

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

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

**MOTION RECORD
(Returnable November 16, 2017)**

DATE: November 13, 2017

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

Robert 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

TO: SERVICE LIST

EMAIL SERVICE LIST

(as at October 20, 2017)

TO:	<p>ROBINS APPLEBY LLP 2600-120 Adelaide Street West Toronto, ON M5H 1T1</p> <p>Dominique Michaud (LSUC #56871V) Tel: (416) 360-3795 Email : dmichaud@robapp.com</p> <p>Ellad Gersh (LSUC #58579S) Tel: (416) 360-3740 Fax: (416) 868-0306 Email: egersh@robapp.com</p> <p><i>Lawyers for the Applicant, Centurion Mortgage Capital Corporation</i></p>
AND TO:	<p>BDO CANADA LIMITED 123 Front Street West, Suite 1100 Toronto, ON M5J 2M2</p> <p>Mark Chow Tel: (416) 369-3129 Fax: (416) 865-0904 Email: mchow@bdo.ca</p> <p>Gary Cerrato Tel: (416) 369-6058 Email: gcerrato@bdo.ca</p> <p>Josie Parisi Tel: (416) 369-6031 Email: jparisi@bdo.ca</p> <p><i>Receiver</i></p>

<p>AND TO:</p>	<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>Vanja Ginic Tel: (416) 863-4673 Email: vanja.ginic@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><i>Lawyers for The Guarantee Company of North America</i></p>
<p>AND TO:</p>	<p>SCHNEIDER RUGGIERO LLP 120 Adelaide Street West, Suite 100 Toronto, ON M5H 3V1</p> <p>David Markowitz Tel: (416) 363-2211 ext. 209 Fax: (416) 363-0645 Email: dmarkowitz@srlawpractice.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>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>Letitia Lee Tel: (416) 777-2244 ext. 730 Fax: (416) 477-2847 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 Hawk Tel: (416) 643-8810 Email: RHawk@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>BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West, Suite 3400 Toronto, ON M5H 4E3</p> <p>Roger Jaipargas Tel: (416) 367-6266 Email: RJaipargas@blg.com</p> <p><i>Lawyers for Metrolinx</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>

AND TO:	<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>
AND TO:	<p>MANCINI ASSOCIATES LLP</p> <p>Robert Riteman Email: rriteman@manciniassociates.com</p> <p>Angelo Mancini Email: acm@manciniassociates.com</p> <p><i>Lawyers for R. Mancini and Associates Ltd.</i></p>
AND TO:	<p>ROSS & McBRIDE LLP Commerce Place 1 King Street West, 10th Floor Hamilton, ON L8P 1A4</p> <p>Renata Kris Tel: (905) 667-6405 Email: rkris@rossmcbride.com</p> <p><i>Lawyers for McCallum Sather Architects Inc.</i></p>

COURIER SERVICE LIST
(as at October 20, 2017)

TO:	TERRASAN 327 ROYAL YORK RD. LIMITED 39 Newcastle Street Etobicoke, ON M8Y 1A3
AND TO:	JOHN PAUL FLETCHER 3355 Elsa Storry Avenue, R.R. #1 Locust Hill, ON L0H 1J0
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

dmichaud@robapp.com; egersh@robapp.com; mchow@bdo.ca; gcerrato@bdo.ca; jparisi@bdo.ca;
robert.kennedy@dentons.com; vanja.ginic@dentons.com; amacfarlane@blg.com; dmarkowitz@srlawpractice.com;
diane.winters@justice.gc.ca; kevin.ohara@ontario.ca; LLee@levyzavet.com; 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; rkris@rossmcbride.com

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TAB 1

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 November 16, 2017)**

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 November 16, 2017, 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 abridging the time for service of the Notice of Motion herein, Motion Record and the Sixth Report of BDO, in its capacity as Receiver, dated November 13, 2017 (the “**Sixth Report**”) so that this Motion is properly returnable on November 16, 2017, and dispensing with further service thereof;
2. An Order, substantially in form attached hereto as **TAB 4** of the Motion Record, for the following relief:

- (a) approving the Receiver's statement of receipts and disbursements to October 16, 2017; and
 - (b) approving the activities of the Receiver as set out in the Sixth Report, together with the fees and disbursements of the Receiver, and its legal counsel, Dentons Canada LLP as set out in the Affidavit of Gary Cerrato sworn October 17, 2017 and the Affidavit of Robert Kennedy sworn November 13, 2017;
3. An Order, substantially in form attached hereto as **TAB 3** of the Motion Record, for the following relief (the "**Deposit Claims Procedure Order**"):
 - (a) establishing a deposit claims procedure, in accordance with the Deposit Claims Procedure Order;
4. 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;
2. Terrasan's principal asset is 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., and the transaction set out therein (the "**Transaction**");
4. The closing of the Transaction occurred on September 15, 2017, and the Receiver filed the Receiver's Certificate pursuant to the 2402871 APA and the Approval and Vesting Order on that date;

Deposit Claims Procedure

5. According to the Terrasan records, prior to the Receiver's appointment, Terrasan entered into approximately 208 agreements of purchase and sale (a "**Purchase Agreement**"), pursuant to which each purchaser (a "**Purchaser**") agreed to purchase an un-built condominium unit in the Project;
6. According to the Terrasan records, a number of Purchasers paid or had delivered deposits to Terrasan upon the execution of a Purchase Agreement, and those deposits were paid to Terrasan's solicitors to be held in trust pursuant to the provisions of the *Condominium Act* (Ontario) (the "**Condominium Act**");
7. The Receiver understands that Terrasan was entitled to withdraw from trust and use the deposits of the Purchasers for the development of the Project, provided that Terrasan obtained a condominium deposit insurance policy to secure the release of those deposits;
8. Prior to the Receiver's appointment, The Guarantee Company of North America (the "**Guarantee**"), an insurer authorized under the Condominium Act, provided deposit insurance policies to Terrasan for the Project in order to secure deposit monies that were released to Terrasan;
9. The Guarantee has informed the Receiver that it provided insurance policies to Purchasers to protect their right to a return of a deposit paid under a valid and enforceable Purchase Agreement, in the event the Purchase Agreement was terminated;
10. The Receiver understands that the majority of deposits paid by Purchasers were released and replaced by the Guarantee deposit insurance policies. Approximately \$157,000 of deposit funds remain in trust with the deposit trustee (the "**Deposit Trust Funds**");
11. Upon the termination of a Purchase Agreement, a Purchaser may be entitled to claim recovery of the deposit pursuant to the Guarantee deposit insurance policies. Upon payment of any such claim by the Guarantee, the Receiver understands that the Guarantee has a subrogated claim against Terrasan to the extent of the amount of such payment.

The Guarantee's subrogated claims against Terrasan are secured by a mortgage registered against title to the lands of Terrasan (the assets conveyed pursuant to the Transaction);

12. The Receiver is the view that it is just, appropriate and in the best interest of the administration of the receivership estate to establish a procedure to identify and determine deposit claims of Purchasers, and also establish a procedure for the return of Deposit Trust Funds to those Purchasers that have a valid claim to those funds;
13. The deposit claims procedure, attached as **Schedule "B"** to the Deposit Claims Procedure Order, is necessary to enable the Receiver, in conjunction with the Guarantee, to determine proven deposit claims and to facilitate the return of amounts payable in respect of deposit claims to Purchasers; and
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 Sixth Report of the Receiver;
2. The Affidavit of Gary Cerrato sworn October 17, 2017 and the Affidavit of Robert Kennedy sworn November 13, 2017;
3. Such further and other material as counsel may advise and this Honourable Court may permit.

DATED: November 13, 2017

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

Robert 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

TO: SERVICE LIST

Applicant CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

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

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(Returnable November 16, 2017)

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 2

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

SIXTH REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY

AS COURT APPOINTED RECEIVER

November 13, 2017

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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**"). A copy of the Receivership Order is attached herein as **Appendix A**.
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. ("**2402871**"), and the transaction as set out therein (the "**Transaction**").
5. The closing of the Transaction was delayed as 2402871, following further due diligence, was not prepared to close the Transaction until a tower crane and scaffolding (collectively, the "**Equipment**") was removed from the Property. 2402871 specifically raised liability concerns over assuming responsibility for the demobilization of the Equipment upon closing of the Transaction.
6. The Receiver and 2402871 negotiated a letter agreement dated September 12, 2017 (the "**Letter Agreement**") to resolve the outstanding matters delaying the closing of the Transaction. The Letter Agreement, among other things, provided for an adjustment to the purchase price in favour of 2402871 (the "**Price Adjustment**"). The Letter Agreement also provided for the closing of the Transaction to be completed on or before September 15, 2017 (5:00 p.m. Toronto time).

7. On September 13, 2017 this Court granted an Order (the "**Letter Agreement Approval Order**"):
 - (a) approving and authorizing the execution by the Receiver of the Letter Agreement, and approving the Price Adjustment; and
 - (b) amending the Approval and Vesting Order granted on August 25, 2017, such that any reference to "Asset Purchase Agreement", shall be deemed to be a reference to the "Asset Purchase Agreement, as amended by the Letter Agreement".
8. 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.
9. 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.

Purpose of the Report

10. The purpose of this report dated November 13, 2017 (the "**Sixth Report**") is to provide information to the Court with respect to:
 - (a) background information relating to these proceedings;
 - (b) the Receiver's activities;
 - (c) the proposed deposit claims procedure to address the claims of purchasers of the Project's condominium units (a "**Purchaser**") and the deposits paid (the "**Deposit Claims Procedure**");
 - (d) the Receiver's motion for an Order of this Court:
 - (i) authorizing and approving the Deposit Claims Procedure (the "**Deposit Claims Procedure Order**");

- (ii) approving the Receiver's Statement of Receipts and Disbursements to date, attached as **Appendix B** herein (the "**R&D Statement**");
 - (iii) approving the Sixth Report and the activities of the Receiver outlined herein; and
 - (iv) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP ("**Dentons**"), as set out in this Sixth Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements.
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.

Disclaimer

12. This Sixth Report is prepared solely for the use of the Court for the purpose of assisting the Court in making a determination whether to: (i) grant the Deposit Claims Procedure Order, (ii) approve the actions and conduct of the Receiver as set out in this Sixth Report, (iii) approve the fees of the Receiver and Dentons, and (iv) grant any other ancillary relief being sought.
13. Except as otherwise described in this Sixth 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.
14. Unless otherwise stated, all monetary amounts contained in this Sixth Report are expressed in Canadian dollars.

BACKGROUND

15. 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.
16. 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.
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 (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.
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. A copy of the Purchaser Correspondence has been posted to the Website, and is attached herein as **Appendix C**.

