

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

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**MOTION RECORD  
(returnable October 15, 2019)**

Date: October 8, 2019

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**TAB 1**

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

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

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**NOTICE OF MOTION  
(Returnable October 15, 2019)**

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 (“**Terrasas**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on October 15, 2019, 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 Thirteenth Report of BDO, in its capacity as Receiver, dated October 8, 2019 (the “**Thirteenth Report**”) so that this Motion is properly returnable on October 15, 2019, and dispensing with further service thereof;
  - (b) approving the activities of the Receiver as set out in the Thirteenth Report;

- (c) approving and authorizing an interim distribution in the amount of \$8,000,000 (the “**Interim Distribution**”) on account of the syndicated mortgage (the “**Syndicated Mortgage**”) registered in the name of J. Paul Fletcher, Olympia Trust Company (“**Olympia Trust**”) and Community Trust Company (“**Community Trust**”), on behalf of the investors (the “**Investors**”), as set out in the Thirteenth Report;
- (d) approving the fees and disbursements of the Receiver as set out in the affidavit of Matthew Marchand sworn October 3, 2019, and the fees and disbursements of the Receiver’s counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Robert Kennedy sworn October 2, 2019;
- (e) approving the Receiver’s interim statement of receipts and disbursements dated October 3, 2019 (the “**Interim R&D**”); and
- (f) such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

1. By Order of the Court dated February 24, 2017, BDO was appointed as the Receiver of all of the assets, undertakings and properties of Terrasan.
2. Terrasan’s principal asset was a partially constructed residential condominium development located at 327 Royal York Rd., Toronto, Ontario, known as the “*On the Go Mimico*” (the “**Project**”).
3. On August 25, 2017, this Court granted an Approval and Vesting Order (the “**Approval and Vesting Order**”) which approved, among other things, the asset purchase agreement dated July 28, 2017 (the “**2402871 APA**”) between the Receiver and 2402871 Ontario Inc., and the transaction 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. As detailed in prior reports filed by the Receiver, four mortgages were registered against title to the Property. The Receiver has made full and final distributions in respect of three of the mortgages as follows:
  - (a) the Receiver distributed the amount of \$12,692,889.41 to the first mortgagee, Centurion Mortgage Capital Corporation ("**Centurion**"), in full and final satisfaction of all amounts owing by Terrasan to Centurion;
  - (b) the Receiver made distributions totalling \$3,767,046.61 and \$294,720.37 on account of deposit claim distributions, which were secured by the second position mortgage held by Guarantee Company of North America;
  - (c) the Receiver distributed the amount of \$3,404,228.47 to the third position mortgagee, Diversified Capital Inc. ("**Diversified**"), in full and final satisfaction of all amounts owing by Terrasan to Diversified.

### **Syndicated Mortgage**

6. As set out in the Thirteenth Report, pursuant to a payout statement dated September 27, 2019, the amount of \$12,505,358.51 is due and owing under the Syndicated Mortgage.
7. The Syndicated Mortgage represents the remaining secured indebtedness claim to the sale proceeds generated from the sale of the Property.
8. By order dated July 15, 2019 (the "**Syndicated Mortgage Claims Procedure Order**"), the Court approved a claims procedure in respect of the claims of the investors (the "**Investors**") under the Syndicated Mortgage (the "**Syndicated Mortgage Claims Procedure**").
9. The Syndicated Mortgage Claims Procedure was necessary to: (i) confirm the identity of each Investor in the Syndicated Mortgage and the quantum of the investment of each

Investor in the Syndicated Mortgage, and (ii) facilitate and support *pro-rata* distributions on account of each investor claim as determined through the Syndicated Mortgage Claims Procedure (an “**Investor Claim**”).

10. The Receiver has identified 175 Investors in the Syndicated Mortgage with a proven Investor Claim. The Receiver understands that the investment funds for 104 Investors (the “**Olympia Investors**”) originated in registered investment accounts administered by Olympia (the “**Olympia Investors**”). The funds for one Investor originated in a registered investment account administered by Community Trust (the “**CT Investor**”). The balance of the funds are non-registered.
11. The Receiver has substantially completed the Syndicated Mortgage Claims Procedure and is in a position to make an interim distribution to Investors.
12. There are sufficient funds in the estate, as outlined in the Interim R&D, to support an interim distribution to the Investors.
13. The Receiver proposes to make an interim distribution in the amount of \$8,000,000 as follows:
  - (a) an interim distribution in the amount of \$3,589,989.38 from the Receiver directly to Olympia Trust on behalf of the Olympia Investors, representing the Olympia Investors' aggregate *pro-rata* share of the indebtedness owing by Terrasan under the Syndicated Mortgage, as set forth in the distribution list attached as Schedule “A” to the proposed form of Distribution Order (the “**Distribution List**”);
  - (b) an interim distribution in the amount of \$25,337.89 from the Receiver directly to Community Trust on behalf of the CT Investor, representing the CT Investor's *pro-rata* share of the indebtedness owing by Terrasan under the Syndicated Mortgage, as set forth in the Distribution List; and
  - (c) an interim *pro-rata* distribution from the Receiver directly to the individual investors, as set forth in the Distribution List.



14. The Receiver is of the view that the proposed interim distribution to the Investors is appropriate and reasonable in the circumstances.
15. 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 Thirteenth Report of the Receiver; and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

**DATED:** October 8, 2019

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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 October 15, 2019)**

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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

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

**AS COURT APPOINTED RECEIVER**

**October 8, 2019**

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## INTRODUCTION AND PURPOSE OF THIS REPORT

### Introduction

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

from the Sale Proceeds to Purchasers with a proven deposit claim in an amount equal to the corresponding accepted deposit claim, in accordance with the Deposit Claims Procedure Order (a "**Deposit Claim Distribution**").

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

\$45,000; (ii) approved and authorized the Summit Concrete & Drain Ltd. ("**Summit**") settlement agreement and distribution to Summit in the amount of \$12,000; (iii) approved and authorized the R. Mancini and Associates ("**Mancini**") settlement agreement and distribution to Mancini in the amount of \$7,000; (iv) approved and authorized the Quinn Dressel Associates ("**Quinn**") settlement agreement and distribution to Quinn in the amount of \$5,596.90; (v) approved and authorized the Desrosiers Geothermal Corporation ("**Desrosiers**") settlement agreement and distribution to Desrosiers in the amount of \$71,680.63; and (vi) approved and authorized the McCallum Sather Architects Inc. ("**McCallum**") settlement agreement and distribution to McCallum in the amount of \$9,431.13.

14. On July 15, 2019, the Court granted an Order (the "**Syndicated Mortgage Claims Procedure Order**") which among other things: (i) approved and authorized the lien claim settlement agreement dated April 24, 2019 between Shalom Electric Inc. ("**Shalom**") and the Receiver (the "**Shalom Settlement Agreement**"), and the distribution to Shalom in the amount of \$5,143.12 (the "**Shalom Distribution**"), in accordance with the terms of the Shalom Settlement Agreement; and (ii) authorized, empowered and directed the Receiver to carry out a syndicated mortgage claims procedure (the "**Syndicated Mortgage Claims Procedure**") to address the claims of investors (collectively, the "**Investors**") in the syndicated mortgage (the "**Syndicated Mortgage**") who invested funds invested through Olympia Trust Company ("**Olympia Trust**"), John Fletcher ("**Fletcher**") and Community Trust Company ("**Community Trust**").
15. 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**

16. The purpose of this report dated October 7, 2019 (the "**Thirteenth Report**") is to provide information to the Court to support the granting of an Order:
  - (a) approving the Thirteenth Report and the activities and conduct of the Receiver since its twelfth report dated July 9, 2019 (the "**Twelfth Report**");



- (b) approving and authorizing an interim distribution to the Investors in the amount of \$8,000,000 on account of the indebtedness owing by Terrasan pursuant to the Syndicated Mortgage (the "Interim Distribution");
- (c) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP ("Dentons"), as set out in this Thirteenth Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements; and
- (d) approving the Receiver's interim statement of receipts and disbursements dated October 3, 2019 (the "Interim R&D").

#### **Disclaimer**

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

#### **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) made the Shalom Distribution in accordance with the Shalom Settlement Agreement;

-7-

- (b) engaged in further correspondence and discussions with the Canada Revenue Agency (the "CRA") with respect to its re-assessment of HST pursuant to section 296(1) of the Excise Tax Act and confirming that the proof of claim delivered by CRA, in respect of HST payable to CRA by Terrasan in the amount of \$1,586,466.34, is an unsecured claim;
- (c) administered the Syndicated Mortgage Claims Procedure in accordance with the Syndicated Mortgage Claims Procedure Order;
- (d) attended to various enquiries with respect to the Syndicated Mortgage Claims Procedure;
- (e) engaged in various correspondence and discussions directly with the Investors and their representatives, including Olympia Trust and the bare trustee, regarding distributions to Investors in the Syndicated Mortgage; and
- (f) completed other miscellaneous administrative obligations of the Receiver as required.

#### RECEIPTS AND DISBURSEMENTS

- 21. The Interim R&D, attached as **Appendix "A"**, reports net receipts over disbursements from the date of the Receiver's appointment to September 30, 2019 of \$8,996,790.27.
- 22. The Receiver is seeking the Court's approval of its Interim R&D.

#### SECURED CREDITORS | THE CHARGES

- 23. Detailed below is a summary of the charges that were registered against title to the Property prior to the closing of the Transaction:

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

24. As noted above:
- (a) pursuant to the Centurion Distribution Order, 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;
  - (b) pursuant to the Deposit Claims Distribution Order granted on April 18, 2018, the Receiver has made distributions totaling \$3,767,046.61 on account of Deposit Claims Distributions, which are secured by the second position Guarantee mortgage;
  - (c) pursuant to the Diversified Distribution Order granted on July 6, 2018, the Receiver distributed the amount of \$3,404,228.47 to the third position mortgagee, Diversified, in full and final satisfaction of all amounts owing by Terrasan to Diversified; and
  - (d) pursuant to the Holdback and Distribution Order granted on August 29, 2018, the Receiver made the Tarion Holdback payment to Tarion (which has since been released back to the Receiver), and the final Guarantee Distribution in the amount of \$294,720.37.

#### **The Syndicated Mortgage**

25. The Syndicated Mortgage is held by Olympia Trust, Fletcher and Community Trust on behalf of the Investors. The Receiver understands that Hamilton has replaced Fletcher as bare trustee (the "**Bare Trustee**").
26. The Syndicated Mortgage was registered on title to the Property on March 17, 2014, as instrument AT4464383. A copy of a Transfer of Charge registered on title to the Property on January 19, 2017 is attached hereto as **Appendix "B"** (the "**Investor List**"). The Investor List outlines the number of Investors in the Syndicated Mortgage, together with the corresponding amounts invested by each Investor and their percentage share of the total investment secured by the Syndicated Mortgage (save and except for the Fletcher investment figure which was inserted for the purpose of balancing the \$15,000,000 charge value).
27. As set out in the Receiver's seventh report to the Court dated April 13, 2018, the Receiver obtained a security opinion from its counsel (the "**Security Opinion**") and, subject to the customary qualifications and assumptions contained therein, the Security Opinion opines

that the security held in trust by Olympia Trust, Community Trust and Fletcher is valid and enforceable against Terrasan.

28. Subject to the customary assumptions and qualifications contained in the Security Opinion, Receiver's counsel has opined that the subject security documents:
- (a) constitute legal, valid and binding security interests in favour of Olympia Trust, Community Trust and Fletcher in the Assets;
  - (b) is sufficient to secure the payment and performance of the obligations secured thereby; and
  - (c) is properly registered.
29. The amounts due and owing by Terrasan under the Syndicated Mortgage remain outstanding. On September 30, 2019, the Receiver obtained a mortgage discharge statement from the Bare Trustee, which indicates that, as of September 27, 2019, the amount of \$12,505,358.51 was due and owing by Terrasan (the "Discharge Statement"). A copy of the Discharge Statement is attached hereto as **Appendix "C"**.

#### **THE SYNDICATED MORTGAGE CLAIMS PROCEDURE**

30. Capitalized terms not otherwise defined in this section are defined in the Syndicated Mortgage Procedure Order. A copy of the Syndicated Mortgage Claims Procedure Order is attached hereto as **Appendix "D"**
31. As discussed in the Twelfth Report, the Syndicated Mortgage Claims Procedure was necessary to: (i) confirm the identity of each Investor in the Syndicated Mortgage and the quantum of the investment of each Investor in the Syndicated Mortgage, and (ii) facilitate and support *pro-rata* distributions on account of each Investor Claim as determined through the Syndicated Mortgage Claims Procedure.

32. The Syndicated Mortgage Claims Procedure Order prescribed the following timeframe for administering the Syndicated Mortgage Claims Procedure:

Process	Deadline
Mailing Claims Packages	July 19, 2019
Website Posting	July 19, 2019
Claims Bar Date	August 20, 2019
Notice of Revision or Disallowance	To be delivered by the Receiver, acting reasonably
Objection to Notice of Revision or Disallowance	To be received by the Receiver no later than 15 calendar days after the date of the Notice of Revision or Disallowance

33. Subsequent to the issuance of the Syndicated Mortgage Claims Procedure Order, the Receiver mailed a Claims Package to each Investor and posted a copy on the Website.
34. In total, the Receiver mailed 175 Claims Packages, each of which included a Notice to Investor setting out the amount of the Investor's Claim, as determined by the Receiver following a review of the Investor's List together with the records produced by the Bare Trustee.
35. The Receiver also sent an electronic copy of the Claims Package by email to those Investors with an email address included in the investor records (approximately 138 Investors).
36. A total of six (6) Investors delivered a Proof of Claim disputing the amount of their Claim as set out in the Notice to Investors. Following a review of the Proofs of Claim and discussions with those Investors, the Receiver accepted four Proofs of Claim and disallowed (in part) two Proofs of Claim (the "**Disallowed Claims**").
37. With respect to the Disallowed Claims, those claims were disallowed on the basis that there was a claim for an additional investment amount which fell outside of the Syndicated Mortgage Claims Procedure, and the additional Disallowed Claim asserted a claim for interest on the Investor's investment in the Syndicated Mortgage.
38. On September 20, 2019, the Receiver sent Notices of Revision or Disallowance in respect of the Disallowed Claims. Pursuant to the Syndicated Mortgage Claims Procedure Order, those Investors have until October 5, 2019 (the "**Dispute Deadline**") to notify the Receiver of their objection to the partial disallowance and file a notice of motion with the Court for a

determination of the issue (an "Objection"). The Receiver did not receive an Objection to the Disallowed Claims prior to the Dispute Deadline.

39. All Investor Claims have been finally determined pursuant to the Syndicated Mortgage Claims Procedure.

#### Undelivered Claims Packages

40. The Receiver was unable to deliver a Claims Package to four (4) Investors:

Investor Name	Claim Amount per Notice to Investors	Registered Funds
Susan Carre	\$18,100.00	Yes (Olympia Trust)
Gwen McCallum	\$221,500.00	Yes (Olympia Trust)
Sheetal & Niles Shah	\$25,000.00	No

41. In each case, the physical mail was returned to the Receiver indicating a change of address. As of the date hereof, the Receiver has been unable to locate a new mailing address for the aforementioned Investors.
42. With respect to McCallum and the Shahs, attempts to deliver the Claims Package by email were also unsuccessful as their corresponding email addresses prompted an "undeliverable" message alert. To date, the Receiver has not been able to locate an email address for Carre.
43. The Receiver notes that Carre and McCallum are Olympia Investors (as defined below). The Receiver proposes to make their *pro-rata* distribution to Olympia Trust, on behalf of these Investors (as discussed below).
44. The Receiver will continue its efforts to obtain new contact information for the Shahs for the purposes of delivering the proposed *pro-rata* Interim Distribution.

#### PROPOSED INTERIM DISTRIBUTION

45. As indicated above, the Syndicated Mortgage is held by Olympia Trust, Fletcher and Community Trust on behalf of the Investors. The following table summarizes the number of Investors and the corresponding investment amounts:

Trustee	Number of Investors <sup>1</sup>	Aggregate Amount	Percentage	Registered Funds
Olympia Trust Company	103 (the "Olympia Investors")	\$4,392,223.39	44.87%	Yes
Community Trust Company	1 (the "CT Investor")	\$31,000.00	0.32%	Yes
J. Paul Fletcher	71 (the "Individual Investors")	\$5,364,490.00	54.81%	No
<b>TOTAL</b>	<b>175</b>	<b>\$9,787,713.39</b>	<b>100.00%</b>	

46. Following the completion of the Syndicated Mortgage Claims Procedure, the Receiver prepared an updated version of the Investor List, based on the determination of the Investor Claims (the "Distribution List"). The Distribution List outlines the Investors *pro-rata* share of the total investment secured by the Syndicated Mortgage, for distribution purposes. A copy of the Distribution List is attached hereto as **Appendix "E"**.

#### **The Olympia Investors and Community Trust Investor**

47. With respect to the proposed distributions to the Olympia Investors and the CT Investor, the Receiver is of the view that such distributions should be made to Olympia Trust and Community Trust, on behalf of the Olympia Investors and CT Investor, respectively.
48. The Receiver understands that the investments made by the Olympia Investors and the CT Investor originated in registered investment accounts administered by Olympia Trust and Community Trust, as the case may be.
49. The Receiver has reviewed the various agreements between Olympia Trust and Community Trust and their investors and is satisfied that Olympia Trust and Community Trust will: (i) deposit each payment made in respect of the Syndicated Mortgage into the subject Investor's registered account; and (ii) report the payment to the subject Investor. The Receiver has also communicated directly with representatives of Olympia Trust and confirmed Olympia Trust's readiness to make such deposits.

<sup>1</sup> In certain cases a single individual Investor made multiple investments from multiple registered plans. For distribution purposes, the Receiver has counted each investment as a separate Investor.

**Individual Investors**

50. With respect to the proposed distributions to the Individual Investors, the Receiver is of the view that it should complete the distributions directly to the Individual Investors. Among other things:
- (a) the investments of the Individual Investors are not registered funds and need not be deposited into a registered account;
  - (b) a direct distribution will avoid any unnecessary duplication of administrative tasks and costs;
  - (c) the Receiver administered the Syndicated Mortgage Claims Procedure and has the capacity to make the distributions in a timely manner; and
  - (d) all distributions by the Receiver will be subject to this Court's supervision and approval.
51. Accordingly, the Receiver proposes to make an interim distribution to the Investors in the aggregate amount of \$8,000,000, as follows:
- (a) an interim distribution in the amount of \$3,589,989.38 from the Receiver directly to Olympia Trust on behalf of the Olympia Investors, representing the Olympia Investors' aggregate *pro-rata* share of the indebtedness owing by Terrasan under the Syndicated Mortgage, as set forth in the Distribution List;
  - (b) an interim distribution in the amount of \$25,337.89 from the Receiver directly to Community Trust on behalf of the CT Investor, representing the CT Investor's *pro-rata* share of the indebtedness owing by Terrasan under the Syndicated Mortgage, as set forth in the Distribution List; and
  - (c) an interim *pro-rata* distribution from the Receiver directly to the Individual Investors, as set forth in the Distribution List.
52. Following the completion of the proposed Interim Distribution, the Receiver will take the necessary steps to finalize all remaining and outstanding matters related to the receivership estate at which time, the Receiver will proceed to seek a Discharge Order, together with an Order authorizing a final distribution to the Investors (the "**Discharge Motion**").



**BARE TRUSTEE FEES**

53. Fletcher was appointed as Bare Trustee pursuant to bare trust agreements that were executed between Fletcher and each Investor (the "**Bare Trust Agreements**"). A sample Bare Trust Agreement is attached hereto as **Appendix "F"**. The Receiver understands that each Investor executed the same form of Bare Trust Agreement.
54. As indicated above, Hamilton has replaced Fletcher as Bare Trustee.
55. On September 26, 2019, the Bare Trustee delivered to the Receiver an invoice for bare trustee fees in the amount of \$81,308.49, inclusive of HST, for the billing period from June 5, 2017 to August 30, 2019 (the "**Bare Trustee's Account**"). A copy of the Bare Trustee's Account is attached hereto as **Appendix "G"**.
56. Based upon the review of the Syndicated Mortgage records in the possession of the Receiver, the Bare Trust Agreement appears to govern the relationship between the Bare Trustee and the Investors. In this regard, the Investors should be informed of the Bare Trustee's Account.
57. The Receiver will seek advice and directions on the payment of the Bare Trustee's Account at the Discharge Motion.

**FEES AND DISBURSEMENTS**

58. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements, which are described in the Affidavit of Matthew Marchand sworn October 3, 2019, attached herein as **Appendix "H"**.
59. 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.
60. 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 October 2, 2019, attached herein as **Appendix "I"**.
61. The Receiver requests that the Court approve its interim accounts from June 27, 2019 to September 26, 2019 in the amount of \$42,339.66, inclusive of HST of \$4,870.93.

62. The Receiver also requests that the Court approve the interim accounts of its legal counsel for the period from July 1, 2019 to September 30, 2019 in the amount of \$63,920.75, inclusive of HST of \$7,316.91.
63. 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**

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

All of which is respectfully submitted this 8<sup>th</sup> day of October, 2019.

**BDO CANADA LIMITED, in its capacity as the Court  
appointed Receiver**

Per:



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

**TAB A**



Canada Revenue Agency  
Agence du revenu  
du Canada

22

Tax Centre  
Toronto ON M5J 2X6

July 12, 2019

BDO CANADA INC.  
20 WELLINGTON ST E, SUITE 500  
TORONTO ON M5E 1C5

Dear Sir or Madam:

Re: TERRASAN 327 ROYAL YORK RD. LIMITED  
of the City of Etobicoke  
in the Province of Ontario  
Date of the receivership: February 24, 2017

Please find enclosed our claim and supporting schedule in the above-noted insolvency event for the amount of \$1,586,205.59.

Issue dividend payment directly to the Receiver General quoting the account number shown on the schedule.

Please send individual, corporate and payroll dividend payments to:

Canada Revenue Agency  
PO BOX 3800 STN A  
Sudbury ON P3A 0C3

Please send goods and services tax/harmonized sales tax (GST/HST) remittances, including dividend payments to the applicable tax centre (shown on your client's GST/HST return).

If you need more information about this claim, such as a more detailed breakdown of the debt, please contact the undersigned at one of the telephone numbers provided in this letter.

Proof of Claim (Form 31)  
(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

Send all notices or correspondence regarding this claim to the following address:

.../2

National Insolvency Office  
1 Front Street West  
2nd Floor Suite 100  
Toronto ON M5J 2X6

Local: 416-973-3720  
Fax: 416-974-6411  
Web site: [canada.ca/taxes](http://canada.ca/taxes)

National Insolvency Office  
1 Front Street West  
2nd Floor Suite 100  
Toronto ON M5J 2X6  
Attention: T. Smith

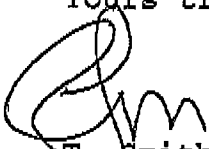
In the matter of the receivership of TERRASAN 327 ROYAL YORK RD. LIMITED of the City of Etobicoke in the Province of Ontario, and the claim of Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, creditor.

I, T. Smith, of the City of Toronto in the Province of Ontario, do hereby certify:

1. That I am a resource officer/complex case officer of the Canada Revenue Agency.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the receivership namely the 24th day of February 2017, and still is, indebted to the creditor in the sum of \$1,586,466.34, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.
4. (X) UNSECURED CLAIM of \$1,586,466.34. That in respect of this debt, I do not hold any assets of the debtor as security.
5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Act, and has not dealt with the debtor in a non-arm's length manner.
6. That the following are the payments that I have received from, and the credits that I have allowed to the debtor within the three months immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act.

Nil.

