Fifty-Fourth Report to Court of KSV Restructuring Inc. as CCAA Monitor of Urbancorp Toronto Management Inc., Urbancorp (St. Clair Village) Inc., Urbancorp (Patricia) Inc., Urbancorp (Mallow) Inc., Urbancorp (Lawrence) Inc., Urbancorp Downsview Park Development Inc., Urbancorp (952 Queen West) Inc., King Residential Inc., Urbancorp 60 St. Clair Inc., High Res. Inc., Bridge On King Inc. and the Affiliated Entities Listed in Schedule “A” Hereto

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COURT FILE NO.: CV-16-11389-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF URBANCORP TORONTO MANAGEMENT INC., URBANCORP (ST. CLAIR VILLAGE) INC., URBANCORP (PATRICIA) INC., URBANCORP (MALLOW) INC., URBANCORP (LAWRENCE) INC., URBANCORP DOWNSVIEW PARK DEVELOPMENT INC., URBANCORP (952 QUEEN WEST) INC., KING RESIDENTIAL INC., URBANCORP 60 ST. CLAIR INC., HIGH RES. INC., BRIDGE ON KING INC. (COLLECTIVELY, THE "APPLICANTS") AND THE AFFILIATED ENTITIES LISTED IN SCHEDULE "A" HERETO

FIFTY-FOURTH REPORT OF KSV RESTRUCTURING INC

November 11, 2022

1.0 Introduction

1.1 Cumberland CCAA Entities

1. On April 21, 2016, Urbancorp (St. Clair Village) Inc. ("St. Clair"), Urbancorp (Patricia) Inc. ("Patricia"), Urbancorp (Mallow) Inc. ("Mallow"), Urbancorp Downsview Park Development Inc. ("Downsview"), Urbancorp (Lawrence) Inc. ("Lawrence") and Urbancorp Toronto Management Inc. ("UTMI") each filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (collectively, St. Clair, Patricia, Mallow, Downsview, Lawrence and UTMI are referred to as the "NOI Entities"). KSV Kofman Inc. ("KSV Kofman") was appointed as the Proposal Trustee of each of the NOI Entities. On August 31, 2020, KSV Kofman changed its name to KSV Restructuring Inc. ("KSV").

2. Pursuant to an Order dated May 18, 2016 (the "Initial Order") made by the Ontario Superior Court of Justice (Commercial List) (the "Court"), the NOI Entities, together with the entities listed on Schedule "A" attached (collectively, the "Cumberland CCAA Entities" and each a "Cumberland CCAA Entity") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV was appointed monitor (the "Monitor") of the Cumberland CCAA Entities (the "CCAA Proceedings"). The corporate chart for the Cumberland CCAA Entities is provided in Appendix "A".

1.2 Urbancorp Inc., Recognition of Foreign Proceedings

1. On April 25, 2016, the District Court in Tel Aviv-Yafo, Israel issued a decision appointing Guy Gissin as the functionary officer and foreign representative (the "Foreign Representative") of UCI and granting him certain powers, authorities and responsibilities over UCI (the "Israeli Proceedings").

2. On May 18, 2016, the Court issued two orders under Part IV of the CCAA, which:

   a) recognized the Israeli Proceedings as a "foreign main proceeding";

   b) recognized Mr. Gissin as Foreign Representative of UCI; and

   c) appointed KSV as the Information Officer.

1.3 Purposes of this Report

1. The purposes of this report ("Report") are to:

   a) provide a summary of the events leading up to the arbitral award issued by the Honourable Frank J.C. Newbould, K.C. (the "Arbitrator") in the management fee dispute with Mattamy (defined below) in response to the application filed by Mattamy on August 5, 2022 (the "Application"); and

   b) recommend that the Court dismiss the Application.

1.4 Currency

1. All currency references in this Report are to Canadian dollars.

2.0 Background

1. Downsview Homes Inc. ("DHI") owns land located at 2995 Keele Street in Toronto, Ontario which has been developed into condominiums and other residences (the "Downsview Project"). The shares of DHI were owned by Downsview (51%) and Mattamy (Downsview) Limited ("Mattamy") (49%).

2. Downsview's only material assets were its common shares in DHI and the agreements (the "Project Agreements") relating to the Downsview Project (collectively, the "Downsview Interest"). In accordance with an approval and vesting order (the "AVO Order") issued by the Court on December 29, 2021, the Court approved a sale of the Downsview Interest to Mattamy in full satisfaction of all obligations owing by Downsview to Mattamy (the "Transaction"). The Transaction closed in early January 2022 (the "Transfer Date").

3. Pursuant to the terms of the AVO Order and the Transaction, UTMI retained its rights, if any, to recover management fees (approximately $5.9 million) under the Project Agreements, without prejudice to Mattamy's position that neither Downsview nor UTMI is entitled to the payment of management fees (the "Management Fees") pursuant to Section 6.6 of the Amended and Restated Co-Ownership Agreement (the "Co-Ownership Agreement") entered into on July 30, 2013 between Mattamy, Downsview, DHI, Downsview Park Homes Inc. and Downsview Park Management Inc. (the "Management Fees Dispute"). A portion of the amounts paid in respect of Management Fees will ultimately be paid to UCI.

4. The Monitor, Mattamy and the Foreign Representative agreed to have the Arbitrator determine the Management Fees Dispute (the "Arbitration"). This is the second arbitration of an issue concerning the Downsview Project in these proceedings. The Arbitration was final, binding and with no right of appeal. Oral argument took place on June 3, 2022. Following the oral hearing, additional materials were filed by Mattamy and the Monitor concerning their respective positions, as set out below.

5. On July 6, 2022, the Arbitrator issued a decision awarding the Monitor the full amount it claims is owing to UTMI ($5.9 million) in respect of unpaid Management Fees (the "Decision"). Costs were also awarded to the Monitor and the Foreign Representative. Copies of the Decision and Supplemental Cost Award dated July 28, 2022 (the "Cost Award") are attached as Appendices "B" and "C".

6. Mattamy issued the Application seeking an order:

   a) setting aside the Decision pursuant to section 46 of the *Arbitration Act, 1991* (the "Arbitration Act");

   b) directing a new arbitration before a new arbitrator;

   c) setting aside the Cost Award; and

   d) staying the Decision and the Cost Award pending the resolution of the Application.

7. Mattamy takes the position that:

   a) the Decision deals with a dispute that is beyond the scope of the Arbitration and the Arbitrator's jurisdiction;

   b) Mattamy was not treated equally and fairly as it was not given an opportunity to present a case to respond to the issues raised for the first time by the Arbitrator at the hearing of the Arbitration;

   c) Mattamy was not permitted to file relevant evidence that would have impacted the outcome of the Arbitration; and

   d) the procedures followed in the Arbitration did not comply with the Arbitration Act.

8. Each of these matters is discussed below.

2.1 The Decision deals with a dispute that was within the scope of the Arbitration and the Arbitrator's jurisdiction

1. As noted above, the issue of whether UTMI is entitled to receive Management Fees was specifically contemplated and reserved for later determination in the AVO Order and Transaction. The Management Fees Dispute is framed by the Monitor's Notice to Arbitrate (the "Notice to Arbitrate") and Mattamy's Statement of Defence. Copies of these documents are attached as Appendix "D". The central issue in the Arbitration was whether UTMI was entitled to the Management Fees and, if so, the quantum, in accordance with the Co-Ownership Agreement. These are the very issues that the Arbitrator decided.

2. The Management Fee Dispute is also summarily described in the Notice to Arbitrate as a dispute between the Monitor and Mattamy regarding the interpretation and performance of the Co-Ownership Agreement and, in particular, UTMI's entitlement under the Co-Ownership Agreement to be paid the Urbancorp Consulting Fee (as defined in the Co-Ownership Agreement) by DHI, the owner of the Project.

3. The issues of "actual received Gross Receipts" and the "total amount of Gross Receipts" clearly formed part of the Dispute given the relevant provisions in the Co-Ownership Agreement and Mattamy's arguments concerning their interpretation.

4. Mattamy's argument and the various affidavits sworn and filed by David George refer to the entitlement to Management Fees being dependent on Gross Receipts "received", which is not consistent with the language of the Co-Ownership Agreement.

5. In addition, "Gross Receipts" is defined in the Co-Ownership Agreement as follows:

> **"Gross Receipts"** means all cash revenues for any Accounting Period as determined in accordance with ASPE, including without limitation, proceeds from sale of all or any part of the Project Property (other than any sale under the Purchase Agreement), recoveries from front-ending of development charges items, revenues of a capital nature and proceeds from any financing derived by or on behalf of the Co-Owners from the ownership and operation of the Project Property and including: (1) all revenues received from the sale of residential dwelling units, parking units or storage units forming part of the Project; and (2) all rentals or other moneys earned or received from the leasing of or dealing with the Project Property pursuant to any lease, if applicable, including all amounts resulting from the operation of maintenance, escalation, participation and overage clauses; provided however, that the following items of Gross Receipts shall be included on a cash basis: (1) all amounts earned or received as recovery of expenses or for services provided to any tenants or other Person with whom the Co-Owners shall have an arrangement in respect of the Project Property; (2) available insurance proceeds received with respect to the Project Property (except to the extent that such proceeds are used to rectify or correct the damage caused by an insured peril); (3) moneys received as a result of expropriation or moneys received in contemplation thereof; and (4) the sale of all or any part of the Project Property (other than any sale under the Purchase Agreement), other than residential dwelling units, if applicable. (emphasis added).

6. The definition of Gross Receipts thus engaged ASPE. Indeed, Mattamy's written submissions in the Arbitration alluded to this issue.

7. All parties had an opportunity to adduce whatever evidence they determined appropriate prior to the Arbitration hearing.

2.2 Mattamy was treated equally and fairly and given an opportunity to file additional materials related to questions asked by the Arbitrator

1. During submissions, the Arbitrator raised questions about the proper interpretation of the Co-Ownership Agreement. Counsel to Mattamy addressed certain facts relating to issues concerning ASPE when questioned about the interpretation of the definition of Gross Receipts as referenced, among other places, at paragraph 68 in Mattamy's written submissions.

2. During argument, the Arbitrator also asked counsel for Mattamy how many units had closed and when the remaining units were scheduled to close. On this issue there was already evidence in the record, namely the Confidential Information Memorandum from the sales process that provided target closing dates for the various phases of the project.

3. Contrary to the statements made in the affidavit of David George sworn on October 3, 2022 (the "October Affidavit") as part of the Application, these were not "new issues" raised by the Arbitrator, nor were they unanticipated. These facts were put into issue due to Mattamy's counsel's oral submissions and Mattamy's overarching position that Gross Receipts "received" was relevant to UTMI's entitlement.

4. Furthermore, the Arbitrator inquired what ASPE provides regarding the issue of revenue recognition, not "*What ASPE accounting principles require for the sale of residential condominium units*" as contended in the October Affidavit, although that fact was part of Mattamy's counsel's submissions and argument.

5. The Arbitrator also did not ask, "How the auditors on the project accounted for the sale of residential condominium units", although this, too, formed part of Mattamy's oral argument, along with an offer to provide a copy of DHI's financial statements to the Arbitrator to support their submissions. The Arbitrator indicated that the manner in which Mattamy's auditors recorded anything would likely be irrelevant.

6. At the end of the hearing, Mattamy's counsel undertook to provide or otherwise confirm to the Arbitrator: (a) the relevant provisions of ASPE; (b) a copy of DHI's financial statements: and (c) how many units had closed and when the remaining ones were scheduled to close, on the basis that none of these facts would be contested.

2.3 Mattamy was permitted to file evidence relevant to the Arbitrator's questions, which ultimately was not relied on by the Arbitrator based on his interpretation of the Co-Ownership Agreement

1. It was anticipated that Mattamy would merely provide a copy of the relevant provisions of ASPE, DHI's financial statements and details of closings and occupancies in the form of an agreed statement of facts.

2. Instead, Mattamy sought to provide a further supplementary affidavit of David George that went beyond merely providing the foregoing items and sought to introduce interpretations of ASPE from an accounting handbook prepared by the Real Property Association of Canada. Mattamy's counsel also requested to provide brief written submissions regarding ASPE and its application in this case given that these matters regarding ASPE had been raised during oral argument. The Monitor and Foreign Representative were of the view that the application of ASPE was not relevant to the Dispute and argued this during the oral hearing.

3. The Monitor and the Foreign Representative objected to any further submissions being made without the benefit of any reply. The information that was contemplated being provided at the end of oral argument was a small number of facts concerning ASPE, DHI's financial statements and details of closings and occupancies, not additional argument.

4. Mattamy's draft affidavit that was provided to the Monitor and the Foreign Representative contained characterizations in addition to just factual statements, including facts that the Monitor could not affirm.

