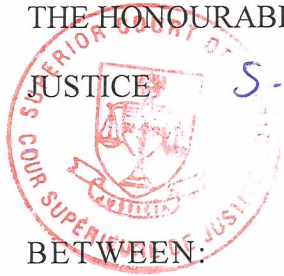


**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE
JUSTICE

S. F. DuPont



FRIDAY
THURSDAY, THE *27th* DAY

OF APRIL, 2018

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

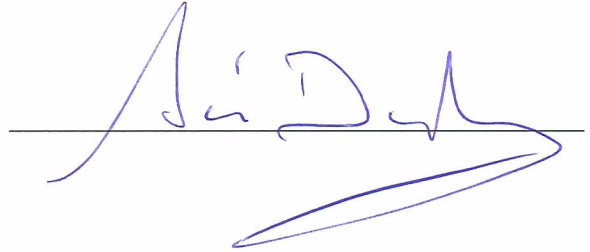
Respondent

ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as Court appointed receiver and manager (the “**Receiver**”), for an order approving the Deposit Payment Protocol dated April 26, 2018 (the “**Protocol**”) among the Receiver, The Guarantee Company of North America (“**Guarantee**”), and Tarion Warranty Corporation (“**Tarion**”), was heard this day at 330 University Ave, Toronto, Ontario.

ON READING the Seventh Report of the Receiver dated April 13, 2018, and on hearing the submissions of counsel for the Receiver, Guarantee and Tarion, and any such other counsel as were present:

1. **THIS COURT ORDERS** that the Protocol, substantially in the form attached as **Schedule "A"** herein, is hereby approved and the Receiver is hereby authorized to implement the Protocol, in conjunction with the Guarantee and Tarion.



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

APR 27 2018

PER / PAR:



Schedule "A"

Deposit Payment Protocol
Residential Condominium Project that was to have been located at
327 Royal York Rd., Toronto, ON, and that was to have been known as
“On the Go Mimico” (the “Project”)
April 26, 2018
(the “Protocol”)

- 1) In connection with the payment of Deposits to Purchasers, BDO Canada Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of Terrasan 327 Royal York Rd. Limited (“**Terrasan**”) has obtained, *inter alia*, the following orders from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”):
 - a) an order dated November 16, 2017 (the “**Deposit Claims Procedure Order**”), *inter alia*, approving the Deposit Claims Procedure; and
 - b) an order dated April 18, 2018 (the “**Distribution Order**”), *inter alia*, permitting the Receiver to make distributions to Purchasers in respect of Proven Deposit Claims.
- 2) The endorsement of the Court dated April 18, 2018, requires the Receiver, Tarion Warranty Corporation (“**Tarion**”) and The Guarantee Company of North America (the “**Guarantee**”) to attend before the Court on April 26, 2018, in order to have this Protocol approved. The parties delayed this attendance to April 27, 2018, and the Receiver, Tarion and the Guarantee will seek the approval of this Protocol on that date.
- 3) Capitalized terms not otherwise defined herein shall have the meanings ascribed to them pursuant to the Deposit Claims Procedure Order.
- 4) The Receiver will provide the Receiver’s Certificate, in the form attached as **Schedule “A”**, to Tarion. The Receiver’s counsel will request that the principal of Terrasan provide the Statutory Declaration in the form attached as **Schedule “B”**. The failure by the principal of Terrasan to provide the aforementioned Statutory Declaration will not prevent the payment of Deposits to Purchasers.
- 5) The Receiver will provide Tarion with copies of the following documentation in its possession: (a) all Purchase Agreements, together with any amendments or letter agreements relating to such Purchase Agreements; (b) forms, notices, and related documents and other correspondence with respect to the termination of the Purchase Agreements by Terrasan; (c) forms, notices, receipts, acknowledgments and related documents and other correspondence with respect to any revisions, disallowances, disputes or ongoing communications with Purchasers regarding revised and disallowed Deposit Claims in accordance with the Deposit Claims Procedure Order; (d) the claim determination summary appended to the Seventh Report to the Court of the Receiver; and (e) a summary of all claims barred pursuant to the Deposit Claims Procedure Order (all such documents referred to in this paragraph, together with the Statutory Declarations referred to in paragraph 4 hereof, collectively, the “**Deposit Claims Procedure Documentation**”). The Deposit Claims Procedure Documentation will be provided in an electronic format and organized on a unit-by-unit basis, where applicable, and as soon as reasonably practicable.

