

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

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**MOTION RECORD  
(returnable March 12, 2019)**

Date: March 6, 2019

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# INDEX

## INDEX

<b>Document</b>	<b>Tab</b>
Notice of Motion dated March 6, 2019	1
Eleventh Report of the BDO Canada Limited, in its capacity as Court appointed Receiver dated March 6, 2019	2
Appendix "A": Interim R&D	A
Appendix "B": Transfer of Charge – List of Investors	B
Appendix "C": CRH Settlement Agreement	C
Appendix "D": Summit Settlement Agreement	D
Appendix "E": Mancini Settlement Agreement	E
Appendix "F": Quinn Settlement Agreement	F
Appendix "G": Desrosiers Settlement Agreement	G
Appendix "H": McCallum Settlement Agreement	H
Appendix "I": Affidavit of Josie Parisi sworn March 5, 2019	I
Appendix "J": Affidavit of Robert Kennedy sworn March 4, 2019	J
Draft Distribution Order	3

**TAB 1**

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

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**NOTICE OF MOTION  
(returnable March 12, 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 (“**Terrasan**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on March 12, 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 Eleventh Report of BDO, in its capacity as Receiver, dated March 6, 2019 (the “**Eleventh Report**”) so that this Motion is properly returnable on March 12, 2019, and dispensing with further service thereof;

- (b) approving and authorizing the settlement of lien claim agreement dated February 19, 2019 between CRH Canada Group Inc. ("**CRH**") and the Receiver (the "**CRH Settlement Agreement**"), and the distribution to CRH in the amount of \$45,000 (the "**CRH Distribution**"), in accordance with the terms of the CRH Settlement Agreement;
- (c) approving and authorizing the settlement of lien claim agreement dated February 19, 2019 between Summit Concrete & Drain Ltd. ("**Summit**") and the Receiver (the "**Summit Settlement Agreement**"), and the distribution to Summit in the amount of \$12,000 (the "**Summit Distribution**"), in accordance with the terms of the Summit Settlement Agreement;
- (d) approving and authorizing the settlement of lien claim agreement dated February 22, 2019 between R. Mancini and Associates Ltd. ("**Mancini**") and the Receiver (the "**Mancini Settlement Agreement**"), and the distribution to Mancini in the amount of \$6,000 (the "**Mancini Distribution**"), in accordance with the terms of the Mancini Settlement Agreement;
- (e) approving and authorizing the settlement of lien claim agreement dated March 5, 2019 between Quinn Dressel Associates ("**Quinn**") and the Receiver (the "**Quinn Settlement Agreement**"), and the distribution to Quinn in the amount of \$5,596.90 (the "**Quinn Distribution**"), in accordance with the terms of the Quinn Settlement Agreement;
- (f) approving and authorizing the settlement of lien claim agreement dated March 6, 2019 between Desrosiers Geothermal Corporation ("**Desrosiers**") and the Receiver (the "**Desrosiers Settlement Agreement**"), and the distribution to Desrosiers in the amount of \$71,680.63 (the "**Desrosiers Distribution**"), in accordance with the terms of the Desrosiers Settlement Agreement;
- (g) approving and authorizing the settlement of the lien claim agreement dated March 5, 2019 between McCallum Sather Architects Inc. ("**McCallum**") and the Receiver (the "**McCallum Settlement Agreement**"), and the distribution to

McCallum in the amount of \$9,431.13 (the "**McCallum Distribution**"), in accordance with the terms of the McCallum Settlement Agreement;

- (h) approving the activities of the Receiver, together with the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP ("**Dentons**"), as set out in the Eleventh Report;
- (i) approving the Receiver's interim statement of receipts and disbursements up to February 27, 2019 (the "**Interim R&D**"); and
- (j) such further and other grounds as counsel may advise and this Honourable Court may permit;

**THE GROUNDS FOR THE MOTION ARE:**

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



5. On October 10, 2017, the Court granted a distribution order in respect of the payment of all amounts due and owing by Terrasan to Centurion. The Receiver has distributed and paid all amounts due and owing to Centurion from the Sale Proceeds;
6. On November 16, 2017, the Court granted a deposit claims procedure order which outlined the procedure by which purchasers of condominium units (a "**Purchaser**") could file a deposit claim with the Receiver in order to prove their deposit claims against Terrasan and ultimately the return of their deposit ("**Deposit Claims Procedure**"). Further details concerning the Deposit Claims Procedure are outlined in the Receiver's Eighth Report dated July 4, 2018;
7. On April 18, 2018, the Court granted a distribution order approving and authorizing the Receiver to make distributions to Purchasers on account of a proven deposit claim determined pursuant to the Deposit Claims Procedure (the "**Deposit Claims Distribution Order**"). The obligations arising from a proven deposit claim are secured by the security held in favour of The Guarantee Company of North America (the "**Guarantee**"). The Receiver has completed the distributions pursuant to the Deposit Claims Distribution Order;
8. 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. (the "**Diversified Distribution**"), in full and final satisfaction of all amounts owing by Terrasan. The Receiver has paid the Diversified Distribution in accordance with the Diversified Distribution Order;
9. 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 "**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 (the “**Resform Distribution**”). The Receiver has paid the Holdback, Guarantee Distribution and Resform Distribution;

10. The Receiver has concluded the Deposit Claims Procedure;
11. As noted in the Tenth Report and pursuant to a payout statement on account of the fourth position mortgage, Olympia Trust Company / John Fletcher / Community Trust Company (the “**Fourth Position Mortgage**”), as of December 17, 2017, the amount of \$11,160,862.42 was due and owing in respect of the Fourth Position Mortgage. The Fourth Position Mortgage represents the remaining secured indebtedness claim to the Sale Proceeds;
12. Lien claims totaling \$4,359,219.12 were registered against title to the Property pursuant to the *Construction Lien Act* (Ontario). A detailed listing of the lien claims is set out in paragraph 43 of the Receiver’s Seventh Report dated April 13, 2018;
13. On December 4, 2018, the Court granted an Order which, among other things, authorized the Receiver to make distributions from the Sale Proceeds to certain lien claimants as follows:
  - (a) to Bluescape Construction Management Inc. in the amount of \$34,000, in accordance with the terms of the lien settlement agreement;
  - (a) to Mansteel Rebar Ltd. in the amount of \$22,833.57, in accordance with the terms of the lien settlement agreement; and
  - (b) to Roni Excavating Limited in the amount of \$88,897.28, in accordance with the terms of the lien settlement agreement;
14. The Receiver has now entered into additional lien settlement agreements with CRH, Summit, Mancini, Quinn, Desrosiers and McCallum. The Receiver is of the view that the CRH Settlement Agreement, the Summit Settlement Agreement, the Mancini Settlement Agreement, the Quinn Settlement Agreement, the Desrosiers Settlement Agreement and McCallum Settlement Agreement are reasonable, and the proposed distributions

contemplated by the settlement agreements are appropriate and reasonable in the circumstances; and

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 Eleventh Report of the Receiver; and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

**DATED:** March 6, 2019

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*Lawyers for the Receiver*

**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 March 12, 2019)

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*Lawyers for the Receiver*

**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

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

**AS COURT APPOINTED RECEIVER**

**March 6, 2019**

**TABLE OF CONTENTS**

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INTRODUCTION AND PURPOSE OF THIS REPORT .....	3
Introduction .....	3
Purpose of the Report .....	5
Disclaimer .....	6
ACTIVITIES OF THE RECEIVER .....	7
RECEIPTS AND DISBURSEMENTS .....	7
SECURED CREDITORS and LIEN CLAIMANTS .....	8
Secured Creditors   Mortgages .....	8
Lien Claims .....	10
Additional Lien Claim Settlements / Distributions .....	10
CRH Settlement .....	10
Summit Settlement .....	10
Mancini Settlement .....	11
Quinn Settlement .....	11
Desrosiers Settlement .....	11
McCallum Settlement .....	12
FEES AND DISBURSEMENTS .....	12
SUMMARY AND RECOMMENDATIONS .....	13

**APPENDICES**

Interim R&D	<b>A</b>
Transfer of Charge – List of Investors	<b>B</b>
CRH Settlement Agreement	<b>C</b>
Summit Settlement Agreement	<b>D</b>
Mancini Settlement Agreement	<b>E</b>
Quinn Settlement Agreement	<b>F</b>
Desrosiers Settlement Agreement	<b>G</b>
McCallum Settlement Agreement	<b>H</b>
Affidavit of Josie Parisi sworn March 5, 2019	<b>I</b>
Affidavit of Robert Kennedy sworn March 4, 2019	<b>J</b>

## INTRODUCTION AND PURPOSE OF THIS REPORT

### Introduction

1. By Order of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**") dated February 24, 2017 (the "**Receivership Order**"), BDO Canada Limited ("**BDO**") was appointed as the Court-appointed receiver (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties (collectively, the "**Assets**") of Terrasan 327 Royal York Rd. Limited ("**Terrasan**" or the "**Company**"), pursuant to the application made by Centurion Mortgage Capital Corporation ("**Centurion**").
2. The Company's principal asset was a partially constructed residential condominium development known as the "*On the Go Mimico*" (the "**Project**"). The municipal address for the Project is 327 Royal York Rd., Toronto, Ontario (the "**Property**").
3. On April 3, 2017, the Court granted an Order (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 "**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. 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**

14. The purpose of this report dated March 6, 2019 (the "**Eleventh Report**") is to provide information to the Court with respect to:
  - (a) the Receiver's activities since its tenth report dated November 27, 2018 (the "**Tenth Report**");
  - (b) approving and authorizing the lien claim settlement agreement dated February 19, 2019 between CRH Canada Group Inc. ("**CRH**") and the Receiver (the "**CRH Settlement Agreement**"), and the distribution to CRH in the amount of \$45,000 (the "**CRH Distribution**"), in accordance with the terms of the CRH Settlement Agreement;
  - (c) approving and authorizing the lien claim settlement agreement dated February 19, 2019 between Summit Concrete & Drain Ltd. ("**Summit**") and the Receiver (the "**Summit Settlement Agreement**"), and the distribution to Summit in the amount of \$12,000 (the "**Summit Distribution**"), in accordance with the terms of the Summit Settlement Agreement;
  - (d) approving and authorizing the lien claim settlement agreement dated February 22, 2019 between R. Mancini and Associates Ltd. ("**Mancini**") and the Receiver (the "**Mancini Settlement Agreement**"), and the distribution to Mancini in the amount of \$6,000 (the "**Mancini Distribution**"), in accordance with the terms of the Mancini Settlement Agreement;
  - (e) approving and authorizing the lien claim settlement agreement dated March 5, 2019 between Quinn Dressel Associates ("**Quinn**") and the Receiver (the "**Quinn Settlement Agreement**"), and the distribution to Quinn in the amount of \$5,596.90 (the "**Quinn Distribution**"), in accordance with the terms of the Quinn Settlement Agreement;
  - (f) approving and authorizing the lien claim settlement agreement dated March 6, 2019 between Desrosiers Geothermal Corporation ("**Desrosiers**") and the Receiver (the "**Desrosiers Settlement Agreement**"), and the distribution to

Desrosiers in the amount of \$71,680.63 (the "**Desrosiers Distribution**"), in accordance with the terms of the Desrosiers Settlement Agreement;

- (g) approving and authorizing the lien claim settlement agreement dated March 5, 2019 between McCallum Sather Architects Inc. ("**McCallum**") and the Receiver (the "**McCallum Settlement Agreement**"), and the distribution to McCallum in the amount of \$9,431.13 (the "**McCallum Distribution**"), in accordance with the terms of the McCallum Settlement Agreement;
- (h) approving the Eleventh Report and the activities and conduct of the Receiver outlined herein;
- (i) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP ("**Dentons**"), as set out in this Eleventh Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements; and
- (j) approving the Receiver's interim statement of receipts and disbursements dated March 1, 2019 (the "**Interim R&D**").

#### **Disclaimer**

- 15. This Eleventh Report is prepared solely for the use of the Court for the purpose of assisting the Court in making a determination whether to: (i) approve and authorize the settlement agreements and distributions outlined in sub-paragraphs 14(b) to (g) of this Eleventh Report (collectively, the "**Settlement Agreements**"), (ii) approve the actions and conduct of the Receiver as set out in this Eleventh Report, including the Interim R&D, and (iii) grant any other ancillary relief being sought.
- 16. Except as otherwise described in this Eleventh 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.

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

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

18. In addition to the activities undertaken by the Receiver as detailed in its prior reports, the Receiver has, among other things:
- (a) engaged in further discussions with its legal counsel, Dentons, and trade creditors that filed lien claims against the Property regarding the potential priority of those claims in relation to the various mortgages that were registered against title to the Property;
  - (b) made distributions to Bluescape, Mansteel and Roni as provided for in the Lien Settlement and Distribution Order;
  - (c) negotiated the Settlement Agreements, and continued discussions with the remaining lien claim party (Shalom Electric Inc.);
  - (d) engaged in correspondence and discussions with representatives of the fourth position mortgagee, Olympia Trust Company, John Fletcher and Community Trust Company (the "**Syndicated Mortgage**") regarding distributions to the individual investors in the Syndicated Mortgage;
  - (e) engaged in discussions with representatives of Tarion regarding the return of the total amount of the Tarion Holdback. The Receiver notes that it anticipates the return of the Tarion Holdback in the near future; and
  - (f) completed other miscellaneous administrative obligations of the Receiver as required.

