

**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

**MOTION RECORD  
(returnable November 27, 2020)**

Date: November 20, 2020

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# Tab 1

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

**NOTICE OF MOTION  
(Returnable November 27, 2020)**

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 27, 2020, at 9:30 a.m., or as soon after. Please refer to the conference details attached as **Schedule “A”** hereto in order to attend the motion and advise if you intend to join the motion by emailing [amanda.campbell@dentons.com](mailto:amanda.campbell@dentons.com).

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally via Zoom due to the COVID-19 pandemic.

**THE MOTION IS FOR:**

1. An Order, substantially in form attached hereto as **TAB 3** of the Motion Record, for the following relief (the “**Final Distribution and Discharge Order**”):
  - (a) abridging the time for service of the Notice of Motion herein, Motion Record and the Sixteenth Report of BDO, in its capacity as Receiver, dated November 20, 2020

(the “**Sixteenth Report**”), so that this Motion is properly returnable on November 27, 2020, and dispensing with further service thereof;

- (b) approving the Sixteenth Report and the activities and conduct of the Receiver since its Fifteenth Report dated June 17, 2020;
- (c) approving the Receiver’s final statement of receipts and disbursements dated November 20, 2020 (the “**Final R&D**”);
- (d) approving and authorizing a final distribution of the funds remaining in the Receiver’s possession, as set out in the Final R&D, to the Investors (as defined herein) following the payment of the Professional Fees (as defined herein) and the Holdback Amount (as defined herein), on account of the indebtedness owing by Terrasan pursuant to the Syndicated Mortgage (the “**Final Distribution**”);
- (e) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), including the Holdback Amount (as defined herein), and authorizing the Receiver to pay all approved and unpaid fees and disbursements;
- (f) declaring that, upon the filing of the discharge certificate attached as **Schedule “A”** to the proposed Final Distribution and Discharge Order (the “**Receiver’s Discharge Certificate**”), BDO is discharged as Receiver and released from any and all liability that BDO now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacity as Receiver, save and except for the Receiver’s gross negligence or willful misconduct; and
- (g) such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

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 was a partially constructed residential condominium development located at 327 Royal York Rd., Toronto, Ontario (the "**Property**"), known as the "*On the Go Mimico*" (the "**Project**").
3. On April 3, 2017, the Court granted an Order which, among other things, approved a marketing and sale process set out in respect of the assets, undertakings and properties (collectively, the "**Assets**") of Terrasan.
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., and the transaction as set out therein (the "**Transaction**").
5. The closing of the Transaction occurred on September 15, 2017. The Receiver also filed the Receiver's Certificate pursuant to the 2402871 APA and the Approval and Vesting Order on September 15, 2017, confirming that the Transaction has closed.
6. As detailed in prior reports filed by the Receiver, four charges were registered against title to the Property. The Receiver has made full and final distributions in respect of three of the mortgages as follows:
  - (a) the Receiver distributed the amount of \$12,692,889.41 to the first mortgagee, Centurion Mortgage Capital Corporation ("**Centurion**"), in full and final satisfaction of all amounts owing by Terrasan to Centurion;
  - (b) the Receiver made distributions totalling \$3,767,046.61 and \$294,720.37 on account of deposit claim distributions, which were secured by the second position mortgage held by Guarantee Company of North America; and
  - (c) the Receiver distributed the amount of \$3,404,228.47 to the third position mortgagee, Diversified Capital Inc. ("**Diversified**"), in full and final satisfaction of all amounts owing by Terrasan to Diversified.

### **Syndicated Mortgage**

7. As set out in the Thirteenth Report of the Receiver, pursuant to a payout statement dated September 27, 2019 (the “**Mortgage Discharge Statement**”), the amount of \$12,505,358.51 was due and owing under the syndicated mortgage (the “**Syndicated Mortgage**”, with the amount due and owing referred to as “**Syndicate Indebtedness**”).
8. The Syndicate Indebtedness represents the remaining secured indebtedness claim to the sale proceeds generated from the sale of the Property (the “**Sale Proceeds**”), and the Residual Cash (as defined herein).
9. By order dated July 15, 2019 (the “**Syndicated Mortgage Claims Procedure Order**”), the Court approved a claims procedure in respect of the claims of the investors (the “**Investors**”) under the Syndicated Mortgage (the “**Syndicated Mortgage Claims Procedure**”).
10. The Syndicated Mortgage Claims Procedure was necessary to: (i) confirm the identity of each Investor in the Syndicated Mortgage and the quantum of the investment of each Investor in the Syndicated Mortgage, and (ii) facilitate and support *pro-rata* distributions on account of each investor claim as determined through the Syndicated Mortgage Claims Procedure (an “**Investor Claim**”).
11. The Receiver has identified 175 Investors in the Syndicated Mortgage with a proven Investor Claim. The Receiver understands that the investment funds for 104 Investors (the “**Olympia Investors**”) originated in registered investment accounts administered by Olympia (the “**Olympia Investors**”). The funds for one Investor originated in a registered investment account administered by Community Trust (the “**CT Investor**”). The balance of the funds are non-registered.
12. On October 15, 2020, this Court granted an interim distribution order in respect of a partial payment of the Syndicate Indebtedness (the “**First Interim Distribution Order**”). In accordance with the First Interim Distribution Order, the Receiver distributed the aggregate amount of \$8,000,000 to the Investors.

13. On June 22, 2020, the Court granted an Order (the “**Second Interim Distribution Order**”) which among other things approved and authorized a second interim distribution in the amount of \$1,400,000 to the Investors as set out in the Receiver’s Fifteenth Report. With reference to the Mortgage Discharge Statement and following the aforementioned First Interim Distribution Order and Second Interim Distribution Order, the remaining balance outstanding on account of the Syndicate Indebtedness is approximately \$3,100,000, plus all accrued interest and costs.
14. In addition to the residual Sale Proceeds, the Receiver currently holds cash following the completion of lien settlement agreements with Limen Group Ltd. (“**Limen**”) and 2043102 Ontario Limited, carry on business as YYZed Project Management (“**YYZed**”) and the distribution order granted by this Court on January 31, 2020 (which approved the Limen and YYZed settlement agreements and corresponding distributions) (the “**Residual Cash**”).
15. Counsel to the Receiver has conducted a review of the personal property security held in respect of the Syndicated Mortgage and has delivered a security opinion to the Receiver (the “**Security Opinion**”). The Security Opinion, subject to the customary qualifications and assumptions contained therein, opines that the personal property security held in respect of the Syndicated Mortgage is valid and legally enforceable against Terrasan. Subject to the customary assumptions and qualifications contained in the Security Opinion, Receiver’s counsel has opined that the subject security documents: (i) constitute legal, valid and binding security interests in favour of the Syndicated Mortgage in the Assets, (ii) are sufficient to secure the payment and performance of the obligations secured thereby, and (iii) create an unperfected security interest. There are no other registrations made in favour of any other secured party at the Personal Property Registry pursuant to the *Personal Property Security Act* (Ontario), and the Receiver is unaware of any other outstanding unperfected secured claims. Based upon the Security Opinion, the Syndicated Mortgage has a priority claim to the remaining funds held by the Receiver.



16. There will be insufficient funds in the receivership estate to fully repay the Syndicate Indebtedness. Therefore, the Receiver is proposing to make the Final Distribution to the Investors in the Syndicated Mortgage, following the payment of the Professional Fees and the Holdback Amount.
17. The Final Distribution will made on the same *pro-rata* basis as set out in Schedule “A” to the Second Interim Syndicated Mortgage Distribution Order.
18. The Receiver is of the view that the proposed final distribution to the Investors is appropriate and reasonable in the circumstances.

### **Letter of Credit**

19. As part of the original building permit approval, Terrasan was required to post security with the City of Toronto pursuant to a site plan agreement entered into by the parties on July 29, 2015 (the “**Site Plan Agreement**”). Pursuant to the Site Plan Agreement, the posted security addressed certain landscaping requirements at the Project (the “**Landscaping Obligations**”).
20. On June 30, 2016, Duca Financial Services Credit Union Ltd (“**Duca**”) issued, on behalf of Terrasan, the outstanding letter of credit (“**LC**”) to the City in the amount of \$173,535.00 as security for the Landscaping Obligations.
21. Since the date of the Fifteenth Report, the Receiver has had various communications with the City in relation to the release and delivery of the LC to Duca for immediate cancellation, and following that exercise, Duca’s release of the cash collateral deposited by Terrasan to secure the LC liability.
22. The City has delivered the LC to Duca for cancellation and the Receiver is now in receipt of the net cash collateral remaining totaling \$162,090.81 from Duca. Duca deducted accrued annual LC renewal fees from the cash collateral, which were unpaid by Terrasan.

### Receipts and Disbursements

23. The Final R&D reports net receipts over disbursements from the date of the Receiver's appointment to November 20, 2020 of \$389,610.86, after provision for the payment of unpaid Professional Fees and the Holdback Amount.
24. The Receiver respectfully requests that this Court approve the Final R&D.

### Fees and Disbursements

25. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements during the period of May 16, 2020 to November 16, 2020, which are described in the Affidavit of Gary Cerrato sworn November 20, 2020 (the "**Cerrato Affidavit**").
26. 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.
27. 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 20, 2020 (the "**Kennedy Affidavit**").
28. The Receiver requests that the Court approve its interim accounts for the period of May 22, 2020 to November 13, 2020 in the amount of \$39,647.48, together with HST of \$5,154.17, and approve the interim accounts of its legal counsel for the period of June 1, 2020 to November 18, 2020 in the amount of \$31,788.85, together with HST of \$4,132.56 (collectively the "**Professional Fees**").
29. The Receiver estimates additional professional fees of \$12,500, plus HST, to complete the administration of the estate, together with estimated legal costs of \$12,500, plus HST (collectively, the "**Remaining Fees**"). The Receiver is therefore proposing to hold back the total amount of \$25,000, plus HST (the "**Holdback Amount**") on account of the Remaining Fees.

30. The Professional Fees, as set out in the Cerrato Affidavit and Kennedy Affidavit (collectively, the “**Fee Affidavits**”), together with Remaining Fees, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order.

### **Discharging the Receiver**

31. All of the Receiver’s duties as set out in the Receivership Order will be completed upon (collectively, the “**Remaining Duties**”): (i) filing the final estate HST return(s) to recover any unclaimed input tax credits, (ii) payment of the Professional Fees and the Remaining Fees, (iii) making the Final Distribution, (iv) filing the Receiver’s final report pursuant to s. 246(3) of the *Bankruptcy and Insolvency Act* with the Office of the Superintendent of Bankruptcy, and (v) closing of the Receiver’s trust accounts.
32. To the best of the Receiver’s knowledge, following the completion of the Remaining Activities, the Receiver will have completed its administration of the receivership estate in accordance with the terms of the Receivership Order, and the various other orders rendered by the Court in the course of these proceedings. The Receiver is not aware of its services being required for any further purpose other than as set out in this Sixteenth Report. Accordingly, the Receiver is seeking its discharge in accordance with the terms of the Final Distribution and Discharge Order.

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

33. The Sixteenth Report of the Receiver; and

34. Such further and other material as counsel may advise and this Honourable Court may permit.

**DATED:** November 20, 2020

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<https://dentons.zoom.us/j/99075070937?pwd=QURTSHEwYTNDbnFVT0lva1ZNYmVKZz09>

**Meeting ID:** 990 7507 0937

**Passcode:** 712856

**Dial in information**

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CENTURION MORTGAGE CAPITAL CORPORATION

- and -

Applicant

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION  
(Returnable November 27, 2020)**

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*Lawyers for the Receiver*

# Tab 2

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

**SIXTEENTH REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY**

**AS COURT APPOINTED RECEIVER**

**November 20, 2020**



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## INTRODUCTION AND PURPOSE OF THIS REPORT

### Introduction

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

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8. On April 18, 2018, the Court granted an Order (the “**Deposit Claims Distribution Order**”) which, among other things, authorized and directed the Receiver to make a distribution from the Sale Proceeds to Purchasers with a proven deposit claim in an amount equal to the corresponding accepted deposit claim, in accordance with the Deposit Claims Procedure Order (a “**Deposit Claim Distribution**”).
9. On April 27, 2018, the Court granted an Order which, among other things, set out a protocol to address: (i) the delivery of Deposit Claims Procedure documentation, and (ii) the manner in which the Tarion Warranty Corporation (“**Tarion**”) bond would be reduced by the corresponding value of the delivered Deposit Claim Distributions, the value of the disallowed claims, and the value of the barred claims.
10. On July 6, 2018, the Court granted an Order (the “**Diversified Distribution Order**”) which, among other things, directed the Receiver to make a distribution from the Sale Proceeds sufficient to repay the third place mortgagee, (or second place mortgagee at the time of such distribution as the first mortgage had already been re-paid) Diversified Capital Inc. (“**Diversified**”), in full and final satisfaction of all amounts owing by Terrasan to Diversified.
11. On August 29, 2018, the Court granted an order (the “**Holdback and Distribution Order**”) which, among other things, authorized the Receiver to: (i) make a distribution from the Sales Proceeds in the amount of \$200,000 to Tarion as cash security for claims, (ii) make a distribution from the Sale Proceeds to the Guarantee Company of North America (the “**Guarantee**”) in full and final satisfaction of the all amounts owing by Terrasan to the Guarantee (the “**Guarantee Distribution**”), and (iii) make a distribution from the Sale Proceeds to Resform Construction Limited (“**Resform**”) in the amount of \$186,843.98, in accordance with a settlement of lien claim and motion agreement dated July 31, 2018 between the Receiver and Resform, in full and final settlement of Resform’s lien claim.
12. On December 4, 2018, the Court granted an Order (the “**First Lien Settlement and Distribution Order**”) which among other things: (i) approved and authorized the Bluescape Construction Management Inc. (“**Bluescape**”) settlement agreement and the distribution to Bluescape in the amount of \$34,000, (ii) approved and authorized the Mansteel Rebar Ltd. (“**Mansteel**”) settlement agreement and distribution to Mansteel in the amount of \$22,833.57, and (iii) approved and authorized the settlement of the Roni Excavating Limited (“**Roni**”) settlement agreement and the distribution to Roni in the amount of \$34,000.

