

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

MOTION RECORD
(Returnable August 25, 2017)

DATE: August 18, 2017

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

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

Lawyers for the Receiver

TO: **SERVICE LIST**

EMAIL SERVICE LIST

(as at August 3, 2017)

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

AND TO:	<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto, Ontario M5K 0A1</p> <p>Robert Kennedy (LSUC # 474070) Tel: (416) 637-6756 Fax: (416) 863-4592 Email: robert.kennedy@dentons.com</p> <p><i>Counsel to the Receiver</i></p>
AND TO:	<p>BORDON LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West, Suite 3400 Toronto, ON M5H 4E3</p> <p>Alex MacFarlane Tel: (416) 367-6305 Fax: (416) 367-6749 Email: amacfarlane@blg.com</p> <p><i>Lawyers for The Guarantee Company of North America</i></p>
AND TO:	<p>SCHNEIDER RUGGIERO LLP 120 Adelaide Street West, Suite 100 Toronto, ON M5H 3V1</p> <p>David Markowitz Tel: (416) 363-2211 ext. 209 Fax: (416) 363-0645 Email: dmarkowitz@srlawpractice.com</p> <p><i>Lawyers for Diversified Capital Inc.</i></p>
AND TO:	<p>DEPARTMENT OF JUSTICE Ontario Regional office The Exchanging Tower, Box 36 130 King Street West, Suite 3400 Toronto, ON M5X 1K6</p> <p>Diane Winters Tel: (416) 973-3172 Email: diane.winters@justice.gc.ca</p>

<p>AND TO:</p>	<p>MINISTER OF FINANCE Legal Services Branch 33 King Street West, 6th Floor P.O. Box 327, Stn. A Oshawa, ON L1H 8H5</p> <p>Kevin O'Hara Tel: (905) 433-6934 Email: kevin.ohara@ontario.ca</p>
<p>AND TO:</p>	<p>LEVY ZAVET PC 315 Eglinton Avenue West Toronto, ON M5N 1A1</p> <p>Julian Binavince Tel: (416) 777-2244 ext. 750 Fax: (416) 477-2847 Email: jbinavince@levyzavet.com</p> <p><i>Lawyers for Mansteel Rebar Ltd.</i></p>
<p>AND TO:</p>	<p>PALLETT VALO LLP 77 City Centre Drive West Tower, Suite 300 Mississauga, ON L5B 1M5</p> <p>Maria Ruberto Tel: (905) 273-3300 Fax: (905) 273-6920 Email: mruberto@pallettvalo.com</p> <p><i>Lawyers for CRH Canada Group Inc.</i></p>
<p>AND TO:</p>	<p>VERBEEK & VERBEEK 1020 Matheson Blvd. East, Suite 12 Mississauga, ON L4W 4J9</p> <p>Peter Carol Verbeek Tel: (905) 602-6000 Fax: (905) 602-5000 Email: verbeeklaw@aol.com</p> <p><i>Lawyers for Desrosiers Geothermal Corporation</i></p>

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

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

COURIER SERVICE LIST
(as at August 3, 2017)

TO:	TERRASAN 327 ROYAL YORK RD. LIMITED 93 Skyway Avenue, Suite 210 Toronto, ON M9W 6N6
AND TO:	JOHN PAUL FLETCHER 3355 Elsa Storry Avenue, R.R. #1 Locust Hill, ON L0H 1J0
AND TO:	COMMUNITY TRUST COMPANY 2350 Matheson Boulevard East Mississauga, ON L4W 5G9
AND TO:	OLYMPIA TRUST COMPANY 125 9 th Avenue SE, Suite 2200 Calgary, AB T2G 0P6
AND TO:	R. MANCINI AND ASSOCIATES LTD. 30 Martha Street, Suite 203 Bolton, ON L7E 5V1 Robert Mancini
AND TO:	RESFORM CONSTRUCTION LTD. 3761 Highway 89 Cookstown, ON L0L 1L0
AND TO:	MCCALLUM SATHER ARCHITECTS INC. 157 Catherine St. N, Hamilton, ON L8L 4S4
AND TO:	QUINN DRESSEL ASSOCIATES 890 Yonge Street, Suite 300 Toronto, ON M4W 3P4

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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 August 25, 2017)

BDO Canada Limited (“**BDO**”), in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited (“**Terrasan**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on August 25, 2017, at 10:00 a.m., or as soon after that time as the motion may be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto as **TAB 3** to the Motion Record, for the following relief (the “**Approval and Vesting Order**”):

- (a) abridging the time for service of the Notice of Motion herein, Motion Record and Second Report of BDO, in its capacity as Receiver, dated August 16, 2017 (the “**Second Report**”) so that this Motion is properly returnable on August 25, 2017, and dispensing with further service thereof;
- (b) approving and authorizing the transaction (the “**Transaction**”) contemplated by the asset purchase agreement between BDO, in its capacity as Receiver, and 2402871 Ontario Inc. (the “**Purchaser**”) dated July 28, 2017 (the “**2402871 APA**”), as appended to the Second Report as Confidential Appendix “B”;
- (c) ordering that the bid summary appended as Confidential Appendix “A” to the Second Report, and the un-redacted 2402871 APA appended as Confidential Appendix “B” to the Second Report, be sealed from the public record;
- (d) approving the Second Report to the Court and the activities of the Receiver as described therein, together with the fees and disbursements of the Receiver, and its legal counsel, Dentons Canada LLP as set out in the Affidavit of Josie Parisi, sworn August 14, 2017, and the Affidavit of Kenneth Kraft affirmed August 18, 2017; and
- (e) such further and other relief as counsel may request and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. On application by Centurion Mortgage Capital Corporation (“**Centurion**”) for the appointment of a receiver and manager over the assets, undertakings and properties of Terrasan (the “**Assets**”), on February 24, 2017, BDO was appointed as Receiver by the Ontario Superior Court of Justice (Commercial List) (the “**Receivership Order**”);
2. Pursuant to the Receivership Order, the Receiver is authorized to sell, convey, transfer, lease or assign the Assets of Terrasan;
3. On April 3, 2017, the Court granted an Order approving a sale process (the “**Sale Process**”), which was intended to solicit interest in the sale of all or part of the Assets (the “**Sale Process Order**”);

Sale Process

4. Capitalized terms not otherwise defined in this section are as defined in the Sale Process;
5. Following the approval of the Sale Process, the Receiver implemented the Sale Process as follows:
 - (a) compiled a list of prospective purchasers (Canadian and international entities) that would have an interest in acquiring the Assets;
 - (b) prepared and distributed an initial offering summary (the “**Teaser Letter**”) to each of the prospective purchasers. The Teaser Letter was also posted on the Receiver’s website;

- (c) prepared a non-disclosure agreement (“**NDA**”) and distributed a copy of the NDA to each prospective purchaser that requested a copy;
- (d) prepared an advertisement notifying the public of the Sale Process and arranged for its posting: (i) in the national edition of the Globe and Mail on April 6, 11, 20 and 25, 2017, (ii) in the Daily Commercial News construction gazette on April 10, 13, 17, 24 and 27, 2017, (iii) in the NRU GTA Weekly Newsletter on April 12, 13, 19, 21, 26 and 28, 2017, and (iv) on the MLS website and Axial website;
- (e) in total, the Receiver received 91 executed NDAs from prospective purchasers who wished to participate in the Sale Process;
- (f) determined that there were 91 Potential Bidders who, in the Receiver’s reasonable business judgment, met the criteria set out in the Sale Process to be deemed a “**Phase 1 Qualified Bidder**”;
- (g) prepared and distributed a confidential information memorandum (the “**CIM**”) to the Phase 1 Qualified Bidders;
- (h) prepared the electronic data room (the “**Data Room**”) and assisted in organizing, compiling and reviewing the information to be included in the Data Room in order to facilitate the due diligence attributed to the Sale Process for Phase 1 Qualified Bidders;
- (i) coordinated and assisted Phase 1 Qualified Bidders with due diligence requests;
- (j) prepared and uploaded to the Data Room a template asset purchase agreement;

- (k) participated in meetings, calls and discussions with stakeholders (financial and non-financial) and answered queries from Phase 1 Qualified Bidders with respect to the Sale Process and the Assets;
 - (l) reviewed and assessed Non-Bindings APAs submitted pursuant to the Sale Process;
 - (m) determined which Phase 1 Qualified Bidders, in the Receiver's reasonable business judgment, met the criteria set out in the Sale Process to be deemed a **"Phase 2 Qualified Bidder"**;
 - (n) coordinated and attended site visits at the project for Phase 2 Qualified Bidders that requested visits; and
 - (o) assisted Phase 2 Qualified Bidders in completing other due diligence, including coordinating meetings, discussions and other communications between Phase 2 Qualified Bidders and relevant stakeholders, all with a view of submitting a Binding APA on or before the Binding APA Deadline;
6. The Receiver received 11 Non-Binding APAs (collectively, the **"Offers"**) prior to the expiry of the Non-Binding APA Deadline;
7. Upon review of the Offers, the Receiver determined which Non-Binding APAs constituted a Qualified APA and invited those Phase 1 Qualified Bidders to participate in phase 2 of the Sale Process as a Phase 2 Qualified bidder;

8. The Receiver received five Binding APAs (collectively, the “**Binding Offers**”) prior to the expiry of the extended Binding APA Deadline;
9. The Receiver considered several factors in evaluating the Binding Offers in accordance with the Sale Process which included, without limitation:
 - (a) items such as the purchase price and the net value provided by such bid;
 - (b) conditions associated with such bid (if any);
 - (c) the proposed transaction documents;
 - (d) other factors affecting the speed and certainty of closing the transaction;
 - (e) the value of the transaction;
 - (f) the assets included or excluded from the bid; and
 - (g) the likelihood and timing of consummating such transactions;
10. The Receiver determined that the 2402871 APA was the Successful APA, subject to this Court’s approval. On August 4, 2017, the Receiver notified the Purchaser it had been selected as the Successful Bidder. On the same day, the Receiver notified the other Phase 2 Qualified Bidders that its Binding APA had been rejected;
11. In accordance with the Receivership Order and the Sale Process Order, the Receiver requires court approval of the 2402871 APA and the Transaction. Additionally, pursuant to the 2408271 APA, the Purchaser requires an approval and vesting order to transfer

- Terrasas's right, title and interest in the Assets free and clear of the required encumbrances;
12. The Sale Process was conducted in a commercially reasonable manner and the market was extensively canvassed with the sale opportunity. The marketing initiatives implemented by the Receiver concentrated on parties that could demonstrate alignment with the Assets that had the industry knowledge in the Project;
 13. The Receiver is of the view that:
 - (a) the Sale Process was fair and transparent. All reasonable requests for information and meetings with the Receiver during the Sale Process were satisfied; and
 - (b) the 2402871 APA and the Transaction is beneficial to the Terrasan creditors as a whole as it represents the highest and best offer;
 14. The Centurion and The Guarantee Company of North America (the first and second mortgage holders) were consulted and kept apprised of the Sale Process and support the proposed Approval and Vesting Order;
 15. The Receiver believes it is appropriate for the Bid Summary and the unredacted 2402871 APA to remain confidential and made subject to a sealing order given the commercially sensitive terms of such information;

Receiver's Fees

16. As detailed in the Second Report, the Receiver has worked diligently to carry out its duties in good faith and in the best interest of the stakeholders;

17. The Receiver has implemented reasonable measures to control the time spent and costs incurred in those proceedings. In the circumstances, the Receiver is of the view that its fees and disbursements and those of its legal counsel are reasonable;
18. Such further and other grounds as counsel may advise and this Honourable Court may permit;

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

1. The Second Report of BDO, in its capacity as Receiver dated August 16, 2017, filed; and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

DATE: August 18, 2017

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

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

Lawyers for the Receiver

TO: SERVICE LIST

EMAIL SERVICE LIST

(as at August 3, 2017)

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

<p>AND TO:</p>	<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto, Ontario M5K 0A1</p> <p>Robert Kennedy (LSUC # 474070) Tel: (416) 637-6756 Fax: (416) 863-4592 Email: robert.kennedy@dentons.com</p> <p><i>Counsel to the Receiver</i></p>
<p>AND TO:</p>	<p>BORDON LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West, Suite 3400 Toronto, ON M5H 4E3</p> <p>Alex MacFarlane Tel: (416) 367-6305 Fax: (416) 367-6749 Email: amacfarlane@blg.com</p> <p><i>Lawyers for The Guarantee Company of North America</i></p>
<p>AND TO:</p>	<p>SCHNEIDER RUGGIERO LLP 120 Adelaide Street West, Suite 100 Toronto, ON M5H 3V1</p> <p>David Markowitz Tel: (416) 363-2211 ext. 209 Fax: (416) 363-0645 Email: dmarkowitz@srlawpractice.com</p> <p><i>Lawyers for Diversified Capital Inc.</i></p>
<p>AND TO:</p>	<p>DEPARTMENT OF JUSTICE Ontario Regional office The Exchanging Tower, Box 36 130 King Street West, Suite 3400 Toronto, ON M5X 1K6</p> <p>Diane Winters Tel: (416) 973-3172 Email: diane.winters@justice.gc.ca</p>

<p>AND TO:</p>	<p>MINISTER OF FINANCE Legal Services Branch 33 King Street West, 6th Floor P.O. Box 327, Stn. A Oshawa, ON L1H 8H5</p> <p>Kevin O'Hara Tel: (905) 433-6934 Email: kevin.ohara@ontario.ca</p>
<p>AND TO:</p>	<p>LEVY ZAVET PC 315 Eglinton Avenue West Toronto, ON M5N 1A1</p> <p>Julian Binavince Tel: (416) 777-2244 ext. 750 Fax: (416) 477-2847 Email: jbinavince@levyzavet.com</p> <p><i>Lawyers for Mansteel Rebar Ltd.</i></p>
<p>AND TO:</p>	<p>PALLET VALO LLP 77 City Centre Drive West Tower, Suite 300 Mississauga, ON L5B 1M5</p> <p>Maria Ruberto Tel: (905) 273-3300 Fax: (905) 273-6920 Email: mruberto@pallettvalo.com</p> <p><i>Lawyers for CRH Canada Group Inc.</i></p>
<p>AND TO:</p>	<p>VERBEEK & VERBEEK 1020 Matheson Blvd. East, Suite 12 Mississauga, ON L4W 4J9</p> <p>Peter Carol Verbeek Tel: (905) 602-6000 Fax: (905) 602-5000 Email: verbeeklaw@aol.com</p> <p><i>Lawyers for Desrosiers Geothermal Corporation</i></p>

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

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

COURIER SERVICE LIST
(as at August 3, 2017)

TO:	TERRASAN 327 ROYAL YORK RD. LIMITED 93 Skyway Avenue, Suite 210 Toronto, ON M9W 6N6
AND TO:	JOHN PAUL FLETCHER 3355 Elsa Storry Avenue, R.R. #1 Locust Hill, ON L0H 1J0
AND TO:	COMMUNITY TRUST COMPANY 2350 Matheson Boulevard East Mississauga, ON L4W 5G9
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AND TO:	MCCALLUM SATHER ARCHITECTS INC. 157 Catherine St. N, Hamilton, ON L8L 4S4
AND TO:	QUINN DRESSEL ASSOCIATES 890 Yonge Street, Suite 300 Toronto, ON M4W 3P4

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

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Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION
(Returnable August 25, 2017)**

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

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

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

SECOND REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY

AS COURT APPOINTED RECEIVER

August 16, 2017

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INTRODUCTION AND PURPOSE OF THIS REPORT

Introduction

1. By Order of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (the "Court") dated February 24, 2017 (the "Receivership Order"), BDO Canada Limited ("BDO") was appointed as the Court-appointed receiver (in such capacity, the "Receiver") of all of the assets, undertakings and properties (collectively, the "Assets") of Terrasan 327 Royal York Rd. Limited ("Terrasan" or the "Company"), pursuant to the application made by Centurion Mortgage Capital Corporation ("Centurion").

2. The Company's principal asset is a partially constructed residential condominium development located at 327 Royal York Rd., Toronto, Ontario known as the "On the Go Mimico" (the "Project"). The municipal address for the Project is 327 Royal York Rd., Toronto, Ontario (the "Property").

3. On April 3, 2017, this Court granted an Order (the "Sale Process Order") which, among other things: (i) approved the First Report of the Receiver dated March 27, 2017 (the "First Report"), and the actions of the Receiver set out therein; and (ii) approved the marketing and sale process set out in the First Report (the "Sale Process"). A copy of the Sale Process Order is annexed hereto as Appendix A, and a copy of the First Report (without appendices) is annexed hereto as Appendix B.

4. The purpose of this Report dated August 16, 2017 (the "Second Report") is to provide information to the Court with respect to:

- (a) background information in respect of Terrasan and the Project;
- (b) the Receiver's activities since the date of the First Report;
- (c) the implementation of the Sale Process by the Receiver in order to effect a sale of Terrasan's right, title and interest in and to the Assets;
- (d) the asset purchase agreement dated July 28, 2017 entered into by 2402871 Ontario Inc. (the "2402871 APA") and the Receiver with respect to the purchase and sale of the Purchased Assets (as defined in the 2402871 APA);
- (e) the Receiver's receipts and disbursements from the date of the First Report to July 31, 2017;

- (f) the Receiver's motion for an Order of this Court (the "**Approval and Vesting Order**"):
- a. approving and authorizing the 2402871 APA, and approving the transaction set out therein (the "**Transaction**");
 - b. vesting Terrasan's right, title and interest, if any, in and to the Purchased Assets free and clear of all encumbrances, subject to the terms of the APA;
 - c. sealing the Bid Summary (as defined herein), which will be filed with the Court as **Confidential Appendix A**;
 - d. sealing the unredacted 2402871 APA which contains commercially sensitive information, which will be filed with the Court as **Confidential Appendix B**;
 - e. approving the activities of the Receiver as described in this Second Report; and
 - f. approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP ("**Dentons**") as set out in this Second Report, and to authorize the Receiver to pay all approved and unpaid fees and disbursements.

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

Disclaimer

6. This Second Report is prepared solely for the use of the Court for the purpose of assisting the Court in making a determination whether to: (i) approve and authorize the 2402817 APA and the Transaction, (ii) approve the actions and conduct of the Receiver as set out in this Second Report; and (iii) grant other ancillary relief being sought.

7. Except as otherwise described in this report:

-5-

- (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.

8. Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

Background

9. Terrasan is a single purpose entity incorporated in Ontario for the purpose of the developing the Project. At the Receivership date, the Project was under construction and was to be developed into 242 suites ranging from 537 sq. ft. to 2,700 sq. ft. including two levels of penthouses. Additionally, the Project was to include 193 residential parking stalls, 116 lockers and 8,245 sq. ft. of retail/commercial space.

10. According to the Corporate Profile Report of Terrasan, Luigi Santaguida is listed as the sole officer and director of Terrasan. Mr. Santaguida is the acting President and Secretary of Terrasan. To the Receiver's knowledge, Terrasan has no other employees other than Mr. Santaguida.

11. The Company's marketing materials indicate that the Project was to be the City of Toronto's only residential condominium with access to the GO Transit service just steps from the Property. The marketing materials further indicate that the condominium was to have contemporary designs with unobstructed views of the lake and city, the latest finishing features, large stylish balconies, Italian designed and manufactured gourmet kitchens and one of the most exciting new technologies that would save residents significant money on heating and cooling costs. For example, the condominium was to be Toronto's first high rise with integrated GeoExchange and Cogeneration technology that works with nature to borrow energy from the earth in the winter and put it back in the summer, redirecting and recycling energy to where it is needed thereby providing savings on utility costs and monthly condominium fees.

12. The Receiver understands that approximately 207 condominium units had been pre-sold (the "Pre-Construction Sales") and agreements of purchase and sale (the "Condominium Unit Sale Agreements") had been executed between Terrasan and the condominium purchasers. In

addition, Terrasan had received deposits in respect of the majority of these Pre-Construction Sales. At the receivership date only 73 of the Pre-Construction Sales remained and the balance, 134 Pre-Construction Sales, had been terminated primarily due to non-payment of milestone deposits as prescribed in the respective Condominium Unit Sale Agreements. The Receiver is still in the process of reviewing the Terrasan books and records relating to the Pre-Construction Sales.

ACTIVITIES OF THE RECEIVER SINCE THE FIRST REPORT

13. In addition to the activities of the Receiver as detailed in the First Report, the Receiver has:
- (a) attended to numerous discussions and meetings with various Project subcontractors and other interested parties;
 - (b) managed a water removal issue associated with the Project. Given the significant rainfall this Spring and early Summer, rainfall that was accumulating within the Project in the usual course was increasing beyond the daily water discharge volumes allowed pursuant to the discharge permit (the "Dewatering"). The Receiver was required to make an application to the City of Toronto requesting an increase to the daily water discharge volumes (which resulted in a significant decrease in the cost of site Dewatering, which previously consisted of removing water and transporting same to alternative sites for disposal);
 - (c) attended to numerous discussions and meetings with the City of Toronto and other interested parties (i.e. Metrolinx) with respect to various permits and agreements associated with the Project;
 - (d) engaged the former Terrasan property manager to assist with the day-to-day monitoring of the Project and also to assist with the Sale Process by providing site tours to potential bidders, gathering information to support the Sale Process, and assisting with developing a strategy for the site Dewatering;
 - (e) addressed questions of various parties who had paid deposits towards the purchase of a condominium suite at the Project ("Condominium Unit Purchasers");
 - (f) reviewed numerous Condominium Unit Sale Agreements, deposits and correspondence included in the Condominium Unit Purchasers' files to understand what deposits were paid and the reasons the purchase agreements were noted in default;

- (g) notified all Condominium Unit Purchasers of the Receivership Order and the Sales Process Order;
- (h) attended to the day-to-day maintenance of the Project and co-ordinated the payment of the associated costs to maintain and preserve the Project. These costs include: (i) site management services; (ii) Dewatering services to protect the foundation, slab on grade and foundation walls; (iii) utility services; and (iv) trade services of electricians and other labourers to ensure that electrical connections are safe, pumps are working, general maintenance is continued and overall safety of the construction site is maintained; and
- (i) implemented the Sale Process (as outlined below).

SALE PROCESS

Review and Summary of the Sale Process

14. Capitalized terms not otherwise defined in this section are as defined in the Sale Process (appended as **Appendix A** to this Second Report).

15. Pursuant to the direction contained in the Sales Process Order, the Receiver implemented the Sales Process to invite offers to purchase the Assets. As of the date of this Second Report, the Receiver has:

- (a) compiled a list of prospective purchasers (Canadian and international entities) that would have an interest in acquiring the Assets. The Receiver initially contacted 298 prospective purchasers;
- (b) prepared and distributed an initial offering summary (the "**Teaser Letter**") to each of the prospective purchasers. The Teaser Letter was posted on the Website. The Receiver also followed up with the prospective purchasers by email and / or telephone;
- (c) prepared a non-disclosure agreement ("**NDA**"), and distributed a copy of the NDA to each prospective purchaser that requested additional information regarding the Project;
- (d) prepared an advertisement notifying the public of the Sale Process and arranged for its posting: (i) in the national edition of the Globe and Mail on April 6, 11, 20 and 25, 2017, (ii) in the Daily Commercial News construction gazette on April 10,

13, 17, 24 and 27, 2017, (iii) in the NRU GTA Weekly Newsletter on April 12, 13, 19, 21, 26 and 28, 2017, and (iv) on the MLS website and Axial website;

- (e) in total, the Receiver received 91 executed NDAs from prospective purchasers who wished to participate in the Sale Process;
- (f) determined that there were 91 Potential Bidders who, in the Receiver's reasonable business judgment, met the criteria set out in the Sale Process to be deemed a **"Phase 1 Qualified Bidder"**;
- (g) prepared and distributed a confidential information memorandum (the **"CIM"**) to the Phase 1 Qualified Bidders;
- (h) prepared the electronic data room (the **"Data Room"**) and assisted in organizing, compiling and reviewing the information to be included in the Data Room in order to facilitate the due diligence attributed to the Sale Process for Phase 1 Qualified Bidders. The Data Room contained, among other things: (i) the Teaser and CIM, (ii) financial and construction information related to the Project, and (iii) the Template APA (as defined herein);
- (i) coordinated and assisted Phase 1 Qualified Bidders with due diligence requests;
- (j) prepared and uploaded to the Data Room a template asset purchase agreement (the **"Template APA"**);
- (k) participated in meetings, calls and discussions with stakeholders (financial and non-financial) and answered inquiries from Phase 1 Qualified Bidders with respect to the Sale Process and the Assets;
- (l) reviewed and assessed Non-Bindings APAs submitted pursuant to the Sale Process;
- (m) determined which Phase 1 Qualified Bidders, in the Receiver's reasonable business judgment, met the criteria set out in the Sale Process to be deemed a **"Phase 2 Qualified Bidder"**;
- (n) coordinated and attended site visits at the Project for Phase 2 Qualified Bidders that requested visits;

- (o) assisted Phase 2 Qualified Bidders in completing other due diligence, including coordinating meetings, discussions and other communications between Phase 2 Qualified Bidders and relevant stakeholders, all with a view of submitting a Binding APA on or before the Binding APA Deadline.

Non-Binding APAs Received

16. The Receiver received 11 Non-Binding APAs (collectively, the "Offers") prior to the Non-Binding APA Deadline.

17. The Receiver reviewed and considered the Offers to determine whether the Non-Binding APAs were considered Qualified APAs and whether such Phase 1 Qualified Bidder were to be deemed a Phase 2 Qualified Bidder. A summary of the Non-Binding APAs are included in **Confidential Appendix A**.

18. Based on the Receiver's reasonable business judgment, the Receiver determined that five Non-Binding APAs qualified as Qualified APAs. Accordingly, the Receiver delivered written notice to those Phase 1 Qualified Bidders whose Offers were determined to be Qualified APAs, and these bidders became Phase 2 Qualified Bidders and entered into Phase 2 of the Sale Process.

Binding APAs Received

19. On or prior to the Binding APA Deadline, five Phase 2 Qualified Bidders submitted Binding APAs (collectively, the "Binding Offers").

20. The Receiver has prepared a summary of the Binding Offers (the "Bid Summary"). A copy of the Bid Summary accompanies the filing of this First Report as **Confidential Appendix A**.

21. Pursuant to the Sale Process, the Receiver evaluated the Binding Offers based on several factors including, without limitation:

- (a) items such as the Purchase Price (as defined in the APA) and the net value provided by such bid;
- (b) conditions associated with such bid (if any);
- (c) the proposed transaction documents;
- (d) other factors affecting the speed and certainty of closing the transaction;
- (e) the value of the transaction;

- (f) the assets included or excluded from the bid; and
- (g) the likelihood and timing of consummating such transactions.

22. The Receiver determined that the 2402871 APA was the Successful APA pursuant to the Sale Process, subject to, this Court's approval. A copy of the redacted 2402871 APA, redacting the Purchase Price and the amount of the Deposit, is attached hereto as Appendix C. A copy of the unredacted 2402871 APA accompanies the filing of this First Report as Confidential Appendix B.

23. The Receiver consulted with Centurion and Guaranty Company of North America ("GCNA") in relation to the Binding Offers. The Receiver advises that Centurion and GCNA support the Receiver's recommendation as to the Successful APA.

24. On August 4, 2017, the Receiver notified the Purchaser that it had been selected as the Successful Bidder in the Sale Process. On the same day, the Receiver notified the other Phase 2 Qualified Bidders that had submitted a Binding Offer that its Binding Offer had been rejected.

25. Pursuant to the Sale Process, the Deposit received from the unsuccessful Bidders were returned, or is currently in the process of being returned.

PROPOSED TRANSACTION

26. Set out below is a summary of the principal terms and conditions of the 2402871 APA. Capitalized terms not otherwise defined in this section are as defined in the 2402871 APA.

Purchased Assets

27. The Purchaser will acquire, on an "as is, where is" basis, the Purchased Assets as set out in section 2.01 of the 2402871 APA, which includes the following:

- (a) the Lands;
- (b) all structures, appurtenances and improvements thereto, and fixtures situate on or forming part of the Lands;
- (c) fixed machinery and fixed equipment situate on or forming part of the Lands;
- (d) all Inventory;

- (e) all Intellectual Property owned by Terrasan that was used in connection with the Purchased Assets;
- (f) all pre-paid expenses and deposits related to the Purchased Assets (excluding deposits paid to suppliers and customers of Terrasan);
- (g) the Project Record; and
- (h) the Books and Records.

Excluded Assets

28. Pursuant to the 2402871 APA, the Purchaser will have no rights with respect to the right, title and interest of Terrasan in and to the following assets:

- (a) the cash and cash equivalents, short-term investments, bank deposits, including any deposits posted in respect of letters of credit, petty cash of Terrasan;
- (b) all rights of Terrasan to tax refunds, credits, rebates or similar benefits relating to the Purchased Assets or the Business;
- (c) shares and other interests or capital of Terrasan;
- (d) the tax records and insurance policies of Terrasan, including any claim for reimbursement under any insurance policy of Terrasan;
- (e) Tarion bond no. TM5120055;
- (f) Books and Records not pertaining primarily to the Purchased Assets; all funds or deposits held by suppliers, customers or any other person in trust for or on behalf of Terrasan; and
- (g) any deposits held in trust and paid by purchasers of the condominium units;

Consideration

29. Consideration in respect of the Purchase Price consists of the following:

- (a) cash in respect of the Purchased Assets;
- (b) any adjustment for real property taxes in respect of the sale of the Lands; and

- (c) the assumption by the Purchaser of the Assumed Liabilities.

Assumed Liabilities

30. At the time of Closing, the Purchaser will assume and thereafter fulfil, perform and discharge when due the following liabilities of Terrasan outstanding as at the Closing Date which include the following:

- (a) all Liabilities arising from or in connection with any tax, levy, penalty, interest or costs for which the Purchaser is responsible; and
- (b) all Liabilities relating to or arising from the Purchased Assets under Environmental Laws.

Purchaser's Conditions

31. The sale by the Receiver and the purchase by the Purchaser of the Purchased Assets is subject to the following conditions which are to be performed, complied with or waived prior to the Time of Closing:

- (a) the Approval and Vesting Order shall have been obtained and shall not have been stayed, varied, or vacated (or any such appeal shall have been dismissed with no further appeal therefrom).

Closing

32. Pursuant to the 2402871 APA, subject to the waiver or satisfaction of the above condition, the Closing of the Transaction will occur seven days following the issuance of the Approval and Vesting Order or such other date as may be agreed among the parties, but not later than the Outside Date of September 1, 2017.

RECEIVER'S VIEW OF THE SALE PROCESS AND 2402871 APA

33. The Receiver is of the view that the Sale Process was conducted in a commercially reasonable manner and that the market was extensively canvassed where domestic and international competitors, customers and industry participants were solicited.

34. There was significant interest expressed in acquiring the Assets, as evidenced by the number of NDAs signed, and the Non-Binding Offers and Binding APAs submitted pursuant to the Sale Process.

35. All reasonable requests for information and meetings with respect to the Sale Process or the Project during the Sale Process were satisfied.

36. At the end of the Sale Process, the Receiver received five Binding Offers to purchase the Assets, which are detailed in the confidential Bid Summary.

37. The 2402871 APA and the purchase price contained therein represents the highest and best offer for the Assets.

38. The Receiver is of the view that the Transaction is beneficial to the Company's creditors as a whole, as it maximizes the pool of funds available for distribution to the secured creditors.

39. Based on the foregoing, the Receiver's recommends to the Court that the Approval and Vesting Order should be granted for the following reasons:

- (a) the Receiver is of the view that the Transaction represents the highest recovery for the secured creditors as a whole;
- (b) the 2402871 APA provides for a Closing Date on or prior to September 1, 2017, which is an economic consideration given the current preservation costs to the Receivership estate for the Project;
- (c) Centurion and GCNA were consulted and kept apprised of the Sale Process and support the Transaction; and
- (d) it is a condition to the closing of the Transaction that the Approval and Vesting Order be granted.

40. The Receiver is seeking the approval of the Transaction and the 2402871 APA. In the event the Court does not grant the Approval and Vesting Order or the Transaction does not close, the Receiver is of the view that efforts to re-market the Assets would be impaired if the Bid Summary or the commercially sensitive terms of the 2402871 APA are made public at this time. Accordingly, the Receiver believes that it is appropriate for the Bid Summary and the 2402871 APA to remain confidential until such time as the Transaction closes. Accordingly, the Receiver requests an order sealing the unredacted 2402871 APA and the Bid Summary be made.

RECEIPTS AND DISBURSEMENTS

41. The R&D Statement, appended hereto as Appendix D, reports net receipts over disbursements from the date of the Receiver's appointment to July 31, 2017, amount to \$929,012.59.

FEES AND DISBURSEMENTS

42. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements, which are described in the Affidavit of Josie Parisi sworn August 14, 2017, and the detailed invoices attached thereto, a copy of which is annexed hereto as Appendix E.

43. The detailed time descriptions 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.

44. Additionally, the Receiver has incurred legal fees of its counsel, Dentons Canada LLP ("Dentons") in respect of these proceedings, as more particularly set out in the fee affidavit and exhibits attached hereto as Appendix F.

45. The Receiver has reviewed Dentons fee affidavit and believes same to be fair and reasonable in the circumstances.

46. The Receiver requests that the Court approve its interim accounts from March 17, 2017 to July 31, 2017 in the amount of \$235,747.94, inclusive of HST of \$27,121.44.

47. The Receiver also requests that the Court approve the accounts of its legal counsel for the period from March 1, 2017 in the amount of \$148,257.00 for fees and disbursements including HST of \$19,526.86, for a total of \$167,783.86.

48. 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

49. The Receiver is of the view that the Sales Process was fair and transparent. Significant interest was expressed in the Assets as evident from the number of Potential Bidders that investigated the opportunity to purchase the Assets and the number of Non-Binding and Binding

Offers received. To the best of the Receiver's knowledge, all reasonable requests for information made by Potential Bidders were satisfied.

50. In the Receiver's view, the market for the Assets was sufficiently canvassed and parties who may have an interest were given a reasonable opportunity to review the Company's right, title and interest in and to the Assets and make an offer. Further marketing efforts are unlikely to result in the identification of a superior transaction and any delay to attempt to do so would jeopardize the Transaction.

51. Based on the foregoing, the Receiver recommends that the Court:

- (a) approve and authorize the execution by the Receiver of the 2402871 APA, and approve the Transaction;
- (b) vesting the Company's right, title and interest, if any, in and to the Purchased Assets free and clear of all encumbrances, as set forth in the 2402871 APA;
- (c) seal the Bid Summary filed as **Confidential Appendix A** to this Second Report;
- (d) seal the unredacted 2402871 APA filed as **Confidential Appendix B** to this Second Report;
- (e) approve this Second Report and activities of the Receiver as described in herein;
and
- (f) approve the fees and disbursements of the Receiver and its legal counsel, Dentons LLP, as set out in this Second Report, and authorize the Receiver to pay all approved and unpaid fees and disbursements.

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All of which is respectfully submitted this 16th day of August, 2017.

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

Per:

A handwritten signature in black ink, appearing to read "J. Parisi". The signature is written in a cursive, flowing style.

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

TAB A

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

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

THE HONOURABLE JUSTICE <i>CONWAY</i>)))	MONDAY, THE 3 rd DAY OF APRIL, 2017
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BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and



TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

SALE PROCESS ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as Court appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("**Terrasan**") for an order approving the sale process, set out in Schedule "A" hereto (the "**Sale Process**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated March 27, 2017 (the "**First Report**"), and on hearing the submissions of counsel for the Receiver, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Amanda Campbell sworn March 29, 2017, filed:

SERVICE

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

RECEIVER'S ACTIVITIES

2. **THIS COURT ORDERS** that the First Report is approved and the activities of the Receiver as described therein.

3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, as set out in the First Report, be and are hereby approved.

SALE PROCESS

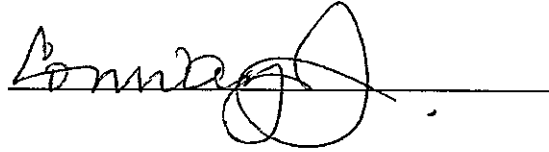
4. **THIS COURT ORDERS** that the Sale Process be and is hereby approved and that the Receiver is authorized and directed to commence the Sale Process for the purpose of soliciting interest in and opportunities for a sale of the property and assets of Terrasan.

5. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the Sale Process, and to do all things reasonably necessary to do so.

6. **THIS COURT ORDERS** the Receiver and its respective affiliates, partners, employees and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Process (as determined by this Court).

GENERAL

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

A handwritten signature in black ink, appearing to be "L. M. ...", written over a horizontal line.

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

APR 03 2017

PER / PAR:

A handwritten signature in black ink, appearing to be "M.", written below the text "PER / PAR:".

Schedule "A" – Sale Process

Sale Process

Set forth below is the sale process (the "**Sale Process**") to be employed with respect to the proposed sale of all or substantially all of the business and assets (the "**Assets**") of Terrasan 327 Royal York Rd. Limited ("**Terrasan**").

On February 24, 2017, the Ontario Superior Court of Justice (the "**Court**") issued an order (the "**Receivership Order**"), appointing BDO Canada Limited as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Terrasan.

Pursuant to the Receivership Order, the Receiver is authorized to market, advertise and solicit offers in respect of the sale, in whole or in part, of the Assets.