Yours truly,

  
T. Smith  
Resource Officer

Enclosure(s)

Schedule "A"

Name: TERRASAN 327 ROYAL YORK RD. LIMITED

Unsecured claim

Excise Tax Act	
Account number:	808615751RT0001
Assessed period(s):	24Feb2017
Principal:	\$1,396,045.90
Penalty and interest:	\$190,420.44
Total:	\$1,586,466.34
Total Unsecured claim	\$1,586,466.34

**TAB B**

## Appendix 'B'

IN THE MATTER OF THE RECEIVERSHIP OF  
TERRASAN 327 ROYAL YORK RD. LIMITEDRECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
for the period February 24, 2017 to October 3, 2019

<b>RECEIPTS:</b>		
Sale of land and building		\$ 30,044,444.00
Cash in bank		1,381,910.45
Trust funds received from Deposit Trustee (Schneider Ruggerlo LLP):		
Deposit funds	\$ 157,089.61	
Interest earned on deposit funds	<u>73,731.99</u>	230,821.60
Interest earned		276,895.20
HST refunds		295,811.13
Insurance refund		23,993.28
Miscellaneous refunds - utility refund		210.55
[1] Return of Tarion Warranty Corporation Holdback Payment [see Distribution Section below]		<u>200,000.00</u>
<b>Total Receipts</b>		<u><u>32,454,086.21</u></u>
<b>DISBURSEMENTS:</b>		
Legal fees		1,055,346.63
Receiver's fees		685,477.38
Operating Expense		267,846.00
HST on legal fees		136,973.02
HST on Receiver's fees		89,112.05
Outside consulting		69,644.08
Insurance		59,930.20
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
Occupancy rent (site trailer)		5,055.00
Telephone		2,876.83
Miscellaneous disbursements		5,409.57
Travel		504.50
Freight		290.00
Storage		285.00
Postage		553.93
Redirection of mail		274.35
Bank charges		254.00
Filing fee		70.00
<b>Total Disbursements</b>		<u>2,609,974.47</u>
<b>RECEIPTS OVER DISBURSEMENTS (before court approved distributions)</b>		<u>29,844,111.74</u>
<b>COURT APPROVED DISTRIBUTIONS:</b>		
Loan Repayment - Centurion Mortgage Capital Corporation (first mortgagee)		12,692,899.41
Deposit Claims Procedure Payments - Guarantee Company of North America (second mortgagee)		
Distribution to Proven Deposit Claimants	3,609,957.00	
Return of deposits received from Deposit Trustee to Proven Deposit Claimants	<u>157,089.61</u>	3,767,046.61
Guarantee Distribution (Guarantee Company of North America)		294,720.37
[1] Tarion Warranty Corporation Holdback Payment		200,000.00
Loan Repayment - Diversified Capital Inc. (third mortgagee)		3,404,228.47
Lien Settlements - (\$4,359,219 in registered liens)		
CRH Canada Group Inc.	45,000.00	
Summit Concrete & Drain Ltd.	12,000.00	
Roni Excavating	88,897.28	
Bluescape Construction Management Inc.	34,000.00	
Mansteel Rebar Ltd.	22,833.57	
Desrosiers Geothermal Corporation	71,680.63	
R. Mancini and Associates Ltd.	7,000.00	
Resform Construction Ltd.	186,843.98	
Shalom Electric Inc.	5,143.12	
McCallum Sather Architects Inc.	9,431.13	
Quinn Dressel Associates	<u>5,596.90</u>	488,426.61
<b>Total Court Approved Distributions</b>		<u>20,847,321.47</u>
<b>RECEIPTS OVER DISBURSEMENTS (before proposed further distributions)</b>		<u>\$ 8,996,790.27</u>
<b>PROPOSED DISTRIBUTIONS:</b>		
Syndicated Mortgage - J. Paul Fletcher, Olympia Trust Company and Community Trust Company (fourth mortgagee)		
Registered funds held with Olympia Trust Company		3,589,989.38
Registered funds held with Community Trust Company		25,337.89
Unregistered funds held with P. J. Fletcher - [to be distributed directly by Receiver to Distribution List]		<u>4,384,672.73</u>
<b>Total Proposed Distribution</b>		<u>8,000,000.00</u>
<b>RECEIPTS OVER DISBURSEMENTS</b>		<u>\$ 996,790.27</u>



**TAB C**

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 14

**Properties**

**PIN** 07617 - 0889 LT  
**Description** LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO  
**Address** 327 ROYAL YORK ROAD  
 ETOBICOKE

**Source Instruments**

Registration No.	Date	Type of Instrument
AT3539503	2014 03 17	Charge/Mortgage

**Transferor(s)**

This transfer of charge affects all lands that the charge is against which are outstanding.

**Name** FLETCHER, JOHN PAUL  
**Address for Service** 3355 Elsa Storry Ave., R.R.#1  
 Locust Hill, Ontario  
 LOH 1J0

This document is not authorized under Power of Attorney by this party.

**Transferee(s)***Capacity**Share*

**Name** FLETCHER, JOHN PAUL  
**Address for Service** 3355 Elsa Storry Ave., R.R.#1  
 Locust Hill, Ontario  
 LOH 1J0

**Statements**

The chargee transfers the selected charge for \$400,000.00.

The chargee transfers 2.6666% from Gerardo Cervo &amp; Joanna Imeneo to Abul Ahmed under J. Paul Fletcher of the selected charge.

Schedule: See Schedules

This document relates to registration no.(s)AT3539503.

**Signed By**

John Paul Fletcher	3355 Elsa Storry Ave., RR#1 Locust Hill LOH 1J0	acting for Transferor(s)	Signed	2017 01 19
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Tel 289-222-1962

Fax 905-239-6204

I have the authority to sign and register the document on behalf of all parties to the document.

John Paul Fletcher	3355 Elsa Storry Ave., RR#1 Locust Hill LOH 1J0	acting for Transferee(s)	Signed	2017 01 19
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Tel 289-222-1962

Fax 905-239-6204

I have the authority to sign and register the document on behalf of all parties to the document.

**Submitted By**

J. PAUL FLETCHER LLB, BARRISTER SOLICITOR NOTARY	3355 Elsa Storry Ave., RR#1 Locust Hill LOH 1J0			2017 01 19
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Tel 289-222-1962

Fax 905-239-6204

<b>Fees/Taxes/Payment</b>
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Statutory Registration Fee	\$63.35
Total Paid	\$63.35

**SCHEDULE OF CHARGE**

WHEREAS:

1. a) The chargees hereby acknowledge that Olympia Trust Company holds this mortgage in trust for:

**Registered Funds**

<b>Name:</b>	<b>Plan No.:</b>	<b>Amount:</b>	<b>Percentage:</b>
Gleb Lisikh	121803	\$100,000.00	0.66667%
Balbir Bahadursingh	114620	\$30,000.00	0.20000%
Dipnarine Dookie	121458	\$49,700.00	0.33133%
Zoilenys Lopez	122075	\$25,000.00	0.16667%
Bhumeshwarie Carmichael	121095	\$59,700.00	0.39800%
Julian Carmichael	121094	\$45,200.00	0.30133%
Parminder Notay	122584	\$31,000.00	0.20667%
Godofredo Carelo	105068	\$12,750.00	0.08500%
Roger Avila Ricardo	122128	\$100,000.00	0.66667%
Roger Avila Ricardo	122129	\$30,500.00	0.20333%
Godofredo Carelo	121408	\$19,600.00	0.13067%
Irma Samuel	120618	\$35,000.00	0.23333%
Corazon Castillo	121092	\$17,450.00	0.11633%
Sukhdev Lotey	122426	\$50,000.00	0.33333%
Mahinder Lotey	122600	\$50,000.00	0.33333%
Ursula Dixon	122603	\$42,250.00	0.28167%
Brian Klein	115337	\$50,000.00	0.33333%
Maria Kajko	122585	\$43,100.00	0.28733%
Gillian Anderson	122669	\$30,260.00	0.20173%
David & Gabriella Cabral	122914	\$36,000.00	0.24000%
Pritpal Singh Lotey	122905	\$31,250.00	0.20833%
Misagh Mavaddat	123238	\$73,000.00	0.48667%
Leszek Stankiewicz	122991	\$30,900	0.20600%
Gurminder Singh Bassi	123532	\$30,000.00	0.20000%
Andrew R. Beal	123159	\$25,000	0.16667%
Eliza Martina Pasion	123187	\$25,200.00	0.16800%
Randy Barton	109552	\$21,200.00	0.14133%
Aleksander Kosalka	123554	\$39,500.00	0.26333%
Abdul Sultan Manji	123287	\$25,000.00	0.16667%
Andrew Krechkovsky	123669	\$27,400.00	0.18267%
Anna Sitarz	123979	\$30,700.00	0.20467%
Robin Ramesra	123524	\$25,000.00	0.16667%
Douglas Gray	89604	\$25,000.00	0.16667%
Douglas Kelly	117420	\$75,000.00	0.50000%
Ewa Mieczynska	123955	\$50,000.00	0.33333%
Ralph S. Mohammed	123269	\$30,000.00	0.20000%
George Yee	124157	\$50,000.00	0.33333%
Dennis Gingell	121916	\$26,000.00	0.17333%
Doris Gingell	121911	\$29,000.00	0.19333%
Leithland L. Lyon	123856	\$54,600.00	0.36400%
Hulan Pierre	105105	\$79,500.00	0.53000%
Arnold Bondoc	123855	\$12,290.00	0.08193%
Barbara Walfisz	123984	\$49,875.00	0.33250%
Donna Kathryn Corrigan	124283	\$25,000.00	0.16667%
Janet Campbell	124850	\$25,000.00	0.16667%
Rod Dasilva	124635	\$31,000.00	0.20667%
Farhana H Haji	124826	\$25,000.00	0.16667%
Rosemary Emenim	123980	\$9,700.00	0.06467%
Zygmunt Kulina	120714	\$120,000.00	0.80000%

Damiana Padilla	124280	\$59,185.00	0.39457%
Amarnath Binda	124359	\$149,500.00	0.99667%
John Caporuscio	123744	\$11,300.00	0.07533%
Penny Corriveau	123601	\$20,500.00	0.13667%
Marilyn Magat	123156	\$26,000.00	0.17333%
Giuseppe Desario	124786	\$50,150.00	0.33433%
Stephen Riley	124689	\$70,000.00	0.46667%
Sabina Taylor	116655	\$25,000.00	0.16667%
Vito Landolfi	123531	\$19,475.00	0.12983%
Arnold Bondoc	124931	\$24,850.00	0.16567%
Zman Istephan	123768	\$23,700.00	0.15800%
Damiani Padilla	124691	\$39,700.00	0.26467%
Salim Amiri	113123	\$25,000.00	0.16667%
Gabriele Faraone	124525	\$24,949.00	0.16633%
Charanjit Singh	125157	\$23,175.00	0.15450%
Bozena Miechowicz	125238	\$31,000.00	0.20667%
Suzy De Aguilar	125070	\$24,150.00	0.16100%
Vincenzo Landolfi	125090	\$46,970.00	0.31313%
Randall Kerman	125161	\$221,900.00	1.47933%
Amarnath Binda	124358	\$96,200.00	0.64133%
Dave Martino	103876	\$13,000.00	0.08667%
Rudi Lotze	125385	\$121,900.00	0.81267%
Teresa Lotze	125388	\$24,680.00	0.16453%
Ardythe Bond	125030	\$42,200.00	0.28133%
John Caporuscio	109554	\$19,400.00	0.12933%
Susan Carre	124993	\$18,100.00	0.12067%
Genalyn Galang	124416	\$27,650.00	0.18433%
Glen Hawkins	124927	\$24,850.00	0.16567%
Richard Karl Maas	123529	\$25,680.00	0.17120%
Carolyn Joanne Nixon	123234	\$25,000.00	0.16667%
Catherine Zalot	104578	\$15,370.00	0.10247%
Catherine Zalot	126637	\$11,030.00	0.07353%
Brenda Elligson	125677	\$124,600.00	0.83067%
Adelaide Cabral	121366	\$40,800.00	0.27200%
Hulan Pierre	124523	\$54,032.14	0.36021%
Colleen Reesor	105527	\$20,000.00	0.13333%
Elzbieta Usnarska	127382	\$31,000.00	0.20667%
Krystyna Mlodzianowska	127380	\$25,000.00	0.16667%
Piotr Cien	127383	\$31,000.00	0.20667%
Rebecca Walters	113146	\$28,000.00	0.18667%
Ewa Korus	127641	\$31,000.00	0.20667%
Roman Korus	127640	\$31,000.00	0.20667%
Gwen McCallum	127937	\$221,500.00	1.47667%
Rita Caporuscio	114106	\$29,000.00	0.19333%
John Caporuscio	127810	\$31,000.00	0.20667%
Harry Thompson	127420	\$27,000.00	0.18000%
Jennifer Ricci	128055	\$30,000.00	0.20000%
Handell Buchanan	128542	\$30,000.00	0.20000%
Dennis Gingell	128610	\$25,000.00	0.16667%
Robert Shepherd	130056	\$52,300.00	0.34867%
Doris Gingell	129754	\$24,700.00	0.16467%
Anthony Gabriel Lados	131346	\$74,802.25	0.49868%
Angela Margaret Lados	131347	\$74,802.25	0.49868%
Miriam Karbin-Katan	132330	\$25,000.00	0.16667%
<b>Total:</b>		<b>\$4,401,725.64</b>	<b>29.3449%</b>

- b) The chargees hereby acknowledge that J. Paul Fletcher holds this mortgage in trust for:

**Non-Registered Funds**

<b>Name:</b>	<b>Amount:</b>	<b>Percentage:</b>
Gerardo Martino	\$200,000.00	1.33333%
Tara Taylor	\$50,000.00	0.33333%
Margaret Dolan	\$25,000.00	0.16667%
Annapurna Sahi	\$30,000.00	0.20000%
Murray & Louise Nicholson	\$25,000.00	0.16667%
Luis Manuel Oliveira Freire & Maria de Fatima Freire	\$60,000.00	0.40000%
Joao Luis Raposo & Maria Filomena Raposo	\$50,000.00	0.33333%
Steve Samuel	\$20,000.00	0.13333%
Kelly Nezezon	\$100,000.00	0.66667%
Paul & Celeste Demelo	\$100,000.00	0.66667%
Dwayne Sadler	\$100,000.00	0.66667%
Alison Goncalves	\$30,790.00	0.20527%
2042825 Ontario Inc.	\$75,000.00	0.50000%
John Landolfi	\$50,000.00	0.33333%
Francesco Dicecca	\$50,000.00	0.33333%
Ikdeep Singh	\$50,000.00	0.33333%
PCGC Development Inc.	\$80,000.00	0.53333%
Xiaohong Yuan	\$25,000.00	0.16667%
Michael Manzo	\$25,000.00	0.16667%
Ryszard Moskalewicz	\$300,000.00	2.00000%
David R. Edwards	\$25,000.00	0.16667%
Vito Ierullo	\$50,000.00	0.33333%
Hui Li	\$25,000.00	0.16667%
Beverly Gust	\$44,000.00	0.29333%
2421358 Ontario Inc	\$569,000.00	3.79333%
Andrea Chetram	\$100,000.00	0.66667%
2083317 Ontario Ltd.	\$70,000.00	0.46667%
Stephen Riley	\$30,000.00	0.20000%
2370860 Ontario Inc.	\$300,000.00	2.00000%
Chiu-Ping Chang	\$50,000.00	0.33333%
Farhana H Haji	\$10,000.00	0.06667%
Glen Hawkins	\$25,000.00	0.16667%
Margaret Dolan	\$30,000.00	0.20000%
Francisco De Aguiar Reis & Maria Teresa Reis	\$50,000.00	0.33333%
Bogdan Sencio & Katarzyna Sencio.	\$100,000.00	0.66667%
Laurel Dalessandro	\$25,000.00	0.16667%
Mu Xu	\$100,000.00	0.66667%
Karim Tejani	\$25,000.00	0.16667%
Stanley Nieradka	\$65,000.00	0.43333%
Paul Maxwell & Jennifer Gallea	\$325,000.00	2.16667%
Ron Weick	\$25,000.00	0.16667%
Sheetal & Nilesh Shah	\$25,000.00	0.16667%
Gianna Quattrociocci	\$25,000.00	0.16667%
Nicolas Tsakonakos	\$150,000.00	1.00000%
Bozena Miechowicz	\$9,000.00	0.06000%
Diana Courtney	\$100,000.00	0.66667%
Dean Taseen	\$200,000.00	1.33333%
David Smith	\$32,000.00	0.21333%

Cheryl Brown		\$55,000.00	0.36667%
Wielogorski Jacek		\$25,000.00	0.16667%
Ashley M. Mascarenhas		\$25,000.00	0.16667%
Annunziata Ginocchi		\$30,000.00	0.20000%
Joao De Almeida		\$40,000.00	0.26667%
Hanif Hassanali Haji		\$25,000.00	0.16667%
Rudutch Farms Ltd.		\$25,000.00	0.16667%
Osmond Veterinary Professional Corporation		\$50,000.00	0.33333%
GAA Enterprises		\$95,000.00	0.63333%
Rita Caporuscio		\$190,000.00	1.26667%
FVM Holdings Inc.		\$100,000.00	0.66667%
Laurie Broostad		\$25,000.00	0.16667%
Wilf Rice		\$25,000.00	0.16667%
Alona Amurao		\$40,000.00	0.26667%
Manuel Mendes		\$50,000.00	0.33333%
Colin Sye		\$25,000.00	0.16667%
Pishoy Awadalla		\$25,000.00	0.16667%
Marina Awadalla		\$25,000.00	0.16667%
Betty Matheson		\$40,000.00	0.26667%
Bill Dolan		\$5,000.00	0.03333%
Mary Gomez		\$5,000.00	0.03333%
Abul Ahmed		\$400,000.00	2.66667%
J. Paul Fletcher		\$5,212,484.36	34.7499%
<b>Total:</b>		<b>\$10,567,274.36</b>	<b>70.4486%</b>

c) The chargees hereby acknowledge that Community Trust Company holds this mortgage in trust for:

**Registered Funds**

<b>Name:</b>	<b>Plan No.:</b>	<b>Amount:</b>	<b>Percentage:</b>
Krystyna Witalis	8200026	\$31,000.00	0.20667%
<b>Total:</b>		<b>\$31,000.00</b>	<b>0.2067%</b>

J. Paul Fletcher Sub-Total:	\$10,567,274.36	70.4486%
Olympia Trust Company Sub-Total:	\$4,401,725.64	29.3449%
Community Trust Company Sub-Total:	\$31,000.00	0.2067%
<b>TOTAL:</b>	<b>\$15,000,000.00</b>	<b>100.00%</b>

2. In construing this document, the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein required and all necessary grammatical changes, as the context requires, shall be deemed to be made.

**ADDITIONAL PROVISIONS**

1. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee on the occurrence or happening or any of the following events (Event(s) or Default"):

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured on any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation; heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed for the winding up of the Chargor;
- (f) any proceedings with respect the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (h) the property hereby mortgaged and charged or any part thereof, other than sales of lots containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold b the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (i) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on maturity;

2. Chargee May Remedy Default

If the Chargor should fail to perform and covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness accrued herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

3. Construction Liens

Provided also that upon the registration of any construction lien against tile to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.



The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Lien Act, 1990, so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be considered to make the Chargee an "owner" or "payer" as defined under the Construction Lien Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to obtain any holdback, which may be required by the said legislation. Any holdback, which may be required to be made by the owner or payer, shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

4. Environmental

(a) The following terms have the following meanings in this Section:

- (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitations the *Environmental Act (Ontario)*, as amended from time to time (the "EPA"), and the *Canadian Environmental Protection Act*, as amended from time to time (the "CEPA"); and
- (ii) "Hazardous Material" means, collectively, any contaminants (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the *Transportation of Dangerous Goods Act (Canada)*, as amended from time to time) or pollutants or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm to the natural environment or material risk to human health.

(b) The Chargor hereby represents and warrants that:

- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
- (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
- (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
- (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on

or from the Lands or any such adjoining property of, any Hazardous Material.

(c) The Chargor covenants that:

- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
- (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
- (iii) the Chargor will not be involved in operation at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable environmental Laws to stop discharging, shut down, clean up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
- (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery as its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environment Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

- (d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, a successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:
- (i) under or an account of the Applicable Environmental Laws, including the assertion or any lien thereunder;
  - (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon and land, the atmosphere, or any watercourse, body or water of wetland, or any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
    - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect or any action or matter; and
    - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
  - (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgement or verdict arising from the deposit, storage, disposal, burial, dumping, injection, spilling, leaking or other placement or release in on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean up, decommission or pay for any clean up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injection, spilling, leaking or other placement or release in, on or from the Lands or any Hazardous Material:
    - a. resulted by, through or under the Chargor; or
    - b. occurred with the Chargor's knowledge and consent, or
    - c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and satisfaction and repayment of the amount secured hereunder. Any accounts for which the Chargor shall become liable to the Charge under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.

- (e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such and cause such work to be performed at

the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and say amounts paid as a result thereof, together with interest therein at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor and until paid shall be added to and become a part of the amount secured hereunder.

5. Letters of Credit

The parties hereto acknowledge and agree that this Charge shall also secure payment by the Chargor to the Chargee of all amounts advanced by the Chargee pursuant to or by way of issuance or any letters of credit, renewals thereof, substitutions therefore and accretions thereto or pursuant to similar instruments issued at the Chargor's request or on its behalf and issued by the Chargee or on behalf of or at the request of or upon the credit of the Chargee and the total amount of such letters of credit shall be decreed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit, regardless of when or whether such letters of credit are called upon by the holder(s) thereof. IN the even of the enforcement or exercise by the Chargee or any of the remedies or rights provided for in this Charge, the Chargee shall be entitled to retain and shall not be liable to pay or account to the Chargor or any other party in respect of the full amount of any outstanding letters of credit from the proceeds of such enforcement or exercise until such time as the letters of credit have expired, have been cancelled and have been amended to the Lender or the issuer(s) thereof.

6. Appointment of a Receiver

NOTWITHSTANDING anything herein contained, it is declared and agreed that at any time, and from time to time, when there shall be default under the provisions of these presents, the Chargee may at such time, and from time to time, and with or without entering into possession of the Charged Property appoint in writing a receiver (the "Receiver" which term shall include a receiver/manager) of the Charged Property, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in the making of any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of the Receiver of the Chargee's choice and without limitation, whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act or pursuant to the Courts of Justice Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Property and every part thereof.

Upon the appointment of any such Receiver or Receivers from time to time the following provisions shall apply:

- (i) a statutory declaration of an officer of the Chargee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (ii) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due with respect to the Charged Property, and every part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;

- (iii) the Chargee may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct same out of the Charged Property or the proceeds thereof;
- (iv) each such Receiver shall, so far as concerns responsibility and liability for its acts or omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (v) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the affect of constituting the Chargee a charge in possession with respect to the Charged Property or any part thereof;
- (vi) the Receiver shall have the power to rent any portion of the Charged Property for such terms and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever acts such Receiver may do in the Charged Property;
- (vii) every such Receiver shall have full power to complete any unfinished construction upon the Charged Property;
- (viii) any such Receiver shall have full power to carry on or concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountant and other individuals or companies as are required to carry on the said business, upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property.
- (ix) Any such Receiver shall have the power to sell or lease or concur in selling or leasing the Charged Property, or any part thereof, any to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise, and any such sale may be made either a public auction or private sale as to the Receiver may seem best and any such sale may be made from time to time as to the whole or any part of the Charged Property; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise as it shall deem proper;
- (x) Any such Receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Charged Property, in such amounts as the Receiver may from time to time deem necessary as in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to his Charge;

- (xi) Any such Receiver shall have the power to execute and prosecute all suits, proceedings and actions which the Receiver in its opinion considers necessary for the proper protection of this Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (xii) Any such Receiver shall not be liable to the Chargor to account for moneys or damages other than cash received by it with respect to the Charged Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
  - (a) its remuneration;
  - (b) all payments made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Property or any part thereof.
  - (c) In payment of interest, principal and other money which may from time to time be or become a charge upon the Charged Property in priority to moneys owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it with respect to the Charged Property or any part thereof;
  - (d) In payment of all interest and arrears of interest and any other monies remaining unpaid hereunder;
  - (e) The residue of any money so received by the Receiver shall be applied to the principal sum or any other amounts from time to time owing under this Charge;
  - (f) Subject to subparagraph (e) above, in the discretion of the Receiver, interest, principal and other monies which may from time to time constitute a charge or encumbrance on the Charged Property subsequent in priority or subordinate to the interest of the Chargee under this Charge;

And that such Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing, and further, that any surplus remaining in the hands of the Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor.

PROVIDED that save as to monies payable to the Chargor pursuant to subparagraph (xii) of this Paragraph, this Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by the Chargee or any such Receiver under the provisions of this Paragraph, unless such claim be the direct and proximate result of bad faith or gross neglect.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required

in the sole discretion of the Chargee and/or its solicitor so as to give affect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or Receiver and/or with respect to the Charged Property in the same manner as if such documentation was duly executed by the Chargor itself.

7. Miscellaneous

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

8. Open for Pre-payment

Provided the Chargor is not in default, the Chargor shall have the privilege to prepay the balance outstanding at any time or times without notice or bonus.

9. Postponement Clause

The Chargee(s) hereby agree(s) that their interests shall postpone and stand still to any prior charge(s), to a maximum of \$10,000,000.00.