#### **RECEIPTS AND DISBURSEMENTS**

19. The Interim R&D, attached as **Appendix "A"**, reports net receipts over disbursements from the date of the Receiver's appointment to March 1, 2019 of \$8,959,060.47.
20. The Receiver is seeking the Court's approval of its Interim R&D.

**SECURED CREDITORS and LIEN CLAIMANTS**

**Secured Creditors | Mortgages**

21. Detailed below is a summary of the mortgages that were registered against title to the Property prior to the closing of the Transaction, and the corresponding amount of the registered mortgage (collectively, the "Mortgages"):

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

22. 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, and the final Guarantee Distribution in the amount of \$294,720.37.

23. The amounts due under the Syndicated Mortgage remain outstanding. As noted in the Receiver's Seventh Report, the Receiver received a mortgage discharge statement from Kara Hamilton of Arbesman Hamilton LLP ("Hamilton"), which indicates that, as of December 17, 2017, the amount of \$11,160,862.42 was due and owing by Terrasan.

### The Syndicated Mortgage

24. The Syndicated Mortgage is held by J. Paul Fletcher, Olympia Trust Company and Community Trust Company. The Receiver understands that Hamilton replaced Fletcher as bare trustee for the investors in the Syndicated Mortgage (the "**Bare Trustee**"). The Syndicated Mortgage was registered on title to the Property on March 17, 2014 (registered as AT4464383). A copy of a Transfer of Charge registered on title to the Property on January 19, 2017 is included as **Appendix "B"** attached hereto. The Receiver is of the view that the Transfer of Charge outlines the number of investors in the Syndicated Mortgage.
25. The Syndicated Mortgage is being held in trust by three separate parties representing 175 individual investors with approximately 29.6% of the investor's funds being registered and the remaining 70.4% being non-registered. A summary of the Syndicated Mortgage investments is provided as follows:

Summary of Syndicated Mortgage				
Trustee	Type	# of parties to syndicate	Amount	% of total
J. Paul Fletcher	Non-Registered funds	71	\$ 10,567,274	70.4%
Olympia Trust Company	Registered funds	103	4,401,726	29.3%
Community Trust Company	Registered funds	1	31,000	0.2%
Total		175	\$ 15,000,000	100.0%

26. The Receiver holds funds in the estate sufficient to make an interim distribution on account of the indebtedness due under the Syndicated Mortgage. However, the Receiver is still in process of locating and reviewing the investment documents as it pertains to the investments made by each of the 175 investors in the Syndicated Mortgage. Despite numerous attempts, the Receiver has been unable to communicate effectively with the Bare Trustee, and also obtain a copy of the investment documents from the Bare Trustee.
27. As at the date of this Eleventh Report, the Bare Trustee has not responded to the Receiver's information request. The Receiver is currently assessing the most reasonable and secure method of making an interim distribution on account of the Syndicated Mortgage, and confirming that the interim distribution proceeds flow to the proven investors in the Syndicated Mortgage.

### **Lien Claims**

28. Liens totaling \$4,359,219.12 were registered against title to the Property pursuant to the *Construction Lien Act* (Ontario) (collectively, the "**Lien Claims**"). A detailed listing of the lien claims is set out in paragraph 43 of Seventh Report.
29. As noted in the Receiver's Ninth Report to the Court dated August 23 ,2018, the Receiver received a legal opinion from Dentons that concludes that the priority of each Lien Claim to the Sale Proceeds is limited (in the circumstances) to the deficiency in the holdback (the "**Holdback Deficiency**") that was required to be retained by Terrasan. An assessment of the Holdback Deficiency (based on the records of Terrasan and information received by the lien claimant) for each lien claimant has been completed by the Receiver, and in this regard, the Receiver has been negotiating limited priority lien payments with lien claimants.

### **Additional Lien Claim Settlements / Distributions**

#### CRH Settlement

30. On January 11, 2017, CRH filed a lien claim in the amount of \$435,519.02 against title to the Property. Following numerous discussions, the Receiver entered into the CRH Settlement Agreement. A copy of the CRH Settlement Agreement is attached hereto as **Appendix "C"**.
31. The Settlement Agreement contemplates a distribution to CRH in the amount of \$45,000 from the Sale Proceeds (the "**CRH Distribution**") as a payment on account of the CRH limited lien priority. The Receiver is of the view that: (i) the CRH Settlement Agreement is reasonable, and (ii) the CRH Distribution is reasonable and appropriate in the circumstances.

#### Summit Settlement

32. On January 13, 2017, Summit filed a lien claim in the amount of \$111,313.31 against title to the Property. Following numerous discussions, the Receiver entered into the Summit Settlement Agreement. A copy of the Summit Settlement Agreement is attached hereto as **Appendix "D"**.
33. The Summit Settlement Agreement contemplates a distribution to Summit in the amount of \$12,000.00 from the Sale Proceeds (the "**Summit Distribution**") as a payment on account of the Summit limited lien priority. The Receiver is of the view that: (i) the Summit Settlement Agreement is reasonable, and (ii) the Summit Distribution is reasonable and appropriate in the circumstances.

Mancini Settlement

34. On January 24, 2017, Mancini filed two lien claims in the amounts of \$29,826.31 and \$34,880.84 against title to the Property. Following numerous discussions, the Receiver entered into the Mancini Settlement Agreement. A copy of the Mancini Settlement Agreement is attached hereto as **Appendix "E"**.
35. The Mancini Settlement Agreement contemplates a distribution to Mancini in the amount of \$7,000 from the Sale Proceeds (the "**Mancini Distribution**") as a payment on account of the Mancini limited lien priority. The Receiver is of the view that: (i) the Mancini Settlement Agreement is reasonable, and (ii) the Mancini Distribution is reasonable and appropriate in the circumstances.

Quinn Settlement

36. On February 24, 2017, Quinn filed a lien claims in the amount of \$55,969 against title to the Property. Following numerous discussions, the Receiver entered into the Quinn Settlement Agreement. A copy of the Quinn Settlement Agreement is attached hereto as **Appendix "F"**.
37. The Quinn Settlement Agreement contemplates a distribution to Quinn in the amount of \$5,596.90 from the Sale Proceeds (the "**Quinn Distribution**") as a payment on account of the Quinn limited lien priority. The Receiver is of the view that: (i) the Quinn Settlement Agreement is reasonable, and (ii) the Quinn Distribution is reasonable and appropriate in the circumstances.

Desrosiers Settlement

38. On January 23, 2017, Desrosiers filed a lien claim in the amount of \$285,237 against title to the Property. Following numerous discussions, the Receiver entered into the Desrosiers Settlement Agreement. A copy of the Desrosiers Settlement Agreement is attached hereto as **Appendix "G"**.
39. The Desrosiers Settlement Agreement contemplates a distribution to Desrosiers in the amount of \$71,680.63 from the Sale Proceeds (the "**Desrosiers Distribution**") as a payment on account of the Desrosiers limited lien priority. The Receiver is of the view that: (i) the Desrosiers Settlement Agreement is reasonable, and (ii) the Desrosiers Distribution is reasonable and appropriate in the circumstances.



McCallum Settlement

40. On February 10, 2017, McCallum filed a lien claim in the amount of \$115,432.14 against title to the Property. Following numerous discussions, the Receiver entered into the McCallum Settlement Agreement. A copy of the McCallum Settlement Agreement is attached hereto as **Appendix "H"**.
41. The McCallum Settlement Agreement contemplates a distribution to McCallum in the amount of \$9,431.13 from the Sale Proceeds (the "**McCallum Distribution**") as a payment on account of the McCallum limited lien priority. The Receiver is of the view that: (i) the McCallum Settlement Agreement is reasonable, and (ii) the McCallum Distribution is reasonable and appropriate in the circumstances.

**FEES AND DISBURSEMENTS**

42. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements, which are described in the Affidavit of Josie Parisi sworn March 5, 2019, attached herein as **Appendix "I"**.
43. 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.
44. 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 March 4, 2019, attached herein as **Appendix "J"**.
45. The Receiver requests that the Court approve its interim accounts from November 2, 2018 to March 1, 2019 in the amount of \$29,735.48, inclusive of HST of \$3,420.90.
46. The Receiver also requests that the Court approve the interim accounts of its legal counsel for the period from November 1, 2018 to February 28, 2019 in the amount of \$61,876.37, inclusive of HST of \$7,081.71.
47. 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**

48. Based on the foregoing, the Receiver respectfully recommends that the Court:
- (a) approve and authorize the CRH Settlement Agreement and the CRH Distribution;
  - (b) approve and authorize the Summit Settlement Agreement and the Summit Distribution;
  - (c) approve and authorize the Mancini Settlement Agreement and the Mancini Distribution;
  - (d) approve and authorize the Quinn Settlement Agreement and the Quinn Distribution;
  - (e) approve and authorize the Desrosiers Settlement Agreement and the Desrosiers Distribution;
  - (f) approve and authorize the McCallum Settlement Agreement and the McCallum Distribution;
  - (g) approve the Eleventh Report and the activities and conduct of the Receiver outlined herein;
  - (h) approve the fees and disbursements of the Receiver and Dentons, as set out in this Eleventh Report, and authorize the Receiver to pay all approved and unpaid fees and disbursements; and
  - (i) approve the Receiver's Interim R&D.

All of which is respectfully submitted this 6th day of March, 2019.

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

Per:

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

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

# APPENDIX “A”

Appendix 'A'

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

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
for the period February 24, 2017 to February 27, 2019

RECEIPTS:

Cash in Bank	\$	1,381,910.45
Building and Land		30,044,444.00
HST Refunds		206,258.55
Interest		272,843.52
Miscellaneous Refunds		210.55
<b>Total Receipts</b>	<b>\$</b>	<b><u>31,905,667.07</u></b>

DISBURSEMENTS:

Receiver's Fees	\$	635,893.22
Operating Expense		267,846.00
Municipal Taxes		56,955.28
Legal fees		929,859.00
Outside Consulting		69,644.08
Repairs and Maintenance		42,923.63
Property Management Fee		42,736.72
HST Paid on Disbursements		53,528.75
Insurance		59,930.20
HST on Receiver's Fees		82,666.10
Utilities		18,468.59
HST on Legal Fees		120,742.81
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
Filing Fee		70.00
Payment to Secured Creditors		4,231,523.67
Return of Deposit to Condo Purchasers		3,609,957.00
Loan /Financing Repayment - Centurion		12,692,899.41
Bank Charges		254.00
<b>Total Disbursements</b>	<b>\$</b>	<b><u>22,946,606.60</u></b>

RECEIPTS OVER DISBURSEMENTS

**\$ 8,959,060.47**

# APPENDIX “B”

**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 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

LRO # 80 Transfer Of Charge

Registered as AT4464383 on 2017 01 19 at 12:25

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

yyyy mm dd Page 2 of 14

**Fees/Taxes/Payment**

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

Name:	Plan No.:	Amount:	Percentage:
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**

Name:	Amount:	Percentage:
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 Nezezson	\$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 Quattrocio	\$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 Doian		\$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 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.

# APPENDIX “C”

## SETTLEMENT OF LIEN CLAIM

### BETWEEN:

**BDO CANADA LIMITED**, solely in its capacity as receiver and manager  
of Terrasan 327 Royal York Rd. Limited and not in its personal capacity

- and -

**CRH CANADA GROUP INC.**

### WHEREAS:

- A. On February 24, 2017, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court"), BDO Canada Limited was appointed as receiver and manager (the "Receiver"), without security, of all of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("Terrasan") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "Receivership Proceedings");
- B. On April 3, 2017, the Court granted a sale process order which, among other things, approved a marketing and sale process in respect of the property municipally known as 327 Royal York Rd., Toronto, Ontario (the "Property");
- C. On August 25, 2017, the Court granted an approval and vesting order which, among other things, approved the asset purchase agreement dated July 28, 2017, between the Receiver and 2402871 Ontario Inc., as amended (the "Purchase Agreement"), and the sale of the Property;
- D. The sale transaction closed pursuant to the terms of the Purchase Agreement on September 15, 2017, and the Receiver was paid net sale proceeds in the amount of \$30,044,444 (the "Sale Proceeds");
- E. Registered on title to the Property were four (4) mortgages securing debt obligations owing by Terrasan as follows (in order of priority): (i) *Centurion Mortgage Capital Corporation* (paid by distribution order dated October 10, 2017, in the amount of \$12,692,899.41), (ii) *The Guarantee Company of North America* (paid by distribution order dated August 29, 2018, final payment in the amount of \$294,720.37), (iii) *Diversified Capital Ltd.* (paid by distribution order dated July 6, 2018, in the amount of \$3,404,228.47), and (iv) *Olympia Trust Company / Fletcher / Community Trust Company* (in the amount of \$11,160,862.42 as of April 10, 2018, plus accruing interest and fees) (collectively, the "Mortgagees");
- F. The Receiver obtained an opinion from its legal counsel, Dentons Canada LLP, confirming that all of the Mortgagees' loan and security documentation, subject to the customary assumptions and qualifications, constitute legal, valid and binding security interests in favour of Mortgagees that are properly registered on title to the Property;
- G. CRH Canada Group Inc. ("CRH") filed a lien against the Property on January 11, 2017 in the amount of \$435,519.02, a copy of which lien claim is attached as Schedule "A" herein (the "CRH Lien Claim");
- H. CRH issued a Statement of Claim and Certificate of Action with the Superior Court of Justice in Toronto bearing court file number CV-17-569-001 (the "CRH Lien Action");

- I. A dispute has arisen with the Receiver regarding the validity and priority of the CRH Lien Claim (the "Lien Claim Dispute"); and
- J. The Receiver and CRH have resolved to settle the Lien Claim Dispute, on the terms set out herein;

**NOW THEREFORE** in consideration of the mutual covenants contained herein including, without limitation, the agreement by the Receiver to the payment of the amount of \$45,000.00 (inclusive of HST) to CRH from the Sale Proceeds (the "Payment"), on the terms and conditions set out herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**ARTICLE 1**  
**SETTLEMENT**

- 1.1 The Receiver and CRH hereby agree as follows:
  - (a) the Receiver hereby agrees to the Payment to CRH in respect of the limited lien priority of CRH over the Mortgagees relating to the deficiency in the holdback required to be held by Terrasan, upon the granting of the Approval Order (as defined herein); and
  - (b) to provide the release pursuant to Article 2 hereof.