ACTIVITIES OF THE RECEIVER

20. In addition to the activities undertaken by the Receiver as detailed in its prior reports (and in particular since the second report of the Receiver dated August 16, 2017), the Receiver has, among other things:
 - (a) attended to the day-to-day maintenance and preservation of the Project, leading up to the closing of the Transaction;

- (b) addressed the delays associated with the closing of the Transaction, together with numerous Court appearances to address the removal of the Equipment;
- (c) engaged in numerous discussions with 2402871 with respect to the closing of the Transaction and the negotiation of the Letter Agreement;
- (d) attended to closing the Transaction;
- (e) managed water removal issues associated with the Project and addressed the assignment of a Sanitary Discharge Agreement between the Receiver, the City of Toronto and 2402871;
- (f) responded to enquiries from Purchasers;
- (g) reviewed the Records in order to assess the status of the Purchase Agreements and the Deposits. The Receiver is also reviewing a "loyalty program" that was implemented by Terrasan to sell units in the Project;
- (h) attended meetings with The Guarantee Company of North America (the "**Guarantee**") and held various discussions with Tarion Warranty Corporation ("**Tarion**") to develop the Deposit Claims Procedure;
- (i) engaged in numerous discussions and meetings with the secured creditors;
- (j) engaged in numerous discussions with those parties that have filed Lien Claims (as defined herein);
- (k) obtained and reviewed security documents of the secured creditors;
- (l) continued the preparation of the Receiver's reply to the motion filed by Resform Construction Ltd.;
- (m) coordinated the removal of various trailers and other equipment from the leased lands adjacent to the Project site; and
- (n) completed the distribution to Centurion pursuant to the Distribution Order.

DEPOSIT CLAIMS PROCEDURE ORDER

21. According to the Records:

- (a) Terrasan entered into approximately 208 Purchase Agreements pursuant to which each Purchaser agreed to purchase an un-built condominium unit in the Project;
 - (b) a number of Purchasers paid or had Deposits delivered to Terrasan upon the execution of a Purchase Agreement;
 - (c) the Deposits were paid to Terrasan's solicitors to be held in trust pursuant to the provisions of the *Condominium Act* (Ontario) (the "**Condominium Act**"); and
 - (d) the majority of the Deposit funds were released to Terrasan, and approximately \$157,000 remain in trust (the "**Remaining Deposit Funds**") with the deposit trustee, Schneider Ruggerio LLP ("**SRLaw**").
22. The Receiver understands that Terrasan was entitled to receive Deposit funds from SRLaw and use those Deposit funds for the development of the Project, subject to Terrasan obtaining a condominium deposit insurance policy to secure the release of those Deposit funds.
23. Prior to the Receiver's appointment, the Guarantee, an insurer authorized under the Condominium Act, provided deposit insurance policies to Terrasan in order to secure Deposit funds that were released to Terrasan (the "**Deposit Insurance Policies**"). The Deposit Insurance Policies included a Tarion bond and an excess condominium deposit insurance policy.
24. The Guarantee has informed the Receiver that the Deposit Insurance Policies protect the Purchaser's right to a return of a Deposit paid under a valid and enforceable Purchase Agreement, in the event a Purchase Agreement is terminated.
25. The Receiver understands that the majority of Deposit funds paid by Purchasers were released and replaced by the Deposit Insurance Policies.
26. Upon the termination of a Purchase Agreement, a Purchaser may be entitled to claim recovery of a Deposit pursuant to the Deposit Insurance Policies. Upon payment of any such claim by the Guarantee, the Receiver understands that the Guarantee would have a subrogated claim against Terrasan for the amount of such payment. The Guarantee's subrogated claims against Terrasan are secured by a mortgage registered against the Property (which was conveyed pursuant to the Transaction).

27. The Receiver is of the view that it is just, appropriate and in the best interest of the administration of the receivership estate to establish a procedure to identify and determine the Deposit claims of Purchasers.
28. The Deposit Claims Procedure, attached herein as **Appendix D**, is necessary to enable the Receiver, in conjunction 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 (the "**Guarantee Security**").
29. With respect to the Remaining Deposit Funds, the Receiver is seeking an Order directing SRLaw to deliver the Remaining Deposit Funds to the Receiver. The Receiver will maintain these funds in a separate account held by the Receiver, and will coordinate the return of the Remaining Deposit Funds to those Purchasers having a specific claim to those deposit funds, in accordance with the Deposit Claims Procedure Order.

Summary of Deposit Claims Procedure

30. Capitalized terms not otherwise defined in this section are as defined in the Deposit Claims Procedure Order.
31. Notice of the Deposit Claims Procedure would include the following activities:
 - (a) the Receiver will deliver a Claims Package to each Purchaser on or before November 24, 2017;
 - (b) the Receiver will post the Newspaper Notice on or before November 24, 2017; and
 - (c) the Receiver will post the Claims Package on the Website on or before November 24, 2017.
32. The filing of Deposit Claim Forms and the determination of such claims would operate under the following procedure:
 - (a) Purchasers asserting a Deposit Claim are required to deliver a Deposit Claim Form to the Receiver no later than January 24, 2018 (the "**Claims Bar Date**"), failing which, such Purchaser would stand forever barred, estopped, and enjoined from asserting or enforcing any Deposit Claim against Terrasan, Tarion and the Guarantee, and such claim would be forever extinguished;

- (b) the Receiver will send a copy of each and every completed Deposit Claim Form to the Guarantee for the review and evaluation of the Deposit Claim. The Receiver will either accept, revise or disallow the claim set out in such Deposit Claim Form;
- (c) the Receiver, in consultation with the Guarantee, may attempt to resolve the amount of a Deposit Claim, either before or after accepting, revising or disallowing such Deposit Claim;
- (d) if the Receiver accepts a Deposit Claim as set forth in a Deposit Claim Form, that Deposit Claim would be a Proven Deposit Claim;
- (e) if the Receiver, in consultation with the Guarantee, chooses to revise or disallow a Deposit Claim, the Receiver will advise the Purchaser by sending a Notice of Revision or Disallowance to the Purchaser;
- (f) any Purchaser who disputes the amount of its Deposit Claim as set forth in a Notice of Revision or Disallowance, must 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;
- (g) any Purchaser who fails to deliver a Notice of Dispute by the deadline set forth in sub-paragraph above, will be deemed to accept the amount of its Deposit Claim as set out in the Notice of Revision or Disallowance;
- (h) upon receipt of a Notice of Dispute, the Receiver will send a copy to the Guarantee and the Receiver, in consultation with the Guarantee, may attempt to resolve the amount of the claim with the Purchaser by consent;
- (i) 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; and
- (j) in the event the Receiver, the Guarantee and the Purchaser are not able to resolve the Deposit Claim amount and any matters arising pursuant to the Notice of Dispute, the Purchaser must schedule a motion before the Court, to be heard not later than 30 days following the delivery of the Notice of Dispute by the Purchaser to the Receiver. In the event the Purchaser fails to schedule the motion by the

forementioned deadline, the Purchaser will be deemed to accept the amount of the Deposit Claim as set out in the Notice of Revision and Disallowance.

33. The proposed time frame for administering the Deposit Claims Procedure is summarized as follows:

Process	Date
Mailing to Purchasers	November 24, 2017
Website Posting	November 24, 2017
Newspaper Notice	November 24, 2017
Claims Bar Date	January 24, 2018
Notice of Revision or Disallowance	To be delivered by the Receiver, acting reasonably
Notice of Disputes	15 calendar days after the date of the Notice of Revision or Disallowance

SECURED CREDITORS and LIEN CLAIMS

34. Set out 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
Diversified Capital Inc. (" Diversified ")	AT3235332 and AT4035434	\$7,700,000
The Guarantee	AT3841250	\$15,053,500
Olympia Trust Company / John Fletcher / Community Trust Company (" Olympia ")	AT3539503 and AT4464383 (Transfer of Charge)	\$10,000,000

35. Pursuant to the Distribution Order, on October 10, 2017, the Receiver distributed the amount of \$12,692,899.41 to Centurion in full and final satisfaction of all amounts owing by Terrasan to Centurion.
36. The Receiver's counsel is in the process of completing an opinion on the debt and security of the Guarantee, Diversified and Olympia. With respect to the Guarantee, the Guarantee's claim is contingent in nature and is based on the Guarantee's liability under the Deposit Insurance Policies and the payment of Proven Deposit Claims. The Deposit Claims Procedure Order will facilitate the determination of Deposit Claims and, as a result, the quantum of the Guarantee's secured debt claim pursuant the Guarantee Security.
37. The Receiver is advised by its counsel that the following liens ("**Lien Claims**") were registered against title to the Property just prior the closing of the Transaction:

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

38. On October 2, 2017 Receiver's counsel delivered correspondence to each party that registered a lien claim requesting further particulars supporting such claims. The Receiver and its counsel have received the requested information from the majority of those parties noted above and are in the process of reviewing those Lien Claims.

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 October 16, 2017 of \$17,734,527.39.

FEES AND DISBURSEMENTS

40. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements, which are described in the Affidavit of Gary Cerrato sworn October 17, 2017, attached herein as **Appendix E**.
41. 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.
42. 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 November 13, 2017, attached herein as **Appendix F**.
43. The Receiver requests that the Court approve its interim accounts from August 1, 2017 to September 30, 2017 in the amount of \$119,280.28, inclusive of HST of \$13,722.51.

44. The Receiver also requests that the Court approve the accounts of its legal counsel for the period from July 1, 2017 to August 31, 2017 in the amount of \$103,495.32 for fees and disbursements including HST of \$13,440.33, for a total of \$116,935.65.
45. 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

46. Based on the foregoing, the Receiver respectfully recommends that the Court:
- (a) grant the Deposit Claims Procedure Order, thereby approving the Deposit Claims Procedure as outlined in this Sixth Report;
 - (b) approve the Receiver's R&D Statement;
 - (c) approve this Sixth Report and the activities of the Receiver as described herein; and
 - (d) approve the fees and disbursements of the Receiver and Dentons, as set out in this Sixth Report, and authorize the Receiver to pay all approved and unpaid fees and disbursements.

All of which is respectfully submitted this 13th day of November, 2017.

