

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

and

**URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.,
URBANCORP (RIVERDALE) DEVELOPMENTS INC., &
URBANCORP (THE BEACH) DEVELOPMENTS INC.**

Respondents

**APPLICATION UNDER SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C. 1985, C.B-3, AS AMENDED, SECTION 68 OF THE
CONSTRUCTION LIEN ACT, R.S.O. 1990 C. C. 30, AND UNDER SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43**

**TENTH REPORT
OF
ALVAREZ & MARSAL CANADA INC.,
AS RECEIVER AND MANAGER AND CONSTRUCTION LIEN TRUSTEE
OF THE ASSETS, UNDERTAKINGS AND PROPERTY OF URBANCORP
(LESLIEVILLE) DEVELOPMENTS INC., URBANCORP (RIVERDALE)
DEVELOPMENTS INC., & URBANCORP (THE BEACH) DEVELOPMENTS INC.**

August 6, 2020

TABLE OF CONTENTS

1.0	INTRODUCTION AND OVERVIEW	1
1.1	<i>Purpose of the Report</i>	1
1.2	<i>Currency</i>	2
2.0	STATUS OF PROJECTS.....	3
2.1	<i>Leslieville Project</i>	3
2.2	<i>Beach Project.....</i>	4
2.3	<i>Riverdale Project</i>	4
3.0	PARK LEVY LITIGATION.....	4
3.1	<i>Adjudication of Park Levy Claim.....</i>	4
3.2	<i>Unrepresented Leslieville Unit Purchasers</i>	5
4.0	TAX MATTERS	7
5.0	INTERIM DISTRIBUTIONS.....	8
6.0	WARRANTIES & TARION CASH COLLATERAL.....	8
7.0	CONSTRUCTION RECEIVER’S ACTIVITIES.....	10
8.0	CONSTRUCTION RECEIVER’S INTERIM COMBINED STATEMENT OF RECEIPTS AND DISBURSEMENTS.....	13
9.0	FINAL DISTRIBUTIONS	15
10.0	REMAINING ACTIVITIES.....	16
11.0	FEE APPROVAL.....	17
12.0	CONCLUSION	19

TABLE OF APPENDICES

- A.** Letter to Unrepresented Purchasers from the Construction Receiver’s Independent Counsel, dated April 9, 2019
- B.** Form of letter to Unrepresented Purchasers regarding Park Levy Reserve
- C.** Interim Statement of Receipts & Disbursements
- D.** Cumulative Statement of Receipts & Disbursements
- E.** Updated Distribution Projections

1.0 INTRODUCTION AND OVERVIEW

1. On May 31, 2016, the Ontario Superior Court of Justice (the “**Court**”) granted an order (the “**Appointment Order**”) appointing Alvarez & Marsal Canada Inc. as receiver and manager (in such capacity, the “**Receiver**”), pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended, and as construction lien trustee (in such capacity, the “**Construction Lien Trustee**”, and together with the Receiver, the “**Construction Receiver**”), pursuant to section 68 of the *Construction Lien Act*, R.S.O. 1990, c. C.30, as amended (the “**CLA**”), of all of the assets, undertakings, and property acquired for, or used in relation to the business of Urbancorp (Leslieville) Developments Inc. (“**UC Leslieville**”), Urbancorp (Riverdale) Developments Inc. (“**UC Riverdale**”) and Urbancorp (The Beach) Developments Inc. (“**UC Beach**”, together with UC Riverdale, the “**Guarantors**”, and the Guarantors, together with UC Leslieville, the “**Debtors**”) (such proceedings, the “**Receivership Proceedings**”).
2. A detailed summary and history of the Debtors’ business and the Receivership Proceedings is set out in the Sixth Report of the Construction Receiver, dated June 19, 2018 (the “**Sixth Report**”).

1.1 *Purpose of the Report*

3. The purpose of this Tenth Report of the Construction Receiver (the “**Tenth Report**”) is to:
 - a. provide the Court with a general update on the status of the Leslieville Project, Beach Project and Riverdale Project and the Construction Receiver’s activities from the March 18, 2019, the date of the Eighth Report of the Construction Receiver (the “**Eighth Report**”), to the date of this Tenth Report;
 - b. provide the Court with an update with respect to the Construction Receiver’s combined Interim Statement of Receipts and Disbursements for the Leslieville Project, Beach Project and Riverdale Project, for the period of March 5, 2019 to July 31, 2020 (the “**Interim R&D Statement**”) and the cumulative period of May 31, 2016 to July 31, 2020 (the “**Cumulative R&D Statement**”);
 - c. provide the Court and stakeholders with an update on the motion brought by certain purchasers of units in the UC Leslieville project (the “**Certain Curzon Purchasers**”) challenging one of the purchase price adjustments charged by the Construction Receiver in connection with the sale of certain Leslieville Units;
 - d. support the Construction Receiver’s motion requesting this Court’s granting of an order:

- (i) approving the payment of the Final Distributions (defined below);
- (ii) directing Tarion Warranty Corporation (“**Tarion**”) to pay any residual Tarion Cash Collateral (defined below) to Terra Firma Capital Corporation (“**Terra Firma**”);
- (iii) directing the City of Toronto (the “**City**”) to pay any residual Water Cash Collateral (defined below) to Terra Firma;
- (iv) approving the activities of the Construction Receiver described in this Tenth Report;
- (v) approving the Interim R&D Statement; and
- (vi) approving the fees and disbursements of:
 - a. the Construction Receiver for the eighteen (18) month period of February 1, 2019 through to and including July 31, 2020;
 - b. the Construction Receiver’s independent counsel, Blake, Cassels & Graydon LLP (“**Blakes**”), for the eighteen (18) month period of February 1, 2019 through to and including July 31, 2020;
 - c. the Construction Receiver’s counsel, Gowling WLG (Canada) LLP (“**Gowlings**”), for the two (2) month period of February 1, 2019 through to and including March 31, 2019;
 - d. the Construction Receiver’s counsel, Miller Thomson LLP (“**Miller Thomson**”), for the eleven (11) month period of February 1, 2019 through to and including December 31, 2019;
- (vii) approving the fee estimate for the Construction Receiver and Blakes for the period of August 1, 2020 through until the filing of the Completion Certificate (defined below); and
- (viii) releasing the Construction Receiver and its counsel, and discharging the Construction Receiver effective upon the filing of the Completion Certificate.

1.2 **Currency**

- 4. Unless otherwise noted, all currency references in this Tenth Report are to Canadian dollars.

2.0 STATUS OF PROJECTS

2.1 *Leslieville Project*

5. The Construction Receiver reported in the Eighth Report that closings on all Leslieville Units occurred between October 18 and 25, 2018, and that all assets of the Leslieville Project had been realized, other than:
 - a. seven (7) bicycle storage units, which remained for sale;
 - b. the ice storm insurance claim, for which proceeds were pending;
 - c. potential recoveries from cash collateral held by CIBC (or the City) in respect of a final remaining letter of credit;
 - d. potential recoveries from cash collateral to be held by Tarion, and
 - e. certain HST refunds due from the Canada Revenue Agency (the “**CRA**”).
6. As of the date of this Tenth Report:
 - a. Two (2) of the remaining seven (7) bicycle storage units were sold for gross proceeds of \$2,500 inclusive of HST. The remaining five (5) bicycle storage units could not be sold and were returned to the Leslieville Project Condominium Corporation for no consideration, as permitted under the Condominium Declaration. The Construction Receiver also collected closing proceeds of \$21,852.78 in respect of previously sold parking and bicycle storage units;
 - b. Ice storm insurance claim proceeds of \$75,343.50 were received in March 2019;
 - c. Cash collateral of \$33,541.41 held by CIBC was refunded to the Construction Receiver in August 2019;
 - d. Tarion continues to hold the cash collateral, from which it is funding warrantied repairs pursuant to the order of RSJ Morawetz (as he then was) dated April 17, 2019 (the” **Tarion Order**”). The Construction Receiver is seeking an order that directs Tarion to pay any unused cash collateral to Terra Firma, as described in greater detail below.
 - e. HST refunds totaling \$515,201.91 were collected by the Construction Receiver in respect of returns filed for the months of December 2018 through to May 2020.

2.2 *Beach Project*

7. As previously reported, construction on the UC Beach project had not commenced, and the Construction Receiver sold the undeveloped lots on or about July 28, 2017. In accordance with previously issued approval orders, the proceeds of sale were distributed to lien claimants, and used to fund the administration of these Receivership Proceedings.
8. There are no further assets to be realized upon under the Beach Project.

2.3 *Riverdale Project*

9. As outlined in the Sixth Report and the Eighth Report, the sale of the townhome units at the Riverdale Project was completed in late April to early May 2016, prior to the date of the Appointment Order.
10. As of the date of the Eighth Report, the only potential remaining asset was \$115,504.35 in cash collateral being held by the City in support of future City water discharge fees over a 20 year period (the “**Water Cash Collateral**”). To date, according to disclosure made to the Construction Receiver by the City, the City has drawn \$39,000 from the Water Cash Collateral in respect of water discharge fees.
11. The City has advised the Construction Receiver that, based on current water discharge readings, it anticipates that the Water Cash Collateral will be fully utilized. However, in the event that any Water Cash Collateral remains following the expiry of the applicable 20 year period, the Construction Receiver is seeking a direction from the Court to the City to remit such remaining funds, if any, to Terra Firma.