5. Ultimately, a draft of Mattamy's affidavit and the Monitor's mark-up of it were provided to the Arbitrator so he could rule on its admissibility. The Arbitrator then held a case conference by Zoom to hear oral submissions. Mattamy filed an Aide Memoire. Copies of the draft affidavit and mark-up are attached as Appendix "E".

6. At the Zoom case conference, the Arbitrator heard submissions from each counsel on each paragraph of the draft Affidavit, and asked questions. The Arbitrator then ruled on what was admissible, providing oral reasons.

7. Mattamy then submitted a sworn supplementary affidavit of David George on consent of all counsel which reflected the rulings made by the Arbitrator, together with written supplementary submissions. The Monitor then submitted responding supplementary submissions.

8. The Decision reflects that ASPE is irrelevant to the Arbitrator's principal holding. As the Arbitrator found, UTMI's entitlement to the Management Fee: (a) is governed by Section 6.6 of the Co-Ownership Agreement (not the definition of Gross Receipts); (b) existed on and survived the Transfer Date; and (c) is payable when Mattamy is paid its Development Management Fee (as defined in the Co-Ownership Agreement).

2.4 The procedures followed in the Arbitration complied with the Arbitration Act

1. Although Mattamy raises as a ground for setting aside the Decision in the Application that the procedures followed in the Arbitration do not follow the Arbitration Act, there is no explanation in either the Application or October Affidavit that provides any details in support of such allegation. In any event, given all of the above, the Monitor is of the view that the procedures in the Arbitration comply with the Arbitration Act. Furthermore, the Monitor notes that the Arbitration Agreement itself provides that the Arbitrator "will have all the powers of a Superior Court Judge under the Ontario Courts of Justices Act unless otherwise agreed by the parties." and that the process was not in any way dissimilar to a motion being dealt with on the Commercial List.

3.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief set out in Section 1.3(1)(b) of this Report.

* * *

All of which is respectfully submitted,

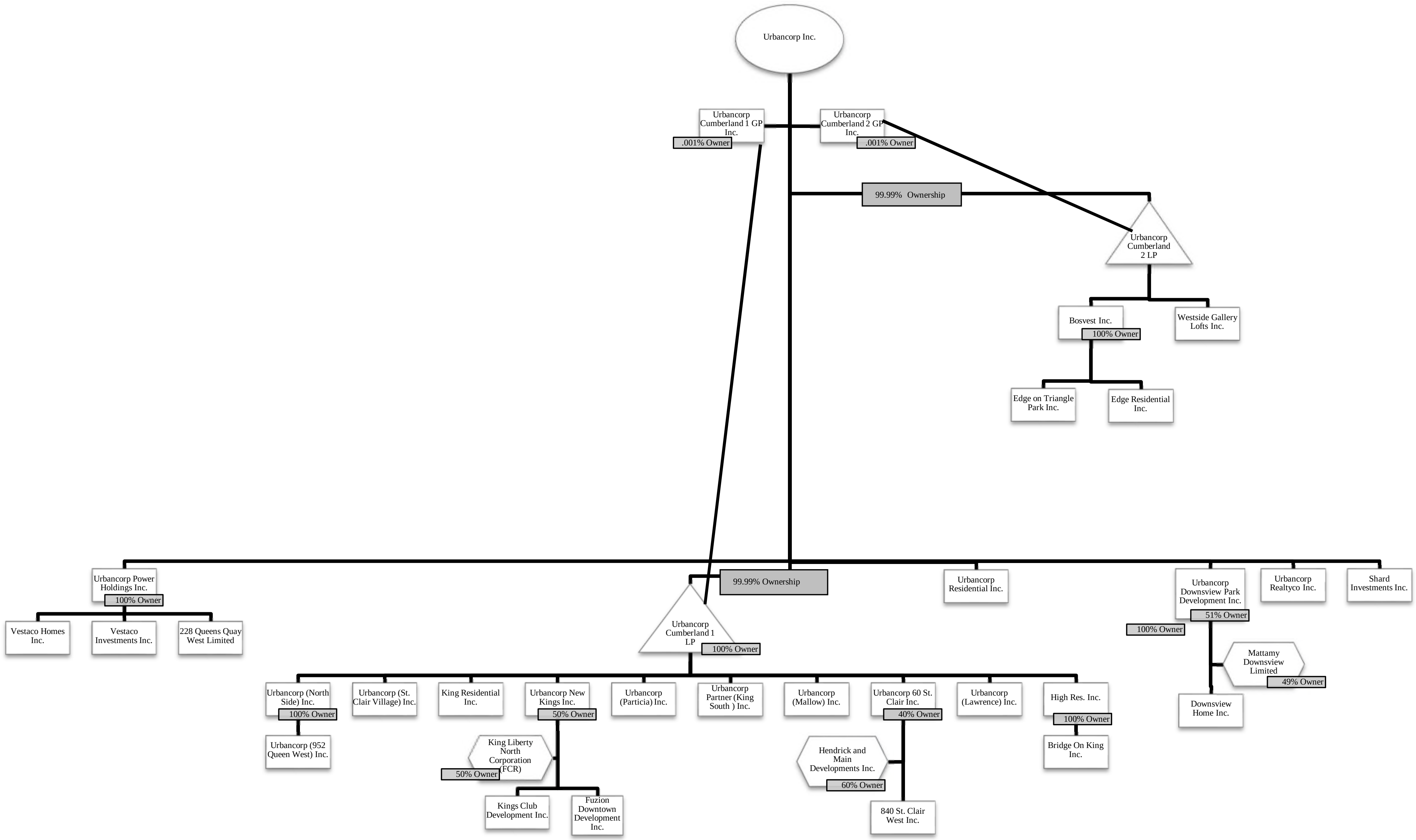
KSV Restructuring Inc.

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE CUMBERLAND CCAA ENTITIES
AND NOT IN ITS PERSONAL CAPACITY

Schedule "A"

Urbancorp Toronto Management Inc.
Urbancorp (952 Queen West) Inc.
King Residential Inc.
Urbancorp 60 St. Clair Inc.
High Res. Inc.
Bridge on King Inc.
Urbancorp Power Holdings Inc.
Vestaco Homes Inc.
Vestaco Investments Inc.
228 Queen's Quay West Limited
Urbancorp Cumberland 1 LP
Urbancorp Cumberland 1 GP Inc.
Urbancorp Partner (King South) Inc.
Urbancorp (North Side) Inc.
Urbancorp Residential Inc.
Urbancorp Realtyco Inc.

Appendix “A”



Urbancorp Inc.
Urbancorp Cumberland 1 GP Inc.
.001% Owner
Urbancorp Cumberland 2 GP Inc.
.001% Owner
99.99% Ownership
Urbancorp Cumberland 2 LP
Bosvest Inc.
100% Owner
Westside Gallery Lofts Inc.
Edge on Triangle Park Inc.
Edge Residential Inc.
Urbancorp Power Holdings Inc.
100% Owner
Vestaco Homes Inc.
Vestaco Investments Inc.
228 Queens Quay West Limited
99.99% Ownership
Urbancorp Cumberland 1 LP
100% Owner
Urbancorp Residential Inc.
Urbancorp Downsview Park Development Inc.
51% Owner
100% Owner
Mattamy Downsview Limited
49% Owner
Downsview Home Inc.
Urbancorp Realtyco Inc.
Shard Investments Inc.
Urbancorp (North Side) Inc.
100% Owner
Urbancorp (952 Queen West) Inc.
Urbancorp (St. Clair Village) Inc.
King Residential Inc.
Urbancorp New Kings Inc.
50% Owner
King Liberty North Corporation (FCR)
50% Owner
Kings Club Development Inc.
Fuzion Downtown Development Inc.
Urbancorp (Particia) Inc.
Urbancorp Partner (King South) Inc.
Urbancorp (Mallow) Inc.
Urbancorp 60 St. Clair Inc.
40% Owner
Hendrick and Main Developments Inc.
60% Owner
840 St. Clair West Inc.
Urbancorp (Lawrence) Inc.
High Res. Inc.
100% Owner
Bridge On King Inc.

Appendix “B”

IN THE MATTER OF THE ARBITRATION ACT, 1991, S.O. 1991, c 17

AND IN THE MATTER OF AN ARBITRATION

B E T W E E N:

KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE COURT APPOINTED MONITOR (THE "MONITOR") OF URBANCORP DOWNSVIEW PARK DEVELOPMENT INC. ("UDPDI" AND URBANCORP TORONTO MANAGEMENT INC. ("UTMI") PURSUANT TO THE *COMPANIES' CREDITORS ARRANGMENT ACT* R.S.C. 1985, C. C-36. AS AMENDED

- and -

GUY GISSIN, IN HIS CAPACITY AS THE APPOINTED FUNCTIONARY AND FOREIGN REPRESENTATIVE OF URBANCORP INC. ("UCI") BY ORDER OF THE DISTRICT COURT IN TEL AVIV-YAFO, ISREAL (THE "ISREAL FUNCTIONARY")

Claimants

- and –

MATTAMY (DOWNSVIEW) LIMITED ("MATTAMY")

- and –

DOWNSVIEW HOMES INC.

Respondent

BEFORE: The Honourable Frank J.C. Newbould, Q.C.

COUNSEL: *Robin B. Schwill*, for the Monitor, KSV Restructuring Inc.

Neil Rabinovitch, for the Israeli Functionary

Matthew Gottlieb, Niklas Holmberg and Jane Dietrich, for Mattamy (Downsview) Limited

HEARD: June 3, 2022

AWARD

[1] In this arbitration, Urbancorp Downsview Park Development Inc. ("Urbancorp") claims to be entitled to be paid a consulting fee from Mattamy (Downsview) Limited ("Mattamy") under an Amended and Restated Co-Ownership Agreement dated as of July 20, 2013 (the "Co-Ownership Agreement") in the amount of $5,911,624 and seeks a declaration to that effect. Mattamy says nothing is owing or to be paid.

[2] By virtue of the Co-Ownership Agreement and other agreements made at the same time, lands in Downsview previously owned by Urbancorp and under development became owned by Urbancorp as to 51% and by Mattamy as to 49%. Under the Co-Ownership Agreement, both Mattamy and Urbancorp as Co-Owners were to be paid fees on certain terms. On December 31, 2021 (the "Transfer Date") Urbancorp sold its 51% interest to Mattamy. Mattamy says that no fees were payable to Urbancorp at the Transfer Date and as Urbancorp is no longer a Co-Owner, it is not entitled to any payments of fees.

[3] The dispute involves the interpretation of various provisions of the Co-Ownership Agreement, a commercial agreement to be construed in accordance with well-known principles of construction. See for e.g. *Creston Moly Corp. v. Sattva Capital Corp*. 2014 SCC 53 and *BG Checo International Ltd. v. British Columbia Hydro and Power Authority*, [1993] 1 SCR 12. It is fair to say that the agreement was not carefully drafted. Its meaning however in my view can be derived by its language and relevant surrounding circumstances.

[4] Section 6.6 of the Co-Ownership Agreement provides for fees as follows:

> **6.6 Fees and Disbursements**
>
> The Co-Owners shall pay to the Development Manager [Mattamy]a fee for its services equal to FOUR AND ONE HALF PERCENT (4.5%) of the total amount of Gross Receipts (the "Development Management Fee") and for as long as Urbancorp carries out the duties and functions described in Section 6.15 or such lesser duties and functions as may be otherwise agreed by the Co-Owners, Urbancorp shall be entitled to a consulting fee (the "Urbancorp Consulting Fee") equivalent to ONE AND ONE HALF PERCENT (1.5%) of the total amount of Gross Receipts, which fee shall be paid to Urbancorp Toronto Management Inc., provided that the Co-Owners acknowledge that management or consulting fees in respect of the Project have been paid to Urbancorp or its Affiliates in the amount of $4,400,274.00 to date and no payments of the Urbancorp Consulting Fee shall

> be made until after the Development Manager has been paid a total amount of $13,200,822.00 in respect of the Development Management Fee. The Development Management Fee shall be paid from construction financing draws in proportion to total estimated costs. After the Development Manager has been paid a total amount of $13,200,822.00 in respect of the Development Management Fee, payments of the Urbancorp Consulting Fee shall then be made by the Co-Owners at the same time as payments of the Development Management Fee.

[5] As can be seen, the Urbancorp Consulting Fee of 1.5% is not to be paid until Mattamy has been paid $13,200,822 in respect of its 4.5% Development Management Fee, the reason being that Urbancorp had been paid fees of $4,400,274 prior to the Co-Ownership Agreement.

[6] Mattamy says that it has not been paid its $13,200,822 and that until it has been paid that amount Urbancorp has no right to be paid anything. Urbancorp says that under section 6.6 it has an entitlement, or right, to its Urbancorp Consulting Fee calculated on 1.5% of the Gross Receipts and that the payment of its fee may be deferred until Mattamy has received its $13,200,822 but that payment deferral does not mean that it is not entitled to its fee. I agree with Urbancorp as to the meaning of section 6.6.