**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: Gary Cerrato, CIRP, LIT
Title: Vice-President

TAB A

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

THE HONOURABLE)	FRIDAY, THE 24TH
)	
JUSTICE WILTON-SIEGEL)	DAY OF FEBRUARY, 2017

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant, Centurion Mortgage Capital Corporation (the "Applicant") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing BDO Canada Limited as receiver and manager (the "Receiver") without security, of all of the assets, undertakings and properties of the Respondent, Terrasan 327 Royal York Rd. Limited (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Ryan Buzzell sworn January 27, 2017, and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Debtor and The

Guarantee Company of North America, no one appearing for any other interested party, although duly served and on reading the consent of BDO Canada Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties, including the lands and premises legally described in Schedule "A", of the Debtor, (the "Project") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (and together with the Project, the "Property").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to take possession and control of all bank accounts in the name of the Debtor, including without limitation, Account no. 914670.2-1 with DUCA Financial Services Credit Union Ltd. (the "Project Bank Account"), and including the ability to use and apply any funds on deposit for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures and the costs of caring for and maintaining the Project;
- (h) to settle, extend or compromise any indebtedness owing to the Debtor;
- (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

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- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
 - (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the

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Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person, save and except with respect to the powers enumerated in sub paragraph 3(1) above, the Receiver shall consult with the secured creditors to the Debtor prior to selling, conveying, transferring, leasing or assigning the Property or any part or parts thereof out of the ordinary course of business, including any steps to be taken in respect thereof.

4. **THIS COURT ORDERS** that notwithstanding any other provision of this Order, that:

- (a) the Receiver shall not market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof or negotiate terms and conditions of sale or sell, convey,

transfer, lease or assign the Property or any part or parts thereof until March 24, 2017;

- (b) the Debtor shall have until March 24, 2017 to pay out to the Applicant the amounts owing under the Applicant's Mortgage including all principal and interest due and owing under the Applicant's Mortgage along with legal fees together with payment of the Receiver's Accounts. ("Payment");
- (c) the payment of the Receiver's Accounts shall be in an amount as provided for in paragraphs 21, 22 and 23 hereof; and
- (d) should the Debtor make such Payment and upon payment of the Receiver's fees, the Applicant's Mortgage shall be assigned as the Debtor may direct in writing, the Receiver shall be discharged and this Receivership Order shall also be discharged.

5. **THIS COURT ORDERS** that the restrictions set out in paragraph 4 above, shall not preclude the Receiver from taking any and all steps in the time period commencing on the date of this Order until March 24, 2017 that are necessary to:

- (a) perform its due diligence to obtain a greater understanding of the Property;
- (b) gather relevant documentation for inclusion in a virtual data-room;
- (c) prepare marketing materials including but not limited to a confidential information memorandum;
- (d) prepare listing of potential buyers; and
- (e) prepare a standard form of confidentiality agreement and standard offer form with relevant terms and conditions.

6. **THIS COURT ORDERS** that in the event the Payment is not made on or before March 24, 2017 as contemplated in paragraph 4 above, that the Receiver shall proceed with its motion to approve a sales process for the Property by no later than March 31, 2017.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

8. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 8 or in paragraph 9 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

9. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto

paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

10. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

11. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

12. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property, shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, including without limitation the right of Tarion to terminate registrations held by the Debtors, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph or in paragraph 12, above, shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of or perfection of a claim for lien, including a claim for lien under the *Construction Lien Act*, R.S.O. 1990 c.C30, as amended.

NO INTERFERENCE WITH THE RECEIVER

14. **THIS COURT ORDERS** that no Person, including without limitation, Tarion, shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

15. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or

such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

16. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

17. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

18. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all

such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

19. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

20. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

21. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

23. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

24. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or

otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA. For greater certainty, the Receiver shall utilize first all amounts in the Project Bank Account for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures, and shall utilize amounts borrowed under this paragraph only upon the full depletion of the amounts in the Project Bank Account.

25. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

26. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

27. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

28. **THIS COURT ORDERS** that notwithstanding paragraphs 24-27 inclusive, the Receiver is hereby authorized to borrow money to fund the exercise of its powers and duties hereunder by way of advances from the Applicant, which advances shall be secured by the Applicant's security on the Property (including without limitation the Centurion Mortgage as defined and attached as an exhibit to the Affidavit of Ryan Buzzell), with the same priority that may attach to such security. For greater certainty, the Receiver shall utilize first all amounts in the Project Bank Account for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures, and shall utilize amounts borrowed under this paragraph or under paragraph 24 only upon the full depletion of the amounts in the Project Bank Account. The principal amount borrowed by the Receiver under this paragraph and under paragraph 24 shall not exceed \$500,000.00 in the aggregate (or such greater amount as this Court may by further Order authorize) at any time.

SERVICE AND NOTICE

29. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://extranets.bdo.ca/terrasan/>

30. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

31. **THIS COURT ORDERS** that, subject to any further order of this Court, the Receiver shall provide not less than ten (10) days' notice to the secured creditors of the Debtor of any motion for an order to approve:

- (a) a marketing or sales process for the Property; or
- (b) the sale, conveyance, transfer, lease or assignment of the Property or any part or parts thereof out of the ordinary course of business.

- 15 -

32. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

35. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

37. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

FEB 24 2017

PER / PAR:

SCHEDULE "A"

LEGAL DESCRIPTION OF THE LANDS

P.I.N. 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 AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2017 (the "**Order**") made in an action having Court file number CV-17-11679-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 2017.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

CENTURION MORTGAGE -and-
CAPITAL CORPORATION

TERRASAN 327 ROYAL YORK RD.
LIMITED

Applicant

Respondent

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

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

IN THE MATTER OF Section 101 of
the *Courts of Justice Act* and Section of the
243 of the *Bankruptcy and Insolvency Act*

PROCEEDING COMMENCED AT TORONTO

**ORDER
(Appointing Receiver)**

ROBINS APPLEBY LLP

Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto ON M5H 1T1

Dominique Michaud LSUC #56871V

dmichaud@robapp.com
Tel: (416) 360-3795

Ellad Gersh LSUC #58579S

egersh@robapp.com
Tel: (416) 360-3740
Fax: (416) 868-0306

Lawyers for the Applicant

TAB B

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 October 16, 2017

RECEIPTS:

Building and Land	\$ 30,044,444.00
Cash in Bank	1,381,910.45
HST Refunds	66,840.33
Interest	18,069.44
Miscellaneous Refunds	210.55
Total Receipts	<u>\$ 31,511,474.77</u>

DISBURSEMENTS:

Loan / financing repayments	\$ 12,692,899.41
Operating Expense	261,561.59
Receiver's Fees	229,953.36
Legal fees	173,324.61
Insurance	64,649.80
Outside Consulting	62,259.46
Property Taxes	56,955.28
HST Paid on Disbursements	51,854.37
Repairs and Maintenance	42,923.63
Property Management Fee	42,736.72
HST on Receiver's Fees	29,893.93
HST on Legal Fees	22,518.14
Utilities	18,468.59
Advertising	9,059.60
Occupancy Permit	6,399.36
Occupancy Rent (Site Trailer)	5,055.00
Telephone	2,598.05
Miscellaneous Disbursements	2,177.17
Travel	349.08
Freight	290.00
Storage	285.00
Bank Charges	254.00
Postage	228.33
Redirection of Mail	182.90
Filing Fee	70.00
Total Disbursements	<u>\$ 13,776,947.38</u>
RECEIPTS OVER DISBURSEMENTS	<u>\$ 17,734,527.39</u>

TAB C



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

October 10, 2017

DELIVERED VIA MAIL

Dear Sirs/Mesdames:

**RE: Centurion Mortgage Capital Corporation v. Terrasan Royal York Rd. Limited
 Court File No. CV-17-11679-00CL (the "Receivership Proceeding")**

AND RE: On The Go Mimico Project

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 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**"). A notice of the receivership proceedings was previously sent to you May 9, 2017. Additional information with respect to the receivership proceeding can be found at the Receiver's website at the following address: <http://www.extranets.bdo.ca/terrasan/courtdocs.cfm>.

We write to you in connection with your agreement to purchase a condominium unit from Terrasan in relation to the Project. On August 25, 2017, the Court granted an Order in the receivership proceeding approving the sale of the Lands, among other things, to 2402871 Ontario Inc. (the "**Purchaser**"). The subject sale was completed on September 15, 2017. As a result of the sale, Terrasan no longer has any ownership interest in the Lands (and as a result, the Project) and will not be in a position to satisfy its obligations to purchasers with a valid and enforceable purchase agreement. Please note that the Purchaser did not take an assignment of the agreements of purchase and sale for the Project condominium units.

In connection with your purchase agreement, you may have provided a deposit to Terrasan, and the deposit you may have paid to Terrasan may be covered under the Ontario New Home Warranties Plan Act (Ontario) or the Condominium Act (Ontario) and you may have the ability to recover your deposit by filing a proof of loss claim form.

By way of an update, the Receiver is in the process of developing a Court approved claims procedure (the "**Claims Procedure**") to address, among other things, the recovery of the deposits paid by those purchasers to Terrasan under a valid and enforceable purchase agreement. The Receiver anticipates obtaining an order from the Court approving the Claims Procedure (the "**Claims Procedure Order**") in



-2-

the near future. Once the Claims Procedure Order has been granted by the Court, the Receiver will be sending to all purchasers a copy of the Claims Procedure Order along with a complete set of instructions (including a proof of loss claim form) in order for purchasers to assert a claim for recovery of their deposit.

If you have any questions or concerns, please do not hesitate to contact the Receiver attention: Katarina Masciantonio at (416) 865-0210.

BDO CANADA LIMITED

solely in its capacity as the Court-appointed receiver and manager of Terrasan 327 Royal York Rd. Limited

A handwritten signature in cursive script, appearing to read 'J. Masciantonio'.

Per: _____

TAB D

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 an authorization and direction, substantially in the form attached as **Schedule "I"**, authorizing and directing the Receiver to pay 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.

TAB E

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

**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 Partner 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 fees and disbursements for the period from 1 August 2017 to 30 September 2017 in the amount of \$105,557.77 plus HST of \$13,722.51 for a total of \$119,280.28, 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)
 17th day of October 2017)

O. Montesano

 Commissioner for Taking Affidavits, etc)

Gary Cerrato

 Gary Cerrato, CIRP, LIT)

Antonio Montesano, a Commissioner, etc.,
 Province of Ontario, for BDO Canada LLP
 and BDO Canada Limited, Trustee in Bankruptcy,
 and their subsidiaries, associates and affiliates.
 Expires January 15, 2018.

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

Gary Cerrato

Sworn before me this 17th day of October 2017



A COMMISSIONER FOR TAKING AFFIDAVITS

Antonio Montesano, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited, Trustee in Bankruptcy,
and their subsidiaries, associates and affiliates.
Expires January 15, 2018.