13. On March 12, 2019, the Court granted an Order (the “**Second Lien Settlement and Distribution Order**”) which among other things: (i) approved and authorized the CRH Canada Group Inc. (“**CRH**”) settlement agreement and distribution to CRH in the amount of \$45,000; (ii) approved and authorized the Summit Concrete & Drain Ltd. (“**Summit**”) settlement agreement and distribution to Summit in the amount of \$12,000; (iii) approved and authorized the R. Mancini and Associates (“**Mancini**”) settlement agreement and distribution to Mancini in the amount of \$7,000; (iv) approved and authorized the Quinn Dressel Associates (“**Quinn**”) settlement agreement and distribution to Quinn in the amount of \$5,596.90; (v) approved and authorized the Desrosiers Geothermal Corporation (“**Desrosiers**”) settlement agreement and distribution to Desrosiers in the amount of \$71,680.63; and (vi) approved and authorized the McCallum Sather Architects Inc. (“**McCallum**”) settlement agreement and distribution to McCallum in the amount of \$9,431.13.
14. On July 15, 2019, the Court granted an Order which, among other things (the “**Syndicated Claims Procedure and Distribution Order**”): (i) approved and authorized the Shalom Electric Inc. (“**Shalom**”) settlement agreement and distribution to Shalom in the amount of \$5,143.12; and (ii) authorized, empowered and directed the Receiver to carry out a syndicated mortgage claims procedure to address the claims of investors (collectively, the “**Investors**”) in the syndicated mortgage (the “**Syndicated Mortgage**”) who invested funds through Olympia Trust Company, John Fletcher and Community Trust Company.
15. On October 15, 2019, the Court granted an Order (the “**Interim Syndicated Mortgage Distribution Order**”) which, among other things, approved and authorized an interim distribution in the amount of \$8,000,000 to the Investors (the “**Interim Distribution**”).
16. On January 31, 2020, the Court granted an Order (the “**Third Lien Settlement and Distribution Order**”) which, among other things: (i) approved and authorized the Limen Group Limited (“**Limen**”) settlement agreement and distribution to Limen in the amount of \$80,000 (the “**Limen Distribution**”); (ii) approved and authorized the 2043102 Ontario Limited (“**YYZed**”) settlement agreement and distribution to YYZed in the amount of \$100,000 (the “**YYZed Distribution**”); (iii) directed the Accountant of the Ontario Superior Court of Justice to pay out of court and to the Receiver the amount of \$700,631.40 plus interest earned related to monies previously paid into court by Terrasan in relation to the Limen lien action ( the “**Limen Posted Monies**”); and (iv) directed the Accountant of the Ontario Superior Court of Justice to pay out of court and to the Receiver the amount of \$381,385.13 plus interest earned related to monies previously paid into court by Terrasan in relation to the lien action of YYZed (the “**YYZed Posted Monies**”).

17. On June 22, 2020, the Court granted an Order (the “**Second Interim Syndicated Mortgage Distribution Order**”) which, among other things, approved and authorized a second interim distribution in the amount of \$1,400,000 to the Investors (the “**Second Interim Distribution**”), as set out in the Receiver’s Fifteenth Report (the “**Fifteenth Report**”). A copy of the Fifteenth Report (without appendices) is attached herein as **Appendix “A”**.
18. Distributions as approved and authorized by the Centurion Distribution Order, Diversified Distribution Order, Holdback and Distribution Order, First Lien Settlement and Distribution Order, Second Lien Settlement and Distribution Order, Syndicated Claims Procedure and Distribution Order, Interim Syndicated Mortgage Distribution Order, Third Lien Settlement and Distribution Order and Second Interim Syndicated Mortgage Distribution Order have been completed by the Receiver.
19. The Receiver has set up a website at <http://extranets.bdo.ca/terrasan> (the “**Website**”). All prescribed materials filed by the Receiver and other parties relating to these receivership proceedings are available to creditors and other interested parties in electronic format on the Website. The Receiver makes periodic updates to the Website to ensure creditors and other interested parties are kept informed of recent developments.

#### **Purpose of the Report**

20. The purpose of this report dated November 20, 2020 (the “**Sixteenth Report**”) is to provide information to the Court to support the granting of an Order (the “**Final Distribution and Discharge Order**”):
  - (a) approving the Sixteenth Report and the activities and conduct of the Receiver since its Fifteenth Report dated June 17, 2020;
  - (b) approving the Receiver’s final statement of receipts and disbursements dated November 20, 2020 (the “**Final R&D**”);
  - (c) approving and authorizing a final distribution of the funds remaining in the Receiver’s possession, as set out in the Final R&D, to the Investors following the payment of the Professional Fees (as defined herein) and the Holdback Amount (as defined herein), on account of the indebtedness owing by Terrasan pursuant to the Syndicated Mortgage (the “**Final Distribution**”);

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- (d) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), including the Holdback Amount as set out in this Sixteenth Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements; and
- (e) discharging and releasing the Receiver upon the filing by the Receiver of the Receiver’s discharge certificate, substantially in the form attached as **Schedule “A”** to the Final Distribution and Discharge Order (the “**Receiver’s Discharge Certificate**”), certifying that the Remaining Activities (as defined herein) have been completed to the satisfaction of the Receiver.

### **Disclaimer**

- 21. This Sixteenth Report is prepared solely for the use of the Court for the purpose of assisting the Court for the purpose of making a determination as to whether to grant the relief sought herein.
- 22. Except as otherwise described in this Sixteenth 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.
- 23. Unless otherwise stated, all monetary amounts contained in this Sixteenth Report are expressed in Canadian dollars.

### **ACTIVITIES OF THE RECEIVER**

- 24. In addition to the activities undertaken by the Receiver as detailed in its prior reports, the Receiver has, among other things:
  - (a) made the Second Interim Distribution to the Investors pursuant to the Second Interim Syndicated Mortgage Distribution Order;
  - (b) engaged in discussions and exchanged correspondence with various Investors in respect of the Second Interim Distribution;

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- (c) communicated with the City of Toronto (the “**City**”) in respect of the outstanding letter of credit (the “**LC**”) posted as security for the landscaping requirements as set out in the Terrasan Site Plan Agreement (as defined herein);
- (d) communicated with Duca Financial Services Credit Union Ltd. (“**Duca**”) to discuss the return of the LC for cancellation and the release to the Receiver of the cash collateral deposited with Duca as security for Landscaping Obligations (as defined herein);
- (e) communicated with Investors and counsel with respect to a final distribution;
- (f) completed statutory government filings required by the Receiver; and
- (g) completed other miscellaneous administrative obligations of the Receiver as required.

#### **LETTER OF CREDIT | THE CITY OF TORONTO**

- 25. As part of the original building permit approval, Terrasan was required to post security with the City pursuant to a site plan agreement entered into by the parties on July 29, 2015 (the “**Site Plan Agreement**”). Pursuant to the Site Plan Agreement, the posted security addressed certain landscaping requirements at the Project (the “**Landscaping Obligations**”).
- 26. On June 30, 2016, DUCA issued, on behalf of Terrasan, the LC to the City in the amount of \$173,535.00 as security for the Landscaping Obligations.
- 27. Since the date of the Fifteenth Report, the Receiver has had various communications with the City in relation to the release and delivery of the LC to Duca for immediate cancellation, and following that exercise, Duca’s release of the cash collateral deposited by Terrasan to secure the LC liability.
- 28. The City has delivered the LC to Duca for cancellation and the Receiver is now in receipt of the net cash collateral remaining totaling \$162,090.81 from Duca. Duca deducted accrued annual LC renewal fees from the cash collateral, which were unpaid by Terrasan.

### SYNDICATED MORTGAGE AND FINAL DISTRIBUTION

29. As detailed in prior reports filed by the Receiver, four charges were registered against title to the Property. As noted above, the Receiver has made full and final distributions in respect of three of the mortgages, which were held by Centurion, Guarantee and Diversified, respectively.
30. The fourth position mortgage is the Syndicated Mortgage. The Syndicated Mortgage represents the remaining secured claim to the Sale Proceeds, and any other personal property of Terrasan. As noted in prior reports filed by the Receiver, the Receiver obtained security opinions from its counsel in relation to the Syndicated Mortgage's secured claim to the Sale Proceeds, and any other personal property (cash in the estate) of Terrasan. Based on those security opinions, and subject to the customary assumption and qualifications set forth therein, the Syndicated Mortgage has a proper secured claim to the Sale Proceeds and an unperfected security interest in the personal property of Terrasan.
31. As set out in the Thirteenth Report, pursuant to a payout statement dated September 27, 2019, the amount of \$12,505,358.51 was due and owing to the Investors in the Syndicated Mortgage, together with accruing interest (collectively, the "**Syndicated Indebtedness**"). The Receiver had made the following distributions on account of the Syndicated Indebtedness: (i) the Interim Distribution in the amount of \$8,000,000, and (ii) the Second Interim Distribution in the amount of \$1,400,000, for an aggregate distribution to date in the amount of \$9,400,000.
32. There will be insufficient funds in the receivership estate to fully repay the Syndicate Indebtedness. Therefore, the Receiver is proposing to make the Final Distribution to the Investors in the Syndicated Mortgage, following the payment of the Professional Fees and the Holdback Amount. The Final Distribution is reasonable and appropriate in the circumstances.
33. The Final Distribution will be made on the same *pro-rata* basis as set out in Schedule "A" to the Second Interim Syndicated Mortgage Distribution Order, included hereto as **Appendix "B"**.

### STATEMENT OF RECEIPTS AND DISBURSEMENTS

34. The Final R&D, attached as **Appendix "C"**, reports net receipts over disbursements from the date of the Receiver's appointment to November 16, 2020 of \$389,610.86, subject to the provision for unpaid Professional Fees and the Holdback Amount.



35. The Receiver is seeking the Court's approval of its Final R&D.

#### **FEES AND DISBURSEMENTS**

36. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements during the period of May 22, 2020 to November 13, 2020, which are described in the Affidavit of Gary Cerrato sworn November 20, 2020 (the "**Cerrato Affidavit**"), attached herein as **Appendix "D"**.
37. 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.
38. 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 20, 2020 (the "**Kennedy Affidavit**"), attached herein as **Appendix "E"**.
39. The Receiver requests that the Court approve its interim accounts for the period of May 22, 2020 to November 13, 2020 in the amount of \$39,647.48, together with HST of \$5,154.17, and approve the interim accounts of its legal counsel for the period of June 1, 2020 to November 18, 2020 in the amount of \$31,788.85, together with HST of \$4,132.56 (collectively the "**Professional Fees**").
40. The Receiver estimates additional professional fees of \$12,500, plus HST, to complete the administration of the estate, together with estimated legal costs of \$12,500, plus HST (collectively, the "**Remaining Fees**"). The Receiver is therefore proposing to hold back the total amount of \$25,000, plus HST (the "**Holdback Amount**"), on account of the Remaining Fees.
41. The Receiver respectfully submits that the Professional Fees, as set out in the Cerrato Affidavit and Kennedy Affidavit (collectively, the "**Fee Affidavits**"), together with Remaining Fees, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order.

**DISCHARGE**

42. All of the Receiver's duties as set out in the Receivership Order will be completed upon (collectively, the "**Remaining Duties**"): (i) filing the final estate HST return(s) to recover any unclaimed input tax credits, (ii) payment of the Professional Fees and the Remaining Fees, (iii) making the Final Distribution, (iv) filing the Receiver's final report pursuant to s. 246(3) of the *Bankruptcy and Insolvency Act* with the Office of the Superintendent of Bankruptcy, and (v) closing of the Receiver's trust accounts.
43. To the best of the Receiver's knowledge, following the completion of the Remaining Activities, the Receiver will have completed its administration of the receivership estate in accordance with the terms of the Receivership Order, and the various other orders rendered by the Court in the course of these proceedings. The Receiver is not aware of its services being required for any further purpose other than as set out in this Sixteenth Report.

**SUMMARY AND RECOMMENDATIONS**

44. Based on the foregoing, the Receiver respectfully recommends that the Court:
- (a) approve the Sixteenth Report and the activities and conduct of the Receiver outlined herein;
  - (b) approve the Receiver's Final R&D.
  - (c) approve and authorize the Final Distribution to the Investors, following the payment of the Professional Fees and Holdback Amount;
  - (d) approve the Professional Fees, as outlined in the Fee Affidavits and this Sixteenth Report, and the Remaining Fees;
  - (e) discharge the Receiver, subject to the Receiver completing the Remaining Activities and the filing of the Receiver's Discharge Certificate;
  - (f) declaring that, upon the filing of the Receiver's Discharge Certificate, BDO is discharged and released from any and all liability that BDO now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacity as Receiver, save and except for the Receiver's gross negligence or willful misconduct; and

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- (g) that, upon the filing of the Receiver's Discharge Certificate, releasing BDO from any and all liability it now has or may have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacity as Receiver herein, save and except for any gross negligence or willful misconduct on the Receiver's part.

