

## **APPENDIX “A”**



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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

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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](https://www.alvarezandmarsal.com/sites/default/files/canada/motion%20record%20of%20the%20construction%20receiver%20returnable%20march%2026%202019%20volume%201.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 (8<sup>th</sup> 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:

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[https://www.alvarezandmarsal.com/sites/default/files/canada/construction\\_receivers -  
\\_supplement\\_eighth\\_report.pdf](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 McIntyre

Chris Burr

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Encl.

c. T. Zaspalis

## **APPENDIX “B”**



Blake, Cassels & Graydon LLP  
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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**

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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**").

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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](mailto: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](http://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

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Encl.

c. T. Zaspalis

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## **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
<b>Sub-total - UC Leslieville Asset Realizations</b>	<b>24,352.78</b>

**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
<b>Sub-total - Other Receipts</b>	<b>695,046.77</b>

**Total Receipts** **719,399.55**

**DISBURSEMENTS:**

**Construction Related Costs**

Amounts Paid to Craft per Construction Budget + Approved Change Orders [5]	(264,463.42)
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**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)
<b>Sub-total - Other Distributions to Stakeholders with Security/Court-Ordered Charges</b>	<b>(3,486,336.89)</b>

**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)
<b>Sub-total - Other Disbursements</b>	<b>(1,251,290.23)</b>

**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)
<b>Total Reserves</b>	<b>(300,886.84)</b>

**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
<b>Sub-total - Receiver Borrowings</b>	<b>12,850,502.92</b>

**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
<b>Sub-total - UC Leslieville Asset Realizations</b>	<b>53,768,791.89</b>

**UC Beach Asset Realizations:**

Proceeds from Sale of the Beach Project Lots [10]	4,902,229.72
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**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
<b>Sub-total - UC Riverdale Asset Realizations</b>	<b>3,007,410.32</b>

**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

<b>Sub-total - Other Receipts</b>	<b>2,680,004.19</b>
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**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)
<b>Sub-total - Construction Related Costs</b>	<b>(10,093,094.67)</b>

**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)
<b>Sub-total Repayment of Receiver's Borrowings</b>	<b>(14,291,405.46)</b>

**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)
<b>Sub-total - Other Distributions to Stakeholders with Security/Court-Ordered Charges</b>	<b>(34,751,141.56)</b>

**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)
<b>Sub-total - Other Disbursements</b>	<b>(17,443,605.37)</b>

**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)
<b>Total Reserves</b>	<b>(300,886.84)</b>

**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”**

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



**FOR ILLUSTRATION PURPOSES ONLY**

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

**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 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.