

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

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**MOTION RECORD  
(Returnable July 6, 2018)**

Date: July 4, 2018

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# INDEX

## INDEX

<b>Document</b>	<b>Tab</b>
Notice of Motion dated July 4, 2018	1
Eighth Report of the BDO Canada Limited, in its capacity as Court appointed Receiver dated July 4, 2018	2
Appendix "A": Deposit Claims Procedure Order dated November 16, 2017	A
Appendix "B": Interim R&D	B
Appendix "C": Seventh Report of the Receiver (without appendices)	C
Appendix "D": Diversified Mortgage Payout Statement	D
Confidential Appendix "A": Receiver's Certificates 1 through 5 (without Schedule B)	A
Draft Distribution Order	3

**TAB 1**

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

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**NOTICE OF MOTION  
(Returnable July 6, 2018)**

BDO Canada Limited (“**BDO**”), in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited (“**Terrasan**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on July 6, 2018, at 10:00 a.m., or as soon after that time as the motion may be heard, at 330 University Avenue, Toronto, Ontario.

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

**THE MOTION IS FOR:**

1. An Order, substantially in form attached hereto as **TAB 3** of the Motion Record, for the following relief:
  - (a) abridging the time for service of the Notice of Motion herein, Motion Record and the Eighth Report of BDO, in its capacity as Receiver, dated July 4, 2018 (the “**Eighth Report**”) so that this Motion is properly returnable on July 6, 2018, and dispensing with further service thereof;

- (b) approving the activities of the Receiver, as set out in the Eighth Report, together with the Receiver's interim statement of receipts and disbursements from the date of the Receiver's appointment to July 3, 2018 (the "**Interim R&D**");
- (c) authorizing and approving a distribution by the Receiver to Diversified Capital Inc. ("**Diversified**") from the proceeds generated from the closing of the 2402871 APA (as defined herein) (the "**Sale Proceeds**") in the amount of \$3,392,228.47 (the "**Diversified Distribution**"), as set out in the Eighth Report;
- (d) sealing the Receiver's certificates appended as Confidential Appendix "A" to the Eighth Report from the public record; and
- (e) such further and other grounds as counsel may advise and this Honourable Court may permit;

**THE GROUNDS FOR THE MOTION ARE:**

1. By Order of the Court dated February 24, 2017, BDO was appointed as the Receiver of all of the assets, undertakings and properties of Terrasan, pursuant to the application made by Centurion;
2. Terrasan's principal asset is a partially constructed residential condominium development located at 327 Royal York Rd., Toronto, Ontario, known as the "*On the Go Mimico*" (the "**Project**");
3. On August 25, 2017, this Court granted an Approval and Vesting Order (the "**Approval and Vesting Order**") which approved, among other things, the asset purchase agreement dated July 28, 2017 (the "**2402871 APA**") between the Receiver and 2402871 Ontario Inc. (the "**Purchaser**"), and the transaction as set out therein (the "**Transaction**");
4. The closing of the Transaction occurred on September 15, 2017. The Receiver also filed the Receiver's Certificate pursuant to the 2402871 APA and the Approval and Vesting Order on September 15, 2017, confirming that the Transaction has closed;

5. On October 10, 2017, the Court granted a distribution order in respect of the payment of all amounts due and owing by Terrasan to Centurion. The Receiver has distributed and paid all amounts due and owing to Centurion from the Sale Proceeds;
6. On November 16, 2017, the Court issued a Deposit Claims Procedure Order which outlined the procedure by which purchasers of condominium units (a “**Purchaser**”) could file a deposit claim with the Receiver in order to prove their deposit claims against Terrasan and ultimately the return of their deposit (“**Deposit Claims Procedure**”). Further details concerning the Deposit Claims Procedure are outlined in the Eighth Report;
7. On April 18, 2018, the Court issued a distribution order approving and authorizing the Receiver to make distributions to Purchasers on account of a proven deposit claim determined pursuant to the Deposit Claims Procedure (the “**Deposit Claims Distribution Order**”). The obligations arising from a proven deposit claim are secured by the security held in favour of The Guarantee Company of North America (the “**Guarantee**”). The Receiver has substantially completed the distributions pursuant to the Deposit Claims Distribution Order;
8. Pursuant to a Diversified payout statement, as at July 6, 2018, Diversified will be owed \$3,392,228.47, together with interest accruing at 30 percent per annum;
9. As outlined in the Receiver’s seventh report dated April 13, 2018, counsel to the Receiver conducted a review of the security held by Diversified and has delivered a security opinion to the Receiver (the “**Security Opinion**”). The Security Opinion, subject to the customary qualifications and assumptions contained therein, opines that: (i) the security held by Diversified is valid and legally enforceable against Terrasan, and (ii) subject to the secured claim of the Guarantee, Diversified has a second priority security interest in the assets sold pursuant to the 2402871 APA;
10. There are sufficient funds in the estate as outlined in the Interim R&D to support the Diversified Distribution. The obligations secured by the Guarantee security are reasonably known and the proposed distribution will reduce the daily *per diem* on