- 6) The Receiver will provide Tarion with a Receiver's Certificate in the form attached as **Schedule "C"** once every two weeks, which Receiver's Certificate will attach copies of: (a) the consents executed and delivered by the Guarantee to the Receiver in respect of Proven Deposit Claims in accordance with the Deposit Claims Procedure; (b) the corresponding Certificates; and (c) the corresponding Receipts, and which Receiver's Certificate will deal with payments made to Purchasers in the preceding two week period. It is understood by the Parties that the Receiver may, in its sole discretion and based on the number of such payments made during some portion of the initial two week period, provide Tarion with the first such Receiver's Certificate on a date that is before the date that is two weeks from the date hereof.
- 7) Once every two weeks, the Receiver will provide Tarion and the Guarantee with: (a) a ledger of the Proven Deposit Claims and/or Deposit Trust Claims paid and the Proven Deposit Claims and/or Deposit Trust Claims not paid (if any); and (b) a current claim determination summary outlining the proven, revised and disallowed claims pursuant to the Deposit Claims Procedure Order (if applicable).
- 8) Subject to the parties' compliance with this Protocol, following receipt of all relevant Deposit Claims Procedure Documentation and a Receiver's Certificate referenced in paragraph 6 and upon being satisfied that its liability to the relevant Purchasers for claims in respect of their respective Deposits has been extinguished, Tarion will provide confirmation to the Guarantee once every two weeks that Tarion Bond No. TM5120055 issued by the Guarantee (the "**Tarion Bond**") is reduced: (a) by the amount of a Deposit Trust Claim once paid by the Receiver; (b) by the amount of a Proven Deposit Claim once paid by the Receiver; (c) by the amount of a disallowed claim (once finally disallowed pursuant to the Deposit Claims Procedure) (a "**Disallowed Claim**"); and, (d) by the amount of any barred claim (as barred pursuant to the Deposit Claims Procedure) (a "**Barred Claim**"), to a maximum of \$20,000 for each Deposit Trust Claim, Proven Deposit Claim, Disallowed Claim or Barred Claim; provided, however, that Tarion shall at all times be entitled to retain a sufficient portion of the Tarion Bond or a reserve (the "**Reserve**"), as determined by Tarion acting reasonably, to cover Tarion's liabilities in respect of amounts secured by the Tarion Bond that have not been extinguished to the satisfaction of Tarion at the time of any reduction. Subject to the foregoing and with the Receiver's consent, such a Reserve may be established by the Receiver on terms satisfactory to Tarion acting reasonably, and upon the establishment of any such Reserve, Tarion will return the Tarion Bond to the Guarantee for cancellation.
- 9) Upon being satisfied that its liability in respect of amounts secured by the Tarion Bond has been extinguished, or upon the establishment of a Reserve pursuant to paragraph 8, Tarion will return the Tarion Bond to the Guarantee for cancellation. Following the establishment of a Reserve or upon the extinguishment of Tarion's liability in respect of amounts secured by the Tarion Bond, the Receiver shall seek a distribution order that provides for a distribution from the proceeds of sale to the Guarantee for final reimbursement of all its reasonable fees and expenses, together with any other amounts that may be claimed by the Guarantee, related to the Tarion Bond and the Indemnity Agreement dated July 18, 2013, among Terrasan, Luigi Santaguida and the Guarantee.

10) Once the Guarantee receives the return of the Tarion Bond and the payment of the final reimbursement amount from the Receiver in accordance with this Protocol, the Guarantee shall have no further interest in the assets, undertakings and properties of Terrasan.

Schedule "A"

Court File No. CV-16-11337-00CL

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

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

RECEIVER'S CERTIFICATE

THE RECEIVER CERTIFIES the following:

1. I am a ■ of BDO Canada Limited, which has been appointed as the receiver (in such capacity, the "**Receiver**") of the proposed development of a condominium project (the "**Project**") by Terrasan 327 Royal York Rd. Limited (the "**Vendor**") situated in the City of Toronto on those lands and premises owned by the Vendor, set out in PINs ■ and located at 327 Royal York Rd., Toronto, Ontario (the "**Property**") pursuant to the *Bankruptcy and Insolvency Act*.
2. Based on a review of the Vendor's books and records in the Receiver's possession and to the best of my knowledge and belief:
 - (a) the Vendor was the registered owner of the Property prior to it being sold in the Vendor's receivership proceedings;
 - (b) the Project, being known as "*On the Go Mimico*", that was proposed to be constructed by the Vendor on the Property is not proceeding as a result of, among other things, the aforementioned sale of the Property;
 - (c) it appears the Vendor entered into two-hundred and eight (208) agreements of purchase and sale with respect to units sold in the Project (collectively, the "**Condominium Sales Agreements**") and the Receiver has not entered into any other agreements of purchase and sale in respect of the Project or the Property (other than the agreement of purchase and sale that effected the sale of the Property in the Vendor's receivership proceedings); and

- (d) no other information has come to the Receiver's attention that would lead the Receiver to believe that there were any sales of additional units in the Project other than pursuant to the Condominium Sales Agreements.

THIS CERTIFICATE was delivered by the Receiver on May ____, 2018

**BDO CANADA LIMITED, in its capacity as
Receiver**

Per: _____

Name:

Title:

Schedule "C"

Court File No. CV-16-11337-00CL

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

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

RECEIVER'S CERTIFICATE

THE RECEIVER CERTIFIES the following:

1. I am a ■ of BDO Canada Limited, which has been appointed as the receiver of the Property pursuant to the *Bankruptcy and Insolvency Act* (in such capacity, the "Receiver").
2. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them pursuant to the deposit payment Protocol dated April 26, 2018.
3. The Receiver has delivered payments to Purchasers on account of Proven Deposit Claims and/or Deposit Trust Claims, as set forth in Schedule "A" attached herein;
4. Attached as Schedule "B" herein are copies of the corresponding: (i) consents, (ii) Certificates, and (iii) Receipts.

THIS CERTIFICATE was delivered by the Receiver on May ___, 2018

**BDO CANADA LIMITED, in its capacity as
Receiver**

Per: _____
Name:
Title:

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

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Lawyers for the Receiver