3.0 **PARK LEVY LITIGATION**

3.1 *Adjudication of Park Levy Claim*

12. As discussed in further detail in the Eighth Report and the Ninth Report of the Construction Receiver dated June 12, 2019 (the “**Ninth Report**”), on March 18, 2019, the Certain Curzon Purchasers filed a motion (the “**Certain Curzon Purchaser Motion**”) in these Receivership Proceedings challenging the purchase price adjustments charged by the Construction Receiver in connection with a park levy (the “**Park Levy**”).
13. The Certain Curzon Purchaser Motion was heard on June 19, 2019 and decided in favour of the Certain Curzon Purchasers on October 10, 2019. This decision was appealed by Terra Firma (but not the Construction Receiver), and upheld by the Court of Appeal for Ontario in a written decision issued on July 9, 2020.

14. Terra Firma has advised the Construction Receiver that it reserves all rights to further appeal the Certain Curzon Purchaser Motion, but because the judgment is not stayed pending such appeal, the Construction Receiver made a distribution to Shibley Righton LLP (the Certain Curzon Purchasers' counsel) on July 29, 2020 in the aggregate amount of \$555,617.10 (the "**Certain Curzon Purchaser Payment**").
15. The Certain Curzon Purchaser Payment is comprised of (a) \$471,994.39 Park Levy ordered to be paid pursuant to the order of Chief Justice Morawetz dated October 10, 2019, (b) pre-judgment interest on such amount at 2% for the period from October 25, 2018 to October 10, 2019, (c) \$50,000 for Shibley Righton's costs at first instance, (d) post-judgment interest at a rate of 3%, and (e) \$12,000 for Shibley Righton's costs of the appeal.¹

3.2 ***Unrepresented Leslieville Unit Purchasers***

16. The Construction Receiver believes that there are thirty-five (35) purchasers who are not Certain Curzon Purchasers (the "**Unrepresented Purchasers**").
17. On closing of the sale of the Leslieville Units, thirteen (13) Unrepresented Purchasers (who acquired a total of 12 Leslieville Units) paid an aggregate Park Levy of \$193,354.23. The Construction Receiver is currently holding this amount in reserve, together with interest thereon for the period of October 25, 2018 to October 10, 2019 at 2%, and 3% thereafter through to August 20, 2020,² for an aggregate reserve of \$202,500 the ("**Park Levy Reserve**").
18. The remaining twenty-two (22) Unrepresented Purchasers (who acquired a total of 13 Leslieville Units) negotiated a cap on the amount of purchase price adjustments (the "**Adjustment Cap**") payable on closing, such that no Park Levy adjustment was payable on closing.
19. The Construction Receiver is not aware of which, if any, Unrepresented Purchasers continue to own Leslieville Units, or which, if any, reside in Leslieville Units that they purchased in 2018.
20. The Unrepresented Purchasers have been on notice of the Certain Curzon Purchaser Motion since at least April 9, 2019, when they were served with the Supplement to the Eighth Report and a letter from the Construction Receiver's Independent Counsel advising them of the Construction Receiver's intention to seek Court approval of certain purchase price adjustments in accordance with the

¹ While the \$12,000 cost amount is a liability of Terra Firma in respect of the appeal, and not the Construction Receiver, upon consulting with Terra Firma and Shibley Righton, the Construction Receiver concluded that it was most efficient for the Construction Receiver to pay the cost amount. This payment will be deducted from Terra Firma's distribution entitlement, and accordingly no stakeholder is prejudiced.

² August 20, 2020 is the date after the date of the anticipated return of the Receiver's motion at which it will seek direction with respect to the Park Levy Reserve.

Order of RSJ Morawetz (as he then was) dated March 26, 2019 (the “**Substituted Service Order**”). A copy of the letter sent to Unrepresented Purchasers is attached as **Appendix “A”**.

21. On April 17, 2019, all purchase price adjustments other than the Park Levy were approved pursuant to the order of RSJ Morawetz (as he then was). This order was binding against the Unrepresented Purchasers. The Park Levy was not approved as against the Unrepresented Purchasers at this time, as a result of the outstanding Certain Curzon Purchaser Motion.
22. The Unrepresented Purchasers were provided with all materials filed by the Construction Receiver in relation to the Certain Curzon Purchaser Motion by way of an email in June 2019, in accordance with the Substituted Service Order, prior to the hearing of the Certain Curzon Purchaser Motion.
23. The entitlement of the Unrepresented Purchasers to a refund of their Park Levy payment was not decided as part of the Certain Curzon Purchaser Motion. The court noted that all Unrepresented Purchasers were served with the Receiver’s Motion Record and no Unrepresented Purchasers chose to appear on return of the motion.³ The Court of Appeal did not address the issue of the Unrepresented Purchasers on appeal.
24. No Unrepresented Purchasers have contacted the Construction Receiver since the service of the Supplement to the Eighth Report on April 9, 2019 to request a refund of their Park Levy payment.
25. Terra Firma has advised the Construction Receiver that it claims the Park Levy Reserve pursuant to its security, and that it will bring a motion seeking an order that the Construction Receiver distribute the Park Levy Reserve to Terra Firma.
26. The Unrepresented Purchasers who did not have an Adjustment Cap executed agreements of purchase and sale for the purchase of their Leslieville Units that included substantially identical language with respect to the Park Levy purchase adjustment as the agreements executed by the Certain Curzon Purchasers that were considered by the Superior Court and Court of Appeal.
27. However, the Unrepresented Purchasers have been on notice of the dispute over the Park Levy for over 14 months, including Terra Firma’s claim to the funds, and have taken no steps to claim a refund of the Park Levy. It is also notable to the Construction Receiver that in taking no steps to recover their portion of the Park Levy Reserve, the Unrepresented Purchasers avoided any costs.
28. The Construction Receiver will serve all Unrepresented Purchasers with this Tenth Report, its motion record and a letter in the form of **Appendix “B”** advising of the Park Levy Reserve, pursuant to the Substituted Service Order. The

³ *CIBC v Urbancorp Leslieville Developments Inc.*, 2019 ONSC 4971 at para 72.

Construction Receiver has also provided Terra Firma with available email addresses of the Unrepresented Purchasers so that any motion by Terra Firma in respect of the Park Levy Reserve can be served on the Unrepresented Purchasers in accordance with the Substituted Service Order.

29. The Construction Receiver will file a supplemental report prior to the return of its discharge motion (anticipated to be heard on August 19, 2020 at 10 a.m.) in which it will advise of any correspondence received from Unrepresented Purchasers (the “**Supplemental Report**”), and seek appropriate directions with respect to the Park Levy Reserve.

4.0 TAX MATTERS

30. The Construction Receiver has been working with the CRA throughout these Receivership Proceedings regarding various outstanding tax issues. In late 2019, the Construction Receiver was advised that the CRA would be conducting an audit of the accounts of the three Debtors to determine whether a reassessment was necessary under the *Excise Tax Act* (Canada) (the “**ETA**”). On March 4, 2020, the CRA notified the Construction Receiver that the audit had been concluded, and that no reassessments would be necessary.
31. Following confirmation that the audit had been completed, the Construction Receiver applied for clearance certificates in respect of each of the three Debtors. Clearance certificates for UC Beach and UC Riverdale were issued on May 7, 2020.
32. The CRA advised the Construction Receiver that it could not issue a clearance certificate for UC Leslieville because UC Leslieville’s tax account was still open – the account would have to be closed before a clearance certificate could be issued.
33. In May of 2020, the Certain Curzon Purchaser Motion appeal had not yet been heard, and accordingly it was not known to the Construction Receiver whether any additional HST refunds would be submitted. If the appeal was dismissed and the Construction Receiver refunded the Park Levy to the Certain Curzon Purchasers, it would be able to claim a refund of the HST that the Construction Receiver remitted to the CRA in connection with charging the Park Levy (the “**HST Refund**”). The Construction Receiver estimates that the HST Refund would be in the approximate range of \$54,000 to \$76,000, depending on the treatment of the Unrepresented Purchasers’ Park Levy, and the UC Leslieville tax account would need to be open to facilitate the claim.
34. Obtaining the UC Leslieville clearance certificate was a gating issue for the Construction Receiver making an interim distribution to Terra Firma, on account of the requirements of the ETA. Accordingly, after consulting with Terra Firma,

the Construction Receiver closed the UC Leslieville tax account, and requested a clearance certificate in order to facilitate an interim distribution.

35. On June 16, 2020, the CRA issued a clearance certificate for UC Leslieville.
36. The Construction Receiver has contacted the CRA to re-open the UC Leslieville tax account, which process is ongoing. If the decision of the Court of Appeal for Ontario on the Certain Curzon Purchaser Motion is not appealed by Terra Firma, and the Certain Curzon Purchaser Payment is final, the Construction Receiver will submit a claim for the HST Refund. This refund request is one of the last material remaining tasks of the Construction Receiver in these Receivership Proceedings (other than making the Final Distributions, defined below), as discussed below.
37. If the Construction Receiver determines that the HST Refund cannot be efficiently collected it may, in consultation with Terra Firma (the ultimate beneficiary of such HST Refund), cease pursuing it and file the Completion Certificate (defined below).

5.0 INTERIM DISTRIBUTIONS

38. Having received the UC Leslieville clearance certificate, the Construction Receiver made an interim distribution to Terra Firma in the amount of \$1,400,000 on June 19, 2020, representing the balance of the proceeds being held by the Construction Receiver net of necessary reserves. In addition to the June 19, 2020 distribution, the Construction Receiver has also made the following interim distributions to Terra Firma since the date of the Eighth Report: March 20, 2019: \$75,000, April 5, 2019: \$140,000 and April 29, 2019: \$525,000 (collectively with the June 19, 2020 payment, the “**Interim Distributions**”)
39. The Interim Distributions were made pursuant to the Construction Receiver’s authority in the order of Mr. Justice Newbould dated May 2, 2017, as amended by the order of Mr. Justice Newbould dated May 11, 2017 (the “**Settlement Approval Order**”).