[7] Urbancorp's right to the Urbancorp Consulting Fee is clearly stated as an entitlement:

> …for as long as Urbancorp carries out the duties and functions described in Section 6.15 or such lesser duties and functions as may be otherwise agreed by the Co-Owners, Urbancorp <u>shall be entitled to</u> a consulting fee (the "Urbancorp Consulting Fee"). (emphasis added)

[8] Section 6.6 begins the Co-Owners "shall pay" to Mattamy its Development Management Fee of 4.5% of Gross Receipts. It does not then say that the Urbancorp Consulting Fee is to be paid to Urbancorp, the reason being that that payment is to be deferred until Mattamy has received its $13,200,822. Once Mattamy has been paid its $13,200,822, payments of the Urbancorp Consulting Fee "shall then" be made. It does not say that once Mattamy has received its $13,200,822 only then is Urbancorp entitled to its Urbancorp Consulting Fee.

[9] Describing Urbancorp at that stage as being entitled to the Urbancorp Consulting Fee makes sense. It spells out Urbancorp's right to its fee. Entitlement means having a right.[1] I construe section 6.6 as giving Urbancorp the right to its Urbancorp Consulting Fee based on 1.5% of Gross Receipts so long as it carries out its duties as described in section 6.6. It is common ground that Urbancorp was never delegated any duties to perform under section 6.15 or otherwise. Thus Urbancorp has a right to its Urbancorp Consulting Fee of 1.5% of Gross Receipts to be paid once Mattamy has first been entitled to be paid its $13,200,822.

[10] Mattamy relies on section 6.15 of the Co-Ownership Agreement and contends that it precludes any payment of the Urbancorp Consulting Fee. Section 6.15 provides:

> **6.15 Urbancorp's Duties**
>
> The Development Manager hereby delegates to Urbancorp the duties and functions described in Section 6 of Schedule "E" hereto and for the purposes of the carrying out of those duties and functions only, Urbancorp shall be subject to the obligations of the Development Manager as set out in Sections 6.1, 6.2, 6.4, 6.5, 6.7, 6.16, 6.17, 6.18. 6.19, 6.26, 6.27, 6.28, 6.29 and 6.30 of this Agreement. In the event that Urbancorp is no longer a Co-Owner, then Urbancorp shall not carry out these duties and functions and shall not thereafter be entitled to the Urbancorp Consulting Fee.

[11] Mattamy's argument is that the last sentence simply means that once Urbancorp is no longer a Co-Owner, it is not entitled to its Urbancorp Consulting Fee. I do not agree. This section pertains to duties, if any, to be carried out by Urbancorp under section 6 of Schedule E. Once Urbancorp is no longer a Co-Owner it shall not carry out such duties and "thereafter", i.e. after it no longer carries out such duties, it shall not be entitled to its Urbancorp Consulting Fee.

[12] This is consistent with section 6.6 of the Co-Ownership Agreement. It provides "for as long as Urbancorp carries out the duties and functions described in Section 6.15 or such lesser duties and functions as may be otherwise agreed by the Co-Owners, Urbancorp shall be entitled to a consulting fee (the "Urbancorp Consulting Fee")". Section 6.6 does not say that only so long as Urbancorp is a Co-Owner it is entitled to its Urbancorp Consulting Fee, but only that so long as it carries out its duties it is entitled to its fee. The intent of section 6.15, as I interpret it, is consistent

[1] Cambridge English Dictionary

with that in that once Urbancorp no longer carries out its duties as prescribed, its entitlement to its Urbancorp Consulting Fee ends. The fact that Mattamy never requested Urbancorp to carry out any duties is irrelevant. Section 6.15 does not stand alone. It must be read together with section 6.6 and the other provisions of the Co-Ownership Agreement.

[13] Mattamy also contends that as Gross Receipts had not been paid to Mattamy up to the Development Management Fee threshold of $13,200,822 at the time of the Transfer Date, Urbancorp was not entitled at the Transfer Date to its Urbancorp Consulting Fee. This is because it says that Gross Receipts means amount paid, and Mattamy has not been paid $13,200,822.

[14] This argument is contrary to my finding of the meaning of section 6.6 of the Co-Ownership Agreement. Further, I do not read the definition of Gross Receipts to mean cash revenues paid. That definition provides:

> "Gross Receipts" means all cash <u>revenues</u> for any Accounting Period as determined in accordance with ASPE, including without limitation, proceeds from sale of all or any part of the Project Property (other than any sale under the Purchase Agreement), recoveries from front-ending of development charges items, revenues of a capital nature and proceeds from any financing derived by or on behalf of the Co-Owners from the ownership and operation of the Project Property and including: (1) all revenues received from the sale of residential dwelling units, parking units or storage units forming part of the Project; and (2) all rentals or other moneys earned or received from the leasing of or dealing with the Project Property pursuant to any lease, if applicable, including all amounts resulting from the operation of maintenance, escalation, participation and overage clauses; <u>provided however, that the following items of Gross Receipts shall be included on a cash basis:</u> (1) all amounts earned or received as recovery of expenses or for services provided to any tenants or other Person with whom the Co-Owners shall have an arrangement in respect of the Project Property; (2) available insurance proceeds received with respect to the Project Property (except to the extent that such proceeds are used to rectify or correct the damage caused by an insured peril); (3) moneys received as a result of expropriation or moneys received in contemplation thereof; and (4) <u>the sale of all or any part of the Project Property (other than any sale under the Purchase Agreement), other than residential dwelling units, if applicable</u>. (Underlining added)

[15] The section points out the distinction between "cash revenues … as determined in accordance with ASPE" and "however, that the following items of Gross Receipts shall be included on a cash basis", indicating an intent that Gross Receipts are not to be dealt with on a

cash basis except as further itemized. The items to be included on a cash basis include “(4) the sale of all or any part of the Project Property …, other than residential dwelling units, if applicable”. The Project Property includes Land, Project Rights, Buildings and Improvements and other property. The sale of any such Project Property would include the sale of the residential units, but this provision (4) excludes residential units from being treated on a cash basis for the purposes of Gross Receipts.

[16] The reference to ASPE [Auditing Standards for Private Enterprises] is confirmatory of this. Sections 1000.41 and 1000.42 provide:

> .41 Items recognized in financial statements are accounted for in accordance with the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.
>
> .42 Revenues are generally recognized when performance is achieved and reasonable assurance regarding measurement and collectability of the consideration exists.

[17] Accrual accounting is not cash accounting, as stated in section 1000.41. How Mattamy's auditors decided to record sales of residential units cannot change the meaning and intent of the definition of Gross Receipts.

[18] I interpret the definition of Gross Receipts to not require that cash has actually been received before being included in Gross Receipts. I agree with Urbancorp that for the purposes of the Co-Ownership Agreement, revenues to determine Urbancorp's entitlement to its 1.5% consulting fee are to be treated as received when the units are sold, not when the sale proceeds are actually collected.

[19] One of the arguments made by Urbancorp has been that at the end of Phase 1, it was entitled to some of its Urbancorp Consulting Fee and that it should have been paid to such amount. This involves a question as to whether proceeds from any financing are to be included in receipts by reason of the language in the definition of Gross Receipts for revenue to include “proceeds from any financing derived by or on behalf of the Co-Owners from the ownership and operation of the

Project Property" and what is meant in section 6.6 that provides that Mattamy's Development Management Fee "shall be paid from construction financing draws in proportion to total estimated costs". Urbancorp says proceeds from financing are to be included in Gross Receipts. Mattamy says generally they are not, or if so, only in a small amount. It also involves the interpretation of the waterfall provisions in sections 8.4 and 8.5 of the Co-Ownership Agreement and where repayment of financing charges and the Urbancorp Consulting Fee fall in. The waterfall provisions make no mention of the payment of the Urbancorp Consulting Fee. Urbancorp says that the repayment of financing charges falls in the waterfall only when due and payable and that until then its Urbancorp Consulting Fee can be paid. Mattamy says that when due and payable means that the loans must be paid in full and that until then no fees can be paid. It also involves whether the Urbancorp Consulting Fee is to be paid as part of Expenses in the waterfall or to be paid when Mattamy's Development Management Fee is to be paid in the waterfall after financing charges are paid. These issues are not made easier by the less than ideal drafting.

[20] However, I do not think these issues need to be decided. Urbancorp's alternative argument is that at the Transfer Date all of the conditions necessary for its entitlement to its Urbancorp Consulting Fee were met. I agree.

[21] It is clear from appendix B to the Monitor's supplemental report that at the Transfer Date, the estimated results will be more than sufficient at the end of Phase 2 to pay Mattamy Development Management Fees of approximately $27.7 million, including its priority right to be first paid $13,200,822 and to pay the Urbancorp Consulting Fee to which Urbancorp claims to be entitled. This is supported by the budget dated December 31, 2021 prepared by Mattamy and approved by Altus, the cost consultant retained by the project lender National Bank of Canada, which approved payment of Development Management Fees to Mattamy of $13,890,713 on a cost to complete basis for blocks A and P. As I have held, it was not necessary at the Transfer Date that Mattamy had been paid its Development Management Fee of $13,200,822 for Urbancorp to be entitled to its Urbancorp Consulting Fee.

[22] The Monitor's figure of the amount to be paid to Urbancorp for Phase I and rentals and Singles is $727,318. For Block P and A, its estimate of the amount expected to be paid to Urbancorp is $5,184,306, for a total of $5,911,624 inclusive of HST. Urbancorp says the amount

to be paid should await knowing what the total amount of Gross Receipts will be at the end of the project, and that so long as the Gross Receipts on completion is in excess of the $13,200,822 to be paid to Mattamy, the Urbancorp Consulting Fee must be paid at that time. I agree, and if Mattamy is paid its $13,200,822 before final completion, Urbancorp is entitled to be paid its Urbancorp Consulting Fee at the same time afterwards as any further Development Management Fee beyond $13,200,822 is paid to Mattamy. I order a declaration in accordance with this paragraph.

[23] Urbancorp is entitled to its costs. If not agreed, written submissions may be made within 10 days and reply written submissions may be made within a further 10 days.

The Honourable Frank J.C. Newbould, Q.C.

Date: July 6, 2022

Appendix “C”

IN THE MATTER OF THE ARBITRATION ACT, 1991, S.O. 1991, c 17

AND IN THE MATTER OF AN ARBITRATION

B E T W E E N:

KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE
COURT APPOINTED MONITOR (THE "MONITOR") OF URBANCORP DOWNSVIEW PARK DEVELOPMENT INC. ("UDPDI" AND URBANCORP TORONTO MANAGEMENT INC. ("UTMI") PURSUANT TO THE *COMPANIES' CREDITORS ARRANGMENT ACT* R.S.C. 1985, C. C-36. AS AMENDED

- and -

GUY GISSIN, IN HIS CAPACITY AS THE APPOINTED FUNCTIONARY AND FOREIGN REPRESENTATIVE OF URBANCORP INC. ("UCI") BY ORDER OF THE DISTRICT COURT IN TEL AVIV-YAFO, ISREAL (THE "ISREAL FUNCTIONARY")

Claimants

- and –

MATTAMY (DOWNSVIEW) LIMITED ("MATTAMY")

- and –

DOWNSVIEW HOMES INC.

Respondent

BEFORE: The Honourable Frank J.C. Newbould, Q.C.

COUNSEL: *Robin B. Schwill*, for the Monitor, KSV Restructuring Inc.

Neil Rabinovitch, for the Israeli Functionary

Matthew Gottlieb, Niklas Holmberg and Jane Dietrich, for Mattamy (Downsview) Limited

<u>SUPPLEMENTAL COST AWARD</u>

[1] On consent, Mattamy (Downsview) Limited shall forthwith pay costs as follows:

(i) To Davies Ward Phillips & Vineberg LLP $91,800;

(ii) To Dentons Canada LLP $48,600.

The Honourable Frank J.C. Newbould, Q.C.