account of the Diversified debt. The Guarantee does not oppose the Diversified Distribution;

11. The Receiver is of the view that the proposed distribution to Diversified is appropriate and reasonable in the circumstances;
12. The Receiver's certificates, appended as **Confidential Appendix "A"** to the Eighth Report, disclose the names of certain Purchasers and the amount of their deposits. The Receiver is of the view that such information may be considered personal or sensitive information and accordingly seeks an order sealing the Receiver's certificates from the public record; and
13. 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 Eighth Report of the Receiver; and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

**DATED:** July 4, 2018

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**TO: SERVICE LIST**

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

Applicant Respondent

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

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION  
(Returnable July 6, 2018)**

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**TAB 2**

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

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

**BETWEEN:**

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

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

**AS COURT APPOINTED RECEIVER**

**July 4, 2018**

**TABLE OF CONTENTS**

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INTRODUCTION AND PURPOSE OF THIS REPORT.....	3
BACKGROUND .....	5
ACTIVITIES OF THE RECEIVER.....	6
DEPOSIT CLAIMS DISTRIBUTION UPDATE.....	8
RECEIPTS AND DISBURSEMENTS .....	9
SECURED CREDITORS .....	10
DISTRIBUTION TO DIVERSIFIED .....	12
CASH SUMMARY.....	12
SUMMARY AND RECOMMENDATIONS .....	12

**APPENDICES**

Deposit Claims Procedure Order	<b>A</b>
Interim R&D	<b>B</b>
Seventh Report of the Receiver (without appendices)	<b>C</b>
Diversified Mortgage Payout Statement	<b>D</b>

**CONFIDENTIAL APPENDICES**

Confidential Appendix A: Receiver's Certificates 1 through 5 (without Schedule B)	<b>A</b>
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## INTRODUCTION AND PURPOSE OF THIS REPORT

### Introduction

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

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

8. On April 18, 2018, the Court granted an Order (the "Deposit Claims Distribution Order") which, among other things, authorized and directed the Receiver to make a distribution from the Sale Proceeds to purchasers with a proven deposit claim in an amount equal to the corresponding accepted deposit claim, in accordance with the Deposit Claims Procedure Order (a "Deposit Claim Distribution").
9. On April 27, 2018, the Court granted an Order (the "Deposit Claims Protocol Order") which, among other things, set out a protocol to address: (i) the delivery of Deposit Claims Procedure documentation, and (ii) the manner in which the Tarion Bond (as defined herein) would be reduced by the corresponding value of the delivered Deposit Claim Distributions, the value of the disallowed claims, and the value of the barred claims.
10. The Receiver has set up a website at <http://extranets.bdo.ca/terrasan> (the "Website"). All prescribed materials filed by the Receiver and other parties relating to these receivership proceedings are available to creditors and other interested parties in electronic format on the Website. The Receiver makes periodic updates to the Website to ensure creditors and other interested parties are kept informed of recent developments.

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

11. The purpose of this report dated July 4, 2018 (the "Eighth Report") is to provide information to the Court with respect to:
  - (a) the Receiver's activities since the seventh report dated April 13, 2018 (the "Seventh Report");
  - (b) the Receiver's progress with respect to the Deposit Claims Procedure;
  - (c) the Receiver's progress with respect to the Deposit Claim Distributions;
  - (d) the Receiver's progress with respect to the protocol outlined above (the "Deposit Claims Protocol"); and
  - (e) the Receiver's motion for an Order of this Court:
    - (i) approving the Eighth Report and the activities and conduct of the Receiver outlined herein;

- (ii) approving the Receiver's interim statement of receipts and disbursements to date (the "**Interim R&D**"); and
- (iii) authorizing and approving a distribution by the Receiver to the second place mortgagee, Diversified Capital Inc. ("**Diversified**"), in the amount of \$3,392,228.47 (the "**Diversified Distribution**");