All of which is respectfully submitted this 20<sup>th</sup> day of November, 2020.

**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:



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Name: Gary Cerrato, CIRP, LIT  
Title: Vice President

# Appendix “A”

to the Sixteenth Report of the  
Receiver

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

**FIFTEENTH REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY**

**AS COURT APPOINTED RECEIVER**

**June 17, 2020**

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### APPENDICES

Receiver's Thirteenth Report dated October 8, 2019	<b>A</b>
Interim R&D	<b>B</b>
Affidavit of Josie Parisi sworn on June 16, 2020	<b>C</b>
Affidavit of Robert Kennedy sworn on June 17, 2020	<b>D</b>

## INTRODUCTION AND PURPOSE OF THIS REPORT

### Introduction

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

the corresponding accepted deposit claim, in accordance with the Deposit Claims Procedure Order (a “**Deposit Claim Distribution**”).

9. On April 27, 2018, the Court granted an Order which, among other things, set out a protocol to address: (i) the delivery of Deposit Claims Procedure documentation, and (ii) the manner in which the Tarion Warranty Corporation (“**Tarion**”) bond would be reduced by the corresponding value of the delivered Deposit Claim Distributions, the value of the disallowed claims, and the value of the barred claims.
10. On July 6, 2018, the Court granted an Order (the “**Diversified Distribution Order**”) which, among other things, directed the Receiver to make a distribution from the Sale Proceeds sufficient to repay the third place mortgagee, (or second place mortgagee at the time of such distribution as the first mortgage had already been re-paid) Diversified Capital Inc. (“**Diversified**”), in full and final satisfaction of all amounts owing by Terrasan to Diversified.
11. On August 29, 2018, the Court granted an order (the “**Holdback and Distribution Order**”) which, among other things, authorized the Receiver to: (i) make a distribution from the Sales Proceeds in the amount of \$200,000 to Tarion as cash security for claims, (ii) make a distribution from the Sale Proceeds to the Guarantee Company of North America (the “**Guarantee**”) in full and final satisfaction of the all amounts owing by Terrasan to the Guarantee (the “**Guarantee Distribution**”), and (iii) make a distribution from the Sale Proceeds to Resform Construction Limited (“**Resform**”) in the amount of \$186,843.98, in accordance with a settlement of lien claim and motion agreement dated July 31, 2018 between the Receiver and Resform, in full and final settlement of Resform’s lien claim.
12. On December 4, 2018, the Court granted an Order (the “**First Lien Settlement and Distribution Order**”) which among other things: (i) approved and authorized the Bluescape Construction Management Inc. (“**Bluescape**”) settlement agreement and the distribution to Bluescape in the amount of \$34,000, (ii) approved and authorized the Mansteel Rebar Ltd. (“**Mansteel**”) settlement agreement and distribution to Mansteel in the amount of \$22,833.57, and (iii) approved and authorized the settlement of the Roni Excavating Limited (“**Roni**”) settlement agreement and the distribution to Roni in the amount of \$34,000.
13. On March 12, 2019, the Court granted an Order (the “**Second Lien Settlement and Distribution Order**”) which among other things: (i) approved and authorized the CRH Canada Group Inc. (“**CRH**”) settlement agreement and distribution to CRH in the amount of \$45,000; (ii) approved and authorized the Summit Concrete & Drain Ltd. (“**Summit**”) settlement agreement and distribution to Summit in the amount of \$12,000; (iii) approved



and authorized the R. Mancini and Associates (“**Mancini**”) settlement agreement and distribution to Mancini in the amount of \$7,000; (iv) approved and authorized the Quinn Dressel Associates (“**Quinn**”) settlement agreement and distribution to Quinn in the amount of \$5,596.90; (v) approved and authorized the Desrosiers Geothermal Corporation (“**Desrosiers**”) settlement agreement and distribution to Desrosiers in the amount of \$71,680.63; and (vi) approved and authorized the McCallum Sather Architects Inc. (“**McCallum**”) settlement agreement and distribution to McCallum in the amount of \$9,431.13.

14. On July 15, 2019, the Court granted an Order which among other things (the “**Syndicated Claims Procedure and Distribution Order**”): (i) approved and authorized the Shalom Electric Inc. (“**Shalom**”) settlement agreement and distribution to Shalom in the amount of \$5,143.12; and (ii) authorized, empowered and directed the Receiver to carry out a syndicated mortgage claims procedure to address the claims of investors (collectively, the “**Investors**”) in the syndicated mortgage (the “**Syndicated Mortgage**”) who invested funds invested through Olympia Trust Company (“**Olympia Trust**”), John Fletcher (“**Fletcher**”) and Community Trust Company (“**Community Trust**”).
15. On October 15, 2019, the Court granted an Order (the “**Interim Syndicated Mortgage Distribution Order**”) which among other things approved and authorized an interim distribution to the Investors (the “**Interim Distribution**”), as set out in the Receiver’s Thirteenth Report (the “**Thirteenth Report**”). A copy of the Thirteen Report is attached herein as **Appendix “A”**.
16. Distributions as approved and authorized by the Centurion Distribution Order, Diversified Distribution Order, Holdback and Distribution Order, First Lien Settlement and Distribution Order, Second Lien Settlement and Distribution Order, Syndicated Claims Procedure and Distribution Order, and Interim Syndicated Mortgage Distribution Order, have been completed by the Receiver.
17. On January 31, 2020, the Court granted an Order (the “**Third Lien Settlement and Distribution Order**”) which among other things: (i) approved and authorized the Limen Group Limited (“**Limen**”) settlement agreement and distribution to Limen in the amount of \$80,000 (the “**Limen Distribution**”); (ii) approved and authorized the 2043102 Ontario Limited (“**YYZed**”) settlement agreement and distribution to YYZed in the amount of \$100,000 (the “**YYZed Distribution**”); (iii) directed the Accountant of the Ontario Superior Court of Justice to pay out of court and to the Receiver \$700,631.40 plus interest earned related to monies previously paid into court by Terrasan in relation to the Limen lien action

( the “**Limen Posted Monies**”); and (iv) directed the Accountant of the Ontario Superior Court of Justice to pay out of court and to the Receiver \$381,385.13 plus interest earned related to monies previously paid into court by Terrasan in relation to the lien action of YYZed (the “**YYZed Posted Monies**”).

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

### **Purpose of the Report**

19. The purpose of this report dated June 17, 2020 (the “**Fifteenth Report**”) is to provide information to the Court to support the granting of an Order:
- (a) approving the Fifteenth Report and the activities and conduct of the Receiver since its Fourteenth Report dated January 27, 2020;
  - (b) approving and authorizing a second interim distribution to the Investors in the amount of \$1,400,000 on account of the indebtedness owing by Terrasan pursuant to the Syndicated Mortgage (the “**Second Interim Distribution**”);
  - (c) authorizing and directing the Receiver to pay the Bare Trustee Invoices in the aggregate amount of \$81,308.49;
  - (d) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in this Fifteenth Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements; and
  - (e) approving the Receiver’s interim statement of receipts and disbursements dated June 12, 2020 (the “**Interim R&D**”).

### **Disclaimer**

20. This Fifteenth Report is prepared solely for the use of the Court for the purpose of assisting the Court for the purpose of making a determination as to whether to grant the relief sought herein.
21. Except as otherwise described in this Fifteenth Report:

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- (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.
22. Unless otherwise stated, all monetary amounts contained in this Fifteenth Report are expressed in Canadian dollars.

#### **ACTIVITIES OF THE RECEIVER**

23. In addition to the activities undertaken by the Receiver as detailed in its prior reports, the Receiver has, among other things:
- (a) made the Interim Distribution to the Investors pursuant to the Syndicated Mortgage Distribution Order;
  - (b) made the Limen Distribution and YYZed Distribution and engaged in various discussions with the Accountant of the Superior Court of Justice (“**Accountant**”) in relation to the Limen Posted Monies and YYZed Posted Monies;
  - (c) engaged in further discussions with its legal counsel, Dentons and counsel to MaryLou Santaguida in relation to potential claims to the remaining assets of Terrasan;
  - (d) engaged in discussions with various Investors;
  - (e) communicated with the City of Toronto (the “**City**”) in respect of an outstanding letter of credit;
  - (f) communicated with counsel for a limited group of Investors relating to the Bare Trustee Invoices (as defined herein) and other administration matters; and
  - (g) completed other miscellaneous administrative obligations of the Receiver as required.

**LIMEN POSTED MONIES AND YYZED POSTED MONIES**

24. The Limen Posted Monies and the YYZed Posted Monies (collectively, the “**Posted Monies**”) together with the interest earned thereon was received by the Receiver and deposited in the Receiver’s trust account. In total \$1,145,021.91 was received.
25. Shortly following the receipt of the funds from the Accountant, the Receiver made the Limen Distribution and YYZed Distribution in accordance with the Third Lien Settlement and Distribution Order. Following the completion of the aforementioned distributions, the Receiver currently holds approximately \$965,021 from the Posted Monies (the “**Residual Cash**”).
26. Prior to the Receiver’s receipt of the Posted Monies, Mr. Brett Moldaver (“**Moldaver**”), counsel to Terrasan and to MaryLou Santaguida (spouse of the principal shareholder of Terrasan), advised the Receiver that Mrs. Santaguida had certain claims to the Posted Monies.
27. In February 2020, Moldaver advised the Receiver that Mrs. Santaguida’s claim supersedes any secured claim that could be made by the Syndicated Mortgage to the Residual Cash.
28. As of the date of this Fifteenth Report, the Receiver has not received any claim information or documentation from Mrs. Santaguida.
29. The Receiver obtained a security opinion from its counsel in relation to the personal property security held by the Syndicated Mortgage (the “**Security Opinion**”) and, subject to the customary qualifications and assumptions contained therein, the Security Opinion opines that the personal property security held by the Syndicated Mortgage is valid and enforceable against Terrasan.
30. Subject to the customary assumptions and qualifications contained in the Security Opinion, Receiver’s counsel has opined that the subject security documents:
  - (a) constitute legal, valid and binding security interests in favour of the Syndicated Mortgage in the Residual Cash, and all other personal property;
  - (b) is sufficient to secure the payment and performance of the obligations secured thereby; and
  - (c) creates an unperfected security interest.

31. Of note, there are no other registrations made in favour of any other secured party at the Personal Property Registry pursuant to the *Personal Property Security Act* (Ontario). The Receiver is also unaware of any other outstanding unperfected secured claims. A copy of the Security Opinion is available upon request.
32. Based upon the Security Opinion, the Syndicated Mortgage has a priority claim to the Residual Cash, and all other personal property.

#### **SYNDICATED MORTGAGE AND SECOND INTERIM DISTRIBUTION**

33. As detailed in prior reports filed by the Receiver, four charges were registered against title to the Property. As noted above, the Receiver has made full and final distributions in respect of three of the mortgages, which were held by Centurion, Guarantee and Diversified, respectively.
34. The fourth mortgage is the Syndicated Mortgage. The Syndicated Mortgage represents the remaining secured indebtedness claim to the Sale Proceeds (and the Residual Cash, and personal property as noted above). As set out in the Thirteenth Report, pursuant to a payout statement dated September 27, 2019, the amount of \$12,505,358.51 was due and owing to the Investors in the Syndicated Mortgage. Pursuant to the Interim Syndicated Mortgage Distribution Order, the Receiver made an interim distribution in the amount of \$8,000,000 to Investors (the “**Interim Distribution**”).
35. The Receiver currently holds sufficient funds in the estate to make a second interim distribution (“**Second Interim Distribution**”) to the Investors and proposes a distribution in the amount of \$1,400,000.
36. The Second Interim Distribution will be made on the same *pro-rata* basis as set out in Appendix “E” to the Thirteenth Report.

#### **BARE TRUSTEE FEES**

37. Fletcher was appointed as Bare Trustee pursuant to trust agreements that were executed between Fletcher and each Investor (the “**Bare Trustee Agreements**”). A sample of a Bare Trustee Agreement was attached as Appendix “F” to the Receiver’s Thirteenth Report.
38. Kara Hamilton (“**Hamilton**”) replaced Fletcher as Bare Trustee.
39. On September 26, 2019, Hamilton delivered to the Receiver invoices for bare trustee fees in the amount of \$81,308.49 inclusive of HST, for the billing period from June 5, 2017 to

August 30, 2019 (the “**Bare Trustee Invoices**”). The Bare Trustee Invoices were attached as Appendix “G” to the Receiver’s Thirteenth Report.

40. Based upon a review of the Syndicated Mortgage records in the possession of the Receiver, the Bare Trustee Agreement appears to govern the relationship between the bare trustee and the Investors and requires that the bare trustee’s fees be paid from the funds to be distributed to the Investors.
41. The Receiver understands that a limited number of Investors take issue with the Bare Trustee Invoices. That group of Investors is of the view that the Bare Trustee Invoices should not be paid. The Receiver notes that the limited number of Investors do not make up a majority in number of the Investors nor represent a majority debt position in the Syndicated Mortgage.
42. The Receiver further notes that a component of the services did assist with and support the syndicated mortgage claims procedure. The Receiver recommends that the Bare Trustee Invoices be paid in accordance with the Bare Trustee Agreement.