Date: July 28, 2022

Appendix “D”

IN THE MATTER OF THE ARBITRATION ACT, 1991, S.O. 1991, c. 17

AND IN THE MATTER OF AN ARBITRATION

BETWEEN:

KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE COURT APPOINTED MONITOR (THE "MONITOR") OF URBANCORP DOWNSVIEW PARK DEVELOPMENT INC. ("UDPDI") AND URBANCORP TORONTO MANAGEMENT INC. ("UTMI") PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND

GUY GISSIN, IN HIS CAPACITY AS THE APPOINTED FUNCTIONARY AND FOREIGN REPRESENTATIVE OF URBANCORP INC. ("UCI") BY ORDER OF THE DISTRICT COURT IN TEL AVIV-YAFO, ISRAEL (THE "ISRAELI FUNCTIONARY")

Claimants

AND

MATTAMY (DOWNSVIEW) LIMITED ("MATTAMY")

AND

DOWNSVIEW HOMES INC. ("DHI")

Respondents

NOTICE OF REQUEST TO ARBITRATE

WHEREAS UDPDI, a wholly-owned subsidiary of UCI, and the Respondents, among others, are parties to a co-ownership agreement dated as of June 17, 2013, as amended (the "**Co-Ownership Agreement**"), together with various other related agreements relating to a real estate development located at Downsview Park (the "**Project**");

AND WHEREAS a dispute has arisen between the Claimants and Respondents regarding the interpretation and performance of the Co-Ownership Agreement;

AND WHEREAS the Co-Ownership Agreement provides that any disputes that arise between the parties under or by virtue of the Co-Ownership Agreement shall be resolved by arbitration;

NOW THEREFORE the Claimants give notice of their intention to commence arbitration pursuant to the Co-Ownership Agreement. The full particulars of the Claimants' claim are set out in Schedule "A", attached.

March ■, 2022

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Lawyers for Adv. Gus Gissin, in his capacity as the Court-appointed Israeli Functionary of Urbancorp Inc.

SCHEDULE "A"

1. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Co-Ownership Agreement.

2. This arbitration relates to UTMI's entitlement under the Co-Ownership Agreement to be paid the Urbancorp Consulting Fee by DHI, the owner of the Project. UTMI (as the assignee of UDPDI) is owed $5,911,624 on account of the unpaid Urbancorp Consulting Fee which DHI has failed or refused to pay.

3. The Co-Ownership Agreement entitles UTMI to be paid the Urbancorp Consulting Fee which is a consulting fee equal to 1.5% of the total amount of Gross Receipts. The Co-Ownership Agreement also entitles the Development Manager, a Mattamy company, to be paid 4.5% of Gross Receipts as a Development Management Fee.

4. Under the terms of the Co-Ownership Agreement, the Urbancorp Consulting Fee is payable regardless of the nature or level of services provided.

5. The Co-Ownership Agreement provides that payment of the Urbancorp Consulting Fee is to be made at the same time as payments of the Development Management Fee.

6. Because UTMI received $4,400,127 in respect of Urbancorp Consulting Fees prior to the commencement of these proceedings, UTMI was not entitled to receive further consulting fees until Mattamy had been paid a total of $13,200,822 in respect of the Development Management Fee.

7. Pursuant to Section 6.6 of the Co-Ownership Agreement, no payments of the Urbancorp Consulting Fee, being one-third of the Development Management Fee, shall be made until after the Development Manager has been paid the total amount of approximately $13.2 million.[1]

8. The Gross Receipts for Phase 1[2]of the Project totaled $302,504,155 in accordance with Mattamy's calculation. The Development Management Fee Mattamy earned was therefore $13,612,687, plus HST for a total of $15,382,336. UTMI was entitled to the Urbancorp Consulting Fee in the amount of 1.5% of the Gross Receipts. Accordingly, UTMI was entitled to receive $4,537,562, plus HST, for a total of $5,127,445. To date, UTMI has been paid only $4,400,127 and accordingly remains owed $727,318 on account of Urbancorp Consulting Fees from Phase 1.

9. Phase 2 of the Project is almost complete with Gross Receipts for Phase 2 expected to total $305,858,775 in accordance with Mattamy's calculation. The Development Management Fee Mattamy has earned in Phase 2 is therefore $13,763,645 plus HST. UTMI is entitled to an Urbancorp Consulting Fee in the amount of 1.5% of the Gross receipts. Accordingly, UTMI is entitled to receive $4,587,882 plus HST for a total of $5,184,306 on account of Urbancorp Consulting Fees from Phase 2.

---

[1] As UTMI received approximately $4.4 million prior to these proceedings, the Respondents must receive approximately $13.2 million in Development Management Fees before UTMI receives further Consulting Fees.

[2] The Project consists of different residential construction phases which are referred to as: (a) Towns & Stacks; (b) Singles; (c) Rentals; (d) Block P; and (e) Block A. Towns & Stacks, Singles and Rentals were completed in 2018, while Block P and Block A are scheduled to be completed next year. For purposes of this Notice of Arbitration, Towns & Stacks, Singles and Rentals are referred to as Phase 1 and Block P and Block A are referred to as Phase 2. Pursuant to the Project Agreements, Phase 1 is the Gross Receipts from Towns & Stacks and Phase 2 is the Gross Receipts from balance of the development. As the management fees owing to Mattamy and UTMI are based on total Gross Receipts, the allocation among phases is irrelevant.

10. The total outstanding Urbancorp Consulting Fee payable to UTMI therefore equals $5,911,624 (inclusive of HST) for the entire Project.

11. Development Management Fees and Urbancorp Consulting Fees are earned as the Project progresses, not when the sales of the units close. Section 6.6 of the Co-Ownership Agreement provides that the Development Management Fee and the Urbancorp Consulting Fee “shall be paid” from construction financing draws in proportion to total estimated costs.

12. To date, the Respondents have failed or refused to pay UTMI the outstanding Urbancorp Consulting Fee. UTMI therefore seeks a declaration that it is entitled to the Urbancorp Consulting Fee and an award in the amount of $5,911,624.

IN THE MATTER OF THE ARBITRATION ACT, 1991, S.O. 1991, c 17

AND IN THE MATTER OF AN ARBITRATION

B E T W E E N :

KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE COURT APPOINTED MONITOR (THE "MONITOR") OF URBANCORP DOWNSVIEW PARK DEVELOPMENT INC. ("UDPDI" AND URBANCORP TORONTO MANAGEMENT INC. ("UTMI") PURSUANT TO THE *COMPANIES*' *CREDITORS ARRANGMENT ACT* R.S.C. 1985, C. C-36. AS AMENDED

- and -

GUY GISSIN, IN HIS CAPACITY AS THE APPOINTED FUNCTIONARY AND FOREIGN REPRESENTATIVE OF URBANCORP INC. ("UCI") BY ORDER OF THE DISTRICT COURT IN TEL AVIV-YAFO, ISREAL (THE "ISREAL FUNCTIONARY")

Claimants

- and –

MATTAMY (DOWNSVIEW) LIMITED ("MATTAMY")

- and –

DOWNSVIEW HOMES INC.

Respondent

STATEMENT OF DEFENCE OF MATTAMY

1. The Respondent, Mattamy (Downsview) Limited ("**Mattamy**"), admits the allegations contained in paragraphs 3, 6 and 7 of the Claim.

2. Mattamy denies the allegations contained in paragraphs 2, 4, 5, 8, 9, 10, 11 and 12 of the Claim.

Overview

3. This claim concerns the alleged entitlement of Urbancorp Downsview Park Development Inc.'s ("**UDPDI**") affiliate, Urbancorp Toronto Management Inc. ("**UTMI**"), to consulting fees under the Amended and Restated Co-Ownership Agreement dated July 30, 2013 (the "**Co-Ownership Agreement**"). UTMI is not a party to the Co-Ownership Agreement.

4. On December 31, 2021, the Monitor transferred to Mattamy all of UDPDI's interests in the Project[1] and rights and obligations under the Co-Ownership Agreement to Mattamy thereby removing UDPDI as a Co-Owner (the "**Transfer Date**"). By operation of section 6.15 of the Co-Ownership Agreement, UDPDI, and by extension UTMI, lost any entitlement to be paid consulting fees on Gross Receipts received after the Transfer Date.

5. Prior to the Transfer Date, if UDPDI had performed its duties and functions under the Co-Ownership Agreement when it was requested to do so (it did not), UTMI would have been entitled to 1.5% of Gross Receipts of the Project—defined in part as "all revenues <u>received</u> from the sale of residential dwelling units…". UTMI has no entitlement to a percentage of future Gross Receipts *received* after the Transfer Date. The Co-ownership Agreement is explicit: "in the event that [UDPDI] is no longer a Co-Owner, then [UDPDI] shall not carry out these duties and functions and <u>**shall not thereafter be entitled to the Urbancorp Consulting Fee**</u>."

[1] The "Project" is defined in the Co-Ownership Agreement as "the development and construction of the Buildings and Improvements to be constructed on the Lands as a residential real estate development consisting of up to 1,131 residential dwelling units (or such higher number as Governmental Authorities, and if necessary, PDP, may permit and the market justifies or such lower number as Mattamy and Urbancorp may agree upon), including the Affordable Housing Component, and the sale of such units, and includes all Project Contracts, Project Rights and existing and future improvements and facilities and chattels located on the Land and related to or used or acquired for the purpose of the proposed development or sale of the units including the existing sales office located on the Land and any items paid for in connection with the Project"

6. UTMI's claim for consulting fees is also defeated by function of the payment sequence for management fees contained at sections 6.6, 8.4(c) and 8.5(c) of the Co-Ownership Agreement. Prior to entering into the Co-Ownership Agreement, UDPDI or its affiliates had already received over $4.4 million in consulting fees. The Co-Ownership Agreement prevents any further consulting fees to be paid to UTMI until Mattamy has been paid over $13.2 million in development management fees, which are paid from *received* Gross Receipts once permitted to be paid under the waterfall for distributions established by sections 8.4 and 8.5 of the Co-Ownership Agreement. That did not occur prior to the Transfer Date.

7. In any event, UDPDI's failure to fulfill its management duties and functions when called upon to do so by Mattamy disentitles UTMI to any further consulting fees. In December 2019, Mattamy requested that UDPDI perform specific duties provided for under the Co-Ownership Agreement. It failed to do so.

8. The claim should be dismissed and Mattamy should be paid its costs.

Any Entitlements Ceased on the Transfer Date

9. UTMI is not a party to the Co-Ownership Agreement and has no rights under it. Any rights it may have had to receive payment through UDPDI ceased on the Transfer Date.

10. Pursuant to a court-approved sales process, on November 17, 2021, the Monitor entered into an agreement to convey all of UDPDI's interests in the Project to Mattamy in full satisfaction of all obligations owed to Mattamy. The transaction removed UDPDI as a Co-Owner. The sale extinguished over $10.1 million in secured debt Mattamy held over the Project.

11. The sale agreement acknowledges that the issue of UTMI's entitlement to "Management Fees", if any, remained unresolved and preserved UTMI's right to pursue such fees, but does not provide that any such fees are outstanding or owing.

12. The transaction was approved by the Court on December 29, 2021. There was no appeal of the approval order. The transaction closed on December 31, 2021.

13. By function of section 6.15 of the Co-Ownership Agreement, UDPDI is expressly precluded from recovering any further consulting fees after the Transfer Date:

> **6.15 Urbancorp's Duties**
>
> The Development Manager hereby delegates to Urbancorp the duties and functions described in Section 6 of Schedule "E" hereto and for the purposes of the carrying out of those duties and functions only, Urbancorp shall be subject to the obligations of the Development Manager as set out in Sections 6.1, 6.2, 6.4, 6.5, 6.7, 6.16, 6.17, 6.18. 6.19, 6.26, 6.27, 6.28, 6.29 and 6.30 of this Agreement. **In the event that Urbancorp is no longer a Co-Owner, then Urbancorp shall not carry out these duties and functions and shall not thereafter be entitled to the Urbancorp Consulting Fee** [emphasis added].

14. For this provision to have any meaning, it must be interpreted to mean that Gross Receipts received after UDPDI ceases to be a co-owner cannot form the basis for any further consulting fees to be paid to UTMI.

The Management Fee Payment Threshold Has Not Been Met

15. UDPDI is only entitled to further consulting fees when, and if, management fees paid to Mattamy exceed $13,200,822. The management fees received by Mattamy had not exceeded this threshold amount prior to the Transfer Date.

16. Section 6.6. of the Co-Ownership Agreement states:

> **6.6 Fees and Disbursements**
>
> The Co-Owners shall pay to the Development Manager a fee for its services equal to FOUR AND ONE HALF PERCENT (4.5%) of the total amount of Gross Receipts (the **"Development Management Fee")** and for as long as Urbancorp carries out the duties and functions described in Section 6.15 or such lesser duties and functions as may be otherwise agreed by the Co-Owners, Urbancorp shall be entitled to a consulting fee (the **"Urbancorp Consulting Fee")** equivalent to ONE AND ONE HALF PERCENT (1.5%) of the total amount of Gross Receipts, which fee shall be paid to Urbancorp Toronto Management Inc., **provided that the Co-Owners acknowledge that management or consulting fees in respect of the Project have been paid to Urbancorp or its Affiliates in the amount of $4,400,274.00 to date and no payments of the Urbancorp Consulting Fee shall be made until after the Development Manager has been paid a total amount of $13,200,822.00 in respect of the Development Management Fee.** The Development Management Fee shall be paid from construction financing draws in proportion to total estimated costs. After the Development Manager has been paid a total amount of $13,200,822.00 in respect of the Development Management Fee, payments of the Urbancorp Consulting Fee shall then be made by the Co-Owners at the same time as payments of the Development Management Fee [emphasis added].