The Sale Process is intended to solicit interest in an acquisition of the Assets, under a fair and competitive sale process pursuant to which all qualified interested parties will be provided with a fair and equal opportunity to participate in the Sale Process.

Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Assets, or any portion thereof, outside of the Sale Process prior to the selection of a Successful Bidder (as defined herein).

Timeline

The following table sets out the key milestones under the Sale Process:

Milestone	Deadline
Non-Binding APA Deadline	May 12, 2017
Binding APA Deadline	July 28, 2017
Sale Approval Motion	August 18, 2017
Closing Date	August 25, 2017

Subject to the terms contained herein and any order of the Court, the dates set out in the Sale Process may be extended by the Receiver, in its sole discretion acting reasonably, all with a view of maximizing the value of the Assets.

Sale Process

The Sale Process set forth herein describes, among other things: (i) the Assets available for sale, (ii) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Assets, (iii) the manner in which bidders can be

determined to be a Phase 1 Qualified Bidder (as defined herein), (iv) the timing of delivering a Non-Binding APA (as defined herein), (v) the manner in which bids are to be received and negotiated, (vi) the ultimate selection of any Successful Bidder (as defined herein) and the process leading up to that selection, and (vii) the approval thereof by the Court.

Assets To Be Sold

The Receiver, in accordance with this Sale Process, is offering for sale, in one or more transactions, the Assets. The Receiver reserves the right to eliminate certain assets available for sale pursuant to the Sale Process prior to the Non-Binding APA Deadline (as defined below).

“As Is, Where Is”

The sale of the Assets will be on an “as is, where is” basis without representations or warranties of any kind, nature or description by the Receiver, or any of their respective directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Binding APA (as defined herein), and approved by the Court. By submitting a bid, each Potential Bidder (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Binding APA and approved by the Court.

Free Of Any And All Claims And Interests

Except as may otherwise be provided in the Successful Bidder’s Binding APA, all of the rights, title and interests of Terrasan in and to the Assets, or any portion thereof, will be sold free and clear of all liens and claims (which may be defined in an Approval and Vesting Order (as defined herein)), subject to any permitted encumbrances (which may be defined in an Approval and Vesting Order), pursuant to an order by the Court approving the sale of the Assets, or a portion thereof, and vesting in the Successful Bidder all of Terrasan’s rights, title and interests in and to such Assets, or a portion thereof, by way of an approval and vesting order (the “**Approval and Vesting Order**”). For greater certainty, such liens and claims are to attach to the net proceeds of the sale of such Assets following the granting of the Approval and Vesting Order.

Publication Notice

Within seven (7) business days of the granting of the Sale Process order by the Court (the “**Sale Process Order**”), or as soon as practicable thereafter the Receiver shall publish notice of

this Sale Process: (i) in The Globe and Mail (National Edition), the Daily Commercial News, the NRU GTA Weekly Newsletter, the MLS and / or ICX (through a third party provider), (ii) in any other relevant publication that may advertise and potentially solicit interest in the Assets, and (iii) by posting a copy of the Teaser Letter (as defined herein) on the Axial website.

Solicitation of Interest

As soon as reasonably practicable after the granting of the Sale Process Order, the Receiver will prepare an initial offering summary (the "**Teaser Letter**") notifying prospective purchasers of the existence of the Sale Process and inviting prospective purchasers to express their interest in making an offer for the Assets pursuant to the terms of the Sale Process.

Participation Requirements

Unless otherwise ordered by the Court or as otherwise determined by the Receiver, each person who wishes to participate in the Sale Process, (a "**Potential Bidder**") must deliver to the Receiver, an executed non-disclosure agreement ("**NDA**"), in the form attached herein as **Schedule "A"**, prior to the distribution of any confidential information by the Receiver.

If it is determined by the Receiver, in its reasonable business judgment, that a Potential Bidder: (i) has a *bona fide* interest in an acquisition of the Assets; and (ii) has delivered the NDA, then such Potential Bidder will be deemed by the Receiver to be a "**Phase 1 Qualified Bidder**".

The Receiver will prepare and send to each Phase 1 Qualified Bidder, as soon as reasonably practicable, a confidential information memorandum which will provide, among other things, information considered relevant to the Sale Process.

Due Diligence

The Receiver, in its reasonable business judgment, and subject to competitive and other business considerations, may give each Phase 1 Qualified Bidder, such access to due diligence materials and information relating to the Assets as the Receiver deems appropriate. Due diligence access may include access to an electronic data room (a "**Data Room**"), on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and as to which the Receiver, in its reasonable business judgment, may agree. The Receiver may designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. Neither the Receiver nor any of its affiliates (or any of its respective representatives) will be obligated to furnish any information relating to the Assets to any person, in its discretion. The Receiver makes no representation or warranty as to the information to be

provided through this due diligence process or otherwise, except as may be set forth in a Binding APA with the Successful Bidder.

Non-Binding APA Deadline

A Phase 1 Qualified Bidder that desires to make a bid shall deliver written copies of its bid, in the form of the template asset purchase agreement located in the Data Room (the “APA”), together with a blackline outlining all changes made to the APA (a “**Non-Binding APA**”), to the Receiver as follows: Attn: Gary Cerrato, e-mail gcerrato@bdo.ca, fax (416) 865-0904, so as to be received by the Receiver no later than May 12, 2017 at 5:00 p.m. (ET) (as may be extended as set out below, the “**Non-Binding APA Deadline**”). The Receiver, may extend the Non-Binding APA Deadline, once or successively, but is not obligated to do so. If the Non-Binding APA Deadline is extended, the Receiver will promptly notify all Phase 1 Qualified Bidders.

Qualified APA

A Non-Binding APA will be considered a qualified APA only if the Non-Binding APA is submitted by a Phase 1 Qualified Bidder and complies with all of the following (a “**Qualified APA**”):

- (a) the bid (either individually or in combination with other bids that make up one Qualified APA) is an offer to purchase some or all of the Assets on terms and conditions reasonably acceptable to the Receiver;
- (b) it is duly authorized and executed, and includes a purchase price for the Assets expressed in Canadian dollars (the “**Purchase Price**”), together with all exhibits, schedules and all applicable ancillary agreements thereto;
- (c) it includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a reasonable determination as to the Phase 1 Qualified Bidder’s financial and other capabilities to consummate the proposed sale and pay the Purchase Price;
- (d) it provides all of the conditions associated with unperformed due diligence that is required to be conducted in order to proceed with a Binding APA. For greater certainty, such conditions cannot relate to any financing condition;
- (e) it fully discloses the identity of each entity that will be bidding for the Assets or otherwise sponsoring, financing, participating or benefiting from such bid;
- (f) it includes an acknowledgement and representation of the Phase 1 Qualified Bidder that: (i) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and (ii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise,

regarding the Assets or the completeness of any information provided in connection therewith;

- (g) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Phase 1 Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution and delivery of the Qualified APA submitted by the Phase 1 Qualified Bidder;
- (h) provides a deposit in the amount of not less than 5% of the Purchase Price offered by the Phase 1 Qualified Bidder (the "**Deposit**"); and
- (i) it is received by the Receiver by the Non-Binding APA Deadline.

The Receiver may determine whether to entertain bids for the Assets that do not conform to one or more of the requirements specified herein and deem such bids to be a Qualified APA.

The Receiver shall notify each Phase 1 Qualified Bidder in writing as to whether such Phase 1 Qualified Bidder's APA constituted a Qualified APA within five (5) business days following the expiration of the Non-Binding APA Deadline, or at such later time as the Receiver deems appropriate. If such notification is provided, then such Phase 1 Qualified Bidder will be deemed to be a "**Phase 2 Qualified Bidder**".

If the Receiver is not satisfied with the number or terms of bids submitted by the Non-Binding APA Deadline, the Receiver may extend the Non-Binding APA Deadline or cancel the Sale Process.

Binding APA Deadline

The Receiver will take all reasonable steps to negotiate and assist Phase 2 Qualified Bidder(s) in completing its unperformed due diligence, or any other bid matters including any discussions or negotiations required to be completed with any stakeholders in the receivership proceedings of Terrasan, with a view of submitting: (i) a further binding APA (a "**Binding APA**") on or before July 28, 2017 (the "**Binding APA Deadline**"), and (ii) a blackline outlining all changes made to the APA, for consideration by the Receiver. For greater certainty, a Binding APA shall:

- (a) be delivered to the Receiver prior to the Binding APA Deadline;
- (b) replace and supersede the Non-Binding APA submitted by a Phase 2 Qualified Bidder;
- (c) comply with all of the requirements set forth in respect of a Qualified APA;

- (d) include a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable and open for acceptance until the Successful APA (as defined herein) is selected by the Receiver;
- (e) include written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (f) not to be conditioned on: (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, and/or (ii) obtaining financing;
- (g) fully disclose the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (h) provide the Deposit (as may be adjusted);
- (i) include acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Assets and Terrasan prior to making its bid, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith; and
- (j) the bid contemplates closing the transaction set out therein on or before August 25, 2017 (the "Closing Date").

The Receiver may determine whether to entertain bids for the Assets that do not conform to one or more of the requirements specified herein and deem such bids to be a Binding APA.

Evaluation of Binding APA

A Binding APA will be valued based upon several factors including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the counterparties to such transactions, the proposed transaction documents, other factors affecting the speed and certainty of the closing of the transaction, the value of the transaction, the assets included or excluded from the bid, the transition services required from the Receiver (if any), any related transaction costs, and the likelihood and timing of consummating such transactions, each as determined by the Receiver.

Each Phase 2 Qualified Bidder shall comply with all reasonable requests for additional information by the Receiver regarding the Phase 2 Qualified Bidder or the Binding APA. Failure of a Phase 2 Qualified Bidder to comply with requests for additional information will be a basis for the Receiver to reject a Binding APA.

Selection of Successful APA

The Receiver will review and evaluate each Binding APA. Each Binding APA may be negotiated by the Receiver and the applicable Phase 2 Qualified Bidder submitting the Binding APA (the “**Unconditional Bidder**”), and may be amended, modified or varied to improve such Binding APA, and as a result of such negotiations, the Receiver may: (i) identify the highest or otherwise best offer for the Assets (the “**Successful APA**”, and the Unconditional Bidder making such Successful APA, the “**Successful Bidder**”), or (ii) in the event no Successful Bidder is declared, reject each Binding APA and may ask any Unconditional Bidder to resubmit a revised Binding APA. The determination of a Successful APA by the Receiver, shall be subject to approval by the Court.

Notwithstanding the foregoing, a Binding APA may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful APA being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful APA being determined shall result in the forfeiture of such Unconditional Bidder’s deposit as liquidated damages and not as a penalty.

In the event an Unconditional Bidder is not selected as a Successful Bidder, the Deposit shall be returned to the Unconditional Bidder as soon as reasonably practicable.

The Receiver shall have no obligation to select a Successful APA, and it reserves the right to reject any or all Binding APAs.

Sale Approval Motion Hearing

The motion for an order of the Court approving any Successful APA (the “**Sale Approval Motion**”) shall be sought and include, among other things, the approval from the Court to consummate the Successful APA. The Sale Approval Motion shall be heard on or before August 18, 2017.

All of the Binding APAs other than the Successful APA, if any, shall be deemed rejected by the Receiver on and as of the date of closing of the transaction contemplated by the Successful APA.

Reservation of Rights

The Receiver may: (a) determine which Binding APA, if any, is the highest or otherwise best offer; (b) reject at any time before the issuance and entry of an order approving a Binding APA, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Assets.

Miscellaneous

This Sale Process is solely for the benefit of the Receiver and nothing contained in the Sale Process Order or this Sale Process shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).

Except as provided in the Sale Process Order and Sale Process, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Sale Process Order and the Sale Process.

Limitation of Liability

The Receiver shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Terrasan, or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a bid, each Potential Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.

Schedule "A"
Non-Disclosure Agreement

PRIVATE & CONFIDENTIAL

► [Potential Bidder Organization Name and Address]

Dear Sirs:

Re: Confidential Information with respect to Terrasan 327 Royal York Rd. Ltd. (the "Debtor")

In accordance with the terms of the Sale Process approved by the Ontario Superior Court of Justice (Commercial List) on _____ (the "**Sale Process**") you have requested access to due diligence and other materials relating to the business and assets (the "**Assets**") of the Debtor, such access to be coordinated by BDO Canada Limited, in its capacity as the Court-appointed Receiver in the receivership proceedings (the "**Receivership Proceedings**") of the Debtor (the "**Receiver**"). You will treat confidentially any information the Receiver or its representatives furnish to you in connection with the Assets (the "**Evaluation Material**"), provided, however, that the term "Evaluation Material" does not include information that: (a) was or becomes generally available to the public or to you on a non-confidential basis through no fault or breach of this agreement on your part or on the part of any of your directors, officers, employees or agents (including investment bankers, financing sources, accountants, and attorneys) (all such directors, officers, employees or agents referred to collectively as, "**Representatives**"); (b) was independently developed by you or your affiliates without reference to the Evaluation Material; or (c) was provided to you by a third party not known to you, after due inquiry, to be subject to confidentiality obligations.

You shall use the same degree of care as you use to protect your own confidential information of a similar nature, but not less than reasonable care, to prevent the unauthorized use, dissemination or publication of the Evaluation Material.

You agree that you will not use the Evaluation Material for any purpose other than evaluating your interest in purchasing some or all of the Assets; provided, however, that you may disclose

any Evaluation Material to your Representatives who need to know such information for the purpose of evaluating the possible purchase of the Assets (it being understood that you shall inform such Representatives of the confidential nature of such information and that, by receiving such information, they agree to abide by the terms this Agreement), provided that you will be responsible for any breach of the provisions of this Agreement by any such Representatives. Upon gaining access to the Evaluation Material, you will not contact any director, officer, employee or stakeholder of the Debtor or its affiliates with respect to the Evaluation Material or any other matter contemplated in this Agreement, without the express consent of the Receiver. In the event you are deemed a "Phase 2 Qualified Bidder" in accordance with the terms of the Sale Process, the Receiver may assist and coordinate meetings, discussions, and other communications between you and the aforementioned parties, all with a view of assisting you in submitting a "Binding APA" pursuant to the Sale Process.

In the event that you are required by applicable law or legal process or regulatory body or agency to disclose any part of the Evaluation Material, you will, to the extent permitted by law, give the Receiver prompt notice of such request so that the Receiver may seek an appropriate protective order. If in the absence of a protective order you are nonetheless compelled to disclose any part of the Evaluation Material, you may disclose such information (but only to the extent necessary to comply with your legal obligations) without liability hereunder, provided, however, that you give the Receiver written notice of the information to be disclosed as far in advance of its disclosure as is practicable and legally permitted. Upon the Receiver's request, you will use your commercially reasonable efforts to obtain assurances that confidential treatment will be accorded to such information.

Upon the Receiver's written request, you shall return promptly to the Receiver or destroy all copies of the Evaluation Material and you shall provide promptly a written certificate to the Receiver confirming your compliance with this Agreement. Notwithstanding the foregoing, on written notice to the Receiver concurrently with the provision of the aforementioned written certificate, you may retain a copy of the Evaluation Material to the extent required in order to comply with regulatory and internal record retention requirements.

You agree that (a) the Receiver reserves the right, in its reasonable business judgment, and subject to competitive and other business considerations, to decline access to all or part of the Evaluation Material, and (b) the Receiver reserves the right to reject any and all offers for the Assets or to terminate discussions and negotiations with you at any time all in accordance with the terms of the Sale Process. The exercise by the Receiver of these rights shall not affect the enforceability of any provision of this Agreement.

You acknowledge and agree that neither the Debtor nor the Receiver nor their representatives have made or make any representation or warranty as to the accuracy or completeness of the

Evaluation Material. You agree that neither the Debtor nor the Receiver nor their representatives shall have any liability to you or any of your Representatives resulting from the use of, or reliance on, the Evaluation Material. You agree that if you determine to engage in a transaction with the Receiver, such determination will be based solely on the terms of any definitive written agreement covering that transaction and on your own investigation, analysis and evaluation of the transaction.

You agree that damages may not be a sufficient remedy for any breach of this Agreement by you or your Representatives, and that in addition to all other remedies, the Receiver shall be entitled to seek specific performance, injunctive relief or other equitable relief as a remedy for any such breach.

You agree that this Agreement, and any rights of the Debtor or Receiver hereunder, shall inure to the benefit of any party that enters into a transaction contemplated by the Sale Process.

The Receiver may disclose the existence of this agreement, the identities of the parties hereto and any other information in respect of this agreement, or a transaction proposed by any party hereto, to the extent required in connection with the Receivership Proceedings or applicable laws, to any other person.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. This Agreement and the rights and obligations of the parties will terminate two years from the date hereof.

Please indicate your agreement with the foregoing by signing and returning one copy of this agreement to:

[NTD]

Yours very truly,

**TERRASAN 327 ROYAL YORK RD.
LIMITED , by its court appointed receiver
BDO Canada Limited., and not in any other
capacity**

Per: _____

Name:

Title:

Confirmed and agreed to this _____ day of _____, 2017

▶ **[Potential Bidder Organization Name]**

Per: _____

Name:

Title:

(I have the authority to bind the corporation)

CENTURION MORTGAGE CAPITAL CORPORATION and **TERRASAN 327 ROYAL YORK RD. LIMITED**

Applicant

Respondent

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p>	<p>ORDER (Sale Process)</p>	<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1 Fax: 416-863-4592</p> <p>Robert Kennedy (LSUC No. 474070) Tel: 416-637-6756 Email: robert.kennedy@dentons.com</p> <p><i>Counsel to the Receiver</i></p>
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TAB B

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

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

March 27, 2017

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- A Receivership Order dated February 24, 2017
- B Legal Description of 327 Royal York Road, Toronto, ON
- C Description of the anticipated development
- D Affidavit of Ryan Buzzell sworn January 27, 2017 (without appendices)
- E Proposed Marketing and Sale Process Overview and Timelines
- F BDO Canada Limited Fee Affidavit sworn March 27, 2017

INTRODUCTION AND PURPOSE OF THIS REPORT

Introduction

1. By Order of the Honourable Mr. Justice Wilton-Siegel 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 "Property") of Terrasan 327 Royal York Rd. Limited ("Terrasan" or the "Company"), pursuant to the application made by Centurion Mortgage Capital Corporation ("Centurion"). A copy of the Receivership Order is annexed hereto as Appendix A.

2. The Company's principal asset is a partially constructed residential condominium development located at 327 Royal York Rd., Toronto, ON known as the "On the Go Mimico" residential condominium development (the "Project"). A legal description of the Project lands, municipally known as 327 Royal York Rd., Toronto, ON (the "Real Property"), is included hereto as Appendix B.

3. Pursuant to Paragraph 3(k) and (l) of the Receivership Order, the Receiver is authorized to sell, convey, transfer, lease or assign any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver, in its discretion, may deem appropriate.

Purpose of this Report

4. The purpose of this report dated March 27, 2017 (the "First Report") is to provide information to the Court with respect to:

(a) the activities of the Receiver since its appointment pursuant to the Receivership Order;

(b) the status of the Payout (as defined herein);

(c) the Receiver's motion for an order of this Court:

- a. approving the Receiver's proposed marketing and sale process for the Project (the "Sale Process"), as set out in this First Report; and
- b. approving the activities of the Receiver, and seeking approval of the Receiver's interim fees and disbursements, as set out in this First Report.

Disclaimer

5. In preparing this First Report and conducting its analysis and recommendations, the Receiver has obtained and relied upon information provided to it by the officers and directors of the Company, which included construction, environmental and other reports, unaudited financial statements and internal financial reporting. The Receiver's procedures did not constitute an audit or review engagement of the Company's financial reporting or other verification of such information. The Receiver has relied upon the financial statements and financial and other records of the Company in reaching the conclusions set out in this First Report.

6. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

Background

7. The Receiver understands that Terrasan is a single purpose entity incorporated in Ontario for the purpose of the development of the Project. The Project is currently under construction and was to be developed into 242 suites ranging from 537 sq. ft. to 2,700 sq. ft. including two levels of penthouses. Additionally, the Project was to include 193 residential parking stalls, 116 lockers and 8,245 sq. ft. of retail/commercial space.

8. According to the Corporate Profile Report of Terrasan, Luigi Santaguida is listed as the sole officer and director of Terrasan. Mr. Santaguida is the acting President and Secretary of

Terrasas. To the Receiver's knowledge, Terrasan has no other employees other than Mr. Santaguída. The Project is marketed by Stanton Renaissance Limited ("Stanton"), which also is the marketing banner for two other construction developments managed by Mr. Santaguída. Terrasan presently employs 3 independent contractors through another entity known as Santerra Asset Management And Development Inc. ("Santerra"), to provide management, accounting, administration and support for the Project.

9. The Company's marketing materials indicate that the Project was to be the City of Toronto's only residential condominium with access to the GO Transit service just steps from the Property, although the Receiver understands Metrolinx has since terminated its partnership with Terrasan. The marketing materials further indicate that the condominium was to have stunning, contemporary designs with unobstructed views of the lake and city, the latest finishing features, large stylish balconies, Italian designed and manufactured gourmet kitchens and one of the most exciting new technologies that would save residents significant money on heating and cooling costs. For example, the condominium was to be Toronto's first high rise with integrated GeoExchange and Cogeneration technology that works with nature to borrow energy from the earth in the winter and put it back in the summer, redirecting and recycling energy to where it is needed thereby providing savings on utility costs and monthly condo fees. Attached as Appendix C, is a description of the Project available on the Stanton website.

Centurion - Other Secured Parties

10. As noted in the Affidavit of Ryan Buzzell sworn on January 27, 2017 (the "Buzzell Affidavit") and filed in support of the application for the Receivership Order, Centurion agreed to loan the principal sum of \$21.8 million to Terrasan in the form of a demand, non-revolving construction credit facility (the "Loan"). The purpose of the Loan was to finance the construction of the Project.

11. As security for the Loan indebtedness and obligations to Centurion, Terrasan delivered the following security which includes, without limitation (collectively, the "Security"): (i) a mortgage in the amount of \$21.8 million, (ii) a general assignment of rents, (iii) a general security agreement, and (iv) an absolute and unconditional guarantee from Mr. Santaguida.

12. On April 14, 2016, Duca Financial Services Credit Union Ltd. ("Duca") registered a first Charge/Mortgage on title to the Real Property as Instrument No. AT4192670 (the "Duca Mortgage").

13. On or about January 3, 2017, Centurion paid out the loan secured by the Duca Mortgage and Centurion added the amounts it paid in respect of the Duca Mortgage of approximately \$576,944 to its indebtedness under the Loan.

14. For ease of reference, set out below is a summary of the charges that are registered against the Real Property:

Creditor	Instrument Number	Charge Amount
Centurion	AT4192730	\$21,800,000
Diversified Capital Inc.	AT3235332 and AT4035434 (Transfer of Charge)	\$7,700,000
The Guarantee Company of North America ("GCNA")	AT3841250	\$15,053,500
Olympia Trust Company/John Fletcher/Community Trust Company	AT3539503 and AT4464383 (Transfer of Charge)	\$10,000,000

15. According to the Buzzell Affidavit, Centurion is owed in excess of \$11,747,220.99 as at January 24, 2017, together with accruing interest and costs.

16. Additional background information relating to the Company and the events leading to the issuance of the Receivership Order can be found in paragraphs 11 to 26 of the Buzzell Affidavit, a copy of which is annexed hereto (without appendices) as Appendix D

ACTIVITIES OF THE RECEIVER SINCE ITS APPOINTMENT

Statutory Duties

17. The Receiver has prepared and issued the prescribed Notice and Statement of the Receiver pursuant to sections 245 (1) and 246 (1) of the *Bankruptcy and Insolvency Act*, which was forwarded to the Office of the Superintendent of Bankruptcy and the Company's creditors.

The Project

18. Immediately following its appointment, the Receiver attended at the Real Property and changed the locks to the gates at the construction site.

19. The Receiver has held meetings with representatives from Stanton and Terrasan to obtain marketing, financial and other information required to conduct a fulsome sale process as described below.

20. The Receiver, through its counsel, Dentons Canada LLP, registered the Receivership Order against title to the Real Property at the land registry office.

21. The Receiver has communicated with the insurance broker, Marsh Canada, to confirm that the existing insurance policy was effective and adequate in the circumstances, and also to have the Receiver be included as an "additional insured" and "loss payee" under the Company's existing insurance policy.

22. Pursuant to paragraph 3(g) of the Receivership Order, the Receiver has taken possession of the Company's bank accounts with the Bank of Montreal and Duca. The Receiver seized bank account funds of approximately \$286,178 and \$1,095,910 from the Bank of Montreal and Duca

bank accounts, respectively. Additionally, the Receiver is advised of an irrevocable standby letter of credit issued in favour of the City of Toronto in the amount of \$173,535 as a landscaping deposit which amount is being held in a term deposit, earning interest 0.3% until the maturity date of April 3, 2017, at Duca.

23. The Receiver has also reviewed certain appraisals, construction, environmental and consultant's reports obtained from Terrasan to better understand the Project and the progress of construction of the condominium.

24. The Receiver has reviewed the latest report on the progress of the Project dated November 29, 2016 (the "Progress Report"). The Progress Report indicated that the "hard costs" associated with the actual construction of the condominium were approximately 13.6% complete as of the date of the Progress Report. The Receiver understands that the condominium foundation has been poured, the "slab on grade" is complete, a partial pouring of parking level 2 has been done and certain foundation walls are completed. Site servicing connections remain incomplete.

25. The Receiver has held meetings with Empire Communities Management Inc. ("ECMI LP"), the construction management company engaged prior to the appointment of the Receiver, to understand the day-to-day maintenance and associated costs required to effectively maintain and preserve the construction site.

26. In order to safely maintain the construction site and preserve and protect the value of the construction completed to date until a sale of the Project is completed, the Receiver will incur costs associated with, but not limited to, the following:

- (1) construction management services provided by ECMI LP to care for the construction site;

- (2) dewatering services (continuous) to protect the foundation, "slab on grade" and foundation walls that have been poured;
- (3) utility services; and
- (4) trade services of electricians and other labourers to ensure that electrical connections are safe, pumps are working, general maintenance is continued and overall safety of the construction site is maintained.

27. The Receiver has obtained and reviewed a cash flow forecast prepared by ECMI LP which shows that the Receiver will incur in the range of \$70,000 to \$110,000 in costs on a monthly basis to maintain, preserve and protect the construction site. The reported high range figure of \$110,000 includes provision for an estimated \$20,000 per month payable to Santerra for overall project management and assistance with the Sale Process, if required (the "Carrying Costs").

Terrasas Payout

28. Pursuant to paragraph 4 of the Receivership Order, Terrasan was provided until March 24, 2017 to payout all amounts outstanding to Centurion under the Loan (the "Payment"). Upon Terrasan delivering the Payment, and upon payment of the Receiver's fees, the Receivership Order would be discharged.

29. In the interim period, the Receivership Order directed that the Receiver shall not market or solicit offers, or negotiate terms and conditions of sale in respect of the Property. The Receivership Order did authorize the Receiver to take all steps necessary to perform due diligence on the Property, gather relevant documentation for a sale process, and prepare and develop sale process materials.

30. As of the date of this First Report, the Receiver has not received the Payment. Additionally, the Receiver understands from Centurion that it has not received the Payment.

PROPOSED MARKETING AND SALE PROCESS

31. The Receiver is seeking this Court's approval of the Receiver's proposed Sale Process, the details of which are set out in detail below.

32. The Receiver has developed the proposed Sale Process to solicit bids by a set bid deadline. The Receiver is of the view that the proposed Sale Process balances the need to have a sale accomplished in a reasonable time frame to limit the Carrying Costs with the desire to properly expose the Project to the marketplace to maximize recovery for the creditors.

Overview

33. The proposed Sale Process, including the proposed timelines, is annexed hereto as Appendix E, and will consist of the following steps:

- (a) preparing a list of developers and other identified potential strategic buyers, who will be contacted by telephone or email with a "teaser letter" describing the development/investment opportunity;
- (b) creating a website promoting the Sale Process, which will be accessed through the website that the Receiver created to provide access to all public Court documents in these proceedings, namely, www.extranets.bdo.ca/terrasan;
- (c) advertising the development/investment opportunity in the national edition of the Globe & Mail on two separate occasions;
- (d) advertising the development/investment opportunity in the "Daily Commercial News" construction gazette;
- (e) advertising the development/investment opportunity in the NRU GTA Weekly Newsletter;

- (f) advertising the development/investment opportunity on the MLS and/or ICX website through a third party provider;
- (g) posting the “teaser letter” on the Axial website, thereby promoting the development/investment opportunity to private market professionals;
- (h) preparing a form of confidentiality agreement and a confidential information memorandum (the “CIM”) to invite offers to purchase the Project, which will include a summary of the opportunity and the terms and conditions of sale (the “Terms and Conditions”);
- (i) the Terms and Conditions included in the CIM will request that non-binding bids be submitted no later than 5:00 pm (Toronto time) on Friday, May 12, 2017 (the “Non-Binding APA Deadline”) in accordance with the proposed Sale Process, which will require the following:
 - the identity of the purchaser;
 - the total dollar value of the bid submitted;
 - a deposit equal to 5% of the offer price; and
 - evidence of financial wherewithal to complete the transaction.
- (j) pre-qualifying bidders and ensuring they execute the confidentiality agreement prior to being granted access to the Receiver’s encrypted virtual electronic data room (the “Data Room”), which will contain, among other things: (i) the CIM and financial information relevant to the Project; (ii) other pertinent site and development information relevant to the Project, and (iii) a template asset purchase agreement;
- (k) coordinating site visits to the Property;
- (l) responding to additional information requests and questions regarding the Project;

- (m) receiving and refining bids and selecting a winning bidder;
- (n) allowing qualified bidders a limited due diligence period; and
- (o) finalizing an agreement of purchase and sale and preparing to seek Court approval of the selected bid.

Proposed Sale Process Timeline

34. Set out below is the proposed Sale Process timeline (capitalized terms are as defined in the Sale Process):

Date(s)	Summary of Sale Process Step(s)
February 24, 2017 to Monday, April 3, 2017 <i>(5 weeks)</i>	Set up encrypted virtual data room and website Complete CIM Prepare marketing materials and teaser letter Assemble target lists
Monday April 3, 2017	Court approval of the proposed Sale Process
Tuesday April 4, 2017 to Friday, May 12, 2017 <i>(6 weeks)</i>	Contact interested parties and distribute teaser letter Delivery of executed confidentiality agreements and grant access to encrypted data room Marketing efforts as set out in paragraph 34 (c) to (i) above Potential Bidder meetings Co-ordinate site visits
Friday, May 12, 2017	Non-Binding APA Deadline - 5:00 pm (Eastern Standard Time)
Monday, May 15, 2017 to Friday, May 26, 2017 <i>(2 weeks)</i>	Review and evaluate Non-Binding APAs Negotiate Non-binding APAs Qualify Phase II Qualified Bidders
Monday, May 29, 2017 to Friday, July 28, 2017 <i>(9 weeks)</i>	Phase II Qualified Bidder due diligence period Co-ordinate any legal and tax issues Assist in any reasonable diligence requests
Friday, July 28, 2017	Binding APA Deadline - 5:00 pm (Eastern Standard Time)
Monday, July 31, 2017 to	Selection of Successful APA, and finalization and

Date(s)	Summary of Sale Process Step(s)
Monday August 7, 2017 (1 week)	execution of Successful APA
Friday August 18, 2017 (2 weeks)	Court approval of Successful APA and transaction
Friday, August 25, 2017 (1 week)	Closing

35. The proposed Sale Process is expected to take 21 weeks or just over 5 months to complete should the Court approve the Sale Process. The Carrying Costs that are expected to be paid by the Receiver from the date of its appointment to completion of the Sale Process are in the range of \$455,000 and \$715,000, excluding professional fees of the Receiver and its counsel, and providing there are no extraordinary issues that surface during the Sale Process period.

36. Although the Receiver's intended course of action is to run its Sale Process with a bid deadline, the Receiver also seeks the flexibility to be able to accept any bid received at any time, terminate the proposed Sale Process at any time and immediately enter into discussions with a bidder with a view to finalizing the transaction contemplated by such bid.

37. The market of likely buyers for the Project may be relatively limited to residential property developers in this instance and can be readily identified by the Receiver. The Project's attributes do not appear to lend themselves to being simply listed on MLS alone as would be the case if selling the Real Property through a real estate broker. The Receiver's proposed Sale Process provides for the comparison of multiple offers inherently maximizing asset value. The Receiver's proposed Sale Process will also set to limit the due diligence period required by prospective purchasers during which time the property would essentially be "off the market" if being sold by a real estate broker.

38. The Receiver is of the view that the proposed Sale Process represents a reasonable and commercially efficient process which allows a sufficient opportunity to optimize the chances of

securing the best possible price for the Project for the benefit of the Company's creditors as a whole.

FEES AND DISBURSEMENTS

39. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements, which are described in the affidavit of Josie Parisi sworn March 27, 2017, and the detailed invoices attached thereto, a copy of which is annexed hereto as Appendix F.

40. The detailed time descriptions 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.

41. The Receiver requests that the Court approve its interim accounts from January 10, 2017 to March 17, 2017 in the amount of \$25,773.43, inclusive of HST of \$2,965.08.

42. Additional time will be required to complete the Receiver's mandate under the Receivership Order.

SUMMARY AND RECOMMENDATIONS

43. The Receiver is satisfied that the proposed Sale Process represents the most efficient and fair process to be administered in the circumstances, that will sufficiently expose the Project for sale to the marketplace to generate the maximum value for the Project. Furthermore, the Receiver's recommendation is supported by the Company's secured lenders, Centurion and GCNA.

44. Accordingly, the Receiver respectfully requests an order:
- (a) approving this First Report and Receiver's activities as set out herein;
 - (b) approving the Receiver's proposed Sale Process as described herein; and
 - (c) approving the professional fees and disbursements of the Receiver, as set out herein.

All of which is respectfully submitted this 27th day of March, 2017.

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

Per:



Name: Gary Cerrato, CIRP
Title: Vice-President

APPENDIX “A”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

ORDER
(Appointing Receiver)

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

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

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

SERVICE

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

APPOINTMENT

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

RECEIVER'S POWERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

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

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

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

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

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

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

SERVICE AND NOTICE

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

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

GENERAL

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

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

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

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

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

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

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

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

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

FEB 24 2017

PER / PAR:



SCHEDULE "A"

LEGAL DESCRIPTION OF THE LANDS

P.I.N. 07617-0889 (LT)

Description: LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO

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SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 2017 (the "Order") made in an action having Court file number CV-17-11679-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

- 3 -

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

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

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

DATED the ____ day of _____, 2017.

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

Per: _____

Name:

Title:

CENTURION MORTGAGE -and-
CAPITAL CORPORATION

TERRASAN 327 ROYAL YORK RD.
LIMITED

Applicant

Respondent

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

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

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

PROCEEDING COMMENCED AT TORONTO

**ORDER
(Appointing Receiver)**

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

Dominique Michaud LSUC #56871V
dmichaud@robapp.com
Tel: (416) 360-3795

Ellad Gersh LSUC #58579S
egersh@robapp.com
Tel: (416) 360-3740
Fax: (416) 868-0306

Lawyers for the Applicant

APPENDIX “B”

P.I.N. 07617-0889 (LT)

Description: LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO

APPENDIX “C”



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On The Go Mimico Residential Condos

VISION

On The Go Mimico offers the city's ONLY residential condominium with access to the GO Transit service just steps from its property. You can work and play downtown and return home to your comfy Mimico neighbourhood with the GO station quickly accessible. But that's not all this trendsetting condominium has to offer. Stunning, contemporary design with unobstructed views of the lake and city, the latest finishing features, large stylish balconies, Italian designed and manufactured gourmet kitchens and one of the most exciting new technologies that will save residents significant money on heating and cooling costs. On The Go Mimico will incorporate Toronto's first high rise integrated GeoExchange and Cogeneration technology that works with nature to borrow the energy from the earth in the winter and put it back in the summer, redirecting and recycling to where it is needed. In fact residents at On The Go Mimico will save on utility costs and on monthly condo fees because of this progressive and innovative technology. The condominium features 242 suites from 537 sq. ft. to 2,700 sq. ft. including two levels of penthouses.

Mimico Is One Of The 10 Best Places To Live in The GTA!



Copyright © Stanton Renaissance 2016

Surrounded by the warm and friendly community of Mimico, (identified as Toronto's top emerging community and one of the ten best places to live in the GTA) residents will enjoy an eclectic variety of shops, bakeries, cafes and restaurants as well as lush parks and lakefront trails. Mimico is a grand old neighbourhood with big old trees, big box stores and now a big opportunity to own a cutting edge condo - all just 15 minutes from Union Station!!