**TAB D**





MORTGAGE DISCHARGE STATEMENT

September 27, 2019

To: Robert Kennedy  
Dentons Canada LLP  
77 King Street West, Suite 400  
Toronto, ON M5K 0A1

Re: Terrasan 327 Royal York Rd. Limited Syndicated Mortgage with Kara  
Hamilton/Olympia Trust Company/Community Trust Company

Brief Legal Description: Lots 159, 160 & 161 Plan 164 except part lots 160 & 161 Plan 164, Part 2 66R28185

Mortgage Registration Date: March 17, 2014

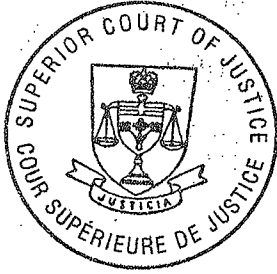
Principal Amount, as registered: \$15,000,000

Interest: 8%

Principal Balance as at April 10, 2018:	\$11,089,025.92
Interest (April 10, 2018 – September 27, 2019):	<u>\$ 1,310,024.10</u>
Sub-Total:	\$12,399,050.02
Unpaid Brokerage Fees:	\$ 25,000.00
Legal Fees:	<u>\$ 81,308.49</u>
Total Payable to Discharge Mortgage:	<u>\$12,505,358.51</u>

The per diem rate of interest is \$ 2,755.34

# TAB E



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

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

THE HONOURABLE )  
JUSTICE HAINES )  
 )  
 )  
 )

MONDAY, THE 15<sup>TH</sup> DAY  
OF JULY, 2019

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

and

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**SYNDICATED MORTGAGE 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:

- (a) establishing a claims procedure in respect of claims against Terrasan asserted by investors in a syndicated mortgage held in the name of Olympia Trust Company, John Fletcher and Community Trust Company (the “**Syndicated Mortgage**”);
- (b) approving and authorizing the lien claim settlement agreement dated April 24, 2019 between Shalom Electric Inc. (“**Shalom**”) and the Receiver (the “**Shalom Settlement Agreement**”), and the distribution to Shalom in the amount of \$5,143.12 (the “**Shalom Distribution**”), in accordance with the terms of the Shalom Settlement Agreement;

- (c) approving the Twelfth Report of the Receiver dated July 9, 2019 (the “**Twelfth Report**”) and the activities of the Receiver as described therein;
- (d) approving the fees and disbursements of the Receiver as set out in the affidavit of Clark Lonergan sworn July 2, 2019 and the fees and disbursements of the Receiver’s counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Mark Freake sworn July 8, 2019 (collectively, the “**Fee Affidavits**”); and
- (e) approving the Receiver’s interim statement of receipts and disbursements dated June 27, 2019 (the “**Interim R&D Statement**”),

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

**ON READING** the Motion Record of the Receiver dated July 9, 2019, including the Twelfth 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 service of Amanda Campbell sworn July 9, 2019, 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 Twelfth Report and the activities described therein are hereby approved.

3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the Twelfth Report and the Fees Affidavits, are hereby approved.

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

**SHALOM SETTLEMENT AND DISTRIBUTION**

5. **THIS COURT ORDERS** that the Shalom Settlement Agreement is hereby authorized and approved, and the Receiver is hereby authorized and directed to make the Shalom Distribution as outlined and, in accordance with the terms of the Shalom Settlement Agreement.

**SYNDICATED MORTGAGE CLAIMS PROCEDURE**

6. **THIS COURT ORDERS** that the Receiver shall conduct a proof of claim procedure (the “**Claims Process**”) to identify all investor claims of those investors (the “**Investors**”) who have a claim in the Syndicated Mortgage, as outlined and identified in Land Titles instrument number AT4464383 attached hereto as **Schedule “A** (the “**Investor List**”), as follows:

(a) the Receiver shall, by no later than July 19, 2019, send to the Investors outlined in the Investor List, a copy of:

(i) the notice to investors in the form attached hereto as **Schedule “B”** (the “**Notice to Investors**”), which shall assert the investor claim (the “**Claim**”) such Investor has in the Syndicated Mortgage, as outlined in the Investor List; and

(ii) a blank proof of claim, in the form attached hereto as **Schedule “C”** (the “**Proof of Claim**”), and a blank Notice of Revision or Disallowance (as defined herein)

(collectively, the “**Claims Package**”); and

(b) the Receiver shall post a copy of the Claims Package and this Order on the Receiver’s website at <http://www.extranets.bdo.ca/terrasan>, on or before July 19, 2019.

7. **THIS COURT ORDERS** that all Investors that:

(a) do not submit a Proof of Claim; or

(b) agree with the Claim set forth in the Notice to Investors;

shall have their Claim deemed accepted on August 20, 2019 at 5:00 p.m. (Toronto Time) (the “**Claims Bar Date**”) for distribution purposes. For greater certainty, those Investors that agree with the Claim set forth in the Notice to Investors shall not be required to file a Proof of Claim with the Receiver.

8. **THIS COURT ORDERS** that all Investors that dispute the Claim set forth in a Notice to Investors shall be required to file a Proof of Claim with the Receiver on or before the Claims Bar Date. The Receiver will then either:

- (a) accept the Claim set out in the Proof of Claim in its entirety, for distribution purposes;
- (b) revise the amount of the Proof of Claim, for distribution purposes; or
- (c) disallow the Claim as set out in the Proof of Claim, for distribution purposes.

9. **THIS COURT ORDERS** that if the Receiver disputes the amount of the Claim set out in a Proof of Claim, the Receiver may:

- (a) attempt to consensually resolve such Claim; and/or
- (b) send a notice of revision or disallowance, in the form attached hereto as **Schedule “D”** (the “**Notice of Revision or Disallowance**”), as soon as is reasonably practicable in these proceedings.

10. **THIS COURT ORDERS** that if an Investor intends to dispute their Claim as set out in the Notice of Revision or Disallowance, the Investor shall:

- (a) notify the Receiver of the objection in writing (setting out the grounds for the objection) by registered mail, courier, facsimile or email (in PDF format) within fifteen (15) days of receipt of a Notice of Revision or Disallowance (the “**Objection**”); and

- (b) file a notice of motion with this Court for the determination of the Claim in dispute (the "Notice of Motion"), with a copy to be sent to the Receiver immediately after filing.

11. **THIS COURT ORDERS** that the Notice of Motion shall be:

- (a) supported by a sworn affidavit setting out the Investor's basis for disputing the Notice of Revision or Disallowance; and
- (b) returnable within thirty (30) days of the date on which the Receiver received the Objection.

12. **THIS COURT ORDERS** that if an Investor fails to deliver the Objection and/or the Notice of Motion in accordance with paragraphs 10 and 11 herein, the Claim shall be deemed accepted at the amount set forth in the Notice of Revision or Disallowance and the Investor will:

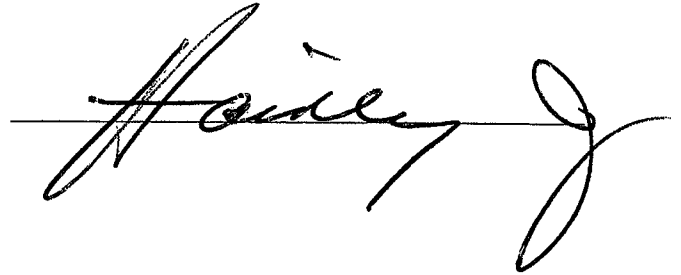
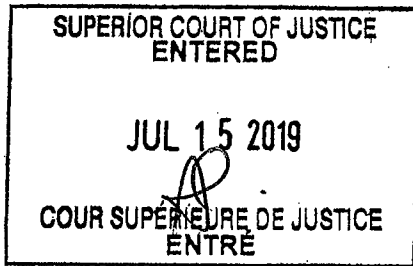
- (a) where the entire Claim is disallowed:
  - (i) not be entitled to receive any distribution in these proceedings; and
  - (ii) be forever barred from making or enforcing any Claim in respect of the Syndicated Mortgage and that Claim will be forever extinguished;
- (b) where the Claim has been revised:
  - (i) only be entitled to receive a distribution in an amount proportional to the revised amount; and
  - (ii) be forever barred from making or enforcing any Claim in respect of the Syndicated Mortgage greater than the revised amount and the amount of the Claim reduced by the revision will be forever extinguished.

**MISCELLANEOUS**

13. **THIS COURT ORDERS** that the Receiver is hereby authorized to use reasonable discretion as to the determination of the quantum of any Claim, and as to the adequacy of

compliance with respect to the manner in which Claims and Objections are completed and executed and may, if the Receiver is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of the Claims Process.

14. **THIS COURT ORDERS** that the Receiver is at liberty to apply to the Court for such further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.

A handwritten signature in black ink, appearing to read "Hainey J", written over a horizontal line.



**SCHEDULE "A"**  
**Land Titles Instrument AT4464383**

**Properties**

**PIN** 07617 - 0889 LT  
**Description** LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO  
**Address** 327 ROYAL YORK ROAD  
 ETOBICOKE

**Source Instruments**

Registration No.	Date	Type of Instrument
AT3539503	2014 03 17	Charge/Mortgage

**Transferor(s)**

This transfer of charge affects all lands that the charge is against which are outstanding.

**Name** FLETCHER, JOHN PAUL  
**Address for Service** 3355 Elsa Storry Ave., R.R.#1  
 Locust Hill, Ontario  
 LOH 1J0

This document is not authorized under Power of Attorney by this party.

**Transferee(s)****Capacity****Share**

**Name** FLETCHER, JOHN PAUL  
**Address for Service** 3355 Elsa Storry Ave., R.R.#1  
 Locust Hill, Ontario  
 LOH 1J0

**Statements**

The chargee transfers the selected charge for \$400,000.00.

The chargee transfers 2.6666% from Gerardo Cervo & Joanna Imeneo to Abul Ahmed under J. Paul Fletcher of the selected charge.

Schedule: See Schedules

This document relates to registration no.(s)AT3539503.

**Signed By**

John Paul Fletcher 3355 Elsa Storry Ave., RR#1 acting for Signed 2017 01 19  
 Locust Hill Transferor(s)  
 LOH 1J0

Tel 289-222-1962

Fax 905-239-6204

I have the authority to sign and register the document on behalf of all parties to the document.

John Paul Fletcher 3355 Elsa Storry Ave., RR#1 acting for Signed 2017 01 19  
 Locust Hill Transferee(s)  
 LOH 1J0

Tel 289-222-1962

Fax 905-239-6204

I have the authority to sign and register the document on behalf of all parties to the document.

**Submitted By**

J. PAUL FLETCHER LLB, BARRISTER SOLICITOR 3355 Elsa Storry Ave., RR#1 2017 01 19  
 NOTARY Locust Hill  
 LOH 1J0

Tel 289-222-1962

Fax 905-239-6204

The applicant(s) hereby applies to the Land Registrar.

<b>Fees/Taxes/Payment</b>	
---------------------------	--

<i>Statutory Registration Fee</i>	\$63.35
<i>Total Paid</i>	\$63.35

## SCHEDULE OF CHARGE

## WHEREAS:

1. a) The chargees hereby acknowledge that Olympia Trust Company holds this mortgage in trust for:

**Registered Funds**

<b>Name:</b>	<b>Plan No.:</b>	<b>Amount:</b>	<b>Percentage:</b>
Gleb Lisikh	121803	\$100,000.00	0.66667%
Balbir Bahadursingh	114620	\$30,000.00	0.20000%
Dipnarine Dookie	121458	\$49,700.00	0.33133%
Zoilenys Lopez	122075	\$25,000.00	0.16667%
Bhumeshwarie Carmichael	121095	\$59,700.00	0.39800%
Julian Carmichael	121094	\$45,200.00	0.30133%
Parminder Notay	122584	\$31,000.00	0.20667%
Godofredo Carelo	105068	\$12,750.00	0.08500%
Roger Avila Ricardo	122128	\$100,000.00	0.66667%
Roger Avila Ricardo	122129	\$30,500.00	0.20333%
Godofredo Carelo	121408	\$19,600.00	0.13067%
Irma Samuel	120618	\$35,000.00	0.23333%
Corazon Castillo	121092	\$17,450.00	0.11633%
Sukhdev Lotey	122426	\$50,000.00	0.33333%
Mahinder Lotey	122600	\$50,000.00	0.33333%
Ursula Dixon	122603	\$42,250.00	0.28167%
Brian Klein	115337	\$50,000.00	0.33333%
Maria Kajko	122585	\$43,100.00	0.28733%
Gillian Anderson	122669	\$30,260.00	0.20173%
David & Gabriella Cabral	122914	\$36,000.00	0.24000%
Pritpal Singh Lotey	122905	\$31,250.00	0.20833%
Misagh Mavaddat	123238	\$73,000.00	0.48667%
Leszek Stankiewicz	122991	\$30,900	0.20600%
Gurminder Singh Bassi	123532	\$30,000.00	0.20000%
Andrew R. Beal	123159	\$25,000	0.16667%
Eliza Martina Pasion	123187	\$25,200.00	0.16800%
Randy Barton	109552	\$21,200.00	0.14133%
Aleksander Kosalka	123554	\$39,500.00	0.26333%
Abdul Sultan Manji	123287	\$25,000.00	0.16667%
Andrew Krechkovsky	123669	\$27,400.00	0.18267%
Anna Sitarz	123979	\$30,700.00	0.20467%
Robin Ramesra	123524	\$25,000.00	0.16667%
Douglas Gray	89604	\$25,000.00	0.16667%
Douglas Kelly	117420	\$75,000.00	0.50000%
Ewa Miczynska	123955	\$50,000.00	0.33333%
Ralph S. Mohammed	123269	\$30,000.00	0.20000%
George Yee	124157	\$50,000.00	0.33333%
Dennis Gingell	121916	\$26,000.00	0.17333%
Doris Gingell	121911	\$29,000.00	0.19333%
Leithland L. Lyon	123856	\$54,600.00	0.36400%
Hulan Pierre	105105	\$79,500.00	0.53000%
Arnold Bondoc	123855	\$12,290.00	0.08193%
Barbara Walfisz	123984	\$49,875.00	0.33250%
Donna Kathryn Corrigan	124283	\$25,000.00	0.16667%
Janet Campbell	124850	\$25,000.00	0.16667%
Rod Dasilva	124635	\$31,000.00	0.20667%
Farhana H Haji	124826	\$25,000.00	0.16667%
Rosemary Emenim	123980	\$9,700.00	0.06467%
Zygmunt Kulina	120714	\$120,000.00	0.80000%

Damiana Padilla	124280	\$59,185.00	0.39457%
Amarnath Binda	124359	\$149,500.00	0.99667%
John Caporuscio	123744	\$11,300.00	0.07533%
Penny Corriveau	123601	\$20,500.00	0.13667%
Marilyn Magat	123156	\$26,000.00	0.17333%
Giuseppe Desario	124786	\$50,150.00	0.33433%
Stephen Riley	124689	\$70,000.00	0.46667%
Sabina Taylor	116655	\$25,000.00	0.16667%
Vito Landolfi	123531	\$19,475.00	0.12983%
Arnold Bondoc	124931	\$24,850.00	0.16567%
Zman Istephan	123768	\$23,700.00	0.15800%
Damiani Padilla	124691	\$39,700.00	0.26467%
Salim Amiri	113123	\$25,000.00	0.16667%
Gabriele Faraone	124525	\$24,949.00	0.16633%
Charanjit Singh	125157	\$23,175.00	0.15450%
Bozena Miechowicz	125238	\$31,000.00	0.20667%
Suzy De Aguilar	125070	\$24,150.00	0.16100%
Vincenzo Landolfi	125090	\$46,970.00	0.31313%
Randall Kerman	125161	\$221,900.00	1.47933%
Amarnath Binda	124358	\$96,200.00	0.64133%
Dave Martino	103876	\$13,000.00	0.08667%
Rudi Lotze	125385	\$121,900.00	0.81267%
Teresa Lotze	125388	\$24,680.00	0.16453%
Ardythe Bond	125030	\$42,200.00	0.28133%
John Caporuscio	109554	\$19,400.00	0.12933%
Susan Carre	124993	\$18,100.00	0.12067%
Genalyn Galang	124416	\$27,650.00	0.18433%
Glen Hawkins	124927	\$24,850.00	0.16567%
Richard Karl Maas	123529	\$25,680.00	0.17120%
Carolyn Joanne Nixon	123234	\$25,000.00	0.16667%
Catherine Zalot	104578	\$15,370.00	0.10247%
Catherine Zalot	126637	\$11,030.00	0.07353%
Brenda Elligson	125677	\$124,600.00	0.83067%
Adelaide Cabral	121366	\$40,800.00	0.27200%
Hulan Pierre	124523	\$54,032.14	0.36021%
Colleen Reesor	105527	\$20,000.00	0.13333%
Elzbieta Usnarska	127382	\$31,000.00	0.20667%
Krystyna Mlodzianowska	127380	\$25,000.00	0.16667%
Piotr Cien	127383	\$31,000.00	0.20667%
Rebecca Walters	113146	\$28,000.00	0.18667%
Ewa Korus	127641	\$31,000.00	0.20667%
Roman Korus	127640	\$31,000.00	0.20667%
Gwen McCallum	127937	\$221,500.00	1.47667%
Rita Caporuscio	114106	\$29,000.00	0.19333%
John Caporuscio	127810	\$31,000.00	0.20667%
Harry Thompson	127420	\$27,000.00	0.18000%
Jennifer Ricci	128055	\$30,000.00	0.20000%
Handell Buchanan	128542	\$30,000.00	0.20000%
Dennis Gingell	128610	\$25,000.00	0.16667%
Robert Shepherd	130056	\$52,300.00	0.34867%
Doris Gingell	129754	\$24,700.00	0.16467%
Anthony Gabriel Lados	131346	\$74,802.25	0.49868%
Angela Margaret Lados	131347	\$74,802.25	0.49868%
Miriam Karbin-Katan	132330	\$25,000.00	0.16667%
<b>Total:</b>		<b>\$4,401,725.64</b>	<b>29.3449%</b>

b) The chargees hereby acknowledge that J. Paul Fletcher holds this mortgage in trust for:

**Non-Registered Funds**

<b>Name:</b>	<b>Amount:</b>	<b>Percentage:</b>
Gerardo Martino	\$200,000.00	1.33333%
Tara Taylor	\$50,000.00	0.33333%
Margaret Dolan	\$25,000.00	0.16667%
Annapurna Sahi	\$30,000.00	0.20000%
Murray & Louise Nicholson	\$25,000.00	0.16667%
Luis Manuel Oliveira Freire & Maria de Fatima Freire	\$60,000.00	0.40000%
Joao Luis Raposo & Maria Filomena Raposo	\$50,000.00	0.33333%
Steve Samuel	\$20,000.00	0.13333%
Kelly Nezezon	\$100,000.00	0.66667%
Paul & Celeste Demelo	\$100,000.00	0.66667%
Dwayne Sadler	\$100,000.00	0.66667%
Alison Goncalves	\$30,790.00	0.20527%
2042825 Ontario Inc.	\$75,000.00	0.50000%
John Landolfi	\$50,000.00	0.33333%
Francesco Dicecca	\$50,000.00	0.33333%
Ikdeep Singh	\$50,000.00	0.33333%
PCGC Development Inc.	\$80,000.00	0.53333%
Xiaohong Yuan	\$25,000.00	0.16667%
Michael Manzo	\$25,000.00	0.16667%
Ryszard Moskalewicz	\$300,000.00	2.00000%
David R. Edwards	\$25,000.00	0.16667%
Vito Ierullo	\$50,000.00	0.33333%
Hui Li	\$25,000.00	0.16667%
Beverly Gust	\$44,000.00	0.29333%
2421358 Ontario Inc	\$569,000.00	3.79333%
Andrea Chetram	\$100,000.00	0.66667%
2083317 Ontario Ltd.	\$70,000.00	0.46667%
Stephen Riley	\$30,000.00	0.20000%
2370860 Ontario Inc.	\$300,000.00	2.00000%
Chiu-Ping Chang	\$50,000.00	0.33333%
Farhana H Haji	\$10,000.00	0.06667%
Glen Hawkins	\$25,000.00	0.16667%
Margaret Dolan	\$30,000.00	0.20000%
Francisco De Aguiar Reis & Maria Teresa Reis	\$50,000.00	0.33333%
Bogdan Sencio & Katarzyna Sencio.	\$100,000.00	0.66667%
Laurel Dalessandro	\$25,000.00	0.16667%
Mu Xu	\$100,000.00	0.66667%
Karim Tejani	\$25,000.00	0.16667%
Stanley Nieradka	\$65,000.00	0.43333%
Paul Maxwell & Jennifer Gallea	\$325,000.00	2.16667%
Ron Weick	\$25,000.00	0.16667%
Sheetal & Nilesh Shah	\$25,000.00	0.16667%
Gianna Quattrociocci	\$25,000.00	0.16667%
Nicolas Tsakonakos	\$150,000.00	1.00000%
Bozena Miechowicz	\$9,000.00	0.06000%
Diana Courtney	\$100,000.00	0.66667%
Dean Taseen	\$200,000.00	1.33333%
David Smith	\$32,000.00	0.21333%

Cheryl Brown		\$55,000.00	0.36667%
Wielogorski Jacek		\$25,000.00	0.16667%
Ashley M. Mascarenhas		\$25,000.00	0.16667%
Annunziata Ginocchi		\$30,000.00	0.20000%
Joao De Almeida		\$40,000.00	0.26667%
Hanif Hassanali Haji		\$25,000.00	0.16667%
Rudutch Farms Ltd.		\$25,000.00	0.16667%
Osmond Veterinary Professional Corporation		\$50,000.00	0.33333%
GAA Enterprises		\$95,000.00	0.63333%
Rita Caporusco		\$190,000.00	1.26667%
FVM Holdings Inc.		\$100,000.00	0.66667%
Laurie Broostad		\$25,000.00	0.16667%
Wilf Rice		\$25,000.00	0.16667%
Alona Amurao		\$40,000.00	0.26667%
Manuel Mendes		\$50,000.00	0.33333%
Colin Sye		\$25,000.00	0.16667%
Pishoy Awadalla		\$25,000.00	0.16667%
Marina Awadalla		\$25,000.00	0.16667%
Betty Matheson		\$40,000.00	0.26667%
Bill Dolan		\$5,000.00	0.03333%
Mary Gomez		\$5,000.00	0.03333%
Abul Ahmed		\$400,000.00	2.66667%
J. Paul Fletcher		\$5,212,484.36	34.7499%
<b>Total:</b>		<b>\$10,567,274.36</b>	<b>70.4486%</b>

c) The chargees hereby acknowledge that Community Trust Company holds this mortgage in trust for:

**Registered Funds**

Name:	Plan No.:	Amount:	Percentage:
Krystyna Witalis	8200026	\$31,000.00	0.20667%
<b>Total:</b>		<b>\$31,000.00</b>	<b>0.2067%</b>

J. Paul Fletcher Sub-Total:	\$10,567,274.36	70.4486%
Olympia Trust Company Sub-Total:	\$4,401,725.64	29.3449%
Community Trust Company Sub-Total:	\$31,000.00	0.2067%
<b>TOTAL:</b>	<b>\$15,000,000.00</b>	<b>100.00%</b>

2. In construing this document, the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein required and all necessary grammatical changes, as the context requires, shall be deemed to be made.

**ADDITIONAL PROVISIONS**

1. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee on the occurrence or happening or any of the following events (Event(s) or Default"):

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured on any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation; heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed for the winding up of the Chargor;
- (f) any proceedings with respect the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (h) the property hereby mortgaged and charged or any part thereof, other than sales of lots containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold b the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (i) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on maturity;

2. Chargee May Remedy Default

If the Chargor should fail to perform and covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness accrued herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

3. Construction Liens

Provided also that upon the registration of any construction lien against tile to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.



The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Lien Act, 1990, so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be considered to make the Chargee an "owner" or "payer" as defined under the Construction Lien Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to obtain any holdback, which may be required by the said legislation. Any holdback, which may be required to be made by the owner or payer, shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

4. Environmental

(a) The following terms have the following meanings in this Section:

- (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitations the *Environmental Act (Ontario)*, as amended from time to time (the "EPA"), and the *Canadian Environmental Protection Act*, as amended from time to time (the "CEPA"); and
- (ii) "Hazardous Material" means, collectively, any contaminants (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the *Transportation of Dangerous Goods Act (Canada)*, as amended from time to time) or pollutants or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm to the natural environment or material risk to human health.

(b) The Chargor hereby represents and warrants that:

- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
- (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
- (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
- (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on

or from the Lands or any such adjoining property of, any Hazardous Material.