17. Section 6.6 calculates the relevant management and consulting fees based on actual received Gross Receipts. Mattamy had not been paid in excess of $13,200,822 in management fees prior to the Transfer Date.

18. For phase 1 of the Project, distributions of Gross Receipts must comply with section 8.4 of the Co-Ownership Agreement and, for all phases other than phase 1, with section 8.5. Those provisions provided that no distributions to Mattamy as Development Manager were to be made under section 8.4(c) or 8.5 (c) until the amounts set out in section 8.4(a) and (b) for phase 1, and 8.5(a) and (b) for all phases other than phase 1, have been paid in full.

19. The amounts to be paid under section 8.4(a) and (b) and 8.5(a) and (b) had not been paid in full prior to the Transfer Date. No management fees had been paid to Mattamy prior to the Transfer Date. Accordingly, no consulting fees are payable to UTMI.

20. Despite the provisions of section 6.6 that Development Management Fees shall be paid from construction financing draws in proportion to total estimated costs, the actual construction financing credit facility does not permit such amounts to be paid in that manner.

UDPDI Did Not Perform Necessary Duties and Functions

21. Section 6.15 of the Co-Ownership Agreement required UDPDI to perform management services as requested by Mattamy as a condition of receiving consulting fees pursuant to section 6.6. It failed to do so and UTMI is therefore not entitled to the payment of any consulting fees.

22. Section 6.15 describes the relevant duties and functions to be performed as being set out in Schedule "E" to the Co-Ownership Agreement. That schedule provides that the relevant duties are any of the items listed in section 1-5 of the schedule to the extent that Mattamy specifically requests such duties and tasks be performed by UDPDI.

23. On December 20, 2019, Mattamy, at a Management Committee Meeting, provided UDPDI with a list of tasks that, pursuant to section 6 of Schedule "E", Mattamy was requesting UDPDI to perform. This request was not acknowledged by counsel for UDPDI until over two months later on March 4, 2020.

24. Although the Foreign Representative, Guy Gissin, attempted to arrange a meeting to discuss the tasks in March of 2020, by that time the requested tasks had already been completed by Mattamy as a result of UDPDI's failure to perform them in a timely manner.

25. Mattamy asks that this arbitration be dismissed with costs.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this fifth day of April, 2022.

Matthew P. Gottlieb/Niklas Holmberg

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IN THE MATTER OF THE ARBITRATION ACT, 1991, S.O.1991, C 17 AND IN THE MATTER OF AN ARBITRATION

KSV RESTRUCTING INC et al. Claimants	DOWNSVIEW HOMES INC. Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

STATEMENT OF DEFENCE OF MATTAMY

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Appendix “E”

IN THE MATTER OF THE ARBITRATION ACT, 1991, S.O. 1991, c 17

AND IN THE MATTER OF AN ARBITRATION

B E T W E E N:

KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE COURT APPOINTED MONITOR (THE "MONITOR") OF URBANCORP DOWNSVIEW PARK DEVELOPMENT INC. ("UDPDI" AND URBANCORP TORONTO MANAGEMENT INC. ("UTMI") PURSUANT TO THE *COMPANIES*' *CREDITORS ARRANGMENT ACT* R.S.C. 1985, C. C-36. AS AMENDED

- and -

GUY GISSIN, IN HIS CAPACITY AS THE APPOINTED FUNCTIONARY AND FOREIGN REPRESENTATIVE OF URBANCORP INC. ("UCI") BY ORDER OF THE DISTRICT COURT IN TEL AVIV-YAFO, ISREAL (THE "ISREAL FUNCTIONARY")

Claimants

- and –

MATTAMY (DOWNSVIEW) LIMITED ("MATTAMY")

- and –

DOWNSVIEW HOMES INC.

Respondent

FURTHER SUPPLEMENTARY AFFIDAVIT OF DAVID GEORGE

I, David George, of the City of Toronto, in the Province of Ontario, AFFIRM:

1. I am Senior Vice President, Legal of Mattamy Asset Management Incorporated. On behalf of Mattamy, I have been involved in the Downsview Project since April 2016. I have also been involved in the insolvency proceeding of the relevant Urbancorp entities as it relates to the Project. I previously swore affidavits for this arbitration on May 6, 2022 and May 20, 2022. I

adopt all defined terms in those affidavits and confirm that their contents remain true and accurate.

ASPE

2. Portions of ASPE that are relevant to the recognition of revenue are attached as **Exhibit "A"**.

3. The Real Property Association of Canada ("**REALPAC**"), has published "*Recommended Accounting Practices for Real Estate Investment and Development Entities Reporting in Accordance with ASPE"* (the "**Handbook**"). Excerpts from the Handbook respecting revenue recognition for real estate are attached as **Exhibit "B"**.

Historic Altus Reports Show Deferral of Management Fee

4. Altus Group is National Bank's cost consultant on the Project. It prepares periodic budget statements based on the progress of the Project that are provided to National Bank, Mattamy, and, from time to time, the Monitor.

5. The Altus budgets have consistently shown a deferral of Development Management Fees of $10 million with respect to Phase 2 (Blocks A and P). In Altus' first budget prepared for National Bank on July 23, 2020, delivered prior to the credit facility with National Bank being entered into, Altus noted that the Development Management Fee is "carried by the Borrower". The July 23, 2022 report is attached as **Exhibit "C"**.

6. The $10 million deferral has appeared on Altus budgets delivered prior to the Transfer Date, including in budgets delivered on May 31, 2021, July 31, 2021 and September 30, 2021, all

of which were provided to the Monitor. Relevant pages from those budgets are attached as "**Exhibits "D", "E"** and **"F"** respectively.

Audited Financial Statements in Accordance with ASPE

7. I am advised by Cathy Rudman that, in 2020, Downsview sold Block A and P units in the amount of $71,795,214.83. Apart from rental units, which have not yet closed, all units sold in Blocks A and P are residential condominium units. As reflected in Downsview's audited financial statements for fiscal year 2020 revenue was not recognised for the sold units. These audited financial statements were prepared by PwC in accordance with ASPE and were provided to the Monitor. The Claimants have never raised any issues with the audited financial statements (obtained at their request) prior to this arbitration. The 2020 audited financial statements for DHI are attached as **Exhibit "G"**.

Status of Blocks A and P of the Project

8. As of the date of this affidavit, none of the units in Blocks A and P have closed. Interim occupancies began occurring on March 31, 2022. As at May 31, 2022, a total of 458 units have achieved interim occupancy. There were no interim occupancies with respect to Blocks A and P prior to the Transfer Date. Copies of excel spreadsheets prepared by McMillan LLP, who are retained by Mattamy in connection with the sale of Block A and P units, tracking the statuses of interim occupancies are attached at **Exhibit "H".**

SWORN by David George at the City of Toronto, in the Province of Ontario, before me on June 23, 2022 in accordance with O.Reg. 431/20, Administering Oath or Declaration Remotely

Commissioner for Taking Affidavits
(or as may be)

NIKLAS HOLMBERG

DAVID GEORGE

This is Exhibit “A” referred to in the Affidavit of David George sworn by David George at the City of Toronto, in the Province of Ontario, before me on June 23, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

NIKLAS HOLMBERG

general accounting
[sections 1000 — 1800]
GENERAL ACCOUNTING
SECTION 1000
financial statement concepts

TABLE OF CONTENTS

PURPOSE AND SCOPE

.01 This Section describes the concepts underlying the development and use of accounting principles in general purpose financial statements (hereafter referred to as financial statements). Such financial statements are designed to meet the common information needs of external users of financial information about an entity. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, Section 1100, establishes what constitutes generally accepted accounting principles, and their sources, for private enterprises reporting in accordance with Part II of the Handbook.

.02 The Board expects this Section to be used by preparers of financial statements and accounting practitioners in exercising their professional judgment as to the application of generally accepted accounting principles and in establishing accounting policies in areas in which accounting principles are developing.

.03 This Section does not establish standards for particular measurement or disclosure issues. Nothing in the Section overrides any specific standards elsewhere in Part II of the Handbook or any other accounting principle considered to be generally accepted.

Financial statements

.04 Financial statements of profit-oriented enterprises normally include a balance sheet, income statement, statement of retained earnings and cash flow statement. Notes to financial statements and supporting schedules to which the financial statements are cross-referenced are an integral part of such statements.

.05 The content of financial statements is usually limited to financial information about transactions and events. Financial statements are based on representations of past, rather than future, transactions and events, although they often require estimates to be made in anticipation of future transactions and events and include measurements that may, by their nature, be approximations.

.06 Financial statements form part of the process of financial reporting that includes, for example, information in other reports such as a funding proposal. While many financial statement concepts also apply to such information, this Section deals specifically only with financial statements.

OBJECTIVE OF FINANCIAL STATEMENTS

.07 In the Canadian economic environment, the production of goods and the provision of services are, to a significant extent, carried out by investor-owned business enterprises in the private sector and, to a lesser extent, by government-owned business enterprises. Debt and equity markets and financial institutions act as exchange mechanisms for investment resources used by these enterprises.

.08 Ownership of profit-oriented enterprises is often segregated from management, creating a need for external communication of economic information about the entity to investors. For the purposes of this Section, investors include present and potential debt and equity investors and their advisors. Creditors and others who do not have internal access to entity information also need external reports to obtain the information they require.

.09 It is not practicable to expect financial statements to satisfy the many and varied information needs of all external users of information about an entity. Consequently, the objective of financial statements for profit-oriented enterprises focuses primarily on information needs of investors and creditors. Financial statements prepared to satisfy these needs are often used by others who need external reporting of information about an entity.

.10 In making resource allocation decisions investors and creditors of profit-oriented enterprises are interested in predicting the ability of the entity to earn income and generate cash flows in the future to meet its obligations and to generate a return on investment.

.11 Investors also require information about how the management of an entity has discharged its stewardship responsibility to those that have provided resources to the entity.

Objective

.12 The objective of financial statements is to communicate information that is useful to investors, creditors and other users ("users") in making their resource allocation decisions and/or assessing management stewardship. Consequently, financial statements provide information about:

(a) an entity's economic resources, obligations and equity;

(b) changes in an entity's economic resources, obligations and equity; and

(c) the economic performance of the entity.

BENEFIT VERSUS COST CONSTRAINT

.13 The benefits expected to arise from providing information in financial statements should exceed the cost of doing so. In developing accounting standards, the Board weighs the anticipated costs and benefits of its proposals in general terms to assess whether they are justified on cost / benefit grounds. The benefits and costs of applying accounting standards may differ between entities depending in part on the nature, number and information needs of the users of their financial statements. Therefore, in developing an accounting standard, the Board considers whether the requirements of that standard should apply to all entities or whether different requirements should apply to different types of entities for which the cost / benefit trade-off differs significantly. The cost / benefit trade-off is also a consideration for individual entities in the preparation of financial statements in accordance with applicable standards (for example, in considering disclosure of information beyond that required by the standards). The Board recognizes that the evaluation of the nature and amount of benefits and costs is substantially a judgmental process.

MATERIALITY

.14 Users are interested in information that may affect their decision making. Materiality is the term used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission or misstatement would influence or change a decision. Materiality is a matter of professional judgment in the particular circumstances.

QUALITATIVE CHARACTERISTICS

.15 Qualitative characteristics define and describe the attributes of information provided in financial statements that make that information useful to users. The four principal qualitative characteristics are understandability, relevance, reliability and comparability.

Understandability

.16 For the information provided in financial statements to be useful, it must be capable of being understood by users. Users are assumed to have a reasonable understanding of business and economic activities and accounting, together with a willingness to study the information with reasonable diligence.

Relevance

.17 For the information provided in financial statements to be useful, it must be relevant to the decisions made by users. Information is relevant by its nature when it can influence the decisions of users by helping them evaluate the financial impact of past, present or future transactions and events or confirm, or correct, previous evaluations. Relevance is achieved through information that has predictive value or feedback value and by its timeliness.

(a) Predictive value and feedback value

Information that helps users to predict an entity's future income and cash flows has predictive value. Although information provided in financial statements will not normally be a prediction in itself, it may be useful in making predictions. For example, the predictive value of the income statement is enhanced if abnormal items are separately disclosed. Information that confirms or corrects previous predictions has feedback value. Information often has both predictive value and feedback value.

(b) Timeliness

For information to be useful for decision making, it must be received by the decision maker before it loses its capacity to influence decisions. The usefulness of information for decision making declines as time elapses.

Reliability

.18 For the information provided in financial statements to be useful, it must be reliable. Information is reliable when it is in agreement with the actual underlying transactions and events, the agreement is capable of independent verification and the information is reasonably free from error and bias. Reliability is achieved through representational faithfulness, verifiability and neutrality. Neutrality is affected by the use of conservatism in making judgments under conditions of uncertainty.