Local Amenities

IT'S IN YOUR NEIGHBOURHOOD



SHOPS & RESTAURANTS

- Canadian Tire
- Costco
- KYEA
- Home Depot
- Joujou Hair Studio
- Sherway Gardens
- Sanimo Bakery
- The Blue Goose Tavern
- Everset Indian
- Maurys Pot
- Sweet Oleola's
- Postino Rotomata



SCHOOLS

- École Ste Marguerite d'Youville
- Ebocole School of the Arts
- Fr. John Redmond Catholic Senior
- George R. Gould Junior
- High Park Centennial Montessori
- Humber College
- John English Junior Middle
- Karen Klein School of the Arts
- Lakeshore Collegiate Institute
- Mimico Adult Centre
- Royal House of Music
- St. Leo Catholic



COMMUNITY CENTRES

- Assembly Hall Community Cultural Centre
- Ebocole Yacht Club
- Gus Ryder Pool
- John English Community Centre
- Ken Cox Community Centre
- Mastercard Centre Arena
- Mimico Arena
- Mimico Tennis Club
- Mimico Centennial Public Library
- Ourbed Community Centre + Pool



TRANSIT

- Mimico Go Station
- TTC Bus Stop
- TTC Street Car
- Royal York Subway Station
- Gardiner Expressway / QEW
- Highway 401
- Highway 427
- Lake Shore Boulevard
- The Queensway



SERVICES

- BMO Bank of Montreal
- Dr. A. Hoer Family Dental
- Kassels Pharmacy
- Mimico Medical Centre
- Mimico Dental Care
- State Farm Insurance

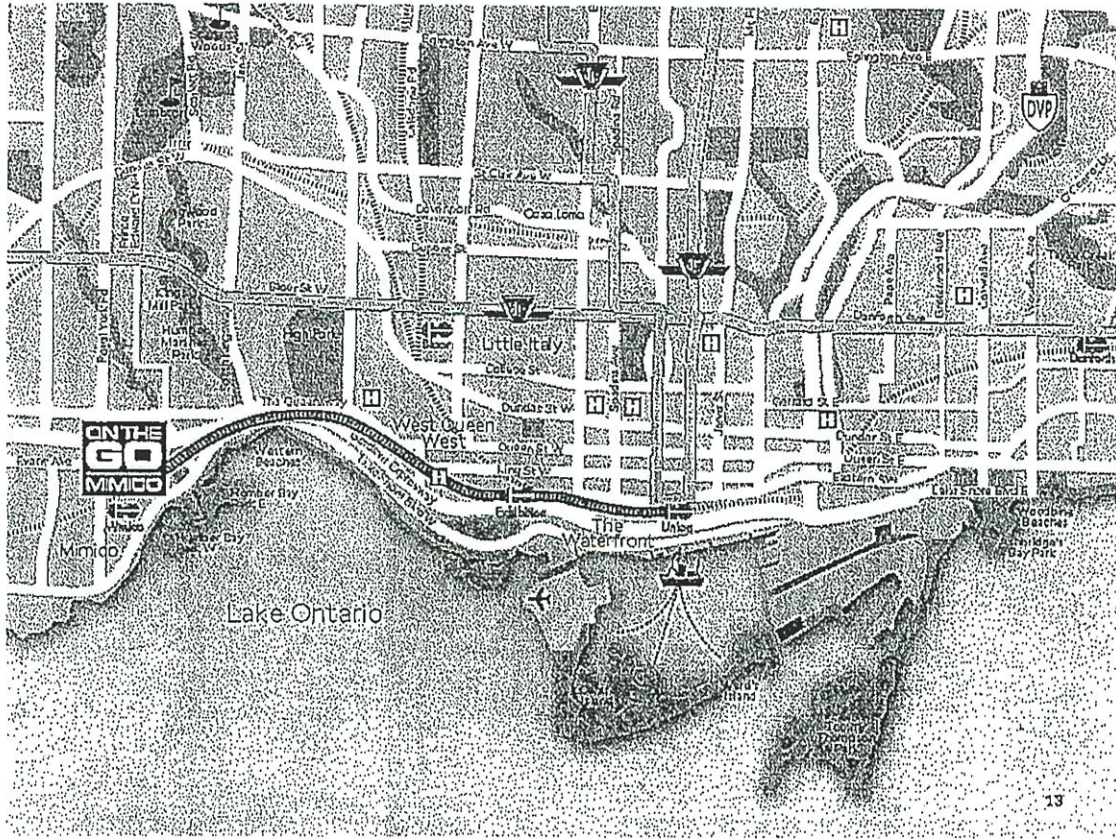


PARKS & TRAILS

- Coronation Park
- Christ Church Memorial Garden
- Mimico Waterfront Linear Park
- Amos Vukas Park
- Mimico Square
- Mimico Memorial Park
- Prinoa of Wales Park
- CE Lumden Park
- Colonel Samuel Smith Park
- Ice Skating Trail

12





LIFESTYLE

LOCATION

DESIGN



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APPENDIX “D”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

-and-

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

AFFIDAVIT OF RYAN BUZZELL

I, RYAN BUZZELL, of the City of Toronto, in the Province of Ontario MAKE OATH
 MAKE OATH AND SAY:

1. I am the Director of Mortgage Investments and Joint Ventures of the Applicant, Centurion Mortgage Capital Corporation (the "Lender") and, as such, have knowledge of the matters contained in this Affidavit.
2. I am making this affidavit in support of an application by the Lender for the appointment of a BDO Canada Limited (the "Receiver"), as receiver over the assets, undertakings and property of the Respondent, Terrasan 327 Royal York Rd. Limited (the "Borrower"). Where this affidavit is based on information received from others, I verily believe that information to be true.

Parties

3. The Borrower is an Ontario corporation and the registered owner of those lands and premises located at 327 Royal York Road, Toronto, Ontario, legally described in Exhibit "A" attached hereto. (the "Property"). The Property is currently under construction, and was to be developed into a 242 residential condominium units, 193 residential parking stalls, 116 lockers and 8,245 square feet of retail/commercial space project located at the Property known as On the GO Mimico Condos (the "Project"). Attached as Exhibit "B" is a description of the anticipated development of the Project available on the Stanton Renaissance website.

4. To the best of my knowledge, the Borrower is a single purpose entity incorporated for the purposes of the development of the Project and has no other business. Attached as Exhibit "C" is a corporation profile report for the Borrower.

5. The Lender is an Ontario Corporation, carrying on business in Ontario as, *inter alia*, a commercial mortgage lender. Attached as Exhibit "D" is a corporate profile report for the Lender.

Credit Facility and Security

6. The Borrower is indebted to the Lender pursuant to the terms of the Commitment Letter dated March 23, 2016 (the "Commitment"), in which the Lender agreed to loan the principal sum of \$21,800,000.00 to the Borrower in the form of a demand, non-revolving construction credit facility. (the "Loan") The purpose of the Loan was to finance the construction of the Project. A copy of the Commitment Letter under which the Loan was advanced is attached as Exhibit "E".

7. As security for its indebtedness and obligations to the Lender under the Loan, the Borrower delivered, *inter alia*, the following security without limitation to the Lender:

- (a) A second Charge/Mortgage in the amount of \$21,800,000.00 registered on title to the Property on April 14, 2016, as instrument number AT4192730 (the "Centurion Mortgage") including a Schedule which formed part of the Centurion Mortgage;
- (b) a General Notice of Assignment of Rents registered on title to the Property on April 4, 2016, as instrument number AT4192731 (the "Assignment of Rents");
- (c) a General Security Agreement dated March 30, 2016 (the "GSA"); and
- (d) the Guarantee (defined below).

(collectively the "Security").

Copies of these Security documents are attached as Exhibit "F", "G", "H" and "I" respectively.

8. On March 30, 2016, the Lender made a registration pursuant to the *Personal Property Security Act* (the "PPSA"), with respect to all present and future security interests with respect to the Property. A copy of the PPSA is attached as Exhibit "J".

9. On March 30, 2016, the Borrower also signed and delivered in favour of the Lender:

- (a) an acknowledgement that Standard Charge Terms No. 201418 (the "Standard Charge Terms") was included in a Charge between the Borrower and Lender and that the Borrower received a copy of those Standard Charge Terms before signing the Centurion Mortgage, a copy of which is attached as Exhibit "K"; and
- (b) an Undertaking and Agreement to Complete, Fund Cost Overruns and Debt Service Agreement (the "Undertaking and Agreement") a copy of which is attached as Exhibit "L".

10. The principal of the Borrower, Luigi Santaguida (the "Guarantor"), also provided the

Lender an absolute and unconditional guarantee in respect of the full amount of the indebtedness under the Loan, dated March 30, 2016 (the "Guarantee").

11. The Borrower is in default of the terms of the Loan, the particulars of which are described below. As at January 24, 2017, the Borrower owed the Lender \$11,747,220.99, plus per diem interest rate of \$3,205.52, plus costs, including the legal fees, disbursements and other expenses that have been incurred by the Lender to date. A copy of the Lender's mortgage statement dated January 24, 2017 is attached as Exhibit "M".

12. The terms of the Centurion Mortgage and the GSA permit the Lender to appoint a receiver, in the event that the Borrower is in default of the Loan. Paragraph 35 of the Standard Charge Terms states as follows:

35. APPOINTMENT OF A RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the Charged Lands appoint in writing a Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the Charged Lands, or any part thereof; and of the rents and profits thereof, if any, and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, or pursuant to the Trustees Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee in its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the Charged Lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the Charged Lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (a) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (b) Every such Receiver shall be the Irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the Charged Lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (c) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the Charged Lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (d) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the Charged Lands or any part thereof;
- (e) The Receiver shall have the power to rent any portion of the Charged Lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the Charged Lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the Charged Lands;
- (f) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor;
- (g) Every such Receiver shall have full power to complete any unfinished construction upon the Charged Lands;
- (h) Such Receiver shall have full power to manage, operate, amend, repair, or alter the Charged Lands or any part thereof in the name of the Chargor;
- (i) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all charges which may be registered against the lands from time to time, whether or not such charges are prior to the interest of the Chargee in the Charged Lands; sale of the Charged Lands; borrowing money on the security of the Charged Lands; applying for and executing all documents in any way related to any re-zoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended, subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements or rights of way necessary or incidental to any such agreements; executing all grants, documents, Instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing any application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid the Chargor does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the Charged Lands, and to commence, institute and prosecute all actions, suits and other proceedings

which may be necessary or expedient in and about the Charged Lands, as fully and effectually to all intents and purposes as the Chargor could do if personally present and acting therein; and

(j) The Receiver shall not be liable for any loss howsoever arising and the Receiver shall not be liable to the Chargor to account for monies received other than cash received by it in respect to the Charged Lands or any part thereof and out of such cash so received, every such Receiver shall pay in the following order: its remuneration; all payments made or incurred by it in the exercise of its powers hereunder; any payment of interest, principal and other money which may from time to time be or become charged upon the Charged Lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the Charged Lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the Charged Lands in the same manner as if such documentation was duly executed by the Chargor himself.

13. Further, paragraph 13 of the GSA states as follows:

Upon default, the Secured Party may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Secured Party or not, to be a receiver (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of the Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Secured Party, and the Secured Party shall, not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any Receiver his servants, agents or employees. Subject to the provisions of the instrument appointing him, any Receiver shall have power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any Receiver may, to the exclusion of all others including the Debtor, enter upon by peaceable or forcible means at any time of the day or night, use and occupy all premises owned or occupied by the Debtor wherein the Collateral may be situated, maintain the Collateral upon such premises, borrow money on a secured or unsecured basis and use the Collateral directly in carrying on the Debtor's business or as security for loans or advances to enable him to carry on the Debtor's business or otherwise, as the Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Secured Party, all monies received from time to time by any Receiver in carrying out his appointment shall be received in trust for and paid over the Secured Party. Every Receiver may, in the discretion of the Secured Party, be vested with all or any of the rights and powers of the Secured Party.

The Defaults and Demands made by the Lender

14. The Borrower breached the terms of the Commitment and the Security, *inter alia* by:
- (a) defaulting under the Duca Mortgage (defined below), for which a Notice of Intention to Enforce Security and demand for repayment on the First Mortgage was delivered on December 12, 2016, in favour of Duca, copies of which are attached collectively as Exhibit "N";
 - (b) through the unauthorized use of \$2,395,509.00 in loan funds previously advanced by Diversified, originally earmarked for payment of Project development charges, as part of the Borrower's required equity under the Commitment, which instead were paid to:
 - (i) Santerra Asset Management and Development Company in the amount of \$1,634,200 which did not pay or reimburse Project costs; and
 - (ii) Diversified in the amount of \$761,309.00 in respect of interest costs under their subordinate mortgage, which was not a permitted Project cost; and
 - (c) failure on the part of the Borrower to fund immediately upon demand by the Lender from equity, "Cost-Overruns", as defined in the Undertaking and Agreement, in the total amount of \$2,714,053 as at December 19, 2016, in breach of the terms of the Undertaking and Agreement and which constitutes an event of default of the covenants and obligations under the Loan.

(collectively, the "Defaults").

15. As a result of the Defaults, the Lender demanded repayment of the Loan on the Borrower and the Guarantor by letters dated December 19, 2016 (collectively the "Demand Notice"). A copy of the Demand Notice is attached as Exhibit "O".

16. The Lender also served a Notice of Intention to Enforce Security pursuant to the provisions of the *Bankruptcy and Insolvency Act* on December 19, 2016 (the "BIA Notice"), a copy of which is attached as Exhibit "P".

Payout of Duca Mortgage to Lender

17. On April 14, 2016, Duca Financial Services Credit Union Ltd. ("Duca"), registered a first Charge/Mortgage on title to the Property as Instrument No. AT4192670 (the "Duca Mortgage"), a copy of which is attached as Exhibit "Q".

18. On or about January 3, 2017, the Lender paid out the Duca Mortgage and it was discharged from title to the Property. The Lender added the amounts it paid in respect of the Duca Mortgage to the indebtedness under the Centurion Mortgage. A copy of the discharge of the Duca Mortgage is attached as Exhibit "R".

Subsequent Encumbrancers

19. Set out below is a summary of the charges that are registered against the Property, and the corresponding ranking priority:

Creditor	Instrument Number	Amount of Charge Against the Properties
Lender	AT4192730	\$21,800,000
Diversified Capital Inc. ("Diversified")	AT3235332 and AT4035434 (Transfer of Charge)	\$7,700,000
The Guarantee Company of North America ("GCNA")	AT3841250	\$15,053,500
Olympia Trust Company/John Fletcher /Community Trust Company ("CTC")	AT3539503 and AT4464383 (Transfer of Charge)	\$10,000,000

Attached as Exhibits "S", "T" and "U" are copies of the subsequent charges.

20. Aside from the Lender's PPSA registration, as at January 25, 2017, the only other subsequent PPSA registration against the Borrower was registered by Diversified and GCNA. A copy of the January 25, 2017, PPSA search is attached as Exhibit "V".

21. As of January 26, 2017, there were no writs of execution issued against the Borrower in Toronto. A copy of the January 26, 2017 execution search is attached as Exhibit "W".

22. As of January 26, 2017, the following construction liens were registered on title to the Property:

- (a) CRH Canada Group Inc., in the amount of \$435,519 and registered as Instrument No. AT4455871;
- (b) Summit Concrete & Drain Ltd., in the amount of \$111,313 and registered as Instrument No. AT4458595;
- (c) Roni Excavating Limited, in the amount of \$504,413 and registered as Instrument No. AT4459539;
- (d) Bluescape Construction Management Inc., in the amount of \$469,827 and registered as Instrument No. AT4462727;
- (e) Mansteel Rebar Ltd., in the amount of \$228,336 and registered as Instrument No. AT4464740;
- (f) Desrosiers Geothermal Corporation in the amount of \$285,237 and registered as Instrument No. AT4467005;
- (g) R. Mancini and Associates Ltd. in the amount of \$34,881 and registered as Instrument No. AT4468556; and
- (h) R. Mancini and Associates Ltd. in the amount of \$29,826 and registered as Instrument No. AT4468557.

A copy of an updated parcel registrar of the Property reflecting the registration of these construction liens is attached as Exhibit "X".

23. The Lender entered into Subordination, Assignment, Postponement and Standstill Agreements with Diversified and CTC in March 2016 as well as a Priority Agreement with GCNA. Copies of those agreements are attached collectively as Exhibit "Y".

24. By letters dated January 20, 2017 (the "Payout Notice"), the Lender provided notice to Diversified, GCNA and CTC that it had paid out the Duca Mortgage and that the Centurion Mortgage will become the first mortgage once the Duca Mortgage was discharged. The letters also advised of the Lender's intention to appoint a receiver in respect of the Borrower as a result of the defaults of the Borrowers. Copies of the Payout Notice are collectively attached as Exhibit "Z".

Agreements with Purchasers

25. I am advised by the Borrower that there are 208 agreements of purchase and sale that have been entered into with purchasers of units for the Project (the "Purchase Agreements"). The Lender is not able to confirm the status of each of the Purchase Agreements. It is anticipated that the Receiver will be able to further investigate and report on the Purchase Agreements following its appointment.

The Need for a Court Appointed Receiver

26. The Lender brings this application for the Court appointment of the Receiver in order to maximize the recovery for all of the Borrower's creditors and other stakeholders through a Court supervised sale of the Property. I believe that the appointment of the Receiver is just and convenient in the circumstances because:

- (a) the sale of the Property may result in a shortfall for the third and fourth mortgagees and the Court supervised process will ensure that the interests of all creditors and other stakeholders of the Borrower, including the Unit Purchasers, are considered with a view to minimizing the shortfall and achieving the maximum realization on the Property;
- (b) the appointment of the Receiver will avoid any potential dispute regarding expenses incurred in relation to the sale of the Property and the value ultimately obtained for the Property;

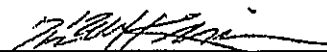
- (c) ECMI, LP has been engaged by the Borrower to conduct, among other work, maintenance work at, and site monitoring/security of the Property, which is ongoing. The maintenance work includes dewatering of the Property in order to keep the excavated area dry. The Receiver, if appointed, will ensure that the maintenance work is completed, including the dewatering (which must be completed on an ongoing basis to avoid irreparable structural damage), continue with the site monitoring/security of the Property and commence the sale process as soon as possible; and
- (d) a court appointed receivership process will provide the best forum to deal with any priority issues as between the mortgagees, lien claimants and the unit purchasers.

27. Following its Court appointment, the Receiver will return to Court with recommendations on commencing a sales process for the Property.

28. The Receiver has consented to its Court appointment. A copy of the executed consent is attached as Exhibit "AA".

29. I make this affidavit in support of the within application to appoint a Receiver and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on January 27, 2017



 Commissioner for Taking Affidavits
(or as may be)

} 

 RYAN BUZZELL

Derek Kim
 Keun Tae Kim, a Commissioner, etc.,
 Province of Ontario, while a Student-at-Law.
 Expires August 16, 2019.

APPENDIX “E”

Sale Process

Set forth below is the sale process (the "**Sale Process**") to be employed with respect to the proposed sale of all or substantially all of the business and assets (the "**Assets**") of Terrasan 327 Royal York Rd. Limited ("**Terrasan**").

On February 24, 2017, the Ontario Superior Court of Justice (the "**Court**") issued an order (the "**Receivership Order**"), appointing BDO Canada Limited as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Terrasan.

Pursuant to the Receivership Order, the Receiver is authorized to market, advertise and solicit offers in respect of the sale, in whole or in part, of the Assets.

The Sale Process is intended to solicit interest in an acquisition of the Assets, under a fair and competitive sale process pursuant to which all qualified interested parties will be provided with a fair and equal opportunity to participate in the Sale Process.

Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Assets, or any portion thereof, outside of the Sale Process prior to the selection of a Successful Bidder (as defined herein).

Timeline

The following table sets out the key milestones under the Sale Process:

Milestone	Deadline
Non-Binding APA Deadline	May 12, 2017
Binding APA Deadline	July 28, 2017
Sale Approval Motion	August 18, 2017
Closing Date	August 25, 2017

Subject to the terms contained herein and any order of the Court, the dates set out in the Sale Process may be extended by the Receiver, in its sole discretion acting reasonably, all with a view of maximizing the value of the Assets.

Sale Process

The Sale Process set forth herein describes, among other things: (i) the Assets available for sale, (ii) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Assets, (iii) the manner in which bidders can be determined to be a Phase 1 Qualified Bidder (as defined herein), (iv) the timing of delivering a Non-Binding APA (as defined herein), (v) the manner in which bids are to be received and negotiated, (vi) the ultimate selection of any Successful Bidder (as defined herein) and the process leading up to that selection, and (vii) the approval thereof by the Court.

Assets To Be Sold

The Receiver, in accordance with this Sale Process, is offering for sale, in one or more transactions, the Assets. The Receiver reserves the right to eliminate certain assets available for sale pursuant to the Sale Process prior to the Non-Binding APA Deadline (as defined below).

"As Is, Where Is"

The sale of the Assets will be on an "as is, where is" basis without representations or warranties of any kind, nature or description by the Receiver, or any of their respective directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Binding APA (as defined herein), and approved by the Court. By submitting a bid, each Potential Bidder (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Binding APA and approved by the Court.

Free Of Any And All Claims And Interests

Except as may otherwise be provided in the Successful Bidder's Binding APA, all of the rights, title and interests of Terrasan in and to the Assets, or any portion thereof, will be sold free and clear of all liens and claims (which may be defined in an Approval and Vesting Order (as defined herein)), subject to any permitted encumbrances (which may be defined in an Approval and Vesting Order), pursuant to an order by the Court approving the sale of the Assets, or a portion thereof, and vesting in the Successful Bidder all of Terrasan's rights, title and interests in and to such Assets, or a portion thereof, by way of an approval and vesting order (the "**Approval and Vesting Order**"). For greater certainty, such liens and claims are to attach to the net proceeds of the sale of such Assets following the granting of the Approval and Vesting Order.

Publication Notice

Within seven (7) business days of the granting of the Sale Process order by the Court (the "**Sale Process Order**"), or as soon as practicable thereafter the Receiver shall publish notice of this Sale Process: (i) in The Globe and Mail (National Edition), the Daily Commercial News, the NRU GTA Weekly Newsletter, the MLS and / or ICX (through a third party provider), (ii) in any other relevant publication that may advertise and potentially solicit interest in the Assets, and (iii) by posting a copy of the Teaser Letter (as defined herein) on the Axial website.

Solicitation of Interest

As soon as reasonably practicable after the granting of the Sale Process Order, the Receiver will prepare an initial offering summary (the "**Teaser Letter**") notifying prospective purchasers of the existence of the Sale Process and inviting prospective purchasers to express their interest in making an offer for the Assets pursuant to the terms of the Sale Process.

Participation Requirements

Unless otherwise ordered by the Court or as otherwise determined by the Receiver, each person who wishes to participate in the Sale Process, (a "**Potential Bidder**") must deliver to the Receiver, an executed non-disclosure agreement ("**NDA**"), in the form attached herein as **Schedule "A"**, prior to the distribution of any confidential information by the Receiver.

If it is determined by the Receiver, in its reasonable business judgment, that a Potential Bidder: (i) has a *bona fide* interest in an acquisition of the Assets; and (ii) has delivered the NDA, then such Potential Bidder will be deemed by the Receiver to be a "**Phase 1 Qualified Bidder**".

The Receiver will prepare and send to each Phase 1 Qualified Bidder, as soon as reasonably practicable, a confidential information memorandum which will provide, among other things, information considered relevant to the Sale Process.

Due Diligence

The Receiver, in its reasonable business judgment, and subject to competitive and other business considerations, may give each Phase 1 Qualified Bidder, such access to due diligence materials and information relating to the Assets as the Receiver deems appropriate. Due diligence access may include access to an electronic data room (a "Data Room"), on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and as to which the Receiver, in its reasonable business judgment, may agree. The Receiver may designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. Neither the Receiver nor any of its affiliates (or any of its respective representatives) will be obligated to furnish any information relating to the Assets to any person, in its discretion. The Receiver makes no representation or warranty as to the information to be provided through this due diligence process or otherwise, except as may be set forth in a Binding APA with the Successful Bidder.

Non-Binding APA Deadline

A Phase 1 Qualified Bidder that desires to make a bid shall deliver written copies of its bid, in the form of the template asset purchase agreement located in the Data Room (the "APA"), together with a blackline outlining all changes made to the APA (a "Non-Binding APA"), to the Receiver as follows: Attn: Gary Cerrato, e-mail gcerrato@bdo.ca, fax (416) 865-0904, so as to be received by the Receiver no later than May 12, 2017 at 5:00 p.m. (ET) (as may be extended as set out below, the "Non-Binding APA Deadline"). The Receiver, may extend the Non-Binding APA Deadline, once or successively, but is not obligated to do so. If the Non-Binding APA Deadline is extended, the Receiver will promptly notify all Phase 1 Qualified Bidders.

Qualified APA

A Non-Binding APA will be considered a qualified APA only if the Non-Binding APA is submitted by a Phase 1 Qualified Bidder and complies with all of the following (a "Qualified APA"):

- (a) the bid (either individually or in combination with other bids that make up one Qualified APA) is an offer to purchase some or all of the Assets on terms and conditions reasonably acceptable to the Receiver;
- (b) it is duly authorized and executed, and includes a purchase price for the Assets expressed in Canadian dollars (the "Purchase Price"), together with all exhibits, schedules and all applicable ancillary agreements thereto;
- (c) it includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a reasonable determination as to the Phase 1 Qualified Bidder's financial and other capabilities to consummate the proposed sale and pay the Purchase Price;
- (d) it provides all of the conditions associated with unperformed due diligence that is required to be conducted in order to proceed with a Binding APA. For greater certainty, such conditions cannot relate to any financing condition;
- (e) it fully discloses the identity of each entity that will be bidding for the Assets or otherwise sponsoring, financing, participating or benefiting from such bid;

- (f) it includes an acknowledgement and representation of the Phase 1 Qualified Bidder that: (i) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and (ii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith;
- (g) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Phase 1 Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution and delivery of the Qualified APA submitted by the Phase 1 Qualified Bidder;
- (h) provides a deposit in the amount of not less than 5% of the Purchase Price offered by the Phase 1 Qualified Bidder (the "**Deposit**"); and
- (i) it is received by the Receiver by the Non-Binding APA Deadline.

The Receiver may determine whether to entertain bids for the Assets that do not conform to one or more of the requirements specified herein and deem such bids to be a Qualified APA.

The Receiver shall notify each Phase 1 Qualified Bidder in writing as to whether such Phase 1 Qualified Bidder's APA constituted a Qualified APA within five (5) business days following the expiration of the Non-Binding APA Deadline, or at such later time as the Receiver deems appropriate. If such notification is provided, then such Phase 1 Qualified Bidder will be deemed to be a "**Phase 2 Qualified Bidder**".

If the Receiver is not satisfied with the number or terms of bids submitted by the Non-Binding APA Deadline, the Receiver may extend the Non-Binding APA Deadline or cancel the Sale Process.

Binding APA Deadline

The Receiver will take all reasonable steps to negotiate and assist Phase 2 Qualified Bidder(s) in completing its unperformed due diligence, or any other bid matters including any discussions or negotiations required to be completed with any stakeholders in the receivership proceedings of Terrasan, with a view of submitting: (i) a further binding APA (a "**Binding APA**") on or before July 28, 2017 (the "**Binding APA Deadline**"), and (ii) a blackline outlining all changes made to the APA, for consideration by the Receiver. For greater certainty, a Binding APA shall:

- (a) be delivered to the Receiver prior to the Binding APA Deadline;
- (b) replace and supersede the Non-Binding APA submitted by a Phase 2 Qualified Bidder;
- (c) comply with all of the requirements set forth in respect of a Qualified APA;
- (d) include a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable and open for acceptance until the Successful APA (as defined herein) is selected by the Receiver;
- (e) include written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (f) not to be conditioned on: (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, and/or (ii) obtaining financing;

- (g) fully disclose the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (h) provide the Deposit (as may be adjusted);
- (i) include acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Assets and Terrasan prior to making its bid, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith; and
- (j) the bid contemplates closing the transaction set out therein on or before August 25, 2017 (the "**Closing Date**").

The Receiver may determine whether to entertain bids for the Assets that do not conform to one or more of the requirements specified herein and deem such bids to be a Binding APA.

Evaluation of Binding APA

A Binding APA will be valued based upon several factors including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the counterparties to such transactions, the proposed transaction documents, other factors affecting the speed and certainty of the closing of the transaction, the value of the transaction, the assets included or excluded from the bid, the transition services required from the Receiver (if any), any related transaction costs, and the likelihood and timing of consummating such transactions, each as determined by the Receiver.

Each Phase 2 Qualified Bidder shall comply with all reasonable requests for additional information by the Receiver regarding the Phase 2 Qualified Bidder or the Binding APA. Failure of a Phase 2 Qualified Bidder to comply with requests for additional information will be a basis for the Receiver to reject a Binding APA.

Selection of Successful APA

The Receiver will review and evaluate each Binding APA. Each Binding APA may be negotiated by the Receiver and the applicable Phase 2 Qualified Bidder submitting the Binding APA (the "**Unconditional Bidder**"), and may be amended, modified or varied to improve such Binding APA and as a result of such negotiations, the Receiver may: (i) identify the highest or otherwise best offer for the Assets (the "**Successful APA**"), and the Unconditional Bidder making such Successful APA, the "**Successful Bidder**"), or (ii) in the event no Successful Bidder is declared, reject each Binding APA and may ask any Unconditional Bidder to resubmit a revised Binding APA. The determination of a Successful APA by the Receiver, shall be subject to approval by the Court.

Notwithstanding the foregoing, a Binding APA may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful APA being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful APA being determined shall result in the forfeiture of such Unconditional Bidder's deposit as liquidated damages and not as a penalty.

In the event an Unconditional Bidder is not selected as a Successful Bidder, the Deposit shall be returned to the Unconditional Bidder as soon as reasonably practicable.

The Receiver shall have no obligation to select a Successful APA, and it reserves the right to reject any or all Binding APAs.

Sale Approval Motion Hearing

The motion for an order of the Court approving any Successful APA (the "Sale Approval Motion") shall be sought and include, among other things, the approval from the Court to consummate the Successful APA. The Sale Approval Motion shall be heard on or before August 18, 2017.

All of the Binding APAs other than the Successful APA, if any, shall be deemed rejected by the Receiver on and as of the date of closing of the transaction contemplated by the Successful APA.

Reservation of Rights

The Receiver may: (a) determine which Binding APA, if any, is the highest or otherwise best offer; (b) reject at any time before the issuance and entry of an order approving a Binding APA, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Assets.

Miscellaneous

This Sale Process is solely for the benefit of the Receiver and nothing contained in the Sale Process Order or this Sale Process shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).

Except as provided in the Sale Process Order and Sale Process, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Sale Process Order and the Sale Process.

Limitation of Liability

The Receiver shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Terrasan, or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a bid, each Potential Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.

Schedule "A"
Non-Disclosure Agreement

PRIVATE & CONFIDENTIAL

► [Potential Bidder Organization Name and Address]

Dear Sirs:

Re: Confidential Information with respect to Terrasan 327 Royal York Rd. Ltd. (the "Debtor")

In accordance with the terms of the Sale Process approved by the Ontario Superior Court of Justice (Commercial List) on _____ (the "**Sale Process**") you have requested access to due diligence and other materials relating to the business and assets (the "**Assets**") of the Debtor, such access to be coordinated by BDO Canada Limited, in its capacity as the Court-appointed Receiver in the receivership proceedings (the "**Receivership Proceedings**") of the Debtor (the "**Receiver**"). You will treat confidentially any information the Receiver or its representatives furnish to you in connection with the Assets (the "**Evaluation Material**"), provided, however, that the term "Evaluation Material" does not include information that: (a) was or becomes generally available to the public or to you on a non-confidential basis through no fault or breach of this agreement on your part or on the part of any of your directors, officers, employees or agents (including investment bankers, financing sources, accountants, and attorneys) (all such directors, officers, employees or agents referred to collectively as, "**Representatives**"); (b) was independently developed by you or your affiliates without reference to the Evaluation Material; or (c) was provided to you by a third party not known to you, after due inquiry, to be subject to confidentiality obligations.

You shall use the same degree of care as you use to protect your own confidential information of a similar nature, but not less than reasonable care, to prevent the unauthorized use, dissemination or publication of the Evaluation Material.

You agree that you will not use the Evaluation Material for any purpose other than evaluating your interest in purchasing some or all of the Assets; provided, however, that you may disclose any Evaluation Material to your Representatives who need to know such information for the purpose of evaluating the possible purchase of the Assets (it being understood that you shall inform such Representatives of the confidential nature of such information and that, by receiving such information, they agree to abide by the terms this Agreement), provided that you will be responsible for any breach of the provisions of this Agreement by any such Representatives.

Upon gaining access to the Evaluation Material, you will not contact any director, officer, employee or stakeholder of the Debtor or its affiliates with respect to the Evaluation Material or any other matter contemplated in this Agreement, without the express consent of the Receiver. In the event you are deemed a "Phase 2 Qualified Bidder" in accordance with the terms of the Sale Process, the Receiver may assist and coordinate meetings, discussions, and other communications between you and the

aforementioned parties, all with a view of assisting you in submitting a "Binding APA" pursuant to the Sale Process.

In the event that you are required by applicable law or legal process or regulatory body or agency to disclose any part of the Evaluation Material, you will, to the extent permitted by law, give the Receiver prompt notice of such request so that the Receiver may seek an appropriate protective order. If in the absence of a protective order you are nonetheless compelled to disclose any part of the Evaluation Material, you may disclose such information (but only to the extent necessary to comply with your legal obligations) without liability hereunder, provided, however, that you give the Receiver written notice of the information to be disclosed as far in advance of its disclosure as is practicable and legally permitted. Upon the Receiver's request, you will use your commercially reasonable efforts to obtain assurances that confidential treatment will be accorded to such information.

Upon the Receiver's written request, you shall return promptly to the Receiver or destroy all copies of the Evaluation Material and you shall provide promptly a written certificate to the Receiver confirming your compliance with this Agreement. Notwithstanding the foregoing, on written notice to the Receiver concurrently with the provision of the aforementioned written certificate, you may retain a copy of the Evaluation Material to the extent required in order to comply with regulatory and internal record retention requirements.

You agree that (a) the Receiver reserves the right, in its reasonable business judgment, and subject to competitive and other business considerations, to decline access to all or part of the Evaluation Material, and (b) the Receiver reserves the right to reject any and all offers for the Assets or to terminate discussions and negotiations with you at any time all in accordance with the terms of the Sale Process. The exercise by the Receiver of these rights shall not affect the enforceability of any provision of this Agreement.

You acknowledge and agree that neither the Debtor nor the Receiver nor their representatives have made or make any representation or warranty as to the accuracy or completeness of the Evaluation Material. You agree that neither the Debtor nor the Receiver nor their representatives shall have any liability to you or any of your Representatives resulting from the use of, or reliance on, the Evaluation Material. You agree that if you determine to engage in a transaction with the Receiver, such determination will be based solely on the terms of any definitive written agreement covering that transaction and on your own investigation, analysis and evaluation of the transaction.

You agree that damages may not be a sufficient remedy for any breach of this Agreement by you or your Representatives, and that in addition to all other remedies, the Receiver shall be entitled to seek specific performance, injunctive relief or other equitable relief as a remedy for any such breach.

You agree that this Agreement, and any rights of the Debtor or Receiver hereunder, shall inure to the benefit of any party that enters into a transaction contemplated by the Sale Process.

The Receiver may disclose the existence of this agreement, the identities of the parties hereto and any other information in respect of this agreement, or a transaction proposed by any party hereto, to the extent required in connection with the Receivership Proceedings or applicable laws, to any other person.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. This Agreement and the rights and obligations of the parties will terminate two years from the date hereof.

Please indicate your agreement with the foregoing by signing and returning one copy of this agreement to:

[NTD]

Yours very truly,

**TERRASAN 327 ROYAL YORK RD. LIMITED , by
its court appointed receiver BDO Canada
Limited., and not in any other capacity**

Per: _____
Name:
Title:

Confirmed and agreed to this _____ day of _____, 2017

▶ [Potential Bidder Organization Name]

Per: _____

Name:

Title:

(I have the authority to bind the corporation)

APPENDIX “F”

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

AFFIDAVIT OF JOSIE PARISI

I, JOSIE PARISI, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY that:


- 1. I am a Partner of BDO Canada Limited, and as such have personal knowledge of the matters referred to herein.**
- 2. By Order of the Honourable Mr. Justice Wilton Siegel, dated February 24, 2017 (the "Order"), BDO Canada Limited was appointed as Court-appointed Receiver (the "Receiver") of Terrasan 327 Royal York Rd. Limited.**

2.

- 3. Pursuant to the Order, the Receiver has provided services and incurred disbursements which are more particularly described in the detailed accounts attached hereto and marked as Exhibit "A".
- 4. The time shown in the detailed accounts attached as Exhibit "A" are a fair and accurate description of the services provided and the amounts charged by the Receiver, which reflect the Receiver's time as billed at its standard billing rates.
- 5. The Receiver requests that the Court approve its fees and disbursements for the period from 10 January 2017 to 17 March 2017 in the amount of \$22,808.34 plus HST of \$2,965.08 for a total of \$25,773.43, for the services set out in Exhibit "A".
- 6. This affidavit is sworn in support of the Receiver's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto,)
 in the Province of Ontario, this)
 27th day of March 2017)

 Commissioner for Taking Affidavits, etc)



 Josie Parisi, CPA, CA, CBV, CIRP, LIT



Mark Goodfellow Chow, a Commissioner, etc.,
 Province of Ontario, for BDO Canada LLP and BDO
 Canada Limited, Trustee in Bankruptcy, and their
 subsidiaries, associates and affiliates,
 Expires May 13, 2018.