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
17 October 2017	#Terrasan-004

RE TERRASAN 327 ROYAL YORK RD. LIMITED

TO OUR FEE FOR PROFESSIONAL SERVICES rendered from 1 August 2017 to 30 September 2017 in connection with our Receivership Engagement of the above-noted, as described below:

Date	Professional	Description	Hrs.
1-Aug-17	Cerrato, Gary	Review of motion record of 2043102 Ontario Limited; call with J. Grossman from Mattamy re their Phase Two bid; conference call with B. Rotenberg and R. Kennedy to discuss Mattamy offer.	1.0
2-Aug-17	Cerrato, Gary	Call with S. Chan from Vandyk to obtain clarity on the Agreement of Purchase and Sale terms; further call with J. Grossman from Mattamy re possibility of Mattamy increasing their offer.	1.0
2-Aug-17	Chow, Mark	Review correspondence from R. Kennedy re sales process and bids received.	0.5
2-Aug-17	Montesano, Tony	File July 2017 HST Return for the RT0001 and RT0002 account; process payments	0.3
3-Aug-17	Cerrato, Gary	Call with M. Prfimmer from Slate; calls with R. Kennedy re status of his call with counsel for Vandyk and strategize on offer acceptance; review and approve disbursements.	1.1
3-Aug-17	Montesano, Tony	Draft email to V. Bandoquillo at Rogers re request bills be sent to my attention going forward.	0.1
4-Aug-17	Cerrato, Gary	Responding to follow up calls re outcome of sales process; draft and forward acceptance and rejection letters to Phase Two bidders.	2.4
4-Aug-17	Chow, Mark	Update discussion with G. Cerrato re file status and acceptance of Agreement of Purchase and Sale.	0.1



Date	Professional	Description	Hrs.
8-Aug-17	Cerrato, Gary	Emails to Phase Two bidders re wire transfer information to return deposits; coordinate return of deposits with T. Montesano; review and approve disbursements; attend to correspondence received.	0.8
8-Aug-17	Masciantonio, Katarina	Review email from R. Kennedy and respond to same; review email from D. Hauser re sales process update and respond to same; review email from Bell re receivership update and respond to same; open mail; review invoices and prepare cheque requisitions.	0.4
8-Aug-17	Montesano, Tony	Meet with G. Cerrato to coordinate return deposit; wire transfer for all parties except Vandyk who was chosen to close the transaction; arrange for wires.	0.8
9-Aug-17	Cerrato, Gary	Working on court report.	2.0
9-Aug-17	Masciantonio, Katarina	Review invoices and prepare cheque requisitions for same; review and save rental contracts.	0.4
9-Aug-17	Montesano, Tony	Email the unsuccessful bidders to advise that the wire to return their deposits has been processed.	0.3
9-Aug-17	Parisi, Josie	Review draft Agreement of Purchase and Sale; review associated emails.	1.3
10-Aug-17	Masciantonio, Katarina	Review invoice and prepare cheque requisition.	0.1
10-Aug-17	Parisi, Josie	Review Agreement of Purchase and Sale and send comments to R. Kennedy.	1.6
14-Aug-17	Masciantonio, Katarina	Review email from J. Parisi re GST/HST number; review Quickbooks to find GST/HST number.	0.1
14-Aug-17	Montesano, Tony	Prepare interim statement of receipts and disbursements and Receiver's interim report.	1.0
14-Aug-17	Parisi, Josie	Completing court report and confidential supplement.	5.3
15-Aug-17	Masciantonio, Katarina	Review invoice and prepare cheque requisition.	0.1
15-Aug-17	Parisi, Josie	Update call with T. Scianitti; prepare second report of the Receiver and confidential supplemental report.	5.9
16-Aug-17	Masciantonio, Katarina	Review and provide comments on the Receiver's second court report.	1.0



Date	Professional	Description	Hrs.
16-Aug-17	Parisi, Josie	Finalize report and making changes to court report based on discussions with R. Kennedy; calls with R. Cinapari and emails to same regarding condo units and deposits; calls with T. Scianitti re site issues and visits.	3.4
17-Aug-17	Hanson, Michael	Second partner review of Receiver's second report.	1.0
17-Aug-17	Masciantonio, Katarina	Draft email to Bell re account 519111514.	0.1
17-Aug-17	Parisi, Josie	Call with R. Kennedy; review revised Receiver's first report; call with R. Kennedy and A. McFarlane.	2.9
18-Aug-17	Parisi, Josie	Final changes to report and confidential supplement.	1.9
21-Aug-17	Chow, Mark	Review fee invoice from Dentons Canada LLP and discuss with J. Parisi; discuss file status and issues with J. Parisi.	0.5
21-Aug-17	Parisi, Josie	Call with D. Michaud re distribution order; call with R. Kennedy re motion materials and his discussion with D. Michaud.	0.7
22-Aug-17	Chow, Mark	Attend to creditor correspondence.	0.2
22-Aug-17	Masciantonio, Katarina	Prepare Receiver's first interim report.	0.7
22-Aug-17	Parisi, Josie	Review factum and provide comments to Dentons Canada LLP.	0.9
23-Aug-17	Masciantonio, Katarina	Prepare cheque requisition.	0.1
23-Aug-17	Masciantonio, Katarina	Review email from D. Hauser re sale and respond to same; prepare cheque requisition.	0.2
23-Aug-17	Parisi, Josie	Resform issue.	0.9
24-Aug-17	Chow, Mark	Review creditor correspondence.	0.2
24-Aug-17	Marchand, Matthew	Review fax received re Resform opposition to order; draft email to G. Cerrato re same; discussion with J. Parisi re opposition to order.	0.4
24-Aug-17	Parisi, Josie	Calls with R. Kennedy regarding various motions to appear and other requests associated with Approval and Vesting Order tomorrow; discussions with Metrolinx on two occasions; discussions with lawyer for purchaser, discussions with counsel for lien claimant; review various materials and affidavits; review and retrieve emails to Resform regarding their equipment on site; discussions with G. Cerrato re Resform issue.	4.9



Date	Professional	Description	Hrs.
24-Aug-17	Masciantonio, Katarina	Update Receiver's first interim report; draft email to BDOSupport re materials to be posted on Receiver's website.	0.5
25-Aug-17	Chow, Mark	Review creditor correspondence re notice of court attendance; review endorsement and approval and vesting order.	0.3
25-Aug-17	Masciantonio, Katarina	Review invoice and prepare cheque requisition; request BDOSupport to post documents on Receiver's website.	0.2
25-Aug-17	Parisi, Josie	Attend court to obtain approval and vesting order; various discussions and communications with R. Kennedy and Aluma/Resform regarding their claim.	4.8
28-Aug-17	Cerrato, Gary	Meeting with J. Parisi re updates on status of sale closing and issues; review of correspondence re sale closing; calls and correspondence with R. Kennedy regarding sale closing; conference calls with Resform; numerous discussions with J. Parisi re sale closing issues, review of executed Agreement of Purchase and Sale to review conditions; review emails from Resform and Aluma's counsel; call with J. Cameron Vice President of Construction for Vandyk re closing concerns; meet with J. Cameron Vice President of Construction for Vandyk to discuss concerns and set up a site meeting.	5.5
28-Aug-17	Parisi, Josie	Numerous calls with R. Kennedy regarding closing on Friday; calls with Resform; numerous discussions with G. Cerrato; review of the Agreement of Purchase and Sale regarding conditions included in the buyers Agreement of Purchase and Sale; review emails from Resform and Aluma's counsel.	5.1
29-Aug-17	Chow, Mark	Update discussion with J. Parisi re file status and closing of sale issues; update discussion with R. Kennedy re file status.	0.7
29-Aug-17	Montesano, Tony	Discussion with D. Hankin from the City of Toronto; request for Receiver's Notice and blank Proof of Claim; scanned copy to same.	0.1
29-Aug-17	Parisi, Josie	On site with Vandyk to discuss closing, various discussions with R. Kennedy re closing; calls with T. Scianitti; calls with Vandyk; review of various emails related to Resform.	6.1



Date	Professional	Description	Hrs.
29-Aug-17	Cerrato, Gary	Attendance at 327 Royal York Road for onsite with J. Cameron and D. Zita from Vandyk to discuss sale closing and their concerns re liability issues, should Vandyk manage the scaffolding removal and crane demobilization after the sale closing; meeting with T. Scianitti to discuss issues with crane demobilization and scaffolding removal; conference call to S. Brocca from Resform re status of demobilization plan and discussing various aspects re same; various discussions with R. Kennedy re sale closing and demobilization issues, review of correspondence re sale closing issues; conference call with J. Parisi and G. Milligan from Quinn Dressel (engineer of record for development) to discuss the engineering required to remove Aluma scaffolding and to discuss engaging Quinn Dressel to review Resform's demobilization plan.	6.0
30-Aug-17	Cerrato, Gary	Conference call together with Schneider Ruggiero LLP regarding financing and questions posed by the lender and closing matters related to the Purchaser; numerous calls and correspondence with R. Kennedy and J. Parisi to strategize on closing the sale with Vandyk; reviewing and amending court report to update court on the progress with Resform and Aluma since August 25; discussions with S. Brocca re crane demobilization issues; calls and emails with J. Parisi and R. Kennedy regarding the history of the matter with Resform; calls with T. Scianitti re demobilization issues; call to Bluescape to discuss demobilization process and request a proposal to manage the demobilization process for the Receiver.	6.5
30-Aug-17	Chow, Mark	Update discussion with J. Parisi re file status and issues.	0.6
30-Aug-17	Masciantonio, Katarina	Draft email to J. Parisi re mail forwarding service; meeting with J. Parisi to discussion 2016 corporate tax return; prepare 2016 corporate tax return; draft various letters to send to vendors re address change; review files on USB for crane procedures.	3.5
30-Aug-17	Parisi, Josie	Call with Schneider Ruggiero LLP regarding financing and questions posed by the lender and closing matters related to the Purchaser; various calls with R. Kennedy regarding finding solutions to close the sale and numerous emails regarding the same; prepare court report to update court on the progress with Resform and Aluma since August 25; various calls and emails with G. Cerrato and R. Kennedy regarding the history of the matter with Resform; review Resform contract, discussions with T. Scianitti.	7.9