6.0 WARRANTIES & TARION CASH COLLATERAL

40. As outlined in prior reports, the Construction Receiver retained C.R.A.F.T. Development Corporation (“**Craft**”) to complete the units in the UC Leslieville project (the “**Leslieville Units**”). Pursuant to the construction contract with Craft, the warranty period for construction is one year from the date of “Substantial Performance of the Work”, which occurred on June 7, 2018. Accordingly, the warranty period under the Craft construction contract expired on June 7, 2019.
41. However, the Leslieville Units are also subject to warranties under the *Ontario New Home Warranties Plan Act* (“**ONHWPA**”). The ONHWPA warranties take effect for units on the date of occupancy and for common elements on the date of registration of the condominium. The warranties are of different term lengths,

with warranties for major structural defects having a term of up to 7 years. Possession dates of Leslieville Units range from March to August, 2018, meaning that the longest-term ONHWPA warranties on individual units will be in effect until the end of August 2025. The UC Leslieville project condominium corporation (“**TSCC No. 2669**”) was registered on September 7, 2018, meaning that the longest-term ONHWPA warranties on common elements will be in effect until September 7, 2025.

42. In the ordinary course, pursuant to the regulations promulgated under the ONHWPA, if a warranted claim arises in respect of a home, the homeowner may submit a claim, which then gives rise to a period of time during which the vendor is required to remedy the defect (a “**Notice Period**”). The applicable Notice Period varies depending on the defect, but can be as long as 150 days. If a vendor does not remediate the defect within the applicable Notice Period, then Tarion may step in to do so.
43. Pursuant to the Tarion Order, the applicable Notice Periods may be waived by the Construction Receiver to enable Tarion to immediately address deficiency claims (“**Tarion Claims**”), and the Construction Receiver paid \$1,100,000 to Tarion as cash collateral to fund Tarion’s remediation, administration fees, legal fees and other costs incurred by Tarion in connection with such claims (the “**Tarion Cash Collateral**”).
44. The Construction Receiver retained Building Science Professionals Inc. (“**BSP**”) to assist with reviewing Tarion Claims and liaising with Tarion, Craft and the Construction Receiver in connection with such claims.
45. To date, according to disclosure made to the Construction Receiver by Tarion, Tarion has drawn approximately \$725,000 from the Tarion Cash Collateral in respect of Tarion Claims and administration fees. The vast majority of the Tarion Claims and administration fees are in respect of individual units, while only approximately \$9,000 in claims and fees relate to the common elements of TSCC No. 2669
46. Based on the first year performance audit of the common elements conducted for TSCC No. 2669 (the “**Performance Audit**”), and discussions with Tarion and BSP, the Construction Receiver anticipates that significant additional claims for common element deficiencies will be made. Tarion is in the process of tendering the required warranty work outlined in the Performance Audit to potential bidders and has advised the Construction Receiver that it expects to finalize the bidding process over the coming weeks.
47. Pursuant to the Tarion Order, any residual Tarion Cash Collateral is payable to the Construction Receiver within 10 days of the later of (the “**Cash Collateral Refund Date**”):

- a. September 7, 2025 (the “**Outside Date**”);
 - b. The completion of the review by Tarion of all Tarion Claims filed before the Outside Date;
 - c. In the event that Tarion revises or rejects any Tarion Claim, the resolution of such Tarion Claim in accordance with the procedures provided for in the ONHWPA; and
 - d. The processing and payment by Tarion of any Tarion Claims and Tarion Cash Collateral Claims (as defined in the Tarion Order) from the Tarion Cash Collateral.
48. The earliest that the Cash Collateral Refund Date could occur is in late 2025. The Construction Receiver does not believe that it is prudent or economically efficient to delay discharge until that time, solely to facilitate the return of the Tarion Cash Collateral.
49. The full balance of the Tarion Cash Collateral, if any were to be refunded, would be payable to Terra Firma pursuant to the distribution waterfall in the Settlement Approval Order. Accordingly, the Construction Receiver is seeking a direction to Tarion to pay the balance of the Tarion Cash Collateral to Terra Firma on the Cash Collateral Refund Date.
50. In the Construction Receiver’s view, the requested direction does not prejudice any Leslieville Unit owner, TSCC No. 2669 or any UC Leslieville creditor. The full remaining balance of the Tarion Cash Collateral will remain available to fund Tarion Claims until the expiry of the period in which such Tarion Claims can be made, and any remaining balance is not available for creditors other than Terra Firma, pursuant to the terms of the Settlement Approval Order. The Construction Receiver has been advised by Tarion’s counsel that Tarion does not object to this direction.
51. The Tarion Order also imposed certain reporting requirements on Tarion. Once the Construction Receiver has been discharged, those reporting requirements need not apply. Moreover, once the Construction Receiver is discharged and no longer able to waive the Notice Periods, Tarion will require that such notice periods no longer apply, in order to efficiently address Tarion Claims. Accordingly, effective as of the discharge of the Construction Receiver, the Construction Receiver is seeking an order that Tarion’s reporting requirements cease, and all Notice Periods are waived.

7.0 CONSTRUCTION RECEIVER’S ACTIVITIES

52. Since the Eighth Report, the Construction Receiver has undertaken a variety of activities in pursuing its mandate, as summarized below.

- a. preparing for and attending at Court on March 26, 2019 in respect of the Construction Receiver's motion for an order addressing lien claims and holdback entitlements, ONHWPA claims and Tarion Cash Collateral, UC Leslieville purchase price adjustments, and Construction Receiver's activities and approval of Professional Fees;
- b. engaging in discussions with legal counsel, Shibley Righton and Terra Firma regarding the Park Levy dispute;
- c. reviewing files and preparing analyses in support of the Construction Receiver's position on the Park Levy dispute;
- d. discussions and correspondence with City representatives in connection with the release of letters of credit;
- e. preparing for and attending at a meeting with City officials on April 12, 2019 in respect of cash collateral held by the City;
- f. preparing for and attending at Court on April 17, 2019 in respect of the Construction Receiver's supplementary motion for an order addressing Tarion Cash Collateral, Leslieville purchase price adjustments, and approval of Professional Fees;
- g. preparing for and attending at Court on June 19, 2019 in respect of the Certain Curzon Purchaser Motion;
- h. reviewing and soliciting information regarding industry standards in respect of park levy adjustments, including discussions with lawyers, consultants and industry representatives;
- i. attending a chambers appointment with Chief Justice Morawetz in respect of the Certain Curzon Purchaser Motion on July 25, 2019;
- j. corresponding with Travelers Guarantee Company of Canada/Travelers Insurance Company of Canada ("**Travelers**") and Tarion in respect of purchaser deposit warranty claims;
- k. preparing distributions to Travelers and Terra Firma on account of pre-filing debt and related discussions and correspondence with legal counsel;
- l. making the Interim Distributions;
- m. arranging for payment to Tarion of the Tarion Cash Collateral;
- n. meetings and discussions with Tarion and Terra Firma in respect of the logistics of warranty coverage for the UC Leslieville project under the ONHWPA;

- o. retaining and consulting with BSP to, among other things, review Tarion warranty claims and attend conciliations with homeowners and TSCC No. 2669;
- p. preparing for and attending at a meeting with representatives of Craft, BSP and Tarion on June 26, 2019 to discuss a Tarion warranty review protocol;
- q. reviewing Tarion invoices for warranty losses and conciliations, warranty assessment reports, year-end forms and related correspondence and discussing same with BSP;
- r. reconciling initial Tarion Cash Collateral draws to invoices received and correspondence with Tarion regarding same;
- s. meeting with representatives of Tarion, TSCC No. 2669 and BSP on September 27, 2019 to discuss the common element warranty conciliation process, including follow up discussions and correspondence;
- t. discussions and correspondence with Miller Thomson in respect of parking and bicycle storage unit sale closings;
- u. preparing updated security waterfall scenarios, including related discussions and meetings with stakeholders, including Terra Firma;
- v. discussions with Altus Group in connection with final draw request received from Craft, including review of Altus' report, preparation of final release and holdback provisions and communication with Terra Firma in respect of same;
- w. discussions and correspondence with the City regarding 2018 property tax apportionment matter and related communication with counsel in respect of a hearing with the City's General Government and Licensing Committee on April 23, 2019;
- x. discussions and correspondence with City officials in respect of City's position in respect of Sanitary Discharge Agreement payment arrears;
- y. discussions and correspondence with CIBC in connection with the release of the remaining cash collateral held by CIBC in respect of its letter of credit exposure and an accounting of same;
- z. discussions and correspondence with the Construction Receiver' insurer in respect of insurance claim collection;
- aa. corresponding with Leslieville Unit purchasers regarding statements of adjustments and New Housing Rebate application issues;

- bb. finalizing payment of CLA holdback entitlements in respect of Lido Construction Inc.;
 - cc. discussions with legal counsel regarding lienholder counsel's proposed amendments to distributions under the Settlement Approval Order priority waterfall and preparation of related analysis;
 - dd. updating the Construction Receiver's webpage as new information becomes available;
 - ee. responding to creditor enquiries about the status of the Receivership Proceedings;
 - ff. preparing periodic updates and distribution projections for Terra Firma;
 - gg. preparing and filing HST returns in respect of the monthly receivership reporting periods ended March 31, 2019 to May 31, 2020;
 - hh. discussing and corresponding with CRA concerning delays in receiving post-filing HST refunds;
 - ii. numerous follow up discussions with CRA regarding the status of HST audits and issuance of clearance certificates;
 - jj. reviewing invoices submitted by legal counsel and consultants, and preparing statements of receipts & disbursements;
 - kk. preparing the Interim Reports of the Construction Receiver dated May 13, 2019, November 11, 2019 and May 7, 2020 pursuant to section 246(2) of the BIA for each of the Debtors and remitting same to the Office of the Superintendent of Bankruptcy and the Debtors' Licensed Insolvency Trustee, MSI Spergel Inc.; and
 - ll. preparing the Construction Receiver's Ninth Report, confidential Supplement to the Ninth Report and this Tenth Report.
53. The Construction Receiver is seeking the Court's approval of the foregoing activities.