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

Josie Parisi

Sworn before me this 27th day of March 2017



A COMMISSIONER FOR TAKING AFFIDAVITS



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

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

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

Date	Invoice
24 March 2017	#Terrasan-001

RE TERRASAN 327 ROYAL YORK RD. LIMITED

TO OUR FEE FOR PROFESSIONAL SERVICES rendered from 10 January 2017 to 17 March 2017 in connection with our Receivership Engagement of the above-noted, as described below:

Date	Professional	Description	Hrs.
10-Jan-17	Chow, Mark	Update memo from L. Margulies re file status.	0.3
18-Jan-17	Chow, Mark	Attend to update memo from L. Margulies at Robins Appleby; discussion with D. Michaud re file status and issues; discussion with J. Parisi re same and proposal; review proposal and discussion with J. Parisi.	1.0
23-Jan-17	Parisi, Josie	Call with Lender and with Robins Appleby re proposal and proposed plan to sell property.	0.5
27-Jan-17	Chow, Mark	Review draft order and discuss with J. Parisi.	1.0
27-Jan-17	Marchand, Matthew	Review email from J. Parisi re website; draft email to IT re same.	0.1
31-Jan-17	Chow, Mark	Discussion with D. Michaud re amendments to draft Order and related issues.	0.5
1-Feb-17	Chow, Mark	Update from D. Michaud re court proceedings.	0.2
3-Feb-17	Chow, Mark	Discussion with B. Courage re file and enquiry on listing.	0.3
17-Feb-17	Chow, Mark	Review correspondence from D. Michaud and discuss with J. Parisi.	0.3
21-Feb-17	Chow, Mark	Discussion with J. Parisi re suggested wording on Order.	0.4

1



Date	Professional	Description	Hrs.
21-Feb-17	Parisi, Josie	Conference call with BLG and Robins Appleby; draft proposed wording for Order.	0.8
22-Feb-17	Chow, Mark	Review correspondence from J. Parisi re suggested wording on the order; review correspondence from D. Michaud; discussion with J. Parisi re independent counsel.	0.4
23-Feb-17	Chow, Mark	Review draft court order and changes suggested by BLG and discussion with D. Michaud at Robins Appleby; discuss independent counsel with J. Parisi and D. Michaud re additional edit by BLG and respond to same.	0.8
24-Feb-17	Chow, Mark	Review correspondence from D. Michaud and Order issued; discussion with J. Parisi; discussion with D. Michaud re call to discuss next steps and independent counsel.	0.5
27-Feb-17	Chow, Mark	Discussion with D. Michaud re creditor lists and statutory reporting; discussion with discussion with A. McFarland at BLG re meeting and discuss with J. Parisi; discussion with D. Michaud re meeting with Centurion.	0.5
27-Feb-17	Parisi, Josie	Call with D. Michaud and Centurion re go forward plan and creditors.	0.4
28-Feb-17	Parisi, Josie	Call with A. McFarland re second secured's position; attend at 327 Royal York to take possession of the premises; discussions with Empire re plan of action; discussions with Lockit Key & Security re change of locks, prepare receiver's notice.	2.1
28-Feb-17	Chow, Mark	Review PPSA and PIN reports; attend conference call with J. Parisi, D. Michaud, R. Buzzell and M. Accomando to discuss receivership issues and next steps and structured sales process; discuss creditor lists; discuss independent counsel; review further correspondence on site costs estimates from CB Ross; review correspondence from D. Michaud on creditors; discussion with D. Michaud re independent counsel; discussion with R. Kennedy re clearing conflicts; discussion with K. Leung re statutory notices.	1.5
1-Mar-17	Chow, Mark	Discussion with J. Parisi re file status; discussion with K. Leung re creditor list in Ascend; discussion with D. Michaud re DUCA; discussion with A. Gazetti at Empire regarding ongoing maintenance and related issues; discussion with B. Lynch at Murray & Co re interest in acquiring the property; call to B. Moldaver re creditor information required; discussion with R. Kennedy re status of conflict check; discussion with R. Buzzell re DUCA contact information.	1.5

IBDO

Date	Professional	Description	Hrs.
1-Mar-17	Leung, Kevin	Review PPSA, PIN search and application; summarize list of creditors; set up estate in Ascend; prepare list of creditors for Receivership notice.	3.5
2-Mar-17	Chow, Mark	Review correspondence from C. Applegath; discussion with J. Parisi re DUCA and taking possession of cash; discuss taking possession of site and call to A. Gulzzetti re same; attend call with A. MacFarlane re receivership proceedings and related issues; update discussion with R. Kennedy at Dentons; discussion with J. Parisi re statutory notices and file issues; forward motion materials to R. Kennedy and K. Groulx at Dentons.	1.0
2-Mar-17	Montesano, Tony	Contact Sergiu Cosmin from DUCA Financial Services Credit Union Ltd. regarding send the funds on hand to the Receiver's account; drafted e-mail, along with the wire transfer information, e-mailed to same along with copy of Order.	1.0
3-Mar-17	Marchand, Matthew	Email correspondence with J. Parisi re receiver's website; email correspondence with IT re same.	0.2
3-Mar-17	Parisi, Josie	Call with Dentons re appointment (receiver's counsel), call with BLG (counsel to second secured), call with M. Luna bookkeeper for Terrasan, call with T. Scetti property manager, call with Rocco re securing property and T. Scetti's requirements; finalize receiver's notice.	2.1
3-Mar-17	Cerrato, Gary	Discussions re file with J. Parisi; review of background materials received.	1.5
3-Mar-17	Chow, Mark	Discussion with J. Parisi re file status; attend conference call with Dentons with R. Kennedy and K. Groulx to discuss file status and issues; review correspondence from K. Groulx re GCNA; attend conference call with A. MacFarlane and Dentons to discuss claim of GCNA and related issues.	1.5
6-Mar-17	Chow, Mark	Attend to review and execution of Denton's engagement letter.	0.2
7-Mar-17	Chow, Mark	Discussion with J. Parisi re status of bank accounts and books and records; discuss ongoing maintenance and use of funds; review cash flow budget from Empire; attend to creditor correspondence; discussion with G. Cerrato re file status and issues; discussion with R. Kennedy at Dentons re status of accounting records and related issues.	1.2



Date	Professional	Description	Hrs.
8-Mar-17	Cerrato, Gary	Review of receivership application motion record; call with M. Luna, bookkeeper, to obtain certain financial records; call with DUCA credit union to determine what happened to the \$1.0 million cash collateral; call with R. Buzzell from Centurion to discuss disbursement approval procedures prior to receivership; review of cash flow forecast provided by Empire; call with J. DaRe counsel for Resform Construction to discuss his client's lien claim and the equipment on site, including the crane; review of financial information received; arrange to seize \$280K in the BMO operating bank account; strategize on administration with M. Chow.	2.8
8-Mar-17	Chow, Mark	Discussion with J. Parisi re file status and issues; discussion with G. Cerrato re administrative issues and books and records and assets; discussion with D. Michaud re operational issues; discussion with R. Buzzell re operational issues and procedures; discuss status of assets; review correspondence from L. Santiguída re draft cash flow budget and related costs; discussion with G. Cerrato re file issues and operational issues.	1.3
9-Mar-17	Chow, Mark	Discussion with G. Cerrato re operational issues, cash flow budget, assets, and meeting with debtor.	0.5
9-Mar-17	Cerrato, Gary	Call with creditor re lien claim and lifting stay; review of financial information; call with L. Santiguída re various issues and arrange for a meeting to discuss and obtain marketing information; review of other correspondence.	1.0
9-Mar-17	Parisi, Josie	Call with G. Cerrato and L. Santiguída regarding Terrasan; gathering information; update, status of refinancing.	2.4
10-Mar-17	Chow, Mark	Call to P. Pellegrino; discussion with G. Cerrato re file issues; discuss meeting with L. Santiguída; discuss operational issues; discuss sales process and related issues.	0.8
13-Mar-17	Chow, Mark	Discussion with P. Pellegrino re cash flow budget and invoice approval process; review correspondence from same re expenses to be paid.	0.5
14-Mar-17	Chow, Mark	Discussion with G. Cerrato re operations and procedural issues for paying expenses; fwd. invoices received to G. Cerrato; discuss operational expenditures and context of the court order; review cash flow and additions to same; discussion with R. Kennedy at Dentons re operational issues and sales process issues.	1.5



Date	Professional	Description	Hrs.
14-Mar-17	Cerrato, Gary	Call with R. Kennedy together with M. Chow to discuss upcoming motion and discuss cash flow projection; review of emails from Melvin re additions to cash flow; call with P. Pellegrino re cash flow projection and process to obtain approvals for disbursements; review of disbursement requests.	2.4
15-Mar-17	Cerrato, Gary	Call with J. Parisi to discuss cash disbursements and cash flow projection; call with L. Santiguída re same.	1.0
15-Mar-17	Chow, Mark	Review update memo from P. Pellegrino; discussion with J. Parisi re file status and issues.	0.3
16-Mar-17	Cerrato, Gary	Conference call with J. Parisi together with L. Santiguída to discuss funding requirements and access to marketing materials; discussions with J. Parisi re same and other issues.	1.5
16-Mar-17	Parisi, Josie	Call with L. Santiguída and G. Cerrato.	0.6
16-Mar-17	Montesano, Tony	Contact M. Gendron at BMO regarding update request to freeze company's account and forward balance of funds in account to receiver; advised to contact M. Rocha bank manager at BMO branch where account is held; Ms. Rocha advised that our request was forwarded to their head office for processing.	0.2
17-Mar-17	Marchand, Matthew	Discussion with R. Farkas re data room; discussion with M. Siha re same; correspondence with G. Cerrato re same.	0.3
17-Mar-17	Parisi, Josie	Review various emails from Melvin re payments. Discussions with G. Cerrato re process for payments going forward; calls from various creditors regarding the receivership.	1.4



Our Fee	\$ 21,931.10
Disbursements	
Administrative Fee - 4%	<u>877.24</u>
Subtotal	22,808.34
HST - 13.00% (#R101518124)	<u>2,965.08</u>
TOTAL	<u>\$ 25,773.43</u>

Summary of Time Charges:

	Hours	Rate	Amount
M. Chow, Partner	18.00	595.00	10,710.00
J. Parisi, Partner	10.30	495.00	5,098.50
G. Cerrato, Senior Manager	10.20	465.00	4,743.00
M. Marchand, Manager	0.60	305.00	183.00
T. Montesano, Administrator	1.20	198.00	237.60
K. Leung, Administrator	3.50	175.00	612.50
Administrative Support	2.40		346.50
Total	<u>46.20</u>		<u>\$ 21,931.10</u>

TAB C

ASSET PURCHASE AGREEMENT

BETWEEN

**BDO CANADA LIMITED., solely in its capacity as Court
appointed receiver and manager of TERRASAN 327 ROYAL YORK RD. LIMITED, and
not in its personal capacity**

AND

2402871 ONTARIO INC.

MADE AS OF

JULY 28, 2017

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of July 28, 2017

BETWEEN

2402871 ONTARIO INC., a corporation incorporated under the laws of Ontario (the “**Purchaser**”),

- and -

BDO CANADA LIMITED, solely in its capacity as court appointed receiver and manager of **TERRASAN 327 ROYAL YORK RD. LIMITED**, and not in its personal capacity

WHEREAS on February 24, 2017, the Court granted an Order (the “**Receivership Order**”) appointing BDO Canada Limited (the “**Receiver**”) as receiver and manager of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited (“**Terrasan**”).

AND WHEREAS pursuant to the Receivership Order, the Receiver was authorized to market and sell the assets, undertakings and properties of Terrasan.

AND WHEREAS on April 3, 2017, the Court granted an Order (the “**Sale Process Order**”), providing for, among other things, a process under which offers would be solicited for the sale of all, substantially all or one or more components of Terrasan’s assets and business.

AND WHEREAS the Purchaser desires to purchase and assume the Purchased Assets (as defined herein) upon and subject to the terms and conditions set out in this Agreement.

AND WHEREAS this Agreement replaces and supercedes the Non-Binding APA submitted by the Purchaser pursuant to the Sale Process Order.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Affiliates**” means, with respect to any Person, any other Person that controls or is controlled by or is under common control with the referent Person.

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.

“Applicable Law” means:

- (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, as well as the common law; and
- (ii) any applicable and enforceable rule, requirement, order, judgment, injunction, award or decree of a Governmental Authority.

“Approval and Vesting Order” means an order of the Court substantially in the form attached hereto as **Exhibit A**: (i) approving the sale of the Purchased Assets by the Receiver to the Purchaser pursuant to the terms of this Agreement, and (ii) providing for the vesting of the right, title, benefit and interest of Terrasan in and to the Purchased Assets in and to the Purchaser, free and clear of all Liens, other than the Permitted Encumbrances.

“Assumed Liabilities” has the meaning set out in Section 2.08.

“Books and Records” means all personnel records, inspection records, financial records, and other records, books, documents and data bases recorded or stored by means of any device, including in electronic form, relating to the business and the Purchased Assets as are in the possession or under the control of Terrasan, but excluding the Project Records.

“Business Day” means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario.

“Claim” means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any Loss, claim or demand relating thereto or resulting therefrom, or any other claim or demand of whatever nature or kind.

“Closing Date” means the first Business Day which is seven (7) days following the date of the Approval and Vesting Order, or such other date as may be agreed in writing between the parties hereto.

“Contract” means any contract, agreement, license, instrument or commitment recognized at law or equity, whether express or implied, or arising by a course of conduct or usage of trade.

“Court” means the Ontario Superior Court of Justice (Commercial List).

“Environmental Law” means any Applicable Law relating to the natural or indoor environment including those pertaining to: (i) reporting, licensing, permitting, investigating, remediating or controlling the presence or Release or threatened Release of Hazardous Substances, or (ii) the use, treatment, storage, disposal, transport, handling and the like of Hazardous Substances, including, for greater certainty, any such Applicable Law pertaining to occupational health and safety.

“Excluded Assets” has the meaning set out in Section 2.02.

“Governmental Authority” means any domestic or foreign legislative, executive, judicial or administrative body or person having jurisdiction in the relevant circumstances.

“Hazardous Substance” means any substance, material or emission whose storage, handling, use, transportation or Release is prohibited, controlled or regulated by any Governmental Authority having jurisdiction pursuant to Environmental Laws, including any contaminant or pollutant as defined in the *Environmental Protection Act* (Ontario).

“Intellectual Property” means intellectual property of any nature and kind including all domestic and foreign trade-marks, business names, trade names, domain names, trading styles, patents, trade secrets, confidential information, Software, industrial designs and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, formulae, recipes, product formulations and chemistries, processes and processing methods, technology and techniques and know-how.

“Inventories” means all inventories owned by and in possession of Terrasan including all supplies, goods, work in progress, raw materials and spare parts.

“Lands” means the lands described as Parcel Register Identifier LT 07617-0889.

“Liabilities” means all costs, expenses, charges, debts, liabilities, commitments and obligations of any nature or kind, whether accrued or fixed, actual, absolute, contingent, latent or otherwise, matured or unmatured or determined or undeterminable, including those arising under any Applicable Law or Claim and those arising under any Contract or undertaking or otherwise, including any tax liability or tort liability of Terrasan.

“Liens” means any lien (statutory or otherwise), mortgage, pledge, security interest (whether contractual, statutory or otherwise), hypothecation, trust or deemed trust (whether contractual, statutory, or otherwise), execution, levy, charge, encumbrance, interest in property, or other financial or monetary claim which, in each case, in substance, secures payment or performance of an obligation, or similar charge of any kind.

“Non-Disclosure Agreement” means the non-disclosure agreement dated April 7, 2017 between the Purchaser and the Receiver.

“Outside Date” has the meaning set out in Section 5.05(b).

“Permits” means all permits, licences, certificates, approvals, authorizations, and registrations, or any item with a similar effect, issued or granted by any Governmental Authority.

“Permitted Encumbrances” means only those Liens related to the Purchased Assets set forth on Exhibit D.

“Person” means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity.

“Personal Information” means information about an identifiable individual, but does not include the name, title or business address or telephone number of an employee of an organization.

“**Proceeds**” has the meaning set out in Section 6.07(1)(b)(i).

“**Project Address**” means the business activities and operations formerly carried on by Terrasan located at 327 Royal York Road, Toronto Ontario.

“**Project Records**” means all plans and specifications in Terrasan’s possession or under its control relating to the development of a condominium project located at the Project Address which includes all such electrical, mechanical and structural drawings related thereto as are in the possession or under the control of Terrasan.

“**Purchase Price**” has the meaning set out in Section 2.03.

“**Purchased Assets**” has the meaning set out in Section 2.01.

“**Release**” means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal.

“**Receiver**” has the meaning set out in the recitals hereto.

“**Receiver’s Certificate**” means a certificate signed by the Receiver substantially in the form attached as **Schedule A** to the Approval and Vesting Order confirming that: (i) the Purchaser has paid, and the Receiver has received payment of, the Purchase Price in relation to the purchase by the Purchaser of the Purchased Assets, and (ii) the conditions to be complied with at or prior to the Time of Closing as set out in Sections 5.02 and 5.03, respectively, have been satisfied or waived by the Receiver or the Purchaser, as applicable, pursuant to Section 5.04.

“**Receivership Order**” has the meaning set out in the recitals hereto.

“**Sale Process**” means the sale process approved by the Sale Process Order.

“**Sale Process Order**” has the meaning set out in the recitals hereto.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Time of Closing**” means 9:00 a.m. (Toronto Time) on the Closing Date.

“**Transfer Taxes**” has the meaning set out in Section 2.07.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Exhibits are to Articles and Sections of and Exhibits to this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing” and the term “third party” means any Person other than the Receiver and the Purchaser.

1.04 **Capacity of Receiver**

The Receiver, in executing this Agreement, is entering into this Agreement solely in its capacity as the court appointed receiver and manager of Terrasan, and not in its personal or any other capacity. The Receiver shall have no personal or corporate liability of any kind whether in contract, tort or otherwise.

1.05 **Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.06 **Currency**

All references to currency herein are to lawful money of Canada.

1.07 **Exhibits**

The following are the Exhibits to this Agreement:

Exhibit A - Form of Approval and Vesting Order

Exhibit B – INTENTIONALLY DELETED

Exhibit C – INTENTIONALLY DELETED

Exhibit D - Permitted Encumbrances

Exhibit E – INTENTIONALLY DELETED

Exhibit F - Allocation of Purchase Price

ARTICLE 2 - SALE AND PURCHASE

2.01 **Assets to be Sold and Purchased**

Upon and subject to the terms and conditions hereof, the Receiver will sell to the Purchaser and the Purchaser will purchase from the Receiver, as of and with effect from the Time of Closing, all of the right, title, benefit and interest of Terrasan in and to the following assets (collectively, the “**Purchased Assets**”):

- (a) the Lands;
- (b) all structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Lands other than the fixed machinery and fixed equipment referred to in Section 2.01(c);
- (c) all fixed machinery and fixed equipment situate on or forming part of the Lands;
- (d) all Inventories;
- (e) **INTENTIONALLY DELETED;**
- (f) all Intellectual Property owned by Terrasan that was used in connection with the Purchased Assets;
- (g) all pre-paid expenses and deposits relating to the Purchased Assets (other than deposits paid to suppliers or customers of Terrasan) including all pre-paid taxes, local improvement rates and charges, water rates and other operating costs, all pre-paid purchases of gas, oil and hydro, and all pre-paid lease payments;
- (h) the Project Records; and
- (i) the Books and Records;

but excluding, for greater certainty, in each and every case the Excluded Assets (as hereinafter defined).

2.02 **Excluded Assets**

Notwithstanding Section 2.01 or any other provision in this Agreement to the contrary, Terrasan will retain its right, title, benefit and interest in and to, and the Purchaser will have no rights with respect to the right, title, benefit and interest of Terrasan in and to the following assets (collectively, the “**Excluded Assets**”):

- (a) the cash and cash equivalents, short-term investments, bank account balances, bank deposits, including any deposits posted in respect of letters of credit, and petty cash of Terrasan;
- (b) all rights of Terrasan to tax refunds, credits, rebates or similar benefits relating to the Purchased Assets;
- (c) **INTENTIONALLY DELETED;**
- (d) shares and other interests or capital of Terrasan;
- (e) the tax records and insurance policies of Terrasan;
- (f) any Claim of Terrasan to reimbursement under any insurance policy applicable to Terrasan;

- (g) Tarion bond no. TM5120055 (the “**Tarion Bond**”) and master excess condominium deposit insurance policy no. TM5120055, as amended by endorsement from time to time (the “**ECDI**” and collectively with the Tarion Bond, the “**Bonds**”);
- (h) Books and Records not pertaining primarily to the Purchased Assets;
- (i) all funds or deposits held by suppliers, customers or any other person in trust for or on behalf of Terrasan;
- (j) any deposits held in trust by Schneider Ruggier LLP and paid by the purchasers of the condominium units in respect of the condominium project on the Lands; and
- (k) any other assets listed in Exhibit E.

2.03 Purchase Price

The aggregate purchase price payable by the Purchaser to the Receiver for the Purchased Assets excluding all applicable Taxes (such amount being hereinafter referred to as the “**Purchase Price**”) is an amount equal to a sum of the following:

- (a) ██████████ for the Purchased Assets;
- (b) plus or minus customary adjustments on account of the sale of the Lands including real property taxes in accordance with Section 2.06; and
- (c) plus the amount of the Assumed Liabilities.

2.04 Allocation of Purchase Price

The Purchase Price will be allocated among the Purchased Assets as set out in Exhibit F. The Receiver and Purchaser will make and file all tax returns and filings on a basis which is consistent with the amount and allocation of the Purchase Price.

2.05 Elections

The Receiver and the Purchaser will on or before the Time of Closing jointly execute an election (if applicable), in the prescribed form and containing the prescribed information, to have subsection 167(1.1) of the *Excise Tax Act* (Canada) apply to the sale and purchase of the Purchased Assets hereunder so that no tax is payable in respect of such sale and purchase under Part IX of the *Excise Tax Act* (Canada). The Purchaser will file such election with the Minister of National Revenue within the time prescribed by the *Excise Tax Act* (Canada).

2.06 Property Taxes

(1) All property taxes imposed on or with respect to the Purchased Assets for the tax year that includes the Closing Date will be prorated between the Receiver and the Purchaser as of the Closing Date. Terrasan will be liable for the portion of such taxes based on the number of

days in the year occurring prior to the Closing Date, and the Purchaser will be liable for the portion of such taxes based on the number of days in the year occurring on and after the Closing Date. This includes all municipal realty taxes, assessments, levies and penalties of any nature or kind, and interest and costs thereon, including all levies and special charges set forth in the respective tax bills of any government taxation authority.

(2) The Purchaser shall, at its option, be entitled to continue any realty tax appeals, complaints, applications, or proceedings pending for any calendar year prior to the calendar year in which the Closing Date occurs and shall be entitled to receive from the municipality any payment resulting therefrom. To the extent the Receiver receives any of the aforementioned payments, it shall hold said payments in trust for the Purchaser and forthwith remit the payments to the Purchaser.

2.07 **Transfer Taxes**

(1) The Purchaser will be liable for and, subject to Section 2.05, will pay, or will cause to be paid, all transfer, land transfer, value added, *ad-valorem*, excise, sales, use, consumption, goods or services, harmonized sales, retail sales, social services, or other similar taxes or duties (collectively, "**Transfer Taxes**") payable under any Applicable Law on or with respect to the sale and purchase of the Purchased Assets under this Agreement. The Purchaser will prepare and file any affidavits or returns required in connection with the foregoing at its own cost and expense.

(2) The Purchaser shall indemnify and save harmless the Receiver and its employees, advisors and agents from all Claims incurred, suffered or sustained as a result of a failure by the Purchaser:

- (a) to pay any Transfer Taxes payable by the Purchaser; and/or
- (b) to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the conveyance or transfer of the Purchased Assets.

2.08 **Assumption of Liabilities**

(1) At the Time of Closing, the Purchaser will assume and thereafter fulfil, perform and discharge when due the following Liabilities of Terrasan outstanding as at the Closing Date (collectively, the "**Assumed Liabilities**")

- (a) **INTENTIONALLY DELETED;**
- (b) all Liabilities arising from or in connection with any tax, levy, penalty, interest or costs for which the Purchaser is responsible pursuant to Sections 2.06 and 2.07 and any Permitted Encumbrances; and
- (c) all Liabilities relating to or arising from the Purchased Assets under Environmental Laws.

(2) In addition to any other provision for indemnification by the Purchaser contained in this Agreement, the Purchaser will, on and after the Closing Date, indemnify and save harmless the Receiver on its own behalf and as trustee for its Affiliates and its and their current and former directors and officers, employees, agents, advisors and representatives (including the Receiver) (collectively, the “Indemnitees”) from and against all Claims asserted against any of the Indemnitees in any way directly or indirectly arising from, relating to or in connection with any of the Assumed Liabilities.

2.09 Assigned Contracts – INTENTIONALLY DELETED

2.10 Payment of Purchase Price

- (1) The Purchase Price will be satisfied by the Purchaser as follows:
- (a) the amount of ██████████ submitted by the Purchaser with the Non-Binding APA (as defined in the Sales Process), by wire transfer of immediately available funds to an account specified by the Receiver, in trust, as a deposit to be held in a bank account at a Canadian chartered bank and paid as provided in Section 2.10(2);
 - (b) the balance of the Purchase Price by wire transfer at the Time of Closing of immediately available funds to an account specified by the Receiver;
 - (c) by paying adjustments, if any, to the Purchase Price pursuant to Section 2.06; and
 - (d) by the Purchaser assuming the Assumed Liabilities.

(2) The deposit paid to the Receiver by the Purchaser pursuant to Section 2.10(1)(a) will be paid by the Receiver as follows:

- (a) to the Receiver at the Time of Closing, with any interest that has been paid by the applicable bank thereon being paid to the Purchaser, in each case net of any applicable bank fees or charges, if the sale and purchase of the Purchased Assets provided for herein is completed in accordance with the terms and conditions hereof;
- (b) to the Receiver on or after the fifth Business Day after the date of termination of this Agreement, together with any interest that has been paid by the applicable bank thereon (net of any applicable bank fees or charges), if this Agreement is terminated by the Receiver pursuant to Section 5.05(a), Section 5.05(c) (unless with respect to a condition in Section 5.03(c) or (d)), or Section 5.05(f) (where the Purchaser has failed to comply with its obligations under this Agreement); or
- (c) to the Purchaser on or after the fifth Business Day after the date of termination of this Agreement, together with any interest that has been paid by the applicable bank thereon (net of any applicable bank fees or

charges), if this Agreement is terminated by the Purchaser pursuant to Section 5.05(a) or Section 5.05(b), or by the Receiver pursuant to Section 5.05(c) (solely with respect to a condition in Section 5.03(c) or (d)) or Section 5.05(f) (unless the Purchaser has failed to comply with its obligations under this Agreement),

provided that if the sale and purchase of the Purchased Assets provided for herein is not completed in accordance with the terms and conditions hereof and, prior to 10:00 a.m. on the fifth Business Day referred to in Section 2.10(2)(b) or (c), as the case may be, written notice is given by either the Receiver or the Purchaser to the other counterparty that such party in good faith disputes that the other is entitled to receive the deposit and/or any accrued interest thereon, then such deposit and all accrued interest thereon may, at the option of the Receiver, be paid into Court as soon as reasonably possible (net of any applicable bank fees or charges), and further provided that the Receiver shall be entitled to seek the direction of the Court at any time in respect of any matter relating to the deposit, including the payment thereof to any Person.

2.11 Delivery of Purchased Assets

At the Time of Closing, the Purchaser will take possession of the Purchased Assets where situated. The Purchaser acknowledges that the Receiver has no obligation to deliver possession of the Purchased Assets to the Purchaser at any location other than the Project Address.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

3.01 Receiver's Representations and Warranties

The Receiver represents and warrants to the Purchaser that, as at the date hereof and as of the Closing Date:

- (a) subject to the entry of the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated herein, the Receiver has the power, authority and right to enter into and deliver this Agreement and to carry out its obligations hereunder;
- (b) subject to the entry of the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated herein, this Agreement constitutes a valid and legally binding obligation of the Receiver, enforceable against the Receiver in accordance with its terms;
- (c) Terrasan is registered under Part IX of the *Excise Tax Act* (Canada) with registration number 80861 5751 RT0001; and
- (d) Terrasan is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

3.02 **Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Receiver that:

- (a) the Purchaser is a corporation duly incorporated, organized and existing under the laws of Ontario;
- (b) the Purchaser has the power, authority and right to enter into and deliver this Agreement and to carry out its obligations hereunder;
- (c) this Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (d) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and completion of the transactions contemplated herein and the entering into of this Agreement in completion of the transactions contemplated herein will not breach its constating documents, any agreement binding on the Purchaser, or Applicable Laws relating to the Purchaser;
- (e) there are no orders of or proceedings before or pending before any Governmental Authority, or threatened to be brought by or before any Governmental Authority by or against the Purchaser affecting the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Purchaser;
- (f) no authorizations, consents or approvals of, or filing with or notice to, any Governmental Authority is required in connection with the execution, delivery or performance of this Agreement;
- (g) except for the Approval and Vesting Order, no consent, waiver, authorization or approval of any Person and no declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Purchaser of this Agreement;
- (h) the Purchaser has available sufficient funding to enable the Purchaser to consummate the purchase of the Purchased Assets on the terms set forth herein and otherwise to perform all of the Purchaser's obligations under this Agreement;
- (i) the Purchaser is registered under Part IX of the *Excise Tax Act* (Canada) with registration number 82307 1832 RT0001; and
- (j) the Purchaser is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

3.03 “As Is, Where Is”

(1) The Purchaser acknowledges and agrees that it is purchasing the Purchased Assets on an “*as is, where is*” basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Assets (including a review of title), Assumed Liabilities and all other relevant matters and has determined to proceed with the transaction contemplated herein and will accept the same at the Time of Closing in their then current state, condition, location, and amounts, subject to all Permitted Encumbrances.

(2) Except as otherwise expressly provided in Section 3.01, no representation, warranty or condition whether statutory (including under the *Sale of Goods Act* (Ontario), the *International Sale of Goods Contracts Convention Act* (Canada) and the *International Sale of Goods Act* (Ontario) or any international equivalent act which may be applicable to the subject matter pursuant to the provisions of this Agreement, including but not limited to the *United Nations Convention on Contracts for the International Sale of Goods*), or express or implied, oral or written, legal, equitable, conventional, collateral, arising by custom or usage of trade, or otherwise is or will be given including as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, merchantable quality, quantity, condition (including physical and environmental condition), suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded and disclaimed and any rights pursuant to such statutes have been waived by the Purchaser. The Purchaser acknowledges and agrees that it has relied entirely and solely on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets and assume the Assumed Liabilities pursuant to this Agreement.

(3) The description of the Purchased Assets and Assumed Liabilities contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by Terrasan. Except as otherwise explicitly set forth in Section 3.01, no representation, warranty or condition has been given by the Receiver concerning the completeness or accuracy of such descriptions and the Purchaser acknowledges and agrees that any other representation, warranty, statements of any kind or nature, express or implied, (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of Terrasan or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Receiver.

(4) Any documents, materials and information provided by or on behalf of the Receiver to the Purchaser with respect to the Purchased Assets or Assumed Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Receiver has not made and is not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Receiver and their respective affiliates, directors, officers, employees, agents

and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information.

ARTICLE 4 - COVENANTS

4.01 Covenants of the Receiver

(1) The Receiver will ensure that the representations and warranties of the Receiver set out in Section 3.01 are true and correct in all material respects at the Time of Closing and use reasonable commercial efforts to ensure that the conditions of closing for the benefit of the Purchaser set out in Section 5.02 over which it has reasonable control have been performed or complied with in all material respects by the Time of Closing.

(2) The Receiver shall file with the Court, as soon as practicable after its execution and delivery of this Agreement, a motion seeking the Court's issuance of the Approval and Vesting Order.

4.02 Covenants of the Purchaser

(1) The Purchaser will ensure that the representations and warranties of the Purchaser set out in Section 3.02 are true and correct in all material respects at the Time of Closing and use reasonable commercial efforts to ensure that the conditions of closing for the benefit of the Receiver set out in Section 5.03 over which it has reasonable control have been performed or complied with in all material respects by the Time of Closing.

(2) The Purchaser will provide the Receiver with all information within its possession or control that the Receiver may reasonably request to assist the Receiver in obtaining the Approval and Vesting Order.

(3) The Purchaser will preserve the Books and Records delivered to it at the Time of Closing for a period of six years from the Closing Date, or for such other period as is required by any Applicable Law, and will permit the Receiver and their respective authorized representatives reasonable access thereto in connection with the affairs of Terrasan, and the right to make copies thereof at their expense.

(4) The Purchaser shall make the necessary arrangements to replace any letters of credit or other security deposits posted or received by Terrasan, the Receiver, or any other Person on their behalf, on or prior to Closing.

(5) The Purchaser will comply with the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar Applicable Laws relating to privacy and the protection of Personal Information in respect of the Books and Records, Contracts and any other business and financial records related to the Purchased Assets.

ARTICLE 5 - CONDITIONS AND TERMINATION

5.01 Due Diligence Condition – Non-Binding APA – INTENTIONALLY DELETED

5.02 Conditions for the Benefit of the Purchaser

The sale by the Receiver and the purchase by the Purchaser of the Purchased Assets is subject to the following conditions, which are for the exclusive benefit of the Purchaser and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Receiver set forth in this Agreement will be true and correct in all material respects at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Receiver will have performed or complied in all material respects with all of the obligations and covenants of this Agreement to be performed or complied with by the Receiver at or prior to the Time of Closing;
- (c) no action or proceeding in Canada will be pending by any third party to enjoin or prohibit the sale and purchase of the Purchased Assets; and
- (d) the Approval and Vesting Order will have been granted by the Court and such order will not have been stayed, varied in any material respect, set aside or appealed (or any such appeal shall have been dismissed with no further appeal therefrom).

5.03 Conditions for the Benefit of the Receiver

The sale by the Receiver and the purchase by the Purchaser of the Purchased Assets is subject to the following conditions, which are for the exclusive benefit of the Receiver and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Purchaser set forth in this Agreement will be true and correct in all material respects at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Purchaser will have performed or complied in all material respects with all of the obligations and covenants of this Agreement to be performed or complied with by the Purchaser at or prior to the Time of Closing;
- (c) no action or proceeding in Canada will be pending by any third party to enjoin or prohibit the purchase and sale of the Purchased Assets;
- (d) the Approval and Vesting Order will have been granted by the Court and such order will not have been stayed, varied in any material respect, set aside or appealed (or any such appeal shall have been dismissed with no further appeal therefrom); and

(e) **INTENTIONALLY DELETED.**

5.04 **Waiver of Condition**

The Purchaser, in the case of a condition set out in Section 5.02, and the Receiver, in the case of a condition set out in Section 5.03 (other than Section 5.03(d)), will have the exclusive right to waive the performance or compliance of such condition in whole or in part and on such terms as may be agreed upon without prejudice to any of its rights in the event of non-performance of or non-compliance with any other condition in whole or in part. Any such waiver will not constitute a waiver of any other conditions in favour of the waiving party. Such waiving party will retain the right to complete the purchase and sale of the Purchased Assets herein contemplated.

5.05 **Termination**

This Agreement may be terminated, by notice given prior to or on the Closing Date:

- (a) by the Receiver or the Purchaser if a material breach of any representation, warranty, covenant, obligation or other provision of this Agreement has been committed by the other party and such breach has not been waived or cured within five days following the date on which the non-breaching party notifies the other party of such breach;
- (b) by the Purchaser if a condition in Section 5.02 becomes impossible to satisfy prior to August 31, 2017 or such later date as the parties may determine (the “**Outside Date**”) (other than through the failure of the Purchaser to comply with its obligations under this Agreement) and the Purchaser has not waived such condition;
- (c) by the Receiver if a condition in Section 5.03 becomes impossible to satisfy prior to the Outside Date (other than through the failure of the Receiver to comply with its obligations under this Agreement) and the Receiver has not waived such condition;
- (d) by the Receiver pursuant to Section 6.07(1)(a);
- (e) by written agreement of the Purchaser and the Receiver;
- (f) by the Receiver or the Purchaser if the completion of the sale of Purchased Assets herein contemplated has not occurred (other than through the failure of the party seeking termination to comply with its obligations under this Agreement) on or before the Outside Date.

5.06 **Effect of Termination**

Each party’s right of termination under Section 5.05 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 5.05, all further

obligations of the parties under this Agreement will terminate, except that the obligations in Sections 2.10(2), 6.04, 8.03 and 8.04 will survive; provided, however, that if this Agreement is terminated by a party because of a material breach of a representation or warranty, covenant, obligation or other provision of this Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

ARTICLE 6 - CLOSING ARRANGEMENTS

6.01 Closing

The sale and purchase of the Purchased Assets will be completed at the Time of Closing at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto-Dominion Centre, Toronto, Ontario M5K 0A1.

6.02 Receiver's Closing Deliveries

On or before the Time of Closing, the Receiver will deliver or cause to be delivered to the Purchaser the following:

- (a) a certificate executed by the Receiver confirming that the representations and warranties of the Receiver in this Agreement are true and correct in all material respects as of the Time of Closing and that the obligations of the Receiver to be performed prior to the Time of Closing have been performed in all material respects;
- (b) a copy of the issued and entered Approval and Vesting Order;
- (c) if available, the tax election as contemplated by Section 2.05 executed by the Receiver;
- (d) a bill of sale, duly executed by the Receiver, if necessary;
- (e) **INTENTIONALLY DELETED**; and
- (f) such other documents or instruments as contemplated or required to be delivered by the Receiver pursuant to this Agreement, all of which shall be in form and substance satisfactory to the parties, acting reasonably.