#### **Disclaimer**

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

#### **BACKGROUND**

15. Terrasan is a single purpose entity incorporated in Ontario for the purpose of developing the Project. The Project was to be developed into a condominium complex with 242 suites ranging between 537 sq. ft. to 2,700 sq. ft. including two levels of penthouses. Additionally, the Project was to include 193 residential parking stalls, 116 lockers and 8,245 sq. ft. of retail/commercial space.
16. According to the Corporate Profile Report of Terrasan, Luigi Santaguida is listed as the sole officer and director of Terrasan. Mr. Santaguida is the acting President and Secretary of Terrasan and the sole employee.



17. The Receiver understands that approximately 208 condominium units had been pre-sold (the "**Pre-Construction Sales**") and agreements of purchase and sale (a "**Purchase Agreement**") had been executed between Terrasan and the Purchasers. In addition, Terrasan had received deposits on account of the Pre-Construction Sales. According to the Terrasan books and records, as at the receivership date: (i) 73 of the Purchase Agreements appeared to be valid and enforceable, and (ii) 135 Purchase Agreements appeared to have been terminated, due to the non-payment of milestone deposits as prescribed in each Purchase Agreement.
18. On October 10, 2017, the Receiver delivered correspondence to the Purchasers that executed a Purchase Agreement and advised those Purchasers that the Receiver closed the Transaction and as a result, Terrasan no longer had any ownership interest in the Property and would not be in a position to satisfy its obligations to those Purchasers with a valid and enforceable Purchase Agreement (the "**Purchaser Correspondence**").
19. Following the delivery of the Purchaser Correspondence and upon receiving the Court's approval of the Deposit Claims Procedure, the Receiver notified the Purchasers of the Deposit Claims Procedure and the requirement to complete and file with the Receiver the required documentation to prove any claim they may have pursuant to the Deposit Claims Procedure.

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

20. In addition to the activities undertaken by the Receiver as detailed in its prior reports, the Receiver has, among other things:
  - (a) attended to the administration of the Deposit Claims Procedure including responding to enquiries from Purchasers regarding the Deposit Claims Procedure and provided assistance to Purchasers as requested;
  - (b) together with the Guarantee Company of North America (the "**Guarantee**"), reviewed all Deposit Claims received and determined the claims to be either: proven, disallowed or revised;
  - (c) advised Purchasers with Proven Claims of the acceptance of their Deposit Claim and the amount accepted for payment;
  - (d) prepared and delivered disallowance notices to Purchasers whose claims were not accepted and engaged in discussions with these Purchasers as appropriate;

- (e) prepared and delivered revision notices to Purchasers whose claims were partially accepted and engaged in discussions in an effort to settle those claims as appropriate;
- (f) obtained Consents from the Guarantee to make payments to the Purchasers with Proven Claims in accordance with the Deposit Claims Procedure Order;
- (g) advised Purchasers with Proven Claims of the times and location where cheques prepared in respect of Deposit Claim Distributions are available for in-person pick-up and advised Purchasers of the requirement for two pieces of original current Canadian or provincial government issued identification to be presented to the Receiver, in accordance with the Deposit Claims Procedure;
- (h) facilitated the delivery of Deposit Claim Distributions in accordance with the Deposit Claims Distribution Order;
- (i) delivered the receiver's certificate to Tarion Warranty Corporation ("Tarion") as required by paragraph 4 of the Deposit Payment Protocol Order;
- (j) delivered to Tarion the claims procedure documentation and Receiver's Certificates (as defined herein) as required by paragraphs 5 and 6 of the Deposit Payment Protocol Order;
- (k) delivered to Tarion and the Guarantee: (a) a ledger of the Proven Deposit Claims paid; and (b) updated claims determination summaries outlining the proven, revised and disallowed claims;
- (l) engaged in discussions with its legal counsel, Dentons Canada LLP, and trade creditors that filed lien claims against the Property regarding the potential priority of those claims in relation to the various mortgages that were registered against title to the Property;
- (m) engaged in discussions with Tarion and the Guarantee regarding the reduction of the Tarion Bond equal to: (i) the amount of the Receiver's Certificates delivered by the Receiver in respect of Proven Deposit Claims, (ii) the total amount of disallowed claims, and (iii) the total amount of barred claims, in accordance with the Deposit Payment Protocol Order;

- (n) engaged in discussions and meetings with the mortgagees regarding the anticipated timing of distributions and the completion of the receivership administration;
- (o) responded to a scheduled motion by Diversified regarding a distribution prior to distributions on account of the Guarantee secured obligations; and
- (p) completed other miscellaneous administrative obligations of the Receiver as required.