Date	Professional	Description	Hrs.
31-Aug-17	Cerrato, Gary	Finalize report for court and correspondence re same; update discussions with J. Parisi re developments in court; conference calls to Vandyk, T. Scianitti and Resform after court appearance; review of correspondence from S. Brocca re demobilization issues; call to S. Brocca re various demobilization issues and to schedule site meetings.	3.0
31-Aug-17	Chow, Mark	Update discussion with J. Parisi and G. Cerrato re file status, court hearing and issues.	0.5
31-Aug-17	Hanson, Michael	Discussions with J. Parisi re sale closing and crane.	0.5
31-Aug-17	Marchand, Matthew	Correspondence with K. Masciantonio re corporate tax return.	0.1
31-Aug-17	Masciantonio, Katarina	Review invoices and prepare cheque requisitions for same; phone call to condo purchaser.	0.4
31-Aug-17	Parisi, Josie	Finalizing report for court before attendance; attend court regarding Terrasan to discuss potential deal with Vandyk; discussions with J. DaRe before and after being in chambers; various calls with Vandyk, T. Scianitti and Resform after court appearance.	5.6
1-Sep-17	Cerrato, Gary	Conference call with J. Parisi and R. Kennedy and V. Ginic to discuss what transpired at court; calls with M. Maura re demobilization issues; call with T. Scianitti re update on site meetings with Resform representatives; discussions with Bluescape re crane air space issues; reviewing prior agreements re same; discussion and review of Occupational Health and Safety Act re constructor and owner liabilities.	2.5
1-Sep-17	Parisi, Josie	Meeting at 327 Royal York with Mario Mauro of Safex Corp to discuss site safety and assistance with crane removal; conference call with Schneider Ruggiero LLP regarding sale to Vandyk; calls with D. Zita of Vandyk regarding the conditions imposed after vesting order; call with R. Ma of Vandyk regarding the conditions; call with Dentons Canada LLP to relay information; various discussions with G. Cerrato; call from T. Scianitti re his meeting with D. Zita at the site; call with R. Kennedy and V. Ginic regarding what happened in court this morning; call with G. Cerrato re same; call with T. Scianitti re site visits by Vandyk; call with D. Michaud to update re status of closing.	8.1



Date	Professional	Description	Hrs.
5-Sep-17	Cerrato, Gary	Attendance at 327 Royal York together with J. Parisi, M. Mauro of Safex Corp and T. Scianitti to discuss site safety and discuss crane demobilization; discussions with master electrician re crane safety inspection; tour site with M. Mauro re safety issues; meeting with mobile crane representative; attend conference call with Schneider Ruggiero LLP regarding sale to Vandyk; conference call with D. Zita of Vandyk regarding the conditions imposed after vesting order; conference call with R. Ma and S. Chan of Vandyk regarding the additional conditions to get clarity on the request; various calls with R. Kennedy re updates on sale closing issues; call with S. Brocca from Resform on status of demobilization plan.	6.0
5-Sep-17	Marchand, Matthew	Receive phone call from condo owner re deposit.	0.1
5-Sep-17	Masciantonio, Katarina	Call to unit holder re deposit; phone call from T. Scianitti re Nuera Scaffold.	0.2
6-Sep-17	Cerrato, Gary	Calls with R. Kennedy to strategize on ways of closing the sale transaction; review of correspondence re sale closing; conference calls with J. Parisi and R. Ma from Vandyk; conference call with T. Scianitti re Resform's request to be on site on Friday to gather further information to demobilize and discuss his meetings with D. Zita from Vandyk; discussions with J. Parisi.	3.0
6-Sep-17	Masciantonio, Katarina	Review invoice and prepare cheque requisition for same; draft email to D. Young (Nuera Scaffold) re outstanding invoices.	0.2
6-Sep-17	Parisi, Josie	Call with G. Cerrato re Terrasan and his call with R. Ma; call with R. Kennedy re his discussions with G. Ruggiero of Schneider Ruggiero LLP; numerous discussions with R. Kennedy, T. Scianitti and R. Ma; review emails pertaining to demobilization and purchasers requirements to close.	2.6
7-Sep-17	Cerrato, Gary	Numerous conference calls with R. Ma from Vandyk re closing issues, calls with R. Kennedy; call with G. Ruggiero, J. Parisi and R. Kennedy regarding closing the transaction; review of correspondence re same; calls with T. Scianitti re various issues with demobilization; call with L. Dong from Metrolinx to discuss permit approval and road closure issues; calls with S. Brocca re issues with crane demobilization plan.	5.0
7-Sep-17	Masciantonio, Katarina	Draft email to T. Scianitti re Nuera invoices.	0.1
7-Sep-17	Parisi, Josie	Numerous calls with R. Ma, G. Ruggiero, G. Cerrato and R. Kennedy regarding closing the transaction; review various emails, updating M. Chow re same.	5.1



Date	Professional	Description	Hrs.
8-Sep-17	Chow, Mark	Review report to court.	0.5
8-Sep-17	Parisi, Josie	Review fourth report and propose changes; discussions with R. Kennedy re report, Diversified position, emails from R. Ma; discussions with G. Cerrato re Resform's demobilization plan and discussion regarding Aluma's request for an adjournment.	1.1
11-Sep-17	Cerrato, Gary	Various calls with T. Scianitt re demobilization issues; calls with S. Brocca from Resform re various demobilization issues; attendance in court to deal with Resform and Aluma motion, discussions with counsel for Vandyk and counsel for Aluma; discussions with R. Ma of Vandyk to negotiate sale closing conditions; conference call with D. Michaud regarding the delays in closing.	5.0
11-Sep-17	Masciantonio, Katarina	Draft email to T. Scianitti re Nuera invoices; review invoices and prepare cheque requisitions for same.	0.3
11-Sep-17	Montesano, Tony	File August 2017 HST Return.	0.1
11-Sep-17	Parisi, Josie	Attend court to deal with Resform and Aluma motion; discussions with counsel for Vandyk and counsel for Aluma; discussions with R. Ma of Vandyk to negotiate on certain conditions imposed post close; discussions with D. Michaud of Robbins Appleby LLP regarding the delays in closing.	3.9
12-Sep-17	Cerrato, Gary	Conference call with B. Milburn, R. Ma, J. Parisi and R. Kennedy to try to come to a resolution on the sale closing; discussions with J. Parisi and R. Kennedy re same; review of Receiver's supplemental report and motion record returnable September 13, 2017.	3.0
12-Sep-17	Masciantonio, Katarina	Prepare letter on letterhead with address.	0.5
12-Sep-17	Parisi, Josie	Conference call between B. Millborn (purchaser's counsel), R. Ma (purchaser), Receiver and Receiver's counsel to understand the outstanding issues and conditions and how to close the transaction; conference call with R. Kennedy to discuss the Receiver's position and closing the transaction; correspondence with D. Michaud regarding status of the estate; correspondence with M. Kapp (condo purchaser) regarding next steps for refund of their deposit; review of letter of agreement between Receiver and Purchaser, sign and return; review draft order; review draft notice of motion; review Receiver's report; discussions with R. Kennedy re materials to be served and comments.	4.3



Date	Professional	Description	Hrs.
13-Sep-17	Cerrato, Gary	Conference call with Vandyk and Dentons Canada LLP to discuss closing; subsequent call with R. Kennedy re closing and price abatement, review various emails re agreement for abatement; call with T. Scianitti and M. DiJulio re demobilization plan and issues; conference call with S. Brocca and M. Diguilio from Resform re problems with crane arm and immediate requirement to demobilized; calls with T. Scianitti re same; call from D. Zita at Vandyk re crane and demobilization issues; review of order.	4.5
13-Sep-17	Masciantonio, Katarina	Call to unit purchaser re update.	0.1
13-Sep-17	Montesano, Tony	Contact P. Laforte at WCSI regarding their property on site at 327 Royal York Road.	0.2
13-Sep-17	Parisi, Josie	Conference call with Vandyk and Dentons Canada LLP to discuss closing; subsequent call with R. Kennedy re closing and price abatement, review various emails re agreement for abatement.	2.1
14-Sep-17	Cerrato, Gary	Review and execution of closing documents; calls with R. Kennedy re same; dealing with other closing issues; various calls with T. Scianitti re demobilization issues; calls with S. Brocca at Resform re demobilization efforts and issues; calls with Vandyk re sale closing and demobilization issues.	3.5
15-Sep-17	Cerrato, Gary	Review of closing documents.	2.0
18-Sep-17	Cerrato, Gary	Attendance at meeting with R. Kennedy and J. Parisi with A. McFarlane and representatives from Guarantee Company of North America to discuss claims bar process and findings with regard to the "loyalty program".	2.0
18-Sep-17	Chow, Mark	Update discussion with J. Parisi re file status and issues and potential claims process on deposits received and Guarantee Company of North America position as guarantor.	0.4
18-Sep-17	Masciantonio, Katarina	Review invoices and prepare cheque requisitions for same; call to unit purchaser re update on sales process; discussion with J. Parisi re "loyalty program"; review Quickbooks for information on "loyalty program" agent, 1913669, and the funding sources; prepare list of utility accounts and send same to J. Parisi.	2.0
18-Sep-17	Montesano, Tony	Address questions from P. Laforte from WCSI regarding property on site at Terrasan and provide contact information for purchaser of project.	0.1



Date	Professional	Description	Hrs.
18-Sep-17	Parisi, Josie	Prepare for meeting and attend meeting with Guarantee Company of North America and their counsel regarding their claim.	3.4
19-Sep-17	Masciantonio, Katarina	Discussion with J. Parisi re sale closing and "loyalty program"; draft list of current services and send same to J. Parisi; instruct T. Montesano to contact Toronto Hydro, Enbridge and Rogers re sale closing; call First Insurance and draft email to First Insurance re sale closing; draft email to Bell re sale closing; receive phone call from unit purchaser re address change; review quickbooks, prepare summary of commission transactions and send same to J. Parisi.	2.6
19-Sep-17	Montesano, Tony	Place calls to the service providers; Toronto Hydro; Enbridge; Rogers to advise to close account and provide a final billing; discuss same with J. Parisi; complete change of ownership request form for Rogers.	0.7
19-Sep-17	Parisi, Josie	Discussions with T. Scianitti re various services which need to be terminated; discussions with R. Kennedy re sewer discharge agreements and Resform.	1.6
20-Sep-17	Masciantonio, Katarina	Draft email to J. Parisi re services.	0.1
20-Sep-17	Parisi, Josie	Correspondence with R. Kennedy re communication to condo purchasers; responses to various condo purchasers regarding the termination of their agreements and that a process is being developed for proving the claims of these parties.	0.9
21-Sep-17	Cerrato, Gary	Meeting with J. Parisi and K. Masciantonio re vacating rented land; conference call with J. Parisi, K. Masciantonio and T. Scianitti re same; phone call from T. Scianitti re letter to Atlas and City of Toronto; dealing with other post-closing issues; review Resform lien details to determine amounts that were included were for demobilization costs in 2017.	3.9
21-Sep-17	Chow, Mark	Review correspondence re motion from Resform re use of equipment.	0.3
21-Sep-17	Masciantonio, Katarina	Meeting with J. Parisi and G. Cerrato re vacating rented land; conference call with J. Parisi, G. Cerrato and T. Scianitti re same; phone call from T. Scianitti re letter to Atlas and City of Toronto; discussion with G. Cerrato re same.	1.3