(c) The Chargor covenants that:

- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
- (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
- (iii) the Chargor will not be involved in operation at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable environmental Laws to stop discharging, shut down, clean up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
- (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean up on decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery as its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environment Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

- (d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, a successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:
- (i) under or an account of the Applicable Environmental Laws, including the assertion or any lien thereunder;
  - (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon and land, the atmosphere, or any watercourse, body or water of wetland, or any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
    - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect or any action or matter; and
    - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
  - (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgement or verdict arising from the deposit, storage, disposal, burial, dumping, injection, spilling, leaking or other placement or release in on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean up, decommission or pay for any clean up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injection, spilling, leaking or other placement or release in, on or from the Lands or any Hazardous Material:
    - a. resulted by, through or under the Chargor; or
    - b. occurred with the Chargor's knowledge and consent, or
    - c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and satisfaction and repayment of the amount secured hereunder. Any accounts for which the Chargor shall become liable to the Chargee under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.

- (e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such and cause such work to be performed at

the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and say amounts paid as a result thereof, together with interest therein at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor and until paid shall be added to and become a part of the amount secured hereunder.

5. Letters of Credit

The parties hereto acknowledge and agree that this Charge shall also secure payment by the Chargor to the Chargee of all amounts advanced by the Chargee pursuant to or by way of issuance or any letters of credit, renewals thereof, substitutions therefore and accretions thereto or pursuant to similar instruments issued at the Chargor's request or on its behalf and issued by the Chargee or on behalf of or at the request of or upon the credit of the Chargee and the total amount of such letters of credit shall be decreed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit, regardless of when or whether such letters of credit are called upon by the holder(s) thereof. IN the even of the enforcement or exercise by the Chargee or any of the remedies or rights provided for in this Charge, the Chargee shall be entitled to retain and shall not be liable to pay or account to the Chargor or any other party in respect of the full amount of any outstanding letters of credit from the proceeds of such enforcement or exercise until such time as the letters of credit have expired, have been cancelled and have been amended to the Lender or the issuer(s) thereof.

6. Appointment of a Receiver

NOTWITHSTANDING anything herein contained, it is declared and agreed that at any time, and from time to time, when there shall be default under the provisions of these presents, the Chargee may at such time, and from time to time, and with or without entering into possession of the Charged Property appoint in writing a receiver (the "Receiver" which term shall include a receiver/manager) of the Charged Property, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in the making of any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of the Receiver of the Chargee's choice and without limitation, whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act or pursuant to the Courts of Justice Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Property and every part thereof.

Upon the appointment of any such Receiver or Receivers from time to time the following provisions shall apply:

- (i) a statutory declaration of an officer of the Chargee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (ii) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due with respect to the Charged Property, and every part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;

- (iii) the Chargee may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct same out of the Charged Property or the proceeds thereof;
- (iv) each such Receiver shall, so far as concerns responsibility and liability for its acts or omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (v) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the affect of constituting the Chargee a charge in possession with respect to the Charged Property or any part thereof;
- (vi) the Receiver shall have the power to rent any portion of the Charged Property for such terms and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever acts such Receiver may do in the Charged Property;
- (vii) every such Receiver shall have full power to complete any unfinished construction upon the Charged Property;
- (viii) any such Receiver shall have full power to carry on or concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountant and other individuals or companies as are required to carry on the said business, upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property.
- (ix) Any such Receiver shall have the power to sell or lease or concur in selling or leasing the Charged Property, or any part thereof, any to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise, and any such sale may be made either a public auction or private sale as to the Receiver may seem best and any such sale may be made from time to time as to the whole or any part of the Charged Property; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise as it shall deem proper;
- (x) Any such Receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Charged Property, in such amounts as the Receiver may from time to time deem necessary as in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to his Charge;

- (xi) Any such Receiver shall have the power to execute and prosecute all suits, proceedings and actions which the Receiver in its opinion considers necessary for the proper protection of this Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (xii) Any such Receiver shall not be liable to the Chargor to account for moneys or damages other than cash received by it with respect to the Charged Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
  - (a) its remuneration;
  - (b) all payments made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Property or any part thereof.
  - (c) In payment of interest, principal and other money which may from time to time be or become a charge upon the Charged Property in priority to moneys owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it with respect to the Charged Property or any part thereof;
  - (d) In payment of all interest and arrears of interest and any other monies remaining unpaid hereunder;
  - (e) The residue of any money so received by the Receiver shall be applied to the principal sum or any other amounts from time to time owing under this Charge;
  - (f) Subject to subparagraph (e) above, in the discretion of the Receiver, interest, principal and other monies which may from time to time constitute a charge or encumbrance on the Charged Property subsequent in priority or subordinate to the interest of the Chargee under this Charge;

And that such Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing, and further, that any surplus remaining in the hands of the Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor.

PROVIDED that save as to monies payable to the Chargor pursuant to subparagraph (xii) of this Paragraph, this Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by the Chargee or any such Receiver under the provisions of this Paragraph, unless such claim be the direct and proximate result of bad faith or gross neglect.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required

in the sole discretion of the Chargee and/or its solicitor so as to give affect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or Receiver and/or with respect to the Charged Property in the same manner as if such documentation was duly executed by the Chargor itself.

7. Miscellaneous

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

8. Open for Pre-payment

Provided the Chargor is not in default, the Chargor shall have the privilege to prepay the balance outstanding at any time or times without notice or bonus.

9. Postponement Clause

The Chargee(s) hereby agree(s) that their interests shall postpone and stand still to any prior charge(s), to a maximum of \$10,000,000.00.

**SCHEDULE "B"**  
**Notice to Investors**



Notice to Investors

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

**RE:** Notice to Syndicated Mortgage Investors in the *On The Go Mimico* Condominium Project

On February 24, 2017, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) appointed BDO Canada Limited as receiver and manager (the “**Receiver**”) of all the assets, undertakings and properties of Terrasan 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 July 15, 2019, the Court granted a further order, prescribing the process by which the identity and status of all claims of investors in a syndicated mortgage held in the names of Olympia Trust Company, John Fletcher and Community Trust Company, and registered against title to the Lands, will be established for the purposes of the receivership proceedings and distributions (the “**Syndicated Mortgage Claims Procedure Order**”). A copy of the Syndicated Mortgage Claims Procedure Order may be accessed online at <http://www.extranets.bdo.ca/terrasan/courtdocs.cfm>.

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

Pursuant to paragraph 6 of the Syndicated Mortgage Claims Procedure Order, the Receiver has identified you, to have a specific claim in the Syndicated Mortgage in the amount of \$ \_\_\_\_\_, for distribution purposes.

In the event that you agree with the Receiver’s assessment of your claim, you need not take any further action and will receive a distribution in an amount proportional to your claim as assessed by the Receiver. If you wish to dispute the Receiver’s assessment of your claim, you must take the steps outlined below.

The Syndicated Mortgage Claims Process Order provides that if an investor disagrees with the assessment of its claim set out in the Notice to Investors, the investor must complete and return to the Receiver a Proof of Claim advancing a claim in a different amount, supported by appropriate documentation. A blank Proof of Claim form is enclosed. The Receiver must receive the completed Proof of Claim by **August 20, 2019**. If the Receiver does not receive the Proof of Claim by that date, the amount of such investor’s claim will be, subject to further order of the Court, conclusively deemed to be as shown in this Notice to Investors.

Where an investor sends a Proof of Claim to the Receiver, the Receiver will review the Proof of Claim and, as soon as reasonably practicable, provide to the investor a response in writing by registered mail, courier service, facsimile or email as to whether the claim set out in the Proof of Claim is accepted, disputed in whole, or disputed in part. Where the claim is disputed in whole or in part, the Receiver will issue a Notice of Revision or Disallowance indicating the reasons for the dispute.

The Syndicated Mortgage Claims Process Order further provides that where an investor objects to a Notice of Revision or Disallowance, the investor must notify the Receiver of the objection in writing by registered mail, courier service, facsimile or email within fifteen (15) days of receipt of the Notice of Revision or Disallowance. The Receiver's contact information is below:

BDO Canada Limited, Court appointed receiver of Terrasan  
20 Wellington Street East, Suite 500, Toronto, Ontario M5E 1C5,  
Attention: Tony Montesano  
Fax No.: 416-865-0904  
Email: [onthegomimico@bdo.ca](mailto:onthegomimico@bdo.ca)

The investor shall immediately thereafter serve on the Receiver, a Notice of Motion, filed at the Court and made returnable within thirty (30) days after the investor gave its notice of objection, for the determination of the claim in dispute. The Notice of Motion is to be supported by a sworn affidavit setting out the reasons for the dispute.

If you have any questions or concerns, please do not hesitate to contact the Receiver, attention: Tony Montesano at 1-416-775-7821.

**SCHEDULE "C"**

**Proof of Claim Against Terrasan 327 Royal York Rd. Limited**

**PROOF OF CLAIM AGAINST TERRASAN 327 ROYAL YORK RD. LIMITED**  
(hereinafter referred to as the "Debtor")

Please read the enclosed Notice to Investors carefully prior to completing this Proof of Claim. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Syndicated Mortgage Claims Process Order dated July 15, 2019.

**A. Particulars of Investor**

1. Full Legal Name of Investor: \_\_\_\_\_ (the "Investor") *(Full legal name should be the name of the original Investor, regardless of whether an assignment of a Claim has been made.)*

2. Full Mailing Address of the Investor *(the original Investor, not the Assignee):*

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

3. Telephone Number: \_\_\_\_\_

Facsimile Number: \_\_\_\_\_

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

4. Has the Claim been sold, transferred or assigned by the Investor to another party?

Yes:

No:

**B. Particulars of Assignee(s) (If any):**

1. Full Legal Name of Assignee(s): \_\_\_\_\_ *(If a portion of the Claim has been assigned, insert full legal name of assignee(s) of the Claim. If there is more than one assignee, please attach a separate sheet with the required information.)*

2. Full Mailing Address of Assignee(s): \_\_\_\_\_

3. Telephone Number of Assignee(s): \_\_\_\_\_

4. Facsimile Number of Assignee(s): \_\_\_\_\_

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

**C. Proof of Claim:**

I, \_\_\_\_\_ (*name of individual Investor or Representative of Corporate Investor*), of \_\_\_\_\_ (*City, Province or State*) do hereby certify:

(a) that I

[ ] am the Investor; OR

[ ] am \_\_\_\_\_ (*state position or title*) of \_\_\_\_\_ (*name of Corporate Investor*)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Investor asserts its Claim against the Debtor in respect of the Syndicated Mortgage;

(d) The amount of the Investor's Claim in the Syndicated Mortgage is

\$ \_\_\_\_\_

**D. Particulars of Claim:**

Other than as already set out herein, the particulars of the Claim is attached.

*(Provide all particulars of the investment and supporting documentation, including the amount of the investment, description of transaction(s) or agreement(s) relating to the investment, copies of investment agreements, account or mortgage statements, cheques, receipts, etc.)*

**E. Filing of Claims:**

The Receiver must receive this Proof of Claim before 5:00 p.m. (Eastern Standard Time) on August 20, 2019 (the "Claims Bar Date").

**FAILURE TO FILE YOUR PROOF OF CLAIM ON OR BEFORE THE CLAIMS BAR DATE WILL RESULT IN YOUR CLAIM BEING BARRED AND EXTINGUISHED FOREVER, AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST THE DEBTOR IN RESPECT OF THE SYNDICATED MORTGAGE.**

**This Proof of Claim must be delivered to the Receiver by registered mail, personal delivery, email (in PDF format), courier or facsimile at the following addresses:**

The Receiver:

BDO Canada Limited, Court appointed receiver of Terrasan  
20 Wellington Street East, Suite 500, Toronto, Ontario M5E 1C5,  
Attention: Tony Montesano  
Fax No.: 416-865-0904  
Email: [onthegomimico@bdo.ca](mailto:onthegomimico@bdo.ca)

DATE:

NAME OF INVESTOR:

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

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

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

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

\_\_\_\_\_  
(Please Print)

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

Notice of Revision or Disallowance

TO: \_\_\_\_\_ (the "Investor")

DATE:

PROOF OF 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") has reviewed the Proof of Claim in respect of the above-named Investor, and has assessed the Proof of Claim in accordance with the order of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on July 15, 2019 (the "Syndicated Mortgage Claims Procedure Order").

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

The Receiver has reviewed your Proof of Claim in accordance with the Syndicated Claims Procedure Order, and the Receiver has revised or disallowed your Proof of Claim, for the following reason(s):

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

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

Name of Investor	Claim Amount per Notice to Investors	Revised Amount
	\$	\$



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

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

1. notify the Receiver of the objection in writing (setting out the grounds for the objection) by registered mail, courier, facsimile or email (in PDF format) within fifteen (15) days of receipt of the Notice of Revision or Disallowance (the “**Objection**”); and
2. file a notice of motion with the Court, with copies to be sent to the Receiver immediately after filing, with such motion to be:
  - i. supported by a sworn affidavit setting out the basis for disputing this Notice of Revision or Disallowance; and
  - ii. made returnable within thirty (30) calendar days of the date on which the Receiver receives your Objection.

If you do not dispute the revision or disallowance of your Proof of Claim in accordance with the above instructions and the Syndicated Mortgage Claims Procedure Order, the amount of your Claim will deemed to be accepted, and the Claim shall be determined to be as set out in this Notice of Revision or Disallowance.

If you have any questions or concerns regarding the above claims procedure, please contact the Receiver directly.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2019

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

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

**CENTURION MORTGAGE CAPITAL CORPORATION**

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Applicant

Respondent

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

**PROCEEDING COMMENCED AT TORONTO**

**SYNDICATED MORTGAGE CLAIMS  
PROCEDURE ORDER**

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

**Robert J. Kennedy (LSO #474070)**

Tel: (416) 367-6756

Fax: (416) 863-4592

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

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

Tel: (416) 863-4456

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

*Lawyers for the Receiver*

**TAB F**

## OLYMPIA TRUST COMPANY

## Registered Funds

	Name	Plan No.	Amount	Share Percentage	\$8,000,000.00
1	Amiri, Salim	113123	\$ 25,000.00	0.25542%	\$ 20,433.78
2	Anderson, Gillian	12669	\$ 30,260.00	0.30916%	\$ 24,733.05
3	Bahadursingh, Balbir	114620	\$ 30,000.00	0.30651%	\$ 24,520.54
4	Barton, Randy	109552	\$ 21,200.00	0.21660%	\$ 17,327.85
5	Bassi, Gurminder	123532	\$ 30,000.00	0.30651%	\$ 24,520.54
6	Beal, Andrew	123159	\$ 25,000.00	0.25542%	\$ 20,433.78
7	Binda, Amarnath	124359	\$ 149,500.00	1.52743%	\$ 122,194.02
8	Binda, Amarnath	124358	\$ 96,200.00	0.98286%	\$ 78,629.19
9	Bond, Ardythe	125030	\$ 42,200.00	0.43115%	\$ 34,492.22
10	Bondoc, Arnold	123855	\$ 12,290.00	0.12557%	\$ 10,045.25
11	Bondoc, Arnold	124931	\$ 24,850.00	0.25389%	\$ 20,311.18
12	Buchanan, Handell	128542	\$ 30,000.00	0.30651%	\$ 24,520.54
13	Cabral, Adelaide	121366	\$ 36,000.00	0.36781%	\$ 29,424.65
14	Cabral, David & Gabriella	122914	\$ 40,800.00	0.41685%	\$ 33,347.93
15	Campbell, Janet	124850	\$ 25,000.00	0.25542%	\$ 20,433.78
16	Caporuscio, John	109554	\$ 19,400.00	0.19821%	\$ 15,856.61
17	Caporuscio, John	123744	\$ 11,300.00	0.11545%	\$ 9,236.07
18	Caporuscio, John	127810	\$ 31,000.00	0.31672%	\$ 25,337.89
19	Caporuscio, Rita	114106	\$ 29,000.00	0.29629%	\$ 23,703.19
20	Carelo, Godofredo	105068	\$ 12,750.00	0.13027%	\$ 10,421.23
21	Carelo, Godofredo	121408	\$ 19,600.00	0.20025%	\$ 16,020.08
22	Carmichael, Bhumeshwarie	121095	\$ 59,700.00	0.60995%	\$ 48,795.87
23	Carmichael, Julian	121094	\$ 45,200.00	0.46180%	\$ 36,944.28
24	Carre, Susan	124993	\$ 18,100.00	0.18493%	\$ 14,794.06
25	Castillo, Corazon	121092	\$ 17,450.00	0.17828%	\$ 14,262.78
26	Cien, Piotr	127383	\$ 31,000.00	0.31672%	\$ 25,337.89
27	Corrigan, Donna	124283	\$ 25,000.00	0.25542%	\$ 20,433.78
28	Corniveau, Penny	123601	\$ 20,500.00	0.20945%	\$ 16,755.70
29	Dasilva, Rod	124635	\$ 31,000.00	0.31672%	\$ 25,337.89
30	De Aguilar, Suzy	125070	\$ 24,150.00	0.24674%	\$ 19,739.03
31	Desario, Giuseppe	124786	\$ 50,150.00	0.51238%	\$ 40,990.17
32	Dixon, Ursula	122603	\$ 42,250.00	0.43166%	\$ 34,533.09
33	Dookie, Dipnarine	121458	\$ 49,700.00	0.50778%	\$ 40,622.36
34	Elligson, Brenda	125677	\$ 124,600.00	1.27302%	\$ 101,841.97
35	Emenin, Rosemary	123980	\$	0.00000%	\$
36	Faraone, Gabriele	124525	\$ 24,949.00	0.25490%	\$ 20,392.10
37	Galang, Genalyn	124416	\$ 27,650.00	0.28250%	\$ 22,599.76
38	Gingell, Dennis	128610	\$ 25,000.00	0.25542%	\$ 20,433.78
39	Gingell, Dennis	121916	\$ 26,000.00	0.26564%	\$ 21,251.13
40	Gingell, Doris	121911	\$ 29,000.00	0.29629%	\$ 23,703.19
41	Gingell, Doris	129754	\$ 24,700.00	0.25236%	\$ 20,188.58
42	Gray, Douglas	89604	\$ 45,000.00	0.45976%	\$ 36,780.81
43	Haji, Farhana	124826	\$ 25,000.00	0.25542%	\$ 20,433.78
44	Hawkins, Glen	124927	\$ 24,850.00	0.25389%	\$ 20,311.18
45	Istephan, Zman	123768	\$ 23,700.00	0.24214%	\$ 19,371.23
46	Kajko, Maria	122585	\$ 43,100.00	0.44035%	\$ 35,227.84
47	Karbin-Katan, Miriam	132330	\$ 25,000.00	0.25542%	\$ 20,433.78
48	Kelly, Douglas	117420	\$ 75,000.00	0.76627%	\$ 61,301.35
49	Kerman, Randall	125161	\$ 221,900.00	2.26713%	\$ 181,370.25
50	Klein, Brian	115337	\$ 50,000.00	0.51084%	\$ 40,867.56
51	Korus, Ewa	127641	\$ 31,000.00	0.31672%	\$ 25,337.89
52	Korus, Roman	127640	\$ 31,000.00	0.31672%	\$ 25,337.89
53	Kosalka, Aleksander	123554	\$ 39,500.00	0.40357%	\$ 32,285.38
54	Krechkovsky, Andrew	123669	\$ 27,400.00	0.27994%	\$ 22,395.42
55	Kulina, Zygmunt	120714	\$ 120,000.00	1.22603%	\$ 98,082.15
56	Lados, Angela	131347	\$ 74,802.25	0.76425%	\$ 61,139.71
57	Lados, Anthony	131346	\$ 75,000.00	0.76627%	\$ 61,301.35
58	Landolfi, Vincenzo	125090	\$ 46,970.00	0.47989%	\$ 38,390.99
59	Landolfi, Vito	123531	\$ 19,475.00	0.19897%	\$ 15,917.92
60	Lisikh, Gleb	121803	\$ 100,000.00	1.02169%	\$ 81,735.13
61	Lopez, Zolienys	122075	\$ 25,000.00	0.25542%	\$ 20,433.78
62	Lotey, Mahinder	122600	\$ 50,000.00	0.51084%	\$ 40,867.56
63	Lotey, Prirpal	122905	\$ 31,250.00	0.31928%	\$ 25,542.23
64	Lotey, Sukhdev	122426	\$ 50,000.00	0.51084%	\$ 40,867.56

65	Lotze, Rudi	125385	\$	121,900.00	1.24544%	\$	99,635.12
66	Lotze, Teresa	125388	\$	24,680.00	0.25215%	\$	20,172.23
67	Lyon, Leithland	123856	\$	54,600.00	0.55784%	\$	44,627.38
68	Maas, Richard	123529	\$	25,680.00	0.26237%	\$	20,989.58
69	Magat, Marilyn	123156	\$	26,000.00	0.26564%	\$	21,251.13
70	Manji, Abdul	123287	\$	25,000.00	0.25542%	\$	20,433.78
71	Martino, Dave	103876	\$	13,000.00	0.13282%	\$	10,625.57
72	Mavaddat, Misagh	123238	\$	73,000.00	0.74583%	\$	59,666.64
73	McCallum, Gwen	127937	\$	221,500.00	2.26304%	\$	181,043.31
74	Mieczynska, Ewa	123955	\$	50,000.00	0.51084%	\$	40,867.56
75	Miechowicz, Bozena	125238	\$	31,000.00	0.31672%	\$	25,337.89
76	Mlodzianowska, Krystyna	127380	\$	25,000.00	0.25542%	\$	20,433.78
77	Mohammed, Ralph	123269	\$	30,000.00	0.30651%	\$	24,520.54
78	Nixon, Carolyn	123234	\$	25,000.00	0.25542%	\$	20,433.78
79	Notay, Parminder	122584	\$	31,000.00	0.31672%	\$	25,337.89
80	Padilla, Damiana	124280	\$	59,185.00	0.60469%	\$	48,374.94
81	Padilla, Damiana	124691	\$	39,700.00	0.40561%	\$	32,448.85
82	Pasion, Eliza	123187	\$	25,200.00	0.25747%	\$	20,597.25
83	Pierre Charles, Hulan	105105	\$	79,500.00	0.81224%	\$	64,979.43
84	Pierre Charles, Hulan	124523	\$	54,032.14	0.55204%	\$	44,163.24
85	Ramesa, Robin	123524	\$	25,000.00	0.25542%	\$	20,433.78
86	Reesor, Colleen	105527	\$		0.00000%	\$	
87	Ricardo, Roger	122128	\$	100,000.00	1.02169%	\$	81,735.13
88	Ricardo, Roger	122129	\$	30,500.00	0.31162%	\$	24,929.21
89	Ricci, Jennifer	128055	\$	30,000.00	0.30651%	\$	24,520.54
90	Riley, Stephen	124689	\$	70,000.00	0.71518%	\$	57,214.59
91	Samuel, Irma	120618	\$	35,000.00	0.35759%	\$	28,607.29
92	Shepherd, Robert	130056	\$	52,300.00	0.53434%	\$	42,747.47
93	Singh, Charanjit	125157	\$	23,175.00	0.23678%	\$	18,942.12
94	Sitarz, Anna	123979	\$	30,700.00	0.31366%	\$	25,092.68
95	Stankiewicz, Leszek	122991	\$	30,900.00	0.31570%	\$	25,256.15
96	Taylor, Sabina	116655	\$	25,000.00	0.25542%	\$	20,433.78
97	Thompson, Harry	127420	\$	27,000.00	0.27586%	\$	22,068.48
98	Usnarska, Elzbieta	127382	\$	31,000.00	0.31672%	\$	25,337.89
99	Walfisz, Barbara	123984	\$	49,875.00	0.50957%	\$	40,765.39
100	Walters, Rebecca	113146	\$	28,000.00	0.28607%	\$	22,885.84
101	Yee, George	124157	\$	50,000.00	0.51084%	\$	40,867.56
102	Zalot, Catherine	104578	\$	15,370.00	0.15703%	\$	12,562.69
103	Zalot, Catherine	126637	\$	11,030.00	0.11269%	\$	9,015.38
<b>OLYMPIA TRUST TOTAL</b>			\$	4,392,223.39			
<b>GRAND TOTAL</b>			\$	9,787,713.39	<b>TOTAL</b>	\$	3,589,989.38