**DEPOSIT CLAIMS DISTRIBUTION UPDATE**

- 21. Capitalized terms not otherwise defined in this section are as defined in the Deposit Claims Procedure Order, attached hereto as **Appendix A**.
- 22. As discussed in the Seventh Report, establishing the Deposit Claims Procedure was necessary to enable the Receiver, in consultation with the Guarantee, to: (i) determine proven Deposit Claims and to facilitate the return of amounts payable in respect of Deposit Claims to Purchasers, and (ii) assist the Receiver and the Guarantee in quantifying the Guarantee's secured claim pursuant to its loan and security documentation as the Guarantee's claim is contingent in nature and based on the Guarantee's liability under the deposit insurance policies and the payment of Proven Deposit Claims.
- 23. Subsequent to the issuance of the Deposit Claims Procedure Order, the Receiver received and reviewed all Deposit Claims and, collaboratively with the Guarantee, determined the Deposit Claims as either accepted, disallowed or revised. The Receiver communicated with all Purchasers who filed a Deposit Claim.
- 24. The Receiver's current determination (as supported by the Guarantee) of the Deposit Claims received pursuant to the Deposit Claims Procedure Order, is summarized in the following table:

Terrasan Claims Summary		
	# of Claims	Total \$ Claimed
Accepted	73	\$ 3,764,046.61
Disallowed	30	387,355.00
Disputed	3	17,650.00
Total		\$ 4,169,051.61

25. Pursuant to the Deposit Claims Procedure Protocol, the Receiver was to deliver a receiver's certificate to Tarion on a bi-weekly basis outlining the Deposit Claim Distributions made on account of the Proven Deposit Claims (a "**Receiver's Certificate**"). The following table summarizes the total value of the Receiver's Certificates delivered by the Receiver to Tarion and the Guarantee:

Deposit Claim Payments	
Total accepted Deposit Claims	\$ 3,764,046.61
Payments on account of Tarion Bond	1,388,335.00
Payments on account of Excess Condominium Deposit Insurance	2,295,666.61
Total payments	3,684,001.61
Net payments pending delivery to Purchasers	\$ 80,045.00

26. Attached herein as **Confidential Appendix A** are Receiver's Certificates 1 through 5 detailing Deposit Claim Distributions (without Schedule "B"). To date, the Receiver has delivered payments totaling \$3,684,001.61 in respect of Proven Deposit Claims totaling \$3,764,046.61. Two Purchasers with Proven Claims totaling \$80,045 have not made arrangements to obtain their Deposit Claim Distribution.
27. Three Purchasers, with claims totaling \$17,650, dispute the Receiver's disallowance of their respective Deposit Claims (the "**Disputed Claims**"). These Disputed Claims are the only outstanding Deposit Claims to be determined or settled. Two of the Disputed Claims are each in the amount of \$6,000 and one is in the amount of \$5,650 (the "**Disputed Claimants**"). The Disputed Claimants each paid \$1,000 to the Project's deposit trustee and the balance was paid to a broker as a finder's fee or commission. Prior to the Receivership, Terrasan terminated each of the Disputed Claimants' Purchase Agreements for non-payment of scheduled deposit payments as required by the Purchase Agreement. The Receiver is attempting to resolve the Disputed Claims.

#### RECEIPTS AND DISBURSEMENTS

28. The Interim R&D, attached herein as **Appendix B**, reports net receipts over disbursements from the date of the Receiver's appointment to July 3, 2018 of \$13,697,560.20.
29. The Receiver is seeking the Court's approval of its Interim R&D.

## SECURED CREDITORS

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

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

31. Pursuant to the Distribution Order granted on October 10, 2017, the Receiver distributed the amount of \$12,692,899.41 to the first mortgagee, Centurion, in full and final satisfaction of all amounts owing by Terrasan to Centurion.
32. Additionally, the Receiver is advised by its counsel that liens (the "**Lien Claims**") totaling \$4,359,219.12 were registered against title to the Property.
33. With respect to the Lien Claims, the Receiver and its legal counsel are in the process of resolving the Lien Claims. A detailed listing of the lien claims is set out in Paragraph 43 of Seventh Report. A copy of the Seventh Report (without Appendices) is attached herein as **Appendix C**.