#### **LETTER OF CREDIT | THE CITY OF TORONTO**

43. As part of the original building permit approval, Terrasan was required to post security with the City pursuant to a site plan agreement entered into by the parties on July 29, 2015 (the “**Site Plan Agreement**”). Pursuant to the Site Plan Agreement, the posted security addressed landscaping requirements at the Project.
44. On June 30, 2016, DUCA Financial Services Credit Union Ltd. (“**DUCA**”) issued, on behalf of Terrasan, a letter of credit to the City in the amount of \$173,535.00 as security for the landscaping requirements as set out in the Site Plan Agreement (the “**LC**”).
45. As noted above, the Property was sold by the Receiver pursuant to the Approval and Vesting Order on September 15, 2017. Subsequent to the sale of the Property, the Receiver has requested that the City deliver and return the LC to DUCA for termination.
46. The Receiver and its counsel have attempted to resolve this issue with the City, however the City has not either returned calls or responded to emails.
47. Based on discussions with DUCA, the Receiver understands that the LC renews automatically until the LC is delivered back to DUCA and permanently cancelled.
48. The Property was sold almost three years ago and is no longer owned by Terrasan or within the control of the Receiver. The Receiver understands that, based upon publically

available information, the purchaser of the Property has plans for the development of the Property.

49. The City has not drawn upon the LC and the LC has been deposited with the City for over 4 years. The LC is supported by cash collateral deposited by Terrasan in favour of DUCA to secure any DUCA exposure following a draw down on the LC. The cash collateral deposited with DUCA needs to be released to the Receiver for distribution on account of the Syndicated Mortgage prior to the Receiver's discharge.
50. The Receiver will be seeking advice and directions from the Court in relation to the LC at the discharge motion.

#### **RECEIPTS AND DISBURSEMENTS**

51. The Interim R&D, attached as **Appendix "B"**, reports net receipts over disbursements from the date of the Receiver's appointment to June 16, 2020 of \$1,745,050.95.
52. The Receiver is seeking the Court's approval of its Interim R&D.

#### **FEES AND DISBURSEMENTS**

53. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements during the period of January 16, 2020 to May 15, 2020, which are described in the Affidavit of Josie Parisi sworn June 16, 2020, attached herein as **Appendix "C"**.
54. 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.
55. 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 June 17, 2020, attached herein as **Appendix "D"**.
56. The Receiver requests that the Court approve its interim accounts for the period of January 16, 2020 to May 15, 2020 in the amount of \$18,998.24, inclusive of HST of \$2,185.64.
57. The Receiver also requests that the Court approve the interim accounts of its legal counsel for the period of January 1, 2020 to May 31, 2020 in the amount of \$86,897.50, together with HST of \$11,418.69.

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58. 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**

59. Based on the foregoing, the Receiver respectfully recommends that the Court:
- (a) approve the Fifteenth Report and the activities and conduct of the Receiver outlined herein;
  - (b) approving and authorizing a second interim distribution to the Investors in the amount of \$1,400,000 on account of the indebtedness owing by Terrasan pursuant to the Syndicated Mortgage;
  - (c) authorizing and directing the Receiver to pay the Bare Trustee Invoices in the amount of \$81,308.49;
  - (d) approve the fees and disbursements of the Receiver and Dentons, as set out in this Fifteenth Report, and authorize the Receiver to pay all approved and unpaid fees and disbursements; and
  - (e) approve the Receiver's Interim R&D.

All of which is respectfully submitted this 17<sup>th</sup> day of June, 2020.

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

Per:



---

Name: Josie Parisi, CPA, CA, CBV, CIRP, LIT  
Title: Senior Vice President



CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

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

**DENTONS CANADA LLP**  
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Toronto, Ontario M5K 0A1

**Robert Kennedy** (LSO #474070)  
Tel: (416) 367-6756  
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**Mark Freake** (LSO # 63656H)  
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[mark.freake@dentons.com](mailto:mark.freake@dentons.com)

*Lawyers for the Receiver*

# Appendix “B”

to the Sixteenth Report of the  
Receiver



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

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

THE HONOURABLE	)	MONDAY, THE 22 <sup>nd</sup> DAY
JUSTICE THOMAS McEWEN	)	OF JUNE, 2020
	)	

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 (in such capacity, the “**Receiver**”) of Terrasan 327 Royal York Rd. Limited (“**Terrasan**”), for an order,

- (a) abridging the time for service of the Notice of Motion and the Motion Record herein and validating service thereof;
- (b) approving and authorizing an interim distribution in the amount of \$1,400,000 (the “**Second Interim Distribution**”) on account of the syndicated mortgage (the “**Syndicated Mortgage**”) registered in the name of J. Paul Fletcher, Olympia Trust Company (“**Olympia Trust**”) and Community Trust Company (“**Community Trust**”), on behalf of the investors (the “**Investors**”), as set out in

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the Fifteenth Report of the Receiver dated June 17, 2020 (the “**Fifteenth Report**”);

- (c) approving the activities of the Receiver as set out in the Fifteenth Report;
- (d) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the fee affidavit of Josie Parisi sworn on June 16, 2020 and the fee affidavit of Robert Kennedy sworn June 17, 2020 (collectively, the “**Fee Affidavits**”);
- (e) approving the Receiver’s interim statement of receipts and disbursements dated June 16, 2020 (the “**Interim R&D**”); and
- (f) such further and other grounds as counsel may advise and this Honourable Court may permit;

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

**ON READING** the Motion Record of the Receiver dated June 17, 2020 and the Fifteenth Report, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Amanda Campbell sworn June 17, 2020, filed:

**SERVICE**

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

**SECOND INTERIM DISTRIBUTION**

2. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the total amount of \$1,400,000 to the Investors on account of the total indebtedness due and owing by Terrasan pursuant to the Syndicated Mortgage as follows:

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- (a) an interim distribution in the amount of \$628,180 from the Receiver directly to Olympia Trust, representing the aggregate *pro-rata* share of the indebtedness due and owing those Investors under the Syndicated Mortgage and who hold their investment in a registered fund with Olympia Trust (the “**Olympia Investors**”), as set forth in Schedule “A” herein (the “**Distribution List**”);
- (b) an interim distribution in the amount of \$4,480 from the Receiver directly to Community Trust, representing the *pro-rata* share of the indebtedness due and owing to the Investor under the Syndicated Mortgage and who holds their investment in a registered fund with Community Trust (the “**CT Investor**”), as set forth in the Distribution List; and
- (c) an interim *pro-rata* distribution from the Receiver to those Investors holding their investment with Paul J. Fletcher in the aggregate amount of \$767,340, as set forth in the Distribution List.

3. **THIS COURT ORDERS** and directs: (i) Olympia Trust to distribute and deposit the corresponding interim *pro-rata* distribution to each of the Olympia Investors account held with Olympia Trust, as set forth in the Distribution List, and (ii) Community Trust to distribute and deposit the interim *pro-rata* distribution to the CT Investor account held with Community Trust, as set forth in the Distribution List.

4. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the amount of \$61,308.49 on account of the Syndicated Mortgage bare trustee’s fees and disbursements, payable to Arbesman Hamilton LLP.

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**RECEIVER'S ACTIVITIES**

5. **THIS COURT ORDERS** that the Fifteenth Report and the activities of the Receiver together with the fees and disbursements of the Receiver and Dentons, as set out in the Fifteenth Report and the Fee Affidavits, are hereby approved.
6. **THIS COURT ORDERS** that the Interim R&D is hereby approved.



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ENTERED AT / INSCRIT À TORONTO

ON / BOOK NO:

LE / DANS LE REGISTRE NO:

JUL 31 2020

PER / PAR:

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**Schedule "A"**  
**Distribution List**

## OLYMPIA TRUST COMPANY

## Registered Funds

	Name	Plan No.	Amount	Share Percentage
1	Amiri, Salim	113123	\$ 25,000.00	0.25542%
2	Anderson, Gillian	12669	\$ 30,260.00	0.30916%
3	Bahadursingh, Balbir	114620	\$ 30,000.00	0.30651%
4	Barton, Randy	109552	\$ 21,200.00	0.21660%
5	Bassi, Gurminder	123532	\$ 30,000.00	0.30651%
6	Beal, Andrew	123159	\$ 25,000.00	0.25542%
7	Binda, Amarnath	124359	\$ 149,500.00	1.52743%
8	Binda, Amarnath	124358	\$ 96,200.00	0.98286%
9	Bond, Ardythe	125030	\$ 42,200.00	0.43115%
10	Bondoc, Arnold	123855	\$ 12,290.00	0.12557%
11	Bondoc, Arnold	124931	\$ 24,850.00	0.25389%
12	Buchanan, Handell	128542	\$ 30,000.00	0.30651%
13	Cabral, Adelaide	121366	\$ 36,000.00	0.36781%
14	Cabral, David & Gabriella	122914	\$ 40,800.00	0.41685%
15	Campbell, Janet	124850	\$ 25,000.00	0.25542%
16	Caporuscio, John	109554	\$ 19,400.00	0.19821%
17	Caporuscio, John	123744	\$ 11,300.00	0.11545%
18	Caporuscio, John	127810	\$ 31,000.00	0.31672%
19	Caporuscio, Rita	114106	\$ 29,000.00	0.29629%
20	Carelo, Godofredo	105068	\$ 12,750.00	0.13027%
21	Carelo, Godofredo	121408	\$ 19,600.00	0.20025%
22	Carmichael, Bhmeshwarie	121095	\$ 59,700.00	0.60995%
23	Carmichael, Julian	121094	\$ 45,200.00	0.46180%
24	Carre, Susan	124993	\$ 18,100.00	0.18493%
25	Castillo, Corazon	121092	\$ 17,450.00	0.17828%
26	Cien, Piotr	127383	\$ 31,000.00	0.31672%
27	Corrigan, Donna	124283	\$ 25,000.00	0.25542%
28	Corriveau, Penny	123601	\$ 20,500.00	0.20945%
29	Dasilva, Rod	124635	\$ 31,000.00	0.31672%
30	De Aguilar, Suzy	125070	\$ 24,150.00	0.24674%
31	Desario, Giuseppe	124786	\$ 50,150.00	0.51238%
32	Dixon, Ursula	122603	\$ 42,250.00	0.43166%
33	Dookie, Dipnarine	121458	\$ 49,700.00	0.50778%
34	Elligson, Brenda	125677	\$ 124,600.00	1.27302%
35	Emenim, Rosemary	123980	\$ -	0.00000%
36	Faraone, Gabriele	124525	\$ 24,949.00	0.25490%
37	Galang, Genalyn	124416	\$ 27,650.00	0.28250%
38	Gingell, Dennis	128610	\$ 25,000.00	0.25542%
39	Gingell, Dennis	121916	\$ 26,000.00	0.26564%
40	Gingell, Doris	121911	\$ 29,000.00	0.29629%
41	Gingell, Doris	129754	\$ 24,700.00	0.25236%
42	Gray, Douglas	89604	\$ 45,000.00	0.45976%
43	Haji, Farhana	124826	\$ 25,000.00	0.25542%
44	Hawkins, Glen	124927	\$ 24,850.00	0.25389%
45	Istephan, Zman	123768	\$ 23,700.00	0.24214%
46	Kajko, Maria	122585	\$ 43,100.00	0.44035%
47	Karbin-Katan, Miriam	132330	\$ 25,000.00	0.25542%
48	Kelly, Douglas	117420	\$ 75,000.00	0.76627%
49	Kerman, Randall	125161	\$ 221,900.00	2.26713%
50	Klein, Brian	115337	\$ 50,000.00	0.51084%
51	Korus, Ewa	127641	\$ 31,000.00	0.31672%
52	Korus, Roman	127640	\$ 31,000.00	0.31672%
53	Kosalka, Aleksander	123554	\$ 39,500.00	0.40357%
54	Krechkovsky, Andrew	123669	\$ 27,400.00	0.27994%
55	Kulina, Zygmunt	120714	\$ 120,000.00	1.22603%