## J. PAUL FLETCHER

## Non-Registered Funds

	Name	Amount	Share	\$8,000,000.00
1	2042825 Ontario Inc	\$ 75,000.00	0.76627%	\$ 61,301.35
2	2083317 Ontario Ltd	\$ 70,000.00	0.71518%	\$ 57,214.59
3	2370860 Ontario Inc.	\$ 300,000.00	3.06507%	\$ 245,205.38
4	2421358 Ontario Inc.	\$ 569,000.00	5.81341%	\$ 465,072.87
5	Ahmed, Abdul	\$ 400,000.00	4.08676%	\$ 326,940.51
6	Amurao, Alona	\$ 40,000.00	0.40868%	\$ 32,694.05
7	Awadalla, Marina	\$ 25,000.00	0.25542%	\$ 20,433.78
8	Awadalla, Pishoy	\$ 25,000.00	0.25542%	\$ 20,433.78
9	Broostad, Laurie	\$ 25,000.00	0.25542%	\$ 20,433.78
10	Brown, Cheryl	\$ 55,000.00	0.56193%	\$ 44,954.32
11	Caporuscio, Rita	\$ 190,000.00	1.94121%	\$ 155,296.74
12	Chang, Chiu-Ping	\$ 50,000.00	0.51084%	\$ 40,867.56
13	Chetram, Andrea	\$ 100,000.00	1.02169%	\$ 81,735.13
14	Courtney, Diana	\$ 100,000.00	1.02169%	\$ 81,735.13
15	Dalessandro, Laurel	\$ 25,000.00	0.25542%	\$ 20,433.78
16	De Almeida, Joao	\$ 40,000.00	0.40868%	\$ 32,694.05
17	Demelo, Paul & Celeste	\$ 100,000.00	1.02169%	\$ 81,735.13
18	Dicecca, Francesco	\$ 50,000.00	0.51084%	\$ 40,867.56
19	Dolan, Bill	\$ 10,000.00	0.10217%	\$ 8,173.51
20	Dolan, Margaret	\$ 25,000.00	0.25542%	\$ 20,433.78
21	Dolan, Margaret	\$ 30,000.00	0.30651%	\$ 24,520.54
22	Edwards, David	\$ 25,000.00	0.25542%	\$ 20,433.78
23	FMV Holdings Inc.	\$ 100,000.00	1.02169%	\$ 81,735.13
24	Freire, Luis & Maria	\$ 60,000.00	0.61301%	\$ 49,041.08
25	GAA Enterprises	\$ 95,000.00	0.97060%	\$ 77,648.37
26	Gallea, Jennifer	\$ 125,000.00	1.27711%	\$ 102,168.91
27	Ginocchi, Annunziata	\$ 30,000.00	0.30651%	\$ 24,520.54
28	Gomez, Mary	\$ 9,700.00	0.09910%	\$ 7,928.31
29	Goncalves, Alison	\$ 30,790.00	0.31458%	\$ 25,166.25
30	Gust, Beverly	\$ 44,000.00	0.44954%	\$ 35,963.46
31	Haji, Farhana	\$ 10,000.00	0.10217%	\$ 8,173.51
32	Haji, Hanif	\$ 25,000.00	0.25542%	\$ 20,433.78
33	Hawkins, Glen	\$ 25,000.00	0.25542%	\$ 20,433.78
34	Ierullo, Vito	\$ 50,000.00	0.51084%	\$ 40,867.56
35	Landolfi, John	\$ 50,000.00	0.51084%	\$ 40,867.56
36	Li, Hui	\$ 25,000.00	0.25542%	\$ 20,433.78
37	Manzo, Michael	\$ 25,000.00	0.25542%	\$ 20,433.78
38	Martino, Gerardo	\$ 200,000.00	2.04338%	\$ 163,470.25
39	Mascarenhas, Ashley	\$ 25,000.00	0.25542%	\$ 20,433.78
40	Matheson, Betty	\$ 40,000.00	0.40868%	\$ 32,694.05
41	Maxwell, Paul	\$ 200,000.00	2.04338%	\$ 163,470.25
42	Mendes, Manuel	\$ 50,000.00	0.51084%	\$ 40,867.56
43	Miechowiez, Bozena	\$ 9,000.00	0.09195%	\$ 7,356.16
44	Moskalewicz, Ryszard	\$ 300,000.00	3.06507%	\$ 245,205.38
45	Nezezon, Kelly	\$ 100,000.00	1.02169%	\$ 81,735.13
46	Nicholson, Murray & Louise	\$ 25,000.00	0.25542%	\$ 20,433.78
47	Nieradka, Stanley	\$ 65,000.00	0.66410%	\$ 53,127.83
48	Osmond Veterinary, Pro. Corp.	\$ 50,000.00	0.51084%	\$ 40,867.56
49	PCGC Development Inc. c/o Wing Tak Chan	\$ 80,000.00	0.81735%	\$ 65,388.10
50	Quattrococchi, Gianna	\$ 25,000.00	0.25542%	\$ 20,433.78
51	Raposo, Joao & Maria	\$ 50,000.00	0.51084%	\$ 40,867.56
52	Reis, Francisco & Maria	\$ 50,000.00	0.51084%	\$ 40,867.56
53	Rice, Wilf	\$ 25,000.00	0.25542%	\$ 20,433.78
54	Riley, Stephen	\$ 30,000.00	0.30651%	\$ 24,520.54
55	Rudutch Farms Ltd. c/o Rob De Groot	\$ 25,000.00	0.25542%	\$ 20,433.78
56	Sadler, Dwayne	\$ 100,000.00	1.02169%	\$ 81,735.13
57	Sahi, Annapurna	\$ 30,000.00	0.30651%	\$ 24,520.54
58	Samuel, Steve	\$ 20,000.00	0.20434%	\$ 16,347.03
59	Sencio, Bogdan & Katarzyna	\$ 100,000.00	1.02169%	\$ 81,735.13
60	Shah, Sheetal & Nilesh	\$ 25,000.00	0.25542%	\$ 20,433.78
61	Singh, Ikdeep	\$ 50,000.00	0.51084%	\$ 40,867.56
62	Smith, David	\$ 32,000.00	0.32694%	\$ 26,155.24
63	Sye, Colin	\$ 25,000.00	0.25542%	\$ 20,433.78
64	Taseen, Dean	\$ 200,000.00	2.04338%	\$ 163,470.25

65	Taylor, Tara	\$	50,000.00	0.51084%	\$	40,867.56
66	Tejani, Karim	\$	25,000.00	0.25542%	\$	20,433.78
67	Tsaronakos, Nicolas	\$	150,000.00	1.53253%	\$	122,602.69
68	Weick, Ron	\$	25,000.00	0.25542%	\$	20,433.78
69	Wielogorski, Jacek	\$	25,000.00	0.25542%	\$	20,433.78
70	Xu, Mu	\$	100,000.00	1.02169%	\$	81,735.13
71	Yuan, Xiaohong	\$	25,000.00	0.25542%	\$	20,433.78
<b>NON-REGISTERED TOTAL</b>		\$	5,364,490.00			
<b>GRAND TOTAL</b>		\$	9,787,713.39	<b>TOTAL</b>	\$	4,384,672.73

## COMMUNITY TRUST COMPANY

Registered Funds

	Name	Plan No.	Amount	Share Percentage	\$8,000,000.00
1	Witalis, Krystyna	820026	\$ 31,000.00	0.31672%	\$ 25,337.89
	<b>COMMUNITY TRUST TOTAL</b>		\$ 31,000.00	<b>TOTAL</b>	\$ 25,337.89
	<b>GRAND TOTAL</b>	\$ 9,787,713.39			



**TAB G**

**BARE TRUST AGREEMENT**

**BETWEEN:**

**J. PAUL FLETCHER (Trustee)**

**AND**

**THOSE PARTIES (PARTICIPATING LENDERS) LISTED IN SCHEDULE "A" ATTACHED**

**BARE TRUST AGREEMENT**

**THIS AGREEMENT** made and effective as of \_\_\_\_\_, 2014.

**BETWEEN: J.PAUL FLETCHER**

(Herein referred to as the "Bare Trustee")

**AND: THOSE PARTIES LISTED IN SCHEDULE "A" ATTACHED  
HERETO** (here in individually referred to as a "Lender" and collectively,  
as "Lenders")

**RECITALS:**

A. Each of the Lenders has agreed to participate in the Loan (as hereinafter defined) in accordance with the terms of this Bare Trust Agreement.

B. The Bare Trustee will be the holder of the Lender Security (as hereinafter defined) in trust for the Lenders according to their respective Proportionate Share Percentages (as hereinafter defined) and the Bare Trustee will administer the Loan, on behalf of the Lenders, in accordance with this Agreement.

C. Each of the Lenders and the Bare Trustee wish to enter into this Agreement to set out their respective rights, obligations and agreements with respect to the Loan.

**IN CONSIDERATION** of the mutual obligations of the Lenders and the Bare Trustee in this Agreement and other good and valuable consideration received by each of the Lenders from the Bare Trustee, the receipt and sufficiency of which is acknowledged, the parties hereto covenant and agree with each other as follows:

**PART 1**

**DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement, the following terms have the following meanings:  
**"Bare Trustee's Solicitors"** means J Paul Fletcher, Barrister & Solicitor, 3355 Brock Rd., R.R.#1 Locust Hill, ON, L0H 1J0 or such other law firm that the Bare Trustee may appoint subject to the Lender's right to appoint their solicitors by Ordinary Approval in accordance with this Agreement;

- (a) **"Borrower"** means Terrasan 327 Royal York Rd. Limited., its successors and assigns;
- (b) **"Borrower's Liabilities"** has the same meaning as set forth in the Loan Agreement;
- (c) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (d) **"IFRS"** has the meaning given to it in Section 1.2 hereof;

(e) **"Interest Rate"** means Eight (8%) per cent per annum calculated and payable as set forth in the Loan Agreement.

(f) **"Interest Reserve Account"** means an interest reserve account to be established pursuant to the Loan Agreement and which shall be administered by the Bare Trustee from funds advanced under the Loan which, initially, should be the equivalent to the first six months' worth of interest payable by the Borrower pursuant to the Loan Agreement as determined by the Bare Trustee, with the amount of said interest reserve account to be deposited into the Bare Trustee's Solicitors trust account;

(g) **"Lands"** means the lands and premises more particularly described in Schedule "B" attached hereto;

(h) **"Lender" or "lenders"** means any person or persons who lend money to this project through the Bare Trustee and no such lender or lenders shall be a person connected to Terrasan 327 Royal York Rd. Limited, as set out in the Income Tax Act Canada.

(i) **"Lender Security" or "Lenders Security"** means, in respect of the Loan, all security and documentation required of the Borrower by the Bare Trustee pursuant to the Loan Agreement, including the Mortgage and the Security Agreement;

(j) **"Loan"** means the aggregate amount of all advances made from time to time under the Loan Agreement by the Bare Trustee, in trust for the Lenders, to the Borrower, less the amount, if any, repaid from time to time by the Borrower to the Bare Trustee;

(k) **"Loan Agreement"** means a certain Loan Agreement dated \_\_\_\_\_ (month) \_\_, 201\_\_ by and between the Borrower and the Bare Trustee, a copy of which is attached as Schedule "C" hereto, as may be amended, supplemented or restated from time to time.

(l) **"Loan Interest"** means each of the Lender's interest in the Borrower's Liabilities;

(m) **"Major Decisions"** means the following decisions to be made by the Lenders in relation to the Loan:

- (i) any change in the Interest Rate applicable to the Loan;
- (ii) any increase in the amount of the Loan;
- (iii) any change to the Borrower's entitlement to prepay the Loan;
- (iv) any change in the periodic payments or maturity date under the Loan from that set out in the Loan Agreement;
- (v) any forgiveness of any money owing in respect of the Loan;
- (vi) any agreement whereby money owing under the Loan is converted to shares or equity of the Borrower or to any other type of security;

- (vii) any agreement permitting the Borrower to register any mortgage or other debt security as against the Lands, except as allowed under the Loan Agreement;
  - (viii) any cancellation or termination of any of the Lender Security;
  - (ix) any concession, forgiveness or waiver with regard to the payment of the Loan;
  - (x) the incurring of any liability in priority to the Loan except as set forth in the Loan Agreement.
- (n) **"Majority of Lenders"** means those Lenders, from time to time, holding or having more than 50.01% of the Proportionate Share Percentage of the Loan;
- (o) **"Material Event of Default"** means, in respect of the Loan, the "Events of Default" as defined and as set forth in the Loan Agreement.
- (p) **"Mortgage"** means, in respect of the Loan, the first mortgage registered, or to be registered against title to the Lands in favour of the Bare Trustee in the principal amount of \$15,000,000, and all amendments thereto;
- (q) **"Ordinary Approval"** means the approval of Lenders holding in the aggregate, more than 50.01 % of the Voting Interest;
- (r) **"Principal"** means, in respect of a Loan, all principal from time to time owing under the Loan;
- (s) **"Property"** means the Lands and all movable equipment, chattels and other personal property, revenues including without limitation all retail and parking revenues, licenses, leases, permits, approvals, and all other tangible or intangible property and all proceeds from any insurance or sales in respect of the foregoing owned by the Borrower or to which the Borrower is entitled;
- (t) **"Proportionate Share Percentage"** or **"Proportionate Share Percentages"** means, in respect of the Loan, the proportionate interest of each of the Lenders in respect of the Loan from time to time (expressed as a percentage), which shall be the percentage that the total outstanding advances made by each Lender is of the total of all advances made by all Lenders, as calculated by the Bare Trustee, acting reasonably, and as may be adjusted by the Bare Trustee, acting reasonably, and with the Proportionate Share Percentages of all the Lenders set forth as of the date first above written in Schedule "D" attached hereto;
- (u) **"Protective Advance"** means advances whether necessary or otherwise, for the protection or preservation of the Loan, the Property or other collateral or to avoid the probability or likelihood of losses to the Lenders under the Loan and the Lender Security, including without limitation advances to pay for property taxes, environmental remediation, legal fees, realization costs, appraisals, consultant's fees, receiver's fees, property manager's fees, insurance or repairs in respect of the Property or other collateral or to discharge any liens, charges or encumbrances ranking in priority to the Lender Security as against the Property or other collateral;

(v) "Requisitioning Lenders" shall have the same meaning as set forth in Sub-Section 8.1(d) hereof;

(w) "Security Agreement" means a Security Agreement entered into by the Borrower and the Bare Trustee, in trust for the Lenders, to secure repayment of the Loan, and all amendments thereto; and,

(x) "Voting Interest" means the number of votes of the Lenders, corresponding to their respective Proportionate Share Percentages but expressed as a whole number to two decimals places if the Bare Trustee, acting reasonably, believes to do so is appropriate under the circumstances, that each Lender has as set out in Schedule "D" attached hereto which may be subject to adjustments from time to time, by the Bare Trustee, acting reasonably.

1.2 "IFRS" means **International Financial Reporting Standards** in Canada as approved by the Canadian Institute of Chartered Accountants in effect from time to time; and for greater certainty if international financial reporting standards are adopted by the Canadian Institute of Chartered Accountants in replacement for generally accepted accounting principles, each reference to "IFRS" herein shall be deemed to refer to such international financial reporting standards;

1.3 The following schedules (and any other supplementary schedules or exhibits referred to therein) are incorporated by reference in this Agreement and are deemed to form a part hereof:

Schedule "A" - List of Lenders (Address Information for Notices)

Schedule "B" - Legal Description of Lands

Schedule "C" - Loan Agreement

Schedule "D" - Lender's advances, Proportionate Share Percentage and Voting Interests.

## **PART 2**

### **AGENCY APPOINTMENT AND LIABILITY**

2.1 The Lenders hereby appoint the Bare Trustee, J. Paul Fletcher, as their administration agent for the purpose of administering the Loan and carrying out the Lenders' rights, powers and duties under this Agreement, the Loan Agreement and the Lenders Security and the Bare Trustee agrees to carry out and fulfill such appointment in a responsible manner.

2.2 If, in the course of carrying out its rights, powers and duties under this Agreement, the Bare Trustee is, in respect of the Loan, subject to any liability, losses, claims, costs or damages arising under or in relation to the Loan Agreement, the Loan or the Lender Security, the Lenders shall be responsible for same, in proportion to their respective Proportionate Share Percentage, unless same arises as a result of the negligence, misrepresentation or wilful default of the Bare Trustee or from matters arising out of the inaction of the Bare Trustee under this Agreement, the Loan Agreement or the Lenders Security or the actions of the Bare Trustee are beyond the scope of its authority under this Agreement, for which the Bare Trustee shall be solely responsible.

2.3 The Lenders appoint the Bare Trustee to hold the Lenders Security, the Loan and all proceeds received from the Borrower, either directly or indirectly, as bare trustee for the Lenders in accordance with their respective Proportionate Share Percentage.

2.4 The Bare Trustee shall:

- (a) at all times comply with the provisions of this Agreement and follow the directions of the Majority of Lenders;
- (b) act solely on the directions of the Majority of Lenders and not on the directions of an individual Lender; and,
- (c) except as set forth in this Agreement, the Loan Agreement or the Lenders Security, not acquire or hold any property, incur any liability, undertake any obligation or perform any activity except on the directions of the Majority of Lenders.

The business and affairs of the Bare Trustee shall be managed by the Bare Trustee.

### **PART 3**

#### **LOAN ADVANCE AND PROTECTIVE ADVANCES**

3.1 The Lenders acknowledge, confirm and agree that the advances made by each of the Lenders and each Lender's respective Proportionate Share Percentage is as set forth in Schedule "D" attached hereto.

3.2 If the Lenders determine by Ordinary Approval that an expenditure is required as a Protective Advance, the Bare Trustee shall deliver to the Lenders a written request that same be made, accompanied by such written particulars of same as the Bare Trustee considers appropriate, acting reasonably, and a calculation of the each Lender's share of such Protective Advance based on its respective Proportionate Entitlement. The Lenders may, within ten (10) Business Days after receiving the Bare Trustee's request, pay to the Bare Trustee its proportionate share as determined by the Bare Trustee, acting reasonably, of such Protective Advance. The Bare Trustee shall keep a record of all such Protective Advances made by the Lenders.

### **PART 4**

#### **LOAN ENTITLEMENTS**

4.1 Subject to Section 4.3 hereof, the Lenders shall be entitled to receive, to the extent provided by proceeds received from the Borrower or pursuant to the Loan Agreement including the Interest Reserve Account, the repayment of their advances as set forth in Schedule "D" attached hereto with interest thereon at the Interest Rate plus any amounts payable to the Bare Trustee under the Loan Agreement in proportion to their respective Proportionate Share Percentages from time to time. Any partial repayment of the Loan or Borrower's Liabilities to the Lenders will be in accordance with the provisions set out in Loan Agreement or the Lenders Security.

4.2 Subject to Section 4.3 hereof, the Loan Interest of any of the Lenders shall not rank in priority to the Loan Interest of the other Lenders.

4.3 The proceeds of realization, insurance, expropriation and other compensation or other proceeds realized or paid under the Loan Agreement or the Lender Security including Principal with interest thereon in accordance with the Loan Agreement, in respect of the Loan shall be paid out by the Bare Trustee as follows:

- (a) first, by payment to each Lender, if applicable, who has made a Protective Advance, pro-rata, based on the Protective Advances made by any such Lenders; and,
- (b) the balance, by payment to each Lender, pro-rata in accordance with such Lender's respective Proportionate Share Percentages.

The Bare Trustee, acting reasonably, shall determine the above-noted pay-outs or distributions to the Lenders.

## **PART 5**

### **LENDER SECURITY**

5.1 The Lender Security shall be held and where applicable registered in the applicable registry in the name of the Bare Trustee. The Bare Trustee shall hold the Lender Security as bare trustee for and on behalf of the Lenders in accordance with their respective Proportionate Share Percentages.

5.2 The Bare Trustee will cause the Bare Trustee's Solicitors, to:

- (a) address its legal opinions in respect of the Lender Security to both the Lenders (if possible) and the Bare Trustee; and
- (b) provide each Lender with a document book containing executed copies of the Lender Security and all other material legal documents relating to the Loan (including Declarations of Trust) within a reasonable time after the first advance of the Loan.

If any Lender wishes to engage the services of its own legal counsel or other advisors in connection with the Loan or the Lender Security, the cost of such additional advice shall be at the cost of such Lender.

## **PART 6**

### **BARE TRUSTEE'S FUNCTIONS AND AUTHORITY**

6.1 Subject to the provisions of this Agreement, the Bare Trustee shall administer the Loan and the Lender Security as it deems advisable, consistent with reasonable administration practices and, without limiting the generality of the foregoing, shall perform the following duties:

- (a) make reasonable efforts to collect all payments due under the Loan;



- (b) forthwith give notices to the Borrower, its successors and assigns, tenants of the Property, if any, and others as are necessary to properly administer the Loan and the Borrower's Obligations under the Loan Agreement and the Lenders Security;
- (c) maintain proper records and accounts;
- (d) promptly inform each Lender of any default which has occurred under the Loan Agreement or Lender Security and of which it has knowledge and take such action as is required or permitted to be taken under this Agreement, the Loan Agreement or the Lenders Security save and except for the matters that require the Ordinary Approval of the Lenders under this Agreement; and,
- (e) agree to modifications of or waivers in respect of the Loan, approved by Ordinary Approval.

6.2 Notwithstanding the foregoing, the Bare Trustee shall not agree to or implement any Major Decisions unless same have been previously approved by an Ordinary Approval of the Lenders. When approved by an Ordinary Approval, such Major Decisions shall be binding on all Lenders; provided the Bare Trustee shall be entitled to execute all documentation necessary to subordinate the Mortgage and other security granted to the Bare Trustee/Lenders by the Borrower to any security granted by the Borrower to a construction lender for the purposes of constructing the residences at the Property and the Bare Trustee shall not be obligated to seek approval from the Lenders in this regard and such action shall not be deemed to constitute a Major Decision for the purposes of this Agreement.

6.3 The Bare Trustee will receive funds and deal with them as set out in the Loan Agreement.

6.4 The Bare Trustee shall register a mortgage as set out in the Loan Agreement which will pay off all existing mortgages and provide project funding.

6.5 This mortgage will be amended from time to time to accommodate the reception of funds from further lenders and transfer percentages from the Bare Trustee to Olympia Trust.

6.6 This Mortgage will postpone to service and building mortgages and will give partial discharges upon sale of units. This is contingent upon compliance with the terms thereof set out in the Loan Agreement.

6.7 Although this is a fixed term, in an emergency situation with the consent of the Owner, Olympia Trust, The Bare Trustee and Tier One Capital, arrangement may be made for the return of a lender's investment.

6.8 Actions as set out in paragraphs 6.5, 6.6 and 6.7 above shall not be considered to be Major Decisions and the Acknowledgement and Direction signed by the investors to register the Mortgage in paragraph 6.3 above shall be sufficient to allow the Bare Trustee to sign Acknowledgement and Directions with respect to those actions without the necessity of signatures of the Lenders.

6.9 The Bare Trustee shall deal equitably and in a non-discriminatory manner with the Lenders in carrying out its duties under this Agreement.

6.10 The Bare Trustee shall not have any duties or responsibilities in relation to the Loan or the Loan Interests, except as are set out in this Agreement.

6.11 The Borrower shall be instructed by the Bare Trustee to direct to the Bare Trustee all correspondence, communications, notices, statements and reports, requests for advances and other payments and all other matters whatsoever relating to the Loan, the Loan Agreement and the Lender Security.

## **PART 7**

### **REMITTANCE OF PAYMENTS**

7.1 The Bare Trustee shall receive all payments made by the Borrower under the Loan in trust for the Lenders in accordance with their respective Proportionate Share Percentages, subject to the provisions of this Agreement. At the option of the Bare Trustee, the Bare Trustee may direct the Borrower to make any payments under the Loan to the Bare Trustee's Solicitors, in trust. The Bare Trustee shall remit, or cause the Bare Trustee's Solicitors to remit, to the Lenders its respective share of such payments in accordance with this Agreement promptly after receipt of such funds. All funds received and processed by the Bare Trustee on behalf of the Lenders shall, if not otherwise deposited into the Trust Account of the Bare Trustee's Solicitors, be accounted for separately from the Bare Trustee's own funds, shall be processed through and/or held in a segregated account, and shall not be commingled with the Bare Trustee's own funds.

7.2 The Lenders acknowledge that the Bare Trustee is irrevocably authorized and directed to deduct and retain or pay from any payments received by it from the Borrower in respect of the Loan any amounts owing by a Lender to the Bare Trustee under this Agreement or paid by the Bare Trustee in behalf of such Lender on their behalf in fulfillment of the Lender's obligations hereunder.