**ARTICLE 2**  
**RELEASE**

- 2.1 Subject to Article 3, by virtue of the execution and delivery of this Settlement Agreement and the delivery of the Payment by the Receiver to CRH, CRH hereby releases any and all claims, whether known or unknown, which it may have ever had, may have, or at any time hereafter can, shall or may have or advanced in respect of the CRH Lien Claim and the CRH Lien Action, and any other claims that may be asserted by CRH in priority to the Mortgagees. For greater certainty, this release does not limit any rights CRH may have to continue to pursue the Defendants named in the CRH breach of trust action that was issued on February 24, 2017 with the Superior Court of Justice in Toronto bearing court file number CV-17-570304 (the "CRH Action"), provided that such claims in the CRH Action shall not extend to the Sale Proceeds.

**ARTICLE 3**  
**COURT APPROVAL**

- 3.1 The effectiveness of this Settlement Agreement remains subject to obtaining a Court Order in the Receivership Proceedings: (i) approving the settlement of the CRH Lien Claim, on the terms set forth in this Settlement Agreement, (ii) authorizing and directing the parties to the Settlement Agreement to take all steps necessary to give effect to the terms of this Settlement Agreement, and (iii) authorizing and directing the Receiver to make the Payment to CRH (the "Approval Order").

**ARTICLE 4**  
**GENERAL**

- 4.1 The recitals to this Settlement Agreement form part of this Settlement Agreement.
- 4.2 All monetary amounts referred to in this Settlement Agreement shall be in CAD currency.

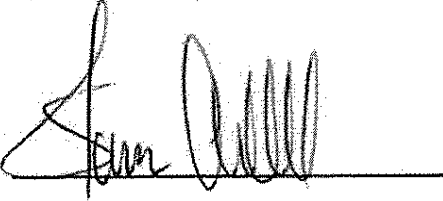
- 4.3 This Settlement Agreement shall be governed by and construed in accordance with the laws of Ontario.
- 4.4 Any amendment to this Settlement Agreement shall be made in writing and shall be duly executed by all parties.
- 4.5 The parties hereby covenant and agree to do such further and other things that any other party may reasonably request to give full or better effect to the provisions of this Settlement Agreement.
- 4.6 This Settlement Agreement may be executed in counterparts and delivered via facsimile or email (pdf), and all counterparts, when taken together, shall constitute one Settlement Agreement.

IN WITNESS WHEREOF the parties hereto have executed these presents effective February 19, 2019.

**CRH CANADA GROUP INC.**

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

Name:



SHAWN ARNOLD

**BDO CANADA LIMITED**, solely in its capacity as  
Court appointed receiver and manager of Terrasan  
327 Royal York Rd. Limited and not in its personal  
capacity

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

Name:



Josie Parisi





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

yyyy mm dd Page 1 of 2

**Properties**

PIN 07817 - 0888 LT

Description LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ET OBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 161 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4284438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO

Address TORONTO

**Consideration**

Consideration \$ 435,519.02

**Claimant(s)**

Name CRH CANADA GROUP INC.

Address for Service c/o Pallett Valo LLP  
Lawyers & Trade-Mark Agents  
Attention: Maria Ruberto  
77 City Centre Drive  
West Tower, Suite 300  
Mississauga, Ontario L5B 1M5  
Tel: 905-273-3300  
Fax: 905-273-8920

I, SHAWN ARNOLD, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, SHAWN ARNOLD, have the authority to bind the corporation.

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

**Statements**

Name and Address of Owner Terrasan 327 Royal York Rd. Limited, 93 Skyway Avenue, Suite 210, Toronto, ON M9W 6N6; Name and address of person to whom lien claimant supplied services or materials Terrasan 327 Royal York Rd. Limited, 93 Skyway Avenue, Suite 210, Toronto, ON M9W 6N6; Time within which services or materials were supplied from 2016/04/15 to 2016/12/13 Short description of services or materials that have been supplied Concrete; Contract price or subcontract price \$800,378.23, inclusive of HST; Amount claimed as owing in respect of services or materials that have been supplied \$435,519.02, inclusive of HST;

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Schedule: Ontario Redimix is a division of CRH Canada Group Inc.

**Signed By**

Paul Adam Guaragna 77 City Centre Drive, West Tower, acting for Signed 2017 01 11  
Suite 300 Applicant(s)  
Mississauga  
L5B 1M5

Tel 905-273-3300

Fax 905-273-8920

I have the authority to sign and register the document on behalf of the Applicant(s).

**Submitted By**

PALLET VALO LLP 77 City Centre Drive, West Tower, 2017 01 11  
Suite 300  
Mississauga  
L5B 1M5

Tel 905-273-3300

Fax 905-273-8920

SA

LRO # 80 Construction Lien

Received as AT4455871 on 2017 01 11 at 15:35

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

yyyy mm dd Page 2 of 2

**Fees/Taxes/Payment**

Statutory Registration Fee \$63.35

Total Paid \$63.35

**File Number**

Claimant Client File Number: 60590

.....

# APPENDIX “D”

## SETTLEMENT OF LIEN CLAIM

### BETWEEN:

**BDO CANADA LIMITED**, solely in its capacity as receiver and manager of Terrasan 327 Royal York Rd. Limited and not in its personal capacity

- and -

**SUMMIT CONCRETE & DRAIN LTD.**

### WHEREAS:

- A. On February 24, 2017, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), BDO Canada Limited was appointed as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("**Terrasan**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**Receivership Proceedings**");
- B. On April 3, 2017, the Court granted a sale process order which, among other things, approved a marketing and sale process in respect of the property municipally known as 327 Royal York Rd., Toronto, Ontario (the "**Property**");
- C. On August 25, 2017, the Court granted an approval and vesting order which, among other things, approved the asset purchase agreement dated July 28, 2017, between the Receiver and 2402871 Ontario Inc., as amended (the "**Purchase Agreement**"), and the sale of the Property;
- D. The sale transaction closed pursuant to the terms of the Purchase Agreement on September 15, 2017, and the Receiver was paid net sale proceeds in the amount of \$30,044,444 (the "**Sale Proceeds**");
- E. Registered on title to the Property were four (4) mortgages securing debt obligations owing by Terrasan as follows (in order of priority): (i) *Centurion Mortgage Capital Corporation* (paid by distribution order dated October 10, 2017, in the amount of \$12,692,899.41), (ii) *The Guarantee Company of North America* (paid by distribution order dated August 29, 2018, final payment in the amount of \$294,720.37), (iii) *Diversified Capital Ltd.* (paid by distribution order dated July 6, 2018, in the amount of \$3,404,228.47), and (iv) *Olympia Trust Company / Fletcher / Community Trust Company* (in the amount of \$11,160,862.42 as of April 10, 2018, plus accruing interest and fees) (collectively, the "**Mortgagees**");
- F. The Receiver obtained an opinion from its legal counsel, Dentons Canada LLP, confirming that all of the Mortgagees' loan and security documentation, subject to the customary assumptions and qualifications, constitute legal, valid and binding security interests in favour of Mortgagees that are properly registered on title to the Property;
- G. Summit Concrete & Drain Ltd. ("**Summit**") filed a lien against the Property on January 13, 2017 in the amount of \$111,313.31 a copy of which lien claim is attached as **Schedule "A"** herein (the "**Summit Lien Claim**");
- H. A dispute has arisen with the Receiver regarding the validity and priority of the Summit Lien Claim (the "**Lien Claim Dispute**"); and

- I. The Receiver and Summit have resolved to settle the Lien Claim Dispute, on the terms set out herein;

**NOW THEREFORE** in consideration of the mutual covenants contained herein including, without limitation, the agreement by the Receiver to the payment of the amount of \$12,000 (inclusive of HST) to Summit from the Sale Proceeds (the "**Payment**"), on the terms and conditions set out herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**ARTICLE 1**  
**SETTLEMENT**

- 1.1 The Receiver and Summit hereby agree as follows:
  - (a) the Receiver hereby agrees to the Payment to Summit in respect of the limited lien priority of Summit over the Mortgagees relating to the deficiency in the holdback required to be held by Terrasan, upon the granting of the Approval Order (as defined herein); and
  - (b) to provide the release pursuant to Article 2 hereof.

**ARTICLE 2**  
**RELEASE**

- 2.1 Subject to Article 3, by virtue of the execution and delivery of this Settlement Agreement and the delivery of the Payment by the Receiver to Summit, Summit hereby releases any and all claims, whether known or unknown, which it may have ever had, may have, or at any time hereafter can, shall or may have or advanced in respect of the Summit Lien Claim, and any other claims that may be asserted by Summit in priority to the Mortgagees.

**ARTICLE 3**  
**COURT APPROVAL**

- 3.1 The effectiveness of this Settlement Agreement remains subject to obtaining a Court Order in the Receivership Proceedings: (i) approving the settlement of the Summit Lien Claim, on the terms set forth in this Settlement Agreement, (ii) authorizing and directing the parties to the Settlement Agreement to take all steps necessary to give effect to the terms of this Settlement Agreement, and (iii) authorizing and directing the Receiver to make the Payment to Summit (the "**Approval Order**").


**ARTICLE 4**  
**GENERAL**

- 4.1 The recitals to this Settlement Agreement form part of this Settlement Agreement.
- 4.2 All monetary amounts referred to in this Settlement Agreement shall be in CAD currency.
- 4.3 This Settlement Agreement shall be governed by and construed in accordance with the laws of Ontario.
- 4.4 Any amendment to this Settlement Agreement shall be made in writing and shall be duly executed by all parties.


- 4.5 The parties hereby covenant and agree to do such further and other things that any other party may reasonably request to give full or better effect to the provisions of this Settlement Agreement.
- 4.6 Summit hereby and irrevocably directs that the Payment shall be paid to "Norton Rose Fulbright Canada LLP, in trust" and for doing so, this Settlement Agreement shall be the Receiver's authority.
- 4.7 This Settlement Agreement may be executed in counterparts and delivered via facsimile or email (pdf), and all counterparts, when taken together, shall constitute one Settlement Agreement.

IN WITNESS WHEREOF the parties hereto have executed these presents effective February 19, 2019.

**SUMMIT CONCRETE & DRAIN LTD.**

Per:   
Name: JONATHAN FUZA

**BDO CANADA LIMITED**, solely in its capacity as  
Court appointed receiver and manager of Terrasan  
327 Royal York Rd. Limited and not in its personal  
capacity

Per:   
Name: Josie Parisi

**Schedule "A"**

**Summit Lien Claim**



**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 TORONTO

**Consideration**

Consideration \$111,313.31

**Claimant(s)**

Name SUMMIT CONCRETE & DRAIN LTD.  
 Address for Service c/o Dan J. Leduc  
 Norton Rose Fulbright Canada LLP  
 45 O'Connor Street, Suite 1500  
 Ottawa, ON K1P 1A4

I, Dan J. Leduc, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, Dan J. Leduc, have the authority to bind the corporation.

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

**Statements**

Name and Address of Owner TERRASAN 327 ROYAL YORK RD. LIMITED, 93 Skyway Ave., Suite #210, Toronto, ON M9W 6N6 Name and address of person to whom lien claimant supplied services or materials TERRASAN 327 ROYAL YORK RD. LIMITED, 93 Skyway Ave., Suite #210, Toronto, ON M9W 6N6 Time within which services or materials were supplied from 2016/06/02 to 2016/12/08 Short description of services or materials that have been supplied Supply, installation, labour and materials and equipment for the buried drains. Contract price or subcontract price \$132,753.81 inclusive of HST Amount claimed as owing in respect of services or materials that have been supplied \$111,313.31 inclusive of HST

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

**Signed By**

Daniel Joseph Leduc 45 O'Connor Street, Suite 1500 acting for Signed 2017 01 13  
 Ottawa Applicant(s)  
 K1P 1A4

Tel 613-780-8661

Fax 613-230-5459

I have the authority to sign and register the document on behalf of the Applicant(s).