6.03 Purchaser's Closing Deliveries

On or before the Time of Closing, the Purchaser will deliver or cause to be delivered to the Receiver the following:

- (a) payment of the Purchase Price to the Receiver as contemplated by Section 2.10(1).

- (b) **INTENTIONALLY DELETED;**
- (c) a certificate executed by a senior officer of the Purchaser confirming that the representations and warranties of the Purchaser in this Agreement are true and correct in all material respects as of the Time of Closing and that the obligations of the Purchaser to be performed prior to the Time of Closing have been performed in all material respects;
- (d) if available, the tax election as contemplated by Section 2.05 executed by the Purchaser;
- (e) **INTENTIONALLY DELETED;**
- (f) if required, a land transfer tax affidavit; and
- (g) such other documents or instruments as contemplated or required to be delivered by the Purchaser pursuant to this Agreement, all of which shall be in form and substance satisfactory to the parties, acting reasonably.

6.04 **Confidentiality**

Subject to the terms of the Non-Disclosure Agreement, both prior to the Closing Date and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason thereafter, the Purchaser will not disclose to anyone or use for its own or for any purpose other than the purpose contemplated by this Agreement any confidential information concerning Terrasan or the operations obtained by the Purchaser pursuant hereto, and will hold all such information in the strictest confidence and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason, will return all documents, records and all other information or data relating to Terrasan or to the operations which the Purchaser obtained pursuant to this Agreement.

6.05 **Delivery of Receiver's Certificate**

When the Receiver is satisfied that all conditions hereunder have been satisfied or waived, and all documents to be delivered under the terms hereof have been delivered at or before the Time of Closing, the Receiver will deliver an executed copy of the Receiver's Certificate to the Purchaser's counsel in escrow upon the sole condition of receipt by the Receiver of the amounts referred to in Section 2.10(1). All of the foregoing amounts will then be paid by the Purchaser, by wire transfer of immediately available funds to an account designated in writing by the Receiver for this purpose pursuant to Section 2.10(1) hereof. Following written confirmation of receipt by the Receiver of such funds (or such person directed by the Receiver to receive such funds), the Receiver's Certificate will be released from escrow to the Purchaser. Upon such delivery, the closing will be deemed to have occurred at the Time of Closing. The Receiver will file a copy of the Receiver's Certificate with the Court on the next Business Day following the Closing Date and provide evidence of such filing to the Purchaser.

6.06 **Planning Act**

This Agreement is subject to compliance with the *Planning Act* (Ontario). The parties agree that compliance with the *Planning Act* (Ontario) shall be the responsibility of the Purchaser at its costs. The Receiver agrees to execute all documents reasonably requested by the Purchaser in respect thereof.

6.07 **Risk of Loss**

(1) Until the Time of Closing, the Purchased Assets will remain at the risk of the Receiver. If any destruction or damage in excess of \$2 million occurs to the Purchased Assets on or before the Time of Closing or if any or all of the Purchased Assets are appropriated, expropriated or seized by governmental or other lawful authority on or before the Time of Closing:

- (a) the Receiver will forthwith give notice thereof to the Purchaser, and the Receiver shall have the right to terminate this Agreement prior to the Time of Closing and shall notify the Purchaser in a reasonable period of time whether it is exercising this right; and
- (b) in the event the Receiver does not exercise its right of termination under Section 6.07(1)(a), the Purchaser will have the option, exercisable by notice to the Receiver on or before the Time of Closing:
 - (i) to reduce the Purchase Price by an amount equal to the proceeds of insurance (and, if any such policy provided for a deductible amount, by an amount equal to such deductible amount) or compensation for destruction or damage or appropriation, expropriation or seizure and business interruption with respect thereto (in this Section 6.07 referred to as the “Proceeds”), and to complete the purchase; or
 - (ii) to complete the purchase without reduction of the Purchase Price, in which event all Proceeds will be payable to the Purchaser and all Claims of the Receiver to any such amounts not paid by the Closing Date will be assigned to the Purchaser.

(2) If the Purchaser elects to reduce the Purchase Price pursuant to Section 6.07(1)(b)(i), the Receiver will at the Time of Closing determine the amount of the reduction to the extent that it is then determinable and will undertake to adjust such amount after the Closing Date, if necessary.

ARTICLE 7 - SURVIVAL

7.01 **Survival**

No covenants, representations and warranties of each party contained in this Agreement will survive the completion of the sale and purchase of the Purchased Assets and assumption of the Assumed Liabilities hereunder, except for the covenants that by their terms are to be satisfied

or survive after the Time of Closing (including without limitation Sections 2.07, 2.10(2), 4.02(3), 8.03, 8.04, and 8.16), which covenants will continue in full force and effect in accordance with their terms.

ARTICLE 8 - GENERAL

8.01 Further Assurances

Each of the Receiver and the Purchaser will from time to time at the request and expense of the other execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

8.02 Time of the Essence

Time is of the essence of this Agreement.

8.03 Fees, Commissions and other Costs and Expenses

Each of the Receiver and the Purchaser will pay its respective legal and accounting costs and expenses and any real estate or other commissions incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim resulting from any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

8.04 Public Announcements

Except as required by Applicable Law, no public announcement or press release concerning the sale and purchase of the Purchased Assets may be made by the Receiver or the Purchaser without the prior consent and joint approval of the Receiver and the Purchaser.

8.05 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties.

8.06 Entire Agreement

This Agreement (including the agreements contemplated hereby) and the Non-Disclosure Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and such agreements cancel and supersede any prior understandings and agreements (including the Non-Binding APA) between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement (including the agreements contemplated hereby) or in the Non-Disclosure Agreement.

8.07 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

8.08 Assignment

This Agreement may not be assigned by the Receiver or the Purchaser without the written consent of the other provided that the Purchaser may assign this Agreement without the consent of the Receiver to an Affiliate of the Purchaser provided that: (i) such Affiliate enters into a written agreement with the Receiver to be bound by the provisions of this Agreement in all respects and to the same extent as the Purchaser is bound, (ii) that the Purchaser will continue to be bound by all the obligations hereunder as if such assignment had not occurred and perform such obligations to the extent that such Affiliate fails to do so, and (iii) such assignment occur prior to the issuance of the Approval and Vesting Order.

8.09 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To the Receiver:

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

Fax No.: 416-865-0210
Email: gcerrato@bdo.com

Attention: Gary Cerrato

With copies to (which will not constitute notice)

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

Fax No: 416-863-4592
Email: robert.kennedy@dentons.com

Attention: Robert Kennedy

To the Purchaser:

2402871 Ontario Inc.
1944 Fowler Drive
Mississauga, ON L5K 0A1

Fax No: 905-823-4014
Email: jvandyk@vandyk.com

Attention: John Vandyk

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

8.10 Remedies Cumulative

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

8.11 No Third Party Beneficiaries

This Agreement is solely for the benefit of:

- (a) the Receiver, and its successors and permitted assigns, with respect to the obligations of the Purchaser under this Agreement, and
- (b) the Purchaser, and its successors and permitted assigns, with respect to the obligations of the Receiver under this Agreement,

and this Agreement will not be deemed to confer upon or give to any other person any Claim or other right or remedy.

8.12 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

8.13 Attornment

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have

jurisdiction to entertain any action arising under this Agreement. The Receiver and the Purchaser each attorns to the jurisdiction of the courts of the Province of Ontario.

8.14 Appointment of Agent for Service

The Purchaser nominates, constitutes and appoints Bruce Milburn of Scheider Ruggiero LLP, Barristers and Solicitors, of the City of Toronto its true and lawful agent to accept service of process and to receive all lawful notices in respect of any action arising under this Agreement (other than any notice that is to be given by one party to another pursuant to Section 8.09). Until due and lawful notice of the appointment of another and subsequent agent in the Province of Ontario has been given to and accepted by the Receiver, service of process or of papers and such notices upon Bruce Milburn will be accepted by the Purchaser as sufficient service.

8.15 Severability

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect.

8.16 No Registration of Agreement

The Purchaser agrees that it will not register or cause or permit to be registered this Agreement and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof shall be registered on title to the Lands and/or any part thereof. The Purchaser shall indemnify and save the Receiver harmless from and against any and all Claims whatsoever arising from or with respect to any such registration. This Section shall survive the expiration and/or termination of this Agreement for any reason.

8.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.


8.18 Electronic Execution

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

[The balance of this page has been intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

2402871 ONTARIO INC.


Name: Richard Ho
Title: CFO.

BDO CANADA LIMITED, solely in its capacity as receiver and manager of TERRASAN 327 ROYAL YORK RD. LIMITED, and not in any other capacity

Name:

EXHIBIT A

Form of Approval and Vesting Order

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE JUSTICE) DAY, THE 25th DAY OF
) AUGUST, 2017
)

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as Court appointed receiver and manager (the “**Receiver**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Asset Purchase Agreement**”) between the Receiver and 240871 Ontario Inc. (the “**Purchaser**”) dated July 28, 2017, and vesting in the Purchaser Terrasan 327 Royal York Rd. Limited’s (“**Terrasan**”) right, title, benefit and interest in and to the assets described in the Asset Purchase Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver dated August ___, 2017 (the “**Second Report**”), and on hearing the submissions of counsel for the Receiver, the Applicant, and the

Purchaser, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Amanda Campbell sworn August ___, 2017 filed:

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Asset Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of Terrasan's right, title, benefit and interest in and to the Purchased Assets described in the Asset Purchase Agreement, including the lands legally described in **Schedule B** hereto (the "**Lands**"), shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order dated February 24, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule C** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule D**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the applicable land registry office or land titles office of a Transfer/Deed of Land or equivalent document, or of an application for registration of this Order in the applicable prescribed form, the applicable land registrar or equivalent official is hereby directed to enter the Purchaser as the owner of the Lands in fee simple, and is hereby directed to delete and expunge from title to the Lands all of the Claims listed in Schedule C hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in Terrasan's records pertaining to Terrasan's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Terrasan.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Terrasan and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Terrasan;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Terrasan and shall not be void or

voidable by creditors of Terrasan, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) and Sections 6(3) of the *Retail Sales Act* (Ontario).

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

10. **THIS COURT ORDERS** that the Confidential Appendix "A" to the Second Report shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of the Court.

Schedule A – Form of Receiver’s Certificate

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

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

THE HONOURABLE JUSTICE) DAY, THE [__] DAY OF
) [__], 2016
)

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (the “**Court**”) dated February 24, 2017, BDO Canada Limited was appointed as receiver and manager (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 ●, 2017, the Court approved the agreement of purchase and sale made as of ●, 2017 (the “**Asset Purchase Agreement**”) between the Receiver and ● (the “**Purchaser**”) and provided for the vesting in the Purchaser of Terrasan’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming:

(i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, (ii) that the conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Asset Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Asset Purchase Agreement;
2. The conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, respectively; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**BDO Canada Limited, in its capacity as
Receiver, and not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – Claims to be deleted and expunged from title to Real Property

PIN 07617-0889 (LT)

1. Charge registered as Instrument No. AT3235332 on February 12, 2013
2. Notice of Assignment of Rents-General registered as Instrument No. AT3235333 on February 12, 2013
3. Charge registered as Instrument No. AT3539503 on March 17, 2014
4. Notice registered as Instrument No. AT3549928 on April 1, 2014
5. Transfer of Charge registered as Instrument No. AT3549936 on April 1, 2014
6. Transfer of Charge registered as Instrument No. AT3555412 on April 9, 2014
7. Transfer of Charge registered as Instrument No. AT3561505 on April 17, 2014
8. Transfer of Charge registered as Instrument No. AT3566547 on April 25, 2014
9. Transfer of Charge registered as Instrument No. AT3575227 on April 6, 2014
10. Transfer of Charge registered as Instrument No. AT3585296 on May 20, 2014
11. Transfer of Charge registered as Instrument No. AT3596048 on May 30, 2014
12. Transfer of Charge registered as Instrument No. AT3601926 on June 6, 2014
13. Transfer of Charge registered as Instrument No. AT3607117 on June 13, 2014
14. Transfer of Charge registered as Instrument No. AT3613001 on June 20, 2014
15. Transfer of Charge registered as Instrument No. AT3619994 on June 27, 2014
16. Notice registered as Instrument No. AT3658194 on August 11, 2014
17. Transfer of Charge registered as Instrument No. AT3658196 on August 11, 2014
18. Transfer of Charge registered as Instrument No. AT3666880 on August 20, 2014
19. Notice registered as Instrument No. AT3685946 on September 11, 2014
20. Transfer of Charge registered as Instrument No. AT3703135 on September 30, 2014
21. Notice registered as Instrument No. AT3708526 on October 7, 2014
22. Transfer of Charge registered as Instrument No. AT3710726 on October 9, 2014

23. Transfer of Charge registered as Instrument No. AT3717540 on October 20, 2014
24. Transfer of Charge registered as Instrument No. AT3723532 on October 28, 2014
25. Transfer of Charge registered as Instrument No. AT3728118 on October 30, 2014
26. Transfer of Charge registered as Instrument No. AT3741238 on November 14, 2014
27. Transfer of Charge registered as Instrument No. AT3745031 on November 20, 2014
28. Transfer of Charge registered as Instrument No. AT3749969 on November 26, 2014
29. Transfer of Charge registered as Instrument No. AT3765342 on December 12, 2014
30. Notice registered as Instrument No. AT3769051 on December 17, 2014
31. Transfer of Charge registered as Instrument No. AT3790042 on January 19, 2015
32. Notice registered as Instrument No. AT3793278 on January 22, 2015
33. Transfer of Charge registered as Instrument No. AT3818095 on February 25, 2015
34. Charge registered as Instrument No. AT3841250 on March 26, 2015
35. Transfer of Charge registered as Instrument No. AT3844741 on March 31, 2015
36. Notice registered as Instrument No. AT3850533 on April 7, 2015
37. Notice registered as Instrument No. AT3881044 on May 12, 2015
38. Postponement registered as Instrument No. AT3894276 on May 28, 2015
39. Notice registered as Instrument No. AT3941583 on July 9, 2015
40. Postponement registered as Instrument No. AT3989335 on August 26, 2015
41. Postponement registered as Instrument No. AT3989337 on August 26, 2015
42. Postponement registered as Instrument No. AT3989338 on August 26, 2015
43. Transfer of Charge registered as Instrument No. AT4035434 on October 14, 2015
44. Notice of Assignment of Rents-General registered as Instrument No. AT4035435 on October 14, 2015
45. Transfer of Charge registered as Instrument No. AT4066213 on November 13, 2015
46. Notice registered as Instrument No. AT4066214 on November 13, 2015
47. Notice registered as Instrument No. AT4132320 on January 29, 2016

48. Postponement registered as Instrument No. AT4132321 on January 29, 2016
49. Postponement registered as Instrument No. AT4132323 on January 29, 2016
50. Postponement registered as Instrument No. AT4192703 on April 14, 2016
51. Postponement registered as Instrument No. AT4192704 on April 14, 2016
52. Charge registered as Instrument No. AT4192730 on April 14, 2016
53. Notice of Assignment of Rents-General registered as Instrument No. AT4192731 on April 14, 2016
54. Postponement registered as Instrument No. AT4192760 on April 14, 2016
55. Postponement registered as Instrument No. AT4192761 on April 14, 2016
56. Postponement registered as Instrument No. AT4192762 on April 14, 2016
57. Notice registered as Instrument No. AT4193455 on April 14, 2016
58. Postponement registered as Instrument No. AT4264603 on June 30, 2016
59. Postponement registered as Instrument No. AT4264604 on June 30, 2016
60. Postponement registered as Instrument No. AT4264605 on June 30, 2016
61. Postponement registered as Instrument No. AT4264606 on June 30, 2016
62. Postponement registered as Instrument No. AT4264607 on June 30, 2016
63. Postponement registered as Instrument No. AT4274414 on July 11, 2016
64. Postponement registered as Instrument No. AT4274415 on July 11, 2016
65. Postponement registered as Instrument No. AT4274416 on July 11, 2016
66. Postponement registered as Instrument No. AT4274417 on July 11, 2016
67. Postponement registered as Instrument No. AT4274418 on July 11, 2016
68. Transfer of Charge registered as Instrument No. AT4327730 on August 31, 2016
69. Construction Lien registered as Instrument AT4455871 on January 11, 2017
70. Construction Lien registered as Instrument No. AT4458595 on January 13, 2017
71. Construction Lien registered as Instrument No. AT4459539 on January 13, 2017
72. Construction Lien registered as Instrument No. AT4462727 on January 18, 2017

73. Transfer of Charge registered as Instrument No. AT4464383 on January 19, 2017
74. Construction Lien registered as Instrument No. AT4464740 on January 19, 2017
75. Construction Lien registered as Instrument No. AT4467005 on January 23, 2017
76. Construction Lien registered as Instrument No. AT4468556 on January 24, 2017
77. Construction Lien registered as Instrument No. AT4468557 on January 24, 2017
78. Postponement registered as Instrument No. AT4471568 on January 27, 2017
79. Construction Lien registered as Instrument No. AT4475863 on January 31, 2017
80. Certificate registered as Instrument No. AT4480120 on February 6, 2017
81. Certificate registered as Instrument No. AT4483429 on February 9, 2017
82. Construction Lien registered as Instrument No. AT4484326 on February 10, 2017
83. Certificate registered as Instrument No. AT4484646 on February 10, 2017
84. Certificate registered as Instrument No. AT4488807 on February 16, 2017
85. Construction Lien registered as Instrument No. AT4494360 on February 24, 2017
86. Certificate registered as Instrument No. AT4494829 on February 24, 2017
87. Certificate registered as Instrument No. AT4513705 on March 16, 2017
88. Certificate registered as Instrument No. AT4513712 on March 16, 2017
89. Application Court Order registered as Instrument No. AT4518660 on March 23, 2017
90. Application General registered as Instrument No. AT4528870 on April 3, 2017
91. Certificate registered as Instrument No. AT4538384 on April 18, 2017
92. Construction Lien registered as Instrument No. AT4541935 on April 20, 2017
93. Certificate registered as Instrument No. AT4600997 on June 16, 2017

And any intervening registrations from the date of the Asset Purchase Agreement to the Closing Date.

**Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Transfer of Easement registered as Instrument No. AT3989173 on August 26, 2015.
2. Instrument No. AT2717994 registered on June 10, 2011 is a Notice between the City of Toronto and Terrasan 327 Royal York Road Limited.
3. Instrument No. AT4264438 registered on June 30, 2016 is a Transfer of Easement between Terrasan 327 Royal York Road Limited and Canadian National Railway Company.
4. Instrument No. AT4274323 registered on July 11, 2016 is a Transfer of Easement between Terrasan 327 Royal York Road Limited and Metrolinx.
5. Instrument No. AT4215393 on May 11, 2016 is a Notice between the City of Toronto and Terrasan 327 Royal York Road Limited.

EXHIBIT B – INTENTIONALLY DELETED

EXHIBIT C – INTENTIONALLY DELETED

EXHIBIT D

PERMITTED ENCUMBRANCES

1. Transfer of Easement registered as Instrument No. AT3989173 on August 26, 2015.
2. Instrument No. AT2717994 registered on June 10, 2011 is a Notice between the City of Toronto and Terrasan 327 Royal York Road Limited.
3. Instrument No. AT4264438 registered on June 30, 2016 is a Transfer of Easement between Terrasan 327 Royal York Road Limited and Canadian National Railway Company.
4. Instrument No. AT4274323 registered on July 11, 2016 is a Transfer of Easement between Terrasan 327 Royal York Road Limited and Metrolinx.
5. Instrument No. AT4215393 on May 11, 2016 is a Notice between the City of Toronto and Terrasan 327 Royal York Road Limited.

EXHIBIT E – INTENTIONALLY DELETED

EXHIBIT F

ALLOCATION OF PURCHASE PRICE

[The Purchase Price allocation will be determined by the Purchaser and the Receiver prior to the Closing Date]

TAB D

IN THE MATTER OF THE RECEIVERSHIP OF
TERRASAN 327 ROYAL YORK ROAD

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS
as at July 31, 2017

RECEIPTS:

Cash in Bank	1,381,910.45
HST Refunds	66,840.33
Miscellaneous Refunds	210.55
Interest	718.88
Total Receipts	<u>\$ 1,449,680.21</u>

DISBURSEMENTS:

Property Management Fee	42,736.72
Occupancy Rent (Site Trailer)	3,055.00
Occupancy Permit	6,399.36
Outside Consulting	42,987.91
Receiver's Fees	141,404.22
HST on Receiver's Fees	18,382.54
HST paid on disbursements	31,780.84
Operating expense	129,382.72
Insurance	36,942.76
Repairs and maintenance	42,923.63
Utilities	12,417.24
Advertising	9,059.60
Filing Fee	70.00
Bank Charges	30.00
Miscellaneous Disbursements	3,095.08
Total Disbursements	<u>\$ 520,667.62</u>
RECEIPTS OVER DISBURSEMENTS	<u>\$ 929,012.59</u>

TAB E

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 JOSIE PARISI

I, **JOSIE PARISI**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Partner of BDO Canada Limited, and as such have personal knowledge of the matters referred to herein.
2. By Order of the Honourable Mr. Justice Wilton Siegel, dated February 24, 2017 (the "Order"), BDO Canada Limited was appointed as Court-appointed Receiver (the "Receiver") of Terrasan 327 Royal York Rd. Limited.

- 3. Pursuant to the Order, the Receiver has provided services and incurred disbursements which are more particularly described in the detailed accounts attached hereto and marked as **Exhibit "A"**.
- 4. The time shown in the detailed accounts attached as **Exhibit "A"** are a fair and accurate description of the services provided and the amounts charged by the Receiver, which reflect the Receiver's time as billed at its standard billing rates.
- 5. The Receiver requests that the Court approve its fees and disbursements for the period from 17 March 2017 to 31 July 2017 in the amount of \$208,626.50 plus HST of \$27,121.44 for a total of \$235,747.94, for the services set out in **Exhibit "A"**.
- 6. This affidavit is sworn in support of the Receiver's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto,)
 in the Province of Ontario, this)
 14th day of August 2017)

A. Montesano

 Commissioner for Taking Affidavits, etc)

J. Parisi

 Josie Parisi, CPA, CA, CBV, CIRP, LIT)

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

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

Josie Parisi

Sworn before me this 14th day of August 2017



A COMMISSIONER FOR TAKING AFFIDAVITS

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



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

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

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

Date	Invoice
25 May 2017	#Terrasan-002

RE TERRASAN 327 ROYAL YORK RD. LIMITED

TO OUR FEE FOR PROFESSIONAL SERVICES rendered from 17 March 2017 to 28 April 2017 in connection with our Receivership Engagement of the above-noted, as described below: (Please note that time for March 8, 9 and 17, on this invoice was omitted on invoice Terrasan-001)

Date	Professional	Description	Hrs.
8-Mar-17	Montesano, Tony	Draft letter to Bank of Montreal regarding freezing bank account, hand deliver to main branch.	1.0
9-Mar-17	Montesano, Tony	Work on creditor's list; input creditors and amounts.	2.0
17-Mar-17	Cerrato, Gary	Review various emails from M. Luna and P. Pelligrino re funding requirements; discussions with J. Parisi re process for payments going forward; draft email re funding payment protocol; responding to creditor calls.	2.0
20-Mar-17	Marchand, Matthew	Discussion with K. Masciantonio re confidential information memorandum and data room; correspondence with M. Siha re data room and related matters; email correspondence with J. Parisi re same.	0.5
20-Mar-17	Masciantonio, Katarina	Prepare information request for Confidential Information Memorandum.	1.6
20-Mar-17	Cerrato, Gary	Drafting report; call with M. Luna re payments to be processed immediately; call with J. Parisi re funding issues and review of correspondence re same.	2.0
20-Mar-17	Parisi, Josie	Call with G. Cerrato re payment requests, review invoices, prepare email to Centurian re payment of the various amounts. Various correspondence with M. Luna and L. Santaguida.	1.3

Date	Professional	Description	Hrs.
21-Mar-17	Parisi, Josie	Call with G. Cerrato re court report, review sections or report; deal with payment requests and approval of payments; draft email to R. Buzzell of Centurian re payment of expenditures; review portions of motion materials to extract information for Confidential Information Memorandum; review draft buyers listing and make changes, review draft CIM and propose changes.	3.9
21-Mar-17	Cerrato, Gary	Call with J. Parisi re funding issues and review of invoicing; call with J. Parisi to discuss sales process timelines; call with P. Pellegrino re various requests for payments; working on report; forward sale process timelines to R. Kennedy for review.	1.7
21-Mar-17	Masciantonio, Katarina	Review and update request listing for Confidential Information Memorandum; commence preparation of the Confidential Information Memorandum.	3.5
21-Mar-17	Chow, Mark	Review update correspondence on file status and operations.	0.2
22-Mar-17	Cerrato, Gary	Meeting at Terrasan with J. Parisi, L Santaguida, M. Luna and P. Santos to obtain information required to execute the Receiver's proposed sale process.	4.5
22-Mar-17	Parisi, Josie	Meeting at Terrasan with G. Cerrato, L Santaguida, M. Luna and P. Santos.	4.5
22-Mar-17	Montesano, Tony	Contact Sergiu Cosmin Manager from DUCA Financial Services Credit Union Ltd. to request bank statements for the last 3 months; received and forward the same the G. Cerrato.	0.3
22-Mar-17	Montesano, Tony	Contact M. Rocha bank manager at BMO to request bank statements for the last 3 months; received and forward the same the G. Cerrato.	0.3
23-Mar-17	Parisi, Josie	Review sales process document, discussions with R. Kennedy re same; meeting with K. Masciantonio to review draft Confidential Information Memorandum; draft sections of Confidential Information Memorandum; review sales process with G. Cerrato, discussions with G. Cerrato re Receiver's report, discussions with P. Pellegrino of Empire re payment of amounts; review payment requests made by Empire and make modifications; review documents provided by L. Santaguida during meeting.	5.1

Date	Professional	Description	Hrs.
23-Mar-17	Cerrato, Gary	Email and discussions with Marsh re insurance for Terrasan; drafting report; dealing with funding issues; review draft of sales process order prepared by R. Kennedy; review of information received from L. Santaguida; calls with J. Parisi re sales process and report.	3.9
23-Mar-17	Montesano, Tony	Contact S. Cosmin at DUCA regarding details of term deposit, requested and received letter of credit, forward same to J. Parisi and G. Cerrato.	0.5
23-Mar-17	Masciantonio, Katarina	Meeting with J. Parisi re Confidential Information Memorandum; prepare Confidential Information Memorandum.	1.0
23-Mar-17	Chow, Mark	Review correspondence from R. Kennedy re registration on title.	0.2
24-Mar-17	Chow, Mark	Discussion with A. Guzzetti re file status; discussion with B. Chiasson re billing; update discussion with G. Cerrato re file status; update discussion with R. Kennedy at Denton's re no payout of Centurion.	0.5
24-Mar-17	Masciantonio, Katarina	Prepare Confidential Information Memorandum.	1.0
24-Mar-17	Parisi, Josie	Call with R. Kennedy, review and revise documents provided by R. Kennedy.	3.1
24-Mar-17	Montesano, Tony	Contact Toronto Hydro to advise of Receivership, send letter with copy of Order to same.	0.2
24-Mar-17	Cerrato, Gary	Discussion with J. Parisi re funding requests; review of email correspondence re same; drafting court report; review of motion record and sales process document prepared by Dentons; call with R. Kennedy re same; drafting court report.	3.5
24-Mar-17	Chiasson, Bridget	Attend to filing addition notices to creditors.	0.5
27-Mar-17	Cerrato, Gary	Reviewing motion record; reviewing amendments to sales process documents; conference call with J. Parisi and R. Kennedy to discuss report and motion record; various calls with R. Kennedy; amending report.	5.0
27-Mar-17	Parisi, Josie	Call with R. Kennedy to review the sales process document and discuss changes; review changes to court report initiated by R. Kennedy, discussions with G. Cerrato re same; email exchanges with M.	1.3

Date	Professional	Description	Hrs.
		Luna re obtaining trust information for him; follow up with Centurion lawyer re status of payout.	
27-Mar-17	Finamore, Patrick	International and regional buyers list preparation.	7.0
27-Mar-17	Masciantonio, Katarina	Prepare confidential information memorandum.	1.0
27-Mar-17	Chow, Mark	Review receiver's draft report and comments thereon.	0.8
28-Mar-17	Chow, Mark	Review court motion materials.	0.7
28-Mar-17	Parisi, Josie	Finalize materials, discussions with R. Kennedy re same; calls with Empire re outstanding amounts due to them, review and finalize buyers listing.	1.3
28-Mar-17	Cerrato, Gary	Discussions with R. Kennedy re motion record and release of same pending approval of sale process from Centurion; review of correspondence received.	0.5
28-Mar-17	Montesano, Tony	Left message with M. Rocha from BMO regarding of status of possible receipt of funds in bank account.	0.1
29-Mar-17	Montesano, Tony	Contact Sam at Starcomm Technologies to discuss account, advise of Receivership; discussed continuing service, e-mailed copy of Order to same.	0.4
29-Mar-17	Cerrato, Gary	Conference call with J Parisi and K Masciantonio re CIM; review of Confidential Information Memorandum.	1.9
29-Mar-17	Parisi, Josie	Call with R. Kennedy re questions from Alex; calls from creditors; reviewing Confidential Information Memorandum and making adjustments.	1.9
29-Mar-17	Masciantonio, Katarina	Call with J. Parisi and G. Cerrato re Confidential Information Memorandum.	1.0
29-Mar-17	Marchand, Matthew	Email correspondence with K. Masciantonio re lien claimant; email correspondence with J. Parisi re data room.	0.1
29-Mar-17	Chow, Mark	Discussion with J. Parisi re court report and concern of A. MacFarlane at Borden Ladner Gervais.	0.4
30-Mar-17	Marchand, Matthew	Phone call with G. Cerrato re data room; teleconference with G. Cerrato, K. Masciantonio and T. Montesano re sales process; discussion with J. Parisi and T. Montesano re same; phone call to John re data room; draft email to John re court order and data room; review teaser; review My Plan	3.8

Date	Professional	Description	Hrs.
		Room data room; draft email to G. Cerrato and J. Parisi re same; phone call with G. Cerrato re issues with data room; discussions with M. Siha re data room; walk through data room and set permissions with M. Siha; phone call with G. Cerrato re same.	
30-Mar-17	Masciantonio, Katarina	Draft email to creditor; discussion with J. Parisi re Confidential Information Memorandum; prepare Confidential Information Memorandum; conference call with M. Marchand, G. Cerrato, and T. Montesano re advertising; prepare advertising materials; discussion with J. Parisi and G. Cerrato re advertising materials; prepare teaser; revise teaser.	4.4
30-Mar-17	Cerrato, Gary	Reviewing Confidential Information Memorandum with J. Parisi; review of teaser letter; review of advertisement; review NDA; working with IT to set up the Receiver's website; draft receiver's website documents; contact Reprodux re taking over the electronic data room; conference call with M. Marchand re setting up the Receiver's electronic data room and related issues; dealing with other sales process issues.	5.0
30-Mar-17	Montesano, Tony	Meet with M. Marchand, K. Masciantonio teleconference call with G. Cerrato regarding data room and sales process.	1.0
30-Mar-17	Montesano, Tony	Prepare requisitions payment of invoices; confirm mailing of payment to Empire.	0.3
31-Mar-17	Cerrato, Gary	Reviewing Confidential Information Memorandum, teaser; setting up website; call to Axial to activate BDO account; respond to creditor calls; MLS set up and call; dealing with other sale process issues; review of amended NDA; call with R. Kennedy re NDA and concerns with data room material; call to N. Barry Lyon and conference call with J. Parisi and M. Conway re sale process and reviewing Confidential Information Memorandum and data room.	4.5
31-Mar-17	Montesano, Tony	Contacted Globe & Mail, Daily Commercial News and NRU; spoke with the various Sales Manager regarding cost to advertise in paper; requested ad cards and quotes; discussed quotes with M. Marchand; reviewed advertising budget. Drafted e-mail to potential purchasers; assisted K. Masciantonio with ad.	3.0

Date	Professional	Description	Hrs.
31-Mar-17	Parisi, Josie	Review and draft sections of Confidential Information Memorandum and other materials.	4.6
31-Mar-17	Masciantonio, Katarina	Prepare Confidential Information Memorandum and make changes; fill out MLS paper work and draft email to MLS re paper work; review and edit advertisement size; review and make changes to teaser.	3.5
31-Mar-17	Marchand, Matthew	Discussion with T. Montesano re data room; discussion with G. Cerrato re same; discussion with T. Montesano re marketing and budget; phone call to My Plan Room tech support re technical difficulties; discussion with G. Cerrato re engagement of consultant and review of data room.	1.0
30-Mar-17	Parisi, Josie	Review and drafting sections of Confidential Information Memorandum; review teaser and advertisement; review information provided by company to prepare Confidential Information Memorandum; various discussions with G. Cerrato, K. Masciantonio and T. Montesano re go forward marketing plan; dealing with IT to prepare data room site; numerous emails with Empire (Paul), Santerra (Louie and Tony) regarding outstanding payments; calls with R. Kennedy re APA.	7.8
3-Apr-17	Parisi, Josie	Attend in court for sales procedure order, prepare sections of Confidential Information Memorandum; teaser, ad, calls with creditors, calls with Empire.	6.1
3-Apr-17	Marchand, Matthew	Phone call to G. Stoneham re My Plan Data room access; phone call to M. Conway re assistance with data room; send invitations to multiple users re data rooms; create marketing budget together with T. Montesano; discussion with J. Parisi and T. Montesano re advertising and related matters; discussion with T. Montesano re data rooms; review email from J. Parisi re email domain; correspondence with J. Parisi re data room document upload; email correspondence with T. Montesano re same.	1.5
3-Apr-17	Masciantonio, Katarina	Obtain access to My Plan Room; resize ad; meeting with J. Parisi re documents to be uploaded to data room; review and revise teaser and advertisement.	2.6
3-Apr-17	Montesano, Tony	Work on advertising, send sample ads to NRU, Globe & Mail and CDN discuss pricing, advertising dates; finalize memo to prospective purchasers; assist with teaser.	3.0

Date	Professional	Description	Hrs.
3-Apr-17	Chow, Mark	Update from J. Parisi re file status.	0.2
4-Apr-17	Chow, Mark	Discussion with J. Parisi re media issues.	0.1
4-Apr-17	Montesano, Tony	Upload documents into data room; confirm ad picture with Robert Elias Daily Commercial News.	2.5
4-Apr-17	Masciantonio, Katarina	Upload documents to data room; review and revise Confidential Information Memorandum; meeting with J. Parisi re changes to Confidential Information Memorandum; draft various emails to MLS re MLS ad; phone calls from potential purchasers re Receiver's website.	2.7
4-Apr-17	Marchand, Matthew	Email correspondence with K. Masciantonio re data room; email correspondence with J. Parisi re marketing schedule; email correspondence with T. Montesano re same; email correspondence with K. Masciantonio and J. Parisi re data room; phone call with K. Masciantonio re same.	0.4
4-Apr-17	Parisi, Josie	Finalize materials; advertising, calls from potential purchasers; review data room.	4.2
5-Apr-17	Parisi, Josie	Speaking with various interested parties regarding the opportunity and providing information on how to access the site; set up Axial website.	2.7
5-Apr-17	Marchand, Matthew	Review data room with T. Montesano; discussion with J. Parisi re data room and centralized email; correspondence with K. Masciantonio re same.	0.7
5-Apr-17	Masciantonio, Katarina	Finalize Confidential Information Memorandum; upload documents to data room; phone calls and emails from various potential purchasers re sales process and access to data room; review NDA's and provide access to data room; prepare list of registrations.	3.6
5-Apr-17	Montesano, Tony	Contact Daily Commercial News, NRU & Globe & Mail regarding finalizing ads; complete and return insertion orders; upload documents to data room; respond to e-mails and phone calls from potential purchasers regarding sales process; review NDA's provide access to data room; e-mail teaser to potential interested parties on the NBLC list.	5.0
6-Apr-17	Montesano, Tony	Upload documents to data room; respond to e-mails and phone calls from potential purchasers regarding sales process; review NDA's; provide access to data	4.0

Date	Professional	Description	Hrs.
		room; e-mail teaser to potential interested parties on the NBLC and GTA list.	
6-Apr-17	Masciantonio, Katarina	Update tracking list; review NDA's and give same access to data room.	1.0
6-Apr-17	Parisi, Josie	Meeting with R. Buzzell; review various requests from potential purchasers; review list of parties requesting access; deal with Axial issues; call from T. Scianitti, review requests for payment.	2.7
7-Apr-17	Parisi, Josie	Review APA and provide prepare comments; review and respond to various emails; communications with M. Luna, P. Santos and L. Santiguida; various calls with T. Scianitti regarding payments and site conditions; review Axial info and make adjustments; discussions with SR Law re trust ledgers; calls with various purchasers of units; review various information before being uploaded into the data room.	5.2
7-Apr-17	Masciantonio, Katarina	Various phone calls from potential purchasers; draft various emails to potential purchaser re teaser and Receiver's website; discussion with J. Parisi re data room and documents to add; upload permits to data room; provide data room access to R. Kennedy.	2.3
7-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process; review NDA's; provide access to data room; e-mail teaser to potential interested parties on the potential purchaser's list.	1.5
10-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process; review NDA's provide access to data room; e-mail teaser to potential interested parties on the National list.	2.0
10-Apr-17	Masciantonio, Katarina	Provide print access to two users; draft email to potential purchaser; draft email to Axial.	1.0
10-Apr-17	Parisi, Josie	Call with Tony re his role, his issue with the payment of suppliers; draft email to him re his responsibilities; call with 3 purchasers of units regarding the future of their deposits, call with P. Santos re not needing her services; call with M. Luna regarding work he has performed, call with Get R Done and non-payment of pre-receivership invoices, calls from potential purchaser, call with J. Carbell re his client's interest in the property.	3.1