## **PART 8**

### **LENDERS MEETINGS**

8.1 A Meeting of the Lenders shall be called in the following circumstances:

- (a) By the Bare Trustee, if there is a Default under the Loan Agreement which Default has not been cured as determined by the Bare Trustee, acting reasonably;
- (b) By the Bare Trustee, if a Major Decision is required to be made as determined by the Bare Trustee, acting reasonably;
- (c) By the Bare Trustee, if Lenders, in the aggregate, having or holding Proportionate Share Percentages of more than Ten (10%) per cent and such Lenders request that the Bare Trustee have a Meeting of the Lenders; and,

- (d) By the requisitioning Lenders if Lenders, holding more than ten (10%) per cent of Proportionate Share Percentages (the "Requisitioning Lenders") in writing requisition the Bare Trustee to hold a Meeting of Lenders and the Bare Trustee does not call a Meeting of the Lenders within Seven (7) days of receipt of such requisition.

Notwithstanding the foregoing, the Bare Trustee may call a Meeting of the Lenders at any time.

8.2 Meetings of Lenders shall be held at such location as determined by the Bare Trustee or the Requisitioning Lenders, as the case may be, in the Notice of the Meeting of Lenders provided such location is in the Greater Toronto Area. All costs and expenses related to the holding of the Meeting of Lenders shall be deducted from the amounts received from the Borrower under the Loan Agreement as the Bare Trustee may, acting reasonably be determined.

8.3 Notice of the time and place of each meeting of the Lenders along with a brief Agenda shall be given not less than 10 or more than 50 days before the date of the meeting to each Lender. A Lender may in any manner waive notice of or otherwise consent to a meeting of Lenders.

8.4 A meeting of Lenders may be held without notice at any time and at any place if all the Lenders are present in person or duly represented or if those not present or represented waive notice of or otherwise consent to such meeting being held so long as the Lenders present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

8.5 The Chairman and Secretary of any meeting of Lenders shall be appointed by the Bare Trustee unless a Majority of Lenders decides otherwise.

8.6 The only persons entitled to be present at a meeting of Lenders shall be the Lenders or their duly-appointed proxies or representatives as contemplated herein. Any other person may be admitted to a Meeting of Lenders only on the invitation of the Chairman or with the consent of a Majority of Lenders.

8.7 A quorum for the transaction of business at any meeting of Lenders shall be those Lenders holding Thirty (30%) per cent or more of the Proportionate Share Percentage present in person, or a duly appointed proxyholder or representative for a Lender so entitled. For the sake of clarity, if a quorum is present at the opening of any meeting of Lenders, the Lenders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the time appointed for a meeting of Lenders, or within such reasonable time thereafter as the Lenders present may determine, the Lenders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business. If Meeting of Lenders is adjourned as aforesaid, then the Meeting of the Lenders arising from said adjournment shall have no quorum requirements.

8.8 Every Lender may appoint a proxyholder, or one or more alternate proxyholders, to attend and act as his or her representative at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the Lender or his attorney and shall be suitable to the Bare Trustee or the Bare Trustee's Solicitors, acting reasonably.

8.9 If two or more persons comprise a Lender or hold a Loan Interest jointly, any one of them present in person or duly represented at a meeting of Lenders may, in the absence of the other or others, vote the Voting Interest; but if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.

8.10 At any meeting of Lenders every Lender shall be entitled to exercise votes equal to his or her respective Voting Interest.

8.11 At any Meeting of Lenders, every question shall be determined by the majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a ballot, the Chairman shall be entitled to a second or casting vote.

8.12 Any question at a meeting of Lenders shall, at the discretion of the Chairman, be decided by a show of hands or a ballot. Upon a show of hands every Lender who is present and entitled to vote shall have such number of votes equal to his or her Voting Interest. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the Chairman that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Lenders upon the said question.

8.13 On any question proposed for consideration at a meeting of Lenders, and whether or not a show of hands has been taken thereon, the Chairman may require a ballot or any person who is present and entitled to vote on such question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the Chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of his or her Voting Interest which he or she is entitled to vote at the meeting upon the question, to that number of votes and the result of the ballot, by simple majority of the Voting Interest so taken shall be the decision of the Lenders upon the said question.

8.14 The Chairman may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of Lenders is adjourned for less than 30 days, it shall not be necessary to give notice of the resumption of the adjourned meeting, other than by announcement at the earlier meeting that is adjourned. If a meeting of Lenders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

8.15 Notwithstanding the foregoing, a resolution in writing signed by all the Lenders is as valid as if it had been passed at a meeting of Lenders. A resolution in writing, signed by fax and/or in counterpart by all the Lenders, is as valid as if a single copy thereof had been signed by all the Lenders.

**PART 9****LOAN IN DEFAULT**

9.1 The Bare Trustee shall give the Lenders written notice that a Material Event of Default has occurred (the "Default Notice") after becoming aware of the Material Event of Default.

9.2 If a Majority of the Lenders, in writing, do not dispute that a Material Event of Default has occurred within ten (10) Business Days of receipt of the Default Notice, then the Bare Trustee will promptly exercise whatever remedies that are available at law or under the Loan Agreement or Lenders Security (as applicable), as the Bare Trustee considers reasonable in the circumstances including institute the realization of the Loan, unless a Majority of the Lenders otherwise agree in writing. During any realization proceedings the Bare Trustee will provide a regular report on the status of the realization to the Lenders.

9.3 Notwithstanding anything to the contrary contained in this Agreement, the Bare Trustee may be permitted to take any action, initiate any steps or make any decision related to the Loan, the Loan Agreement and the Lenders Security, including enforcement thereof, that it considers to be reasonable in the circumstances.

**PART 10****RELIANCE ON EXPERTS**

10.1 The Bare Trustee shall be entitled to employ legal counsel, appraisers, accountants, or other experts (which experts have been approved by the Lenders by Ordinary Approval or by a Majority of Lenders) all at the Lenders' expense in proportion to their respective Proportionate Share Percentages, in connection with the performance of its duties under this Agreement, other than its standard administrative duties set out herein. Notwithstanding the foregoing, all of the parties hereto acknowledge and agree that unless the Bare Trustee agrees otherwise, any and all payments to be paid to the Bare Trustee shall be directed to be paid to the Bare Trustee's Solicitors. The Bare Trustee may rely and act upon the opinion or advice of such persons and shall not be responsible to the Lenders for any loss resulting from any action or non-action in accordance with such opinion or advice.

**PART 11****NO WARRANTY OR LIABILITY**

11.1 The Bare Trustee makes no representations, warranties or agreements with respect to the advisability, soundness, potential income, profitability, return, security of the Loan any other matter or aspect relating or pertaining to the Loan, the Property, the Loan Agreement, the Lender Security or the Borrower except as are expressly set out in this Agreement. **EACH OF THE LENDERS ACKNOWLEDGES AND AGREES THAT ITS PARTICIPATION IN THE LOAN IS AT ITS OWN RISK AND THAT IT IS THE SOLE OBLIGATION OF EACH LENDER TO INDEPENDENTLY INVESTIGATE AND SATISFY ITSELF AS TO ALL ASPECTS OF THE LOAN, THE PROPERTY, THE LOAN AGREEMENT, THE LENDER SECURITY AND THE BORROWER.**

11.2 The Bare Trustee shall not be liable to any Lender for any losses or damages suffered or incurred by any Lender as a result of any deficiency or loss upon realization of the Lender Security unless the same has been occasioned by the negligence or breach of this Agreement by the Bare Trustee.

## **PART 12 NOTICE**

12.1 Any notice, offer, demand, acceptance or other communication (a "Communication") which may be given pursuant to or concerning this Agreement shall be in writing and may be given by personal service or may be given by prepaid first class mail mailed from anywhere within Canada to the respective party concerned at the address hereinafter appearing or at such other address of which written notice may then have been given pursuant to the provisions of this Section 12.1, and if so mailed the same shall be deemed to have been received on the fifth business day next following the date of such mailing provided, however, that if there shall occur any relevant work stoppage, work slowdown or other event which, on a reasonable view of the facts, can be expected to impede for a period of time the normal time of the delivery of the mails from the place where such Communication is posted to the place where the same is addressed, such period of five (5) business days shall be extended by a comparable period of time. Any Communication may also be given by consigning the same to a responsible courier service within Canada for prepaid delivery to the party concerned at the address to which the Communication may then be given by prepaid first class mail, and if so consigned such Communication shall be deemed to have been received by such party on the third day, excluding Saturdays, Sundays and statutory holidays in Toronto, next following the date of such consignment. Any Communication may also be given by transmitting by telefax number hereinafter appearing of which written notice may then have been given pursuant to the provisions of this Section 12.1, in which event such Communication shall be deemed to have been received by such party on the first day, excluding Saturdays, Sundays and statutory holidays in Toronto, next following the date of its transmittal. Any Communication which is deposited at the address to which the Communication may then be mailed shall be deemed to have been received on the first day, excluding Saturdays, Sundays and statutory holidays in Toronto, next following the date of such deposit. Any Communication which is given by personal service shall be deemed to have been received on the date such Communication was given.

Any party who has given a Communication shall upon the request of the party to whom it was addressed provide promptly to such party one copy thereof.

The addresses and telefax numbers of the parties for the purposes of this Section 12.1 are as follows:

To the Bare Trustee: J. Paul Fletcher  
3355 Brock Rd., R.R.#1  
Locust Hill, ON L0H 1J0  
Private Line: 905-922-2027

With a copy to:

J. Paul Fletcher, Barrister & Solicitor  
3355 Brock Rd., R.R.#1  
Locust Hill, ON L0H 1J0  
Private Line: 905-922-2027

Attention: Paul Fletcher

and to the Lenders: As set forth in Schedule "A" attached hereto

## **PART 13**

### **TERMINATION OF APPOINTMENT OF BARE TRUSTEE**

The Bare Trustee may be relieved of its duties under this Agreement by a Majority of the Lenders.

13.1 If the Bare Trustee is relieved of its duties hereunder as contemplated in Section 13.1 hereof, it shall forthwith at its expense do such things and execute and deliver such documents as may be necessary to give effect to such termination and the appointment of a successor bare trustee to administer the Loan on behalf of the Lenders in accordance with this Agreement and shall deliver to the successor Administrator all documents and records in its possession or under its control relating to the Borrower, the Loan, the Property and the Lender Security and, if possible, to transfer the Lender Security to the successor Administrator.

The cost of the successor Bare Trustee shall be borne by the Lenders in proportion to the respective Proportionate Share Percentage outstanding to each of them from time to time.

## **PART 14**

### **GENERAL CONTRACT PROVISIONS**

14.1 If any part or provision of this Agreement is invalid or unenforceable it will be severed from this Agreement and the remainder shall be construed as if such invalid or unenforceable part or provision had been deleted from this Agreement.

14.2 Time shall be of the essence in this Agreement. Except as expressly set out in this Agreement, the computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period. If the time limit for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day. The time limit for performing or completing any matter under this Agreement may be extended or abridged by an agreement in writing by the parties.

14.3 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and shall enure to the benefit of and shall be binding upon the parties hereto, their respective heirs, legal representatives, successors and assigns, as the case may be.

14.4 In this Agreement, all references to the singular will be construed to include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate and vice versa.

14.5 Terms defined in the singular have the same meaning when used in the plural, and vice-versa. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "including" shall mean "including, without limitation", and the term "includes" shall mean "includes, without limitation". Any reference herein to the exercise of discretion by the Lender (including phrases such as "in the discretion of", "in the opinion of", "in its opinion", "to the satisfaction of" and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein.

14.6 The terms "this Agreement", "this Mortgage Participation Agreement", "this Syndicated Mortgage Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and the schedules hereto and not to any particular article, section, paragraph, subparagraph, clause or other portion hereof and include any Agreement or instrument supplementary or ancillary hereto. The parties hereto acknowledges that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of this Agreement.

14.7 The provisions of this Agreement shall survive the execution and delivery of the Loan Agreement, the Lender Security and the funding of the Loan.

14.8 This Agreement shall remain in force until the earlier of the date upon which:

- (a) the Loan has been paid in full and the Lender Security discharged;
- (b) the Lender Security for all of the Loans has been fully realized upon (including prosecution of covenants to pay and realization upon assets in connection therewith) and the proceeds of realization have been fully distributed among the Lenders;
- (c) this Agreement is otherwise mutually terminated by the Bare Trustee and the Lenders by Ordinary Approval.

14.9 The parties hereto acknowledge and agree that facsimile signatures on this Agreement will be valid and binding as if this Agreement had been executed in original by the parties hereto, and receipt of this Agreement bearing a signature by facsimile transmission shall constitute delivery of this Agreement.

This Agreement may be executed (either by original or facsimile signature) in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.10 The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

14.11 The Recitals hereof form an integral part of this Agreement.

14.12 Each Lender and the Bare Trustee shall upon the written request of another party to this agreement execute and deliver to such other party such further documents and assurances and do and cause to be done and performed all such further acts and things as are within its reasonable power to do



and as are reasonably necessary or desirable in order to give full effect to this Agreement and the transactions contemplated by it.

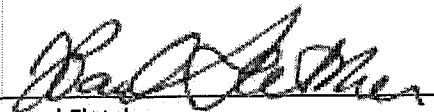
14.13 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and, except as stated in this Agreement and in the instruments and documents to be executed and delivered pursuant to this Agreement, contains all of the representations, undertakings and agreements of the parties. This Agreement supersedes all prior negotiations or agreements between the parties, whether written or oral, with respect to the subject matter of this Agreement.

14.14 The parties hereto, and each of them, hereby acknowledge that J Paul Fletcher, Barrister & Solicitor (the "Firm") has acted for the Bare Trustee in connection with this Agreement, the Loan Agreement and the Lenders Security.


**PART 15**


The parties have duly executed this Agreement as of the date first above written.

Per:

  
\_\_\_\_\_  
J. Paul Fletcher  
Bare Trustee

**SIGNED, SEALED AND DELIVERED** )  
**in the presence of:** )

  
\_\_\_\_\_  
Witness Name (Print): Jerzy Malarski )

  
\_\_\_\_\_  
Investor Name (Print): Krystyna Witalis

**SCHEDULE "A"**

**LIST OF LENDERS (Address Information for Notices)**

<b>Name of Lender</b>	<b>Address of Lender</b>
<b>Krystyna Witalis</b>	<b>1981 Glandale Dr. Pickering, ON, L1V 1V8</b>

**SCHEDULE "B"**

**LEGAL DESCRIPTION OF LANDS**

Firstly:

PIN:

Secondly:

PIN:

**SCHEDULE "C"**  
**LOAN AGREEMENT**

**TAB H**



<b>INVOICE</b>
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On the GO Mimico Syndicate Lenders

Account Name	Terrasan 327 Royal York Rd.		
Your Ref		Invoice No.	INV01-1383
Our Ref	MAT5707	Date	26 Sep 2019
Account No.	MAT5707/CNT3176	Page	1 of 3
Date	Description	Time	Amount excl. HST

Date	Description	Time	Amount excl. HST
<b>FEES</b>			
05 Jun 17	Unbilled Bare Trustee Fees (April 8, 2016 - June 5, 2017)	19.20	\$ 6,720.00
05 Jun 17	Unbilled Bare Trustee Fees - Correspondence (April 8, 2016 - June 5, 2017)		\$ 4,200.00
05 Jun 17	Unbilled Law Clerk Fees (April 8, 2016 - June 5, 2017)		\$ 575.00
22 Aug 17	Communications Direct Mortgage Inc. re: OTGO Mimico bare trusteeship and motion appearance on August 25, 2017.	0.50	\$ 175.00
23 Aug 17	Title search of 327 Royal York property	2.00	\$ 700.00
24 Aug 17	Telephone call with lawyer for one of the mortgage agent/lenders	0.80	\$ 280.00
24 Aug 17	Review motion materials for attendance on August 25, 2017	2.00	\$ 700.00
25 Aug 17	Attend court August 25, 2017	2.50	\$ 875.00
28 Aug 17	Review pre-August 25, 2017 court documents	4.00	\$ 1,400.00
29 Aug 17	Receive, review, and organize file from Paul Fletcher	8.00	\$ 2,800.00
30 Aug 17	Receive and Review 3rd Report of the Receiver	2.50	\$ 875.00
31 Aug 17	Review Pre-August 25, 2017 Court Documents	6.00	\$ 2,100.00
31 Aug 17	Communications with mortgage agents, receiver's counsel, mortgagee counsel, and syndicate lenders (August 2017)	8.00	\$ 2,800.00
01 Sep 17	Organize file from Paul Fletcher	8.00	\$ 2,800.00
04 Sep 17	Review pre-August 25, 2017 court documents	4.00	\$ 1,400.00
05 Sep 17	Organize file from Paul Fletcher	8.00	\$ 2,800.00
07 Sep 17	Organize file from Paul Fletcher	8.00	\$ 2,800.00
08 Sep 17	Receive and review 4th Report of the Receiver dated September 8, 2017	0.50	\$ 175.00
08 Sep 17	Receive and review Supplement to the 4th Report of the Receiver	0.20	\$ 70.00
08 Sep 17	Receive and review Motion Record of the Receiver (returnable September 13, 2017)	0.70	\$ 245.00

Account No.	MAT5707/CNT3176	Invoice No.	INV01-1383	Date	26 Sep 2019	Page	2 of 3
Date	Description	Time	Amount excl. HST				
11 Sep 17	Organize file from Paul Fletcher	8.00	\$ 2,800.00				
29 Sep 17	Communications with mortgage agents, receiver's counsel, mortgagee counsel, and syndicate lenders (September 2017)	8.00	\$ 2,800.00				
04 Oct 17	Receive and review 5th Report of the Receiver dated October 4, 2017	0.30	\$ 105.00				
04 Oct 17	Receive and review Motion Record of the Receiver (returnable October 10, 2017)	3.00	\$ 1,050.00				
10 Oct 17	Court attendance October 10, 2017	2.00	\$ 700.00				
31 Oct 17	Communications with mortgage agents, receiver's counsel, mortgagee counsel, and syndicate lenders (October 2017)	8.00	\$ 2,800.00				
13 Nov 17	Receive and review 6th Report of the Receiver dated November 13, 2017	0.80	\$ 280.00				
13 Nov 17	Receive and review Motion Record of the Receiver (returnable November 16, 2017)	1.50	\$ 525.00				
13 Nov 17	Court Attendance November 13, 2017	2.00	\$ 700.00				
30 Nov 17	Communications with mortgage agents, receiver's counsel, mortgagee counsel, and syndicate lenders (November 2017)	8.00	\$ 2,800.00				
29 Dec 17	Communications with mortgage agents, receiver's counsel, mortgagee counsel, and syndicate lenders (December 2017)	8.00	\$ 2,800.00				
28 Feb 18	Communications with mortgage agents, receiver's counsel, mortgagee counsel, and syndicate lenders (January and February 2018)	8.00	\$ 2,800.00				
13 Apr 18	Receive and Review Motion Record of the Receiver (Returnable April 18, 2018)	2.00	\$ 700.00				
18 Apr 18	Court Attendance April 18, 2018	2.00	\$ 700.00				
29 Jun 18	Communications with mortgage agents, receiver, receiver's counsel, and lenders (March 2018 - June 2018)	8.00	\$ 2,800.00				
04 Jul 18	Receive and review 8th Report of the Receiver	0.50	\$ 175.00				
04 Jul 18	Receive and review Motion Record of the Receiver (returnable July 6, 2018)	1.00	\$ 350.00				
23 Aug 18	Receive and review 9th Report of Receiver dated August 23, 2018	0.50	\$ 175.00				
24 Aug 18	Receive and review Motion Record of the Receiver (returnable August 29, 2018)	2.00	\$ 700.00				
30 Nov 18	Receive and review Motion Record of the Receiver (returnable December 4, 2018)	1.50	\$ 525.00				
08 Mar 19	Receive and review Motion Record of the Receiver (returnable March 12, 2019)	2.00	\$ 700.00				
29 Mar 19	Communications with mortgage agents, receiver, receiver's counsel, and lenders (July 2018-March 2019)	8.00	\$ 2,800.00				
08 Apr 19	Teleconference with Robert Kennedy	0.50	\$ 175.00				
12 Apr 19	Review and prepare Lender documents for transmission to Receiver to assist in determining claims amounts for individual lenders	8.00	\$ 2,800.00				
12 Jul 19	Receive and review Motion Record of the Receiver (Returnable July 15, 2019)	2.00	\$ 700.00				
17 Jul 19	Prepare updated contact list of Lenders for Receiver	3.00	\$ 1,050.00				
30 Aug 19	Communications with Receiver and Lenders (April 2019 - August 2019)	8.00	\$ 2,800.00				
<b>TOTAL FEES</b>			<b>\$ 71,800.00</b>				
<b>DISBURSEMENTS</b>							
Fee for additional pages of parcel register (Taxable)			\$ 13.85				
Fee for additional pages of parcel register (Non-Taxable)			\$ 39.00 *				
Title Search (Taxable)			\$ 63.30				
Title Search (Non-Taxable)			\$ 16.90 *				
Courier Fees			\$ 28.00				
<b>TOTAL DISBURSEMENTS</b>			<b>\$ 160.85</b>				

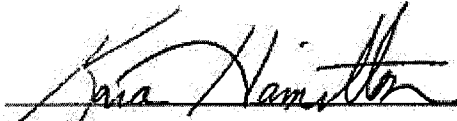
\* HST Exempt

Account No.	MAT5707/CNT3176	Invoice No.	INV01-1383	Date	26 Sep 2019	Page	3 of 3
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Date	Description	Time	Amount excl. HST
	TOTAL FEES AND DISBURSEMENTS		\$ 71,960.85
	TOTAL HST @ 13.00%		\$ 9,347.64
	TOTAL DUE ON THIS INVOICE		\$ 81,308.49

Balances		Total Due	
A/R	\$ 81,308.49	Outstanding Invoices	\$ 0.00
Trust	\$ 0.00	Invoice Amount	\$ 81,308.49
Investment Trust	\$ 0.00	Sub Total	\$ 81,308.49
		Less Available Trust	\$ 0.00
		Total Account Balance	\$ 81,308.49

Arbesman Hamilton LLP




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Kara Hamilton



# TAB I

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E N:**

**CENTURION MORTGAGE CAPITAL CORPORATION**

**Applicant**

**- and -**

**TERRASAN 327 ROYAL YORK RD. LIMITED**

**Respondent**

**AFFIDAVIT OF MATTHEW MARCHAND**

I, MATTHEW MARCHAND, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY that:

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

- 4. The time shown in the detailed accounts attached as Exhibit "A" are a fair and accurate description of the services provided and the amounts charged by the Receiver, which reflect the Receiver's time as billed at its standard billing rates.
- 5. The Receiver requests that the Court approve its interim accounts for the period from 27 June 2019 to 26 September 2019 in the amount of \$42,339.66 inclusive of HST of \$4,870.93 for the services set out in Exhibit "A".
- 6. This affidavit is sworn in support of the Receiver's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, )  
 in the Province of Ontario, this )  
 3<sup>rd</sup> day of October 2019. )

*T. Antonino*

\_\_\_\_\_  
 Commissioner for Taking Affidavits, etc )

*Matthew Marchand*

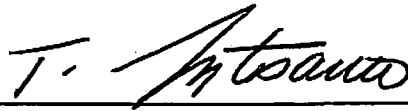
\_\_\_\_\_  
 Matthew Marchand, CPA, CMA, CIRP, LIT )

**Antonio Montesano, a Commissioner, etc.,  
 Province of Ontario, for BDO Canada LLP  
 and BDO Canada Limited, and  
 their subsidiaries, associates and affiliates.  
 Expires December 31, 2020.**

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

Matthew Marchand

Sworn before me this 3<sup>rd</sup> day of October 2019



A COMMISSIONER FOR TAKING AFFIDAVITS

Antonio Montesano, a Commissioner, etc.,  
Province of Ontario, for BDO Canada LLP  
and BDO Canada Limited, and  
their subsidiaries, associates and affiliates.  
Expires December 31, 2020.