(a) Representational faithfulness

Representational faithfulness is achieved when transactions and events affecting the entity are presented in financial statements in a manner that is in agreement with the actual underlying transactions and events. Thus, transactions and events are accounted for and presented in a manner that conveys their substance rather than necessarily their legal or other form.

The substance of transactions and events may not always be consistent with that apparent from their legal or other form. To determine the substance of a transaction or event, it may be necessary to consider a group of related transactions and events as a whole. The determination of the substance of a transaction or event will be a matter of professional judgment in the circumstances.

(b) Verifiability

The financial statement representation of a transaction or event is verifiable if knowledgeable and independent observers would concur that it is in agreement with the actual underlying transaction or event with a reasonable degree of precision. Verifiability focuses on the correct application of a basis of measurement rather than its appropriateness.

(c) Neutrality

Information is neutral when it is free from bias that would lead users toward making decisions that are influenced by the way the information is measured or presented. Bias in measurement occurs when a measure tends to consistently overstate or understate the items being measured. In the selection of accounting principles, bias may occur when the selection is made with the interests of particular users or with particular economic or political objectives in mind.

Financial statements that do not include everything necessary for faithful representation of transactions and events affecting the entity would be incomplete and, therefore, potentially biased.

(d) Conservatism

Use of conservatism in making judgments under conditions of uncertainty affects the neutrality of financial statements in an acceptable manner. When uncertainty exists, estimates of a conservative nature attempt to ensure that assets, revenues and gains are not overstated and, conversely, that liabilities, expenses and losses are not understated. However, conservatism does not encompass the deliberate understatement of assets, revenues and gains or the deliberate overstatement of liabilities, expenses and losses.

Comparability

.19 Comparability is a characteristic of the relationship between two pieces of information rather than of a particular piece of information by itself. It enables users to identify similarities in and differences between the information provided by two sets of financial statements. Comparability is important when comparing the financial statements of two different entities and when comparing the financial statements of the same entity over two periods or at two different points in time.

.20 Comparability in the financial statements of an entity is enhanced when the same accounting policies are used consistently from period to period. Consistency helps prevent misconceptions that might result from the application of different accounting policies in different periods. When a change in accounting policy is deemed to be appropriate, disclosure of the effects of the change may be necessary to maintain comparability.

Qualitative characteristics trade-off

.21 In practice, a trade-off between qualitative characteristics is often necessary, particularly between relevance and reliability. For example, there is often a trade-off between the timeliness of producing financial statements and the reliability of the information reported in the statements. Generally, the aim is to achieve an appropriate balance among the characteristics in order to meet the objective of financial statements. The relative importance of the characteristics in different cases is a matter of professional judgment.

ELEMENTS OF FINANCIAL STATEMENTS

.22 Elements of financial statements are the basic categories of items portrayed therein in order to meet the objective of financial statements. There are two types of elements: those that describe the economic resources, obligations and equity of an entity at a point in time, and those that describe changes in economic resources, obligations and equity over a period of time. Notes to financial statements, which are useful for the purpose of clarification or further explanation of the items in financial statements, while an integral part of financial statements, are not considered to be an element.

.23 In the case of profit-oriented enterprises, net income is the residual amount after expenses and losses are deducted from revenues and gains. Net income generally includes all transactions and events increasing or decreasing the equity of the profit-oriented enterprise except those that result from equity contributions and distributions.

Assets

.24 Assets are economic resources controlled by an entity as a result of past transactions or events and from which future economic benefits may be obtained.

.25 Assets have three essential characteristics:

(a) they embody a future benefit that involves a capacity, singly or in combination with other assets, in the case of profit-oriented enterprises, to contribute directly or indirectly to future net cash flows;

(b) the entity can control access to the benefit; and

(c) the transaction or event giving rise to the entity's right to, or control of, the benefit has already occurred.

.26 It is not essential for control of access to the benefit to be legally enforceable for a resource to be an asset, provided the entity can control its use by other means.

.27 There is a close association between incurring expenditures and generating assets but the two do not necessarily coincide. Hence, when an entity incurs an expenditure, this may provide evidence that future economic benefits were sought but is not conclusive proof that an item satisfying the definition of an asset has been obtained. Similarly, the absence of a related expenditure does not preclude an item from satisfying the definition of an asset and thus becoming a candidate for recognition in the balance sheet. For example, items that have been donated to the entity may satisfy the definition of an asset.

Liabilities

.28 Liabilities are obligations of an entity arising from past transactions or events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future.

.29 Liabilities have three essential characteristics:

(a) they embody a duty or responsibility to others that entails settlement by future transfer or use of assets, provision of services or other yielding of economic benefits, at a specified or determinable date, on occurrence of a specified event, or on demand;

(b) the duty or responsibility obligates the entity leaving it little or no discretion to avoid it; and

(c) the transaction or event obligating the entity has already occurred.

.30 Liabilities do not have to be legally enforceable provided that they otherwise meet the definition of liabilities; they can be based on equitable or constructive obligations. An equitable obligation is a duty based on ethical or moral considerations. A constructive obligation is one that can be inferred from the facts in a particular situation as opposed to a contractually based obligation.

Equity

.31 Equity is the ownership interest in the assets of a profit-oriented enterprise after deducting its liabilities. While equity of a profit-oriented enterprise in total is a residual, it includes specific categories of items (for example, types of share capital, contributed surplus and retained earnings).

Revenues

.32 Revenues are increases in economic resources, either by way of inflows or enhancements of assets or reductions of liabilities, resulting from the ordinary activities of an entity. Revenues of entities normally arise from the sale of goods, the rendering of services or the use by others of entity resources yielding rent, interest, royalties or dividends.

Expenses

.33 Expenses are decreases in economic resources, either by way of outflows or reductions of assets or incurrences of liabilities, resulting from an entity's ordinary revenue generating or service delivery activities.

Gains

.34 Gains are increases in equity from peripheral or incidental transactions and events affecting an entity and from all other transactions, events and circumstances affecting the entity except those that result from revenues or equity contributions.

Losses

.35 Losses are decreases in equity from peripheral or incidental transactions and events affecting an entity and from all other transactions, events and circumstances affecting the entity except those that result from expenses or distributions of equity.

RECOGNITION CRITERIA

.36 Recognition is the process of including an item in the financial statements of an entity. Recognition consists of the addition of the amount involved into statement totals together with a narrative description of the item (for example, "inventory" or "sales") in a statement. Similar items may be grouped together in the financial statements for the purpose of presentation.

.37 Recognition means inclusion of an item within one or more individual statements and does not mean disclosure in the notes to the financial statements. Notes either provide further details about items recognized in the financial statements, or provide information about items that do not meet the criteria for recognition and thus are not recognized in the financial statements.

.38 The recognition criteria below provide general guidance on when an item is recognized in the financial statements. Whether any particular item is recognized or not will require the application of professional judgment in considering whether the specific circumstances meet the recognition criteria.

.39 The recognition criteria are as follows:

(a) the item has an appropriate basis of measurement and a reasonable estimate can be made of the amount involved; and

(b) for items involving obtaining or giving up future economic benefits, it is probable that such benefits will be obtained or given up.

.40 It is possible that an item will meet the definition of an element but still not be recognized in the financial statements because it is not probable that future economic benefits will be obtained or given up or because a reasonable estimate cannot be made of the amount involved. It may be appropriate to provide information about items that do not meet the recognition criteria in notes to the financial statements. Not recognizing an expenditure as an asset does not imply either that the intention of management in incurring the expenditure was other than to generate future economic benefits for the entity or that management was misguided. The only implication is that the degree of certainty that economic benefits will flow to the entity beyond the current accounting period is insufficient to warrant the recognition of an asset.

.41 Items recognized in financial statements are accounted for in accordance with the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

.42 Revenues are generally recognized when performance is achieved and reasonable assurance regarding measurement and collectibility of the consideration exists.

.43 Gains are generally recognized when realized.

.44 Expenses and losses are generally recognized when an expenditure or previously recognized asset does not have future economic benefit. Expenses are related to a period on the basis of transactions or events occurring in that period or by allocation.

.45 Expenses are recognized in the income statement on the basis of a direct association between the costs incurred and the earning of specific items of income. This process, commonly referred to as the matching of costs with revenues, involves the simultaneous or combined recognition of revenues and expenses that result directly and jointly from the same transactions or other events. For example, the various components of expense making up the cost of goods sold are recognized at the same time as the income derived from the sale of the goods. However, the application of the matching concept does not allow the recognition of items in the balance sheet that do not meet the definition of assets or liabilities.

.46 When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognized in the income statement on the basis of systematic and rational allocation procedures. This is often necessary in recognizing the expenses associated with the using up of assets such as property, plant, equipment, patents and trademarks. In such cases, the expense is referred to as depreciation or amortization. These allocation procedures are intended to recognize expenses in the accounting periods in which the economic benefits associated with these items are consumed or expire.

.47 An expense is recognized immediately in the income statement when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as an asset.

MEASUREMENT

.48 Measurement is the process of determining the amount at which an item is recognized in the financial statements. There are a number of bases on which an amount can be measured. However, financial statements are prepared primarily using the historical cost basis of measurement whereby transactions and events are recognized in financial statements at the amount of cash or cash equivalents paid or received or the fair value ascribed to them when they took place.

.49 Other bases of measurement are also used but only in limited circumstances. They include:

(a) Replacement cost — the amount that would be needed currently to acquire an equivalent asset. This may be used, for example, when inventories are valued at the lower of historical cost and replacement cost.

(b) Realizable value — the amount that would be received by selling an asset. This may be used, for example, to value temporary and portfolio investments. Market value may be used to estimate realizable value when a market for an asset exists.

(c) Present value — the discounted amount of future cash flows expected to be received from an asset or required to settle a liability. This may be used, for example, to estimate the cost of pension benefits.

.50 Financial statements are prepared with capital maintenance measured in financial terms and with no adjustment being made for the effect on capital of a change in the general purchasing power of the currency during the period.

.51 The concept of capital maintenance used by profit-oriented enterprises in preparing financial statements affects measurement because income in an economic sense exists only after the capital of an enterprise has been maintained. Thus, income is the increase or decrease in the amount of capital at the end of the period over the amount at the beginning of the period, excluding the effects of capital contributions and distributions.

.52 Financial statements are prepared on the assumption that the entity is a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. Different bases of measurement may be appropriate when the entity is not expected to continue in operation for the foreseeable future.

EFFECTIVE DATE

.53 This Section applies to annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier application is permitted.

SPECIFIC ITEMS
SECTION 3400
revenue

Basis for Conclusions

TABLE OF CONTENTS — **Paragraph**

PURPOSE AND SCOPE

.01 This Section establishes standards for the timing of recognition of revenue in the financial statements of enterprises. It is concerned with the recognition of revenue arising in the course of the ordinary activities of an enterprise from the sale of goods, the rendering of services and the use by others of enterprise resources yielding interest, royalties and dividends. Except as specified in paragraphs 3400.A8-A34, it does not deal with the measurement of revenue, which is usually determined by agreement between the parties involved. However, when uncertainties exist regarding the determination of the amount of revenue, these uncertainties may influence the timing of revenue recognition. [Former paragraph 3400.01 retained in Archived Pronouncements]

.02 The timing of recognition of the following types of revenue is dealt with elsewhere in other Sections:

(a) revenue arising from investments accounted for under the equity method (see INVESTMENTS, Section 3051);

(b) revenue arising from lease agreements (see LEASES, Section 3065); and

(c) revenue arising from government grants and other similar subsidies (see GOVERNMENT ASSISTANCE, Section 3800).

DEFINITIONS

.03 The following terms are used in this Section with the meanings specified:

(a) **Revenue** is the inflow of cash, receivables or other consideration arising in the course of the ordinary activities of an enterprise, normally from the sale of goods, the rendering of services and the use by others of enterprise resources yielding interest, royalties and dividends. Revenue is net of items such as trade or volume discounts, returns and allowances, claims for damaged goods and certain excise and sales taxes. Excise and sales taxes to be netted against revenue would normally include those imposed at the time of sale and would normally exclude those imposed prior to the time of sale on either the goods or their constituents.

(b) **Completed contract method** is a method of accounting that recognizes revenue only when the sale of goods or the rendering of services under a contract is completed or substantially completed.

(c) **Percentage of completion method** is a method of accounting that recognizes revenue proportionately with the degree of completion of goods or services under a contract.