Date	Professional	Description	Hrs.
11-Apr-17	Parisi, Josie	Call with R. Kennedy re APA, review requests for information.	0.9
11-Apr-17	Masciantonio, Katarina	Various phone calls from potential purchasers; review registrations and NDA's and give access to data room; update buyers list.	1.2
11-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process; review NDA's provide access to data room; e-mail teaser to potential interested parties; meet with J. Parisi to review and confirm advertising dates in the Globe & Mail, NRU and Daily Commercial News.	3.0
11-Apr-17	Cerrato, Gary	Review of progress of sales process; meeting with T. Montesano and K. Masciantonio re same; respond to enquiries from creditors and interested parties; review of correspondence.	2.0
12-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process, review NDA's provide access to data room, e-mail teaser to potential interested parties .	1.0
12-Apr-17	Masciantonio, Katarina	Check project inbox; review registrations and NDA's and respond to same; revise ad; phone calls from potential purchasers.	1.8
12-Apr-17	Parisi, Josie	Reviewing requests for information, providing information as appropriate, discussions with R. Kennedy re purchase and sale agreement, various request for return of deposits.	0.7
13-Apr-17	Parisi, Josie	Call with T. Scianitti re water issue; call with Centurion and T. Scianitti re water issue; review of cash re same; gather and provide information to Kartelle as requested, review various emails and agreements provided by T. Scianitti; review various APS obtained from the site; review HST return; review cost reports; review insurance information and other information before providing to purchasers; review edits to APS; call with R. Kennedy re APS; various calls to BMO re funds being held by Kipling Branch; prepare letter to BMO re release of funds.	5.1
13-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process; review NDA's; provide access to data room; e-mail teaser to potential interested parties.	1.9

Date	Professional	Description	Hrs.
13-Apr-17	Cerrato, Gary	Return calls from prospective purchasers and creditors; call with J. Parisi and T. Scianitti re water issue, call from J. DaRe re his client's claim and rental agreements for the crane and other equipment; conference call with Centurion and T. Scianitti re water issue, review of information request for Kartelle, review of APS for units obtained from the company; reviewing disbursements, review insurance information; call with R. Kennedy re APS's.	4.3
17-Apr-17	Cerrato, Gary	Review comments on APA from J. Parisi; review and make proposed changes to APA; conference call with J. Parisi and R. Kennedy re APA, Calls with T. Scianitti re payments, calls with T. Scianitti re Metrolinx and emails re same; calls to purchasers of condo units regarding their deposits; respond to various requests from potential purchasers; review and approve insurance financing agreement; calls with K. Wilson from Marsh re insurance issues.	3.5
17-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process; review NDA's provide access to data room; e-mail teaser to potential interested parties.	2.0
17-Apr-17	Parisi, Josie	Calls with R. Kennedy re APA, review G. Cerrato's comments on APA; calls with T. Scianitti re payments, calls with Tony re Metrolinx and emails re same; calls to purchasers of condo units regarding their deposits; respond to various requests from potential purchasers; follow up with National re email blast; review suggested changes.	3.8
18-Apr-17	Parisi, Josie	Call with potential purchaser; call with R. Kennedy to go through APA; calls to various parties regarding the purchase of the property and various requests; discussions with G. Cerrato re insurance.	2.6
18-Apr-17	Masciantonio, Katarina	Phone calls from various interested purchasers; attend site visit with T. Scianitti at 327 Royal York Road.	2.7
18-Apr-17	Marchand, Matthew	Discussion with G. Cerrato re creditors, sales process, Condominium Act, and related matters.	0.5
18-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process, review NDA's provide access to data room, e-mail teaser to potential interested parties . Attend conference call	1.0

Date	Professional	Description	Hrs.
		with G. Cerrato and J. Parisi address questions from Slate Asset Management L.P.	
18-Apr-17	Cerrato, Gary	Conference call with Slate (prospective purchaser) together with J. Parisi; conference call with R. Kennedy to review comments on the draft APS; return calls to unit holders to discuss how they proceed in the view of the receivership and discuss issues with their deposits; call with real estate broker that sold 10 units to discuss how their clients proceed under the receivership; attend to correspondence received.	2.5
19-Apr-17	Chow, Mark	Review correspondence from D. Anderson at Firstbrook and discuss with J. Parisi and G. Cerrato.	0.5
19-Apr-17	Cerrato, Gary	Conference call with prospective purchaser, Tridel; return calls to unit holder 1102; review of correspondence received.	1.0
19-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process, review NDA's provide access to data room, e-mail teaser to potential interested parties.	1.0
19-Apr-17	Masciantonio, Katarina	Review On The Go Mimico inbox; update registrations, review NDA's and grant accesses to data room; follow up with Slate re site visit; call to creditor re receivership.	0.8
19-Apr-17	Parisi, Josie	Discussions with T. Scianitti regarding water issue at the site and engaging an expert; reviewing and responding to various questions from potential purchasers; calls from creditors, follow up with M. Luna.	2.1
20-Apr-17	Parisi, Josie	Review and respond to numerous emails re request for additional information and site tours; dealing with obtaining records and mail redirection.	1.3
20-Apr-17	Masciantonio, Katarina	Review On The Go Mimico email inbox and respond to same; review registrations and NDA's and give access to data room to same.	1.0
20-Apr-17	Cerrato, Gary	Responding to creditor calls; return calls from unit holders; calls with prospective purchasers re sale process and answer questions.	1.5

Date	Professional	Description	Hrs.
20-Apr-17	Chow, Mark	Discussion with C. Stadelmann re interest in acquiring the property and related issues; discussion with S. Zinman re client interested in property (Norstarcan).	0.4
21-Apr-17	Cerrato, Gary	Meeting with Kartelle Corporation, prospective purchaser, to discuss possible purchase of the development project; conference call with J. Parisi and T. Scianitti to understand S. 37 future obligations and discussions regarding swing agreements and the dewatering volume issue.	2.5
21-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process; review NDA's; provide access to data room; e-mail teaser to potential interested parties.	1.0
21-Apr-17	Masciantonio, Katarina	Attend 327 Royal York Road for site tour with Slate Asset Management L.P.; conference call with J. Parisi, G. Cerrato and T. Scianitti re section 37 agreement and development agreement; review On The Go Mimico email inbox and respond to same; review registrations and NDA's and give access to data room to same.	2.6
21-Apr-17	Parisi, Josie	Call with T. Scianitti, meeting with Kartelle re offer; call with R. Kennedy re APA, funds with GCNA and Tarion.	3.1
24-Apr-17	Parisi, Josie	Calls with City of Toronto re building permits; calls with T. Scianitti re dewatering issue, call with Rockport re various questions; calls with Starwood re various questions regarding the project; review various agreement provided by T. Scianitti re crane and air rights, review changes to APA provided by R. Kennedy.	5.3
24-Apr-17	Masciantonio, Katarina	Review emails in On The Go Mimico and respond to same; update data room access to those that have sent NDA's; add document to data room.	0.6
24-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process; review NDA's; provide access to data room; e-mail teaser to potential interested parties.	1.0
24-Apr-17	Cerrato, Gary	Reviewing APS's and trust reconciliation statements regarding deposit made by purchasers and tracking monies advanced to Tarion and GCNA; conference call with J. Parisi and Rockport, potential purchaser, to answer their questions regarding the	5.0

Date	Professional	Description	Hrs.
		sale process and address specific questions concerning various information requests; conference call together with J. Parisi with B. Greenberg, potential purchaser, to discuss sale process and answer any questions regarding information requests; call to the City of Toronto to investigate whether the development charges were paid by Terrasan; call with M. Luna to discuss his invoicing; returning calls to prospective purchasers.	
24-Apr-17	Chow, Mark	Attend to call from prospective purchase.	0.3
25-Apr-17	Cerrato, Gary	Reviewing APS that were cancelled with J. Parisi; conference call with J. Parisi; T. Scianitti; D. Michaud and R. Buzzell and R. Kennedy to discuss dewatering volume discharge problem and discuss possible solutions; call with the City of Toronto.	2.5
25-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process; review NDA's; provide access to data room; e-mail teaser to potential interested parties.	0.5
25-Apr-17	Masciantonio, Katarina	Review and respond to emails in On The Go Mimico inbox; update tracking list; attend 327 Royal York Road for site tour; attend 93 Skyway Drive to take possession of the books and records; phone all with R. Tucci re books and records; bring some of the books and records back to office; prepare books and records listing and send same to R. Tucci and R. Kennedy; phone call to Stanton Renaissance re picking up rest of books and records.	4.8
25-Apr-17	Parisi, Josie	Calls with City of Toronto, Kartelle, T. Scianitti, R. Kennedy, Goldmont; various calls to buyer of units; discussions regarding dewatering issue; review emails re dewatering and respond; responding to various potential purchasers requests for information.	6.1
26-Apr-17	Parisi, Josie	Meeting at BLG re Metrolinx, call with City of Toronto re development charges; call with Robins Appleby and Centurion re water issue; call with T. Scianitti re water issue after discussion with Centurion; review various invoices presented for payment; discussions with various condo purchasers regarding the status of their deposit.	4.9
26-Apr-17	Masciantonio, Katarina	Review and respond to enquires in On The Go Mimico inbox; update tracking list; answer phone calls from potential investors.	1.6

Date	Professional	Description	Hrs.
26-Apr-17	Montesano, Tony	Respond to e-mails and phone calls from potential purchasers regarding sales process, review NDA's; provide access to data room; e-mail teaser to potential interested parties.	0.5
26-Apr-17	Cerrato, Gary	Attend meeting at BLG to meet with Metrolinx and address their questions and concerns regarding the Receiver's sale process; call with City of Toronto re development charges; call with Robins Appleby and Centurion re water issue' call with T. Scianitti re water issue after discussion with Centurion; dealing with calls and correspondence from prospective purchasers.	5.0
26-Apr-17	Chow, Mark	Attend to discussion with prospective purchaser from BDO Israel.	0.5
27-Apr-17	Cerrato, Gary	Call with Kartelle, prospective purchaser together with J. Parisi, review correspondence from Kartelle and respond to their questions and requests; various calls with R. Kennedy re Metrolinx wanting to speak to City of Toronto regarding Terrasan project, discussions with J. Parisi re same; review agreements with Metrolinx to understand Metrolinx concerns with regard to the project and the sale of same by the Receiver; call with A. Guzzetti and P. Pelligrino from Empire regarding dewatering issue; calls with T. Scianitti re safety at the site; responding to Slate requests; call to Tridel and responding to their information requests.	5.0
27-Apr-17	Masciantonio, Katarina	Review On The Go Mimico inbox and respond to emails; update tracking list; prepare letter to CRA re business consent; fill out business consent form and fax same with letter to CRA; scan 2017 corporate tax return to network; add documents to data room.	1.4
27-Apr-17	Parisi, Josie	Call with Kartelle, review email from Kartelle and respond to their questions and requests; numerous calls with R. Kennedy re Metrolinx wanting to speak to City of Toronto regarding Terrasan project, provide direction to R. Kennedy, review agreements with Metrolinx to understand Metrolinx rationale; call with A. Guzzetti and P. Pelligrino regarding dewatering issue; calls with T. Scianitti re safety at the site; responding to Slate requests; call to Tridel and commence gathering information requested and preparing for call.	6.3

Date	Professional	Description	Hrs.
28-Apr-17	Parisi, Josie	Call with Tridel regarding their questions related to Terrasan, call with T. Scianitti, call with Kartelle, provide additional information to various potential purchasers; discussions with R. Kennedy re Metrolinx and BLG's correspondence re speaking with the City of Toronto; calls with Empire re dewatering expenses; review requests for payments; call with A. Guzzetti re dewatering issue; call from D. Michaud re Centurion putting in a bid to purchase the property.	4.7
28-Apr-17	Masciantonio, Katarina	Review and respond to emails in On The Go Mimico inbox; update tracking list; attend 327 Royal York Road for site tour; phone call to M. Luna re books and records.	3.0
28-Apr-17	Cerrato, Gary	Conference call with Tridel to address their questions regarding the sale process and provide information requested; call with T. Scianitti re watering issue and discuss issues re Metrolinx and permit renewal; call with Kartelle, provide additional information to various potential purchasers, discussions with R. Kennedy re Metrolinx and BLG's correspondence re speaking with the City of Toronto, calls with Empire re dewatering expenses, review requests for payments, call with A. Guzzetti re dewatering issue. Call from D. Michaud re centurion putting in a bid to purchase the property; dealing with other sale process issues;	4.7

Our Fee		\$ 114,034.50
Disbursements		
MLS Registration Fee	650.00	
Travel/Mileage/Parking	288.42	
Postage - Creditor's Mailing	54.49	
City of Toronto Records Disclosure Fee	71.17	
Administrative Fee - 4%	4,561.38	5,625.46
		<hr/>
Subtotal		119,659.96
HST - 13.00% (#R101518124)		15,555.79
		<hr/>
TOTAL		\$ 135,215.75
		<hr/> <hr/>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
M. Chow, Partner	4.80	595.00	2,856.00
J. Parisi, Partner	105.70	495.00	52,321.50
G. Cerrato, Senior Manager	78.30	465.00	36,409.50
M. Marchand, Manager	8.50	305.00	2,592.50
K. Masciantonio, Sr. Administrator	51.70	195.00	10,081.50
T. Montesano, Administrator	40.00	198.00	7,920.00
P. Finamore, Co-op - TAS	7.00	120.00	840.00
Administrative Support	7.60		1,013.50
Total	<hr/> 303.60		<hr/> \$ 114,034.50



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

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

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

Date	Invoice
14 August 2017	#Terrasan-003

RE TERRASAN 327 ROYAL YORK RD. LIMITED

TO OUR FEE FOR PROFESSIONAL SERVICES rendered from 1 May 2017 to 31 July 2017 in connection with our Receivership Engagement of the above-noted, as described below:

Date	Professional	Description	Hrs.
1-May-17	Cerrato, Gary	Respond to calls from creditors; respond to correspondence from interested parties re sales process.	0.5
1-May-17	Masciantonio, Katarina	Email to R. Tuzzi re items in storage and moving them; add documents to data room; review onthegomimico inbox and respond to same; update tracking list and give parties access to data room; phone call to M. Luna re access to Quickbooks; access Quickbooks to review financial statements and related party balances and discussion with J. Parisi re same.	2.2
2-May-17	Cerrato, Gary	Follow up meeting with Kartelle, prospective purchaser, to discuss the terms of their proposed offer and deal with further enquiries; responding to creditor and interested party calls; review of correspondence on shoring issues.	2.5
2-May-17	Marchand, Matthew	Dataroom registration issues.	0.2
2-May-17	Masciantonio, Katarina	Attend 327 Royal York Road for a site visit; draft email to Kilmer Infrastructure Group; call from M. Elahi re BMO bank receipts.	1.6
2-May-17	Parisi, Josie	Meeting with Kartelle to go through remaining questions and request and discuss a potential offer; discussions with Tridel re site visit; discussions with various condo unit purchasers; discussions with R. Kennedy re Metrolinx; letter to unit purchasers and BMO; review and respond to letter from Terrapost; review intercompany balances.	3.9

Date	Professional	Description	Hrs.
3-May-17	Cerrato, Gary	Attend conference call with T Scianitti and Tridel; discussions with R. Kennedy and J. Parisi re deposits received on the 135 terminated agreements from 191Ontario and discussion re how the "loyalty" program worked.	2.3
3-May-17	Masciantonio, Katarina	Draft email to L. Santaguida re bank statements and online access; arrange for pickup and delivery of disk with City of Toronto documents; prepare schedule of monthly expenses; revise schedule of monthly expenses and send same to J. Parisi; draft email to IT to post document on extranet website; phone call from potential purchasers; review onthegomimico inbox and respond to emails; update tracking sheet.	1.3
3-May-17	Montesano, Tony	Respond to emails and phone calls from potential purchasers regarding sales process, review Non-Disclosure Agreements; provide access to data room; upload documents to the data room; calls to potential purchasers regarding sales process.	2.5
3-May-17	Parisi, Josie	Speaking to various potential bidders and providing additional information or responses to requests. Discussions with T. Scianitti re dewatering issue; call with T Scianitti and Tridel; discussions with R. Kennedy and G. Cerrato re deposits received on the 135 terminated agreements from 191 Ontario; discussion regarding how the "loyalty" program worked; providing information to Kartelle to complete due diligence; prepare letter to condo purchasers.	5.8
4-May-17	Cerrato, Gary	Responding to prospective purchasers requests; calls together with J. Parisi and R. Kennedy to discuss Metrolix issues and loyalty program issues; investigating loyalty program issues with J. Parisi.	2.5
4-May-17	Marchand, Matthew	Discussion with G. Cerrato re updates.	0.2
4-May-17	Masciantonio, Katarina	Review voicemail from potential purchase; call to potential purchaser re general questions about sales process; draft multiple emails to IT re data on CD/DVD; draft email to City of Toronto re CD/DVD error; set up online portal to transfer documents from City of Toronto; save documents from City of Toronto on network and upload to dataroom; review onthegomimico inbox and respond to emails; update tracking list and dataroom access; meeting with J. Parisi re condo unit agreement of purchase and sale; review a sample of condo unit files; email copy of condo unit agreement of purchase and sale to R. Kennedy; review Quickbooks for transactions with 1913669 Ontario Inc.; call to BMO re online access; draft	4.8

Date	Professional	Description	Hrs.
		letter to BMO re online access and send same to M. Drtina-Rocha.	
4-May-17	Montesano, Tony	Respond to emails and phone calls from potential purchasers regarding sales process.	0.4
4-May-17	Parisi, Josie	Coordinating purchasers requests; calls with R. Kennedy, calls re MetroInx; investigating loyalty program issues.	4.1
5-May-17	Cerrato, Gary	Discussion with M. Chow re unit purchasers and concerns re: same; dealing with various purchasers requests, calls with R. Kennedy together with J. Parisi to discuss MetroInx issues and loyalty program concerns, attend calls to MetroInx, discussions re findings re loyalty program issues.	3.3
5-May-17	Chow, Mark	Discussion with G. Cerrato re issue with unit purchasers and related transactions and flow of funds and concerns re same.	0.5
5-May-17	Masciantonio, Katarina	Review onthegomimico inbox and respond to emails; update tracking list and dataroom access; various phone calls from potential purchaser re sales process; review data on network.	1.0
5-May-17	Montesano, Tony	Respond to emails and phone calls from potential purchasers regarding sales process, review Non-Disclosure Agreements; provide access to data room; contact Enbridge regarding receivership, email copy of Order along with request to open account in name of Receiver.	1.5
8-May-17	Cerrato, Gary	Conference call with Tridel and CB Ross to deal with their enquiries; call with W. Carson from Kilmer (Fram Group), prospective purchaser, to address his questions regarding submitting an Agreement of Purchase and Sale and dealing with the deposit and answer other questions; review of CB Ross report to identify what geothermal work has been completed.	2.0
8-May-17	Masciantonio, Katarina	Review onthegomimico inbox and respond to emails; update tracking sheet; review shareholder loan account details.	0.6
8-May-17	Parisi, Josie	Discussions with R. Kennedy re 135 Agreements of Purchase and Sale that were terminated; review and discussions related to MetroInx letter.	0.9
9-May-17	Cerrato, Gary	Conference call with J. Parisi and R. Kennedy re Agreement of Purchase and Sale and the loyalty program and the possible potential fraud; discussions re dealing with offers; call with Tridel re questions concerning	1.7

Date	Professional	Description	Hrs.
		submitting an offer; responding to enquires from creditors; review of letter to Agreement of Purchase and Sale holders.	
9-May-17	Masciantonio, Katarina	Review onthegomimico inbox; update tracking list; review shareholder loan account.	2.1
9-May-17	Montesano, Tony	Contacted Rogers and spoke with Andrea Forbes at advice of receivership, discuss payment and request re-activating the service; respond to emails and phone calls from potential purchasers regarding sales process; review Non-Disclosure Agreements; provide access to data room.	1.0
9-May-17	Parisi, Josie	Review and respond to various questions from potential purchasers; discussions re terminated agreements, calls with R. Kennedy, calls from purchasers, call with Tridel, discussions with C. Ross.	2.1
10-May-17	Cerrato, Gary	Respond to purchaser enquiries; review of files to determine whether Metrolinx letters were provided by L. Santiguida; respond to creditor calls; review of correspondence received; approve disbursements.	1.6
10-May-17	Masciantonio, Katarina	Review onthegomimico inbox; update tracking list; review email from R. Kennedy and J. Parisi re Metrolinx letter; discussion with G. Cerrato re Metrolinx letter.	0.6
10-May-17	Montesano, Tony	Respond to emails and phone calls from potential purchasers regarding sales process, review Non-Disclosure Agreements; provide access to data room.	1.0
10-May-17	Parisi, Josie	Review requests from potential purchasers, discussions with R. Kennedy re Metrolinx, call with Tridel, review APA and termination letters, various discussions with G. Cerrato.	4.9
11-May-17	Masciantonio, Katarina	Call to Tarion resigned bond; phone call from Tarion re same; draft letter to Tarion re same and email and fax letter; review onthegomimico inbox and respond to emails; update tracking list; phone call with R. Tuzzi re storage at historical train station.	0.8
11-May-17	Montesano, Tony	Respond to emails and phone calls from potential purchasers regarding sales process, review Non-Disclosure Agreements; provide access to data room; address questions discuss APA, provide wire transfer details to prospective purchasers.	1.0
12-May-17	Cerrato, Gary	Responding to calls and emails from prospective purchasers re wire transfer instructions and APA's;	3.2

Date	Professional	Description	Hrs.
		fielding calls from counsel from prospective purchasers; review of offers received and discuss with J. Parisi.	
12-May-17	Chow, Mark	Discussion with J. Parisi and G. Cerrato re offers received and related issues.	1.0
12-May-17	Montesano, Tony	Respond to emails and phone calls from potential purchasers regarding sales process; address questions from bidders regarding APA's and deposits, discuss same with G. Cerrato and J. Parisi; confirm receipt of deposits with L. Dula.	4.0
12-May-17	Parisi, Josie	Review offer from VanDyke, review offer from Kilmer, discussion with R. Kennedy re offers; review email from BLG re Metrolinx, respond to R. Kennedy re same; discussions with R. Kennedy re Metrolinx; discussions with Slate re their offer; discussions with purchasers of condo units in response to letter sent by BDO; call from various parties looking to submit an offer.	5.6
15-May-17	Cerrato, Gary	Conference call with J. Parisi; R. Kennedy and BLG re Metrolinx's desire to have the receiver post certain information in its dataroom with regard to adjacent develop to Metrolinx land.	0.5
15-May-17	Masciantonio, Katarina	Draft email to T. Scianitti re meeting R. Tuzzi re books and records; review email from R. Tuzzi and respond to same.	0.2
15-May-17	Parisi, Josie	Review offers and prepare summary chart; high level discussions with D. Michaud re offers received; discussions with R. Kennedy re offers and specific issues with offers; call with Metrolinx and BLG re their position, call with R. Kennedy re same; follow-up with certain bidders for missing information (ie. blackline).	4.1
16-May-17	Cerrato, Gary	Call with J. Parisi and R. Kennedy re further correspondence received from Borden Ladner Gervais re adjacent development requirements; conference call with J. Parisi and R. Kennedy to review offers received; further discussions re offers with J. Parisi.	2.5
16-May-17	Chow, Mark	Review correspondence from Borden Ladner Gervais; update discussion with J. Parisi.	0.5
16-May-17	Hanson, Michael	Discussions with J. Parisi on sales process and neighboring property.	0.6
16-May-17	Masciantonio, Katarina	Review invoice and prepare cheque requisition; review Quickbooks for payments to Santerra and Mary Lou.	1.5

Date	Professional	Description	Hrs.
16-May-17	Montesano, Tony	Contact Toronto Hydro regarding recent statements received; outstanding balance.	0.3
16-May-17	Parisi, Josie	Review offers with R. Kennedy, provide instructions; review potential priorities and potential realizations by lender; identify areas of issue; contact NBLC regarding Metrolinx agreements; discussion Metrolinx requests for additional information to be placed in dataroom; review BLG letter and skim guidelines vs adjacent development agreement; various discussions with G. Cerrato re same.	4.9
17-May-17	Cerrato, Gary	Follow up discussions with W. Carson from Fram/Kilmer, call with Empire re follow up on their offer; calls from APA unit holders in response to letters sent by Receiver.	2.0
17-May-17	Masciantonio, Katarina	Review USB for information relating to Golder & Associates; draft email to J. Parisi and G. Cerrato re dataroom access; review invoice and prepare cheque requisition; review email from Structural Group re outstanding invoices and draft response to same; phone call to purchaser re sale process.	0.5
17-May-17	Montesano, Tony	Contact Toronto Hydro to discuss recent statement; opening account under name of Receiver.	0.6
17-May-17	Parisi, Josie	Calls with R. Kennedy and G. Cerrato re bids received; various discussions with bidders and responding to questions.	2.6
18-May-17	Cerrato, Gary	Review of disbursements; return calls to unit holders re status of offers and impact on Agreement of Purchase and Sale; calls with R. Kennedy to discuss offers and review of legal conditions; return calls to bidders re status of offers; call with T. Schniatti re dewatering issues; discussions with J. Parisi re same.	1.8
18-May-17	Marchand, Matthew	Correspondence with T. Montesano re Reprodex billings and arrears.	0.1
18-May-17	Montesano, Tony	Contacted Toronto Hydro and spoke with Mary Eapen regarding disconnection of service at 10 Judson Street; discussed re-connection of service; arrange with T. Scianitti to be at the premises; confirmed new account opened under the name of the Receiver.	1.0
18-May-17	Parisi, Josie	Reviewing details of proposal and reviewing same with R. Kennedy; calls with Slate, review info from Metrolinx; calls with T. Scianitti re water issue.	5.1
19-May-17	Cerrato, Gary	Return calls from bidders looking for update on the status of their bids; call with J. Grossman from Mattamy homes;	2.0

Date	Professional	Description	Hrs.
		correspondence with J. Grossman re improving Mattamy's offer; call with counsel for centurion and GCNA regarding offers received and the various conditions and hold discussions regarding Metrolinx and the Receiver's position in respect of same; call with J. Parisi re call with Mattamy, call to R. Kennedy to update him on discussions with Mattamy.	
19-May-17	Masciantonio, Katarina	Review accounting records for payments to specific parties.	0.3
19-May-17	Montesano, Tony	Contacted Toronto Hydro regarding them not reconnecting the power at 10 Judson Street; received message from T. Scianitti that he was on site until 6:45 pm and that Toronto Hydro did not called him after 8:00 pm; scheduled date to re-connect service; confirmed availability of T. Scianitti to be on site.	0.3
19-May-17	Parisi, Josie	Call with counsel for centurion and GCNA regarding offers received and the various conditions; call included discussion regarding Metrolinx and our position in respect of same; subsequent call with R. Kennedy re call; call with G. Cerrato re call with Mattamy.	1.8
23-May-17	Cerrato, Gary	Review Phase One letters for successful and unsuccessful bidders; conference call with T. Scianitti and J. Parisi and consultants re dewatering volume application issues; respond to correspondence received; call from J. Grossman from Mattamy re his improved offer and moving forward and discuss sale process issues; approve disbursements.	2.5
23-May-17	Masciantonio, Katarina	Prepare Phase One letters for successful bidders; send same to successful bidders via mail and email; prepare Phase One letters for successful bidders; send same to successful bidders via mail and email.	3.3
23-May-17	Parisi, Josie	Discussions with R. Kennedy to debrief the offer and refine summary listing, discussions regarding which parties to send forward to next round and those to be rejected; discussions with T. Scianitti re water issue; review documents related to dewatering application, make changes and sign documents; prepare rejection letters.	5.8
24-May-17	Cerrato, Gary	Review of dewatering volume increase application; return calls to Phase Two bidders; returning calls from unit holders lolling for updates on the outcome of the sale process and the impact on the Agreement of Purchase and Sale signed; review of correspondence re Metrolinx issue.	2.7

Date	Professional	Description	Hrs.
24-May-17	Chow, Mark	Discussion with L. Dula re return of deposit to unsuccessful bidder.	0.1
24-May-17	Masciantonio, Katarina	Remove unsuccessful bidders from dataroom; prepare summary of sold units; call to Toner Express re copier at site trailer; add document to data room; redact a sample agreement of purchase and sale; set up site tour for Mattamy; review invoices and prepare cheque requisitions.	1.7
24-May-17	Parisi, Josie	Discussions with Slate regarding information required to conduct due diligence; discussions with R. Kennedy re certain information requested by Slate; discussions with T. Scianitti re issues at the site trailer; call to Hydro One; review Tarion Bond document; call with City of Toronto and F. Stirpe re meeting with Slate.	2.9
25-May-17	Cerrato, Gary	Discussions with J. Parisi re Mattamy offer and GCNA claims issues; review of disbursements and general ledger.	0.8
25-May-17	Masciantonio, Katarina	Phone call from unit purchaser re receivership and sales process; grant download privileges to bidder in data room; draft email to P. Santos re Bell account.	0.5
25-May-17	Parisi, Josie	Call GCNA re claims process for deposit holders; call with Slate; discussions with G. Cerrato and Mattamy re their offer.	2.1
26-May-17	Cerrato, Gary	Review of correspondence re CB Ross acting for prospective purchasers and potential conflict; review of water discharge application.	1.0
26-May-17	Chow, Mark	Attend to call from Landmark Capital and discussion with J. Parisi.	0.3
26-May-17	Masciantonio, Katarina	Call from Phase Two bidder re download rights; call to potential purchaser re sales process deadline; draft email to McCallum Sather re meeting with potential purchaser; draft email to Bell re internet account at 327 Royal York Road.	0.4
29-May-17	Cerrato, Gary	Review and discuss dewatering application with T. Sciantti.	0.5
29-May-17	Masciantonio, Katarina	Review invoice and prepare cheque requisition.	0.2
29-May-17	Montesano, Tony	Contact Maria at Toronto Hydro to discuss issue with re-connection of service at 10 Judson Street, discuss current statements; contacted Enbridge regarding current charges, credit on account, charges going forward.	0.7

Date	Professional	Description	Hrs.
30-May-17	Cerrato, Gary	Conference call with T. Scianitti and J. Parisi to discuss dewatering issues and to discuss our concerns with Atlas contract.	0.5
30-May-17	Chow, Mark	Attend to enquiry from interested party and discussion with J. Parisi.	0.2
30-May-17	Masciantonio, Katarina	Site tour with Mattamy.	2.0
30-May-17	Parisi, Josie	Discussions with R. Kennedy re parties who have not submitted their deposit, call with T. Scianitti re status of dewatering and review of the Atlas's proposal for application for increased water disposal.	0.6
31-May-17	Masciantonio, Katarina	Review bill from Bell and send same to T. Scianitti; review invoice and prepare cheque requisition for same.	0.2
1-Jun-17	Cerrato, Gary	Respond to inquiries for information; approve disbursements.	1.0
2-Jun-17	Cerrato, Gary	Review of notice to Phase Two Bidders; review of Tarion correspondence.	0.2
2-Jun-17	Masciantonio, Katarina	Review email from T. Scianitti and respond to same; review shareholder accounts and prepare analysis; draft email to McCallum Sather re meeting with potential purchaser; review related party accounts receivable.	2.0
5-Jun-17	Masciantonio, Katarina	Organize two site tours for Fram Kilmer; phone call from unit purchasers; phone call from Mattamy re unit Agreement of Purchase and Sale and dataroom access; draft email to J. Parisi re Mattamy's phone call; give dataroom access to Mattamy employee; various discussions (email and phone) with Times Realty re listing requirements.	1.0
5-Jun-17	Parisi, Josie	Receive and review various emails from T. Scianitti re dewatering the site.	0.4
6-Jun-17	Masciantonio, Katarina	Draft email to T. Scianitti re site visits; review invoice and prepare cheque requisition.	0.2
6-Jun-17	Parisi, Josie	Discussions with T. Scianitti re site dewatering status. Discussions with Empire regarding the services; review letter from Metrolinx regarding their position with respect to the Adjacent Development Agreement.	0.3
7-Jun-17	Cerrato, Gary	Review of correspondence received; approve disbursements; review of information request from Mattamy Homes; discussions with J. Parisi re same.	0.8

Date	Professional	Description	Hrs.
7-Jun-17	Masciantonio, Katarina	Review email from E. Tesolin re due diligence information and respond to same; draft email to G. Cerrato re same.	0.2
8-Jun-17	Cerrato, Gary	Meeting with K. Masciantonio re document requests; phone call with E. Tesolin re documents requested and send to same. responding to other information requests; return calls to unit holders re update on status of sale; review of correspondence from Resform requesting removal of crane from site; call to J. DaRe (counsel to Resform) to discuss his client's desire to remove the crane; email correspondence to Empire re same.	2.2
8-Jun-17	Masciantonio, Katarina	Meeting with G. Cerrato re document requests; phone call with E. Tesolin re documents requested and send to same.	1.2
9-Jun-17	Chow, Mark	Review memo from J. Parisi re discrepancies between billings received from prop manager and site supervisor.	0.1
9-Jun-17	Masciantonio, Katarina	Review data room access, prepare data room access summary and draft email to J. Parisi re same; prepare and file February, March, April and May HST returns.	0.9
12-Jun-17	Cerrato, Gary	Conference call with J. Parisi and T. Sciantti to discuss various issues with crane and scaffolding removal from site.	0.8
12-Jun-17	Masciantonio, Katarina	Review Bell accounts; review invoices and prepare cheque requisitions.	0.3
13-Jun-17	Cerrato, Gary	Review of geothermal information provided to Phase Two bidders; review of correspondence received; return creditor calls.	0.8
13-Jun-17	Masciantonio, Katarina	Review and organize documents to post to data room; draft email to E. Tesolin re same; draft email to M. Baronette re same; draft email to P. Santos re Bell accounts; call from unit purchaser re deposit; draft email to M. Pfrimmer re environmental easement; meeting with Slate, Metrolinx, R. Kennedy and J. Parisi; meeting with J. Parisi and R. Kennedy.	2.1
13-Jun-17	Parisi, Josie	Attend meeting with Slate and Metrolinx, meeting with R. Kennedy after meeting; discussion regarding Aluma and Resform and how to proceed.	0.8
14-Jun-17	Cerrato, Gary	Review of insurance issues; provide answers to insurer for renewal; review of photographs from T. Scianitti re craned and scaffolding removal; draft email to T. Scianitti; respond to questions from lien holders re status	1.3

Date	Professional	Description	Hrs.
		of sales process and distribution; review of responses to Phase Two bidders.	
14-Jun-17	Masciantonio, Katarina	Review email from D. George re access to data room.	0.1
16-Jun-17	Cerrato, Gary	Call with T. Scianitti re shoring proposal; review and approve disbursements; responding to Phase Two bidder information requests.	1.5
19-Jun-17	Cerrato, Gary	Review of trial balance and approve disbursements.	0.5
19-Jun-17	Chow, Mark	Discussion with J. Parisi re Empire.	0.2
19-Jun-17	Masciantonio, Katarina	Review email from T. Scianitti re Atlas Dewatering; review invoices from Atlas Dewatering and prepare cheque requisitions for same; phone call from potential buyer.	0.6
19-Jun-17	Montesano, Tony	Contact CRA regarding notice of assessment received re RT0002 account; refund being held on RT002 account as non-compliant on the RT001 account; requested access code from CRA; filed all outstanding returns on the RT001 account.	0.5
19-Jun-17	Parisi, Josie	Review emails from Empire re their outstanding invoices; discussions with G. Cerrato re same; request additional information.	0.6
20-Jun-17	Parisi, Josie	Call with T. Scianitti regarding water on site and requirement to hire four removal trucks, call with Ryan Buzzell regarding arrangement with Centurion; call with T. Scianitti regarding trespassers; call with R. Kennedy regarding trespassers and provide instructions.	0.6
21-Jun-17	Masciantonio, Katarina	Phone call from creditor re receivership.	0.2
22-Jun-17	Cerrato, Gary	Dealing with correspondence re information requests; discussions with K. Masciantonio re same; respond to unit holder call.	0.5
22-Jun-17	Masciantonio, Katarina	Review email from M. Barronette re documents requested; investigate documents requested; draft email to G. Cerrato and J. Parisi re documents requested; draft email to T. Scianitti re same.	0.2
23-Jun-17	Cerrato, Gary	Calls with T. Scianitti re Resform crane and Aluma scaffolding and the issues with the removal of same; call with Sandro from Resform to discuss removal of crane and scaffolding and the Receiver's concerns with the removal of same.	1.5