8.0 CONSTRUCTION RECEIVER'S INTERIM COMBINED STATEMENT OF RECEIPTS AND DISBURSEMENTS

54. The Construction Receiver's Interim R&D Statement for the period of March 5, 2019 to July 31, 2020 (the "**Interim R&D Period**") is attached as **Appendix "C"**, and the Cumulative R&D Statement for the period May 31, 2016 to July 31, 2020 is attached as **Appendix "D"**.

55. The Interim R&D Statement indicates that the Construction Receiver's opening cash balance on March 5, 2019 was \$4,912,382.97.
56. Total receipts over the Interim R&D Period of \$719,399.55 consist of the following:
 - a. HST refunds collected of \$515,201.91;
 - b. Closing proceeds from the sale of parking and bicycle storage units of \$24,352.78, inclusive of HST;
 - c. Ice storm insurance claim proceeds of \$75,343.50;
 - d. Collection of \$33,541.41 of cash collateral held by CIBC; and
 - e. Deposit interest and other refunds of \$70,959.95.
57. Total disbursements over the Interim R&D Period of \$5,002,090.54 consist of the following:
 - a. Craft construction costs of \$264,463.42;
 - b. Payment of lien claims totaling \$130,502.50;
 - c. Final distribution to Travelers on its pre-filing debt totaling \$97,005.44
 - d. Payment of the Tarion Cash Collateral of \$1,100,000;
 - e. Payment of other Tarion costs totaling \$18,828.95 pursuant to the Tarion Order;
 - f. Interim Distributions to Terra Firma of \$2,140,000;
 - g. The Certain Curzon Purchaser Payment of \$555,617.10;
 - h. Legal fees and disbursements of \$283,564.91;
 - i. Construction Receiver fees and disbursements of \$260,100.03;
 - j. HST on taxable invoices of \$81,153.00;
 - k. BSP consulting fees of \$56,963.00 and
 - l. Other disbursements totaling \$13,891.43.
58. Total cash on hand as at July 31, 2020 was \$629,691.98.

9.0 FINAL DISTRIBUTIONS

59. Attached as Appendix “D” to the Eighth Report was a projection of the range of possible distributions according to the distribution waterfall in the Settlement Approval Order (the “**March 2019 Projections**”). The March 2019 Projections provided high-recovery and low-recovery scenarios and were based on a number of key assumptions regarding future realizations and contingent costs.
60. The high-end of the March 2019 Projections highlighted the theoretical possibility of a distribution under Stage 12 of the distribution waterfall in the Settlement Approval Order to Terra Firma, construction lien claimants and Leslieville Unit purchasers in the aggregate amount of \$1.1 million. The low-end of the March 2019 Projections illustrated that there would only be sufficient funds to make Stage 11 distributions to Terra Firma, and that no funds would be available under Stage 12.
61. As discussed in the Eighth Report, there were a number of contingencies with respect to the wind-down of the UC Leslieville estate that had yet to materialize. Examples of these contingencies included the extent to which warranty claims will be made against Tarion, potential additional HST liability, determination of Leslieville Project purchase price adjustments, release of Leslieville Project and Beach Project holdback reserves, and final determination of professional and administrative fees.
62. An updated distribution projection with revised high-recovery and low-recovery assumptions (the “**Revised Projections**”) is attached hereto as **Appendix “E”**. Even in the high-recovery scenario of the Revised Projections (which assumes that Terra Firma makes the decision to seek leave, such leave is granted and the decision of the Court of Appeal for Ontario on the Certain Curzon Purchaser Motion is successfully appealed to the Supreme Court of Canada), there are no distributions projected for any creditors other than Terra Firma. This is primarily as a result of lower Tarion Cash Collateral collections anticipated under the Revised Projections compared to the range of potential collections outlined in the March 2019 Projections.
63. While the Settlement Approval Order authorizes a distribution by the Construction Receiver, given the amount of time that has passed since the granting of that order, the Construction Receiver is seeking authorization to take the following reserves and make the following distributions (collectively, the “**Final Distributions**”):
 - a. distribution of \$25,290.53 to the Construction Receiver, on account of unpaid fees and disbursements, inclusive of HST;
 - b. distribution of \$33,546.31 to Blakes, on account of unpaid fees and disbursements, inclusive of HST;

- c. distribution of such portion of the Park Levy Reserve to such applicable Unrepresented Purchaser or to Terra Firma, as this Court may direct;
- d. distribution of \$328,805.14 to Terra Firma;
- e. distribution of any unused balance of the Fee Reserve (defined below) to Terra Firma; and
- f. distribution of any HST Refund to Terra Firma.

10.0 REMAINING ACTIVITIES

64. The Construction Receiver has substantially completed its duties as set out in the BIA, the Appointment Order and the subsequent orders of the Court made in these Receivership Proceedings, except for the following outstanding matters (the “**Remaining Activities**”):
- a. making the Final Distributions;
 - b. completing the re-opening of the UC Leslieville HST account;
 - c. claiming the HST Refund and other HST refunds for fees and expenses;
 - d. arranging for record retention and storage in accordance with applicable requirements;
 - e. other administrative matters incidental to Alvarez & Marsal Canada Inc.’s appointment as Construction Receiver;
 - f. preparing the final report of the Construction Receiver pursuant to section 246(3) of the BIA; and
 - g. filing the certificate of completion, in form and substance the same as is attached as a schedule to the draft discharge order sought by the Construction Receiver (the “**Completion Certificate**”).
65. The Construction Receiver is of the view that it is appropriate at this time to seek an order discharging the Construction Receiver, subject to the Construction Receiver filing the Completion Certificate confirming that the Remaining Activities have been completed.
66. The Construction Receiver is furthermore of the view that the releases sought for the Construction Receiver and its counsel are reasonable and appropriate in the circumstances.

11.0 FEE APPROVAL

67. Pursuant to the Appointment Order, the Construction Receiver was specifically authorized by the Court to retain counsel to the Syndicate, Gowlings as its counsel (the “**Construction Receiver’s Counsel**”) to advise and represent it, save and except on matters upon which the Construction Receiver in its judgment determines it requires independent advice, in which case the Construction Receiver was authorized to and retained Blakes as its independent counsel (“**Independent Counsel**”). To assist in finalizing the New APS and condominium disclosure documentation and facilitating the closing of the 55 Leslieville Units, the Construction Receiver also retained Miller Thomson (“**Real Estate Counsel**”).
68. Pursuant to the Appointment Order, the fees and disbursements of the Construction Receiver and the fees and disbursements of its legal counsel were authorized to be paid on a periodic basis based on the fees and expenses incurred in respect of the Debtors’ projects, and for fees and expenses incurred for the general administration of the Receivership Proceedings.
69. The Construction Receiver most recently sought and received approval of its fees and disbursements and those of the Construction Receiver’s Counsel, Independent Counsel and Real Estate Counsel from May 1, 2018 to January 31, 2019 (the “**April 2019 Fee Approval**”).
70. The Construction Receiver is seeking approval of its fees and those of its counsel in connection with the performance of their duties in the Receivership Proceedings for the period following the April 2019 Fee Approval, in the following amounts:
 - a. Construction Receiver in the amount of \$281,324.00, plus HST and disbursements, for the eighteen (18) month period of February 1, 2019 through to and including July 31, 2020;
 - b. Independent Counsel (Blakes) in the amount of \$297,086.40, plus HST and disbursements, for the eighteen (18) month period of February 1, 2019 through to and including July 31, 2020;
 - c. Construction Receiver’s Counsel (Gowlings) in the amount of \$187.00, plus HST, for the two (2) month period of February 1, 2019 through to and including March 31, 2019; and
 - d. Real Estate Counsel (Miller Thomson) in the amount of \$17,610.00, plus HST and disbursements, for the eleven (11) month period of February 1, 2019 through to and including December 31, 2019.
71. The total fees and disbursements of the Construction Receiver are set out in detail in the affidavit of Douglas McIntosh sworn August 6, 2020 (the “**McIntosh Affidavit**”), a copy of which is attached as **Tab “A”** to the Construction

Receiver's Compendium of Fee Affidavits (the "**Fee Compendium**"), filed together with the Construction Receiver's Motion Record. The McIntosh Affidavit sets out a summary which identifies the accounting professionals who worked on the Receivership Proceedings, including rank, hourly rates, total fees and hours billed. This summary indicates a combined average hourly rate of \$650.01 and 432.8 total hours worked.