Date	Professional	Description	Hrs.
21-Sep-17	Parisi, Josie	Call with M. Cappuccitti and subsequent email regarding the process for return of condo purchaser's deposits; review information provided by R. Kennedy regarding "loyalty program".	1.6
22-Sep-17	Cerrato, Gary	Review letter to condo purchasers and discuss with J. Parisi; call with R. Kennedy re same; various discussions with T. Scianitti, J. Parisi and K. Masciantonio re next steps for terminating leases and other contracts; review of correspondence from T. Scianitti; discussions with Vandyk re transition issues; call from Atlas re dewatering re transition problems; reviewing documentation re settlement with Dunpar close out lease agreement; dealing with other transition issues; call with E. Feige counsel to sub-contractor re outstanding invoices; dealing with sanitary discharge assignment issues.	4.5
22-Sep-17	Masciantonio, Katarina	Review and revise letter drafted by T. Scianitti re Atlas Dewatering; meeting with G. Cerrato re dewatering and discharge permit; review various emails from T. Scianitti re services on site; meeting with G. Cerrato re WCSI invoices.	3.1
22-Sep-17	Montesano, Tony	Discussion with Hydro One regarding confirmation of closure of accounts.	0.2
22-Sep-17	Parisi, Josie	Review letter to condo purchasers and suggest changes; discussion re same with R. Kennedy; numerous discussions with T. Scianitti, G. Cerrato and K. Masciantonio re next steps for terminating leases and other contracts; review various letters prepared by T. Scianitti.	2.6
25-Sep-17	Cerrato, Gary	Call with T. Scianitti re dewatering issues; call with Atlas Dewatering re transition issues; calls from D. Zita from Vandyk re dewatering concerns and issues and sanitary discharge issues; review and approve invoices.	1.5
25-Sep-17	Masciantonio, Katarina	Review invoices and prepare cheque requisitions for same; review email from T. Scianitti re Stephenson Rental; review old Stephenson Rental invoices; draft email to T. Scianitti re Stephenson Rental.	1.0
25-Sep-17	Parisi, Josie	Calls with Condo purchasers; calls with Vandyk re water issue and transferring discharge agreement; call with T. Scianitti re removal of final items from the site.	2.1
26-Sep-17	Parisi, Josie	Various phone calls with R. Kennedy regarding water discharge agreement, closing documents, removal of equipment from site, etc.	0.6



Date	Professional	Description	Hrs.
27-Sep-17	Cerrato, Gary	Conference call with R. Santarelli from Atlas re update on meeting with City of Toronto and Vandyk and outcome of issues with transfer of Sanitary Discharge Agreement; meeting with T. Sciantti re same; calls with D. Zita re same; correspondence and calls with R. Kennedy re same; review of assignment documentation; calls with E. Martellacci from City of Toronto; approve disbursements; return calls from unit holders; call from Royal LePage broker re update on status of sale.	4.0
27-Sep-17	Montesano, Tony	Discussion with S. Cosmin, requested copy of discharge statement; numerous discussion with M. Drachewych from the City of Toronto regarding the Letter of Credit request to provide written confirmation to Duca Financial Services to release credit amount; discuss same with J. Parisi.	0.7
27-Sep-17	Parisi, Josie	Discussions with T. Montesano re Letter of Credit and Duca's requirements, call to City of Toronto re releasing the Letter of Credit; review Sanitary discharge agreement, provide comments to R. Kennedy; calls with T. Sciantti re outstanding issues; discussions with Vandyk re water discharge, additional discussions with R. Kennedy re same.	2.5
28-Sep-17	Cerrato, Gary	Various calls with E. Martilacci from City of Toronto re options re Sanitary Discharge Agreement; various calls with Vandyk re same; conference call with T. Scianitti and Atlas Dewatering re various issues; review of assignment agreement; review of correspondence to City of Toronto re assignment and execute same.	2.0
28-Sep-17	Masciantonio, Katarina	Call to T. Scianitti re books and records at train station; review books and records list; draft email to J. Parisi re books and records at train station.	0.2
28-Sep-17	Parisi, Josie	Review documentation related to sewer discharge agreement and assignment.	0.9
29-Sep-17	Cerrato, Gary	Calls with T. Scianitti re status of transfer of Sanitary Discharge Agreement; calls and correspondence with E. Martellacci re transfer of Sanitary Discharge Agreement; discussions with R. Kennedy re same and to discuss court report and contents thereof.	2.0
29-Sep-17	Parisi, Josie	Start court report; review assignment agreement; review letter to condo purchasers and provide comments; calls with R. Ma and D. Zita re assignment.	2.6



Our Fee		\$ 101,275.80
Disbursements		
Travel/Mileage	139.49	
Exension of Redirection of Mail Fee	91.45	
Administrative Fee - 4%	4,051.03	4,281.97
Subtotal		105,557.77
HST - 13.00% (#R101518124)		13,722.51
TOTAL		\$ 119,280.28

Summary of Time Charges:

	Hours	Rate	Amount
M. Chow, Partner	4.80	595.00	2,856.00
J. Parisi, Partner	105.20	495.00	52,074.00
M. Hanson, Partner	1.50	495.00	742.50
G. Cerrato, Senior Manager	83.70	465.00	38,920.50
M. Marchand, Manager	0.60	305.00	183.00
K. Masciantonio, Sr. Administrator	19.50	195.00	3,802.50
T. Montesano, Administrator	4.60	198.00	910.80
Administrative Support	13.20		1,786.50
Total	233.10		\$ 101,275.80

TAB F

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

**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 November 13, 2017)**

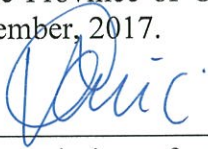
I, **ROBERT KENNEDY**, of the City of Toronto, in the Province of Ontario, **SWEAR
AND SAY AS FOLLOWS:**

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 July 3, 2017-August 31, 2017 (the “**Fee Period**”), are summarized in the invoice rendered to the Receiver (the “**Invoice**”). The Invoice is 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 Invoice and that it considers the fees and disbursements as fair and reasonable. Attached and marked as **Exhibit “A”** is the Invoice.
6. Attached and marked as **Exhibit “B”** is a schedule summarizing the Invoice, 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 13th day of November, 2017.



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 13th DAY OF
NOVEMBER, 2017.



A Commissioner for Taking Affidavits, etc.

大成 DENTONS

Dentons Canada LLP
 15th Floor, Bankers Court
 850-2nd Street SW
 Calgary, AB, Canada T2P 0R8

T 403 268 7000
 F 403 268 3100

大成 Salans FMC SNR Denton McKenna Long
 dentons.com

BDO Canada LLP
 1100-123 Front Street West
 Toronto, ON M5J 2M2

Attention: Mark Chow

INVOICE # 3305657

GST/HST # R121996078
 QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
September 29, 2017	201205-000011	Robert Kennedy

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

Professional Fees	\$ 101,410.50
Other Fees/Charges & Disbursements	2,084.82
HST (13.0%) on \$103,387.12	<u>13,440.33</u>
Total Amount Due	<u>\$ 116,935.65 CAD</u>

Payment Options:	
<p><u>Cheques:</u> Cheques payable to Dentons Canada LLP and mailed to the following address: 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON Canada M5K 0A1</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>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>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 Tor.Accounting@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 August 31, 2017:

Date	Timekeeper	Description of Work
03-Jul-17	Karen Groulx	Telephone call with Kevin Power regarding request for set-down of lien action. Email to Robert Kennedy regarding same.
04-Jul-17	Robert Kennedy	Work on sale process matters. Communications with bidding parties. Correspondence to and from Josie Parisi. Review correspondence from Catherine Willson.
05-Jul-17	Robert Kennedy	Work on lien matters. Correspondence to Gary Cerrato and Josie Parisi.
06-Jul-17	Robert Kennedy	Communications with bidding parties. Voicemail from and to Josie Parisi. Conference call with Josie Parisi and Gary Cerrato. Work on sale process matters.
07-Jul-17	Robert Kennedy	Work on sale process matters. Review correspondence from Gary Cerrato. Correspondence to Gary Cerrato and Josie Parisi regarding sale process matters. Work on lien claims.
10-Jul-17	Robert Kennedy	Work on sale process matters. Conversation with Sean Gosnell. Communications with bidding parties.
11-Jul-17	Robert Kennedy	Review various correspondence from lien claimants. Correspondence to and from Gary Cerrato.
12-Jul-17	Karen Groulx	Telephone call with counsel for lien claimant regarding draft order for leave to preserve lien by setting down action for trial. Brief discussion with Robert Kennedy regarding request made by counsel for lien claimant.
12-Jul-17	Robert Kennedy	Review various correspondence regarding lien claims. Conversation with Gary Cerrato. Various correspondence to and from lien claimants. Conference with Karen Groulx regarding lien claims. Communications with bidding parties. Work on sale process matters.
13-Jul-17	Robert Kennedy	Work on sale process matters. Various correspondence to and from Sean Gosnell. Conversation with Sean Gosnell.
14-Jul-17	Robert Kennedy	Work on sale process matters. Work on lien matters.
21-Jul-17	Karen Groulx	Email to counsel regarding motion dates.
23-Jul-17	Robert Kennedy	Communications with bidding parties. Review sale process order.
24-Jul-17	Karen Groulx	Follow up regarding date for court appearance from Robert Kennedy.