## The Guarantee

34. As reported in the Seventh Report, the Receiver obtained a security opinion from its counsel (the "**Guarantee Security Opinion**") and, subject to the customary qualifications and assumptions contained therein, the Guarantee Security Opinion opines that: (i) the security held by the Guarantee is valid and legally enforceable against Terrasan, and (ii) the Guarantee has a first priority security interest in the assets sold pursuant to the 2402871 APA (the "**Assets**").
35. Subject to the customary assumptions and qualifications contained in the Guarantee Security Opinion, Receiver's counsel has opined that the subject Guarantee security documents:
- (a) constitute legal, valid and binding security interests in favour of the Guarantee in the Assets;

- (b) are sufficient to secure the payment and performance of the obligations secured thereby; and
  - (c) are properly registered and in first position over all other secured creditors.
36. The Guarantee issued surety bond # TM5120055 to Tarion in relation to the Project pursuant to the *Ontario New Home Warranties Plan Act* (Ontario) (the "**Tarion Bond**") in the amount of \$4,840,000. Under the Tarion Bond, the Guarantee insured deposits made by Purchasers to a maximum of \$20,000 per Purchaser. The Guarantee also provided a Master Excess Condominium Deposit Insurance Policy to Terrasan ("**MECDIP**"), which insured individual Purchaser's deposits in excess of \$20,000.
37. Total deposits made by Purchasers to the Project according to the Records, totaled \$5,930,681.61. As described herein, by the Claims Bar Date, Deposit Claims totaling \$4,282,065.07 were filed with the Receiver.
38. By way of letter dated May 22, 2018, Tarion reduced the amount of the Tarion Bond by \$900,000, thereby reducing the Tarion Bond from \$4,840,000 to \$3,940,000 on account of two (2) Receiver's Certificates. Tarion has made no other reductions to the Tarion Bond pursuant to the Deposit Claims Procedure Protocol.

#### **Diversified**

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

41. According to a payout statement received on June 25, 2018, the amount of \$3,392,228.47 is claimed as owing to Diversified, together with interest accruing at 30 percent per annum to July 6, 2018. Attached herein as **Appendix D**, is a copy of the Diversified payout statement.

**DISTRIBUTION TO DIVERSIFIED**

42. The Deposit Claims Procedure is substantially complete and the obligations secured by the security held by the Guarantee are reasonably known.
43. There are sufficient funds in the estate to support the Diversified Distribution. As set out below, the Receiver is satisfied that sufficient funds will remain in the estate following the Diversified Distribution to address distributions to the Guarantee, any priority amounts confirmed in respect of the Lien Claims, and a potential reserve on account of the Tarion Bond pursuant to the Deposit Claims Procedure Protocol.
44. The Guarantee has advised that it does not oppose the Diversified Distribution.

**CASH SUMMARY**

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

Estimated Cash Balances	
Balance in Receiver's Trust Account per R&D	\$13,777,605.20
Proven Deposit Claims for which payments have not been delivered to Purchasers	(80,045.00)
Reserve for Lien Claims	(4,359,219.12)
Balance Remaining for Costs and Further Distirubtions	\$ 9,338,341.08

Note: [1] *The Lien Claims may only have priority over the mortgages to the extent of the deficiency in the holdback funds from the Project.*

**SUMMARY AND RECOMMENDATIONS**

46. Based on the foregoing, the Receiver respectfully recommends that the Court:
- (a) approve the Eighth Report and the activities and conduct of the Receiver outlined herein;
  - (b) approve the Interim R&D; and
  - (c) approve the Diversified Distribution.

All of which is respectfully submitted this 4<sup>th</sup> day of July, 2018.

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

Per:

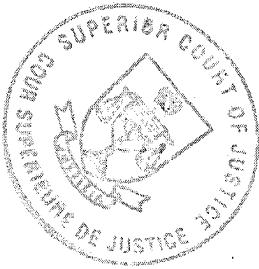
A handwritten signature in black ink, appearing to read "J. Parisi". The signature is written in a cursive, flowing style.