Date	Professional	Description	Hrs.
23-Jun-17	Masciantonio, Katarina	Phone call with T. Scianitti re documents requested; draft email to M. Baronette re documents requested.	0.3
23-Jun-17	Parisi, Josie	Discussions with T. Scianitti re site; call with G. Cerrato re Resform and the crane; call with A. Gauzzetti of Empire; assisting K. Masciantonio gather information required by Kilmer.	0.4
26-Jun-17	Cerrato, Gary	Respond to information request; call with J. DaRe re Resform issues.	0.7
27-Jun-17	Cerrato, Gary	Conference call with R. Kennedy to discuss issues with scaffolding and crane removal; provide photos re same.	0.7
27-Jun-17	Masciantonio, Katarina	Open mail; review invoices and prepare cheque requisitions.	0.3
28-Jun-17	Cerrato, Gary	Attendance at the construction site premises to meet with representatives from Resform and Aluma Systems together with Grant Milligan and T. Scianitti to discuss the removal issues with the crane and scaffolding; discussions with J. Parisi re same.	2.0
29-Jun-17	Masciantonio, Katarina	Review USB for zoning report; draft email to J. Parisi and G. Cerrato re same.	0.1
29-Jun-17	Parisi, Josie	Review various emails from T. Scianitti, discussions with G. Cerrato, review request from Kilmer and associated documents.	0.8
30-Jun-17	Cerrato, Gary	Attend to conference call with R. Kennedy and J. Parisi re various issues including updating on Resform removal of equipment issues; discussions re Empire contract, letter to Phase Two bidders to understand status of their due diligence, trespassing issue at the construction site, call with T. Scianitti re water and plan and issues with our application for increased volumes; call to City of Toronto re issues with BDO increased volume application; email to P. Swanson to obtain articles of incorporation for BDO; review of correspondence from Empire; discussions with T. Scianitti and J. Parisi re requirement for site security while T. Scianitti is on vacation.	2.5
30-Jun-17	Parisi, Josie	Call with R. Kennedy and G. Cerrato re various issues including Resform, Empire; letter to Phase Two bidders to understand status of their due diligence, trespassing on the site, call with T. Scianitti re water and plan while he is on vacation.	1.0

Date	Professional	Description	Hrs.
5-Jul-17	Cerrato, Gary	Follow up email to City of Toronto re water discharge application; return calls to Seth Atkinson re unit holders and call T. Ebert re update on sale of property.	0.5
5-Jul-17	Chow, Mark	Discussion with Guzzetti re file issues and invoices.	0.3
5-Jul-17	Masciantonio, Katarina	Review voicemail from developer and respond to same; review Atlas invoices and prepare cheque requisitions for same; review HST refund and prepare deposit slip for same.	0.6
5-Jul-17	Parisi, Josie	Call with Slate, email with M. Cappuccino re his deposit; review Atlas DeWatering bills.	0.7
6-Jul-17	Cerrato, Gary	Conference call with J. Parisi and R. Kennedy to discuss progress made with Resform and Phase Two bidders; call with A. Guzzetti from Empire to discuss payments for their services and services required going forward.	0.8
6-Jul-17	Montesano, Tony	Discuss letter of credit received from S. Cosmin with G. Cerrato.	0.1
6-Jul-17	Parisi, Josie	Call with R. Kennedy to discuss Phase Two bidders and communications with Resform. Discussions with Empire re their services.	1.9
7-Jul-17	Cerrato, Gary	Follow up email to S. Brocca from Resform on status of removal of crane and Aluma scaffolding; discussion re same with R. Kennedy.	0.6
7-Jul-17	Masciantonio, Katarina	Review J. Parisi's comments on Atlas invoices and draft email to T. Scianitti re same; open mail; review invoice and prepare cheque requisitions for same.	0.5
10-Jul-17	Cerrato, Gary	Attend to correspondence received; review of accounting; call from Resform; call with Empire re outstanding invoices and discuss future service requirements.	0.7
10-Jul-17	Chow, Mark	Review invoice from Dentons and discussion with G. Cerrato.	0.3
10-Jul-17	Masciantonio, Katarina	Prepare and file HST return; review onthegomimico email inbox and respond to emails.	0.2
11-Jul-17	Cerrato, Gary	Call to S. Brocca from Resform to obtain an update further to my status email and to find out why his counsel keeps inferring that BDO has not been working with Resform; approve disbursements; email to Empire re payments to be processed and terminating their future services effective June 30, 2017.	0.5

Date	Professional	Description	Hrs.
11-Jul-17	Montesano, Tony	Addressed questions from T. Lokvic Condo purchaser; provided update and link to website.	0.2
12-Jul-17	Cerrato, Gary	Call from T. Abert unit holder re update; call with R. Kennedy re Resform and Aluma; follow up with information requests from Phase Two bidders; correspondence to Resform's counsel; call with T. Scianitti re site issues.	1.5
12-Jul-17	Masciantonio, Katarina	Review invoice and prepare cheque requisition; phone call from Real Estate Counsel of Ontario; draft email to G. Cerrato and J. Parisi re phone call; various correspondence with T. Scianitti re Atlas invoices.	0.4
14-Jul-17	Masciantonio, Katarina	Revise Atlas cheque requisitions for July invoices.	0.2
17-Jul-17	Cerrato, Gary	Review of sanitary discharge documents; call with T. Scianitti re same; return call to T. Ebert re update on sale process; return call to W. Carson.	1.0
17-Jul-17	Masciantonio, Katarina	Review email from Bell and respond to same; draft email to P. Santos re Bell account; open and review mail; review statement from Reprodux; draft email to Reprodux re receivership.	0.8
17-Jul-17	Parisi, Josie	Review correspondence from City of Toronto re water discharge allowances; email to T. Scianitti re same and confirm it conforms with the request made.	0.6
18-Jul-17	Cerrato, Gary	Review of correspondence received.	0.2
18-Jul-17	Masciantonio, Katarina	Review Reprodux invoices paid; draft email to Reprodux re same; phone call to creditor re status of receivership; review email from D. George re access to dataroom.	0.7
19-Jul-17	Cerrato, Gary	Call with T. Sciantti re road occupancy permit for Windsor Road; respond to creditor calls; email correspondence with Phase Two bidders re elevator information request; call to R. Buzzell re update on sale process; review and execute Sanitary Discharge Agreement.	1.7
19-Jul-17	Masciantonio, Katarina	Draft email to T. Scianitti re email from potential purchaser; draft email to potential purchaser re response to questions; review email from J. Parisi re email to potential purchaser and respond to same.	0.2
20-Jul-17	Masciantonio, Katarina	Review invoices and prepare cheque requisitions for same; draft email to purchaser of condominium unit.	0.3

Date	Professional	Description	Hrs.
20-Jul-17	Parisi, Josie	Correspondence with L. Fazzalari of SRL Law re condo unit purchasers and correspondence we sent to them.	0.3
21-Jul-17	Cerrato, Gary	Review and approval of disbursements; respond to unit holder calls re update on status of sales process.	1.8
21-Jul-17	Masciantonio, Katarina	Various email correspondence from M. Pfrimmer re additional requests; phone call from T. Scianitti re same; review network for documents requested.	0.3
21-Jul-17	Parisi, Josie	Review email from K. Masciantonio re Slate's request for water quality information; respond with information regarding most recent water quality info and requested additional information from T. Scianitti.	0.2
24-Jul-17	Cerrato, Gary	Update call with R. Buzzell from Centurion; respond to Phase Two bidders information requests; return creditor calls.	1.0
24-Jul-17	Marchand, Matthew	Correspondence with T. Montesano re dataroom.	0.1
25-Jul-17	Marchand, Matthew	Correspondence with G. Cerrato re sanitary agreement; deposit information.	0.2
26-Jul-17	Montesano, Tony	Upload documents to the data room.	0.2
26-Jul-17	Montesano, Tony	Process cheques; deposits.	0.2
26-Jul-17	Parisi, Josie	Review email from K. Persaud (condo purchaser) and respond to her email.	0.2
27-Jul-17	Cerrato, Gary	Respond to calls from Phase Two bidders re further information requests and discussions re submission of bids; review of disbursements.	1.0
27-Jul-17	Chow, Mark	Discussion with J. Parisi re file status and enquiry from prospective purchaser.	0.3
27-Jul-17	Montesano, Tony	Upload documents to the Data Room; process cheques.	0.5
28-Jul-17	Cerrato, Gary	Reviewing Phase Two offers; discussions and correspondence with R. Kennedy; respond to Phase Two bidder calls from Fram/Kilmer and Empire.	2.2
28-Jul-17	Montesano, Tony	Process cheques; monitor site for incoming bids, discuss same with G. Cerrato.	1.0
28-Jul-17	Parisi, Josie	Listen to voicemail from Slate and respond via email, review email from D. Michaud; review email re offers/APA's being submitted.	0.8

Date	Professional	Description	Hrs.
31-Jul-17	Cerrato, Gary	Call with D. Michaud re Centurion being asked to part of the lending group for Vandyke; review of Phase Two bids; review of legal summary provided by R. Kennedy re Phase Two bids; attend conference call with D. Michaud; R. Kennedy to update on status of Phase Two bids.	3.1
31-Jul-17	Chow, Mark	Discussion with G. Cerrato re offers received and review summary re same; review bid summary prepared by R. Kennedy; attend conference call with G. Cerrato, R. Kennedy and D. Michaud to discuss offers received and related issues and next steps.	1.0
31-Jul-17	Montesano, Tony	Process cheques.	0.3

Our Fee \$ 85,143.40

Disbursements

Postage - Creditor's Mailing	173.84	
Travel/Mileage/Parking	60.66	
Redirection of Mail Fee	182.90	
Administrative Fee - 4%	<u>3,405.74</u>	<u>3,823.14</u>

Subtotal 88,966.54

HST - 13.00% (#R101518124) 11,565.65

TOTAL \$ 100,532.19

Summary of Time Charges:

	Hours	Rate	Amount
M. Chow, Partner	4.80	595.00	2,856.00
J. Parisi, Partner	66.80	495.00	33,066.00
M. Hanson, Partner	0.60	495.00	297.00
G. Cerrato, Senior Manager	70.00	465.00	32,550.00
M. Marchand, Manager	0.80	305.00	244.00
K. Masciantonio, Sr. Administrator	39.70	195.00	7,741.50
T. Montesano, Administrator	17.30	198.00	3,425.40
Administrative Support	34.90		4,963.50
Total	<u>234.90</u>		<u><u>\$ 85,143.40</u></u>

Exhibit "A"

IN THE MATTER OF THE RECEIVERSHIP OF
TERRASAN 327 ROYAL YORK ROAD

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS
as at July 31, 2017

RECEIPTS:

Cash in Bank	1,381,910.45
HST Refunds	66,840.33
Miscellaneous Refunds	210.55
Interest	718.88
Total Receipts	<u>\$ 1,449,680.21</u>

DISBURSEMENTS:

Property Management Fee	42,736.72
Occupancy Rent (Site Trailer)	3,055.00
Occupancy Permit	6,399.36
Outside Consulting	42,987.91
Receiver's Fees	141,404.22
HST on Receiver's Fees	18,382.54
HST paid on disbursements	31,780.84
Operating expense	129,382.72
Insurance	36,942.76
Repairs and maintenance	42,923.63
Utilities	12,417.24
Advertising	9,059.60
Filing Fee	70.00
Bank Charges	30.00
Miscellaneous Disbursements	3,095.08
Total Disbursements	<u>\$ 520,667.62</u>

RECEIPTS OVER DISBURSEMENTS

\$ 929,012.59

TAB F

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 KENNETH KRAFT
(Affirmed August 18, 2017)**

I, **KENNETH KRAFT**, of the City of Toronto, in the Province of Ontario, **AFFIRM AND SAY AS FOLLOWS:**

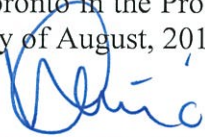
1. I am a Partner with Dentons Canada LLP ("**Dentons**"), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated February 24, 2017 (the "**Receivership Order**"), BDO Canada LLP was appointed Receiver and Manager of Terrasan 327 Royal York Rd. Limited in 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 March 1, 2017-June 30, 2017 (the “**Fee Period**”), are summarized in the invoices rendered to the Receiver (collectively, 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 per invoice, the total fees charged per invoice (both prior to and after the application of the applicable discount) along with the average hourly rate charged per invoice.
7. Attached and marked as Exhibit “C” is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. For the Fee Period, Dentons voluntarily applied a discount to the fees charged on a portion the Invoices. The amount of each discount is reflected on the face of each Invoice.

- 9. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.

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

AFFIRMED before me at the City of Toronto in the Province of Ontario, this 18th day of August, 2017.



A Commissioner for Taking Affidavits, etc.



KENNETH KRAFT

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF KENNETH KRAFT
AFFIRMED BEFORE ME THIS 18th DAY OF
AUGUST, 2017.

A handwritten signature in blue ink, appearing to read "Dinic", is written above a horizontal line.

A Commissioner for Taking Affidavits, etc.

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

T 403 268 7000
 F 403 268 3100

大成 Salans FMC SNR Denton McKenna Long
 dentons.com

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

Attention: Mark Chow

INVOICE # 3291676

GST/HST # R121996078
 QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
July 7, 2017	201205-000011	Robert Kennedy

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

Professional Fees	\$ 78,652.00
HST (13.0%) on \$78,652.00	10,224.76
Total Amount Due	\$ <u>88,876.76</u> CAD

Payment Options:	
<p><u>Cheques:</u> Cheques payable to Dentons Canada LLP and mailed to the following address: 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON Canada M5K 0A1</p> <p><u>Wire Transfer:</u> Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account: 0004-324</p>	<p><u>Internet Banking:</u> Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 201205. Please email us at Edm.Accounting@dentons.com referencing invoice number and payment amount.</p> <p><u>Credit Card:</u> Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No. _____ Expiry Date: _____ Amount: _____ Cardholder Name: _____ Signature: _____</p>
<p>Please email us at Tor.Accounting@dentons.com referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.</p>	

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Invoice Detail

TO PROFESSIONAL SERVICES RENDERED for the period ending April 30, 2017:

Date	Timekeeper	Description of Work
01-Mar-17	Robert Kennedy	Review Court materials. Review receivership order. Conversation with Mark Chow regarding administration matters.
02-Mar-17	Robert Kennedy	Review motion materials and receivership order. Conversation with Mark Chow. Review various correspondence regarding lien matters. Conference with Karen Groulx regarding lien matters. Conversation with Alex MacFarlane regarding Guarantee Company claims.
03-Mar-17	Karen Groulx	Telephone conference with Robert Kennedy, Gary Cerrato, Mark Chow and Josie Parisi (insert time Karen).
03-Mar-17	Karen Groulx	Brief telephone call with Robert Kennedy regarding GNCA and Tarion bond issue. Email to Robert Kennedy pertaining to same.
03-Mar-17	Robert Kennedy	Review Court materials. Various conversations with Karen Groulx regarding lien and insurance matters. Attend conference call with Mark Chow and Josie Parisi. Various conversations with Alex MacFarlane. Various correspondence to and from Alex MacFarlane. Attend conference call with Alex MacFarlane, Mark Chow, Josie Parisi and Karen Groulx regarding Guarantee Company claims. Conversation with Josie Parisi regarding sale process. Consider sale process matters.
03-Mar-17	Vanja Ginic	Received instructions from Robert Kennedy regarding Terrasan receivership summary. Reviewed of affidavit in Receivership Application. Drafted summary of key aspects of the Receivership Application.
06-Mar-17	Robert Kennedy	Consider next steps regarding sale process. Various correspondence to and from Josie Parisi regarding sale process and access matters.
07-Mar-17	Robert Kennedy	Consider next steps regarding sale process. Consider sale process materials. Attend to scheduling motion. Draft Notice of Motion. Correspondence to and from Mark Chow regarding administration matters.
08-Mar-17	Robert Kennedy	Correspondence to and from Mark Chow. Consider sale process matters.
13-Mar-17	Robert Kennedy	Consider sale process motion matters. Correspondence to Mark Chow.
14-Mar-17	Robert Kennedy	Various correspondence to and from Mark Chow.

Date	Timekeeper	Description of Work
		Attend conference call with Mark Chow and Gary Cerrato regarding payments and sale process. Consider sale process matters.
15-Mar-17	Robert Kennedy	Work on sale process materials.
16-Mar-17	Robert Kennedy	Work on sale process materials.
20-Mar-17	Robert Kennedy	Work on sale process. Work on motion materials.
22-Mar-17	Robert Kennedy	Conference call with Gary Cerrato and Josie Parisi regarding sale process matters. Work on sale process materials. Various correspondence to and from Alex MacFarlane.
23-Mar-17	Annette Fournier	Discussion with Rob Kennedy. Pull copy of receivership order. Email to Alison McCormick regarding registration of same on title. Provide acknowledgement and direction to client for execution. Receive and review registered order and provide same to Rob Kennedy together with updated parcel abstract.
23-Mar-17	Alison McCormick	Preparation and registration of an Application to Register Court Order on Teraview and preparation of an EFT form for Annette Fournier.
23-Mar-17	Robert Kennedy	Work on sale process materials. Conversation with Alex MacFarlane regarding pay out status and sale process matters. Conversation with Dom Michaud regarding pay out status and sale process matters. Attend to registration of Receivership Order on real property. Various correspondence to and from Gary Cerrato. Conversation with Gary Cerrato regarding sale process matters. Various correspondence to and from Josie Parisi.
24-Mar-17	Robert Kennedy	Conversation with Alex MacFarlane. Work on motion materials. Correspondence to and from Josie Parisi. Correspondence to Josie Parisi, Gary Cerrato and Mark Chow. Conversation with Josie Parisi.
26-Mar-17	Robert Kennedy	Review draft Receiver's Report. Various correspondence to and from Josie Parisi regarding sale process. Conversation with Gary Cerrato regarding sale process. Review and revise draft sale process.
27-Mar-17	Robert Kennedy	Work on motion materials and Receiver's Report. Prepare service list. Conference call with Gary Cerrato and Josie Parisi re: motion. Conversation with Mark Chow. Conversation with Alex MacFarlane re: motion. Correspondence to Dominique Michaud. Various correspondence to and from Alex MacFarlane. Various conversations with Dominique Michaud re: sale process. Various conversations with Alex MacFarlane. Various conversations with Gary Cerrato re: sale process.

Date	Timekeeper	Description of Work
		Various correspondence with Josie Parisi re: sale process. Review and revise service list. Review draft motion record.
28-Mar-17	Robert Kennedy	Work on motion materials. Various conversations with Dominique Michaud. Various conversations with Josie Parisi re: Receiver's Report. Various correspondence to and from Dominique Michaud re: sale process matters. Correspondence to and from Commercial List. Review final draft of motion materials. Attend to service of motion record. Correspondence to and from Josie Parisi re: service list.
29-Mar-17	Robert Kennedy	Review motion record. Correspondence to Brett Moldaver. Voicemail received from Alex MacFarlane. Correspondence to Gary Cerrato and Josie Parisi re: Receiver's Report. Conversation with Josie Parisi. Conference call with Gary Cerrato and Josie Parisi. Review sale process order. Voicemail received from Kevin Power. Review status of lien claims. Consider sale process matters.
30-Mar-17	Robert Kennedy	Voicemail left with Alex MacFarlane re: Report. Voicemail from and to Kevin Power re: lien claim. Voicemail left with Dominique Michaud. Conversation with Kevin Power re: motion. Correspondence to Kevin Power. Review correspondence from Ryan Hauk. Correspondence to Ryan Hauk. Voicemail left with Ryan Hauk. Voicemail left with Brett Moldaver. Work on template asset purchase agreement. Conversation with Alex MacFarlane.
31-Mar-17	Robert Kennedy	Work on non-disclosure agreement. Correspondence to and from Gary Cerrato. Conversation with Gary Cerrato re: sale process matters. Conversation with Josie Parisi. Work on template APA.
02-Apr-17	Robert Kennedy	Correspondence to and from Dominique Michaud. Preparation for motion.
03-Apr-17	Robert Kennedy	Review and revise sale process order. Preparation for motion. Various correspondence to and from Josie Parisi. Attend motion. Consider deposit issues. Review draft marketing materials. Various conversations with Josie Parisi.
04-Apr-17	Anna Clark	Telephone call with Robert Kennedy regarding trademark ownership of ON THE GO MIMCO. Review Canadian Intellectual Property Office register. Google search for common law use of mark. Prepare report to Robert Kennedy.
04-Apr-17	Robert Kennedy	Work on marketing materials. Various conversations with Josie Parisi. Consider trademark matters. Review

Date	Timekeeper	Description of Work
		sale process. Review correspondence from Dominique Michaud. Review and consider sale process issues. Work on template Asset Purchase Agreement.
04-Apr-17	Kenneth Kraft	Discuss with Rob Kennedy concerns over certain references in draft confidential offering memorandum for project and possible ways to address issues.
05-Apr-17	Robert Kennedy	Work on marketing materials. Conversation with Alex MacFarlane. Various correspondence to and from Josie Parisi. Review sale process. Work on template Asset Purchase Agreement.
06-Apr-17	Robert Kennedy	Review correspondence from Josie Parisi. Review attachment. Conversation with Josie Parisi regarding stakeholder inquiries. Correspondence to Lorenzo Fahoum. Work on sale process materials and template Asset Purchase Agreement.
07-Apr-17	Robert Kennedy	Various correspondence to and from Josie Parisi. Review and consider Metrolinx matters. Conversation with Josie Parisi. Work on template Asset Purchase Agreement. Conversation with Paul Hancock. Work on lien matters. Correspondence to Kevin Power.
10-Apr-17	Robert Kennedy	Work on template Asset Purchase Agreement. Conversation with Josie Parisi. Review comments regarding Asset Purchase Agreement. Review status of lien claims. Review lien documentation. Correspondence to and from Alex MacFarlane. Review correspondence from Iris Tam. Review marketing materials.
11-Apr-17	Robert Kennedy	Work on lien claims. Review correspondence from Metrolinx. Correspondence to Iris Tam. Various conversations with Josie Parisi. Conversation with Alex MacFarlane regarding sale process matters. Review and consider deposit issues.
12-Apr-17	Robert Kennedy	Correspondence to and from Josie Parisi. Review revised NDA. Conversation with Josie Parisi. Review correspondence from Dominic Michaud. Review documents regarding deposits. Voicemail left with Iris Tam regarding development agreement. Conversation with Seamus Foran regarding NDA. Work on template Asset Purchase Agreement. Review correspondence from Nick Canizares.
13-Apr-17	Robert Kennedy	Various correspondence to and from Josie Parisi. Conversation with Josie Parisi regarding administration and sale process matters. Review correspondence from Metrolinx. Review Receivership Order. Correspondence to Iris Tam. Address NDA matters. Review and address deposit matters.

Date	Timekeeper	Description of Work
14-Apr-17	Robert Kennedy	Work on sale process matters. Consider Metrolinx matters.
17-Apr-17	Robert Kennedy	Work deposit matters. Correspondence to Josie Parisi. Voicemail left with Alex MacFarlane. Conversation with David Spencer regarding deposits. Review correspondence from David Spencer. Various correspondence to and from Roger Jaipargas regarding Metrolinx matters. Various correspondence to and from Josie Parisi. Various correspondence to and from Gary Cerrato. Correspondence to David Spencer. Review NDA matters. Conversation with Josie Parisi. Correspondence to Navin Chadha. Review correspondence from Metrolinx to City of Toronto. Consider access matters regarding books and records.
18-Apr-17	Robert Kennedy	Conversation with Alex MacFarlane regarding deposit matters. Conversation with Roger Jaipargas regarding Metrolinx matters. Various correspondence to and from Josie Parisi regarding administration matters. Review Metrolinx documentation. Consider sale process matters. Conversation with Tony Scianitti regarding site matters. Review revisions to template Asset Purchase Agreement. Various correspondence to and from Roger Jaipargas. Conference call regarding template Asset Purchase Agreement. Revise template Asset Purchase Agreement.
19-Apr-17	Robert Kennedy	Work on sale process matters. Consider crane matters. Various correspondence to and from Roger Jaipargas. Review Crane Swinging Agreement. Conversation with Roger Jaipargas. Conversation with Josie Parisi. Work on template APA. Various correspondence to and from Josie Parisi. Work on deposit matters. Conversation with David Spencer. Conversation with Alex MacFarlane.
20-Apr-17	Robert Kennedy	Various correspondence to and from BDO re: records. Review Crane Swinging Agreement. Correspondence to Josie Parisi. Review template APA. Conversation with Dominic Michaud re: sale process matters. Conversation with Josie Parisi. Review correspondence from Harold Olig. Attend to deposit matters.
21-Apr-17	Robert Kennedy	Various correspondence to and from Josie Parisi re: books and records. Conversation with Katarina Masciantonio re: books and records. Consider Metrolinx matters. Various correspondence to and from Roger Jaipargas. Consider deposit and purchase agreement matters.
24-Apr-17	Robert Kennedy	Consider sale process matters. Conference call with Gary Cerrato and Josie Parisi. Review data room

Date	Timekeeper	Description of Work
25-Apr-17	Robert Kennedy	materials. Review various correspondence regarding books and records. Review Metrolinx documentation. Conversation with Roger Jaipargas. Conversation with Alex MacFarlane. Review and revise template Asset Purchase Agreement. Correspondence to Dom Michaud and Alex MacFarlane. Consider sale process matters. Consider property preservation matters. Conference call regarding water matters. Consider deposit issues. Conversation with Umesh regarding deposits. Conference with Ken Kraft regarding sale process matters. Correspondence to Josie Parisi and Gary Cerrato.
25-Apr-17	Kenneth Kraft	Discussions with Rob Kennedy in connection with information to go into data room related to construction budgets and progress reports to previous lenders and to address issues related to Tarion, GCNA and purchasers of units.
26-Apr-17	Robert Kennedy	Review Metrolinx documentation and preparation for meeting. Attend meeting with representatives of Metrolinx. Various correspondence to and from Josie Parisi regarding sale process matters. Consider water removal matters. Attend conference call regarding water removal matters. Attend to deposit matters. Various correspondence to and from Dom Michaud. Conversation with Dom Michaud. Review unit purchase agreement matters.
27-Apr-17	Robert Kennedy	Conversation with Roger Jaipargas. Various correspondence to and from Roger Jaipargas. Various conversations with Josie Parisi. Review permit re: City of Toronto. Consider Metrolinx matters. Conference call with Josie Parisi and Gary Cerrato. Review and consider permit matters. Consider sale process matters. Various correspondence to and from Josie Parisi re: sale process matters. Correspondence to and from Leor Marguilles.
28-Apr-17	Karen Groulx	Telephone call with Robert Kennedy regarding liens and steps to be taken regarding request to perfect liens. Receipt and review of emails from counsel for lien claimant, Limen and for 2043102 Ontario Limited o/a YYZed Project Management regarding request to refer lien claims to construction lien master.
28-Apr-17	Jules Mikelberg	Telephone call with Robert Kennedy. Review of material regarding deposits.
28-Apr-17	Robert Kennedy	Consider lien claim matters. Review and revise Asset Purchase Agreement. Various correspondence to and from Leor Maguillies. Conversation with Leor Maguillies.

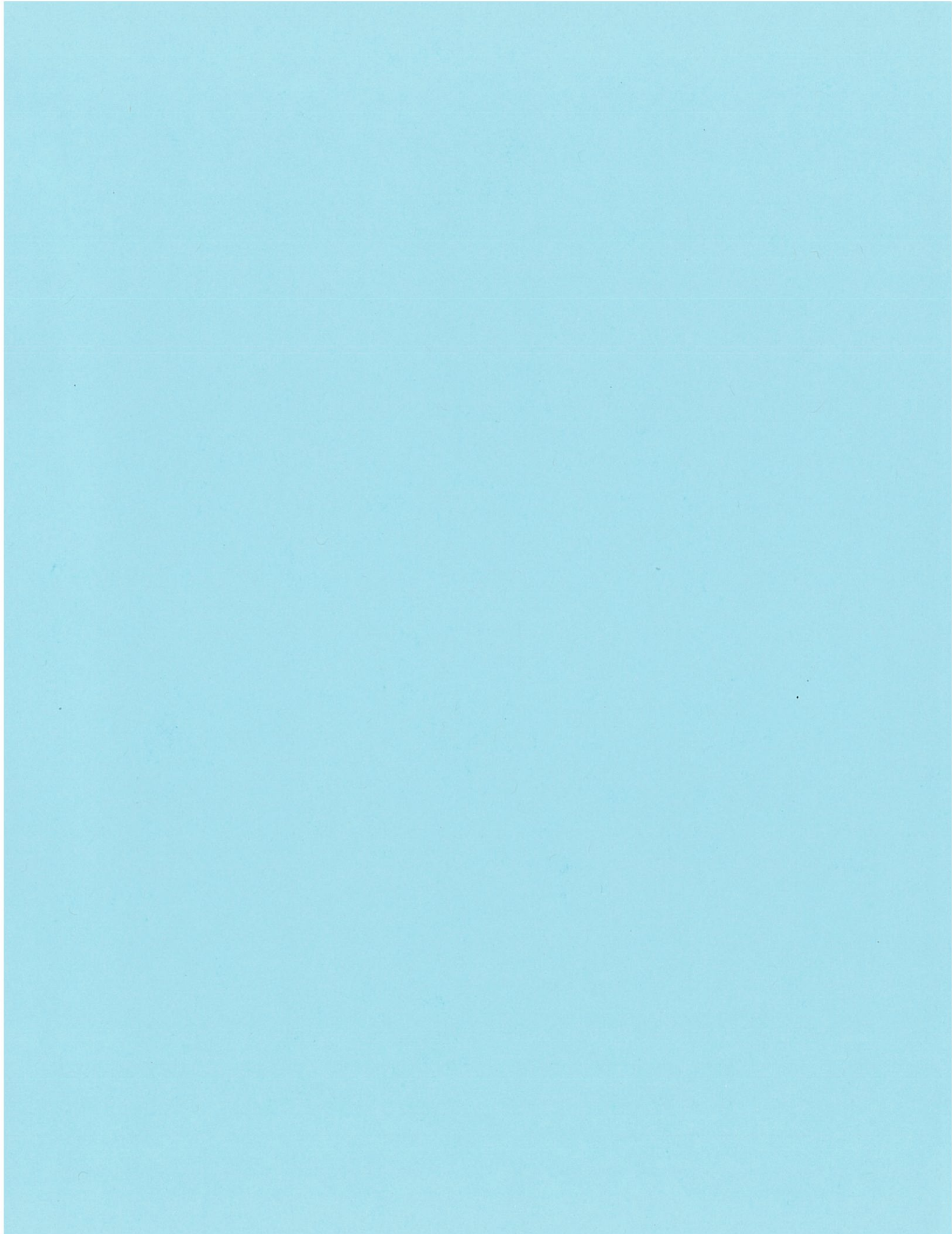
Date	Timekeeper	Description of Work
		Various correspondence to and from Josie Parisi regarding sale process matters. Correspondence to and from Roger Jaipargas regarding Metrolinx matters. Consider Metrolinx matters. Conference with Karen Groulx regarding lien claim matters. Conference with Jules Mikelberg regarding deposit matters. Review correspondence from Jules Mikelberg. Review and consider bank account matters. Conversation with Josie Parisi regarding sale process matters.
30-Apr-17	Robert Kennedy	Review correspondence from Alex MacFarlane. Review and revise template Asset Purchase Agreement. Correspondence to and from Josie Parisi. Correspondence to and from Katarina Masciantonio.

Timekeeper	Hours	Rate	Fees
Alison McCormick	1.0	295.00	295.00
Anna Clark	0.5	250.00	125.00
Annette Fournier	0.7	290.00	203.00
Jules Mikelberg	0.5	790.00	395.00
Karen Groulx	0.9	595.00	535.50
Kenneth Kraft	0.8	865.00	692.00
Robert Kennedy	132.7	595.00	78,956.50
Vanja Ginic	1.2	375.00	450.00
Total	138.3		\$81,652.00

TOTAL PROFESSIONAL FEES \$ 81,652.00
 Less: Discount (3,000.00)
 NET PROFESSIONAL FEES \$ 78,652.00

TAXES
 HST (13.0%) on Professional Fees of \$78,652.00 \$ 10,224.76
 TOTAL TAXES 10,224.76

TOTAL AMOUNT DUE \$ 88,876.76 CAD



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

T 403 268 7000
 F 403 268 3100

大成 Salans FMC SNR Denton McKenna Long
 dentons.com

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

Attention: Mark Chow

INVOICE # 3298754

GST/HST # R121996078
 QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
August 17, 2017	201205-000011	Robert Kennedy

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

Professional Fees	\$ 69,605.00
Other Fees/Charges	224.29
HST (13.0%) on \$69,829.29	9,077.81
Total Amount Due	<u>\$ 78,907.10 CAD</u>

<u>Payment Options:</u>	
<p><u>Cheques:</u> Cheques payable to Dentons Canada LLP and mailed to the following address: 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON Canada M5K 0A1</p>	<p><u>Internet Banking:</u> Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 201205. Please email us at Edm.Accounting@dentons.com referencing invoice number and payment amount.</p>
<p><u>Wire Transfer:</u> Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account: 0004-324</p>	<p><u>Credit Card:</u> Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No. _____ Expiry Date: _____ Amount: _____ Cardholder Name: _____ Signature: _____</p>
<p>Please email us at Tor.Accounting@dentons.com referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.</p>	

*We are very grateful to have you as a client and appreciate your business.
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Invoice Detail

TO PROFESSIONAL SERVICES RENDERED for the period ending June 30, 2017:

<u>Date</u>	<u>Timekeeper</u>	<u>Description of Work</u>
01-May-17	Robert Kennedy	Correspondence to and from David Markowitz. Conversation with Alex MacFarlane. Review contracts. Conversation with Robert Kiefer regarding BMO account. Correspondence to Robert Kiefer. Correspondence from and to Mr. Sabat regarding deposit. Voicemail from and to Dave Bereskin. Work on sale process matters.
02-May-17	Jules Mikelberg	Dictation and review of emails to Robert Kennedy concerning condominium deposits.
02-May-17	Jules Mikelberg	Telephone call with Robert Kennedy. Dictation and review of emails to and from David Spencer.
02-May-17	Jules Mikelberg	Review of deposit material and emails.
02-May-17	Robert Kennedy	Various correspondence to and from Josie Parisi regarding sale process matters. Conversation with Josie Parisi regarding sale process and deposit matters. Revise correspondence regarding deposits. Review service agreement. Correspondence to Josie Parisi and Gary Cerrato. Correspondence to David Spencer. Conference with Jules Mikelberg regarding deposits. Conversation with David Spencer regarding deposits. Various conversations with unit purchasers.
03-May-17	David Mann	Consultation with Robert Kennedy regarding options related to depositor claims and positions. Consultation with Robert Kennedy regarding notice posted on website.
03-May-17	Jules Mikelberg	Review of emails and material from David Spencer.
03-May-17	Robert Kennedy	Various conversations with bidding parties. Review various correspondence regarding sale process. Work on deposit matters. Conversation with Alex MacFarlane. Conference call with Josie Parisi and Gary Cerrato regarding sale process matters. Review sale process and consider bidding matters.
04-May-17	Jules Mikelberg	Dictation and review of emails.
04-May-17	Robert Kennedy	Work on deposit matters. Work on sale process matters. Various conversations with Josie Parisi. Conference call with Gary Cerrato and Josie Parisi. Review various correspondence regarding deposits.
05-May-17	Jules Mikelberg	Dictation and review of emails to David Spencer.
05-May-17	Jules Mikelberg	Review of deposit material from David Spencer. Review

Date	Timekeeper	Description of Work
		of emails.
05-May-17	Robert Kennedy	Review correspondence from David Spencer. Work on deposit matters. Conference with Jules Mikelberg. Work on sale process matters. Review various correspondence regarding Metrolinx matters. Various correspondence to and from Josie Parisi.
08-May-17	Jules Mikelberg	Review of material received from David Spencer concerning Purchaser's deposits and releases.
08-May-17	Shelley Atterbury	Discussions concerning deposits received/dispensed by way of TARION and EDCI Release. Review of Schneider, Ruggiero's deposit trust report for purposes of tracking deposits received, TARION releases, EDCI releases and deposits remaining in trust.
08-May-17	Robert Kennedy	Various correspondence to and from Josie Parisi. Review correspondence regarding deposits. Work on sale process matters. Various conversations with potential bidders. Review correspondence from Sean Gosnell. Consider Metrolinx matters. Various conversations with Josie Parisi.
09-May-17	Shelley Atterbury	Continue review of Schneider, Ruggiero's deposit trust report and of the Client Trust Ledger. Attend to various discussions concerning same.
09-May-17	Robert Kennedy	Review various correspondence regarding: sale process. Various conversations with potential bidders. Conference call with Josie Parisi and Gary Cerrato regarding sale process matters. Voicemail received from Roger Jaipargas. Work on Metrolinx matters. Conference with Ken Kraft. Conversation with Sean Gosnell. Draft correspondence regarding Metrolinx. Work on sale process matters. Various correspondence to and from Josie Parisi regarding sale process matters.
09-May-17	Kenneth Kraft	Discuss with Rob Kennedy Metrolinks and Centurion concerns related to sales process and information in data room. Review letter from Roger Jaipargas and draft note regarding inclusion of "Metrolinks Guidelines" in data room.
10-May-17	Jules Mikelberg	Dictation and review of emails to David Spencer.
10-May-17	Jules Mikelberg	Review of deposit material and EDCI releases.
10-May-17	Robert Kennedy	Work sale process matters. Various communications with potential bidding parties. Various conversations with Josie Parisi regarding sale process matters. Various correspondence to and from Josie Parisi regarding data room matters. Work on deposit matters. Correspondence to Sean Gosnell and Roger Jaipargas regarding Metrolinx.