**Submitted By**

NORTON ROSE CANADA 45 O'Connor Street, Suite 1500 2017 01 13  
 Ottawa  
 K1P 1A4

Tel 613-780-8661

Fax 613-230-5459

**Fees/Taxes/Payment**

Statutory Registration Fee \$63.35  
 Total Paid \$63.35

# APPENDIX “E”

## SETTLEMENT OF LIEN CLAIM

### BETWEEN:

**BDO CANADA LIMITED**, solely in its capacity as receiver and manager of Terrasan 327 Royal York Rd. Limited and not in its personal capacity

- and -

**R. MANCINI AND ASSOCIATES LTD.**

### WHEREAS:

- A. On February 24, 2017, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), BDO Canada Limited was appointed as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("**Terrasan**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**Receivership Proceedings**");
- B. On April 3, 2017, the Court granted a sale process order which, among other things, approved a marketing and sale process in respect of the property municipally known as 327 Royal York Rd., Toronto, Ontario (the "**Property**");
- C. On August 25, 2017, the Court granted an approval and vesting order which, among other things, approved the asset purchase agreement dated July 28, 2017, between the Receiver and 2402871 Ontario Inc., as amended (the "**Purchase Agreement**"), and the sale of the Property;
- D. The sale transaction closed pursuant to the terms of the Purchase Agreement on September 15, 2017, and the Receiver was paid net sale proceeds in the amount of \$30,044,444 (the "**Sale Proceeds**");
- E. Registered on title to the Property were four (4) mortgages securing debt obligations owing by Terrasan as follows (in order of priority): (i) *Centurion Mortgage Capital Corporation* (paid by distribution order dated October 10, 2017, in the amount of \$12,692,899.41), (ii) *The Guarantee Company of North America* (paid by distribution order dated August 29, 2018, final payment in the amount of \$294,720.37), (iii) *Diversified Capital Ltd.* (paid by distribution order dated July 6, 2018, in the amount of \$3,404,228.47), and (iv) *Olympia Trust Company / Fletcher / Community Trust Company* (in the amount of \$11,160,862.42 as of April 10, 2018, plus accruing interest and fees) (collectively, the "**Mortgagees**");
- F. The Receiver obtained an opinion from its legal counsel, Dentons Canada LLP, confirming that all of the Mortgagees' loan and security documentation, subject to the customary assumptions and qualifications, constitute legal, valid and binding security interests in favour of Mortgagees that are properly registered on title to the Property;
- G. R. Mancini and Associates Ltd. ("**Mancini**") filed two (2) liens against the Property, as follows: (i) on January 24, 2017 in the amount of \$29,826.31, a copy of which is attached as **Schedule "A"** herein, and (ii) on January 24, 2017 in the amount of \$34,880.84, a copy of which is attached as **Schedule "B"** herein (collectively, (the "**Mancini Lien Claims**");
- H. A dispute has arisen with the Receiver regarding the validity and priority of the Mancini Lien Claims (the "**Lien Claim Dispute**"); and

- I. The Receiver and Mancini have resolved to settle the Lien Claim Dispute, on the terms set out herein;

**NOW THEREFORE** in consideration of the mutual covenants contained herein including, without limitation, the agreement by the Receiver to the payment of the amount of \$7,000 (inclusive of HST) to Mancini from the Sale Proceeds (the "**Payment**"), on the terms and conditions set out herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**ARTICLE 1**  
**SETTLEMENT**

- 1.1 The Receiver and Mancini hereby agree as follows:
  - (a) the Receiver hereby agrees to the Payment to Mancini in respect of the limited lien priority of Mancini in respect of the Mancini Lien Claims over the Mortgagees relating to the deficiency in the holdback required to be held by Terrasan, upon the granting of the Approval Order (as defined herein); and
  - (b) to provide the release pursuant to Article 2 hereof.

**ARTICLE 2**  
**RELEASE**

- 2.1 Subject to Article 3, by virtue of the execution and delivery of this Settlement Agreement and the delivery of the Payment by the Receiver to Mancini, Mancini hereby releases any and all claims, whether known or unknown, which it may have ever had, may have, or at any time hereafter can, shall or may have or advanced in respect of the Mancini Lien Claims, and any other claims that may be asserted by Mancini in priority to the Mortgagees.

**ARTICLE 3**  
**COURT APPROVAL**

- 3.1 The effectiveness of this Settlement Agreement remains subject to obtaining a Court Order in the Receivership Proceedings: (i) approving the settlement of the Mancini Lien Claims, on the terms set forth in this Settlement Agreement, (ii) authorizing and directing the parties to the Settlement Agreement to take all steps necessary to give effect to the terms of this Settlement Agreement, and (iii) authorizing and directing the Receiver to make the Payment to Mancini (the "**Approval Order**").

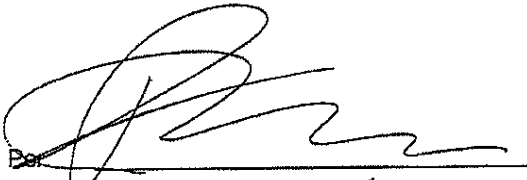
**ARTICLE 4**  
**GENERAL**

- 4.1 The recitals to this Settlement Agreement form part of this Settlement Agreement.
- 4.2 All monetary amounts referred to in this Settlement Agreement shall be in CAD currency.
- 4.3 This Settlement Agreement shall be governed by and construed in accordance with the laws of Ontario.

- 4.4 Any amendment to this Settlement Agreement shall be made in writing and shall be duly executed by all parties.
- 4.5 The parties hereby covenant and agree to do such further and other things that any other party may reasonably request to give full or better effect to the provisions of this Settlement Agreement.
- 4.6 This Settlement Agreement may be executed in counterparts and delivered via facsimile or email (pdf), and all counterparts, when taken together, shall constitute one Settlement Agreement.

IN WITNESS WHEREOF the parties hereto have executed these presents effective February \_\_\_\_, 2019.

**R. MANCINI AND ASSOCIATES LTD.**



Per: \_\_\_\_\_  
Name: *R. MANCINI.*

**BDO CANADA LIMITED**, solely in its capacity as  
Court appointed receiver and manager of Terrasan  
327 Royal York Rd. Limited and not in its personal  
capacity

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

- 4.4 Any amendment to this Settlement Agreement shall be made in writing and shall be duly executed by all parties.
- 4.5 The parties hereby covenant and agree to do such further and other things that any other party may reasonably request to give full or better effect to the provisions of this Settlement Agreement.
- 4.6 This Settlement Agreement may be executed in counterparts and delivered via facsimile or email (pdf), and all counterparts, when taken together, shall constitute one Settlement Agreement.

**IN WITNESS WHEREOF** the parties hereto have executed these presents effective February 22, 2019.

**R. MANCINI AND ASSOCIATES LTD.**

**BDO CANADA LIMITED**, solely in its capacity as Court appointed receiver and manager of Terrasan 327 Royal York Rd. Limited and not in its personal capacity

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

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

Name:

Name: Josie Parisi

**SCHEDULE "A"**  
**Mancini Lien Claim**

**SCHEDULE "B"**

LRO # 80 Construction Lien

Received as AT4468557 on 2017 01 24 at 15:04

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

yyyy mm dd Page 1 of 2

**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  
TORONTO

**Consideration**

**Consideration** \$ 29,826.31

**Claimant(s)**

**Name** R. MANCINI AND ASSOCIATES LTD.  
**Address for Service** 30 Martha Street, Suite 203  
Bolln, Ontario  
L7E 6V1

I, ROBERT MANCINI, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, ROBERT MANCINI, President, have the authority to bind the corporation.

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

**Statements**

Name and Address of Owner TERRASAN 327 ROYAL YORK RD. LIMITED, 93 SKYWAY AVE., UNIT 210, TOR., ONT. M9W 6N6  
Name and address of person to whom lien claimant supplied services or materials TERRASAN 327 ROYAL YORK RD. LIMITED, 93 SKYWAY AVE., UNIT 210, TOR., ONT. M9W 6N6 Time within which services or materials were supplied from 2014/11/01 to 2016/12/21  
Short description of services or materials that have been supplied ELECTRICAL ENGINEERING SERVICES Contract price or subcontract price \$42,500.00 plus HST Amount claimed as owing in respect of services or materials that have been supplied \$29,826.31 inclusive of HST

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

**Signed By**

Angelo Camillo Mancini 505-7050 Weston Rd. acting for Signed 2017 01 24  
Woodbridge Applicant(s)  
L4L 8G7.  
Tel~ 905-851-7717  
Fax 905-851-7718

I have the authority to sign and register the document on behalf of the Applicant(s).

**Submitted By**

MANCINI ASSOCIATES 505-7050 Weston Rd. 2017 01 24  
Woodbridge  
L4L 8G7  
Tel 905-851-7717  
Fax 905-851-7718

**Fees/Taxes/Payment**

**Statutory Registration Fee** \$63.35  
**Total Paid** \$63.35



LRO # 80 Construction Lien

Received as AT4468557 on 2017 01 24 at 15:04

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

YYYY mm dd Page 2 of 2

**File Number**

Claimant Client File Number :

80314001

**SCHEDULE "B"**  
**Mancini Lien Claim**

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

yyyy mm dd Page 1 of 2

**Properties**

PIN 07617 - 0889 LT

Description LOTS 159, 180 & 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  
TORONTO

**Consideration**

Consideration \$ 34,880.84

**Claimant(s)**

Name R. MANCINI AND ASSOCIATES LTD.

Address for Service 30 Martha Street, Suite 203  
Bolton, Ontario  
L7E 5V1

I, ROBERT MANCINI, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, ROBERT MANCINI, President, have the authority to bind the corporation.

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

**Statements**

Name and Address of Owner TERRASAN 327 ROYAL YORK RD. LIMITED, 93 SKYWAY AVE., UNIT 210, TOR., ONT. M9W 6N6  
Name and address of person to whom lien claimant supplied services or materials TERRASAN 327 ROYAL YORK RD. LIMITED, 93  
SKYWAY AVE., UNIT 210, TOR., ONT. M9W 6N6 Time within which services or materials were supplied from 2014/04/16 to 2017/01/16  
Short description of services or materials that have been supplied MECHANICAL AND GEOTHERMAL ENGINEERING SERVICES  
Contract price or subcontract price \$159,200.00 plus HST Amount claimed as owing in respect of services or materials that have been  
supplied \$34,880.84 inclusive of HST

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

**Signed By**

Angelo Camillo Mancini 505-7050 Weston Rd. acting for Signed 2017 01 24  
Woodbridge Applicant(s)  
L4L 8G7

Tel 905-851-7717

Fax 905-851-7718

I have the authority to sign and register the document on behalf of the Applicant(s).

**Submitted By**

MANCINI ASSOCIATES 505-7050 Weston Rd. 2017 01 24  
Woodbridge  
L4L 8G7

Tel 905-851-7717

Fax 905-851-7718

**Fees/Taxes/Payment**

Statutory Registration Fee \$63.35

Total Paid \$63.35

# APPENDIX “F”

## SETTLEMENT OF LIEN CLAIM

### BETWEEN:

**BDO CANADA LIMITED**, solely in its capacity as receiver and manager of Terrasan 327 Royal York Rd. Limited and not in its personal capacity

- and -

### QUINN DRESSEL ASSOCIATES

### WHEREAS:

- A. On February 24, 2017, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), BDO Canada Limited was appointed as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("**Terrasan**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**Receivership Proceedings**");
- B. On April 3, 2017, the Court granted a sale process order which, among other things, approved a marketing and sale process in respect of the property municipally known as 327 Royal York Rd., Toronto, Ontario (the "**Property**");
- C. On August 25, 2017, the Court granted an approval and vesting order which, among other things, approved the asset purchase agreement dated July 28, 2017, between the Receiver and 2402871 Ontario Inc., as amended (the "**Purchase Agreement**"), and the sale of the Property;
- D. The sale transaction closed pursuant to the terms of the Purchase Agreement on September 15, 2017, and the Receiver was paid net sale proceeds in the amount of \$30,044,444 (the "**Sale Proceeds**");
- E. Registered on title to the Property were four (4) mortgages securing debt obligations owing by Terrasan as follows (in order of priority): (i) *Centurion Mortgage Capital Corporation* (paid by distribution order dated October 10, 2017, in the amount of \$12,692,899.41), (ii) *The Guarantee Company of North America* (paid by distribution order dated August 29, 2018, final payment in the amount of \$294,720.37), (iii) *Diversified Capital Ltd.* (paid by distribution order dated July 6, 2018, in the amount of \$3,404,228.47), and (iv) *Olympia Trust Company / Fletcher / Community Trust Company* (in the amount of \$11,160,862.42 as of April 10, 2018, plus accruing interest and fees) (collectively, the "**Mortgagees**");
- F. The Receiver obtained an opinion from its legal counsel, Dentons Canada LLP, confirming that all of the Mortgagees' loan and security documentation, subject to the customary assumptions and qualifications, constitute legal, valid and binding security interests in favour of Mortgagees that are properly registered on title to the Property;
- G. Quinn Dressel Associates ("**Quinn**") filed a lien against the Property on February 24, 2017 in the amount of \$55,969.02 a copy of which lien claim is attached as **Schedule "A"** herein (the "**Quinn Lien Claim**");
- H. A dispute has arisen with the Receiver regarding the validity and priority of the Quinn Lien Claim (the "**Lien Claim Dispute**"); and

- I. The Receiver and Quinn have resolved to settle the Lien Claim Dispute, on the terms set out herein;

**NOW THEREFORE** in consideration of the mutual covenants contained herein including, without limitation, the agreement by the Receiver to the payment of the amount of \$5,596.90 (inclusive of HST) to Quinn from the Sale Proceeds (the "**Payment**"), on the terms and conditions set out herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**ARTICLE 1**  
**SETTLEMENT**

- 1.1 The Receiver and Quinn hereby agree as follows:
  - (a) the Receiver hereby agrees to the Payment to Quinn in respect of the limited lien priority of Quinn over the Mortgagees relating to the deficiency in the holdback required to be held by Terrasan, upon the granting of the Approval Order (as defined herein); and
  - (b) to provide the release pursuant to Article 2 hereof.