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Name: Josie Parisi  
Title: Senior Vice President



# APPENDIX "A"



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

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

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

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

and

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**DEPOSIT CLAIMS PROCEDURE ORDER**

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

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

## SERVICE

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

## INTERPRETATION

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

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

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

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

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

### **TERMINATION OF PURCHASE AGREEMENT**

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

### **DEPOSIT FUNDS HELD IN TRUST**

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

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

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

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

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

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

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

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

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

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

**DEPOSIT CLAIMS PROCEDURE**

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

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

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

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

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

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



facsimile or e-mail (in PDF format) to such Purchaser at the address last shown on the books and records of Terrasan, and that any such service or notice by courier, personal delivery, facsimile or e-mail (in PDF format) shall be deemed to be received on the next Business Day following the date of forwarding thereof, or, if sent by ordinary mail on the fifth Business Day after mailing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

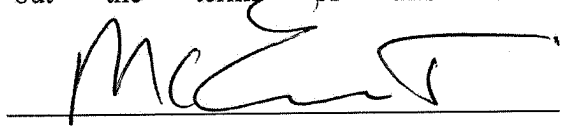
27. **THIS COURT ORDERS** that upon the Receiver having concluded the Deposit Claims Procedure and all Proven Deposit Claims having been paid by the Receiver, the Receiver shall deliver up the MECDIP to the Guarantee for cancellation and any liability of the Guarantee thereunder shall be released.

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

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

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

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



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

NOV 16 2017



PER / PAR:

**SCHEDULE "A"**  
**Deposit Trust Claim Correspondence**

**TO:** (Insert Purchaser Contact Information)

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

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

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

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

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

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

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

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

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

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

**SCHEDULE "B"**  
**Deposit Claims Procedure**

**Notice of Deposit Claims Procedure**

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

**Filing of Deposit Claim Form and Determination**

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

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



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

**Return of Deposit Monies / Claim**

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

**SCHEDULE "C"**  
**Newspaper Notice**

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

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

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

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

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

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

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

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

**SCHEDULE "D"**  
**Deposit Claim Form**

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

Regarding the claim of \_\_\_\_\_ (the "Purchaser")

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

\_\_\_\_\_  
\_\_\_\_\_

Telephone Number: ( ) \_\_\_\_\_ - \_\_\_\_\_

Email address: \_\_\_\_\_

Attention (Contact Person): \_\_\_\_\_

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

Please provide hard copies of correspondence to the address above.

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

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

**OR**

I am \_\_\_\_\_ (position/title) of the Purchaser:

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

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

The Receiver:

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

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

Name of Purchaser:

\_\_\_\_\_  
Witness Signature

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

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

(Please Print)

**SCHEDULE "E"**  
**Notice of Revision or Disallowance**

**TO:** \_\_\_\_\_ (the "**Purchaser**")

**DATE:**

**DEPOSIT CLAIM NO.**

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

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

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

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

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

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

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

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

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

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

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

**DATED** the \_\_\_\_ day of \_\_\_\_\_, 2017

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

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

**SCHEDULE "F"**  
**Notice of Dispute**

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

**DATE:**

**PROOF OF CLAIM NO.:**

**CLAIMANT:** \_\_\_\_\_ (the "Purchaser")

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

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

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

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

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

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

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

Pursuant to the Deposit Claims Procedure:

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

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

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

DATED this \_\_\_\_ day of \_\_\_\_\_, 2017

\_\_\_\_\_  
Witness

Per: \_\_\_\_\_  
(Name of Purchaser)

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "G"**  
**Acknowledgement of Receipt of Funds**

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

**AND TO: THE GUARANTEE COMPANY OF NORTH AMERICA**

**AND TO: TARION WARRANTY CORPORATION**

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

**Project: *On the Go Mimico***

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

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

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

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

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

DATED \_\_\_\_\_, 2017.

**SIGNED, SEALED AND DELIVERED**

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Signature

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Name (Please Print)

**SCHEDULE "H"**  
**Purchaser Certificate of Identity**

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

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

**AND TO:** TARION WARRANTY CORPORATION ("Tarion")

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

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

**Project:** *On the Go Mimico*

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

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

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

ID Type: \_\_\_\_\_ ID No. \_\_\_\_\_

**AND**

- 2) One piece of Canadian government issued identification (that is valid, current and not-expired) that:
  - a. has the first name and surname that matches the first name and surname of the Purchaser as contained in the Purchase Agreement; and
  - b. that matches the Purchaser's address contained in the Purchase Agreement.

