are hereby forever barred, released and extinguished (in the case of Tarion, subject only to the Tarion Claims that are to be dealt with pursuant to paragraph 6).

TARION CLAIMS

6. **THIS COURT ORDERS** that:

- (a) Tarion shall:
 - (i) review any Tarion Claim filed prior to the Outside Date and not already satisfied as of the date hereof, and accept, revise or reject them in accordance with Tarion's ordinary claims review procedures provided, however, that Tarion shall have the right, but not the obligation, to consult with the Receiver during its review of a Tarion Claim;
 - (ii) advise the Receiver of the particulars of the payment of any Tarion Claim within ten (10) days after the payment of any such Tarion Claim, and
 - (iii) provide a report to the Receiver as to the Tarion Claims received, Tarion Claims paid and the amount remaining in the Holdback as at the date of such report, with such reports due on October 10, 2018, December 10, 2018 and January 25, 2019;
- (b) Tarion shall be entitled to utilize the Holdback and process payments therefrom on account of accepted Tarion Claims and the Holdback Claim Amounts, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts, or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, rights of distraint, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise;
- (c) the balance of the Holdback (the "**Holdback Balance**"), if any, shall be paid by Tarion to the Receiver, within ten (10) Business Days following the later of:
 - (i) the Outside Date;

- (ii) the completion of the review by Tarion of all Tarion Claims filed prior to the Outside Date;
 - (iii) in the event that Tarion revises or rejects any Tarion Claim, the resolution of such Tarion Claim in accordance with the procedures provided for in the ONHWPA;
 - (iv) the processing and payment by Tarion of any Tarion Claims and Holdback Claim Amounts from the Holdback; and
- (d) Tarion shall have no further obligations or liability whatsoever in respect of the Holdback Balance following Tarion's payment of the Holdback Balance to the Receiver.

THE GUARANTEE DISTRIBUTION

7. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the Guarantee Distribution from the Sale Proceeds in full and final satisfaction of all amounts owing by Terrasan to the Guarantee, as set out in the Ninth Report.

8. **THIS COURT ORDERS** that upon the Receiver's payment of each of the Holdback and the Guarantee Distribution pursuant to paragraphs 4 and 7, respectively, the Guarantee and its respective successors, assigns or agents shall not:

- (a) have any further right whatsoever to claim any further amount derived from or related to the Project; and
- (b) have any remaining interest whatsoever in the Sale Proceeds or any of the assets, properties or undertakings of Terrasan.

9. **THIS COURT ORDERS** that, effective immediately, the MECDIP shall be cancelled and the Guarantee shall not have any further obligations or liability whatsoever, to any Person in respect of the MECDIP or the Project and any and all claims, including without limitation any suits, debts, causes of action that any Person has, may have, or could have pursuant to, or arising

from the MECDIP or the Project as against the Guarantee, be and are hereby forever barred, released and extinguished.

THE GUARANTEE, TARIION AND THE RECEIVER

10. **THIS COURT ORDERS** that none of the Guarantee, Tarion or the Receiver shall incur any liability or obligation as a result of the carrying out of the provisions of this Order, other than in respect of any gross negligence or wilful misconduct on their respective parts, and that no proceeding or process in any court or tribunal shall be commenced or continued against any of the Guarantee, Tarion or the Receiver in connection with the carrying out of the provisions of this Order except with the written consent of the Guarantee, Tarion or the Receiver, as applicable, or with leave of this Court on seven (7) days' notice to the Guarantee, Tarion or the Receiver, as applicable.

11. **THIS COURT ORDERS** that, in connection with the payment or receipt of any funds described herein, the Person receiving such funds shall do so free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts, or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, rights of distraint, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise.

RESFORM SETTLEMENT

12. **THIS COURT ORDERS** that the settlement of lien claim and motion agreement dated July 31, 2018 between Resform Construction Limited ("**Resform**") and the Receiver (the "**Settlement Agreement**") is hereby authorized and approved, and the Receiver is hereby authorized and directed to make a distribution to Resform in the amount of \$186,843.98, as outlined and in accordance with the terms of the Settlement Agreement.

RECEIVER'S ACTIVITIES

13. **THIS COURT ORDERS** that the Ninth Report and the activities of the Receiver as set out in the Ninth Report, are hereby approved

14. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the Ninth Report and in the Fee Affidavits, are hereby approved and the Receiver is hereby authorized to pay any unpaid fees and disbursements herein approved

MISCELLANEOUS

15. **THIS COURT ORDERS** that each of Tarion, the Guarantee and the Receiver may from time to time apply to this Court for advice and directions in respect of the terms of this Order and in carrying out the terms of this Order.

16. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States to give effect to this Order and to assist Tarion, the Guarantee and the Receiver and their respective 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 Tarion, the Guarantee and the Receiver and their respective agents, as may be necessary or desirable to give effect to this Order or to assist Tarion, the Guarantee and the Receiver and their respective agents, in carrying out the terms of this Order.

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**ORDER
(Holdback and Distribution Order)**

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

Robert J. Kennedy (LSO #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Lawyers for the Receiver

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD
(Returnable August 29, 2018)**

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

Robert Kennedy (LSO #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Lawyers for the Receiver