**ARTICLE 2**  
**RELEASE**

- 2.1 Subject to Article 3, by virtue of the execution and delivery of this Settlement Agreement and the delivery of the Payment by the Receiver to Quinn, Quinn hereby releases any and all claims, whether known or unknown, which it may have ever had, may have, or at any time hereafter can, shall or may have or advanced in respect of the Quinn Lien Claim, and any other claims that may be asserted by Quinn in priority to the Mortgagees.

**ARTICLE 3**  
**COURT APPROVAL**

- 3.1 The effectiveness of this Settlement Agreement remains subject to obtaining a Court Order in the Receivership Proceedings: (i) approving the settlement of the Quinn Lien Claim, on the terms set forth in this Settlement Agreement, (ii) authorizing and directing the parties to the Settlement Agreement to take all steps necessary to give effect to the terms of this Settlement Agreement, and (iii) authorizing and directing the Receiver to make the Payment to Quinn.

**ARTICLE 4**  
**GENERAL**

- 4.1 The recitals to this Settlement Agreement form part of this Settlement Agreement.
- 4.2 All monetary amounts referred to in this Settlement Agreement shall be in CAD currency.
- 4.3 This Settlement Agreement shall be governed by and construed in accordance with the laws of Ontario.
- 4.4 Any amendment to this Settlement Agreement shall be made in writing and shall be duly executed by all parties.

4.5 The parties hereby covenant and agree to do such further and other things that any other party may reasonably request to give full or better effect to the provisions of this Settlement Agreement.

4.6 This Settlement Agreement may be executed in counterparts and delivered via facsimile or email (pdf), and all counterparts, when taken together, shall constitute one Settlement Agreement.


Quinn hereby and irrevocably directs that the Payment shall be paid to "Birenbaum Steinberg Landau Savin & Colrairie, LLP in trust" and for doing so, this Settlement Agreement shall be the Receiver's authority.

IN WITNESS WHEREOF the parties hereto have executed these presents effective ~~February~~ <sup>March</sup> 5, 2019.

QUINN DRESSEL ASSOCIATES

Per:


Name:

  
G. M. Higon

BDO CANADA LIMITED, solely in its capacity as Court appointed receiver and manager of Terrasan 327 Royal York Rd. Limited and not in its personal capacity

Per:

Name:

  
JOSIE PARRY

**SCHEDULE "A"**

**Quinn Lien Claim**



**Properties**

**PIN** 07817 - 0889 LT  
**Description** LOTS 150, 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 AT4284438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO  
**Address** TORONTO

**Consideration**

**Consideration** \$ 55,869.02

**Claimant(s)**

**Name** QUINN DRESSEL ASSOCIATES  
**Address for Service** 680 Yonge Street  
 Suite 300  
 Toronto, Ontario M4W 3P4

I, Grant D. Milligan, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

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

**Statements**

Name and Address of Owner TERRASAN 327 ROYAL YORK RD, LIMITED, 93 Skyway Avenue, Suite 210, Toronto, Ontario M9W 6N6  
 Name and address of person to whom lien claimant supplied services or materials TERRASAN 327 ROYAL YORK RD, LIMITED, c/o TERRASAN 327 ROYAL YORK ROAD, 93 Skyway Avenue, Suite 210, Toronto, Ontario M9W 6N6 Time within which services or materials were supplied from 2013/04/01 to 2017/01/20 Short description of services or materials that have been supplied Structural engineering services provided with respect to the construction of the 26 storey condominium development being developed on the property municipally known as 327 Royal York Road, Toronto, Ontario Contract price or subcontract price \$221,163.80 (inclusive of HST) Amount claimed as owing in respect of services or materials that have been supplied \$55,869.02 (inclusive of HST)

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

**Signed By**

Stanley Isaac Landau	1000-33 Bloor St. E. Toronto M4W 3H1	acting for Applicant(s)	Signed	2017 02 24
Tel	416-961-4100			
Fax	416-961-2531			

I have the authority to sign and register the document on behalf of the Applicant(s).

**Submitted By**

BIRENBAUM STEINBERG LANDAU SAVIN COLRAIN	1000-33 Bloor St. E. Toronto M4W 3H1	2017 02 24
Tel	416-961-4100	
Fax	416-961-2531	

**Fees/Taxes/Payment**

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

# APPENDIX “G”

## SETTLEMENT OF LIEN CLAIM

### BETWEEN:

**BDO CANADA LIMITED**, solely in its capacity as receiver and manager of Terrasan 327 Royal York Rd. Limited and not in its personal capacity

- and -

### DESROSIERS GEOTHERMAL CORPORATION

### WHEREAS:

- A. On February 24, 2017, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), BDO Canada Limited was appointed as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("**Terrasan**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**Receivership Proceedings**");
- B. On April 3, 2017, the Court granted a sale process order which, among other things, approved a marketing and sale process in respect of the property municipally known as 327 Royal York Rd., Toronto, Ontario (the "**Property**");
- C. On August 25, 2017, the Court granted an approval and vesting order which, among other things, approved the asset purchase agreement dated July 28, 2017, between the Receiver and 2402871 Ontario Inc., as amended (the "**Purchase Agreement**"), and the sale of the Property;
- D. The sale transaction closed pursuant to the terms of the Purchase Agreement on September 15, 2017, and the Receiver was paid net sale proceeds in the amount of \$30,044,444 (the "**Sale Proceeds**");
- E. Registered on title to the Property were four (4) mortgages securing debt obligations owing by Terrasan as follows (in order of priority): (i) *Centurion Mortgage Capital Corporation* (paid by distribution order dated October 10, 2017, in the amount of \$12,692,899.41), (ii) *The Guarantee Company of North America* (paid by distribution order dated August 29, 2018, final payment in the amount of \$294,720.37), (iii) *Diversified Capital Ltd.* (paid by distribution order dated July 6, 2018, in the amount of \$3,404,228.47), and (iv) *Olympia Trust Company / Fletcher / Community Trust Company* (in the amount of \$11,160,862.42 as of April 10, 2018, plus accruing interest and fees) (collectively, the "**Mortgagees**");
- F. The Receiver obtained an opinion from its legal counsel, Dentons Canada LLP, confirming that all of the Mortgagees' loan and security documentation, subject to the customary assumptions and qualifications, constitute legal, valid and binding security interests in favour of Mortgagees that are properly registered on title to the Property;
- G. Desrosiers Geothermal Corporation ("**Desrosiers**") filed a lien against the Property on February 10, 2017 in the amount of \$285,236.96 a copy of which lien claim is attached as **Schedule "A"** herein (the "**Desrosiers Lien Claim**");
- H. A dispute has arisen with the Receiver regarding the validity and priority of the Desrosiers Lien Claim (the "**Lien Claim Dispute**"); and

- I. The Receiver and Desrosiers have resolved to settle the Lien Claim Dispute, on the terms set out herein;

**NOW THEREFORE** in consideration of the mutual covenants contained herein including, without limitation, the agreement by the Receiver to the payment of the amount of \$71,680.63 (inclusive of HST) to Desrosiers from the Sale Proceeds (the "**Payment**"), on the terms and conditions set out herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

#### **ARTICLE 1** **SETTLEMENT**

- 1.1 The Receiver and Desrosiers hereby agree as follows:
  - (a) the Receiver hereby agrees to the Payment to Desrosiers in respect of the limited lien priority of Desrosiers over the Mortgagees relating to the deficiency in the holdback required to be held by Terrasan, upon the granting of the Approval Order (as defined herein); and
  - (b) to provide the release pursuant to Article 2 hereof.

#### **ARTICLE 2** **RELEASE**

- 2.1 Subject to Article 3, by virtue of the execution and delivery of this Settlement Agreement and the delivery of the Payment by the Receiver to Desrosiers, Desrosiers hereby releases any and all claims, whether known or unknown, which it may have ever had, may have, or at any time hereafter can, shall or may have or advanced in respect of the Desrosiers Lien Claim, and any other claims that may be asserted by Desrosiers in priority to the Mortgagees.

#### **ARTICLE 3** **COURT APPROVAL**

- 3.1 The effectiveness of this Settlement Agreement remains subject to obtaining a Court Order in the Receivership Proceedings: (i) approving the settlement of the Desrosiers Lien Claim, on the terms set forth in this Settlement Agreement, (ii) authorizing and directing the parties to the Settlement Agreement to take all steps necessary to give effect to the terms of this Settlement Agreement, and (iii) authorizing and directing the Receiver to make the Payment to Desrosiers (the "**Approval Order**").

#### **ARTICLE 4** **GENERAL**

- 4.1 The recitals to this Settlement Agreement form part of this Settlement Agreement.
- 4.2 All monetary amounts referred to in this Settlement Agreement shall be in CAD currency.
- 4.3 This Settlement Agreement shall be governed by and construed in accordance with the laws of Ontario.

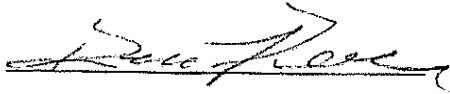
- 4.4 Any amendment to this Settlement Agreement shall be made in writing and shall be duly executed by all parties.
- 4.5 The parties hereby covenant and agree to do such further and other things that any other party may reasonably request to give full or better effect to the provisions of this Settlement Agreement.
- 4.6 This Settlement Agreement may be executed in counterparts and delivered via facsimile or email (pdf), and all counterparts, when taken together, shall constitute one Settlement Agreement.

IN WITNESS WHEREOF the parties hereto have executed these presents effective March 6, 2019.

**DESROSIERS GEOTHERMAL CORPORATION**

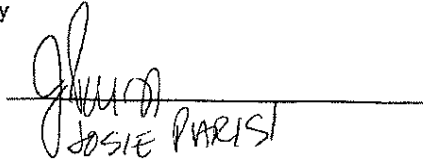
**BDO CANADA LIMITED**, solely in its capacity as  
Court appointed receiver and manager of Terrasan  
327 Royal York Rd. Limited and not in its personal  
capacity

Per:



Name: David Desrosiers

Per:



Name: JOSIE PARISI

**SCHEDULE "A"**  
**Desrosiers Lien Claim**

**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  
TORONTO

**Consideration**

**Consideration** \$285,236.96

**Claimant(s)**

**Name** DESROSIERS GEOTHERMAL CORPORATION  
**Address for Service** 12-1020 Matheson Blvd. East  
Mississauga, ON  
L4W 4J9

I am the lien claimant and the facts stated in the claim for lien are true.  
This document is not authorized under Power of Attorney by this party.

**Statements**

Name and Address of Owner Terrasan 327 Royal York Road, 93 Skyway Avenue, Suite 210, Toronto, ON M9W 6N6 Name and address of person to whom lien claimant supplied services or materials Terrasan 327 Royal York Rd. Limited, 93 Skyway Avenue, Suite 210, Toronto, ON M9W 6N6 Time within which services or materials were supplied from 2014/10/20 to 2016/12/16 Short description of services or materials that have been supplied Drilled and installed 80 boreholes. Cleaned and replaced geo-loops. Ran the tie-ins. Supplied loops, grout and labour. Contract price or subcontract price \$703,852.72 includes HST and extras. Amount claimed as owing in respect of services or materials that have been supplied \$285,236.96

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

**Signed By**

Pieter Carel Verbeek 12-1020 Matheson Blvd. acting for Signed 2017 01 23  
Mississauga Applicant(s)  
L4W 4J9

**Tel** 9056026000

**Fax** 9056025000

I have the authority to sign and register the document on behalf of the Applicant(s).