72. The total fees and disbursements of Independent Counsel (Blakes) are set out in detail in the affidavit of Milly Chow, sworn August 6, 2020 (the "**Chow Affidavit**"), a copy of which is attached as **Tab "B"** to the Fee Compendium. The Chow Affidavit sets out a summary which identifies the legal professionals who worked on the Receivership Proceedings, including year of call, hourly rates, total fees and hours billed. This summary indicates a combined average hourly rate of \$585.05 and 507.8 total hours worked.
73. The total fees and disbursements of the Construction Receiver's Counsel (Gowlings) for the applicable period total \$187.00, and are comprised of one entry for 0.2 hours on March 18, 2020. A copy of the applicable invoice is attached as **Tab "C"** to the Fee Compendium. Given the de minimis amount of these fees, the Construction Receiver has not solicited a fee affidavit from Gowlings.
74. The total fees and disbursements of Real Estate Counsel (Miller Thomson) are set out in detail in the affidavit of Ron Fairbloom, sworn August 5, 2020 (the "**Fairbloom Affidavit**", together with the McIntosh Affidavit and the Chow Affidavit, the "**Fee Affidavits**"), a copy of which is attached as **Tab "D"** to the Fee Compendium. The Fairbloom Affidavit sets out a summary which identifies the legal professionals who worked on the Receivership Proceedings, including year of call, hourly rates, total fees and hours billed. This summary discloses a combined average hourly rate of \$397.52 and 44.3 total hours worked.
75. The work done by Blakes, Gowlings and Miller Thomson was done in connection with different aspects of the Receivership Proceedings, and in the Construction Receiver's view there is no overlap or duplication.
76. Since the last fee approval, the foregoing professional fees have been reported to Terra Firma on an ongoing basis both as part of six periodic updates by the Construction Receiver on interim receipts and disbursements, and as part of the Construction Receiver's periodic updates to its distribution analysis.
77. The Construction Receiver is of the view that the fees and disbursements incurred by it and its counsel are fair and reasonable. Accordingly, the Construction Receiver respectfully requests this Court's approval of such fees and disbursements, as more particularly set out in the Fee Affidavits.

78. The Construction Receiver and Blakes estimate that they will incur a further amount of fees and expenses in the aggregate of \$35,000 plus HST to fully conclude these Receivership Proceedings, including: (i) finalizing this Tenth Report and related motion materials; (ii) preparing the supplement to the Tenth Report in respect of Unrepresented Purchasers; (iii) attending the scheduled Court hearing on August 19, 2020; and (iv) completing the Remaining Activities.
79. The Construction Receiver has taken a reserve in the amount of \$35,000 plus HST (the “**Fee Reserve**”) to cover these final tasks. The Construction Receiver is requesting that the Court approve these additional fees and expenses; if any unexpected issues arise between the date of this Tenth Report and the hearing of the Construction Receiver’s motion, the Construction Receiver may update the Fee Reserve in the Supplemental Report. Any unused amounts in the Fee Reserve are proposed to be distributed to Terra Firma, as set out above.

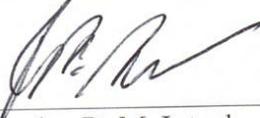
12.0 CONCLUSION

80. For the reasons set out in this Tenth Report, the Construction Receiver requests that this Honourable Court grant the order, in the form enclosed in the Motion Record of the Construction Receiver:
- (i) approving the payment of the Final Distributions;
 - (ii) directing Tarion to pay any residual Tarion Cash Collateral to Terra Firma;
 - (iii) directing the City to pay any residual Water Cash Collateral to Terra Firma;
 - (iv) approving the activities of the Construction Receiver described in this Tenth Report;
 - (v) approving the Interim R&D Statement;
 - (vi) approving the fees and disbursements of the Construction Receiver and its counsel;
 - (vii) approving the fee estimate for the Construction Receiver and Blakes for the period of August 1, 2020 through until the filing of the Completion Certificate (defined below); and
 - (viii) releasing the Construction Receiver and its counsel, and discharging the Construction Receiver effective upon the filing of the Completion Certificate.

All of which is respectfully submitted, this 6th day of August 2020.

**ALVAREZ & MARSAL CANADA INC. SOLELY IN ITS CAPACITY AS RECEIVER
AND MANAGER AND CONSTRUCTION LIEN TRUSTEE OF THE ASSETS,
UNDERTAKINGS AND PROPERTY OF URBANCORP (LESLIEVILLE)
DEVELOPMENTS INC., URBANCORP (RIVERDALE) DEVELOPMENTS INC., &
URBANCORP (THE BEACH) DEVELOPMENTS INC. AND NOT ITS PERSONAL OR
CORPORATE CAPACITY**

Per:



Douglas R. McIntosh
President

APPENDIX “A”



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

Chris Burr

Partner

Dir: 416-863-3261

chris.burr@blakes.com

Reference: 00099766/000003

April 9, 2019

VIA E-MAIL

Unrepresented Urbancorp Leslieville Purchasers

RE: Urbancorp Leslieville Townhomes

Re: Court Approval of Purchase Price Adjustments

Dear Unrepresented Urbancorp Leslieville Purchasers:

On March 18, 2019, you were emailed a copy of the motion record (the "**Motion Record**") of Alvarez & Marsal Canada Inc., in its capacity as receiver and manager and construction lien trustee of the assets, undertakings and property of, among other companies, Urbancorp (Leslieville) Developments Inc. (in such capacity, the "**Construction Receiver**"). A copy of the Motion Record can be found here: https://www.alvarezandmarsal.com/sites/default/files/canada/motion_record_of_the_construction_receiver_returnable_march_26_2019_volume_1.pdf

The notice of motion contained at Tab 1 of the Motion Record advised that on March 26, 2019, the Construction Receiver would be seeking, among other things, an order permitting the Construction Receiver to serve court material on "Unrepresented Purchasers" of the Urbancorp Leslieville units by email (the "**Service Order**"), and an order approving all of the purchase price adjustments charged by the Construction Receiver upon closing of the Urbancorp Leslieville units, other than the Park Levy (the "**Purchase Price Adjustment Approval Order**").

On March 26, 2019, the Court granted the Service Order. A copy is attached.

The motion to obtain the Purchase Price Adjustment Approval Order was adjourned by the Court, pending further notice to the Unrepresented Purchasers, including yourself. This letter is to notify you that the Construction Receiver will be attending Court at 330 University Avenue, Toronto, Ontario (8th Floor) at 10:00 am on Wednesday, April 17, 2019 to seek the granting of the Purchase Price Adjustment Approval Order.

The Construction Receiver will be relying on the Supplement to the Eighth Report, dated March 18, 2019 (the "**Supplemental Report**"), which was provided to you on March 18, 2019 as Tab 3 of the Motion Record. A copy of the Supplemental Report is also included with the email to which this letter is attached, and can be found here:

23623806.1

https://www.alvarezandmarsal.com/sites/default/files/canada/construction_receivers_-_supplement_eighth_report.pdf

A draft of the order that will be sought by the Construction Receiver on April 17, 2019 is attached to this letter.

You are receiving this letter because you have been identified by the Construction Receiver as a purchaser of one or more units at the Urbancorp Leslieville project, but have not filed a notice in the Urbancorp receivership proceedings indicating that you have a lawyer. If you do have a lawyer in this matter, kindly forward this email to them and ask them to contact me.

Please don't hesitate to contact me if you have any questions.

Best regards,



per Caitlin McEntyre

Chris Burr

BUR

Encl.

c. T. Zaspalis

APPENDIX “B”



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

Chris Burr

Partner

Dir: 416-863-3261

chris.burr@blakes.com

August 6, 2020

VIA E-MAIL

Reference: 00099766/000003

Unrepresented Urbancorp Leslieville Purchasers

Dear Urbancorp Leslieville Purchaser:

RE: Urbancorp Leslieville Townhomes

Re: Resolution of Park Levy Litigation and Final Distribution by Construction Receiver

On April 9, 2019, you were notified of a motion being brought by Alvarez & Marsal Canada Inc., in its capacity as receiver and manager and construction lien trustee of the assets, undertakings and property of, among other companies, Urbancorp (Leslieville) Developments Inc. (in such capacity, the "**Construction Receiver**"), seeking Court approval of all of the purchase price adjustments charged in connection with the closing of the Urbancorp Leslieville units, including your unit, other than the park levy adjustment (the "**Park Levy**").

On April 17, 2019, the Court approved all purchase price adjustments other than the Park Levy.

In June of 2019, you were emailed the Construction Receiver's motion materials in respect of a motion being brought by certain purchasers of Urbancorp Leslieville units represented by Shibley Righton LLP (the "**Shibley Purchasers**"), wherein the Shibley Purchasers sought a refund of the Park Levy.

The Shibley Purchasers' motion was heard on June 19, 2019 and decided in their favour on October 10, 2019. This decision was appealed by Urbancorp's secured creditor, Terra Firma Capital Corporation ("**Terra Firma**"), and upheld by the Court of Appeal for Ontario in a written decision issued on July 9, 2020. On July 29, 2020, the Construction Receiver refunded the Park Levy paid by the Shibley Purchasers, plus interest.

Terra Firma has reserved its rights to appeal the Court of Appeal's decision to the Supreme Court of Canada, and the deadline to do so has not passed.

The Construction Receiver is currently holding in reserve the balance of the Park Levy paid on closing of the Urbancorp Leslieville units by purchasers who did not have a cap on their purchase price adjustments (the "**Park Levy Reserve**").

23623806.1



Terra Firma has advised the Construction Receiver that it claims a right to the Park Levy Reserve as part of its collateral security.

This letter is to notify you that on Wednesday, August 19, 2020, at 10:00 am, the Court will be hearing the Construction Receiver's motion to seek the Court's direction for payment of the Park Levy Reserve.