Date	Timekeeper	Description of Work
11-May-17	Jules Mikelberg	Review of material and dictation of draft Memorandum.
11-May-17	Shelley Atterbury	Receipt and review of emails from David Spencer providing signed ECDI Schedule. Review of ECDI Schedule with the "ECDI Deposits advanced: Ap 14 2016" column on the deposit/release schedule. Discussions concerning deposits/disbursements on Spencer's accounting ledger printout.
11-May-17	Robert Kennedy	Various correspondence to and from Josie Parisi regarding deposit and sale process matters. Various correspondence to and from Roger Jaipargas. Work on sale process matters. Various communications with bidding parties.
12-May-17	Jules Mikelberg	Amendments to Memo concerning deposits and email to Robert Kennedy.
12-May-17	Robert Kennedy	Work on sale process matters. Various conversations with Josie Parisi regarding sale process matters. Various correspondence to and from Roger Jaipargas regarding Metrolinx matters. Review non-binding bid submissions.
14-May-17	Robert Kennedy	Review non-binding APA submissions. Various correspondence to and from Roger Jaipargas. Various correspondence to and from Josie Parisi.
15-May-17	Robert Kennedy	Consider Metrolinx matters. Review bids. Various conversations with Josie Parisi regarding sale process matters. Work on sale process matters. Conversation with Dom Michaud. Preparation for conference call regarding Metrolinx matters. Attend conference call. Conference call with Josie Parisi and Gary Cerrato regarding sale process matters. Review correspondence from Roger Jaipargas. Correspondence to Josie Parisi regarding notice of appearance. Review correspondence from Paul Guaranga.
16-May-17	Robert Kennedy	Work sale process matters. Various conversations with Josie Parisi regarding sale process matters. Various correspondence to and form Roger Jaipargas regarding Metrolinx matters. Conference call with Josie Parisi and Gary Cerrato regarding Metrolinx matters. Review bids. Conference call with Josie Parisi and Gary Cerrato regarding bids. Various discussions with bidding parties.
17-May-17	Robert Kennedy	Work on sale process matters. Consider Metrolinx matters. Various conversations with Gary Cerrato regarding bids. Review correspondence from David Markowitz. Consider strategy regarding Phase 2 of sale process. Various correspondence with Josie Parisi. Various conversations with bidding parties. Various correspondence to and from bidding parties. Attend to

Date	Timekeeper	Description of Work
		lien matters.
17-May-17	Kenneth Kraft	Discuss bid process issues with Rob Kennedy.
18-May-17	Karen Groulx	Receipt and response to email from Kevin Power regarding request for consent to set down matter and response thereto.
18-May-17	Robert Kennedy	Work on sale process matters. Conversation with Roger Jaipargas regarding Metrolinx matters. Conference call with Gary Cerrato and Josie Parisi regarding Metrolinx matters. Various conversations with Josie Parisi regarding sale process matters. Work on bid summary. Various communications with bidding parties. Correspondence to Dom Michaud and Alex MacFarlane. Correspondence to Dom Michaud. Correspondence to Alex MacFarlane.
19-May-17	Robert Kennedy	Work on sale process matters. Correspondence to Dom Michaud and Alex MacFarlane. Various conversations with Josie Parisi. Preparation for conference call regarding bids. Attend conference call regarding bids. Prepare Phase 2 correspondence. Conference call regarding Metrolinx matters. Conference with Ken Kraft regarding sale process matters. Conversation with Gary Cerrato regarding sale process matters. Various communications with bidding parties.
22-May-17	Robert Kennedy	Review correspondence from Gary Cerrato. Review correspondence from Josie Parisi. Consider sale process matters.
23-May-17	Karen Groulx	Telephone call from counsel for lien claimant regarding preferred manner to achieve set down date in order that lien claim does not expire. Telephone call to Robert Kennedy regarding same.
23-May-17	Robert Kennedy	Work on sale process matters. Various communications with bidding parties. Work on bidding party communications. Correspondence to Paul Guaragna. Conversation with Dom Michaud. Conversation with Josie Parisi regarding sale process matters. Work on Metrolinx matters. Review bidding party communications. Various correspondence to and from Josie Parisi regarding sale process matters. Conference with Karen Groulx regarding lien matters.
24-May-17	Robert Kennedy	Various communication with bidding parties. Various conversations with Josie Parisi regarding sale process matters. Review sale process and work on sale process matters. Various correspondence to and from Alex MacFarlane. Correspondence to Roger Jaipargas. Work on Metrolinx matters. Work on deposit matters.

Date	Timekeeper	Description of Work
25-May-17	Robert Kennedy	Work on sale process matters. Conference call with Josie Parisi and Alex MacFarlane. Review appointment materials. Revise correspondence regarding Metrolinx. Correspondence to Roger Jaipargas. Various communications with bidding parties. Consider due diligence request matters. Various correspondence to and from Josie Parisi regarding sale process matters. Consider deposit matters.
25-May-17	Kenneth Kraft	Discuss with Rob Kennedy approach to dealing with proposed purchasers' requests to discuss project with CB Ellis.
26-May-17	Robert Kennedy	Work on sale process matters. Revise correspondence regarding bidders. Various correspondence to and from Josie Parisi regarding sale process matters. Review service agreements. Communications with bidding parties. Voicemail left with Roger Jaipargas. Conversation with Dom Michaud. Correspondence to Dom Michaud.
29-May-17	Robert Kennedy	Work on sale process matters. Various communications with bidding parties. Conversation with Josie Parisi regarding sale process matters.
30-May-17	Robert Kennedy	Work on lien matters. Voicemail left with Roger Jaipargas. Work on sale process matters. Conversation with Josie Parisi regarding sale process matters. Communications with bidding parties. Conference with Vanja Ginic. Correspondence to and from Dom Michaud.
30-May-17	Vanja Ginic	Instructions from Robert Kennedy regarding lien claim summary.
31-May-17	Robert Kennedy	Various communications with bidding parties. Various correspondence to and from Josie Parisi. Work on sale process matters. Consider next steps regarding bidding parties. Correspondence to Roger Jaipargas.
31-May-17	Vanja Ginic	Reviewed statements of claim and parcel searches. Drafted lien summary.
01-Jun-17	Robert Kennedy	Work on sale process matters. Various correspondence to and from Josie Parisi. Various correspondence to and from Dom Michaud.
02-Jun-17	Robert Kennedy	Work on sale process matters. Conversation with Dom Michaud. Review and revise bidding communication. Voicemail left with Roger Jaipargas. Various correspondence to and from Josie Parisi. Conversation with Roger Jaipargas. Work on construction lien matters. Correspondence to and from Kevin Coutts. Review indemnity agreement. Various correspondence

Date	Timekeeper	Description of Work
		to and from Roger Jaipargas.
05-Jun-17	Robert Kennedy	Various correspondence to and from Josie Parisi. Work on sale process matters. Review various correspondence regarding Metrolinx. Work on lien matters. Review correspondence from Sean Gosnell.
06-Jun-17	Robert Kennedy	Review correspondence from Sean Gosnell. Review Metrolinx correspondence. Various correspondence to and from Josie Parisi. Correspondence to and from Charlie Ross. Work on sale process matters. Review correspondence from Catherine Wilson. Conversation with Catherine Wilson. Conversation with Lawrence Cohen (x2). Work on deposit matters.
07-Jun-17	Robert Kennedy	Various correspondence to and from Josie Parisi regarding sale process matters. Work on sale process and lien matters.
07-Jun-17	Robert Kennedy	Various correspondence to and from Josie Parisi regarding sale process matters. Work on sale process and lien matters.
09-Jun-17	Robert Kennedy	Work on sale process matters. Various correspondence to and from Josie Parisi.
12-Jun-17	Robert Kennedy	Work on sale process matters. Review draft orders regarding lien claim.
13-Jun-17	Robert Kennedy	Various conversations with Josie Parisi regarding preservation matters. Various correspondence to and from Josie Parisi. Work on sale process matters. Conversation with Catherine Wilson. Preparation for meeting with Metrolinx. Attend diligence meeting. Correspondence to bidders regarding phase 2. Review memorandum regarding phase 2 diligence requests.
14-Jun-17	Robert Kennedy	Voicemail to and from Roger Jaipargas. Work on sale process matters. Work on lien matters.
15-Jun-17	Robert Kennedy	Correspondence to and from Roger Jaipargas. Work on construction lien matters.
16-Jun-17	Robert Kennedy	Work on construction lien matters. Voicemail from and to Roger Jaipargas.
20-Jun-17	Robert Kennedy	Conversation with Josie Parisi. Work on construction lien matters. Conversation with Catherine Wilson. Various correspondence to and from Josie Parisi. Voicemail left with John Dare.
21-Jun-17	Robert Kennedy	Work on lien claim matters. Various correspondence to and from Gary Cerrato.
23-Jun-17	Karen Groulx	Receipt and review of Statement of Defence.
23-Jun-17	Robert Kennedy	Work on construction lien matters. Voicemail left with Gary Cerrato.

Date	Timekeeper	Description of Work
27-Jun-17	Robert Kennedy	Conversation with Gary Cerrato regarding property matters. Work on lien matters. Voicemail left with Catherine Wilson. Review correspondence from Josie Parisi. Conversation with Catherine Wilson. Correspondence to Gary Cerrato. Work on sale process matters.
28-Jun-17	Kenneth Kraft	Discussing issues with Rob Kennedy.
29-Jun-17	Robert Kennedy	Review various correspondence regarding construction lien claims. Conference with Ken Kraft regarding lien claims. Voicemail to and from Josie Parisi. Consider water issues. Correspondence to Gary Cerrato.
30-Jun-17	Robert Kennedy	Work on sale process matters. Conference call with Josie Parisi and Gary Cerrato regarding sale process and administration matters. Correspondence to John Dare. Conversation with Catherine Willson. Correspondence to Catherine Willson. Communications with Phase II bidding parties.

Timekeeper	Hours	Rate	Fees
David Mann	0.5	750.00	375.00
Jules Mikelberg	7.1	790.00	5,609.00
Karen Groulx	0.7	595.00	416.50
Kenneth Kraft	1.4	865.00	1,211.00
Robert Kennedy	107.1	595.00	63,724.50
Shelley Atterbury	3.4	285.00	969.00
Vanja Ginic	0.8	375.00	300.00
Total	121.0		\$72,605.00

TOTAL PROFESSIONAL FEES	\$ 72,605.00
Less: Discount	<u>(3,000.00)</u>
NET PROFESSIONAL FEES	\$ 69,605.00

TAXABLE OTHER FEES/CHARGES	
Long Distance Telephone Calls	\$ 16.39
Photocopy & Printing Charges	<u>207.90</u>
TOTAL OTHER FEES/CHARGES	<u>224.29</u>

TOTAL FEES AND OTHER FEES/CHARGES	\$ 69,829.29
--	---------------------

TAXES	
HST (13.0%) on Professional Fees of \$69,605.00	\$ 9,048.65
HST (13.0%) on Taxable Disbursements of \$224.29	<u>29.16</u>
TOTAL TAXES	<u>9,077.81</u>

TOTAL AMOUNT DUE	<u>\$ 78,907.10</u> CAD
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DENTONS CANADA LLP
BDO Canada LLP
Re: Receivership Proceedings of Terrasan 327 Royal York Rd.
Limited

INVOICE 3298754
Page 9 of 9

220

Matter # 201205-000011

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF KENNETH KRAFT
AFFIRMED BEFORE ME THIS 18th DAY OF
AUGUST, 2017.

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

A Commissioner for Taking Affidavits, etc.

EXHIBIT "B"

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

The Period March 1, 2017 ending June 30, 2017

Date	Invoice No.	Fees	Discount	Disbursements	Taxes(HST)	Hours	Average Rate	Total
July 7, 2017	3291676	78,652.00	3,000.00	-	10,224.76	138.3	506.88	88,876.76
August 17, 2017	3298754	69,605.00	3,000.00	224.29	9,077.81	121	607.86	78,907.10
TOTALS:		148,257.00	6,000.00	224.29	19,302.57	259.30	557.37	167,783.86

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF KENNETH KRAFT
AFFIRMED BEFORE ME THIS 18th DAY OF
AUGUST, 2017.

A handwritten signature in blue ink, appearing to be "Davi", written over a horizontal line.

A Commissioner for Taking Affidavits, etc.

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

For the period March 1, 2017 ending June 30, 2017

	<u>Rate</u>	<u>Year of Call</u>
Jules Mikelberg	\$790.00	1982
David Mann	\$750.00	1990 (AB)
Karen Groulx	\$595.00	1990
Kenneth Kraft	\$865.00	1991
Robert Kennedy	\$595.00	2002
Vanja Ginic	\$375.00	2016
Shelley Atterbury	\$285.00	Law Clerk
Alison McCormick	\$290.00	Paralegal
Annette Fournier	\$280.00	Paralegal
Anna Clark	\$250.00	Trademark Agent

Applicant

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>PROCEEDING COMMENCED AT TORONTO</p>	
<p>AFFIDAVIT OF KENNETH KRAFT (Affirmed August 18, 2017)</p>	
<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1</p>	
<p>Robert J. Kennedy (LSUC # 474070) Tel: (416) 367-6756 Fax: (416) 863-4592 robert.kennedy@dentons.com</p>	
<p><i>Lawyers for the Receiver</i></p>	

TAB G

CONFIDENTIAL APPENDIX "A"

TAB H

CONFIDENTIAL APPENDIX “B”

TAB 3

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

THE HONOURABLE.)	FRIDAY, THE 25 th DAY
)	
JUSTICE)	OF AUGUST, 2017

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as Court appointed receiver and manager (the “**Receiver**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Asset Purchase Agreement**”) between the Receiver and 240871 Ontario Inc. (the “**Purchaser**”) dated July 28, 2017, and vesting in the Purchaser Terrasan 327 Royal York Rd. Limited’s (“**Terrasan**”) right, title, benefit and interest in and to the assets described in the Asset Purchase Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver dated August 16, 2017 (the “**Second Report**”), and on hearing the submissions of counsel for the Receiver, the Applicant, and the Purchaser, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Vanja Ginic sworn August 18, 2017 filed:

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Asset Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of Terrasan's right, title, benefit and interest in and to the Purchased Assets described in the Asset Purchase Agreement, including the lands legally described in **Schedule B** hereto (the "**Lands**"), shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order dated February 24, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule C** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule D**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the applicable land registry office or land titles office of a Transfer/Deed of Land or equivalent document, or of an application for

registration of this Order in the applicable prescribed form, the applicable land registrar or equivalent official is hereby directed to enter the Purchaser as the owner of the Lands in fee simple, and is hereby directed to delete and expunge from title to the Lands all of the Claims listed in **Schedule C** hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in Terrasan's records pertaining to Terrasan's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Terrasan.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Terrasan and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Terrasan;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Terrasan and shall not be void or voidable by creditors of Terrasan, nor shall it constitute nor be deemed to be a fraudulent

preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) and Sections 6(3) of the *Retail Sales Act* (Ontario).

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

10. **THIS COURT ORDERS** that the Confidential Appendix “A” and the Confidential Appendix “B” to the Second Report shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of the Court.

11. **THIS COURT ORDERS** that the Second Report and the activities of the Receiver described therein are hereby approved.

12. **THIS COURT ORDERS** that the Receiver’s Statement of Receipts and Disbursements for the period from the date of the Receiver’s appointment to July 31, 2017 is hereby approved.

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

Schedule A – Form of Receiver’s Certificate

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

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

THE HONOURABLE) [DAY], THE [] DAY
JUSTICE)
) OF [], 2017

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (the “**Court**”) dated February 24, 2017, BDO Canada Limited was appointed as receiver and manager (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 ●, 2017, the Court approved the agreement of purchase and sale made as of ●, 2017 (the “**Asset Purchase Agreement**”) between the Receiver and ● (the “**Purchaser**”) and provided for the vesting in the Purchaser of Terrasan’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the

Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, (ii) that the conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Asset Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Asset Purchase Agreement;
2. The conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, respectively; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**BDO Canada Limited, in its capacity as
Receiver, and not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – Claims to be deleted and expunged from title to Real Property**PIN 07617-0889 (LT)**

1. Charge registered as Instrument No. AT3235332 on February 12, 2013
2. Notice of Assignment of Rents-General registered as Instrument No. AT3235333 on February 12, 2013
3. Charge registered as Instrument No. AT3539503 on March 17, 2014
4. Notice registered as Instrument No. AT3549928 on April 1, 2014
5. Transfer of Charge registered as Instrument No. AT3549936 on April 1, 2014
6. Transfer of Charge registered as Instrument No. AT3555412 on April 9, 2014
7. Transfer of Charge registered as Instrument No. AT3561505 on April 17, 2014
8. Transfer of Charge registered as Instrument No. AT3566547 on April 25, 2014
9. Transfer of Charge registered as Instrument No. AT3575227 on April 6, 2014
10. Transfer of Charge registered as Instrument No. AT3585296 on May 20, 2014
11. Transfer of Charge registered as Instrument No. AT3596048 on May 30, 2014
12. Transfer of Charge registered as Instrument No. AT3601926 on June 6, 2014
13. Transfer of Charge registered as Instrument No. AT3607117 on June 13, 2014
14. Transfer of Charge registered as Instrument No. AT3613001 on June 20, 2014
15. Transfer of Charge registered as Instrument No. AT3619994 on June 27, 2014
16. Notice registered as Instrument No. AT3658194 on August 11, 2014
17. Transfer of Charge registered as Instrument No. AT3658196 on August 11, 2014
18. Transfer of Charge registered as Instrument No. AT3666880 on August 20, 2014
19. Notice registered as Instrument No. AT3685946 on September 11, 2014
20. Transfer of Charge registered as Instrument No. AT3703135 on September 30, 2014
21. Notice registered as Instrument No. AT3708526 on October 7, 2014
22. Transfer of Charge registered as Instrument No. AT3710726 on October 9, 2014

23. Transfer of Charge registered as Instrument No. AT3717540 on October 20, 2014
24. Transfer of Charge registered as Instrument No. AT3723532 on October 28, 2014
25. Transfer of Charge registered as Instrument No. AT3728118 on October 30, 2014
26. Transfer of Charge registered as Instrument No. AT3741238 on November 14, 2014
27. Transfer of Charge registered as Instrument No. AT3745031 on November 20, 2014
28. Transfer of Charge registered as Instrument No. AT3749969 on November 26, 2014
29. Transfer of Charge registered as Instrument No. AT3765342 on December 12, 2014
30. Notice registered as Instrument No. AT3769051 on December 17, 2014
31. Transfer of Charge registered as Instrument No. AT3790042 on January 19, 2015
32. Notice registered as Instrument No. AT3793278 on January 22, 2015
33. Transfer of Charge registered as Instrument No. AT3818095 on February 25, 2015
34. Charge registered as Instrument No. AT3841250 on March 26, 2015
35. Transfer of Charge registered as Instrument No. AT3844741 on March 31, 2015
36. Notice registered as Instrument No. AT3850533 on April 7, 2015
37. Notice registered as Instrument No. AT3881044 on May 12, 2015
38. Postponement registered as Instrument No. AT3894276 on May 28, 2015
39. Notice registered as Instrument No. AT3941583 on July 9, 2015
40. Postponement registered as Instrument No. AT3989335 on August 26, 2015
41. Postponement registered as Instrument No. AT3989337 on August 26, 2015
42. Postponement registered as Instrument No. AT3989338 on August 26, 2015
43. Transfer of Charge registered as Instrument No. AT4035434 on October 14, 2015
44. Notice of Assignment of Rents-General registered as Instrument No. AT4035435 on October 14, 2015
45. Transfer of Charge registered as Instrument No. AT4066213 on November 13, 2015
46. Notice registered as Instrument No. AT4066214 on November 13, 2015
47. Notice registered as Instrument No. AT4132320 on January 29, 2016

48. Postponement registered as Instrument No. AT4132321 on January 29, 2016
49. Postponement registered as Instrument No. AT4132323 on January 29, 2016
50. Postponement registered as Instrument No. AT4192703 on April 14, 2016
51. Postponement registered as Instrument No. AT4192704 on April 14, 2016
52. Charge registered as Instrument No. AT4192730 on April 14, 2016
53. Notice of Assignment of Rents-General registered as Instrument No. AT4192731 on April 14, 2016
54. Postponement registered as Instrument No. AT4192760 on April 14, 2016
55. Postponement registered as Instrument No. AT4192761 on April 14, 2016
56. Postponement registered as Instrument No. AT4192762 on April 14, 2016
57. Notice registered as Instrument No. AT4193455 on April 14, 2016
58. Postponement registered as Instrument No. AT4264603 on June 30, 2016
59. Postponement registered as Instrument No. AT4264604 on June 30, 2016
60. Postponement registered as Instrument No. AT4264605 on June 30, 2016
61. Postponement registered as Instrument No. AT4264606 on June 30, 2016
62. Postponement registered as Instrument No. AT4264607 on June 30, 2016
63. Postponement registered as Instrument No. AT4274414 on July 11, 2016
64. Postponement registered as Instrument No. AT4274415 on July 11, 2016
65. Postponement registered as Instrument No. AT4274416 on July 11, 2016
66. Postponement registered as Instrument No. AT4274417 on July 11, 2016
67. Postponement registered as Instrument No. AT4274418 on July 11, 2016
68. Transfer of Charge registered as Instrument No. AT4327730 on August 31, 2016
69. Construction Lien registered as Instrument AT4455871 on January 11, 2017
70. Construction Lien registered as Instrument No. AT4458595 on January 13, 2017
71. Construction Lien registered as Instrument No. AT4459539 on January 13, 2017
72. Construction Lien registered as Instrument No. AT4462727 on January 18, 2017

73. Transfer of Charge registered as Instrument No. AT4464383 on January 19, 2017
74. Construction Lien registered as Instrument No. AT4464740 on January 19, 2017
75. Construction Lien registered as Instrument No. AT4467005 on January 23, 2017
76. Construction Lien registered as Instrument No. AT4468556 on January 24, 2017
77. Construction Lien registered as Instrument No. AT4468557 on January 24, 2017
78. Postponement registered as Instrument No. AT4471568 on January 27, 2017
79. Construction Lien registered as Instrument No. AT4475863 on January 31, 2017
80. Certificate registered as Instrument No. AT4480120 on February 6, 2017
81. Certificate registered as Instrument No. AT4483429 on February 9, 2017
82. Construction Lien registered as Instrument No. AT4484326 on February 10, 2017
83. Certificate registered as Instrument No. AT4484646 on February 10, 2017
84. Certificate registered as Instrument No. AT4488807 on February 16, 2017
85. Construction Lien registered as Instrument No. AT4494360 on February 24, 2017
86. Certificate registered as Instrument No. AT4494829 on February 24, 2017
87. Certificate registered as Instrument No. AT4513705 on March 16, 2017
88. Certificate registered as Instrument No. AT4513712 on March 16, 2017
89. Application Court Order registered as Instrument No. AT4518660 on March 23, 2017
90. Application General registered as Instrument No. AT4528870 on April 3, 2017
91. Certificate registered as Instrument No. AT4538384 on April 18, 2017
92. Construction Lien registered as Instrument No. AT4541935 on April 20, 2017
93. Certificate registered as Instrument No. AT4600997 on June 16, 2017

And any intervening registrations from the date of the Asset Purchase Agreement to the Closing Date.

**Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Transfer of Easement registered as Instrument No. AT3989173 on August 26, 2015.
2. Instrument No. AT2717994 registered on June 10, 2011 is a Notice between the City of Toronto and Terrasan 327 Royal York Road Limited.
3. Instrument No. AT4264438 registered on June 30, 2016 is a Transfer of Easement between Terrasan 327 Royal York Road Limited and Canadian National Railway Company.
4. Instrument No. AT4274323 registered on July 11, 2016 is a Transfer of Easement between Terrasan 327 Royal York Road Limited and Metrolinx.
5. Instrument No. AT4215393 on May 11, 2016 is a Notice between the City of Toronto and Terrasan 327 Royal York Road Limited.

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

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

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

Lawyers for the Receiver

TAB 4

Court File No. — CV-17-11679-00CL

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

THE HONOURABLE _____) ~~WEEKDAY~~FRIDAY, THE #25th
JUSTICE _____) DAY
)
OF MONTH, ~~20YR~~AUGUST, 2017

~~BETWEEN:~~

~~PLAINTIFF~~

Plaintiff

~~-and-~~

~~DEFENDANT~~

Defendant

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by [~~RECEIVER'S NAME~~] BDO Canada Limited, in its capacity as the Court- appointed receiver and manager (the "Receiver") of the undertaking, property and assets of [~~DEBTOR~~] (the "Debtor"), for an order approving the sale transaction (the

~~“Transaction”~~) contemplated by an asset purchase agreement of purchase and sale (the “Sale Asset Purchase Agreement”) between the Receiver and ~~[NAME OF PURCHASER]~~240871 Ontario Inc. (the “Purchaser”) dated [DATE] and appended to the Report of the Receiver dated [DATE] (the “Report”); “Purchaser”) dated July 28, 2017, and vesting in the Purchaser ~~the Debtor’s~~Terrasan 327 Royal York Rd. Limited’s (“Terrasan”) right, title, benefit and interest in and to the assets described in the Sale Asset Purchase Agreement (the “Purchased Assets”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ~~Report~~Second Report of the Receiver dated August 16, 2017 (the “Second Report”), and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~the Applicant, and the Purchaser, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~Vanja Ginic sworn ~~[DATE]~~August 18, 2017 filed¹:

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the Sale Asset Purchase Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of the Debtor Terrasan's right, title, benefit and interest in and to the Purchased Assets described in the Sale Asset Purchase Agreement ~~and listed on, including the lands legally described in **Schedule B** hereto~~⁴ (the "**Lands**"), shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order of the Honourable Justice [NAME] dated [DATE] February 24, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule C** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule D**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. ~~3.~~ **THIS COURT ORDER** ~~THIS COURT ORDERS~~ that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] applicable land registry office or land titles office of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver ~~[[Land Titles Division of {LOCATION}] of an Application for Vesting or equivalent document, or of an application for registration of this Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*~~⁶, the Land Registrar applicable prescribed form, the applicable land registrar or equivalent official is

⁴ To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

hereby directed to enter the Purchaser as the owner of the ~~subject real property identified in Schedule B hereto (the "Real Property")~~ Lands in fee simple, and is hereby directed to delete and expunge from title to the ~~Real Property~~ Lands all of the Claims listed in Schedule C hereto.

~~5.~~ ~~4. THIS COURT ORDERS~~ **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

~~5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.~~

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in ~~the Company~~ Terrasan's records pertaining to ~~the Debtor~~ Terrasan's past and current employees, ~~including personal information of those employees listed on Schedule "•" to the Sale Agreement.~~ The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by ~~the Debtor~~ Terrasan.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;

⁷ ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸ ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of ~~the Debtor~~ Terrasan and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of ~~the Debtor~~ Terrasan;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of ~~the Debtor~~ Terrasan and shall not be void or voidable by creditors of ~~the Debtor~~ Terrasan, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) and Sections 6(3) of the *Retail Sales Act* (Ontario).

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

10. THIS COURT ORDERS that the Confidential Appendix "A" and the Confidential Appendix "B" to the Second Report shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of the Court.

11. THIS COURT ORDERS that the Second Report and the activities of the Receiver described therein are hereby approved.

12. THIS COURT ORDERS that the Receiver's Statement of Receipts and Disbursements for the period from the date of the Receiver's appointment to July 31, 2017 is hereby approved.

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

Schedule A — Form of Receiver’s Certificate

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) [DAY], THE [] DAY
JUSTICE) OF [], 2017
)

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

and

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

~~BETWEEN:-~~

~~PLAINTIFF~~

Plaintiff

~~-and-~~

~~DEFENDANT~~

Defendant

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable [~~NAME OF JUDGE~~ Mr. Justice Wilton-Siegel] of the Ontario Superior Court of Justice (the "~~Court~~") dated [~~DATE OF ORDER~~], [~~NAME OF RECEIVER~~] February 24, 2017, BDO Canada Limited was appointed as the receiver and manager (the "~~Receiver~~") of the undertaking, property and assets of [~~DEBTOR~~] (the "~~Debtor~~"), assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("~~Terrasan~~").

B. Pursuant to an Order of the Court dated [~~DATE~~], 2017, the Court approved the agreement of purchase and sale made as of [~~DATE OF AGREEMENT~~], 2017 (the "~~Sale~~" Asset Purchase Agreement") between the Receiver [~~Debtor~~] and [~~NAME OF PURCHASER~~] (the "~~Purchaser~~") and provided for the vesting in the Purchaser of the ~~Debtor~~ Terrasan's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to ~~Closing~~ closing as set out in ~~section~~ of the Sale Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the ~~Sale~~ Asset Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the ~~Sale~~ Asset Purchase Agreement;
2. The conditions to ~~Closing~~ closing as set out in ~~section~~ of the Sale Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, respectively; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

~~{NAME OF RECEIVER}~~ BDO Canada
Limited, in its capacity as Receiver of the
~~undertaking, property and assets of~~
~~{DEBTOR}~~, and not in its personal capacity

Per: _____
Name:
Title:

**Schedule B — ~~Purchased Assets~~ — ~~Claims to be deleted and expunged from title to Real~~
~~Property~~**

PIN 07617-0889 (LT)

1. Charge registered as Instrument No. AT3235332 on February 12, 2013.
2. Notice of Assignment of Rents-General registered as Instrument No. AT3235333 on February 12, 2013
3. Charge registered as Instrument No. AT3539503 on March 17, 2014
4. Notice registered as Instrument No. AT3549928 on April 1, 2014
5. Transfer of Charge registered as Instrument No. AT3549936 on April 1, 2014
6. Transfer of Charge registered as Instrument No. AT3555412 on April 9, 2014
7. Transfer of Charge registered as Instrument No. AT3561505 on April 17, 2014
8. Transfer of Charge registered as Instrument No. AT3566547 on April 25, 2014
9. Transfer of Charge registered as Instrument No. AT3575227 on April 6, 2014
10. Transfer of Charge registered as Instrument No. AT3585296 on May 20, 2014
11. Transfer of Charge registered as Instrument No. AT3596048 on May 30, 2014
12. Transfer of Charge registered as Instrument No. AT3601926 on June 6, 2014
13. Transfer of Charge registered as Instrument No. AT3607117 on June 13, 2014
14. Transfer of Charge registered as Instrument No. AT3613001 on June 20, 2014
15. Transfer of Charge registered as Instrument No. AT3619994 on June 27, 2014
16. Notice registered as Instrument No. AT3658194 on August 11, 2014
17. Transfer of Charge registered as Instrument No. AT3658196 on August 11, 2014
18. Transfer of Charge registered as Instrument No. AT3666880 on August 20, 2014
19. Notice registered as Instrument No. AT3685946 on September 11, 2014
20. Transfer of Charge registered as Instrument No. AT3703135 on September 30, 2014
21. Notice registered as Instrument No. AT3708526 on October 7, 2014
22. Transfer of Charge registered as Instrument No. AT3710726 on October 9, 2014
23. Transfer of Charge registered as Instrument No. AT3717540 on October 20, 2014
24. Transfer of Charge registered as Instrument No. AT3723532 on October 28, 2014
25. Transfer of Charge registered as Instrument No. AT3728118 on October 30, 2014
26. Transfer of Charge registered as Instrument No. AT3741238 on November 14, 2014
27. Transfer of Charge registered as Instrument No. AT3745031 on November 20, 2014
28. Transfer of Charge registered as Instrument No. AT3749969 on November 26, 2014
29. Transfer of Charge registered as Instrument No. AT3765342 on December 12, 2014
30. Notice registered as Instrument No. AT3769051 on December 17, 2014
31. Transfer of Charge registered as Instrument No. AT3790042 on January 19, 2015
32. Notice registered as Instrument No. AT3793278 on January 22, 2015
33. Transfer of Charge registered as Instrument No. AT3818095 on February 25, 2015
34. Charge registered as Instrument No. AT3841250 on March 26, 2015
35. Transfer of Charge registered as Instrument No. AT3844741 on March 31, 2015
36. Notice registered as Instrument No. AT3850533 on April 7, 2015
37. Notice registered as Instrument No. AT3881044 on May 12, 2015

38. Postponement registered as Instrument No. AT3894276 on May 28, 2015
39. Notice registered as Instrument No. AT3941583 on July 9, 2015
40. Postponement registered as Instrument No. AT3989335 on August 26, 2015
41. Postponement registered as Instrument No. AT3989337 on August 26, 2015
42. Postponement registered as Instrument No. AT3989338 on August 26, 2015
43. Transfer of Charge registered as Instrument No. AT4035434 on October 14, 2015
44. Notice of Assignment of Rents-General registered as Instrument No. AT4035435 on October 14, 2015
45. Transfer of Charge registered as Instrument No. AT4066213 on November 13, 2015
46. Notice registered as Instrument No. AT4066214 on November 13, 2015
47. Notice registered as Instrument No. AT4132320 on January 29, 2016
48. Postponement registered as Instrument No. AT4132321 on January 29, 2016
49. Postponement registered as Instrument No. AT4132323 on January 29, 2016
50. Postponement registered as Instrument No. AT4192703 on April 14, 2016
51. Postponement registered as Instrument No. AT4192704 on April 14, 2016
52. Charge registered as Instrument No. AT4192730 on April 14, 2016
53. Notice of Assignment of Rents-General registered as Instrument No. AT4192731 on April 14, 2016
54. Postponement registered as Instrument No. AT4192760 on April 14, 2016
55. Postponement registered as Instrument No. AT4192761 on April 14, 2016
56. Postponement registered as Instrument No. AT4192762 on April 14, 2016
57. Notice registered as Instrument No. AT4193455 on April 14, 2016
58. Postponement registered as Instrument No. AT4264603 on June 30, 2016
59. Postponement registered as Instrument No. AT4264604 on June 30, 2016
60. Postponement registered as Instrument No. AT4264605 on June 30, 2016
61. Postponement registered as Instrument No. AT4264606 on June 30, 2016
62. Postponement registered as Instrument No. AT4264607 on June 30, 2016
63. Postponement registered as Instrument No. AT4274414 on July 11, 2016
64. Postponement registered as Instrument No. AT4274415 on July 11, 2016
65. Postponement registered as Instrument No. AT4274416 on July 11, 2016
66. Postponement registered as Instrument No. AT4274417 on July 11, 2016
67. Postponement registered as Instrument No. AT4274418 on July 11, 2016
68. Transfer of Charge registered as Instrument No. AT4327730 on August 31, 2016
69. Construction Lien registered as Instrument AT4455871 on January 11, 2017
70. Construction Lien registered as Instrument No. AT4458595 on January 13, 2017
71. Construction Lien registered as Instrument No. AT4459539 on January 13, 2017
72. Construction Lien registered as Instrument No. AT4462727 on January 18, 2017
73. Transfer of Charge registered as Instrument No. AT4464383 on January 19, 2017
74. Construction Lien registered as Instrument No. AT4464740 on January 19, 2017
75. Construction Lien registered as Instrument No. AT4467005 on January 23, 2017
76. Construction Lien registered as Instrument No. AT4468556 on January 24, 2017
77. Construction Lien registered as Instrument No. AT4468557 on January 24, 2017
78. Postponement registered as Instrument No. AT4471568 on January 27, 2017
79. Construction Lien registered as Instrument No. AT4475863 on January 31, 2017
80. Certificate registered as Instrument No. AT4480120 on February 6, 2017
81. Certificate registered as Instrument No. AT4483429 on February 9, 2017

82. Construction Lien registered as Instrument No. AT4484326 on February 10, 2017
83. Certificate registered as Instrument No. AT4484646 on February 10, 2017
84. Certificate registered as Instrument No. AT4488807 on February 16, 2017
85. Construction Lien registered as Instrument No. AT4494360 on February 24, 2017
86. Certificate registered as Instrument No. AT4494829 on February 24, 2017
87. Certificate registered as Instrument No. AT4513705 on March 16, 2017
88. Certificate registered as Instrument No. AT4513712 on March 16, 2017
89. Application Court Order registered as Instrument No. AT4518660 on March 23, 2017
90. Application General registered as Instrument No. AT4528870 on April 3, 2017
91. Certificate registered as Instrument No. AT4538384 on April 18, 2017
92. Construction Lien registered as Instrument No. AT4541935 on April 20, 2017
93. Certificate registered as Instrument No. AT4600997 on June 16, 2017

And any intervening registrations from the date of the Asset Purchase Agreement to the Closing Date.

Schedule C—Claims to be deleted and expunged from title to Real Property

**Schedule D—C— Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Transfer of Easement registered as Instrument No. AT3989173 on August 26, 2015.
2. Instrument No. AT2717994 registered on June 10, 2011 is a Notice between the City of Toronto and Terrasan 327 Royal York Road Limited.
3. Instrument No. AT4264438 registered on June 30, 2016 is a Transfer of Easement between Terrasan 327 Royal York Road Limited and Canadian National Railway Company.
4. Instrument No. AT4274323 registered on July 11, 2016 is a Transfer of Easement between Terrasan 327 Royal York Road Limited and Metrolinx.
5. Instrument No. AT4215393 on May 11, 2016 is a Notice between the City of Toronto and Terrasan 327 Royal York Road Limited.

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

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

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

Lawyers for the Receiver

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Moved to	1
Style change	0

Applicant CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

Respondent

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

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(Returnable August 25, 2017)

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

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

Lawyers for the Receiver