**Submitted By**

VERBEEK & VERBEEK 12-1020 Matheson Blvd. 2017 01 23  
Mississauga  
L4W 4J9

**Tel** 9056026000

**Fax** 9056025000

**Fees/Taxes/Payment**

**Statutory Registration Fee** \$63.35  
**Total Paid** \$63.35

# APPENDIX “H”



## SETTLEMENT OF LIEN CLAIM

### BETWEEN:

**BDO CANADA LIMITED**, solely in its capacity as receiver and manager of Terrasan 327 Royal York Rd. Limited and not in its personal capacity

- and -

**MCCALLUM SATHER ARCHITECTS INC.**

### WHEREAS:

- A. On February 24, 2017, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), BDO Canada Limited was appointed as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Terrasan 327 Royal York Rd. Limited ("**Terrasan**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**Receivership Proceedings**");
- B. On April 3, 2017, the Court granted a sale process order which, among other things, approved a marketing and sale process in respect of the property municipally known as 327 Royal York Rd., Toronto, Ontario (the "**Property**");
- C. On August 25, 2017, the Court granted an approval and vesting order which, among other things, approved the asset purchase agreement dated July 28, 2017, between the Receiver and 2402871 Ontario Inc., as amended (the "**Purchase Agreement**"), and the sale of the Property;
- D. The sale transaction closed pursuant to the terms of the Purchase Agreement on September 15, 2017, and the Receiver was paid net sale proceeds in the amount of \$30,044,444 (the "**Sale Proceeds**");
- E. Registered on title to the Property were four (4) mortgages securing debt obligations owing by Terrasan as follows (in order of priority): (i) *Centurion Mortgage Capital Corporation* (paid by distribution order dated October 10, 2017, in the amount of \$12,692,899.41), (ii) *The Guarantee Company of North America* (paid by distribution order dated August 29, 2018, final payment in the amount of \$294,720.37), (iii) *Diversified Capital Ltd.* (paid by distribution order dated July 6, 2018, in the amount of \$3,404,228.47), and (iv) *Olympia Trust Company / Fletcher / Community Trust Company* (in the amount of \$11,160,862.42 as of April 10, 2018, plus accruing interest and fees) (collectively, the "**Mortgagees**");
- F. The Receiver obtained an opinion from its legal counsel, Dentons Canada LLP, confirming that all of the Mortgagees' loan and security documentation, subject to the customary assumptions and qualifications, constitute legal, valid and binding security interests in favour of Mortgagees that are properly registered on title to the Property;
- G. McCallum Sather Architects Inc. ("**McCallum**") filed a lien against the Property on February 10, 2017 in the amount of \$115,432.14 a copy of which lien claim is attached as Schedule "A" herein (the "**McCallum Lien Claim**");
- H. A dispute has arisen with the Receiver regarding the validity and priority of the McCallum Lien Claim (the "**Lien Claim Dispute**"); and

- I. The Receiver and McCallum have resolved to settle the Lien Claim Dispute, on the terms set out herein;

**NOW THEREFORE** in consideration of the mutual covenants contained herein including, without limitation, the agreement by the Receiver to the payment of the amount of \$9,431.13 (inclusive of HST) to McCallum from the Sale Proceeds (the "**Payment**"), on the terms and conditions set out herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

#### **ARTICLE 1** **SETTLEMENT**

- 1.1 The Receiver and McCallum hereby agree as follows:
  - (a) the Receiver hereby agrees to the Payment to McCallum in respect of the limited lien priority of McCallum over the Mortgagees relating to the deficiency in the holdback required to be held by Terrasan, upon the granting of the Approval Order (as defined herein); and
  - (b) to provide the release pursuant to Article 2 hereof.

#### **ARTICLE 2** **RELEASE**

- 2.1 Subject to Article 3, by virtue of the execution and delivery of this Settlement Agreement and the delivery of the Payment by the Receiver to McCallum, McCallum hereby releases any and all claims, whether known or unknown, which it may have ever had, may have, or at any time hereafter can, shall or may have or advanced in respect of the McCallum Lien Claim, and any other claims that may be asserted by McCallum in priority to the Mortgagees.

#### **ARTICLE 3** **COURT APPROVAL**

- 3.1 The effectiveness of this Settlement Agreement remains subject to obtaining a Court Order in the Receivership Proceedings: (i) approving the settlement of the McCallum Lien Claim, on the terms set forth in this Settlement Agreement, (ii) authorizing and directing the parties to the Settlement Agreement to take all steps necessary to give effect to the terms of this Settlement Agreement, and (iii) authorizing and directing the Receiver to make the Payment to McCallum (the "**Approval Order**").


#### **ARTICLE 4** **GENERAL**

- 4.1 The recitals to this Settlement Agreement form part of this Settlement Agreement.
- 4.2 All monetary amounts referred to in this Settlement Agreement shall be in CAD currency.
- 4.3 This Settlement Agreement shall be governed by and construed in accordance with the laws of Ontario.


- 4.4 Any amendment to this Settlement Agreement shall be made in writing and shall be duly executed by all parties.
- 4.5 The parties hereby covenant and agree to do such further and other things that any other party may reasonably request to give full or better effect to the provisions of this Settlement Agreement.
- 4.6 This Settlement Agreement may be executed in counterparts and delivered via facsimile or email (pdf), and all counterparts, when taken together, shall constitute one Settlement Agreement.

IN WITNESS WHEREOF the parties hereto have executed these presents effective March 5, 2019.

**MCCALLUM SATHER ARCHITECTS INC.**

Per:   
Name: JOANNE  
MCCALLUM

**BDO CANADA LIMITED**, solely in its capacity as  
Court appointed receiver and manager of Terrasan  
327 Royal York Rd. Limited and not in its personal  
capacity

Per:   
Name: Josie Parisi

**SCHEDULE "A"**  
**McCallum Lien Claim**

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

yyyy mm dd Page 1 of 1

**Properties**

PIN 07817 - 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 TORONTO

**Consideration**

Consideration \$ 115,432.14

**Claimant(s)**

Name MCCALLUM SATHER ARCHITECTS INC.

Address for Service 157 Catharine Street North  
Hamilton, ON L8L 4S4

I, Joanne McCallum, Director, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

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

**Statements**

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Schedule: See Schedules

**Signed By**

John Alexander Evans	1 King Street West, P.O. Box 907 Hamilton L8N 3P6	acting for Applicant(s)	Signed	2017 02 10
Tel 905-528-9800				
Fax 905-528-0732				

I have the authority to sign and register the document on behalf of the Applicant(s).

**Submitted By**

ROSS & McBRIDE	1 King Street West, P.O. Box 907 Hamilton L8N 3P6	2017 02 10
Tel 905-528-9800		
Fax 905-528-0732		

**Fees/Taxes/Payment**

Statutory Registration Fee	\$83.35
Total Paid	\$83.35

**File Number**

Claimant Client File Number: 2814-004

# APPENDIX “I”

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**AFFIDAVIT OF JOSIE PARISI**

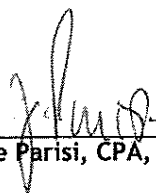
I, JOSIE PARISI, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

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

4. The time shown in the detailed accounts attached as Exhibit "A" are a fair and accurate description of the services provided and the amounts charged by the Receiver, which reflect the Receiver's time as billed at its standard billing rates.
5. The Receiver requests that the Court approve its interim accounts for the period from 2 November 2018 to 1 March 2019 in the amount of \$29,735.48 inclusive of HST of \$3,420.90 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 )  
 5<sup>th</sup> day of March 2019. )

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

  
 \_\_\_\_\_ )  
 Josie Parisi, CPA, CA, CBV, 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 21, 2020.**



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

Josie Parisi

Sworn before me this 5<sup>th</sup> day of March 2019

A handwritten signature in cursive script, appearing to read "A. Montasano".

A COMMISSIONER FOR TAKING AFFIDAVITS

**Antonio Montasano, a Commissioner, etc.,  
Province of Ontario, for BDO Canada LLP  
and BDO Canada Limited, and  
their subsidiaries, associates and affiliates.  
Expires December 21, 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
5 March 2019	#CINV

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

**TO OUR FEE FOR PROFESSIONAL SERVICES** rendered from 2 November 2018 to 1 March 2019 in connection with our Receivership Engagement of the above-noted, as described below: (Please note that the time for 2 November and 13 November 2018, were omitted on previous billing).

Our Fee	\$ 25,061.50
Disbursements	
Administrative Fee - 5%	1,253.08
Subtotal	26,314.58
HST - 13.00% (#R101518124)	3,420.90
<b>TOTAL</b>	<b>\$ 29,735.48</b>

**Summary of Time Charges:**

	Hours	Rate	Amount
J. Parisi, Partner	40.70	525.00	21,367.50
G. Cerrato, Senior Manager	2.70	465.00	1,255.50
M. Marchand, Senior Manager	1.40	305.00	427.00
T. Montesano, Administrator	3.20	200.00	640.00
N. Roy, Sr. Manager, Tax	1.75	300.00	525.00
M. Hill, Sr. Accountant, Tax	2.50	230.00	575.00
Administrative Support	1.90		271.50
<b>Total</b>	<b>54.15</b>		<b>\$ 25,061.50</b>



Date	Professional	Description	Hrs.
2-Nov-18	Montesano, Tony	Discussion with M. Hill re: status of preparation of T2 return.	0.2
13-Nov-18	Montesano, Tony	Correspond with T. Redding re filing of T2 return; scan copy current trial balance.	1.0
19-Nov-18	Montesano, Tony	Discussion with M. Hill in our Tax Department regarding adjusted Trial Balance; send copy to same.	0.3
19-Nov-18	Parisi, Josie	Prepare the 10 <sup>th</sup> report of the Receiver.	4.1
19-Nov-18	Hill, Megan	Phone call with T. Montesano re new Trial Balance.	0.17
20-Nov-18	Montesano, Tony	Make changes to interim Statement of Receipts and Disbursements.	0.3
20-Nov-18	Parisi, Josie	Reviewing the R&D, changes to court report; discussions with R. Kennedy re deal with Roni.	0.9
21-Nov-18	Parisi, Josie	Review Roni settlement agreement, review email from Law Society re 4th secured and correspondence with R. Kennedy re same; discussions with G. Cerrato re same.	0.7
23-Nov-18	Hill, Megan	Preparing T2 based on info from BDO; finishing return and signing off in CW file and preparing enclosure letter.	1.25
27-Nov-18	Parisi, Josie	Review notice of motion, review changes to report, review Roni's settlement agreement, discussions with R. Kennedy re report and other liens which are to be not settled.	1.6
28-Nov-18	Parisi, Josie	Review changes to 10 <sup>th</sup> report, sign and return.	0.7
3-Oct-18	Cerrato, Gary	Call from L. Dong; provide email update on status of file.	0.3
13-Nov-18	Parisi, Josie	Prepare 10 <sup>th</sup> report.	3.3
15-Nov-18	Parisi, Josie	Discussion regarding T2 return and additional information needed; review R&D with them and how the sale proceeds should be shown and the changes to BS required.	0.6
3-Dec-18	Parisi, Josie	Finalize court report, discussions with R. Kennedy, review changes to report proposed by R. Kennedy.	2.3
4-Dec-18	Parisi, Josie	In court for Distribution Order.	2.4
5-Dec-18	Parisi, Josie	Review bank statements and bank reconciliations.	0.1
5-Dec-18	Cerrato, Gary	Review of correspondence received.	0.3
6-Dec-18	Montesano, Tony	File Nov. 2018 HST return.	0.2



Date	Professional	Description	Hrs.
7-Dec-18	Montesano, Tony	Discussion with M. Hill tax department regarding status of T2 return; advised that return is complete and in for final review.	0.1
7-Dec-18	Roy, Nina	Review of Terrasan T2; email query to T. Montesano and M. Hill.	1.05
11-Dec-18	Parisi, Josie	Call from an Olympia investor requesting an update.	0.4
12-Dec-18	Hill, Megan	Email to T. Montesano with queries.	0.33
12-Dec-18	Roy, Nina	Review queries.	0.25
13-Dec-18	Parisi, Josie	Review settlement of lien claim re Summit Lien; provide comments to R. Kennedy.	0.4
17-Dec-18	Marchand, Matthew	Review email from T. Montesano re information for tax return; review QuickBooks re same; export QuickBooks general ledger activity to Excel; review same; draft email to T. Montesano re same.	1.4
18-Dec-18	Montesano, Tony	Discussion with M. Hill BDO tax Department; regarding G/L details extracted from Companies financial; forward copy to same.	0.2
19-Dec-18	Hill, Megan	Updating T2.	0.17
19-Dec-18	Hill, Megan	Reconciling land and building account for disposition of land.	0.58
20-Dec-18	Roy, Nina	Review gain/loss calculation and discussion with M. Hill; finalize review; email to J. Parisi.	0.45
2-Jan-19	Tony Montesano	Scan signing page of T183 electronic filing form to T. Redding and M. Hill tax department.	0.3
2-Jan-19	Josie Parisi	Review and sign tax return.	0.6
3-Jan-19	Josie Parisi	Discussions with one of the Olympia investors.	0.3
4-Jan-19	Tony Montesano	File December 2018 HST return.	0.1
7-Jan-19	Josie Parisi	Review Quinn Dressel settlement and provide comments to Rob, review documents re Tarion Holdback release.	0.7
10-Jan-19	Josie Parisi	Discussions with R. Kennedy re Olympia and next steps to return funds.	0.4
22-Jan-19	Gary Cerrato	Update call with syndicated mortgage holder re possible future distribution and timing of same.	0.4