RECOGNITION

.04 *Revenue from sales and service transactions shall be recognized when the requirements as to performance set out in paragraphs* 3400.05-*.06 are satisfied, provided that at the time of performance ultimate collection is reasonably assured.*

.05 *In a transaction involving the sale of goods, performance shall be regarded as having been achieved when the following conditions have been fulfilled:*

> *(a) the seller of the goods has transferred to the buyer the significant risks and rewards of ownership, in that all significant acts have been completed and the seller retains no continuing managerial involvement in, or effective control of, the goods transferred to a degree usually associated with ownership; and*
>
> *(b) reasonable assurance exists regarding the measurement of the consideration that will be derived from the sale of goods, and the extent to which goods may be returned.*

.06 *In the case of rendering of services and long-term contracts, performance shall be determined using either the percentage of completion method or the completed contract method, whichever relates the revenue to the work accomplished. Such performance shall be regarded as having been achieved when reasonable assurance exists regarding the measurement of the consideration that will be derived from rendering the service or performing the long-term contract.*

.07 Performance would be regarded as being achieved under paragraphs 3400.05-.06 when all of the following criteria have been met:

- (a) persuasive evidence of an arrangement exists;
- (b) delivery has occurred or services have been rendered; and
- (c) the sellers' price to the buyer is fixed or determinable.

.08 Some of the items an enterprise would consider in determining if persuasive evidence of an arrangement exists are as follows:

- (a) customary business practices;
- (b) side arrangements;
- (c) consignment arrangements;
- (d) rights to return the product; and
- (e) requirements to repurchase the product.

Other characteristics may exist. Accordingly, judgment is necessary in assessing whether the substance of a transaction is a consignment, a financing or other arrangement for which revenue recognition is not appropriate.

.09 Generally, delivery is not considered to have occurred unless the product has been delivered to the customer's place of business or another site specified by the customer. Some of the aspects of the revenue arrangement an enterprise would consider in determining if delivery has occurred or services have been rendered are as follows:

- (a) bill and hold arrangements (paragraphs 3400.A40-.A44 provide related application guidance);
- (b) customer acceptance of product;
- (c) layaway sales arrangements;
- (d) non-refundable fee arrangements (paragraphs 3400.A45-.A48 provide related application guidance); and
- (e) licensing and similar fee arrangements.

.10 In determining if the seller's price to the buyer is fixed or determinable, an enterprise would consider the impact of the following factors:

- (a) cancellable sales arrangements;
- (b) right of return arrangements;
- (c) price protections and/or inventory credit arrangements; and
- (d) refundable fee for service arrangements.

.11 The recognition criteria in this Section are usually applied separately to each transaction. However, in certain circumstances, it is necessary to apply the recognition criteria to the separately identifiable components of a single transaction in order to reflect the substance of the transaction. A single sales transaction may involve the delivery or performance of multiple products, services, or rights to use assets, and performance may occur at different points in time or over different periods of time. In some cases, the arrangements include initial installation, initiation, or activation services and involve consideration in the form of a fixed fee or a fixed fee coupled with a continuing payment stream. For example, when the selling price of a product includes an identifiable amount for subsequent servicing, that amount is deferred and recognized as revenue over the period during which the service is performed. Conversely, the recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole. For example, an enterprise may sell goods and, at the same time, enter into a separate agreement to repurchase the goods at a later date, thus negating the substantive effect of the transaction. In such a case, the two transactions are dealt with together. (Paragraphs 3400.A8-.A12 provide related application guidance.)

.12 *Revenue arising from the use by others of enterprise resources yielding interest, royalties and dividends shall be recognized when reasonable assurance exists regarding measurement and collectability. These revenues shall be recognized on the following bases:*

- *(a) interest: on a time proportion basis;*
- *(b) royalties: as they accrue, in accordance with the terms of the relevant agreement; and*
- *(c) dividends: when the shareholder's right to receive payment is established.*

.13 Revenue from a transaction involving the sale of goods would be recognized when the seller has transferred to the buyer the significant risks and rewards of ownership of the goods sold. When the seller retains significant risks of ownership, it is normally inappropriate to recognize the transaction as a sale. Examples of a significant risk of ownership being retained by a seller are: when there is a liability for unsatisfactory performance not covered by normal warranty provisions; when the purchaser has the right to rescind the transaction; and when the goods are shipped on consignment.

.14 Assessing when the risks and rewards of ownership are transferred to the buyer with sufficient certainty requires an examination of the circumstances of the transaction. In most cases, revenue is recognized on passing of possession of the goods. In retail sales, this is usually coincident with the passing of legal title. In other cases, the passing of legal title may occur at a different time from the passing of possession or of the risks and rewards of ownership.

.15 The following considerations are relevant in deciding whether significant risks and rewards of ownership have been transferred to the buyer:

- (a) whether any significant acts of performance remain to be completed; and
- (b) whether the seller retains any continuing managerial involvement in, or effective control of, the goods transferred to a degree usually associated with ownership.

.16 Revenue from service transactions and long-term contracts is usually recognized as the service or contract activity is performed, using either the percentage of completion method or the completed contract method.

.17 The percentage of completion method is used when performance consists of the execution of more than one act, and revenue would be recognized proportionately by reference to the performance of each act. Revenue recognized under this method would be determined on a rational and consistent basis such as on the basis of sales value, associated costs, extent of progress, or number of acts. For practical purposes, when services are provided by an indeterminate number of acts over a specific period of time, revenue would be recognized on a straight line basis over the period unless there is evidence that some other method better reflects the pattern of performance. The amount of work accomplished would be assessed by reference to measures of performance that are reasonably determinable and relate as directly as possible to the activities critical to the completion of the contract. (Measures of performance include output measures, such as units produced and project milestones, or input measures, such as labour hours or machine use.) Amounts billed are not an appropriate basis of measurement. (Paragraphs 3400.A13-.A34 provide related application guidance.) [Former paragraph 3400.17 retained in Archived Pronouncements]

.18 The completed contract method would only be appropriate when performance consists of the execution of a single act or when the enterprise cannot reasonably estimate the extent of progress toward completion.

Effect of uncertainties

.19 Recognition of revenue requires that the revenue is measurable and that ultimate collection is reasonably assured. When there is reasonable assurance of ultimate collection, revenue is recognized even though cash receipts are deferred. When there is uncertainty as to ultimate collection, it may be appropriate to recognize revenue only as cash is received.

.20 When the uncertainty relates to collectability and arises subsequent to the time revenue was recognized, a separate provision to reflect the uncertainty would be made. The amount of revenue originally recorded would not be adjusted.

.21 Uncertainties relating to the measurement of revenue may result from one or both of the following issues:

(a) Consideration
When consideration is not determinable within reasonable limits; for example, when payment relating to goods sold depends on the resale of the goods by the buyer, revenue would not be recognized.

(b) Returns
Revenue would not be recognized when an enterprise is subject to significant and unpredictable amounts of goods being returned; for example, when the market for a returnable good is untested. If an enterprise is exposed to significant and predictable amounts of goods being returned, it may be sufficient to provide therefor.

.22 Consideration may include a note or other financial instrument issued by the purchaser to be settled in cash and under the terms of the note the seller has recourse effectively only against the assets sold. The transaction is considered to be a sale because the total amount of the consideration received is determinable within reasonable limits (see paragraph 3400.21). However, income from the sale is only recognized when:

- (a) there is a substantial commitment by the purchaser demonstrating its intent to honour its obligations under the note; and
- (b) the seller has reasonable assurance of collecting the note.

A commitment would include, for example, non-refundable cash consideration from resources other than those transferred from the seller, or the assumption of an obligation of the seller to a third party when the third party thereby releases the seller from that obligation.

Reporting revenue gross or net

.23 Revenue includes only the gross inflows of economic benefits received and receivable by the enterprise on its own account. Amounts collected on behalf of third parties such as sales taxes and goods and services taxes are not economic benefits that flow to the enterprise and do not result in increases in equity. Therefore, they are excluded from revenue. Similarly, in an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal that do not result in increases in equity for the enterprise. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission. (Paragraphs 3400.A35-.A39 provide related application guidance.)

.24 An enterprise is acting as a principal when it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. Features that indicate that an enterprise is acting as a principal include, but are not limited to:

(a) the enterprise has the primary responsibility for providing the goods or services to the customer or for fulfilling the order (for example, by being responsible for the acceptability of the products or services ordered or purchased by the customer);

(b) the enterprise has inventory risk before or after the customer order, during shipping or on return;

(c) the enterprise has latitude in establishing prices, either directly or indirectly (for example, by providing additional goods or services); and

(d) the enterprise bears the customer's credit risk for the amount receivable from the customer.

One feature indicating that an enterprise is acting as an agent is that the amount the enterprise earns is predetermined, being either a fixed fee per transaction or a stated percentage of the amount billed to the customer.

Additional features indicating that an enterprise is acting as a principal or as an agent are provided in paragraphs 3400.A38-.A39, respectively. [Former paragraph 3400.24 retained in Archived Pronouncements]

Payments by a vendor to a customer

.25 Cash consideration received by a customer from a vendor is presumed to be a reduction of the prices of the vendor's products or services and, therefore, is not normally recognized as revenue by the customer. However, if the consideration is a payment for assets or services delivered to the vendor, the customer recognizes the consideration as revenue and if the consideration is a reimbursement of costs incurred by the customer to sell the vendor's products, the customer recognizes the consideration as a reduction of that cost.

.26 Cash consideration represents a payment for assets or services delivered to the vendor if the vendor receives, or will receive, an identifiable benefit in exchange for the consideration. In order to meet this condition, the identified benefit must be sufficiently separable from the customer's purchase of the vendor's products such that the customer would have entered into an exchange transaction with a party other than the vendor in order to provide that benefit, and the customer can reasonably estimate the fair value of the benefit provided. If the amount of cash consideration paid by the vendor exceeds the estimated fair value of the benefit received, that excess amount is recognized as a reduction of cost of sales and related inventory.

.27 Cash consideration represents a reimbursement of costs incurred by the customer to sell the vendor's products if the cash consideration represents a reimbursement of a specific, incremental, identifiable cost incurred by the customer in selling the vendor's products or services. If the amount of cash consideration paid by the vendor exceeds the cost being reimbursed, that excess amount is recognized in the customer's income statement as a reduction of cost of sales.

.28 Cash consideration given by a vendor to a customer is presumed to be a reduction of the selling prices of the vendor's products or services and, therefore, is normally recognized by the vendor as a reduction of revenue. However, the vendor recognizes the consideration paid as a cost incurred if, and to the extent that, both of the following conditions are met:

(a) The vendor receives, or will receive, an identifiable benefit (products or services) in exchange for the consideration. The identified benefit must be sufficiently separable from the recipient's purchase of the vendor's products that the vendor could have entered into an exchange transaction with a party other than the purchaser of its products or services in order to receive this benefit.

(b) The vendor can reasonably estimate the fair value of the benefit identified under condition (a). (If the amount of consideration paid by the vendor exceeds the estimated fair value of the benefit received, that excess amount is recognized as a reduction in revenue.)

PRESENTATION

.29 *The amount of revenue recognized during the period shall be presented separately in the income statement.*

.30 The amount of revenue generated by an enterprise during the period is an important indicator of the level of the enterprise's activity. This information assists the users of financial statements in assessing the enterprise's performance.

DISCLOSURE

.31 *An enterprise shall disclose its revenue recognition policy. If an enterprise has different policies for different types of revenue transactions, including non-monetary (barter) sales, the policy for each material type of transaction shall be disclosed. If sales transactions have multiple elements, such as a product and service, the enterprise shall clearly state the accounting policy for each element as well as how multiple elements are determined and valued.*

.32 If sales transactions have multiple elements, the policy may contain items such as a description and nature of such an arrangement, including performance, cancellation, termination or refund-type provisions.

.32A *An enterprise shall disclose each of the following for contracts in progress at the end of the reporting period accounted for using the percentage of completion method:*

> (a) *the method or methods of measuring the degree of completion;*
>
> (b) *the aggregate amount of costs incurred and recognized profits (less recognized losses) to date;*
>
> (c) *the aggregate amount of advances received, as defined in paragraph* 3400.32B*;*
>
> (d) *the aggregate amount of holdbacks withheld, as defined in paragraph* 3400.32B*; and*
>
> (e) *uncertainties affecting the measurement of the degree of completion, in accordance with MEASUREMENT UNCERTAINTY, Section* 1508.

.32B Holdbacks are amounts of progress billings that are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects have been rectified. Progress billings are amounts billed for work performed on a contract whether or not they have been paid by the customer. Advances are amounts received by the contractor before the related work is performed.

.33 *An enterprise shall disclose separately, either on the face of the income statement or in the notes to the financial statements, the major categories of revenue recognized during the period.*

.34 The objective of this disclosure is to assist the reader in understanding the sources of revenue and their effect on the financial statements.

.35 Judgment is necessary to determine the categories that an enterprise uses. An enterprise may separate out sources based on life expectancy (for example, initial and ongoing franchise fees), and significantly differing profit margins or sources that differ from the standard operation of the business (for example, a manufacturing business that has material investment income).

EFFECTIVE DATE AND TRANSITION

.36 Except as specified in paragraph 3400.37, this Section applies to annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier application is permitted.