56	Lados, Angela	131347	\$	74,802.25	0.76425%
57	Lados, Anthony	131346	\$	75,000.00	0.76627%
58	Landolfi, Vincenzo	125090	\$	46,970.00	0.47989%
59	Landolfi, Vito	123531	\$	19,475.00	0.19897%
60	Lisikh, Gleb	121803	\$	100,000.00	1.02169%
61	Lopez, Zoilenys	122075	\$	25,000.00	0.25542%
62	Lotey, Mahinder	122600	\$	50,000.00	0.51084%
63	Lotey, Pritpal	122905	\$	31,250.00	0.31928%
64	Lotey, Sukhdev	122426	\$	50,000.00	0.51084%
65	Lotze, Rudi	125385	\$	121,900.00	1.24544%
66	Lotze, Teresa	125388	\$	24,680.00	0.25215%
67	Lyon, Leithland	123856	\$	54,600.00	0.55784%
68	Maas, Richard	123529	\$	25,680.00	0.26237%
69	Magat, Marilyn	123156	\$	26,000.00	0.26564%
70	Manji, Abdul	123287	\$	25,000.00	0.25542%
71	Martino, Dave	103876	\$	13,000.00	0.13282%
72	Mavaddat, Misagh	123238	\$	73,000.00	0.74583%
73	McCallum, Gwen	127937	\$	221,500.00	2.26304%
74	Mieczynska, Ewa	123955	\$	50,000.00	0.51084%
75	Miechowicz, Bożena	125238	\$	31,000.00	0.31672%
76	Mlodzianowska, Krystyna	127380	\$	25,000.00	0.25542%
77	Mohammed, Ralph	123269	\$	30,000.00	0.30651%
78	Nixon, Carolyn	123234	\$	25,000.00	0.25542%
79	Notay, Parminder	122584	\$	31,000.00	0.31672%
80	Padilla, Damiana	124280	\$	59,185.00	0.60469%
81	Padilla, Damiana	124691	\$	39,700.00	0.40561%
82	Pasion, Eliza	123187	\$	25,200.00	0.25747%
83	Pierre Charles, Hulan	105105	\$	79,500.00	0.81224%
84	Pierre Charles, Hulan	124523	\$	54,032.14	0.55204%
85	Ramesra, Robin	123524	\$	25,000.00	0.25542%
86	Reesor, Colleen	105527	\$	-	0.00000%
87	Ricardo, Roger	122128	\$	100,000.00	1.02169%
88	Ricardo, Roger	122129	\$	30,500.00	0.31162%
89	Ricei, Jenniger	128055	\$	30,000.00	0.30651%
90	Riley, Stephen	124689	\$	70,000.00	0.71518%
91	Samuel, Irma	120618	\$	35,000.00	0.35759%
92	Shepherd, Robert	130056	\$	52,300.00	0.53434%
93	Singh, Charanjit	125157	\$	23,175.00	0.23678%
94	Sitarz, Anna	123979	\$	30,700.00	0.31366%
95	Stankiewicz, Leszek	122991	\$	30,900.00	0.31570%
96	Taylor, Sabina	116655	\$	25,000.00	0.25542%
97	Thompson, Harry	127420	\$	27,000.00	0.27586%
98	Usnarska, Elzbieta	127382	\$	31,000.00	0.31672%
99	Walfisz, Barbara	123984	\$	49,875.00	0.50957%
100	Walters, Rebecca	113146	\$	28,000.00	0.28607%
101	Yee, George	124157	\$	50,000.00	0.51084%
102	Zalot, Catherine	104578	\$	15,370.00	0.15703%
103	Zalot, Catherine	126637	\$	11,030.00	0.11269%
<b>OLYMPIA TRUST TOTAL</b>			\$	4,392,223.39	
<b>GRAND TOTAL</b>			\$	9,787,713.39	

## J. PAUL FLETCHER

Non-Registered Funds

	Name	Amount	Share
1	2042825 Ontario Inc.	\$ 75,000.00	0.76627%
2	2083317 Ontario Ltd.	\$ 70,000.00	0.71518%
3	2370860 Ontario Inc.	\$ 300,000.00	3.06507%
4	2421358 Ontario Inc.	\$ 569,000.00	5.81341%
5	Ahmed, Abdul	\$ 400,000.00	4.08676%
6	Amurao, Alona	\$ 40,000.00	0.40868%
7	Awadalla, Marina	\$ 25,000.00	0.25542%
8	Awadalla, Pishoy	\$ 25,000.00	0.25542%
9	Broostad, Laurie	\$ 25,000.00	0.25542%
10	Brown, Cheryl	\$ 55,000.00	0.56193%
11	Caporuscio, Rita	\$ 190,000.00	1.94121%
12	Chang, Chiu-Ping	\$ 50,000.00	0.51084%
13	Chetram, Andrea	\$ 100,000.00	1.02169%
14	Courtney, Diana	\$ 100,000.00	1.02169%
15	Dalessandro, Laurel	\$ 25,000.00	0.25542%
16	De Almeida, Joao	\$ 40,000.00	0.40868%
17	Demelo, Paul & Celeste	\$ 100,000.00	1.02169%
18	Dicecca, Francesco	\$ 50,000.00	0.51084%
19	Dolan, Bill	\$ 10,000.00	0.10217%
20	Dolan, Margaret	\$ 25,000.00	0.25542%
21	Dolan, Margaret	\$ 30,000.00	0.30651%
22	Edwards, David	\$ 25,000.00	0.25542%
23	FMV Holdings Inc.	\$ 100,000.00	1.02169%
24	Freire, Luis & Maria	\$ 60,000.00	0.61301%
25	GAA Enterprises	\$ 95,000.00	0.97060%
26	Gallea, Jennifer	\$ 125,000.00	1.27711%
27	Ginocchi, Annunziata	\$ 30,000.00	0.30651%
28	Gomez, Mary	\$ 9,700.00	0.09910%
29	Goncalves, Alison	\$ 30,790.00	0.31458%
30	Gust, Beverly	\$ 44,000.00	0.44954%
31	Haji, Farhana	\$ 10,000.00	0.10217%
32	Haji, Hanif	\$ 25,000.00	0.25542%
33	Hawkins, Glen	\$ 25,000.00	0.25542%
34	Ierullo, Vito	\$ 50,000.00	0.51084%
35	Landolfi, John	\$ 50,000.00	0.51084%
36	Li, Hui	\$ 25,000.00	0.25542%
37	Manzo, Michael	\$ 25,000.00	0.25542%
38	Martino, Gerardo	\$ 200,000.00	2.04338%
39	Mascarenhas, Ashley	\$ 25,000.00	0.25542%
40	Matheson, Betty	\$ 40,000.00	0.40868%
41	Maxwell, Paul	\$ 200,000.00	2.04338%
42	Mendes, Manuel	\$ 50,000.00	0.51084%
43	Miechowicz, Bozena	\$ 9,000.00	0.09195%
44	Moskalewicz, Ryszard	\$ 300,000.00	3.06507%
45	Nezezon, Kelly	\$ 100,000.00	1.02169%
46	Nicholson, Murray & Louise	\$ 25,000.00	0.25542%
47	Nieradka, Stanley	\$ 65,000.00	0.66410%
48	Osmond Veterinary Pro. Corp.	\$ 50,000.00	0.51084%
49	PCGC Development Inc. c/o Wing Tak Chan	\$ 80,000.00	0.81735%
50	Quattrociocchi, Gianna	\$ 25,000.00	0.25542%

51	Raposo, Joao & Maria	\$	50,000.00	0.51084%
52	Reis, Francisco & Maria	\$	50,000.00	0.51084%
53	Rice, Wilf	\$	25,000.00	0.25542%
54	Riley, Stephen	\$	30,000.00	0.30651%
55	Rudutch Farms Ltd., c/o Rob De Groot	\$	25,000.00	0.25542%
56	Sadler, Dwayne	\$	100,000.00	1.02169%
57	Sahi, Annapurna	\$	30,000.00	0.30651%
58	Samuel, Steve	\$	20,000.00	0.20434%
59	Sencio, Bogdan & Katarzyna	\$	100,000.00	1.02169%
60	Shah, Sheetal & Nilesh	\$	25,000.00	0.25542%
61	Singh, Ikdeep	\$	50,000.00	0.51084%
62	Smith, David	\$	32,000.00	0.32694%
63	Sye, Colin	\$	25,000.00	0.25542%
64	Taseen, Dean	\$	200,000.00	2.04338%
65	Taylor, Tara	\$	50,000.00	0.51084%
66	Tejani, Karim	\$	25,000.00	0.25542%
67	Tsacanakos, Nicolas	\$	150,000.00	1.53253%
68	Weick, Ron	\$	25,000.00	0.25542%
69	Wielogorski, Jacek	\$	25,000.00	0.25542%
70	Xu, Mu	\$	100,000.00	1.02169%
71	Yuan, Xiaohong	\$	25,000.00	0.25542%
<b>NON-REGISTERED TOTAL</b>		\$	5,364,490.00	
<b>GRAND TOTAL</b>		\$	9,787,713.39	

## COMMUNITY TRUST COMPANY

Registered Funds

	Name	Plan No.	Amount	Share Percentage
1	Witalis, Krystyna	820026	\$ 31,000.00	0.31672%
	COMMUNITY TRUST TOTAL		\$ 31,000.00	
	GRAND TOTAL	\$ 9,787,713.39		

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

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

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

**Mark A. Freake** (LSO #63656H)  
 Tel: (416) 863-4456  
[mark.freake@dentons.com](mailto:mark.freake@dentons.com)

*Lawyers for the Receiver*

# Appendix “C”

## to the Sixteenth Report of the Receiver

## Appendix 'C'

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

RECEIVER'S FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS  
for the period February 24, 2017 to November 20, 2020

RECEIPTS:	20-Nov-20	Future	Final
Sale of land and building	\$ 30,044,444.00		\$ 30,044,444.00
Cash in bank	1,381,910.45		1,381,910.45
Trust funds received from Deposit Trustee (Schneider Ruggerio LLP):			
Deposit funds	\$ 157,089.61		
Interest earned on deposit funds	73,731.99	230,821.60	230,821.60
Return of Letter of Credit		162,090.81	162,090.81
Funds received from court		1,145,021.91	1,145,021.91
Interest earned		302,469.60	302,469.60
HST refunds		349,898.48	349,898.48
Insurance refund		23,993.28	23,993.28
Miscellaneous refunds - utility refund		210.55	210.55
Return of Tarion Warranty Corporation Holdback Payment		200,000.00	200,000.00
<b>Total Receipts</b>	<b>33,840,860.68</b>	<b>-</b>	<b>33,840,860.68</b>
<b>DISBURSEMENTS:</b>			
Payments to secured lenders	30,427,321.46	343,343.71	30,770,665.17
Legal fees	1,256,918.97	8,177.00	1,265,095.97
Receiver's fees	795,760.45	7,767.38	803,527.83
Professional Fee Reserve		25,000.00	25,000.00
Bare Trustee's Fees (Syndicated Mortgage)	54,255.30		54,255.30
Operating Expense	267,846.00		267,846.00
HST on legal fees	163,621.29	2,688.01	166,309.30
HST on Receiver's fees	103,448.83	2,634.76	106,083.59
Outside consulting	69,644.08		69,644.08
Insurance	59,930.20		59,930.20
Municipal taxes	56,955.28		56,955.28
HST paid on disbursements	60,054.88		60,054.88
Repairs and maintenance	42,923.63		42,923.63
Property management fee	42,736.72		42,736.72
Utilities	18,468.59		18,468.59
Advertising	9,059.60		9,059.60
Occupancy permit	6,399.36		6,399.36
Occupancy rent (site trailer)	5,055.00		5,055.00
Telephone	2,876.83		2,876.83
Miscellaneous disbursements	5,409.57		5,409.57
Travel	504.50		504.50
Freight	290.00		290.00
Storage	285.00		285.00
Postage	553.93		553.93
Redirection of mail	274.35		274.35
Bank charges	586.00		586.00
Filing fee	70.00		70.00
<b>Total Disbursements</b>	<b>33,451,249.82</b>	<b>389,610.86</b>	<b>33,840,860.68</b>
<b>RECEIPTS OVER DISBURSEMENTS</b>	<b>\$ 389,610.86</b>	<b>\$ (389,610.86)</b>	<b>\$ 0.00</b>

# Appendix “D”

to the Sixteenth Report of the  
Receiver



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**

**AFFIDAVIT OF GARY CERRATO**

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

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

4. The time shown in the detailed accounts attached as Exhibit "A" are a fair and accurate description of the services provided and the amounts charged by the Receiver, which reflect the Receiver's time as billed at its standard billing rates.
5. The Receiver requests that the Court approve its interim accounts for the period from May 22, 2020 to 13 November 2020 in the amount of \$44,801.65 inclusive of HST of \$5,154.17 for the services set out in Exhibit "A", plus the Receiver's estimate of additional time to finalize the receivership administration estimated to be \$12,500, plus HST.
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 )  
 20<sup>th</sup> day of November 2020 )



Commissioner for Taking Affidavits, etc )



Gary Cerrato, CIRP, LIT, Vice President )

Brian Bone, a Commissioner, etc.,  
 Province of Ontario, for BDO Canada LLP  
 and BDO Canada Limited and their subsidiaries,  
 associates and affiliates.  
 Expires June 27, 2022.