Date	Professional	Description	Hrs.
23-Jan-19	Josie Parisi	Terrasas - review correspondence between R. Kennedy & Mario Roberto (counsel for lien claimant CRH). Call with R. Kennedy re negotiating with CRH.	0.7
25-Jan-19	Josie Parisi	Review correspondence with R. Kennedy re CHR liens and resolution.	0.4
29-Jan-19	Josie Parisi	Review agreement between CRH Canada as lien claimant against the property.	0.6
29-Jan-19	Gary Cerrato	Review accounting and correspondence re lien settlements; call with syndicated mortgage holder.	0.5
30-Jan-19	Josie Parisi	Discussions with D. Marino regarding a distribution to the Olympia investors.	0.3
5-Feb-19	Tony Montesano	File HST return.	0.1
6-Feb-19	Tony Montesano	Review and pay invoice.	0.1
11-Feb-19	Josie Parisi	Call with Olympia investor regarding return of funds.	0.4
12-Feb-19	Josie Parisi	Review settlement agreement with Mancini and provide comments to R. Kennedy.	0.2
13-Feb-19	Josie Parisi	Review and execute agreement for Mancini, CHR, Quinn Dressel.	0.4
14-Feb-19	Josie Parisi	Call with Olympia investor re status of receivership.	0.3
15-Feb-19	Josie Parisi	Discussions with R. Kennedy re Olympia investors and claims process and next step; review information on hand re Olympia; review Summit Concrete settlement agreement and execute.	0.9
19-Feb-19	Josie Parisi	Correspondence with R. Kennedy re Desrosiers's lien and Olympia; review documentation related to the Olympia mortgages; execute lien settlement for CRH; call with R. Kennedy re Olympia mortgages.	1.7
19-Feb-19	Gary Cerrato	Review of correspondence received and respond.	0.5
20-Feb-19	Josie Parisi	Review information provided by Desrosier regarding the lien priority; correspondence with R. Kennedy re same; discussions re Olympia distribution.	0.7
22-Feb-19	Josie Parisi	Review and execute revised agreements for Summit and Mancini, review correspondence to Olympia, commence drafting court report.	4.1



Date	Professional	Description	Hrs.
22-Feb-19	Gary Cerrato	Call with J. Parisi to discuss update on lien settlement and strategy to deal with Olympia syndicated mortgage; review of correspondence from counsel.	0.7
25-Feb-19	Josie Parisi	Review and provide comments re notice of motion; review statement of Claim and Order Vacating Lien related to YYZed.	1.6
26-Feb-19	Josie Parisi	Discussions with R. Kennedy re motion materials, draft report, lien settlements, lienability of YYZed; discussions with G. Cerrato re LC and YYZ and next steps. Review correspondence to K. Hamilton; speak to an Olympia investor regarding the status of payment.	2.3
27-Feb-19	Tony Montesano	Complete Iron Mountain prepay request form and worksheet.	0.3
27-Feb-19	Josie Parisi	Working on report.	1.2
28-Feb-19	Josie Parisi	Preparing the 11 <sup>th</sup> report.	2.3
1-Mar-19	Josie Parisi	Preparing the 11 <sup>th</sup> report.	3.1

# APPENDIX “J”



**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 March 4, 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 November 1, 2018 to February 28, 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.

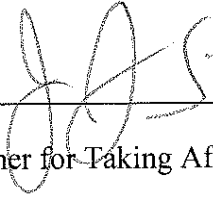
**SWORN** before me at the City of Toronto in the Province of Ontario, this 4th day of March, 2019.

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

*John J. Salinas*

} \_\_\_\_\_  
**ROBERT KENNEDY**

THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 4th DAY OF MARCH,  
2019.

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, positioned above a horizontal line.

A Commissioner for Taking Affidavits, etc.

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

Attention: Josie Parisi

**INVOICE # 3396176**GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
December 19, 2018	201205-000011	Robert Kennedy

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

Professional Fees	\$ 19,575.50
Less: Discount	<u>(1,000.00)</u>
Net Professional Fees	\$ 18,575.50
Disbursements	283.01
HST (13.0%) on \$18,698.51	<u>2,430.81</u>
<b>Total Amount Due</b>	<b><u>\$ 21,289.32</u> CAD</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: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account : 0004-324</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>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: _____ 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>	

*We are very grateful to have you as a client and appreciate your business.  
 Please provide your feedback to us at [www.dentons.com/en/clientfeedbackcanada](http://www.dentons.com/en/clientfeedbackcanada)*

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED for the period ending June 30, 2018:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
01-Nov-18	Robert Kennedy	Work on lien claim matters. Conversation with Ryan Hauk.
02-Nov-18	Robert Kennedy	Work on settlement agreements. Correspondence to Josie Parisi.
03-Nov-18	Robert Kennedy	Review and revise settlement agreements. Correspondence to Josie Parisi.
05-Nov-18	Robert Kennedy	Review correspondence from Ryan Hauk. Correspondence to Josie Parisi.
08-Nov-18	Robert Kennedy	Correspondence to Josie Parisi. Correspondence to Julian Binavance. Correspondence to Ryan Hauk. Review and revise settlement agreements.
09-Nov-18	Robert Kennedy	Correspondence to and from Josie Parisi regarding settlement agreements and motion matters. Correspondence to Ryan Hauk. Correspondence to Julian Binavance.
12-Nov-18	Robert Kennedy	Work on settlement documents.
14-Nov-18	Robert Kennedy	Various correspondence to and from Josie Parisi regarding distribution motion. Review settlement agreements.
16-Nov-18	Robert Kennedy	Work on construction lien matters. Correspondence to Ryan Hauk. Correspondence to Julian Binavance.
19-Nov-18	Robert Kennedy	Correspondence from and to Josie Parisi. Review Receiver's Report.
20-Nov-18	Robert Kennedy	Review receiver's report. Conversation with Julian Binavance. Voicemail left with Dan Leduc. Conversation with Rob Kennaley regarding settlement. Various correspondence to and from Josie Parisi.
21-Nov-18	Robert Kennedy	Work on motion materials. Revise Receiver's Report. Work on lien claim matters. Various correspondence to and from Josie Parisi.
22-Nov-18	Robert Kennedy	Work on motion materials. Correspondence with Julian Binavance.
23-Nov-18	Robert Kennedy	Work on motion materials. Various correspondence to and from Josie Parisi. Correspondence to and from Ryan Hauk. Correspondence to and from Rob Kennaley.
26-Nov-18	Robert Kennedy	Work on motion materials. Various correspondence to and from Josie Parisi.
27-Nov-18	Robert Kennedy	Correspondence to and from Rob Kennaley. Various

Date	Timekeeper	Description of Work
		correspondence to and from Josie Parisi. Work on motion materials. Various correspondence to and from Shawn Tawk.
28-Nov-18	Robert Kennedy	Work on motion materials. Various correspondence to and from Josie Parisi. Review correspondence from Shawn Tock. Conversation with Micheal Title. Review Olympia loan documentation.
29-Nov-18	Robert Kennedy	Review correspondence from Peter Verbeek. Various correspondence to and from Josie Parisi. Voicemail left with Peter Verbeek. Review Receiver's Report. Consider motion matters.

Timekeeper	Hours	Rate	Fees
Robert Kennedy	32.9	595.00	19,575.50
<b>Total</b>	<b>32.9</b>		<b>\$19,575.50</b>

<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 19,575.50</b>
Less: Discount	<u>(1,000.00)</u>
<b>NET PROFESSIONAL FEES</b>	<b>\$ 18,575.50</b>

**TAXABLE DISBURSEMENTS**

Photocopy & Printing Charges	\$ 92.90
Courier & Delivery	30.11
<b>TOTAL TAXABLE DISBURSEMENTS</b>	<b>\$ 123.01</b>

**NON-TAXABLE DISBURSEMENTS**

Filing Fee*	\$ 160.00
<b>TOTAL NON-TAXABLE DISBURSEMENTS</b>	<b>\$ 160.00</b>

<b>TOTAL DISBURSEMENTS</b>	<u><b>283.01</b></u>
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<b>TOTAL FEES AND DISBURSEMENTS</b>	<b>\$ 18,858.51</b>
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**TAXES**

HST (13.0%) on Professional Fees of \$18,575.50	\$ 2,414.82
HST (13.0%) on Taxable Disbursements of \$123.01	15.99
	<u>2,430.81</u>

<b>TOTAL TAXES</b>	<u><b>2,430.81</b></u>
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<b>TOTAL AMOUNT DUE</b>	<u><u><b>\$ 21,289.32 CAD</b></u></u>
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BDO Canada LLP  
1100-123 Front Street West  
Toronto, ON M5J 2M2

Attention: Josie Parisi

**INVOICE # 3408752**GST/HST # R121996078  
QST # 1086862448 TQ 0001

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

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

Professional Fees	\$ 18,640.50
Less: Discount	<u>(1,000.00)</u>
Net Professional Fees	\$ 17,640.50
Disbursements	128.65
HST (13.0%) on \$17,769.15	<u>2,309.99</u>
<b>Total Amount Due</b>	<b><u>\$ 20,079.14 CAD</u></b>

**Payment Options:****Cheques:**Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Internet Banking:**Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 201205. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.**Credit Card:**Payments are accepted via telephone, email or fax. We accept  
American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_

Expiry Date: \_\_\_\_\_ Amount: \_\_\_\_\_

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

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

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

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

*We are very grateful to have you as a client and appreciate your business.  
Please provide your feedback to us at [www.dentons.com/en/clientfeedbackcanada](http://www.dentons.com/en/clientfeedbackcanada)*

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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-Dec-18	Robert Kennedy	Various correspondence to and from Josie Parisi. Work on lien claim matters. Conversation with Josie Parisi. Revise Order. Consider distribution matters. Revise Court order. Preparation for Court appearance.
03-Dec-18	Kenneth Kraft	Discuss with Rob Kennedy approaches to addressing fourth mortgage distribution issues.
04-Dec-18	Dragana Bukejlovic	Attending commercial list to issue and enter order for Amanda Campbell.
04-Dec-18	Robert Kennedy	Preparation for Court attendance. Attend Court. Various correspondence to and from Josie Parisi. Correspondence to and from Ryan Hauk. Correspondence to Julian Binavince. Correspondence to Rob Kennaley. Work on lien claim matters. Correspondence to Matt Di Giovanni.
05-Dec-18	Robert Kennedy	Various correspondence to and from lien claimants. Voicemail left with Josie Parisi. Conversation with Angelo Mancini. Conversation with Renata Kis.
07-Dec-18	Robert Kennedy	Work on lien claim matters. Correspondence to lien claimants. Correspondence to and from Dan Leduc.
10-Dec-18	Robert Kennedy	Correspondence to Josie Parisi regarding distributions. Work on lien claim matters. Review Olympia loan and security documentation.
13-Dec-18	Robert Kennedy	Draft Summit settlement agreement. Various correspondence to and from Josie Parisi. Work on lien claim matters.
14-Dec-18	Robert Kennedy	Review and revise draft settlement agreement. Correspondence to Dan Leduc.
28-Dec-18	Robert Kennedy	Various correspondence to and from Josie Parisi. Work on lien claim matters.
07-Jan-19	Robert Kennedy	Work on lien claim matters. Various correspondence to and from Josie Parisi. Review Holdback and Distribution Order. Work on settlement agreement. Correspondence to Dan Leduc. Correspondence to Matt Di Giovanni. Conversation with Katherine Campbell regarding LSO investigation. Correspondence from and to Adam Slavens.
08-Jan-19	Robert Kennedy	Conversation with Adam Slavens regarding Tarion matters. Work on syndicate mortgage facility matters. Review correspondence from Maria Ruberto.

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		Conversation with Maria Ruberto regarding settlement and consent. Various correspondence to and from Josie Parisi regarding lien matters.
09-Jan-19	Robert Kennedy	Work on lien claim matters. Correspondence to and from Maria Ruberto. Correspondence to Josie Parisi. Correspondence from and to Adam Slavens. Correspondence to and from Josie Parisi regarding holdback.
10-Jan-19	Robert Kennedy	Work on lien claim matters. Various correspondence to and from Josie Parisi.
15-Jan-19	Robert Kennedy	Conversation with Josie Parisi regarding Tarion and next steps. Consider distribution matters. Correspondence to Dan Leduc.
21-Jan-19	Robert Kennedy	Review correspondence from Maria Ruberto. Voicemail left with Maria Ruberto. Work on lien claim matters. Correspondence to Dan Leduc.
22-Jan-19	Robert Kennedy	Review correspondence from Maria Ruberto. Review CRH lien claim. Correspondence to Maria Ruberto regarding CRH lien claim. Conversation with Maria Ruberto regarding CRH claim. Various correspondence to and from Josie Parisi.
23-Jan-19	Robert Kennedy	Correspondence from and to Maria Ruberto. Conversation with Josie Parisi. Work on lien matters. Conversation with Maria Ruberto regarding lien settlement. Various correspondence to and from Josie Parisi.
24-Jan-19	Robert Kennedy	Work on lien claim matters. Correspondence to Dan Leduc. Correspondence to Maria Ruberto. Correspondence to Angelo Mancini.
25-Jan-19	Robert Kennedy	Correspondence to Renata Kis. Work on lien claim matters. Correspondence to Josie Parisi. Review correspondence from Maria Ruberto. Correspondence to Josie Parisi.
28-Jan-19	Robert Kennedy	Conversation with Angelo Mancini. Correspondence to Angelo Mancini. Correspondence to Josie Parisi. Review comments regarding settlement agreement. Revise settlement agreement. Correspondence to Renata Kis. Correspondence to Josie Parisi regarding Tarion. Review correspondence from Maria Ruberto.