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

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

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

Date	Invoice
3 October 2019	#CINV

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

TO OUR FEE FOR PROFESSIONAL SERVICES rendered from 27 June 2019 to 26 September 2019 in connection with our Receivership Engagement of the above-noted, as described below:

Our Fee		\$ 35,684.50
Disbursements		
Administrative Fee - 5%	1,784.23	1,784.23
Subtotal		37,468.73
HST - 13.00% (#R101518124)		4,870.93
<b>TOTAL</b>		<b>\$ 42,339.66</b>

**Summary of Time Charges:**

	Hours	Rate	Amount
J. Parisi, Partner	36.90	525.00	19,372.50
C. Lonergan, Partner	1.00	525.00	525.00
G. Cerrato, Senior Manager	19.80	465.00	9,207.00
T. Montesano, Administrator	6.70	200.00	1,340.00
Administrative Support	26.20		5,240.00
<b>Total</b>	<b>90.60</b>		<b>\$ 35,684.50</b>

Date	Professional	Description	Hrs.
27-Jun-19	Josie Parisi	Preparing the Receiver's 12 <sup>th</sup> report.	2.9
27-Jun-19	Tony Montesano	Discussion with R. Benoy regarding preparing Statement of Receipts and Disbursements.	0.2
28-Jun-19	Josie Parisi	Preparing claims process section of report.	1.3
2-Jul-19	Josie Parisi	Finalize report and statement of receipts and disbursements.	2.4
2-Jul-19	Tony Montesano	Draft Interim statement of receipts and disbursements.	0.6
4-Jul-19	Josie Parisi	Review comments from Dentons re court report and provide comments.	0.6
4-Jul-19	Tony Montesano	Prepare and File June 2019 HST Return.	0.2
8-Jul-19	Josie Parisi	Review comments to court report and revise same; correspondence with Dentons re time frame for starting claims process.	0.7
8-Jul-19	Clark Lonergan	Second partner quality review of Court Report.	1.0
9-Jul-19	Josie Parisi	Correspondence with Dentons re court report and additional changes; organizing for the reverse claims process.	0.6
10-Jul-19	Josie Parisi	Call from Olympia investor re status of payment.	0.4
11-Jul-19	Gary Cerrato	Review of report to court re syndicated mortgage claims process; prepare mail merge of correspondence to mortgage holders; call with R. Kennedy re same.	2.0
11-Jul-19	Josie Parisi	Correspondence with C. Nazareth re claims process; correspondence with G. Cerrato re same; review forms and provide direction on populating, review email from R. Kennedy re same.	0.9
12-Jul-19	Josie Parisi	Correspondence with G. Cerrato re Investor claims process.	0.3
15-Jul-19	Josie Parisi	Correspondence with Olympia investor re status of process; correspondence with R. Kennedy re changes to the draft order re dates for the reverse claims process; review order and changes thereto, direction to T. Montesano to pay Shalom.	0.7
15-Jul-19	Gary Cerrato	review of claims procedure order; call with M. Mavaddat, syndicated mortgage holder to explain claims procedure; discussing procedure with C. Nazareth; review of claims file.	1.5

Date	Professional	Description	Hrs.
16-Jul-19	Gary Cerrato	Email correspondence to D. Martino; email correspondence to Damina Padilla re correct information; working with C. Nazareth on mail merge issues and notices; correspondence with counsel re same.	2.3
17-Jul-19	Josie Parisi	Correspondence with Denton's regarding status of notices; review information from Denton's regarding changes to the amounts to go into the notices.	0.5
17-Jul-19	Gary Cerrato	Review of correspondence from M. Freake re potential issues with mortgage claims; working with C. Nazareth on the claims procedure notices and claim amounts; correspondence with K. Hamilton.	2.1
18-Jul-19	Josie Parisi	Review correspondence from G. Cerrato re Investors notice and propose changes, correspondence with M. Freak, Correspondence with C. Nazareth.	0.9
18-Jul-19	Tony Montesano	Arrange courier to R. Kennedy; cheque for lien claimant Bernie Romano Professional Corporation, "in trust".	0.1
19-Jul-19	Josie Parisi	Correspondence with G. Cerrato and C. Nazareth re claim forms, correspondence with R. Kennedy re same; review email from K. Hamilton; review notices.	2.1
19-Jul-19	Gary Cerrato	Responding to syndicated mortgage holders queries by phone and email; draft website pages; follow up on G. Cervo claim; working with C. Nazareth on other claims procedure issues.	2.7
22-Jul-19	Gary Cerrato	Email response to S. Riley re J. Fletcher claim; review of correspondence from K. Hamilton re same; respond to enquiries from C. Nazareth re emailing notices, contact information issues; respond to calls from Syndicated mortgage holders; further updates to the Receiver's website re claims forms were incorrect.	2.6
23-Jul-19	Josie Parisi	Review various emails from Investors to K. Hamilton regarding Bare Trustee fees; review various emails from Investor regarding payments to Fletcher; various correspondence with R. Kennedy re same.	0.8
23-Jul-19	Tony Montesano	Address questions from syndicated investors.	0.5
23-Jul-19	Gary Cerrato	Review of email from D. Martino to K. Hamilton regarding Bare Trustee's fees; draft email re same to J. Parisi and R. Kennedy.	1.0
25-Jul-19	Tony Montesano	Address questions from Syndicated Investors.	0.5
25-Jul-19	Tony Montesano	Prepare payments legal bills.	0.3
29-Jul-19	Josie Parisi	Calls from Investors regarding the claims process.	0.7

Date	Professional	Description	Hrs.
30-Jul-19	Josie Parisi	Receive calls from various Investors requesting information and asking questions regarding the process; review various emails from Investors; discuss proofs of claims with G. Cerrato; set up tracking sheet.	2.9
30-Jul-19	Tony Montesano	Respond to syndicated investors inquires; review POC's filed.	0.5
31-Jul-19	Josie Parisi	Review claims received and respond as appropriate; follow up with Dentons re Lotey claims; receive and respond to several calls and emails from Investors.	1.2
1-Aug-19	Josie Parisi	Review claims received by email and other correspondence received from Investors; discussions with Denton's regarding Olympia, the Lotey's and the Grays.	0.7
1-Aug-19	Tony Montesano	Respond to syndicated investors.	0.5
2-Aug-19	Josie Parisi	Review letter from Dentons; receive calls from several Investors regarding the notice received.	0.9
6-Aug-19	Josie Parisi	Review emails from C. Nazareth re incorrect addresses; email to D. Gray re transfer of C. Reeser; correspondence with Denton's; review correspondence from Investors.	1.3
7-Aug-19	Josie Parisi	Discussions with C. Nazareth regarding call from Investors; return calls and advise C. Nazareth regarding messaging to Investors; call with G. Cerrato to go through Investors claims, discussions with C. Nazareth re returned mail and emails, various correspondence with Dentons regarding errors on list of investors from Bare Trustee.	2.3
8-Aug-19	Josie Parisi	Discussions with C. Nazareth regarding returned Investors notices; correspondence with M. Freake information regarding certain Investors claims; discussions with C. Nazareth regarding next steps and what has been done in preparation for her leave.	1.4
8-Aug-19	Gary Cerrato	Review of email correspondence re Syndicated Mortgage Claims procedure; return email to investor; return call to investor.	0.7
9-Aug-19	Tony Montesano	Respond to inquiries from Syndicated Investors; discuss claims and correspondence with C. Nazareth.	0.5
12-Aug-19	Josie Parisi	Call with investor to discuss Notice.	0.3
13-Aug-19	Josie Parisi	Respond to Riley re questions regarding 12th report and Investors disbursement.	0.7
13-Aug-19	Tony Montesano	Address questions and inquiries from Syndicated Investors; review proof of claims.	0.5
14-Aug-19	Josie Parisi	Speaking to Investor regarding next steps.	0.2



Date	Professional	Description	Hrs.
15-Aug-19	Josie Parisi	Correspondence with Investor regarding claims.	0.3
15-Aug-19	Tony Montesano	Prepare and process HST return for July 2019.	0.2
20-Aug-19	Josie Parisi	Call with lawyer for 3 parties regarding Investor payments.	0.3
21-Aug-19	Josie Parisi	call with Investor	0.3
23-Aug-19	Tony Montesano	Draft Receivers 4 <sup>th</sup> Interim Report.	0.5
26-Aug-19	Josie Parisi	Answering questions related to statement of receipts and disbursements asked by an Investor N. Tsaconakos.	0.2
29-Aug-19	Josie Parisi	Review correspondence on file from the various claimants; update schedule.	2.1
29-Aug-19	Tony Montesano	Review notice of assessment; scan same to G. Cerrato for review.	0.2
9-Sep-19	Josie Parisi	Review listing of disputed claims and email to T. Montesano re compiling information for counsel's review.	0.4
10-Sep-19	Gary Cerrato	Review of status of claims procedure; return calls to Olympia Syndicated mortgage investors.	0.6
11-Sep-19	Josie Parisi	Discussions with T. Montesano regarding two claims received who disagreed with the claim amounts; review supporting data on UBS drive from K. Hamilton; call to G. Cerrato re same.	0.9
13-Sep-19	Josie Parisi	Review disputed claims; commence preparing court report.	2.6
13-Sep-19	Tony Montesano	Review Proof of Claims from syndicated Investors; prepare list of disputed claims.	1.0
13-Sep-19	Gary Cerrato	Call with T. Montesano re claims issues; review of claims received; review of notice status; email correspondence and call from D. Martino re status of Olympia Claims procedure and distribution; review and respond to Olympia Syndicated mortgage holder correspondence re updates on claims procedure.	2.3
16-Sep-19	Josie Parisi	Discussions with Luis & Maria Freria; discussion with Dentons re motion materials; review disputed claims and provide summary to Dentons.	0.3
17-Sep-19	Tony Montesano	Review Proof of Claims.	0.2
18-Sep-19	Josie Parisi	Prepare for call with Denton's re claims; review claims with Mark and R. Kennedy; discuss court report.	1.3

Date	Professional	Description	Hrs.
19-Sep-19	Tony Montesano	File HST return for August 2019.	0.2
19-Sep-19	Gary Cerrato	Review of claims received; conference call with J. Parisi and Dentons LLP to discuss claims received and strategize; review and execute disallowances; review of claims order.	2.0
20-Sep-19	Josie Parisi	Review disallowance notices; discussions with G. Cerrato re same.	0.2
26-Sep-19	Josie Parisi	Discussions with R. Kennedy re information provided by K. Hamilton.	0.3

**TAB J**

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

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

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**AFFIDAVIT OF ROBERT KENNEDY  
(sworn October 2, 2019)**


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

1. I am a Partner with Dentons Canada LLP (“**Dentons**”), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated February 24, 2017 (the “**Receivership Order**”), BDO Canada LLP was appointed Receiver and Manager of Terrasan 327 Royal York Rd. Limited in the within proceedings (the “**Receiver**”).
3. The Receiver retained Dentons as counsel to advise it with regard to the matters related to its appointment and the exercise of its powers and performance of its duties.

4. The Receivership Order provides at paragraph 21 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges.
5. The Dentons fees and disbursements for the period of July 1, 2019 to September 30, 2019 (the “**Fee Period**”), are summarized in the invoices rendered to the Receiver (the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoices and that it considers the fees and disbursements as fair and reasonable. Attached and marked as **Exhibit “A”** are the Invoices.
6. Attached and marked as **Exhibit “B”** is a schedule summarizing the Invoices, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit “C”** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. For the Fee Period, Dentons voluntarily applied a discount to the fees charged under the Invoice. The amount of the discount is reflected in the Invoice.
9. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.

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

**SWORN** before me at the City of Toronto in the Province of Ontario, this 2nd day of October, 2019.

  
A Commissioner for Taking Affidavits, etc.

  
**ROBERT KENNEDY**

THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 2nd DAY OF OCTOBER,  
2019.



\_\_\_\_\_  
A Commissioner for Taking Affidavits, etc.

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

T 416 863 4511  
 F 416 863 4592

大成 Salans FMC SNR Denton McKenna Long  
 dentons.com

BDO Canada LLP  
 1100-123 Front Street West  
 Toronto, ON M5J 2M2  
 Attention: Josie Parisi

**INVOICE # 3451146**

GST/HST # R121996078  
 QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
August 31, 2019	201205-000011	Robert Kennedy

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

Professional Fees	\$ 29,778.00
Less: Discount	<u>(1,278.00)</u>
Net Professional Fees	\$ 28,500.00
Disbursements	543.59
HST (13.0%) on \$29,043.59	<u>3,775.67</u>
<b>Total Amount Due</b>	<b><u>\$ 32,819.26 CAD</u></b>

<b>Payment Options:</b>	
<p><b><u>Cheques:</u></b>                      Cheques payable to Dentons Canada LLP and mailed to the above noted address.</p>	<p><b><u>Internet Banking:</u></b>                      Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 201205. Please email us at <a href="mailto:Edm.Accounting@dentons.com">Edm.Accounting@dentons.com</a> referencing invoice number and payment amount.</p>
<p><b><u>Wire Transfer:</u></b>                      Bank of Montreal                      1st Canadian Place, Toronto, ON                      Swift Code: BOFMCAM2                      Bank ID: 001 Transit: 00022                      CAD Funds Bank Account : 0004-324</p>	<p><b><u>Interac e-Transfer:</u></b>                      e-Transfer funds to <a href="mailto:AR.Canada@dentons.com">AR.Canada@dentons.com</a> referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to <a href="mailto:AR.Canada@dentons.com">AR.Canada@dentons.com</a> in separate email.</p>
<p><b><u>Credit Card:</u></b>                      Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).                      Card No. _____ Expiry Date: _____ Card Verification Code (CVC): _____                      Amount: _____ Cardholder Name: _____                      Signature: _____</p>	
<p>Please email us at <a href="mailto:AR.Canada@dentons.com">AR.Canada@dentons.com</a> referencing invoice number and payment amount.                      Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.</p>	



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**Invoice Detail**

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

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
03-Jul-19	Mark Freake	Review Twelfth Report. Draft and revise Notice of Motion and Claims Procedure Order. Email correspondence with Robert Kennedy regarding same.
03-Jul-19	Robert Kennedy	Review draft motion materials. Conference with Mark Freake re: motion materials and next steps.
04-Jul-19	Mark Freake	Revise motion materials regarding claims order. Email correspondence with Josie Parisi regarding same.
04-Jul-19	Robert Kennedy	Work on motion materials. Conference with Mark Freake.
08-Jul-19	Mark Freake	Arrange date for claims process motion. Review and revise claims process package. Review comments from Josie Parisi.
08-Jul-19	Robert Kennedy	Work on motion materials. Various correspondence to and from Josie Parisi. Voicemail left with Michael Title.
09-Jul-19	Mark Freake	Arrange date for claims process motion. Review and revise claims process package. Review comments from Josie Parisi.
09-Jul-19	Robert Kennedy	Various correspondence to and from Josie Parisi re: motion materials. Work on motion materials. Conference with Mark Freake. Review and revise motion materials. Correspondence from and to Kara Hamilton. Various correspondence to and from Michael Title's office.
10-Jul-19	Robert Kennedy	Conference with Mark Freake re: motion matters. Voicemail left with Michael Title. Various correspondence to Michael Title. Review motion materials.
12-Jul-19	Mark Freake	Review motion materials and draft order. Prepare for motion regarding claims process. Review notices to investors and related syndicated mortgage documents. Email and telephone correspondence with Robert Kennedy and Gary Cerrato regarding same.
12-Jul-19	Robert Kennedy	Correspondence to Mark Freake. Consider claims process matters and deadlines. Voicemail received from Michael Title. Conversation with Micheal Title re: motion and proposed claims procedure.
14-Jul-19	Mark Freake	Email correspondence regarding revised Syndicated Mortgage Claims Procedure Order. Revise Order. Call with Robert Kennedy regarding same. Prepare for claim

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		procedure motion.
14-Jul-19	Robert Kennedy	Review motion materials. Preparation for motion. Review and revise Order. Various conferences with Mark Freake re: motion. Various correspondence to Gary Cerrato. Correspondence to Michael Title.
15-Jul-19	Mark Freake	Prepare for and attend court regarding Syndicated Mortgage Claims Procedure Order. Telephone and email correspondence with Robert Kennedy, Josie Parisi and Gary Cerrato regarding draft order and claims procedure. Attend to entering and issuing Order.
15-Jul-19	Robert Kennedy	Various correspondence to and from Gary Cerrato. Review Order and motion materials. Conference with Mark Freake re: draft Order and motion strategy. Review investor information re: syndicated mortgage. Various conversations with Marke Freake re: motion. Review filed Order and endorsement. Review Shalom settlement agreement.
16-Jul-19	Robert Kennedy	Review syndicated claims procedure order. Review correspondence from Bernie Romano. Various correspondence to and from Josie Parisi. Review investor details. Conference with Mark Freake.
17-Jul-19	Mark Freake	Review investor list information and trust documents. Email correspondence with Robert Kennedy and Gary Cerrato regarding same.
17-Jul-19	Robert Kennedy	Various correspondence to and from Mark Freake. Work on claims procedure matters. Review various correspondence from Gary Cerrato.
19-Jul-19	Mark Freake	Email correspondence regarding revised Syndicated Mortgage Claims Procedure Order.
19-Jul-19	Robert Kennedy	Work on claims procedure. Review correspondence from Gary Cerrato. Correspondence from and to Mark Freake.
22-Jul-19	Mark Freake	Email correspondence regarding delivery of Claims Package and related issues.
22-Jul-19	Robert Kennedy	Review various correspondence re: claims procedure. Correspondence to Gary Cerrato.
23-Jul-19	Mark Freake	Email correspondence with Gary Cerrato regarding investor fee concerns.
23-Jul-19	Robert Kennedy	Various correspondence to and from Gary Cerrato re: claims procedure. Review claims procedure and consider next steps. Conference with Mark Freake re: claims procedure and distributions.
25-Jul-19	Mark Freake	Review Bare Trustee Agreement, Loan Agreements and various related documents relating to distribution of

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		funds.
26-Jul-19	Mark Freake	Review Olympia trust documents. Consider issues relating to distribution to Olympia investors.
28-Jul-19	Mark Freake	Review Olympia investor documents and mortgage documents, including transfers of charge. Review Bare Trustee Agreement and related loan documentation relating to distributions to the Bare Trustee and Olympia. Email correspondence with Robert Kennedy regarding same.
29-Jul-19	Robert Kennedy	Various correspondence to and from Mark Freake. Various correspondence to and from Olympia Trust re: distribution matters. Review memorandum and documentation re: distributions to investors. Review correspondence from Josie Parisi.
01-Aug-19	Mark Freake	Attend conference call with Josie Parisi regarding status of claims process, bare trustee and general distribution issues. Review trust and loan agreements regarding same. Review investment documentation relating to investor claims.
01-Aug-19	Robert Kennedy	Review various correspondence re: claims procedure matters. Review claims procedure order. Correspondence to Josie Parisi.
02-Aug-19	Mark Freake	Review loan documents regarding investor claims. Revise and send letter regarding claim amount.
07-Aug-19	Mark Freake	Compile documents provided by Bare Trustee. Arrange to deliver same to Receiver.
07-Aug-19	Robert Kennedy	Review various correspondence re: claims procedure matters.
08-Aug-19	Mark Freake	Review documents regarding investor claim. Email Receiver regarding same.
08-Aug-19	Robert Kennedy	Work on claims process matters. Various correspondence to and from Josie Parisi.
12-Aug-19	Mark Freake	Review loan documents regarding Investor claims. Email Receiver regarding same.
19-Aug-19	Mark Freake	Telephone call with Shawn Tock regarding investor claim.
29-Aug-19	Robert Kennedy	Review claims procedure order. Review status of claims.

Timekeeper	Hours	Rate	Fees
Mark Freake	24.7	560.00	13,832.00
Robert Kennedy	26.8	595.00	15,946.00
<b>Total</b>	<b>51.5</b>		<b>\$29,778.00</b>

**TOTAL PROFESSIONAL FEES** \$ 29,778.00  
**Less: Discount** (1,278.00)  
**NET PROFESSIONAL FEES** \$ 28,500.00

**TAXABLE DISBURSEMENTS**

Binding Books / Documents \$ 50.70  
Courier & Delivery 57.54  
Photocopy & Printing Charges 359.00  
Postage 11.35  
Process Server Fees 65.00

**TOTAL TAXABLE DISBURSEMENTS** \$ 543.59

**TOTAL DISBURSEMENTS** 543.59

**TOTAL FEES AND DISBURSEMENTS** \$ 29,043.59

**TAXES**

HST (13.0%) on Professional Fees of \$28,500.00 \$ 3,705.00  
HST (13.0%) on Taxable Disbursements of \$543.59 70.67

**TOTAL TAXES** 3,775.67

**TOTAL AMOUNT DUE** \$ 32,819.26 CAD



BDO Canada LLP  
1100-123 Front Street West  
Toronto, ON M5J 2M2  
  
Attention: Josie Parisi

**INVOICE # 3454246**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
September 30, 2019	201205-000011	Robert Kennedy

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

Professional Fees	\$ 28,234.50
Less: Discount	<u>(1,000.00)</u>
Net Professional Fees	\$ 27,234.50
Disbursements	325.75
HST (13.0%) on \$27,240.25	<u>3,541.24</u>
<b>Total Amount Due</b>	<b><u>\$ 31,101.49 CAD</u></b>

<b>Payment Options:</b>	
<p><b><u>Cheques:</u></b> Cheques payable to Dentons Canada LLP and mailed to the above noted address.</p> <p><b><u>Wire Transfer:</u></b> Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCA2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account : 0004-324</p> <p><b><u>Credit Card:</u></b> Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No. _____ Expiry Date: _____ Card Verification Code (CVC): _____ Amount: _____ Cardholder Name: _____ Signature: _____</p>	<p><b><u>Internet Banking:</u></b> Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 201205. Please email us at <a href="mailto:Edm.Accounting@dentons.com">Edm.Accounting@dentons.com</a> referencing invoice number and payment amount.</p> <p><b><u>Interac e-Transfer:</u></b> e-Transfer funds to <a href="mailto:AR.Canada@dentons.com">AR.Canada@dentons.com</a> referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to <a href="mailto:AR.Canada@dentons.com">AR.Canada@dentons.com</a> in separate email.</p>
<p>Please email us at <a href="mailto:AR.Canada@dentons.com">AR.Canada@dentons.com</a> referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amount over 30 days.</p>	

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**Invoice Detail**

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

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
04-Sep-19	Robert Kennedy	Conversation with Josie Parisi re: claims procedure matters and next steps.
10-Sep-19	Robert Kennedy	Conversation with Josie Parisi re: claims procedure matters. Review order. Consider next steps re: distribution motion. Correspondence to Samantha Johnson. Various correspondence to and from Kara Hamilton. Review syndicated mortgage documentation.
11-Sep-19	Mark Freake	Review loan agreements and related documents regarding proposed distribution. Email Robert Kennedy regarding same.
11-Sep-19	Robert Kennedy	Work on claims procedure matters. Various correspondence to and from Samantha Johnson. Conversation with Samantha Johnson.
12-Sep-19	Mark Freake	Email correspondence with Josie Parisi and Robert Kennedy regarding distribution motion. Begin drafting motion materials.
12-Sep-19	Robert Kennedy	Various correspondence to and from Josie Parisi. Consider motion matters. Conference with Mark Freake.
13-Sep-19	Robert Kennedy	Conference with Mark Freake re: motion matters. Correspondence from and to Josie Parisi. Consider motion matters.
18-Sep-19	Robert Kennedy	Various correspondence to and from Josie Parisi. Consider motion matters and next steps.
19-Sep-19	Mark Freake	Attend conference call with Josie Parisi, Gary Cerrato and Robert Kennedy regarding claims process and distribution motion. Draft Notices of Revision or Disallowance. Draft distribution order. Discuss same with Robert Kennedy.
19-Sep-19	Robert Kennedy	Work on motion and distribution matters. Attend conference call with representatives of BDO.
20-Sep-19	Mark Freake	Email correspondence regarding Notices of Revision or Disallowance. Work on distribution motion materials.
20-Sep-19	Robert Kennedy	Work on claims process matters. Various correspondence to and from Mark Freake. Review correspondence from Gary Cerrato.
24-Sep-19	Mark Freake	Draft and revise Distribution Order. Work on Receiver's Report.
24-Sep-19	Robert Kennedy	Conference with Mark Freake. Work on motion matters.

Date	Timekeeper	Description of Work
25-Sep-19	Mark Freake	Continued work on Distribution Order motion materials for syndicated mortgage distribution. Review charges and transfers registered against Terrasan property. Review loan agreements regarding distributions.
26-Sep-19	Mark Freake	Receive and review invoice from Kara Hamilton regarding fees. Review Bare Trustee agreements regarding fees and disbursements. Continued work on Distribution Order and Receiver's 13th Report. Email correspondence with Josie Parisi and Robert Kennedy regarding same.
26-Sep-19	Robert Kennedy	Review correspondence from Kara Hamilton. Review invoice. Various correspondence to and from Josie Parisi. Conversation with Josie Parisi re: motion matters.
27-Sep-19	Mark Freake	Review Proofs of Claim, Notices of Revision or Dispute, investor lists and related documentation. Work on Distribution Order. Continued work on Receiver's 13th Report. Discuss distribution procedure and related issues with Robert Kennedy.
27-Sep-19	Robert Kennedy	Conference with Mark Freake re: motion and distribution matters. Review correspondence from Paul Hancock. Conversation with Paul Hancock. Work on motion matters. Various correspondence to and from Kara Hamilton re: loan balances. Work construction lien matters.
30-Sep-19	Mark Freake	Revise Distribution Order. Work on Receiver's 13th Report. Review various investor documents and loan agreements regarding dispute, fee approval and distribution issues. Correspondence and discussion with Robert Kennedy regarding same.
30-Sep-19	Robert Kennedy	Conference with Mark Freake. Work on motion materials. Conversation with Josie Parisi.