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

**Gary Cerrato**

Sworn before me this 20<sup>th</sup> day of November 2020



A COMMISSIONER FOR TAKING AFFIDAVITS

*R. Ann Bone, a Commissioner, etc.,  
Province of Ontario, for BDO Canada LLP  
BDO Canada Limited and their subsidiaries,  
associates and affiliates.  
Expires June 27, 2022.*

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*Faint, illegible text, possibly a stamp or signature.*

*Faint, illegible text, possibly a stamp or signature.*



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

BDO Canada Limited  
 20 Wellington Street E, Suite 500  
 Toronto ON M5E 1C5 Canada

Terrasas 327 Royal York Rd. Limited  
 c/o BDO Canada Limiteds  
 20 Wellington Street E., Suite 500  
 Toronto, ON  
 M5E 1C5

Date	Invoice
7 August 2020	#CINV0763421

**RE TERRASAN 327 ROYAL YORK RD. LIMITED**

**TO OUR FEE FOR PROFESSIONAL SERVICES** rendered from 22 May 2020 to 31 July 2020 in connection with our Receivership Engagement of the above-noted, as described below:

Our Fee		\$ 30,362.00
Disbursements		
Administrative Fee - 5%	1,518.10	1,518.10
Subtotal		31,880.10
HST - 13.00% (#R101518124)		4,144.41
<b>TOTAL</b>		<b>\$ 36,024.51</b>

**Summary of Time Charges:**

	Hours	Rate	Amount
J. Parisi, Partner	45.60	550.00	25,080.00
C. Lonergan, Partner	0.75	550.00	412.50
G. Cerrato, Senior Manager	2.70	495.00	1,336.50
M. Marchand, Senior Manager	0.20	465.00	93.00
T. Montesano, Administrator	7.40	200.00	1,480.00
Administrative Support	9.80		1,960.00
<b>Total</b>	<b>66.45</b>		<b>\$ 30,362.00</b>



<b>Date</b>	<b>Professional</b>	<b>Description</b>	<b>Hrs.</b>
22-May-20	Josie Parisi	Preparing report.	1.7
26-May-20	Josie Parisi	Preparing report.	3.1
28-May-20	Josie Parisi	Call re report and with M. Title.	0.6
29-May-20	Josie Parisi	Review opinion re security and incorporate in report; prepare court report.	3.3
2-Jun-20	Josie Parisi	Discussions with Investor regarding additional distributions.	0.3
5-Jun-20	Josie Parisi	Prepare report.	2.3
9-Jun-20	Josie Parisi	Call with Investor re status of estate.	0.2
10-Jun-20	Josie Parisi	Discussions with T. Montesano re tax filing and release of HST returns, review prior report re prior distribution, review prior emails with City of Toronto re LC issue.	4.7
11-Jun-20	Josie Parisi	Preparing court report; reviewing R&D and court order.	6.2
12-Jun-20	Josie Parisi	Preparing court report.	3.7
15-Jun-20	Josie Parisi	Finalizing 15th report of the Receiver.	4.1
16-Jun-20	Gary Cerrato	Review of report; call with J. Parisi re same; review of correspondence re report; review of notice of motion.	2.5
16-Jun-20	Josie Parisi	Review comment on report; review notice of motion and provide comments to R. Kennedy; call with G. Cerrato re approach re LC; call to R. Kennedy to discuss report and NOM; call with R. Kennedy to discuss report and potential changes; subsequent call with R. Kennedy re with LC and bare trustee fees.	3.1
17-Jun-20	Clark Lonergan	Review of 15th Receiver's Report.	0.75
17-Jun-20	Josie Parisi	Review comments from second partner review; call with R. Kennedy re finalizing the report; changes to report and start calculating dividend per Investor.	1.1
17-Jun-20	Tony Montesano	Prepare May 2020 HST return.	0.2
18-Jun-20	Josie Parisi	Review correspondence from City of Toronto re LC and motion; call with M. Title re motion materials and bare trustee fees.	0.9
19-Jun-20	Josie Parisi	Review correspondence with Arbesman Hamilton LLP re outstanding matters; call with Lex regarding fees; review various emails re same.	0.7
22-Jun-20	Josie Parisi	Attend court call re distribution motion.	0.4



<b>Date</b>	<b>Professional</b>	<b>Description</b>	<b>Hrs.</b>
24-Jun-20	Josie Parisi	Review correspondence from Abramson re Hamilton payment; review distribution calculation; correspondence with R. Kennedy.	0.4
24-Jun-20	Tony Montesano	Calculate final dividend distribution to P. Fletcher investors.	0.6
27-Jun-20	Josie Parisi	Prepare distribution request for payment of creditors and bare trustee.	0.6
30-Jun-20	Tony Montesano	Scan wire request to RBC; scan confirmation to J. Parisi.	0.3
2-Jul-20	Josie Parisi	Call with Dentons re distribution calculation.	0.4
2-Jul-20	Tony Montesano	Conference call with J. Parisi, R. Kennedy and M. Freaque to discuss distribution to investors; review distribution spreadsheet from R. Kennedy; send distributing sheet to same for review and comparison.	1.0
3-Jul-20	Josie Parisi	Review distribution calculations.	0.4
4-Jul-20	Josie Parisi	Prepare letter to Investors for second distribution; prepare and send email to City of Toronto re LC.	0.5
6-Jul-20	Tony Montesano	Enter syndicated mortgage holders amounts into ascend.	2.0
7-Jul-20	Josie Parisi	Correspondence with R. Kennedy re distribution to investors.	0.2
7-Jul-20	Tony Montesano	Review and discuss distribution to P. Fletcher investors; discuss same with B. Chiasson.	0.7
9-Jul-20	Josie Parisi	Correspondence with R. Kennedy re distribution; discussions with T. Montesano re Community Trust and Olympia Trust disbursements.	0.6
9-Jul-20	Tony Montesano	Correspond with C. Martins from Community Trust regarding wire transfer information; prepare wire letter to same; prepare breakdown of distribution to Olympia Trust; draft letter wire to Olympia Trust send same to J. Parisi.	0.7
10-Jul-20	Josie Parisi	Discussions with Olympia.	0.4
10-Jul-20	Tony Montesano	HST Filing June 2020.	0.2
10-Jul-20	Tony Montesano	Discussion with B. Chiasson regarding preparing investor letters; scan excel spreadsheet to same.	0.3
11-Jul-20	Josie Parisi	Update Olympia individual investor letters.	0.2
12-Jul-20	Josie Parisi	Correspondence with City of Toronto.	0.1



<b>Date</b>	<b>Professional</b>	<b>Description</b>	<b>Hrs.</b>
13-Jul-20	Josie Parisi	Follow up with City of Toronto; correspondence with Dentons re distributions.	0.2
13-Jul-20	Tony Montesano	Correspond with J. Parisi regarding wire to community trust; resend wire letter to same for approval.	0.3
14-Jul-20	Josie Parisi	Review emails re distribution, review emails re LC.	0.4
15-Jul-20	Josie Parisi	Review and sign 4 months bank statements; review and sign distribution cheques.	1.9
15-Jul-20	Matthew Marchand	Correspondence with J. Parisi re cheque signing; sign cheques.	0.2
15-Jul-20	Tony Montesano	Discussion with B. Chiasson regarding letters to investors; final review of letters; review payout amounts to Olympia claimants.	0.6
17-Jul-20	Josie Parisi	Call with tenants re their distribution; correspondence with City of Toronto re LC.	0.3
20-Jul-20	Josie Parisi	Review emails received from CoT re Terrasan LC.	0.1
21-Jul-20	Josie Parisi	Call with an investor regarding amount received by distribution.	0.2
22-Jul-20	Josie Parisi	Call with Olympia investor re funds received.	0.1
24-Jul-20	Josie Parisi	Discussions with meeting an investor re the receipts of their funds.	0.2
25-Jul-20	Josie Parisi	Calls with two Olympia investors regarding how funds are received.	0.3
26-Jul-20	Josie Parisi	Correspondence re J. De Almeida distribution cheque.	0.2
27-Jul-20	Josie Parisi	Call to investors re their payment.	0.2
29-Jul-20	Josie Parisi	Correspondence with City of Toronto re requirements to release LC.	0.3
30-Jul-20	Gary Cerrato	Review of correspondence re LOC with City of Toronto.	0.2
30-Jul-20	Josie Parisi	Prepare letter to City of Toronto regarding the release of the LC.	0.7
31-Jul-20	Josie Parisi	Correspondence with J. De Almedia re payment of 2nd distribution.	0.3
31-Jul-20	Tony Montesano	Prepare re-issuance of distribution to secured creditor.	0.5



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

BDO Canada Limited  
 20 Wellington Street E, Suite 500  
 Toronto ON M5E 1C5 Canada

Terrasas 327 Royal York Rd. Limited  
 c/o BDO Canada Limiteds  
 20 Wellington Street E., Suite 500  
 Toronto, ON  
 M5E 1C5

Date	Invoice
17 November 2020	#CINV0-TBD

**RE TERRASAN 327 ROYAL YORK RD. LIMITED**

**TO OUR FEE FOR PROFESSIONAL SERVICES** rendered from 5 August 2020 to 13 November 2020 to 31 July 2020 in connection with our Receivership Engagement of the above-noted, as described below:

Our Fee		\$ 7,397.50
Disbursements		
Administrative Fee - 5%	369.88	369.88
Subtotal		7,767.38
HST - 13.00% (#R101518124)		1,009.76
<b>TOTAL</b>		<b>\$ 8,777.14</b>

**Summary of Time Charges:**

	Hours	Rate	Amount
J. Parisi, Partner	1.40	550.00	770.00
G. Cerrato, Senior Manager	8.50	495.00	4,207.50
T. Montesano, Administrator	5.30	200.00	1,060.00
Administrative Support	6.80		1,360.00
Total	22.00		\$ 7,397.50





<b>Date</b>	<b>Professional</b>	<b>Description</b>	<b>Hrs.</b>
5-Aug-20	Josie Parisi	Call with Olympia investor re non-receipt of funds.	0.2
6-Aug-20	Josie Parisi	Review correspondence from City re LC.	0.2
6-Aug-20	Gary Cerrato	Review of correspondence re LC with City; respond to email inquiry from creditor;	0.5
10-Aug-20	Tony Montesano	Review and process payment of invoice.	0.5
11-Aug-20	Josie Parisi	Call with investor who no longer has an account with Olympia, email to Duca re city's release letter.	0.3
11-Aug-20	Tony Montesano	Prepare HST Return July 2020.	0.3
13-Aug-20	Josie Parisi	Follow up with DUCA re LC.	0.1
24-Aug-20	Tony Montesano	Prepare deposit of HST refunds; review and process payment of invoice.	0.5
24-Aug-20	Tony Montesano	Prepare Receivers Interim Report.	1.0
26-Aug-20	Tony Montesano	Prepare deposits.	0.4
28-Aug-20	Josie Parisi	Review and edit receiver's interim report.	0.3
31-Aug-20	Tony Montesano	Send B. Chiasson Interim Report for faxing.	0.3
3-Sep-20	Tony Montesano	Prepare deposits.	0.5
8-Sep-20	Tony Montesano	Prepare payment of invoice.	0.5
16-Oct-20	Tony Montesano	Prepare and file September 2020 HST return.	0.3
10-Nov-20	Josie Parisi	Call with G. Cerrato to discuss report and distribution.	0.3
10-Nov-20	Gary Cerrato	Review of previous reports; reconcile GL; review of outstanding cheques; reconcile last Syndicated mortgage distribution.	4.0
11-Nov-20	Tony Montesano	Review distribution payments uncashed; search for correct addresses contact investors to confirm addresses; request stop payment of cheques; prepare re-issuance of cheques.	1.0
11-Nov-20	Gary Cerrato	Review and reconcile Syndicated mortgage distribution; call with J. Parisi re same.	1.0
13-Nov-20	Gary Cerrato	Drafting court report.	3.0

# Appendix “E”

## to the Sixteenth Report of the Receiver

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 20, 2020)**

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 June 1, 2020 to November 18, 2020 (the “**Fee Period**”), are summarized in the invoices rendered to the Receiver (the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoices and that it considers the fees and disbursements as fair and reasonable. Attached and marked as **Exhibit “A”** are the Invoices.
6. Attached and marked as **Exhibit “B”** is a schedule summarizing the Invoices, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit “C”** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. 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.
9. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear this Affidavit. I, however, was linked by way of video technology to the Commissioner commissioning this document.

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 by video conference from City of Toronto in the Province of Ontario, to City of Toronto in the Province of Ontario, on 20th day of November, 2020.



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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 20th DAY OF  
NOVEMBER, 2020.

A handwritten signature in cursive script, appearing to read "M. J. ...", positioned above a horizontal line.

---

A Commissioner for Taking Affidavits, etc.

BDO Canada LLP  
20 Wellington Street East  
Suite 500  
Toronto ON M5E 1C5  
Attention: Josie Parisi**INVOICE # 3518066**GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
June 30, 2020	201205-000011	Robert Kennedy

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

Professional Fees	\$ 17,425.50
Disbursements	54.25
HST (13.0%) on \$17,479.75	<u>2,272.37</u>
<b>Total Amount Due</b>	<b><u>\$ 19,752.12 CAD</u></b>

**Payment Options:****Cheques:**Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**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](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.**Interac e-Transfer:**e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
12-Jun-20	Robert Kennedy	Work on motion materials.
15-Jun-20	Robert Kennedy	Work on motion materials. Various correspondence to and from Josie Parisi.
16-Jun-20	Robert Kennedy	Work on motion materials. Various correspondence to and from Josie Parisi. Various conversations with Josie Parisi.
17-Jun-20	Robert Kennedy	Review and revise motion materials. Various conversations with Josie Parisi. Review service list.
18-Jun-20	Robert Kennedy	Correspondence to and from Michael Title. Correspondence to Mark Crawford. Review correspondence and attachments from Mark Siboni. Various correspondence to and from Josie Parisi. Attend conference call with Michael Title. Review Thirteenth Report. Consider motion matters. Attend conference call with representatives from the City of Toronto.
19-Jun-20	Robert Kennedy	Various correspondence to and from Josie Parisi. Conversation with Josie Parisi. Various correspondence to and from Lex Arbesman. Work on service matters. Review correspondence from Michael Title. Attend conference call with Lex Arbesman re: bare trustee fees. Conversation with Josie Parisi. Attend conference call with Michael Title. Various correspondence to and from Michael Title. Work on motion matters.
22-Jun-20	Mark Freake	Review motion record regarding interim distribution to investors. Email correspondence with Robert Kennedy regarding same.
22-Jun-20	Robert Kennedy	Preparation for Court attendance. Attend motion. Various correspondence to and from Justice McEwen. Consider distribution matters.
23-Jun-20	Robert Kennedy	Review Order. Correspondence to Josie Parisi. Work on pro-rata share schedule.
24-Jun-20	Robert Kennedy	Various correspondence to and from Josie Parisi. Review distribution schedule and consider distribution matters. Correspondence to and from Lex Arbesman.
25-Jun-20	Mark Freake	Review investor distribution spreadsheet. Calls with Robert Kennedy regarding same. Call Josie Parisi.
25-Jun-20	Robert Kennedy	Work on distribution matters. Correspondence to and from Josie Parisi. Conference with Mark Freake re: distributions.