Timekeeper	Hours	Rate	Fees
Dragana Bukejlovic	1.0	260.00	260.00
Kenneth Kraft	0.4	880.00	352.00
Robert Kennedy	30.3	595.00	18,028.50
<b>Total</b>	<b>31.7</b>		<b>\$18,640.50</b>

**TOTAL PROFESSIONAL FEES** \$ 18,640.50  
**Less: Discount** (1,000.00)  
**NET PROFESSIONAL FEES** \$ 17,640.50

**TAXABLE DISBURSEMENTS**

Photocopy & Printing Charges \$ 33.15  
Courier & Delivery 35.50  
Process Server Fees 60.00  
**TOTAL TAXABLE DISBURSEMENTS** \$ 128.65

**TOTAL DISBURSEMENTS** 128.65

**TOTAL FEES AND DISBURSEMENTS** \$ 17,769.15

**TAXES**

HST (13.0%) on Professional Fees of \$17,640.50 \$ 2,293.27  
HST (13.0%) on Taxable Disbursements of \$128.65 16.72  
**TOTAL TAXES** 2,309.99

**TOTAL AMOUNT DUE** \$ 20,079.14 CAD



BDO Canada LLP  
1100-123 Front Street West  
Toronto, ON M5J 2M2**INVOICE # 3412378**GST/HST # R121996078  
QST # 1086862448 TQ 0001

Attention: Josie Parisi

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
February 28, 2019	201205-000011	Robert Kennedy

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

Professional Fees	\$ 19,191.00
Less: Discount	<u>(1,191.00)</u>
Net Professional Fees	\$ 18,000.00
Disbursements	167.00
HST (13.0%) on \$18,007.00	<u>2,340.91</u>
<b>Total Amount Due</b>	<b><u>\$ 20,507.91 CAD</u></b>

**Payment Options:****Cheques:**Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Internet Banking:**Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 201205. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.**Credit Card:**Payments are accepted via telephone, email or fax. We accept  
American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_

Expiry Date: \_\_\_\_\_ Amount: \_\_\_\_\_

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

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

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

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

*We are very grateful to have you as a client and appreciate your business.*  
*Please provide your feedback to us at [www.dentons.com/en/clientfeedbackcanada](http://www.dentons.com/en/clientfeedbackcanada)*

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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>
05-Feb-19	Robert Kennedy	Correspondence to and from Maria Ruberto. Review settlement agreement.
06-Feb-19	Robert Kennedy	Various correspondence to and from Josie Parisi. Review YYZed materials. Work on lien claim matters.
07-Feb-19	Robert Kennedy	Conversation with Kevin Power regarding lien action and settlement. Work on lien matters. Correspondence to Maria Ruberto regarding settlement agreement. Conversation with Dan Leduc regarding settlement agreement. Correspondence to Angelo Mancini. Review correspondence from Angelo Mancini.
11-Feb-19	Robert Kennedy	Draft Mancini settlement agreement. Work on lien claim matters. Review syndicate mortgage documentation.
12-Feb-19	Robert Kennedy	Work on construction lien matters. Revise settlement agreement. Work on syndicate mortgage matters.
13-Feb-19	Robert Kennedy	Work on construction lien matters. Various correspondence to and from Josie Parisi. Correspondence to Dan Leduc. Correspondence to Matt DiGiovani. Correspondence to Angelo Mancini.
14-Feb-19	Robert Kennedy	Review correspondence from Maria Ruberto. Review Desrosiers lien materials.
15-Feb-19	Robert Kennedy	Work on lien matters. Work on syndicate distribution matters. Conversation with Josie Parisi. Review correspondence from Dan Leduc. Review settlement agreements. Correspondence to Josie Parisi.
19-Feb-19	Robert Kennedy	Various correspondence to and from Josie Parisi. Work on lien claim matters. Review syndicate loan and security documentation. Conference with Ken Kraft regarding distribution matters. Conversation with Josie Parisi regarding lien claim and distribution matters. Review correspondence from Angelo Mancini. Various correspondence to and from Dan Leduc.
19-Feb-19	Kenneth Kraft	Discussion with Rob Kennedy around approach to distributions to fourth mortgage holders and dealing with trustees.
20-Feb-19	Robert Kennedy	Work on lien claim matters. Various correspondence to and from Josie Parisi. Work on syndicated mortgage facility matters.
21-Feb-19	Robert Kennedy	Attend to scheduling matters. Consider motion

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

Matter # 201205-000011

Date	Timekeeper	Description of Work
		matters.
22-Feb-19	Robert Kennedy	Correspondence to and from Josie Parisi. Compile settlement agreements. Work on lien claim matters. Correspondence to Kara Hamilton. Correspondence to Michael Title. Correspondence to Olympia. Work on motion materials.
24-Feb-19	Robert Kennedy	Work on motion materials.
25-Feb-19	Robert Kennedy	Review correspondence from Peter Verbeek. Work on lien claim matters. Correspondence to Peter Verbeek. Correspondence to Josie Parisi regarding Tarion holdback. Work on motion materials. Various correspondence to and from Renata Kis. Conversation with Renata Kis. Correspondence to Bernie Romano. Conversation with Kevin Power. Correspondence to Josie Parisi.
26-Feb-19	Robert Kennedy	Various correspondence to and from Josie Parisi. Work on motion materials. Conversation with Josie Parisi regarding motion and distribution matters and distribution. Correspondence from and to Jennifer Marquez. Review YYZed materials. Correspondence to Adam Slavens.
27-Feb-19	Robert Kennedy	Review syndicated mortgage loan and security documentation. Conference call with Olympia trust regarding investors and distribution matters.

Timekeeper	Hours	Rate	Fees
Kenneth Kraft	0.3	900.00	270.00
Robert Kennedy	31.8	595.00	18,921.00
<b>Total</b>	<b>32.1</b>		<b>\$19,191.00</b>

<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 19,191.00</b>
Less: Discount	<u>(1,191.00)</u>
<b>NET PROFESSIONAL FEES</b>	<b>\$ 18,000.00</b>

**TAXABLE DISBURSEMENTS**

Photocopy & Printing Charges	\$ 7.00
<b>TOTAL TAXABLE DISBURSEMENTS</b>	<b>\$ 7.00</b>

**NON-TAXABLE DISBURSEMENTS**

Filing Fee*	\$ 160.00
<b>TOTAL NON-TAXABLE DISBURSEMENTS</b>	<b>\$ 160.00</b>

<b>TOTAL DISBURSEMENTS</b>	<u><b>167.00</b></u>
<b>TOTAL FEES AND DISBURSEMENTS</b>	<b>\$ 18,167.00</b>



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

INVOICE 3412378  
Page 4 of 4

Matter # 201205-000011

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**TAXES**

HST (13.0%) on Professional Fees of \$18,000.00

\$ 2,340.00

HST (13.0%) on Taxable Disbursements of \$7.00

0.91

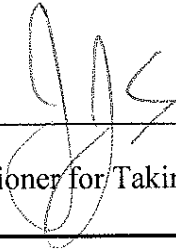
**TOTAL TAXES**

2,340.91

**TOTAL AMOUNT DUE**

\$ 20,507.91 CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 4th DAY OF MARCH,  
2019.

A handwritten signature in black ink, appearing to be the initials 'J.S.' with a stylized flourish.

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A Commissioner for Taking Affidavits, etc.

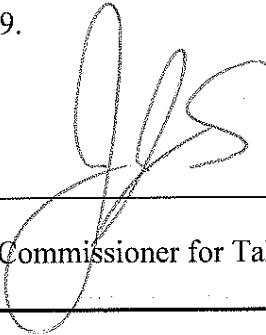
**EXHIBIT "B"**

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

**The Period November 1, 2018 ending February 28, 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>
December 19, 2018	3396176	19,575.50	1,000.00	283.01	2,430.81	32.9	595.00	21,289.32
January 31, 2019	3408752	18,640.50	1,000.00	128.65	2,309.99	31.7	578.33	20,079.14
February 28, 2019	3412378	18,000.00	1,191.00	167.00	2,340.91	32.1	747.50	20,507.91
<b>TOTALS:</b>		<b>\$56,216.00</b>	<b>\$3,191.00</b>	<b>\$ 578.66</b>	<b>\$7,081.71</b>	<b>96.7</b>	<b>\$640.28</b>	<b>\$61,876.37</b>

THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 4th DAY OF MARCH,  
2019.



A handwritten signature in black ink, appearing to be 'JJS', is written over a horizontal line.

A Commissioner for Taking Affidavits, etc.

**EXHIBIT "C"**

**Billing Rates of Dentons Canada LLP**

For the period November 1, 2018 to February 28, 2019

	<b><u>2018</u></b> <b><u>Standard</u></b> <b><u>Rate</u></b>	<b><u>2019</u></b> <b><u>Standard</u></b> <b><u>Rate</u></b>	<b><u>Discounted</u></b> <b><u>Rate</u></b>	<b><u>Year of Call</u></b>
Kenneth Kraft	\$880.00	\$900.00	N/A	1991
Robert Kennedy	\$700.00	\$725.00	\$595.00	2002
Dragana Bukejlovic	\$260.00	\$270.00	N/A	Articling Student

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

TERRASAN 327 ROYAL YORK RD. LIMITED

Applicant Respondent

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF ROBERT KENNEDY  
(Sworn March 4, 2019)**

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

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

*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

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

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

**Robert Kennedy (LSO #474070)**

Tel: (416) 367-6756

Fax: (416) 863-4592

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

*Lawyers for the Receiver*

# TAB 3



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

THE HONOURABLE ) TUESDAY, THE 12<sup>th</sup> DAY  
JUSTICE )  
) OF MARCH, 2019

BETWEEN:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Applicant

and

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Respondent

**ORDER  
(Distribution Order)**

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

- (a) approving and authorizing the settlement of lien claim agreement dated February 19, 2019 between CRH Canada Group Inc. ("**CRH**") and the Receiver (the "**CRH Settlement Agreement**"), and the distribution to CRH in the amount of \$45,000 (the "**CRH Distribution**"), in accordance with the terms of the CRH Settlement Agreement;
- (b) approving and authorizing the settlement of lien claim agreement dated February 19, 2019 between Summit Concrete & Drain Ltd. ("**Summit**") and the Receiver (the "**Summit Settlement Agreement**"), and the distribution to Summit in the amount of \$12,000 (the "**Summit Distribution**"), in accordance with the terms of the Summit Settlement Agreement;

- (c) approving and authorizing the settlement of lien claim agreement dated February 22, 2019 between R. Mancini and Associates Ltd. ("**Mancini**") and the Receiver (the "**Mancini Settlement Agreement**"), and the distribution to Mancini in the amount of \$6,000 (the "**Mancini Distribution**"), in accordance with the terms of the Mancini Settlement Agreement;
- (d) approving and authorizing the settlement of lien claim agreement dated March 5, 2019 between Quinn Dressel Associates ("**Quinn**") and the Receiver (the "**Quinn Settlement Agreement**"), and the distribution to Quinn in the amount of \$5,596.90 (the "**Quinn Distribution**"), in accordance with the terms of the Quinn Settlement Agreement;
- (e) approving and authorizing the settlement of lien claim agreement dated March 6, 2019 between Desrosiers Geothermal Corporation ("**Desrosiers**") and the Receiver (the "**Desrosiers Settlement Agreement**"), and the distribution to Desrosiers in the amount of \$71,680.63 (the "**Desrosiers Distribution**"), in accordance with the terms of the Desrosiers Settlement Agreement;
- (f) approving and authorizing the settlement of the lien claim agreement dated March 5, 2019 between McCallum Sather Architects Inc. ("**McCallum**") and the Receiver (the "**McCallum Settlement Agreement**"), and the distribution to McCallum in the amount of \$9,431.13 (the "**McCallum Distribution**"), in accordance with the terms of the McCallum Settlement Agreement;
- (g) approving the activities of the Receiver, together with the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP ("**Dentons**"), as set out in the Eleventh Report of the Receiver, dated March 6, 2019 (the "**Eleventh Report**");
- (h) approving the Receiver's interim statement of receipts and disbursements up to February 27, 2019 (the "**Interim R&D**"); and
- (i) 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 March 6, 2019 and the Eleventh Report, and on hearing the submissions of counsel for the Receiver, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Amanda Campbell sworn March 6, 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.

**SETTLEMENTS AND DISTRIBUTIONS**

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

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

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

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

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

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

**RECEIVER'S ACTIVITIES**

8. **THIS COURT ORDERS** that the Eleventh Report and the activities of the Receiver as set out in the Eleventh Report, are hereby approved

9. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the Eleventh Report and in the fee affidavits, are hereby approved and the Receiver is hereby authorized to pay any unpaid fees and disbursements herein approved

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

**CENTURION MORTGAGE CAPITAL CORPORATION**

- and -

**TERRASAN 327 ROYAL YORK RD. LIMITED**

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**ORDER  
(Distribution Order)**

**DENTONS CANADA LLP**  
77 King Street West, Suite 400  
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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)

*Lawyers for the Receiver*

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD**  
(returnable March 12, 2019)

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

**Robert Kennedy (LSO #474070)**  
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[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)

*Lawyers for the Receiver*

- and -

CENFURION MORTGAGE CAPITAL CORPORATION

Applicant