Date	Timekeeper	Description of Work
24-Jul-17	Robert Kennedy	Work on sale process matters. Various communications with bidding parties. Review sale process. Attend to motion scheduling.
25-Jul-17	Karen Groulx	Receipt and response to email regarding motion date.
25-Jul-17	Robert Kennedy	Work on construction lien matters. Work on sale process matters. Conversation with Gary Cerrato.
27-Jul-17	Robert Kennedy	Various communications with bidding parties. Work on sale process matters.
28-Jul-17	Robert Kennedy	Various communications with bidding parties. Various conversations with Gary Cerrato. Conference with Vanja Ginic. Review bids. Review correspondence from Dom Michaud. Conversation with Dom Michaud.
28-Jul-17	Vanja Ginic	Reviewing Terrasan Sales Process Order, motion record regarding same, and final bids received.
29-Jul-17	Robert Kennedy	Work on sale process matters. Review bid materials.
30-Jul-17	Vanja Ginic	Reviewing bids received and noting material changes to form of Asset Purchase Agreement and Approval and Vesting Order in each bid.
31-Jul-17	Robert Kennedy	Continue review of bids. Conference with Vanja Ginic. Various correspondence to and from Gary Cerrato. Various correspondence to and from Dom Michaud and Alex MacFarlane. Attend conference call with BDO and Dom Michaud.
31-Jul-17	Vanja Ginic	Reviewing binding APA bids received. Drafting summary of material changes to form of Asset Purchase Agreement and Approval and Vesting Order for each bid.
01-Aug-17	Robert Kennedy	Continue review of bids. Work on sale process matters. Various correspondence to and from Gary Cerrato. Various conversations with Gary Cerrato regarding sale process matters. Work on lien claim matters.
02-Aug-17	Robert Kennedy	Review bids. Work on sale process matters. Communication with bidding parties. Review YYZed motion record.
03-Aug-17	Michael Lay	Conducting subsearch to update title search.
03-Aug-17	Ethan Chang	Meet with Vanja Ginic to discuss receivership proceedings. Prepare summary of construction lien registrations and corresponding certificates of action.
03-Aug-17	Robert Kennedy	Preparation for attendance in Court. Attend motion. Work on sale process matters. Various conversations with Gary Cerrato. Work on construction lien matters.
03-Aug-17	Vanja Ginic	Review of Vandyk APA. Call with counsel for Vandyk. Internal discussion with Robert Kennedy regarding bids. Instructions to Ethan Chang regarding preparation of

Date	Timekeeper	Description of Work
		lien summary. Reviewing construction lien summary. Cross-referencing registered liens and certificates of action with encumbrances to be expunged pursuant to Vandyk APA.
04-Aug-17	Robert Kennedy	Work on sale process matters. Review communications to bidding parties. Review filed Order. Conversation with Gary Cerrato regarding sale process. Review successful bidder Asset Purchase Agreement.
04-Aug-17	Vanja Ginic	Reviewing and revising construction lien summary. Email to Robert Kennedy regarding same.
05-Aug-17	Robert Kennedy	Correspondence from and to Dominique Michaud.
08-Aug-17	Robert Kennedy	Work on 2402871 APA. Conversation with Bruce Milburn. Correspondence to and from Bruce Milburn.
09-Aug-17	Robert Kennedy	Work on APA. Correspondence to Gary Cerrato. Various correspondence to and from Josie Parisi.
10-Aug-17	Robert Kennedy	Review and revise 2402821 APA. Correspondence to and from Josie Parisi. Consider motion materials.
11-Aug-17	Robert Kennedy	Review APA. Correspondence to Bruce Milburn. Work on motion materials.
13-Aug-17	Robert Kennedy	Work on motion matters. Correspondence to and from Josie Parisi.
14-Aug-17	Robert Kennedy	Work on APA. Various correspondence to and from Josie Parisi regarding sale process. Correspondence to and from Bruce Milburn. Consider Receiver's Report matters. Work on motion materials.
15-Aug-17	Robert Kennedy	Work on APA and sale process matters. Various conversations with Bruce Milburn. Various conversations with Josie Parisi.
16-Aug-17	Annette Fournier	Order corporate searches. Receive and review results and email to Vanja Ginic regarding same.
16-Aug-17	Vanja Ginic	Updating service list. Instructions to Annette Fournier regarding corporate profile reports.
17-Aug-17	Robert Kennedy	Work on motion materials. Various correspondence to and from Josie Parisi. Various conversations with Josie Parisi regarding motion. Conference call with Alex Mcfarlane and Josie Parisi.
17-Aug-17	Vanja Ginic	Instructions from Robert Kennedy regarding real property registrations. Review of Vandyk asset purchase agreement for encumbrances to be expunged and permitted encumbrances and cross-reference same with sub-search of title. Review of Second Report of the Receiver. Call with Robert Kennedy regarding revisions to Asset Purchase Agreement and Vesting Order. Revising permitted encumbrances schedules to

Date	Timekeeper	Description of Work
		Approval and Vesting Order and Asset Purchase Agreement.
18-Aug-17	Robert Kennedy	Work on motion materials. Various correspondence to and from Josie Parisi. Review APA. Various correspondence to and from Bruce Milburn. Various discussions with Vanja Ginic regarding motion materials and service.
18-Aug-17	Kenneth Kraft	Meet with Vanja Ginic to review and affirm fee affidavit for period from March 1-June 30, 2017.
18-Aug-17	Vanja Ginic	Email correspondence and call with Robert Kennedy regarding revisions to Receiver's report, notice of motion and approval and vesting order. Instructions to Amanda Campbell regarding exhibits to Receiver Report. Reviewing and revising Receiver's Report. Email correspondence regarding same. Reviewing and revising notice of motion and approval and vesting order. Preparing blackline of order. Compiling executed copy of Asset Purchase Agreement and redacting confidential information of same. Compiling motion record and reviewing same. Instructions to central services regarding service by courier. Serving motion record and swearing affidavit of service.
19-Aug-17	Vanja Ginic	Reviewing Application Record, Sale Process Motion Record, and Second Report for information relevant for Approval and Vesting Order factum. Drafting factum. Instructions to Amanda Campbell regarding formatting of same.
21-Aug-17	Robert Kennedy	Review motion materials. Work on APA and closing matters. Review factum. Conversation with Dom Michaud. Consider distribution matters and next steps.
21-Aug-17	Vanja Ginic	Drafting, reviewing and revising factum. Reviewing authorities. Attending at court to file motion material for approval and vesting order. Email correspondence with Robert Kennedy regarding factum.
22-Aug-17	Annette Fournier	Conduct PPSA search. Receive and review results and forward same to Vanja Ginic.
22-Aug-17	Esme Cragg	Reviewing email correspondence from Vanja Ginic with respect to the transaction together with the Real Estate involvement checklist and Motion Record. Various email correspondence with Sonja Homenuck with respect to the transaction.
22-Aug-17	Sonja Homenuck	Email exchange with Vanja Ginic. Telephone call with Robert Kennedy and Vanja Ginic on real estate matters. Providing instruction to Esme Cragg.
22-Aug-17	Robert Kennedy	Work on factum. Work on sale process and APA

Date	Timekeeper	Description of Work
		matters. Correspondence to Catherine Willson. Correspondence to Roger Jaipargas. Conversation with Roger Jaipargas. Work on closing agenda. Conference with Vanja Ginic regarding motion matters.
22-Aug-17	Vanja Ginic	Revising Terrasan factum. Internal discussions with Robert Kennedy regarding factum and Transaction closing. Email to Sonja Homenuck regarding real estate advise. Call with Robert Kennedy and Sonja Homenuck regarding same. Preparing book of authorities. Instructions to Amanda Campbell regarding printing and preparing book of authorities for the court. Email correspondence with Esme Cragg. Review of receiver's comments on factum. Revisions to factum. Email to Josie Parisi regarding comments on factum. Service of factum and book of authorities.
23-Aug-17	Michael Lay	Meeting with Esme Cragg to review legal description and property parcel register.
23-Aug-17	Esme Cragg	Telephone call with Vanja Ginic with respect to the potential title issues in connection with the property. Telephone call with Bruce Milburn with respect to the legal description and certain additional outstanding closing matters including tax arrears. Email correspondence with Robert Kennedy and Vanja Ginic with respect to the legal description of the property, the tax arrears and the existing PPSA registration in favour of Centurion. Email correspondence with Sonja Homenuck with respect to the PPSA registration. Telephone call with Vanja Ginic with respect to the permitted encumbrances and closing mechanics. Reviewing the list of permitted encumbrances and encumbrances to be expunged on closing in conjunction with the PIN for the property.
23-Aug-17	Sonja Homenuck	Email exchanges with Esme Cragg on PPSA matter.
23-Aug-17	Robert Kennedy	Work on closing matters. Various correspondence to and from Josie Parisi. Draft closing agenda. Review motion materials and preparation for motion. Review various correspondence from lien claimants and consider next steps.
23-Aug-17	Vanja Ginic	Review of PPSA search results against Terrasan. Email correspondence with Robert Kennedy regarding status of closing matters and PPSA registration summary. Call with Esme Cragg to discuss title correction matter and review of permitted encumbrances. Email to Robert Kennedy regarding same. Call with Esme Cragg to discuss title matter. Email from Esme Cragg. Review of correspondence from Catherine Willson and John DaRe.

Date	Timekeeper	Description of Work
24-Aug-17	Esme Cragg	Updating construction lien summary to include Shalom statement of claim. Email correspondence with Robert Kennedy and Karen Groulx regarding lien registrations. Reviewing certain instruments registered against title to the property to confirm that same may be removed on closing. Telephone call with Robert Kennedy with respect to the legal description for the property and the encumbrances thereon. Preparing the draft application for vesting order. Meeting with Sonja Homenuck with respect to the legal description of the property and the draft vesting order. Meeting with Alison McCormick to review the draft vesting order. Email correspondence with Robert Kennedy and Vanja Ginic attaching a copy of the draft vesting order.
24-Aug-17	Karen Groulx	Receipt and review of email from Vanja Ginic listing lien claims, and providing list of documents and information to be requested be produced by lien claimants.
24-Aug-17	Sonja Homenuck	Providing instructions to Esme Cragg on vesting order issues.
24-Aug-17	Robert Kennedy	Work on motion matters. Various conversations with Bruce Milburn. Various conversations with John Dare. Consider construction lien matters. Review and revise Approval and Vesting Order. Conference with Vanja Ginic regarding motion matters. Various conversations with Josie Parisi. Various correspondence to and from Josie Parisi. Work on closing matters. Various conference calls with Roger Jaipargas and Sean Gosnell. Various correspondence to and from Sean Gosnell regarding motion. Various conversations with John Dare regarding motion. Voicemail left with Catherine Willson. Review Affidavit of Ann Xie. Review Affidavit of John Date. Preparation for motion.
24-Aug-17	Vanja Ginic	Preparing submissions for Approval and Vesting Order Motion. Reviewing and revising draft order. Service of same. Discussion with Robert Kennedy regarding lien claimants. Email correspondence with Esme Cragg regarding legal description of property. Call with BLG regarding Metrolinx. Various calls with Receiver. Call with Karen Groulx regarding construction lien claims.
25-Aug-17	Esme Cragg	Email correspondence with Robert Kennedy and Janna Broit with respect to the purchaser's financing and the off-title searches conducted in respect of the property.
25-Aug-17	Robert Kennedy	Preparation for motion. Attend motion regarding vesting order. Meeting with John DaRe and Catherine Willson regarding demobilization. Various conversations with Bruce Milburn. Consider demobilization matters