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<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
30-Jun-20	Robert Kennedy	Various correspondence to and from Josie Parisi. Conference with Mark Freake. Review distribution order.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Mark Freake	1.5	550.00	825.00
Robert Kennedy	27.9	595.00	16,600.50
<b>Total</b>	<b>29.4</b>		<b>\$17,425.50</b>

**TOTAL PROFESSIONAL FEES** \$ 17,425.50

**TAXABLE DISBURSEMENTS**

Photocopy & Printing Charges \$ 54.25  
**TOTAL TAXABLE DISBURSEMENTS** \$ 54.25

**TOTAL DISBURSEMENTS** 54.25

**TOTAL FEES AND DISBURSEMENTS** \$ 17,479.75

**TAXES**

HST (13.0%) on Professional Fees of \$17,425.50 \$ 2,265.32  
HST (13.0%) on Taxable Disbursements of \$54.25 7.05

**TOTAL TAXES** 2,272.37

**TOTAL AMOUNT DUE** \$ 19,752.12 CAD

BDO Canada LLP  
20 Wellington Street East  
Suite 500  
Toronto ON M5E 1C5  
Attention: Josie Parisi**INVOICE # 3523332**GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
July 31, 2020	201205-000011	Robert Kennedy

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

Professional Fees	\$ 4,105.50
Disbursements	3.60
HST (13.0%) on \$4,109.10	<u>534.19</u>
<b>Total Amount Due</b>	<b><u>\$ 4,643.29 CAD</u></b>

**Payment Options:****Cheques:**

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**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](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment amount.**Interac e-Transfer:**e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

**Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
02-Jul-20	Robert Kennedy	Review distribution order. Preparation for conference call. Review distribution numbers. Attend conference call with representatives of BDO. Various correspondence to and from Josie Parisi.
03-Jul-20	Robert Kennedy	Work on distribution matters. Conference with Mark Freake. Correspondence to Josie Parisi and Tony Montesano. Attend conference call re: distributions.
07-Jul-20	Robert Kennedy	Work on distribution matters. Review distribution order. Various correspondence to and from Josie Parisi. Conversation with Josie Parisi. Review correspondence from Josie Parisi re: LC.
09-Jul-20	Robert Kennedy	Various correspondence to and from Josie Parisi. Review distribution order. Work on distribution matters. Draft correspondence to trust companies. Conversation with Josie Parisi re: distributions and other administration matters.
14-Jul-20	Robert Kennedy	Review correspondence from Mark Crawford. Review distribution matters.
30-Jul-20	Robert Kennedy	Review various correspondence re: City of Toronto LC.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Robert Kennedy	6.9	595.00	4,105.50
<b>Total</b>	<b>6.9</b>		<b>\$4,105.50</b>

**TOTAL PROFESSIONAL FEES** **\$ 4,105.50**

**TAXABLE DISBURSEMENTS**

Binding Books / Documents \$ 3.60

**TOTAL TAXABLE DISBURSEMENTS** **\$ 3.60**

**TOTAL DISBURSEMENTS** **3.60**

**TOTAL FEES AND DISBURSEMENTS** **\$ 4,109.10**

**TAXES**

HST (13.0%) on Professional Fees of \$4,105.50 \$ 533.72

HST (13.0%) on Taxable Disbursements of \$3.60 0.47

**TOTAL TAXES** **534.19**

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

INVOICE 3523372

Page 3 of 3

Matter # 201205-000011

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**TOTAL AMOUNT DUE**

**\$ 4,643.29 CAD**

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

T 416 863 4511  
F 416 863 4592

大成 Salans FMC SNR Denton McKenna Long  
dentons.com

BDO Canada LLP  
20 Wellington Street East  
Suite 500  
Toronto ON M5E 1C5  
Attention: Josie Parisi

**INVOICE # 3530458**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
August 31, 2020	201205-000011	Robert Kennedy

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

Professional Fees	\$	1,547.00
HST (13.0%) on \$1,547.00		201.11
<b>Total Amount Due</b>	<b>\$</b>	<b><u>1,748.11</u> CAD</b>

**Payment Options:**

**Cheques:**

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

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**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.  
Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
06-Aug-20	Robert Kennedy	Review correspondence from Natasha Laing (x2). Consider LC return matters. Correspondence to and from Josie Parisi.
13-Aug-20	Robert Kennedy	Review various correspondence re: LC matters.
25-Aug-20	Robert Kennedy	Review correspondence from Josie Parisi re: LC funds. Correspondence to Josie Parisi. Review 15th Report. Consider next steps.
31-Aug-20	Robert Kennedy	Review file and consider next steps re: discharge.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Robert Kennedy	2.6	595.00	1,547.00
<b>Total</b>	<b>2.6</b>		<b>\$1,547.00</b>

**TOTAL PROFESSIONAL FEES** **\$ 1,547.00**

**TAXES**

HST (13.0%) on Professional Fees of \$1,547.00 \$ 201.11

**TOTAL TAXES** **201.11**

**TOTAL AMOUNT DUE** **\$ 1,748.11** CAD

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

T 416 863 4511  
F 416 863 4592

大成 Salans FMC SNR Denton McKenna Long  
dentons.com

BDO Canada LLP  
20 Wellington Street East  
Suite 500  
Toronto ON M5E 1C5  
Attention: Josie Parisi

**INVOICE # 3543802**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
October 31, 2020	201205-000011	Robert Kennedy

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

Professional Fees	\$	476.00
HST (13.0%) on \$476.00		61.88
<b>Total Amount Due</b>	<b>\$</b>	<b><u>537.88</u> CAD</b>

**Payment Options:**

**Cheques:**

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

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](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment amount.

**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.  
Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
29-Oct-20	Robert Kennedy	Review file. Consider next steps re: distribution and discharge. Attend to scheduling of discharge and distribution motion.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Robert Kennedy	0.8	595.00	476.00
<b>Total</b>	<b>0.8</b>		<b>\$476.00</b>

**TOTAL PROFESSIONAL FEES** **\$ 476.00**

**TAXES**

HST (13.0%) on Professional Fees of \$476.00 \$ 61.88

**TOTAL TAXES** **61.88**

**TOTAL AMOUNT DUE** **\$ 537.88** CAD



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

T 416 863 4511  
F 416 863 4592

大成 Salans FMC SNR Denton McKenna Long  
dentons.com

BDO Canada LLP  
20 Wellington Street East  
Suite 500  
Toronto ON M5E 1C5  
Attention: Josie Parisi

**INVOICE # 3546176**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
November 18, 2020	201205-000011	Robert Kennedy

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

Professional Fees	\$	8,177.00
HST (13.0%) on \$8,177.00		<u>1,063.01</u>
<b>Total Amount Due</b>	<b>\$</b>	<b><u>9,240.01</u> CAD</b>

**Payment Options:**

**Cheques:**

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

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](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment amount.

**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.  
Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

**Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
13-Nov-20	Robert Kennedy	Various correspondence to and from Gary Cerratto. Review receiver's report. Consider motion matters.
16-Nov-20	Mark Freake	Review Receiver's Report. Prepare motion materials for discharge hearing.
16-Nov-20	Robert Kennedy	Review receiver's report. Correspondence to Mark Freake.
17-Nov-20	Daniel Loberto	Interoffice discussion with Mark Freake regarding Notice of Motion and Order. Work on Notice of Motion and Order.
17-Nov-20	Mark Freake	Telephone call with Robert Kennedy re: motion matters. Telephone call with Daniel Loberto re: motion matters and motion materials.
17-Nov-20	Robert Kennedy	Conference with Mark Freake re: motion matters. Work on motion materials. Various correspondence to and from Gary Cerratto.
18-Nov-20	Daniel Loberto	Work on Notice of Motion and Order.
18-Nov-20	Robert Kennedy	Review draft SR&D. Work on Receiver's Report.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Daniel Loberto	7.5	420.00	3,150.00
Mark Freake	2.0	550.00	1,100.00
Robert Kennedy	6.6	595.00	3,927.00
<b>Total</b>	<b>16.1</b>		<b>\$8,177.00</b>

**TOTAL PROFESSIONAL FEES** \$ **8,177.00**

**TAXES**

HST (13.0%) on Professional Fees of \$8,177.00 \$ 1,063.01

**TOTAL TAXES** **1,063.01**

**TOTAL AMOUNT DUE** \$ **9,240.01** CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 20th DAY OF  
NOVEMBER, 2020.



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A Commissioner for Taking Affidavits, etc.

**EXHIBIT "B"**

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

**The Period from June 1, 2020 to November 18, 2020**

<b>Date</b>	<b>Invoice No.</b>	<b>Fees</b>	<b>Disbursements</b>	<b>Taxes(HST)</b>	<b>Hours</b>	<b>Average Rate</b>	<b>Total</b>
June 30, 2020	3518066	17,425.50	54.25	2,272.37	29.4	572.50	19,752.12
July 31, 2020	3523332	4,105.50	3.60	534.19	6.9	595.00	4,643.29
August 31, 2020	3530458	1,547.00	0.00	201.11	2.6	595.00	1,748.11
October 31, 2020	3543802	476.00	0.00	61.88	0.8	595.00	537.88
November 18, 2020	3546176	8,177.00	0.00	1,063.01	16.1	521.67	9,240.01
<b>TOTALS:</b>		\$31,731.00	\$ 57.85	\$4,132.56	55.8	\$ 575.83	\$35,921.41

THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 20th DAY OF  
NOVEMBER, 2020.

A handwritten signature in cursive script, appearing to read "M. J. [unclear]", positioned above a horizontal line.

---

A Commissioner for Taking Affidavits, etc.

**EXHIBIT “C”****Billing Rates of Dentons Canada LLP**

For the period June 1, 2020 to November 18, 2020

	<b><u>Standard Rate</u></b>	<b><u>Discounted Rate</u></b>	<b><u>Year of Call</u></b>
Robert Kennedy	\$760	\$595	2002
Mark Freake	\$610	\$550	2013
Daniel Loberto	\$420	N/A	2020

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF ROBERT KENNEDY**  
(Sworn November 20, 2020)

**DENTONS CANADA LLP**

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

**Robert Kennedy** (LSO #474070)

Tel: (416) 367-6756

Fax: (416) 863-4592

[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)

**Mark Freake** (LSO # 63656H)

Tel: (416) 863-4456

[mark.freake@dentons.com](mailto:mark.freake@dentons.com)

*Lawyers for the Receiver*

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

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

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

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

**Mark Freake** (LSO # 63656H)  
Tel: (416) 863-4456  
[mark.freake@dentons.com](mailto:mark.freake@dentons.com)

*Lawyers for the Receiver*



# Tab 3

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

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

THE HONOURABLE	)	MONDAY, THE 27 <sup>th</sup> DAY
	)	
JUSTICE CAVANAGH	)	OF NOVEMBER, 2020

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 (in such capacity, the “**Receiver**”) of Terrasan 327 Royal York Rd. Limited (“**Terrasan**”), for an order,

- (a) abridging the time for service of the Notice of Motion herein, Motion Record and the Sixteenth Report of BDO, in its capacity as Receiver, dated November 20, 2020 (the “**Sixteenth Report**”), so that this Motion is properly returnable on November 27, 2020, and dispensing with further service thereof;
- (b) approving the Sixteenth Report and the activities and conduct of the Receiver since its Fifteenth Report dated June 17, 2020;

- (c) approving the Receiver's final statement of receipts and disbursements dated November 20, 2020 (the "**Final R&D**");
- (d) authorizing and directing a final distribution of the funds remaining in the Receiver's possession, following payment of the fees and disbursements herein approved, to the investors (the "**Investors**") in a syndicated mortgage (the "**Syndicated Mortgage**") registered in the name of J. Paul Fletcher, Olympia Trust Company ("**Olympia Trust**") and Community Trust Company ("**Community Trust**") (the "**Final Distribution**");
- (e) approving the fees and disbursements of the Receiver, as set out in the fee affidavit of Gary Cerrato sworn November 20, 2020 (the "**Cerrato Affidavit**"), and the Receiver's legal counsel, Dentons Canada LLP ("**Dentons**"), as set out in the fee affidavit of Robert Kennedy sworn November 20, 2020 (the "**Kennedy Affidavit**", and together with the Cerrato Affidavit, the "**Fees Affidavits**"), including the Holdback Amount (as defined in the Sixteenth Report), and authorizing the Receiver to pay all approved and unpaid fees and disbursements;
- (f) declaring that, upon the filing of the discharge certificate attached as **Schedule "A"** hereto (the "**Receiver's Discharge Certificate**"), BDO is discharged as Receiver and released from any and all liability that BDO now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacity as Receiver, save and except for the Receiver's gross negligence or willful misconduct; and
- (g) such further and other grounds as counsel may advise and this Honourable Court may permit.