If you intend to make a claim for a refund of the Park Levy paid by you in connection with the closing of your Urbancorp Leslieville unit, or oppose Terra Firma's claim to the Park Levy Reserve, please notify the Construction Receiver no later than Monday, August 17, 2020. The Construction Receiver will provide a report to the Court on Tuesday, August 18, 2020 of any claims or objections received.

You or your counsel may also formally respond to the Construction Receiver's motion by filing materials with the Court in accordance with the *Rules of Civil Procedure*.

The Construction Receiver's motion for directions regarding the Park Levy Reserve will be heard via Zoom video-conference. If you wish to participate in the video-conference, please advise the Construction Receiver's counsel Caitlin McIntyre at caitlin.mcintyre@blakes.com, who will provide you with the link.

You will also be provided, by email, with a copy of the Construction Receiver's motion record. Of particular relevance to you is the Tenth Report of the Construction Receiver, which is being sent to you by email (without appendices) in the same email to which this letter is attached. Please review Part 3.0 of this Tenth Report in particular, as it relates to your rights as a purchaser of a unit of the Urbancorp Leslieville project.

Other important documents related to the Urbancorp receivership proceedings and the Construction Receiver's motion can be found here: www.alvarezandmarsal.com/urbancorp

You are receiving this letter because you have been identified by the Construction Receiver as a purchaser of one or more units at the Urbancorp Leslieville project, but have not filed a notice in the Urbancorp receivership proceedings indicating that you have a lawyer. If you do have a lawyer in this matter, kindly forward this email to them and ask them to contact me.

Please don't hesitate to contact me or Caitlin McIntyre if you have any questions.

Best regards,

Chris Burr

Chris Burr

BUR
Encl.

c. T. Zaspalis

23623806.1

APPENDIX “C”

**URBANCORP (LESLIEVILLE, THE BEACH, RIVERDALE)
COMBINED INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD MARCH 5, 2019 TO JULY 31, 2020**

Total (CAD \$)

Opening Balance - March 5, 2019 [1] 4,912,382.97

RECEIPTS:

UC Leslieville Asset Realizations:

Proceeds (net of HST) from Sale of UC Leslieville Residential, Parking and Locker Units [2] 21,506.47
HST Collected on Sale of UC Leslieville Residential, Parking and Locker Units [2] 2,846.31
Sub-total - UC Leslieville Asset Realizations 24,352.78

Other Receipts

HST Refunds Received [3] 515,201.91
Insurance refund - Northridge 75,343.50
Deposit Interest & Other Interest 65,802.77
Recovery of CIBC Cash Collateral [4] 33,541.41
Realty tax refund 3,857.52
Recovery of Amounts funded by Receiver on behalf of Condo Corp. 1,299.66

Sub-total - Other Receipts 695,046.77

Total Receipts 719,399.55

DISBURSEMENTS:

Construction Related Costs

Amounts Paid to Craft per Construction Budget + Approved Change Orders [5] (264,463.42)

Other Distributions to Stakeholders with Security/Court-Ordered Charges

Court Authorized Lien Payments (UC Beach & UC Leslieville) [6] (130,502.50)
Travelers secured indebtedness [7] (97,005.44)
Tarion Cash Collateral [8] (1,100,000.00)
Tarion Costs [8] (18,828.95)
Terra Firma Loan (Pre-Receivership) [9] (2,140,000.00)

Sub-total - Other Distributions to Stakeholders with Security/Court-Ordered Charges (3,486,336.89)

Other Disbursements

Payment of Park Levy to Shibley Righton [10] (555,617.10)
Legal Fees & Disbursements [11] (283,564.91)
Construction Receiver Fees & Disbursements [12] (260,100.03)
HST Paid to Suppliers (81,153.76)
BSP Consulting Fees (re Tarion warranty work) (56,963.00)
Altus Group Fees (7,830.03)
Weston Consulting Fees (3,031.25)
Bank Charges (1,323.98)
Reimbursement for statement of adjustment error (1,200.00)
Toronto Standard Condo Corp No. 2669 - Maintenance Fees (506.17)

Sub-total - Other Disbursements (1,251,290.23)

Total Disbursements (5,002,090.54)

Excess of Receipts over Disbursements (4,282,690.99)

Cash on Hand - July 31, 2020 629,691.98

RESERVES:

Park Levy Reserve in respect of Unrepresented Purchasers (202,500.00)
Unpaid Professional Fees & Disbursements, inclusive of HST (58,836.84)
Future Professional Fees & Disbursements, inclusive of HST (39,550.00)

Total Reserves (300,886.84)

Unrestricted Cash on Hand - July 31, 2020 328,805.14

Urbancorp (Leslieville, The Beach, Riverdale)

Notes to Combined Interim Statement of Receipts and Disbursements

For the period March 5, 2019 to July 31, 2020

- [1] Opening cash on hand as at March 5, 2019 is as per the Construction Receiver's Combined Interim Statement of Receipts and Disbursements included in the Eighth Report.
- [2] Represents closing proceeds of (1) excess parking unit and four (4) bicycle locker units which were sold prior to March 5, 2019, and closed during the Interim Period, plus two (2) bicycle locker units sold and closed during the Interim Period. Five (5) bicycle locker units which the Construction Receiver has been unable to sell have been transferred to the condominium corporation, as permitted under the condominium declaration.
- [3] HST refunds relate to input tax credits generated by the Construction Receiver for administrative costs and construction and development costs.
- [4] Approximately \$165,000 was distributed to CIBC pursuant to a cash collateral agreement with the Construction Receiver to deal with outstanding pre-receivership letters of credit plus legal fees. Approximately \$34,000 of the cash collateral was unused and was subsequently returned to the Construction Receiver in August 2019.
- [5] Represents the final amounts required to be paid to Craft pursuant to the approved construction budget, inclusive of approved change orders, as approved by the Project Monitor, Altus Group.
- [6] Lien payments were made pursuant to the Orders (Re: Lien Settlement Approvals, etc.) of Mr. Justice Myers dated June 26, 2018, Mr. Justice Penny dated October 11, 2018, and RSJ Morawetz (as he was then) dated March 26, 2019.
- [7] Represents final distribution to Travelers as authorized by the Settlement Approval Order.
- [8] Payments to Tarion were made pursuant to the order of RSJ Morawetz (as he was then) dated April 17, 2019.
- [9] Interim Distributions to Terra Firma were made pursuant to the Settlement Approval Order.
- [10] Represents reimbursement to Certain Curzon Purchasers of the park levy paid by them on closing, plus interest and costs up to July 29, 2020 as per the Order of Chief Justice Morawetz dated October 10, 2019;
- [11] Represents Construction Receiver's Legal Counsel fees & disbursements (Gowlings) incurred for the two (2) month period of February 1, 2019 to March 31, 2019, Construction Receiver's Independent Counsel fees & disbursements (Blakes) for the eighteen (18) month period of February 1, 2019 to June 30, 2020, and the Construction Receiver's Real Estate Legal Counsel fees & disbursements (Miller Thomson) for the eleven (11) month period of February 1, 2019 to December 31, 2019.
- [12] Represents Construction Receiver fees & disbursements incurred for the eighteen (18) month period of February 1, 2019 to June 30, 2020.

APPENDIX “D”

**URBANCORP (LESLIEVILLE, THE BEACH, RIVERDALE)
 COMBINED INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD MAY 31, 2016 TO JULY 31, 2020**

Total (CAD \$)

RECEIPTS:

Receiver Borrowings:

CIBC Syndicate - Receiver Certificates Issued [1]	4,800,000.00
Craft Construction Loan [2]	2,000,000.00
Craft Collateral [3]	535,000.00
CIBC Syndicate Construction Loan [4]	3,950,000.00
Terra Firma Funded Cost Overruns [5]	1,565,502.92
Sub-total - Receiver Borrowings	12,850,502.92

UC Leslieville Asset Realizations:

Proceeds (net of HST) from Sale of UC Leslieville Residential, Parking and Locker Units [6]	45,930,395.86
HST Collected on Sale of UC Leslieville Residential, Parking and Locker Units [6]	5,444,277.20
Interim Occupancy Fee Receipts [7]	1,245,741.99
Proceeds (net of HST) from Sale of UC Leslieville Geo-Thermal Unit [8]	707,964.60
Recovery of UC Leslieville Purchaser Deposits Held by Harris Sheaffer, In Trust [9]	343,482.84
HST collected on Sale of UC Leslieville Geo-Thermal Unit [8]	92,035.40
Collection of Amounts Due to Builder on Closing	4,894.00
Sub-total - UC Leslieville Asset Realizations	53,768,791.89

UC Beach Asset Realizations:

Proceeds from Sale of the Beach Project Lots [10]	4,902,229.72
---	--------------

UC Riverdale Asset Realizations:

Receipt of UC Riverdale Residual Closing Monies [11]	3,004,495.32
City of Toronto - Tree Security Deposit Refund	2,915.00
Sub-total - UC Riverdale Asset Realizations	3,007,410.32

Other Receipts

HST Refunds Received [12]	2,281,795.11
Deposit Interest & Other Interest	230,168.56
Insurance refund - Northridge	75,343.50
Recovery of CIBC Cash Collateral [16]	33,541.41
Purchaser Deposit - In Trust (Subsequently Transferred to Miller Thomson Trust Account)	27,000.00
Recovery of Craft Expenses Funded by Receiver	23,998.43
Recovery of Amounts funded by Receiver on behalf of Condo Corp.	4,299.66
Realty tax refund	3,857.52

Sub-total - Other Receipts	2,680,004.19
-----------------------------------	---------------------

Total Receipts

77,208,939.04

DISBURSEMENTS:

Construction Related Costs

Amounts Paid to Craft per Construction Budget + Approved Change Orders [13]	(7,968,094.67)
Craft Deferred Management Fee [14]	(1,125,000.00)
Craft Success Fee [14]	(1,000,000.00)
Sub-total - Construction Related Costs	(10,093,094.67)

Repayment of Receiver's Borrowings

CIBC Syndicate - Receiver's Certificate - Principal Repayment [1]	(4,800,000.00)
CIBC Syndicate - Receiver's Certificate - Interest [1]	(563,252.26)
CIBC Syndicate Construction Loan - Principal Repayment [4]	(3,950,000.00)
CIBC Syndicate Construction Loan - Interest [4]	(70,958.22)
CIBC Syndicate Construction Loan - Fees [4]	(200,000.00)
Craft Construction Loan - Principal Repayment [2]	(2,000,000.00)
Craft Construction Loan - Interest [2]	(207,106.96)
Craft Cash Collateral - Principal Repayment [3]	(535,000.00)
Craft Cash Collateral - Interest [3]	(59,414.59)
Terra Firma Funded Cost Overruns - Principal Repayment [5]	(1,565,502.92)
Terra Firma Funded Cost Overruns - Interest [5]	(340,170.51)
Sub-total Repayment of Receiver's Borrowings	(14,291,405.46)

**URBANCORP (LESLIEVILLE, THE BEACH, RIVERDALE)
COMBINED INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD MAY 31, 2016 TO JULY 31, 2020**

Total (CAD \$)

Other Distributions to Stakeholders with Security/Court-Ordered Charges	
Court Authorized Lien Payments (UC Beach & UC Leslieville) [15]	(772,037.11)
CIBC Syndicate Loans (Pre-Receiver'ship) - Principal Repayment [16]	(23,717,545.99)
CIBC Syndicate Loans (Pre-Receiver'ship) - Interest [16]	(2,539,191.46)
CIBC Syndicate Cash Collateral re: Letters of Credit (Pre-Receiver'ship) [16]	(164,691.56)
Craft Geothermal Costs - Principal Repayment [17]	(180,820.08)
Craft Geothermal Costs - Interest [17]	(12,915.98)
Travelers secured indebtedness [18]	(1,121,210.43)
Tarion, in Lieu of Travelers Bond Draw [19]	(233,900.00)
Tarion Cash Collateral [20]	(1,100,000.00)
Tarion Costs [20]	(18,828.95)
Terra Firma Loan (Pre-Receiver'ship) [21]	(4,890,000.00)
Sub-total - Other Distributions to Stakeholders with Security/Court-Ordered Charges	(34,751,141.56)

Other Disbursements	
HST Remitted to CRA	(5,419,372.57)
Legal Fees & Disbursements [22]	(3,436,392.10)
Construction Receiver Fees & Disbursements [23]	(2,762,655.87)
HST Paid to Suppliers	(2,379,896.06)
Listing Brokerage Commissions (UC Beach & UC Leslieville)	(934,084.75)
Payment of Park Levy to Shibley Righton [24]	(555,617.10)
Realty Taxes	(397,269.84)
Altus Group Fees [25]	(377,693.50)
Repairs & Maintenance	(309,476.97)
Insurance	(205,590.00)
Security / Alarm	(148,497.98)
Repayment of Terra Firma Motion & Bankruptcy Fees	(101,795.32)
Latent Defect Testing	(59,199.56)
BSP Consulting Fees (re Tarion warranty work)	(56,963.00)
Toronto Standard Condo Corp No. 2669 - Maintenance Fees	(53,946.00)
Costs Incurred to Release LCs	(46,620.69)
Utilities	(44,198.10)
Winter Heating	(30,250.00)
Appraisal Report Costs	(30,120.00)
Purchaser Deposit - Transferred to Miller Thomson Deposit Trust	(27,000.00)
PST Paid to Suppliers	(15,126.80)
Tarion Enrolment Fees	(13,950.00)
Interim Property Management Fees	(8,820.00)
UTMI Staffing Costs	(8,426.03)
Tax Consultant	(4,987.50)
Bank Charges	(4,049.40)
Weston Consulting Fees	(3,031.25)
Geothermal Finance Fee Advance	(3,000.00)
Office Expense	(2,874.98)
Mediation Expense	(1,500.00)
Reimbursement for statement of adjustment error	(1,200.00)
Sub-total - Other Disbursements	(17,443,605.37)

Total Disbursements (76,579,247.06)

Excess of Receipts over Disbursements 629,691.98

Cash on Hand - July 31, 2020 629,691.98

RESERVES:

Park Levy Reserve in respect of Unrepresented Purchasers	(202,500.00)
Unpaid Professional Fees & Disbursements, inclusive of HST	(58,836.84)
Future Professional Fees & Disbursements, inclusive of HST	(39,550.00)
Total Reserves	(300,886.84)

Unrestricted Cash on Hand - July 31, 2020 328,805.14

Urbancorp (Leslieville, The Beach, Riverdale)

Notes to Combined Interim Statement of Receipts and Disbursements

For the period May 31, 2016 to July 31, 2020

- [1] To fund the administration of the estates, the Construction Receiver borrowed from the CIBC Syndicate (by way of Receiver's Certificates) a total of \$4.8 million over the course of the receivership proceedings. Pursuant to Orders dated May 2, 2017 and October 26, 2017, all Receiver's Certificate borrowings were repaid, inclusive of interest, from UC Beach and UC Leslieville asset realizations.
- [2] The Construction Receiver borrowed \$2.0 million from Craft Development Corporation ("Craft") on June 2, 2017 to help fund the completion of the construction of the Leslieville Project. Pursuant to the Settlement Approval Order, the Construction Receiver distributed to Craft approximately \$2.2 million on October 29, 2018 in full repayment of the Craft Construction Loan, inclusive of interest.
- [3] As part of the Craft Development Agreement, Craft provided the Construction Receiver with cash collateral of \$535,000 to support Craft's obligations thereunder. On December 6, 2018, the Construction Receiver returned the cash collateral to Craft, plus interest of approximately \$59,000.
- [4] Following the utilization of the Craft Construction Loan, the Construction Receiver borrowed a further \$3.95 million from the CIBC Syndicate to fund Leslieville Project construction costs. Pursuant to the order of Mr. Justice Myers dated April 30, 2018, the Construction Receiver repaid CIBC Syndicate Construction Loan Obligations consisting of principal, interest, and a deferred commitment fee totaling \$2.89 million. In addition, during the month of August 2018, the Construction Receiver repaid CIBC Syndicate Construction Loan Obligations consisting of principal and interest totaling \$500,000. All remaining principal and interest due under the CIBC Syndicate Construction Loan totaling approximately \$831,000 was repaid on October 22, 2018.
- [5] Pursuant to the Terra Firma Cost Overrun Agreement, the Construction Receiver borrowed a total of \$1.57 million from Terra Firma Capital Corporation ("Terra Firma") in respect of approved Change Orders to the original Leslieville Project construction budget. On December 21, 2018, the Construction Receiver repaid Terra Firma advances in full, plus interest of approximately \$340,000.
- [6] Proceeds of \$45.9 million plus HST of \$5.4 million was collected by the Construction Receiver in respect of UC Leslieville units which closed October 19-25, 2018. The closed units consisted of 55 residential units (with parking), 10 excess parking units and 24 bicycle locker units. Subsequently, one (1) excess parking unit and six (6) bicycle locker units were sold for approximately \$24,000 inclusive of HST. The five (5) remaining bicycle locker units which the Construction Receiver has been unable to sell have been transferred to the condominium corporation, as permitted under the condominium declaration.
- [7] Interim occupancy of the UC Leslieville project commenced in late March 2018 and continued until the unit closings which took place between October 19-25, 2018.
- [8] The sale of the UC Leslieville Geothermal unit for \$800,000 (inclusive of approximately \$92,000 in HST) to the project condominium corporation, TSCC No. 2669, closed on October 24, 2018.
- [9] Represents Leslieville Purchaser deposits of \$250,000 (plus interest earned) held by Harris Sheaffer LLP pursuant to a Deposit Trust Agreement between UC Leslieville, Travelers and Harris Sheaffer dated May 19, 2011.
- [10] The sale of the UC Beach Project lots for \$4.9 million closed on July 28, 2017.
- [11] Pursuant to the order of Mr. Justice Myers dated April 30, 2018, Harris Sheaffer wired the Construction Receiver funds on May 31, 2018 totaling approximately \$3.0 million (being UC Riverdale Residual Closing Monies, plus accrued interest less bank charges). On June 1, 2018, the Construction Receiver utilized these funds to (i) establish a reserve of approximately \$114,000 to repay Terra Firma's estimated costs related to the motion and the Debtors' bankruptcy proceedings, and (ii) repay \$2.89 million of Syndicate Construction Loan obligations.
- [12] HST refunds relate to input tax credits generated by the Construction Receiver for administrative costs, asset selling costs as well as construction and development costs.