Timekeeper	Hours	Rate	Fees
Mark Freake	31.4	560.00	17,584.00
Robert Kennedy	17.9	595.00	10,650.50
<b>Total</b>	<b>49.3</b>		<b>\$28,234.50</b>

<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 28,234.50</b>
<b>Less: Discount</b>	<b>(1,000.00)</b>
<b>NET PROFESSIONAL FEES</b>	<b>\$ 27,234.50</b>

**TAXABLE DISBURSEMENTS**

Photocopy & Printing Charges	<u>\$ 5.75</u>
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DENTONS CANADA LLP  
BDO Canada LLP  
Re: Receivership Proceedings of Terrasan 327 Royal York Rd.  
Limited

INVOICE 3454246

Page 4 of 4

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Matter # 201205-000011

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<b>TOTAL TAXABLE DISBURSEMENTS</b>	\$	<b>5.75</b>
<b>NON-TAXABLE DISBURSEMENTS</b>		
Filing Fee*	\$	320.00
<b>TOTAL NON-TAXABLE DISBURSEMENTS</b>	\$	<b>320.00</b>
<b>TOTAL DISBURSEMENTS</b>		<u><b>325.75</b></u>
<b>TOTAL FEES AND DISBURSEMENTS</b>	\$	<b>27,560.25</b>
<b>TAXES</b>		
HST (13.0%) on Professional Fees of \$27,234.50	\$	3,540.49
HST (13.0%) on Taxable Disbursements of \$5.75		<u>0.75</u>
<b>TOTAL TAXES</b>		<u><b>3,541.24</b></u>
<b>TOTAL AMOUNT DUE</b>	\$	<u><b>31,101.49</b></u> CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 2nd DAY OF OCTOBER,  
2019.



\_\_\_\_\_  
A Commissioner for Taking Affidavits, etc.

**EXHIBIT "B"**

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

**The Period from July 1, 2019 to September 30, 2019**

<b>Date</b>	<b>Invoice No.</b>	<b>Fees</b>	<b>Discount</b>	<b>Disbursements</b>	<b>Taxes(HST)</b>	<b>Hours</b>	<b>Average Rate</b>	<b>Total</b>
August 31, 2019	3451146	29,778.00	1,278.00	543.59	3,775.67	51.5	\$577.50	32,819.26
September 30, 2019	3454246	28,234.50	1,000.00	325.75	3,541.24	49.3	\$577.50	31,101.49
<b>TOTALS:</b>		\$58,012.50	\$2,278.00	\$ 869.34	\$7,316.91	100.8	\$577.50	\$63,920.75

THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 2nd DAY OF OCTOBER,  
2019.

A handwritten signature in black ink, appearing to read "T. J. Jones", is written over a horizontal line.

A Commissioner for Taking Affidavits, etc.

**EXHIBIT "C"****Billing Rates of Dentons Canada LLP**

For the period July 1, 2019 to September 30, 2019

	<b><u>Standard Rate</u></b>	<b><u>Discounted Rate</u></b>	<b><u>Year of Call</u></b>
Robert Kennedy	\$725.00	\$595.00	2002
Mark Freake	\$560.00	N/A	2013

TERRASAN 327 ROYAL YORK RD. LIMITED

- and -

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF ROBERT KENNEDY  
(Sworn October 2, 2019)**

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

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

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

*Lawyers for the Receiver*

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

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

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

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

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

*Lawyers for the Receiver*

**TAB 3**



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

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

THE HONOURABLE	)	THURSDAY, THE 15 <sup>th</sup> DAY
	)	
JUSTICE	)	OF OCTOBER, 2019

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

and

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**DISTRIBUTION ORDER**

**THIS MOTION**, made by BDO Canada Limited (“**BDO**”), in its capacity as court appointed receiver and manager (in such capacity, the “**Receiver**”) of Terrasan 327 Royal York Rd. Limited (“**Terrasan**”), for an order,

- (a) if necessary, abridging the time for service of the Notice of Motion and the Motion Record herein and validating service thereof;
- (b) approving and authorizing an interim distribution in the amount of \$8,000,000 an account of the syndicated mortgage (the “**Syndicated Mortgage**”) registered in the name of J. Paul Fletcher, Olympia Trust Company (“**Olympia Trust**”) and Community Trust Company (“**Community Trust**”), on behalf of the investors (the “**Investors**”), as set out in the Thirteenth Report (as defined herein);

- (c) approving the thirteenth report of the Receiver dated October 8, 2019 (the “**Thirteenth Report**”), and the activities of the Receiver as described therein;
- (d) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the fee affidavit of Matthew Marchand sworn October 3, 2019 and the fee affidavit of Robert Kennedy sworn October 2, 2019 (collectively, the “**Fee Affidavits**”);
- (e) approving the Receiver’s interim statement of receipts and disbursements dated October 3, 2019 (the “**Interim R&D**”); and
- (f) such further and other grounds as counsel may advise and this Honourable Court may permit;

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

**ON READING** the Motion Record of the Receiver dated October 8, 2019 and the Thirteenth 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 October \_\_\_, 2019, filed:

**SERVICE**

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

**INTERIM DISTRIBUTION**

2. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the total amount of \$8,000,000 to the Investors on account of the total indebtedness due and owing by Terrasan pursuant to the Syndicated Mortgage as follows:

- (a) an interim distribution in the amount of \$3,589,989.38 from the Receiver directly to Olympia Trust, representing the aggregate *pro-rata* share of the indebtedness

due and owing those Investors under the Syndicated Mortgage and who hold their investment in a registered fund with Olympia Trust (the “**Olympia Investors**”), as set forth in **Schedule “A”** herein (the “**Distribution List**”);

- (b) an interim distribution in the amount of \$25,337.89 from the Receiver directly to Community Trust, representing the *pro-rata* share of the indebtedness due and owing to the Investor under the Syndicated Mortgage and who holds their investment in a registered fund with Community Trust (the “**CT Investor**”), as set forth in the Distribution List; and
- (c) an interim *pro-rata* distribution from the Receiver to those Investors holding their investment with Paul J. Fletcher, as set forth in the Distribution List.

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

**RECEIVER’S ACTIVITIES**

4. **THIS COURT ORDERS** that the Thirteenth Report and the activities of the Receiver as set out in the Thirteenth Report are hereby approved.

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

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

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**SCHEDULE "A"**  
**Distribution List**

## OLYMPIA TRUST COMPANY

## Registered Funds

	Name	Plan No.	Amount	Share Percentage	\$8,000,000.00
1	Amiri, Salim	113123	\$ 25,000.00	0.25542%	\$ 20,433.78
2	Anderson, Gillian	12669	\$ 30,260.00	0.30916%	\$ 24,733.05
3	Bahadursingh, Balbir	114620	\$ 30,000.00	0.30651%	\$ 24,520.54
4	Barton, Randy	109552	\$ 21,200.00	0.21660%	\$ 17,327.85
5	Bassi, Gurminder	123532	\$ 30,000.00	0.30651%	\$ 24,520.54
6	Beal, Andrew	123159	\$ 25,000.00	0.25542%	\$ 20,433.78
7	Binda, Amarnath	124359	\$ 149,500.00	1.52743%	\$ 122,194.02
8	Binda, Amarnath	124358	\$ 96,200.00	0.98286%	\$ 78,629.19
9	Bond, Ardythe	125030	\$ 42,200.00	0.43115%	\$ 34,492.22
10	Bondoc, Arnold	123855	\$ 12,290.00	0.12557%	\$ 10,045.25
11	Bondoc, Arnold	124931	\$ 24,850.00	0.25389%	\$ 20,311.18
12	Buchanan, Handell	128542	\$ 30,000.00	0.30651%	\$ 24,520.54
13	Cabral, Adelaide	121366	\$ 36,000.00	0.36781%	\$ 29,424.65
14	Cabral, David & Gabriella	122914	\$ 40,800.00	0.41685%	\$ 33,347.93
15	Campbell, Janet	124850	\$ 25,000.00	0.25542%	\$ 20,433.78
16	Caporuscio, John	109554	\$ 19,400.00	0.19821%	\$ 15,856.61
17	Caporuscio, John	123744	\$ 11,300.00	0.11545%	\$ 9,236.07
18	Caporuscio, John	127810	\$ 31,000.00	0.31672%	\$ 25,337.89
19	Caporuscio, Rita	114106	\$ 29,000.00	0.29629%	\$ 23,703.19
20	Carelo, Godofredo	105068	\$ 12,750.00	0.13027%	\$ 10,421.23
21	Carelo, Godofredo	121408	\$ 19,600.00	0.20025%	\$ 16,020.08
22	Carmichael, Bhumeshwarie	121095	\$ 59,700.00	0.60995%	\$ 48,795.87
23	Carmichael, Julian	121094	\$ 45,200.00	0.46180%	\$ 36,944.28
24	Carre, Susan	124993	\$ 18,100.00	0.18493%	\$ 14,794.06
25	Castillo, Corazon	121092	\$ 17,450.00	0.17828%	\$ 14,262.78
26	Cien, Piotr	127383	\$ 31,000.00	0.31672%	\$ 25,337.89
27	Corrigan, Donna	124283	\$ 25,000.00	0.25542%	\$ 20,433.78
28	Corriveau, Penny	123601	\$ 20,500.00	0.20945%	\$ 16,755.70
29	Dasilva, Rod	124635	\$ 31,000.00	0.31672%	\$ 25,337.89
30	De Aguilar, Suzy	125070	\$ 24,150.00	0.24674%	\$ 19,739.03
31	Desario, Giuseppe	124786	\$ 50,150.00	0.51238%	\$ 40,990.17
32	Dixon, Ursula	122603	\$ 42,250.00	0.43166%	\$ 34,533.09
33	Dookie, Dipnarine	121458	\$ 49,700.00	0.50778%	\$ 40,622.36
34	Elligson, Brenda	125677	\$ 124,600.00	1.27302%	\$ 101,841.97
35	Emerim, Rosemary	123980	\$	0.00000%	\$
36	Faraone, Gabriele	124525	\$ 24,949.00	0.25490%	\$ 20,392.10
37	Galang, Genalyn	124416	\$ 27,650.00	0.28250%	\$ 22,599.76
38	Gingell, Dennis	128610	\$ 25,000.00	0.25542%	\$ 20,433.78
39	Gingell, Dennis	121916	\$ 26,000.00	0.26564%	\$ 21,251.13
40	Gingell, Doris	121911	\$ 29,000.00	0.29629%	\$ 23,703.19
41	Gingell, Doris	129754	\$ 24,700.00	0.25236%	\$ 20,188.58
42	Gray, Douglas	89604	\$ 45,000.00	0.45976%	\$ 36,780.81
43	Haji, Farhana	124826	\$ 25,000.00	0.25542%	\$ 20,433.78
44	Hawkins, Glen	124927	\$ 24,850.00	0.25389%	\$ 20,311.18
45	Istephan, Zman	123768	\$ 23,700.00	0.24214%	\$ 19,371.23
46	Kaiko, Maria	122585	\$ 43,100.00	0.44035%	\$ 35,227.84
47	Karbin-Katan, Miriam	132330	\$ 25,000.00	0.25542%	\$ 20,433.78
48	Kelly, Douglas	117420	\$ 75,000.00	0.76627%	\$ 61,301.35
49	Kerman, Randall	125161	\$ 221,900.00	2.26713%	\$ 181,370.25
50	Klein, Brian	115337	\$ 50,000.00	0.51084%	\$ 40,867.56
51	Korus, Ewa	127641	\$ 31,000.00	0.31672%	\$ 25,337.89
52	Korus, Roman	127640	\$ 31,000.00	0.31672%	\$ 25,337.89
53	Kosalka, Aleksander	123554	\$ 39,500.00	0.40357%	\$ 32,285.38
54	Kreehkovsky, Andrew	123669	\$ 27,400.00	0.27994%	\$ 22,395.42
55	Kulina, Zygmunt	120714	\$ 120,000.00	1.22603%	\$ 98,082.15
56	Lados, Angela	131347	\$ 74,802.25	0.76425%	\$ 61,139.71
57	Lados, Anthony	131346	\$ 75,000.00	0.76627%	\$ 61,301.35
58	Landolfi, Vincenzo	125090	\$ 46,970.00	0.47989%	\$ 38,390.99
59	Landolfi, Vito	123531	\$ 19,475.00	0.19897%	\$ 15,917.92
60	Lisikh, Gleb	121803	\$ 100,000.00	1.02169%	\$ 81,735.13
61	Lopez, Zoilenys	122075	\$ 25,000.00	0.25542%	\$ 20,433.78
62	Lotey, Mahinder	122600	\$ 50,000.00	0.51084%	\$ 40,867.56
63	Lotey, Pritpal	122905	\$ 31,250.00	0.31928%	\$ 25,542.23
64	Lotey, Sukhdev	122426	\$ 50,000.00	0.51084%	\$ 40,867.56

65	Lotze, Rudi	125385	\$	121,900.00	1.24544%	\$	99,635.12
66	Lotze, Teresa	125388	\$	24,680.00	0.25215%	\$	20,172.23
67	Lyon, Leifland	123856	\$	54,600.00	0.55784%	\$	44,627.38
68	Maas, Richard	123529	\$	25,680.00	0.26237%	\$	20,989.58
69	Magat, Marilyn	123156	\$	26,000.00	0.26564%	\$	21,251.13
70	Manji, Abdul	123287	\$	25,000.00	0.25542%	\$	20,433.78
71	Martino, Dave	103876	\$	13,000.00	0.13282%	\$	10,625.57
72	Mavaddat, Misagh	123238	\$	73,000.00	0.74583%	\$	59,666.64
73	McCallum, Gwen	127937	\$	221,500.00	2.26304%	\$	181,043.31
74	Miczynska, Ewa	123955	\$	50,000.00	0.51084%	\$	40,867.56
75	Miechowicz, Bozena	125238	\$	31,000.00	0.31672%	\$	25,337.89
76	Mlodzianowska, Krystyna	127380	\$	25,000.00	0.25542%	\$	20,433.78
77	Mohammed, Ralph	123269	\$	30,000.00	0.30651%	\$	24,520.54
78	Nixon, Carolyn	123234	\$	25,000.00	0.25542%	\$	20,433.78
79	Notay, Parminder	122584	\$	31,000.00	0.31672%	\$	25,337.89
80	Padilla, Damiana	124280	\$	59,185.00	0.60469%	\$	48,374.94
81	Padilla, Damiana	124691	\$	39,700.00	0.40561%	\$	32,448.85
82	Pasion, Eliza	123187	\$	25,200.00	0.25747%	\$	20,597.25
83	Pierre Charles, Hulan	105105	\$	79,500.00	0.81224%	\$	64,979.43
84	Pierre Charles, Hulan	124523	\$	54,032.14	0.55204%	\$	44,163.24
85	Ramesra, Robin	123524	\$	25,000.00	0.25542%	\$	20,433.78
86	Reesor, Colleen	105527	\$		0.00000%	\$	
87	Ricardo, Roger	122128	\$	100,000.00	1.02169%	\$	81,735.13
88	Ricardo, Roger	122129	\$	30,500.00	0.31162%	\$	24,929.21
89	Ricci, Jenniger	128055	\$	30,000.00	0.30651%	\$	24,520.54
90	Riley, Stephen	124689	\$	70,000.00	0.71518%	\$	57,214.59
91	Samuel, Irma	120618	\$	35,000.00	0.35759%	\$	28,607.29
92	Shepherd, Robert	130056	\$	52,300.00	0.53434%	\$	42,747.47
93	Singh, Charanjit	125157	\$	23,175.00	0.23678%	\$	18,942.12
94	Sitarz, Anna	123979	\$	30,700.00	0.31366%	\$	25,092.68
95	Stankiewicz, Leszek	122991	\$	30,900.00	0.31570%	\$	25,256.15
96	Taylor, Sabina	116655	\$	25,000.00	0.25542%	\$	20,433.78
97	Thompson, Harry	127420	\$	27,000.00	0.27586%	\$	22,068.48
98	Usnarska, Elzbieta	127382	\$	31,000.00	0.31672%	\$	25,337.89
99	Walfisz, Barbara	123984	\$	49,875.00	0.50957%	\$	40,765.39
100	Walters, Rebecca	113146	\$	28,000.00	0.28607%	\$	22,885.84
101	Yee, George	124157	\$	50,000.00	0.51084%	\$	40,867.56
102	Zalot, Catherine	104578	\$	15,370.00	0.15703%	\$	12,562.69
103	Zalot, Catherine	126637	\$	11,030.00	0.11269%	\$	9,015.38
<b>OLYMPIA TRUST TOTAL</b>			\$	4,392,223.39			
<b>GRAND TOTAL</b>			\$	9,787,713.39	<b>TOTAL</b>	\$	3,589,989.38

## J. PAUL FLETCHER

## Non-Registered Funds

	Name	Amount	Share	\$8,000,000.00
1	2042825 Ontario Inc	\$ 75,000.00	0.76627%	\$ 61,301.35
2	2083317 Ontario Ltd	\$ 70,000.00	0.71518%	\$ 57,214.59
3	2370860 Ontario Inc	\$ 300,000.00	3.06507%	\$ 245,205.38
4	2421358 Ontario Inc	\$ 569,000.00	5.81341%	\$ 465,072.87
5	Ahmed, Abdul	\$ 400,000.00	4.08676%	\$ 326,940.51
6	Amuraó, Alona	\$ 40,000.00	0.40868%	\$ 32,694.05
7	Awadalla, Marina	\$ 25,000.00	0.25542%	\$ 20,433.78
8	Awadalla, Pishoy	\$ 25,000.00	0.25542%	\$ 20,433.78
9	Broostad, Laurie	\$ 25,000.00	0.25542%	\$ 20,433.78
10	Brown, Cheryl	\$ 55,000.00	0.56193%	\$ 44,954.32
11	Caporuscio, Rita	\$ 190,000.00	1.94121%	\$ 155,296.74
12	Chang, Chiu-Ping	\$ 50,000.00	0.51084%	\$ 40,867.56
13	Cheram, Andrea	\$ 100,000.00	1.02169%	\$ 81,735.13
14	Courtney, Diana	\$ 100,000.00	1.02169%	\$ 81,735.13
15	Dalessandro, Laurel	\$ 25,000.00	0.25542%	\$ 20,433.78
16	De Almeida, Joao	\$ 40,000.00	0.40868%	\$ 32,694.05
17	Demelo, Paul & Celeste	\$ 100,000.00	1.02169%	\$ 81,735.13
18	Dicecca, Francesco	\$ 50,000.00	0.51084%	\$ 40,867.56
19	Dolan, Bill	\$ 10,000.00	0.10217%	\$ 8,173.51
20	Dolan, Margaret	\$ 25,000.00	0.25542%	\$ 20,433.78
21	Dolan, Margaret	\$ 30,000.00	0.30651%	\$ 24,520.54
22	Edwards, David	\$ 25,000.00	0.25542%	\$ 20,433.78
23	FMV Holdings Inc	\$ 100,000.00	1.02169%	\$ 81,735.13
24	Freire, Luis & Maria	\$ 60,000.00	0.61301%	\$ 49,041.08
25	GAA Enterprises	\$ 95,000.00	0.97060%	\$ 77,648.37
26	Gallea, Jennifer	\$ 125,000.00	1.27711%	\$ 102,168.91
27	Ginocchi, Annunziata	\$ 30,000.00	0.30651%	\$ 24,520.54
28	Gomez, Mary	\$ 9,700.00	0.09910%	\$ 7,928.31
29	Goncalves, Alison	\$ 30,790.00	0.31458%	\$ 25,166.25
30	Gust, Beverly	\$ 44,000.00	0.44954%	\$ 35,963.46
31	Haji, Farhana	\$ 10,000.00	0.10217%	\$ 8,173.51
32	Haji, Hanif	\$ 25,000.00	0.25542%	\$ 20,433.78
33	Hawkins, Glen	\$ 25,000.00	0.25542%	\$ 20,433.78
34	Ierullo, Vito	\$ 50,000.00	0.51084%	\$ 40,867.56
35	Landolfi, John	\$ 50,000.00	0.51084%	\$ 40,867.56
36	Li, Hui	\$ 25,000.00	0.25542%	\$ 20,433.78
37	Manzo, Michael	\$ 25,000.00	0.25542%	\$ 20,433.78
38	Martino, Gerardo	\$ 200,000.00	2.04338%	\$ 163,470.25
39	Mascarenhas, Ashley	\$ 25,000.00	0.25542%	\$ 20,433.78
40	Matheson, Betty	\$ 40,000.00	0.40868%	\$ 32,694.05
41	Maxwell, Paul	\$ 200,000.00	2.04338%	\$ 163,470.25
42	Mendes, Manuel	\$ 50,000.00	0.51084%	\$ 40,867.56
43	Miechowicz, Bozena	\$ 9,000.00	0.09195%	\$ 7,356.16
44	Moskalewicz, Ryszard	\$ 300,000.00	3.06507%	\$ 245,205.38
45	Nezezon, Kelly	\$ 100,000.00	1.02169%	\$ 81,735.13
46	Nicholson, Murray & Louise	\$ 25,000.00	0.25542%	\$ 20,433.78
47	Nieradka, Stanley	\$ 65,000.00	0.66410%	\$ 53,127.83
48	Osmond Veterinary Pro. Corp.	\$ 50,000.00	0.51084%	\$ 40,867.56
49	PCCG Development Inc, c/o Wing Tak Chan	\$ 80,000.00	0.81735%	\$ 65,388.10
50	Quattroccchi, Gianna	\$ 25,000.00	0.25542%	\$ 20,433.78
51	Raposo, Joao & Maria	\$ 50,000.00	0.51084%	\$ 40,867.56
52	Reis, Francisco & Maria	\$ 50,000.00	0.51084%	\$ 40,867.56
53	Rice, Wilf	\$ 25,000.00	0.25542%	\$ 20,433.78
54	Riley, Stephen	\$ 30,000.00	0.30651%	\$ 24,520.54
55	Rudutch Farms Ltd., c/o Rob De Groot	\$ 25,000.00	0.25542%	\$ 20,433.78
56	Sadler, Dwayne	\$ 100,000.00	1.02169%	\$ 81,735.13
57	Sahi, Annapurna	\$ 30,000.00	0.30651%	\$ 24,520.54
58	Samuel, Steve	\$ 20,000.00	0.20434%	\$ 16,347.03
59	Sencio, Bogdan & Katarzyna	\$ 100,000.00	1.02169%	\$ 81,735.13
60	Shah, Sheetal & Nilesh	\$ 25,000.00	0.25542%	\$ 20,433.78
61	Singh, Ikdeep	\$ 50,000.00	0.51084%	\$ 40,867.56
62	Smith, David	\$ 32,000.00	0.32694%	\$ 26,155.24
63	Sye, Colin	\$ 25,000.00	0.25542%	\$ 20,433.78
64	Taseen, Dean	\$ 200,000.00	2.04338%	\$ 163,470.25

65	Taylor, Tara	\$	50,000.00	0.51084%	\$	40,867.56
66	Tejani, Karim	\$	25,000.00	0.25542%	\$	20,433.78
67	Tsacoukos, Nicolas	\$	150,000.00	1.53253%	\$	122,602.69
68	Weick, Ron	\$	25,000.00	0.25542%	\$	20,433.78
69	Wielogorski, Jacek	\$	25,000.00	0.25542%	\$	20,433.78
70	Xu, Mu	\$	100,000.00	1.02169%	\$	81,735.13
71	Yuan, Xiaohong	\$	25,000.00	0.25542%	\$	20,433.78
<b>NON-REGISTERED TOTAL</b>		\$	5,364,490.00			
<b>GRAND TOTAL</b>		\$	9,787,713.39	<b>TOTAL</b>	\$	4,384,672.73



## COMMUNITY TRUST COMPANY

Registered Funds

	Name	Plan No.	Amount	Share Percentage	\$8,000,000.00
1	Witalis, Krystyna	820026	\$ 31,000.00	0.31672%	\$ 25,337.89
	<b>COMMUNITY TRUST TOTAL</b>		\$ 31,000.00	<b>TOTAL</b>	\$ 25,337.89
	<b>GRAND TOTAL</b>	\$ 9,787,713.39			

**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*

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD**  
(returnable October 15, 2019)

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