Date	Timekeeper	Description of Work
		and access agreement. Various conversations with Josie Parisi. Compile fully executed APA. Correspondence to Bruce Milburn. Work on closing matters.
25-Aug-17	Vanja Ginic	Attending at motion for approval and vesting order. Entering and issuing order with the court. Discussion with Robert Kennedy regarding access side agreement.
26-Aug-17	Vanja Ginic	Reviewing and compiling precedent access agreements. Email to Robert Kennedy regarding same.
27-Aug-17	Robert Kennedy	Work on closing matters and documentation. Various correspondence to and from Catherine Willson regarding demobilization. Consider demobilization issues.
28-Aug-17	Esme Cragg	Reviewing the draft closing agenda circulated by Robert Kennedy. Reviewing the Asset Purchase Agreement. Confirming the status of the purchaser's HST registration. Email correspondence with Robert Kennedy in respect of the draft closing agenda and the preparation of the draft statement of adjustments. Reviewing email correspondence from Josie Parisi with respect to the statement of adjustments and sewer discharge agreement with the City. Preparing the draft statement of adjustments and email correspondence with Robert Kennedy attaching a copy thereof for his review together with additional comments. Reviewing the draft document registration agreement and email correspondence with Robert Kennedy providing comments thereon.
28-Aug-17	Robert Kennedy	Work on closing documents. Various conversations with Bruce Milburn. Various correspondence to and from Bruce Milburn regarding closing matters. Various conversations with Josie Parisi and Gary Cerrato. Various conversations with John Dare. Consider strategy regarding closing and demobilization of Resform and Aluma equipment. Various correspondence to and from Josie Parisi. Conference with Ken Kraft. Review APA regarding closing. Review correspondence from Colin Andrews. Address LOC matters. Review water discharge agreement. Various correspondence to and from Bruce Milburn regarding closing matters.
28-Aug-17	Kenneth Kraft	Discussion with Rob Kennedy about strategy to address lien claimants and issues with proposed purchase and ways to move forward.
29-Aug-17	Esme Cragg	Telephone call with Vanja Ginic with respect to certain outstanding closing matters. Email correspondence with Robert Kennedy with respect to the allocation of the

Date	Timekeeper	Description of Work
		purchase price. Reviewing Colin Andrews' comments on the vesting order and the legal description for the property. Telephone call with Vanja Ginic and email correspondence with Robert Kennedy with respect to the vesting order and the correct legal description of the property.
29-Aug-17	Robert Kennedy	Review APA regarding deposit matters. Work on closing documents. Various conversations with Josie Parisi and Gary Cerrato. Various conversations with Jason Dare. Consider strategy regarding closing and demobilization of Resform and Aluma equipment. Conversation with Colin Andrews.
29-Aug-17	Kenneth Kraft	Review APS and consider likely success in BDO claiming to retain deposit if purchaser refuses to close transaction and e-mail exchanges with Rob Kennedy on recommendation to make to Receiver.
29-Aug-17	Vanja Ginic	Reviewing closing documents. Call with Robert Kennedy. Considering issue of PIN description in Vesting Order. Call with Esme Cragg regarding same. Various email correspondence.
30-Aug-17	Esme Cragg	Telephone call with Vanja Ginic with respect to the draft order to amend. Reviewing the legal description in the draft order to amend for accuracy and email correspondence with Vanja Ginic and Robert Kennedy with respect to same.
30-Aug-17	Robert Kennedy	Work on closing matters and consider next steps. Various correspondence to and from Josie Parisi regarding closing matters and demobilization. Attend conference call with representatives of 2402871 Ontario Inc. and its lenders regarding closing matters. Various conversations with Josie Parisi and Gary Cerrato regarding closing matters and demobilization. Attend conference call with representatives of 2402871. Review correspondence from John DaRe regarding demobilization update. Conference call with Josie Parisi and Gary Cerrato. Review and revise amending order. Review various correspondence regarding demobilization. Consider next steps regarding Court appearance. Conference with Ken Kraft and Vanja Ginic regarding strategy. Correspondence to and from John DaRe regarding Court attendance. Review correspondence from John DaRe regarding serving motion materials. Review motion materials. Conference call with Josie Parisi and Gary Cerrato regarding Third Report. Work on Third Report. Revise Third Report. Various conversations with Josie Parisi regarding Third Report. Review Resform agreements. Preparation for

Date	Timekeeper	Description of Work
		Court appearance.
30-Aug-17	Kenneth Kraft	Discuss strategy with Rob Kennedy and Vanja Ginic.
30-Aug-17	Vanja Ginic	Attending call with counsel to purchaser and its lenders regarding demobilization of scaffolding and crane. Drafting order to amend Approval and Vesting Order. Meeting with Robert Kennedy and Ken Kraft regarding APA closing. Drafting Order compelling Resform to produce demobilization plan. Reviewing CDCC17 contract between Resform and Terrasan. Drafting summary regarding same. Review third report of the receiver and provide comments.
31-Aug-17	Robert Kennedy	Review and revise Third Report. Various conversations with Josie Parisi. Preparation for Court attendance. Attend Court. Conference with Ken Kraft regarding demobilization of crane. Consider demobilization matters. Conference with Vanja Ginic regarding Court attendance. Correspondence from and to Gary Cerrato regarding equipment removal. Voicemail left with John DaRe. Review correspondence from John DaRe regarding Court attendance. Correspondence to John DaRe. Correspondence to and from Vanja Ginic. Various conversation with Josie Parisi and Gary Cerrato regarding demobilization matters. Consider demobilization issues.
31-Aug-17	Kenneth Kraft	Discussion with Rob Kennedy on position to deal with demobilization and steps BDO as receiver should consider.
31-Aug-17	Vanja Ginic	Preparing exhibits to Third Report of the Receiver. Reviewing and revising report. Preparing draft orders. Discussions with Robert Kennedy and email correspondence with the Receiver regarding same. Email correspondence with Katarzyna Sliwa regarding crane demobilization permits.

Timekeeper	Hours	Rate	Fees
Annette Fournier	0.4	330.00	132.00
Esme Cragg	9.5	425.00	4,037.50
Ethan Chang	2.3	230.00	529.00
Karen Groulx	1.3	595.00	773.50
Kenneth Kraft	2.1	865.00	1,816.50
Michael Lay	0.3	295.00	88.50
Robert Kennedy	124.3	595.00	73,958.50
Sonja Homenuck	1.0	675.00	675.00
Vanja Ginic	62.4	375.00	23,400.00
Total	203.6		\$105,410.50

TOTAL PROFESSIONAL FEES \$ 105,410.50
 Less: Discount (4,000.00)
NET PROFESSIONAL FEES \$ 101,410.50

TAXABLE OTHER FEES/CHARGES

Binding Books / Documents \$ 87.16
 Computerized Title Search 48.84
 Document Scanning 5.27
 Long Distance Telephone Calls 7.37
 Photocopy & Printing Charges 1,423.77
TOTAL TAXABLE OTHER FEES/CHARGES \$ 1,572.41

TAXABLE DISBURSEMENTS

Courier & Delivery \$ 256.01
 Searches 148.20
TOTAL TAXABLE DISBURSEMENTS \$ 404.21

NON-TAXABLE DISBURSEMENTS

Filing Fee* \$ 108.20
TOTAL NON-TAXABLE DISBURSEMENTS \$ 108.20

TOTAL OTHER FEES/CHARGES AND DISBURSEMENTS 2,084.82

TOTAL FEES, OTHER FEES/CHARGES AND DISBURSEMENTS \$ 103,495.32

TAXES

HST (13.0%) on Professional Fees of \$101,410.50 \$ 13,183.37
 HST (13.0%) on Taxable Disbursements of \$1,976.62 256.96
TOTAL TAXES 13,440.33

TOTAL AMOUNT DUE \$ 116,935.65 CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 13th DAY OF
NOVEMBER, 2017.

A handwritten signature in blue ink, appearing to be "W. A. C.", written above a horizontal line.

A Commissioner for Taking Affidavits, etc.

EXHIBIT "B"

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

The Period July 3, 2017 ending August 31, 2017

Date	Invoice No.	Fees	Discount	Disbursements	Taxes(HST)	Hours	Average Rate	Total
September 29, 2017	3305657	101,410.50	4,000.00	2,084.82	13,440.33	203.6	487.22	116,935.65
TOTALS:		101,410.50	4,000.00	2,084.82	13,440.33	203.6	487.22	116,935.65

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 13th DAY OF
NOVEMBER, 2017.

A handwritten signature in blue ink, appearing to be "D. Mc", written above a horizontal line.

A Commissioner for Taking Affidavits, etc.

EXHIBIT "C"**Standard Billing Rates of Dentons Canada LLP (before discount)**

For the period July 3, 2017 ending August 31, 2017

	<u>Rate</u>	<u>Year of Call</u>
Karen Groulx	\$595.00	1990
Kenneth Kraft	\$865.00	1991
Sonja Homenuck	\$675.00	2000
Robert Kennedy	\$595.00	2002
Esme Cragg	\$425.00	2013
Vanja Ginic	\$375.00	2016
Ethan Chang	\$230.00	Articling Student
Michael Lay	\$295.00	Title Searcher
Annette Fournier	\$330.00	Paralegal

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

- and -

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF ROBERT KENNEDY
(Sworn November 13, 2017)**

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

Robert 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 3

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

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

THE HONOURABLE)	TUESDAY, THE 16 th DAY
JUSTICE)	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;
- (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 Ruggiero 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.

DEPOSIT FUNDS HELD IN TRUST

4. **THIS COURT ORDERS** SRLaw 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.

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; 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.

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 or the Guarantee, and such Deposit Claim shall be forever extinguished; 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 and the Guarantee for any Deposit Claims 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.

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: (i) the Tarion Warranty Corporation Bond, being bond number TM5120055 dated July 18, 2013 issued by the Guarantee in favour of Tarion, and (ii) the MECDIP; 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 and authorization 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

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 an authorization and direction, substantially in the form attached as **Schedule "I"**, authorizing and directing the Receiver to pay 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 "F"
Consent and Authorization

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 and authorizes the Receiver to pay the amount of the Proven Deposit Claim to the Purchaser on behalf of the undersigned.

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 4

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

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

THE HONOURABLE)	THURSDAY, THE 16 th DAY
JUSTICE)	OF NOVEMBER, 2017
)	

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

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 activities of the Receiver as set out in the sixth report of the Receiver dated November 13, 2017 (the “**Sixth Report**”), the Receiver’s interim statement of receipts and disbursements attached as **Appendix B** to the Sixth Report (the “**R&D Statement**”), and the fees and disbursements of the Receiver and its counsel, as set out in the Affidavit of Gary Cerrato sworn October 17, 2017 and the Affidavit of Robert Kennedy sworn November 13, 2017 (together, the “**Fee Affidavits**”); and
- (b) 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 November 13, 2017, the Sixth Report, and the Fee Affidavits 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.

RECEIVER'S ACTIVITIES AND FEE APPROVAL

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

3. **THIS COURT ORDERS** that the R & D Statement is hereby approved

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

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

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

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Tel: (416) 367-6756
Fax: (416) 863-4592
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ONTARIO
SUPERIOR COURT OF JUSTICE
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PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(Returnable November 16, 2017)

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

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Vanja Ginic (LSUC #69981W)
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