Urbancorp (Leslieville, The Beach, Riverdale)

Notes to Combined Interim Statement of Receipts and Disbursements

For the period May 31, 2016 to July 31, 2020

- [13]** Represents amounts paid to Craft pursuant to the approved construction budget, inclusive of approved change orders, as approved by the Project Monitor, Altus Group. The amounts paid to Craft are inclusive of a \$375,000 Earned Management Fee.
- [14]** In addition to the Earned Management Fee, Craft also earned a Deferred Management Fee of \$1.125 million and a Success Fee of \$1.0 million which were paid to Craft from the Leslieville Project proceeds of sale. As part of its compensation, Craft also received a parcel of vacant lot located on Jones Ave., adjacent to the Leslieville Project.
- [15]** Pursuant to the Orders (Re: Lien Settlement Approvals, etc.) of Mr. Justice Myers dated June 26, 2018, Mr. Justice Penny dated October 11, 2018, and RSJ Morawetz (as he was then) dated March 26, 2019, the Construction Receiver has paid approximately \$232,000 to UC Beach lien claimants and approximately \$540,000 to UC Leslieville lien claimants.
- [16]** Pursuant to the Settlement Approval Order, the Construction Receiver distributed approximately \$26.3 million to the CIBC Syndicate on October 24, 2018 in full repayment of pre-receivership advances, inclusive of interest. Further, approximately \$165,000 was distributed to CIBC pursuant to a cash collateral agreement with the Construction Receiver to deal with outstanding pre-receivership letters of credit plus legal fees. Approximately \$34,000 of the cash collateral was unused and was subsequently returned to the Construction Receiver in August 2019.
- [17]** Pursuant to the Settlement Approval Order, the Construction Receiver distributed to Craft Development Corporation approximately \$194,000 for costs incurred in connection with the commissioning of the UC Leslieville geothermal system, inclusive of interest.
- [18]** Travelers' claim of approximately \$1.1 million was paid in full pursuant to the Settlement Approval Order and consisted of (i) depositor claims paid to fourteen (14) "Opt-out" depositors pursuant to Travelers' Excess Condominium Deposit Insurance policy, (ii) a draw down of its bond by Tarion in respect of four (4) depositors, (iii) a draw down of its bond by Tarion in respect of other warranty claims, (iv) unpaid bond and insurance policy premiums, (v) legal fees, and (vi) interest.
- [19]** The payment to Tarion of \$233,900 represents ten (10) deposit claims of \$20,000 each, plus Tarion's 15% administration fee and HST. The payment has reduced Travelers' \$1.1 million bond held by Tarion by an equivalent amount.
- [20]** Payments to Tarion were made pursuant to the order of RSJ Morawetz (as he was then) dated April 17, 2019.
- [21]** Interim Distributions to Terra Firma were made pursuant to the Settlement Approval Order.
- [22]** Represents Construction Receiver's Legal Counsel fees & disbursements (Gowlings) incurred up to March 31, 2019, Construction Receiver's Independent Counsel fees & disbursements (Blakes) up to June 30, 2020, Construction Receiver's Real Estate Legal Counsel fees & disbursements (Miller Thomson) up to December 31, 2019, including fees & disbursements in connection with the UC Leslieville unit closings and Debtors' Legal Counsel fees & disbursements (Harris Sheaffer) for transition assistance provided to the Construction Receiver.
- [23]** Represents Construction Receiver fees & disbursements incurred up to June 30, 2020.
- [24]** Represents reimbursement to Certain Curzon Purchasers of the park levy paid by them on closing, plus interest and costs up to July 29, 2020 as per the Order of Chief Justice Morawetz dated October 10, 2019;
- [25]** Represents fees and disbursements of Altus Group, the UC Leslieville construction project monitor, up to April 30, 2019.

APPENDIX “E”

FOR ILLUSTRATION PURPOSES ONLY

Urbancorp (Leslieville, Riverdale, The Beach)

Projected Stage 11 Waterfall Distributions (\$000s)

As at July 31, 2020 (prepared on August 6, 2020)

Caution: In preparing this document, Alvarez & Marsal Canada Inc. ("A&M" or "we") has necessarily relied upon unaudited financial and other information supplied, and representations made to us, by various parties. We have not independently verified the accuracy or completeness of the information or conducted an audit, nor are we providing any other form of assurance thereon. We have not completed procedures recommended by CPA Canada or the AICPA for the examination of a financial forecast. The estimated recoveries and distributions referred to herein are based on assumptions which are not always capable of objective verification or validation. To the extent that actual conditions vary from those projected, the results predicted can be expected to change. Such changes may be material. Accordingly, A&M makes no representation or warranty as to the accuracy, reliability or completeness of the foregoing projections and A&M is not responsible to any party, in any way, for any analysis or projections contained in this document. A&M expressly reserves the right to amend or vary foregoing projections in its sole discretion, including in future reports to the Court or stakeholders.

Line		Projected Realizations		
		Low	High	
1	Cash on hand per R&D as at July 31, 2020	630	630	
2	Projected Future Receipts:			
3	Projected Tarion Cash Collateral Recoveries:			
4	i. Cash Collateral held by Tarion pursuant to April 17, 2019 Court Order	1,100	1,100	1
5	ii. Interest earned to date on Cash Collateral	15	15	1
6	iii. Cash Collateral draws to date for Tarion warranty and administrative claims	(725)	(725)	1
7	iv. Projected future Tarion Cash Collateral draws for warranty and administrative claims (net of interest earned)	(320)	(250)	1
8	Sub-total	70	140	
9	Projected Water Cash Collateral Recoveries	-	25	2
10	Projected Recovery of the Certain Curzon Purchaser Payment	-	556	3
11	i. Pre and Post judgement interest - 1 year	-	11	3
12	Sub-total	-	567	
13	Future HST refunds to be filed	76	-	4
14	Sub-total of Projected Future Receipts	146	732	
15	Projected Future Disbursements:			
16	Repayment of Parks Levy to Unrepresented Purchasers	(193)	-	5
17	i. Pre and Post judgement Interest to August 20, 2020	(9)	-	5
18	Sub-total	(202)	-	
19	Unpaid Professional Fees & Disbursements (inclusive of HST) as at July 31, 2020	(59)	(59)	6
20	Reserve for Professional Fees & Disbursements (inclusive of HST) from August 1, 2020 to filing of Completion Certificate	(40)	(40)	7
21	Sub-total of Projected Future Disbursements	(301)	(99)	
22	Projected cash available for future distribution pursuant to Stage 11 of the Waterfall	475	1,263	8

FOR ILLUSTRATION PURPOSES ONLY

23	Summary of Actual/Projected distributions to Terra Firma on Pre-Receivership Debt pursuant to Stage 11 of the Waterfall:		
24	Distributions made by Receiver per R&D	4,890	4,890
25	Projected cash available for future distributions	475	1,263
26	Total Actual/Projected distributions to Terra Firma on Pre-Receivership Debt pursuant to Stage 11 of the Waterfall	5,365	6,153
27	Total Terra Firma Stage 11 Waterfall Distributions on Pre-Receivership Debt required prior to any Stage 12 Distributions to Opt-In Purchasers/Lienholders	6,500	6,500
28	Projected Shortfall in Stage 11 Waterfall Recoveries	(1,135)	(347)

Notes

- 1 As of July 31, 2020, the Construction Receiver has received invoices from Tarion for unit warranties and administrative fees totaling approximately \$718,000. The Construction Receiver understands that these invoices have either have been paid, or are expected to be paid, out of the Tarion Cash Collateral. The projected distributions assume that Tarion will render an additional \$250,000 to \$320,000 in future invoices for both unit and common element warranties and administrative fees, and that the remaining Tarion Cash Collateral will be distributed by Tarion to Terra Firma on or before December 31, 2025. The projections also assume that the Leslieville project will not have any major structural defects which are covered under the Ontario New Home Warranty Program. Should additional warranty or administrative claims be presented which are not reflected in this analysis, then the recoveries projected in the analysis will be lower.
- 2 In the Construction Receiver's Eighth Report, we noted that the amount of approximately \$115,000 was being held by the City in support of future City water discharge fees. The City has advised that the current balance is now approximately \$76,000 and that it expects the full amount of the cash collateral to be utilized. For the purposes of this analysis, we have shown a realization range between nil and \$25,000.
- 3 The low-recovery scenario assumes that Terra Firma will not seek leave to appeal the Park Levy Order to the Supreme Court of Canada ("SCC") (or be unsuccessful in such appeal). The high-recovery scenario assumes that the Certain Curzon Purchaser Payment will be recovered on appeal to the SCC with interest adjudged at 2% for one year.
- 4 The low-recovery scenario assumes that (i) Terra Firma will not seek leave to appeal the Park Levy Order to the SCC (or be unsuccessful in such appeal), (ii) the Construction Receiver will be required to reimburse all of the Unrepresented Purchasers for any Park Levy (inclusive of HST) paid by them, and (iii) any HST paid by the Construction Receiver on Park Levy reimbursements will be recoverable by the Construction Receiver upon filing its monthly HST return.

The high-recovery scenario assumes that the Certain Curzon Purchaser Payment will be recovered on appeal, and that Unrepresented Purchasers will not receive any Park Levy reimbursement. As such, no HST would be paid or recoverable by the Construction Receiver.
- 5 The low-recovery scenario assumes that the Construction Receiver will be required to reimburse all Unrepresented Purchasers the amount of the Park Levy paid by them inclusive of HST plus interest to August 20, 2020. The high recovery scenario assumes that no reimbursement will be required. The Construction Receiver is seeking the advice and direction of the Court in respect of this matter as part of its discharge motion.
- 6 Unpaid Professional Fees & Disbursements are for the July 2020 fees and disbursements of the Construction Receiver and its Independent Counsel.
- 7 Reserve for Professional Fees & Disbursements (inclusive of HST) are for the Construction Receiver and its Independent Counsel and cover the period of August 1, 2020 up to the date of the filing of a Certificate of Completion.
- 8 Should it be determined that any party has a valid claim against the Construction Receiver or the Debtors' estates which is not reflected in this analysis, then the analysis will change and the change may be material.
- 9 Capitalized terms not otherwise defined herein have the meaning given to them in the Construction Receiver's Tenth Court Report.