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

**ON READING** the Motion Record of the Receiver dated November 20, 2020 and the Sixteenth Report, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Amanda Campbell sworn November 20, 2020, filed:

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record, and Sixteenth Report of BDO, in its capacity as Receiver, is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

**FINAL DISTRIBUTION**

2. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to complete a final distribution of the funds remaining in the Receiver's possession, following the payment of the professional fees and disbursements herein approved, to the Investors on account of the total indebtedness due and owing by Terrasan pursuant to the Syndicated Mortgage as follows:

- (a) a final distribution from the Receiver directly to Olympia Trust, representing the aggregate *pro-rata* share of the indebtedness due and owing to those Investors who hold their investment in a registered fund with Olympia Trust (the "**Olympia Investors**"), as set forth in **Schedule "B"** herein (the "**Distribution List**");
- (b) a final distribution from the Receiver directly to Community Trust, representing the aggregate *pro-rata* share of the indebtedness due and owing to the Investor who holds their investment in a registered fund with Community Trust (the "**CT Investor**"), as set forth in the Distribution List;
- (c) a final *pro-rata* distribution from the Receiver directly to those Investors holding their investment with Paul J. Fletcher, as set forth in the Distribution List.

3. **THIS COURT ORDERS AND DIRECTS:** (i) Olympia Trust to distribute and deposit the corresponding final *pro-rata* distribution to each of the Olympia Investors account held with Olympia Trust, as set forth in the Distribution List, and (ii) Community Trust to distribute and deposit the final *pro-rata* distribution to the CT Investor account held with Community Trust, as set forth in the Distribution List.

**RECEIVER'S ACTIVITIES**

4. **THIS COURT ORDERS** that the Sixteenth Report and the activities and conduct of the Receiver since its Fifteenth Report dated June 17, 2020 are hereby approved.
5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, and set out in the Fee Affidavits, including the Holdback Amount, are hereby approved, and authorizes the Receiver to pay all approved and unpaid fees and disbursements.
6. **THIS COURT ORDERS** that the Final R&D is hereby approved.

**RECEIVER'S DISCHARGE**

7. **THIS COURT ORDERS** that, upon the Receiver filing the Receiver's Discharge Certificate, BDO shall be discharged as Receiver of the assets, undertakings and properties of Terrasan, provided however that notwithstanding its discharge herein: (a) BDO shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) BDO shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of BDO in its capacity as Receiver.
  8. **THIS COURT ORDERS AND DECLARES** that, upon the filing of the Receiver's Discharge Certificate, BDO is hereby released and discharged from any and all liability that BDO now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacities as Receiver, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, upon the filing of the Receiver's Discharge Certificate, BDO is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the receivership, save and except for any gross negligence or wilful misconduct on the Receiver's part.
-

**Schedule “A”  
Receiver’s Discharge Certificate**

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

**DISCHARGE CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Wilton-Siegel of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated February 24, 2017, BDO Canada Limited (“**BDO**”) was appointed as receiver (in such capacity, the “**Receiver**”), of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited (“**Terrasan**”).

B. Pursuant to an Order of the Court dated November 27, 2020 (the “**Final Syndicated Mortgage Distribution and Discharge Order**”), BDO was discharged as Receiver of Terrasan, effective upon the filing by the Receiver with the Court of a certificate certifying that BDO has (i) filed the final estate HST return(s) to recover any unclaimed input tax credits; (ii) made the Final Distribution (as defined in the Final Syndicated Mortgage Distribution and Discharge

Order); and (iii) filed the Receiver's final report pursuant to S. 246(3) of the *Bankruptcy and Insolvency Act* with the Office of the Superintendent of Bankruptcy (the "**Remaining Activities**"), provided however that, notwithstanding its discharge: (a) BDO shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) BDO shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of BDO, in its capacity as Receiver.

**THE RECEIVER CERTIFIES** the following:

1. The Receiver has paid all amounts, fees, and disbursements required to be paid pursuant to the Final Syndicated Mortgage Distribution and Discharge Order; and
2. The Receiver is satisfied that all Remaining Activities have been completed to the satisfaction of the Receiver.

**THIS CERTIFICATE** was delivered by the Receiver on \_\_\_\_\_, 2020.

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

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

Name:

Title:

**Schedule "B"**  
**Distribution List**



**CENTURION MORTGAGE CAPITAL CORPORATION**

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Applicant

Respondent

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**ONTARIO**

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

PROCEEDING COMMENCED AT TORONTO

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**ORDER**

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*Lawyers for the Receiver*

# Tab 4

Revised: May 11, 2010

Court File No. ———CV-17-11679-00CL

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

THE HONOURABLE ——— )      ~~WEEKDAY~~MONDAY, THE #27<sup>th</sup>  
JUSTICE ———CAVANAGH )      DAY  
)      OF MONTH, ~~20YR~~NOVEMBER,  
)      2020

~~BETWEEN:-~~

**~~PLAINTIFF~~**

Plaintiff

~~—and—~~

**~~DEFENDANT~~**

Defendant

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

and

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**~~DISCHARGE ORDER~~**

- 2 -

THIS MOTION, made by [RECEIVER'S NAME]BDO Canada Limited, in its capacity as ~~the Court~~court appointed receiver ~~(and manager (in such capacity, the "Receiver"))~~ of the ~~undertaking, property and assets of [DEBTOR] (the "Debtor"), for an order:"))~~ of Terrasan 327 Royal York Rd. Limited ("Terrasan"), for an order.

- (a) abridging the time for service of the Notice of Motion herein, Motion Record and the Sixteenth Report of BDO, in its capacity as Receiver, dated November 20, 2020 (the "Sixteenth Report"), so that this Motion is properly returnable on November 27, 2020, and dispensing with further service thereof;
- (b) 1. approving the Sixteenth Report and the activities and conduct of the Receiver as set out in the report of the Receiver dated [DATE] (the "Report"); since its Fifteenth Report dated June 17, 2020;
- 2. ~~approving the fees and disbursements of the Receiver and its counsel;~~
- 3. ~~approving the distribution of the remaining proceeds available in the estate of the Debtor;~~  
~~[and]~~
- 4. ~~discharging [RECEIVER'S NAME] as Receiver of the undertaking, property and assets of the Debtor;~~ ~~and~~
- (c) approving the Receiver's final statement of receipts and disbursements dated November 20, 2020 (the "Final R&D");
- (d) authorizing and directing a final distribution of the funds remaining in the Receiver's possession, following payment of the fees and disbursements herein approved, to the investors (the "Investors") in a syndicated mortgage (the "Syndicated Mortgage") registered in the name of J. Paul Fletcher, Olympia Trust Company ("Olympia Trust") and Community Trust Company ("Community Trust") (the "Final Distribution");
- (e) approving the fees and disbursements of the Receiver, as set out in the fee affidavit of Gary Cerrato sworn November 20, 2020 (the "Cerrato Affidavit"),

- 3 -

and the Receiver's legal counsel, Dentons Canada LLP ("Dentons"), as set out in the fee affidavit of Robert Kennedy sworn November 20, 2020 (the "Kennedy Affidavit", and together with the Cerrato Affidavit, the "Fees Affidavits"), including the Holdback Amount (as defined in the Sixteenth Report), and authorizing the Receiver to pay all approved and unpaid fees and disbursements;

- (f) 5. releasing [RECEIVER'S NAME] from any and all liability, as set out in paragraph 5 of this Order<sup>1</sup>, declaring that, upon the filing of the discharge certificate attached as Schedule "A" hereto (the "Receiver's Discharge Certificate"), BDO is discharged as Receiver and released from any and all liability that BDO now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacity as Receiver, save and except for the Receiver's gross negligence or willful misconduct; and
- (g) such further and other grounds as counsel may advise and this Honourable Court may permit.

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

**ON READING** ~~the Report, the affidavits~~ Motion Record of the Receiver dated November 20, 2020 and its counsel as to fees (the "Fee Affidavits") the Sixteenth Report, and on hearing the submissions of counsel for the Receiver, no one else ~~appearing for any other person on the service list, although properly served as evidenced by~~ appears from the Affidavit of ~~[NAME] Service of Amanda Campbell sworn [DATE],~~ November 20, 2020, filed<sup>2</sup>; ~~;~~

### **SERVICE**

1. **THIS COURT ORDERS** that the ~~activities of the Receiver, as set out in the Report, are hereby approved.~~ time for service of the Notice of Motion, Motion Record, and Sixteenth Report of BDO, in its capacity as Receiver, is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

<sup>1</sup> If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.

<sup>2</sup> This model order assumes that the time for service does not need to be abridged.

~~2. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Report and the Fee Affidavits, are hereby approved.~~

### **FINAL DISTRIBUTION**

~~2. 3. THIS COURT ORDERS that, after the Receiver is hereby authorized and directed to complete a final distribution of the funds remaining in the Receiver's possession, following the payment of the professional fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands to [NAME OF PARTY]<sup>3</sup>, to the Investors on account of the total indebtedness due and owing by Terrasan pursuant to the Syndicated Mortgage as follows:~~

- ~~(a) a final distribution from the Receiver directly to Olympia Trust, representing the aggregate *pro-rata* share of the indebtedness due and owing to those Investors who hold their investment in a registered fund with Olympia Trust (the "**Olympia Investors**"), as set forth in Schedule "**B**" herein (the "**Distribution List**");~~
- ~~(b) a final distribution from the Receiver directly to Community Trust, representing the aggregate *pro-rata* share of the indebtedness due and owing to the Investor who holds their investment in a registered fund with Community Trust (the "**CT Investor**"), as set forth in the Distribution List;~~
- ~~(c) a final *pro-rata* distribution from the Receiver directly to those Investors holding their investment with Paul J. Fletcher, as set forth in the Distribution List.~~

~~3. **THIS COURT ORDERS AND DIRECTS:** (i) Olympia Trust to distribute and deposit the corresponding final *pro-rata* distribution to each of the Olympia Investors account held with Olympia Trust, as set forth in the Distribution List, and (ii) Community Trust to distribute and deposit the final *pro-rata* distribution to the CT Investor account held with Community Trust, as set forth in the Distribution List.~~

<sup>3</sup>This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.

**RECEIVER'S ACTIVITIES**

4. THIS COURT ORDERS that the Sixteenth Report and the activities and conduct of the Receiver since its Fifteenth Report dated June 17, 2020 are hereby approved.

5. THIS COURT ORDERS that the fees and disbursements of the Receiver and Dentons, and set out in the Fee Affidavits, including the Holdback Amount, are hereby approved, and authorizes the Receiver to pay all approved and unpaid fees and disbursements.

6. THIS COURT ORDERS that the Final R&D is hereby approved.

**RECEIVER'S DISCHARGE**

7. ~~4. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 3 hereof [and, upon the Receiver filing a certificate certifying that it has completed the other activities described in the Report], the Receiver's Discharge Certificate, BDO shall be discharged as Receiver of the undertaking, property and assets, undertakings and properties of the Debtor Terrasan, provided however that notwithstanding its discharge herein: (a) the Receiver BDO shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver BDO shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of [RECEIVER'S NAME] BDO in its capacity as Receiver.~~

8. ~~5. [THIS COURT ORDERS AND DECLARES that [RECEIVER'S NAME], upon the filing of the Receiver's Discharge Certificate, BDO is hereby released and discharged from any and all liability that [RECEIVER'S NAME] BDO now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of [RECEIVER'S NAME] BDO while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, [RECEIVER'S NAME] upon the filing of the Receiver's Discharge Certificate, BDO is hereby forever released and discharged from any and all liability relating to matters that were raised, or~~

which could have been raised, in the ~~within~~ receivership ~~proceedings~~, save and except for any gross negligence or wilful misconduct on the Receiver's part.<sup>4</sup>

---

<sup>4</sup>The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims-bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.



Schedule "A"  
Receiver's Discharge Certificate

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

DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Wilton-Siegel of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated February 24, 2017, BDO Canada Limited ("BDO") was appointed as receiver (in such capacity, the "Receiver"), of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("Terrasan").

B. Pursuant to an Order of the Court dated November 27, 2020 (the "Final Syndicated Mortgage Distribution and Discharge Order"), BDO was discharged as Receiver of Terrasan, effective upon the filing by the Receiver with the Court of a certificate certifying that BDO has (i) filed the final estate HST return(s) to recover any unclaimed input tax credits; (ii) made the Final Distribution (as defined in the Final Syndicated Mortgage Distribution and Discharge

Order); and (iii) filed the Receiver's final report pursuant to S. 246(3) of the *Bankruptcy and Insolvency Act* with the Office of the Superintendent of Bankruptcy (the "**Remaining Activities**"), provided however that, notwithstanding its discharge: (a) BDO shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) BDO shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of BDO, in its capacity as Receiver.

**THE RECEIVER CERTIFIES** the following:

1. The Receiver has paid all amounts, fees, and disbursements required to be paid pursuant to the Final Syndicated Mortgage Distribution and Discharge Order; and
2. The Receiver is satisfied that all Remaining Activities have been completed to the satisfaction of the Receiver.

**THIS CERTIFICATE** was delivered by the Receiver on \_\_\_\_\_, 2020.

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

Per:

Name:

Title:

**Schedule "B"**  
**Distribution List**

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

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Deletions	95

Total changes	249
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CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD**  
(returnable **November 27, 2020**)

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