ID Type: \_\_\_\_\_ ID No. \_\_\_\_\_

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

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

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

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

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

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

**SIGNED, SEALED AND DELIVERED**

*(Signature of Purchaser)*

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Purchaser's Signature

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Purchaser's Name (Please Print)

**SCHEDULE "I"**

**Consent**

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

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

**Project:** *On the Go Mimico*

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

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

**DATED** the \_\_\_\_ day of \_\_\_\_\_, 2018

**THE GUARANTEE COMPANY  
OF NORTH AMERICA**

Per: \_\_\_\_\_  
"I have authority to bind the Company"

**CENTURION MORTGAGE CAPITAL CORPORATION**

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Applicant

Respondent

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

**PROCEEDING COMMENCED AT TORONTO**

**DEPOSIT CLAIMS PROCEDURE ORDER**

**DENTONS CANADA LLP**  
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*Lawyers for the Receiver*

# APPENDIX "B"



Schedule 'A'

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

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
for the period February 24, 2017 to July 3, 2018

<b>RECEIPTS:</b>	
Building and Land	\$30,044,444.00
Cash in Bank	1,381,910.45
HST Refunds	206,258.55
Interest	188,048.66
Deposits in trust for Purchasers	157,089.61
Miscellaneous Refunds	210.55
<b>Total Receipts</b>	<b>\$31,977,961.82</b>
<b>DISBURSEMENTS:</b>	
Legal fees	600,717.01
Receiver's Fees	443,928.73
Operating Expense	267,390.00
HST on Legal Fees	78,106.75
Outside Consulting	69,644.08
Insurance	59,930.20
HST on Receiver's Fees	57,710.72
Municipal Taxes	56,955.28
HST Paid on Disbursements	53,528.75
Repairs and Maintenance	42,923.63
Property Management Fee	42,736.72
Utilities	18,468.59
Advertising	9,059.60
Occupancy Permit	6,399.36
Miscellaneous Disbursements	5,775.57
Occupancy Rent (Site Trailer)	5,055.00
Telephone	2,876.83
Postage	553.93
Travel	504.50
Freight	290.00
Storage	285.00
Redirection of Mail	274.35
Bank Charges	271.00
Filing Fee	70.00
<b>DISBURSEMENTS:</b>	<b>1,823,455.60</b>
Payment to Secured Creditor - Centurion	12,692,899.41
Payment to Secured Creditor - Guarantee Company of North America	3,684,001.61
<b>Total Disbursements</b>	<b>18,200,356.62</b>
<b>RECEIPTS OVER DISBURSEMENTS</b>	<b>\$13,777,605.20</b>

# APPENDIX “C”

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

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

**BETWEEN:**

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

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

**AS COURT APPOINTED RECEIVER**

**April 13, 2018**

**TABLE OF CONTENTS**

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INTRODUCTION AND PURPOSE OF THIS REPORT.....	3
Introduction .....	3
Purpose of the Report.....	4
Disclaimer .....	5
BACKGROUND .....	5
ACTIVITIES OF THE RECEIVER.....	6
DEPOSIT CLAIMS PROCEDURE UPDATE.....	7
CANADA REVENUE AGENCY PRIORITY CLAIMS.....	10
RECEIPTS AND DISBURSEMENTS .....	11
SECURED CREDITORS .....	11
SECURITY OPINIONS – SECURED CREDITORS .....	12
DIVERSIFIED – REQUEST FOR DISTRIBUTION.....	14
CASH SUMMARY.....	14
FEES AND DISBURSEMENTS.....	14
SUMMARY AND RECOMMENDATIONS .....	15

**APPENDICES**

Deposit Claims Procedure Order	A
R&D Statement	B
Diversified Mortgage Payout Statement	C
Olympia Mortgage Payout Statement	D
Affidavit of Josie Parisi sworn April 13, 2018	E
Affidavit of Robert Kennedy sworn April 13, 2018	F

**CONFIDENTIAL APPENDICIES**

Confidential Appendix A: Claim Determination Summary	A
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## INTRODUCTION AND PURPOSE OF THIS REPORT

### Introduction

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

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

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

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

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

**Disclaimer**

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

**BACKGROUND**

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

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

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

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

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



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

#### **DEPOSIT CLAIMS PROCEDURE UPDATE**

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

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

<b>Terrasas Claims Summary</b>	
	<b>Total</b>
Accepted	27
Disallowed	32
Revised	4
Deposit Claims requiring additional information	43

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

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

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

(b) a notice of disallowance to the Purchasers that submitted a Deposit Claim that has been disallowed by the Receiver.

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

#### **CANADA REVENUE AGENCY PRIORITY CLAIMS**

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

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

#### RECEIPTS AND DISBURSEMENTS

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

#### SECURED CREDITORS

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

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

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

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

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

#### SECURITY OPINIONS – SECURED CREDITORS

##### The Guarantee

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

##### Diversified

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

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

48. Subject to the customary assumptions and qualifications contained in the Diversified Security Opinion, Receiver's counsel has opined that the subject Diversified security documents:
- (a) constitute legal, valid and binding security interests in favour of Diversified in the Assets;
  - (b) is sufficient to secure the payment and performance of the obligations secured thereby; and
  - (c) is properly registered and in second position over all other secured creditors.

49. According to a payout statement received on April 6, 2018, the amount of \$3,126,190.27 is claimed as owing to Diversified of April 6, 2018, together with interest accruing at 30 percent per annum. Attached herein as **Appendix C**, is a copy of the Diversified payout statement.

#### **Olympia**

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

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

**DIVERSIFIED – REQUEST FOR DISTRIBUTION**

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

**CASH SUMMARY**

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

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

**FEES AND DISBURSEMENTS**

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



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

#### **SUMMARY AND RECOMMENDATIONS**

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

All of which is respectfully submitted this 13<sup>th</sup> day of April, 2018.

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

Per:

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

---

Name: Josie Parisi  
Title: Senior Vice President

**CENTURION MORTGAGE CAPITAL CORPORATION**

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Applicant

Respondent

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

**PROCEEDING COMMENCED AT TORONTO**

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

**DENTONS CANADA LLP**

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*Lawyers for the Receiver*

# APPENDIX “D”

**Diversified Capital Inc.**

**Statement of Account Existing Mortgage :  
Terrasan 327 Royal York Rd. Limited et al**

**As at July 6 2018**

---

	\$
Principal Balance as at Jan 25, 2018	2,860,587.79
Accrued interest to July 6, 2018	407,526.30
Legal fees billed to date	124,114.38
Total Due as at July 6, 2018	<u>3,392,228.47</u>

Per Diem 2,788.13

**E.& O.E.**

**CONFIDENTIAL**  
**APPENDIX "A"**

**REDACTED**

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

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

**DENTONS CANADA LLP**

77 King Street West, Suite 400  
Toronto-Dominion Centre  
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*Lawyers for the Receiver*



**TAB 3**

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

THE HONOURABLE ) FRIDAY, THE 6<sup>th</sup> DAY  
JUSTICE )  
 ) OF JULY, 2018

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

and

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**DISTRIBUTION ORDER**

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

- (a) approving the activities of the Receiver as set out in the eighth report of the Receiver dated July 4, 2018 (the “**Eighth Report**”), and the Receiver’s interim statement of receipts and disbursements attached as Appendix “B” to the Eighth Report (the “**Interim R & D**”);
- (b) approving and authorizing a distribution by the Receiver to Diversified Capital Ltd. (“**Diversified**”) from the proceeds generated from the closing of the Court approved transaction between the Receiver and 2402871 Ontario Inc. pursuant to an asset purchase agreement dated July 28, 2017 (the “**Sale Proceeds**”) in the

amount of \$3,392,228.47 (the “**Diversified Distribution**”), as set out in the Eighth Report;

- (c) sealing the Receiver’s certificates appended as Confidential Appendix “A” to the Eighth Report; and
- (d) such further and other relief as counsel may advise and this Honourable Court may deem just;

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

**ON READING** the Motion Record of the Receiver dated July 4, 2018 and the Eighth 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 July 4, 2018 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 Eighth Report and the activities of the Receiver as set out in the Eighth Report, are hereby approved.

3. **THIS COURT ORDERS** that the Receiver’s Interim R & D is hereby approved.

**DISTRIBUTION**

4. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the Diversified Distribution from the Sale Proceeds in full and final satisfaction of all amounts owing by Terrasan 327 Royal York Rd. Limited to Diversified, as set out in the Eighth Report.

**SEALING ORDER**

5. THIS COURT ORDERS that the **Confidential Appendix "A"** to the Eight 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.

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**CENTURION MORTGAGE CAPITAL CORPORATION**

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**DISTRIBUTION ORDER**

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*Lawyers for the Receiver*

TERRASAN 327 ROYAL YORK RD. LIMITED

- and -

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD  
(Returnable July 6, 2018)**

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