.37 Amendments to paragraphs 3400.01, 3400.09(a), 3400.09(d), 3400.11, 3400.17 and 3400.23-.24 and new paragraphs 3400.32A-.32B and 3400.A1-.A48 apply to annual financial statements relating to fiscal years beginning on or after January 1, 2022. Except as specified in paragraphs 3400.38-.40, an enterprise applies these amendments retrospectively, in accordance with ACCOUNTING CHANGES, Section 1506. Earlier application is permitted.

.38 An enterprise may choose to apply the amendments specified in paragraphs 3400.32A-.32B and 3400.A1-.A34, either:

> (a) at the beginning of the earliest period presented, recording the cumulative effect of applying the amendments in opening retained earnings of the earliest period presented; or
>
> (b) at the beginning of the fiscal year in which the amendments are first applied, recording the cumulative effect of applying the amendments in opening retained earnings of the fiscal year in which the amendments are first applied.

.39 When the amendments specified in paragraphs 3400.A13-.A34 are applied, an enterprise is not required to make retrospective adjustments in respect of contracts accounted for using the percentage of completion method that were completed during:

> (a) the fiscal year immediately preceding the date at which the amendments are first applied; or
>
> (b) the fiscal year in which the amendments are first applied.

.40 When the amendments specified in paragraphs 3400.A8-.A12 are applied, an enterprise is not required to make retrospective adjustments in respect of arrangements with separately identified units of account when all deliverables have been delivered by:

> (a) the fiscal year immediately preceding the date at which the amendments are first applied; or
>
> (b) the fiscal year in which the amendments are first applied.

APPENDIX

APPLICATION SUPPLEMENT

This Appendix is an integral part of this Section.

TABLE OF CONTENTS **Paragraph**

IDENTIFYING UNITS OF ACCOUNT

A1. The recognition criteria in this Section are usually applied separately to each transaction. An enterprise needs to determine whether the transaction consists of a group of contracts or a single contract. It may be necessary to combine a group of contracts to reflect the substance of the transaction. A single contract may include more than one deliverable. In those circumstances, it may be necessary to segment the contract into the separate deliverables (see paragraph 3400.A5).

A2. A group of contracts may be so closely related that they are, in effect, parts of a single arrangement with an overall profit margin, and accounting for the contracts individually may not reflect the substance of the transaction. For example, a group of construction-type contracts may be negotiated as a package with the objective of achieving an overall profit margin, although the profit margins on the individual contracts may vary. In those circumstances, if the individual contracts are performed and reported in different periods and accounted for separately, the reported profit margins in those periods will differ from the profit margin contemplated in the negotiations for reasons other than differences in performance.

A3. A group of contracts, whether with a single customer or with several customers, is treated as a single contract when the contracts:

(a) are negotiated as a package in the same economic environment with an overall profit margin objective;

(b) constitute in essence an agreement to do a single arrangement with a single customer;

(c) are so closely interrelated that they are, in effect, part of a single arrangement with an overall profit margin; and

(d) are performed concurrently or in a continuous sequence.

A4. A single contract or a group of contracts that meet the criteria in paragraph 3400.A3 for combining as a single contract, may include several deliverables. An enterprise transfers these deliverables to the customer and performance may occur at different times or over different periods of time, and the customer's payments for these deliverables may be fixed, variable or a combination thereof.

A5. At the inception of an arrangement, an enterprise evaluates all deliverables in the arrangement to determine whether they represent separate units of account. In an arrangement with multiple deliverables, the deliverables should be considered a separate unit of account, if both the following criteria are met:

(a) if the arrangement includes a general right of return relative to the deliverable(s), delivery or performance of the remaining deliverable(s) is considered probable and substantially in the control of the vendor; and

(b) the deliverable(s) have value to the customer on a stand-alone basis.

A6. The deliverable(s) have value on a stand-alone basis if they are sold separately by any vendor or the customer could resell the deliverable(s) on a stand-alone basis. In the context of a customer's ability to resell the deliverable(s), it is not required to have an existing observable market for the deliverable(s).

A7. Deliverable(s) that do not qualify as a separate unit of account within the arrangement should be combined with the other applicable deliverable(s) within the arrangement. The allocation of arrangement consideration and the recognition of revenue should then be determined for those combined deliverable(s) as a single unit of account.

MULTIPLE-ELEMENT ARRANGEMENTS

Allocation of revenue to multiple elements

A8. Arrangement consideration is allocated at the inception of the arrangement to all deliverables on a relative stand-alone selling price basis. The objective when allocating the consideration is for an enterprise to allocate the consideration to each deliverable in an amount that depicts the amount of consideration to which the enterprise is expected to be entitled in exchange for the deliverables.

A9. The stand-alone selling price is the price at which an enterprise would sell a promised good or service separately to a customer. The best evidence of a stand-alone selling price is the observable price of a good or service when the enterprise sells that good or service separately in similar circumstances and to similar customers. A contractually stated price or a list price for a good or service may be the stand-alone selling price of that good or service but is not presumed to be.

A10. If a stand-alone selling price is not directly observable, an enterprise estimates the stand-alone selling price at an amount that would result in the allocation of the transaction price meeting the allocation objective in paragraph 3400.A8. When estimating a stand-alone selling price, an enterprise may consider all information (including market conditions, enterprise-specific factors and information about the customer or class of customer) that is reasonably available to the enterprise. In doing so, an enterprise may use observable inputs and apply estimation methods consistently in similar circumstances.

A11. Methods for estimating the stand-alone selling price of a good or service include, but are not limited to, the following:

(a) Adjusted market assessment approach — An enterprise could evaluate the market in which it sells goods or services and estimate the price that a customer in that market would be willing to pay for those goods or services. This approach might also include referring to prices from the enterprise's competitors for similar goods or services and adjusting those prices as necessary to reflect the enterprise's costs and margins.

(b) Expected cost plus a margin approach — An enterprise could forecast its expected costs of delivering a good or service in each unit of account, and then add an appropriate margin for that good or service.

A12. A combination of methods may need to be used to estimate the stand-alone selling prices of the goods or services promised in the arrangement if two or more of those goods or services have highly variable or uncertain stand-alone selling prices. When an enterprise uses a combination of methods to estimate the stand-alone selling price of each promised good or service in the arrangement, the enterprise evaluates whether allocating the transaction price at those estimated stand-alone selling prices would be consistent with the allocation objective in paragraph 3400.A8 and the requirements for estimating stand-alone selling prices in paragraph 3400.A10.

PERCENTAGE OF COMPLETION METHOD

Revenue recognition using percentage of completion method

A13. Under the percentage of completion method, revenue is recognized in net income as work on a contract progresses. This involves considerable use of estimates in determining revenues, costs and profits and the degree of contract completion. The process is complicated by the need to evaluate continually the uncertainties inherent in the performance of contracts.

Determining the percentage of completion

A14. Under the percentage of completion method, revenue is recognized based on the amount of work accomplished. The amount of work accomplished may be determined in a variety of ways. The method used to determine the amount of work accomplished depends on the nature of the contract.

Input and output measures

A15. The approaches to measuring the degree of completion of a good or service under contract can be grouped into input and output measures. Input measures are made in terms of efforts devoted to a contract. They include the methods based on costs and on efforts expended. Output measures are made in terms of results achieved.

A16. Input measures are used to measure degree of completion indirectly, based on an established or assumed relationship between a unit of input and productivity. Output measures are used to measure results directly. The use of either type of measure requires the exercise of judgment and the careful tailoring of the measure to the circumstances.

A17. The efforts-expended method is an input method based on a measure of the work, such as labour hours, labour dollars, machine hours or material quantities. Under the labour-hours method, for example, the degree of completion is measured by the ratio of hours performed to date to estimated total hours at completion. Estimated total labour hours may include the following:

(a) The estimated labour hours of the enterprise; and

(b) The estimated labour hours of subcontractors engaged to perform work for the project, if labour hours of subcontractors are a significant element in the performance of the contract.

A18. A labour-hours method can measure the degree of completion in terms of efforts expended only if substantial efforts of subcontractors are included in the computation. If the enterprise is unable to obtain reasonably dependable estimates of subcontractors' labour hours at the beginning of the project and as work progresses, the enterprise should not use the labour-hours method.

A19. The various forms of the efforts-expended method generally are based on the assumption that profits on contracts are derived from the enterprise's efforts in all phases of operations, such as designing, procurement and management. Profit is not assumed to accrue merely as a result of the acquisition of material or other tangible items used in the performance of the contract or the awarding of subcontracts. A significant drawback of efforts-expended methods is that the efforts included in the measure may not all be productive.

A20. Measuring the degree of completion based on the ratio of costs incurred to total estimated costs is also an input method. When using this method, only those costs that reflect work performed are included in the costs incurred to date. Some of the costs incurred, particularly in the early stages of the contract, shall be disregarded in applying this method because they do not relate to contract performance. Such costs should be excluded from costs incurred for the purpose of measuring the degree of completion. Examples of such costs are:

(a) costs that relate to future activity on the contract, such as costs of contract materials purchased at the commencement of a contract that have not yet been used; or

(b) payments made to a subcontractor not determined in accordance with the degree of completion of the work accomplished by that subcontractor.

A21. The cost of uninstalled materials that have been delivered at the job site may be included in the costs used to measure the degree of completion.

A22. Also, the cost of equipment purchased for use on a contract may be allocated over the period of its expected use unless title to the equipment is transferred to the customer by terms of the contract. For manufacturing contracts, the complement of expensive components (e.g., computers, engines, radars, and complex black boxes) to be installed into the deliverable items may aggregate a significant portion of the total cost of the contract. In some circumstances, the costs incurred for such components, even though the components were specifically purchased for the project, should not be included in the measurement of the degree of completion before the components are installed if inclusion would tend to overstate the percentage of completion otherwise determinable.

Paragraph 3400.A27 provides guidance on contract costs.

A23. Output measures include methods based on units produced, units delivered and contract milestones. For contracts under which separate units of output are produced, progress can be measured on the basis of units of work completed. In other circumstances, the degree of completion may be measured, for example, on the basis of cubic metres of excavation for foundation contracts or on the basis of cubic metres of pavement laid for highway contracts.

Computation of income earned for a period under the percentage of completion method

A24. Total estimated gross profit on a contract, the difference between total estimated contract revenue and total estimated contract cost, must be determined before the amount earned on the contract for a period can be determined. The portion of total revenue earned or the total amount of gross profit earned to date is determined by the measurement of the degree of completion of the contract. The computation of income earned for a period involves a determination of the portion of total estimated contract revenue that has been earned to date (earned revenue) and the portion of total estimated contract cost related to that revenue (cost of earned revenue).

A25. Two examples are provided below of approaches that an enterprise may use to determine earned revenue and cost of earned revenue. Other approaches may also be appropriate. An enterprise is to use the selected approach on a consistent basis for all contracts.

Alternative A

Earned revenue, cost of earned revenue, and gross profit are determined as follows:

- Earned revenue to date may be computed by multiplying total estimated contract revenue by the percentage of completion (as determined by one of the acceptable methods of measuring the degree of completion). The excess of the amount over the earned revenue recognized in prior periods is the earned revenue that is recognized in the income statement for the current period.
- Cost of earned revenue for the period may be computed in a similar manner. Cost of earned revenue to date is computed by multiplying total estimated contract cost by the percentage of completion on the contract. The excess of that amount over the cost of earned revenue recognized in prior periods is the cost of earned revenue that is recognized in the income statement for the current period. The difference between total cost incurred to date and cost of earned revenue recognized to date is reported on the balance sheet.
- Gross profit on a contract for a period is the excess of earned revenue over the cost of earned revenue.

Alternative B

Earned revenue, cost of earned revenue, and gross profit are determined as follows:

- Earned revenue is the amount of gross profit earned on a contract for a period plus the cost of earned revenue.

- Cost of earned revenue is the cost incurred during the period, excluding the costs incurred for subcontracted work that is still to be performed.
- Gross profit earned on a contract shall be computed by multiplying the total estimated gross profit on the contract by the percentage of completion (as determined by one of the acceptable methods of measuring extent of degree of completion). The excess of that amount over the amount of gross profit reported in prior periods is the earned gross profit that shall be recognized in the income statement for the current period.

Revised estimates

A26. Adjustments to the original estimates of the total contract revenue, total contract cost, profit estimates or the degree of completion are often required as work progresses under the contract and as experience is gained, even though the scope of the work required under the contract may not change. The nature of accounting for contracts is such that refinements of the estimating process for changing conditions and new developments are continuous and characteristic of the process. Revisions in revenue, cost, and profit estimates or in measurements of the degree of completion are changes in accounting estimates as defined in ACCOUNTING CHANGES, Section 1506.

Contract costs

A27. Contract costs may include:

(a) costs that relate directly to the specific contract;

(b) costs that are attributable to contract activity in general and can be allocated to the contract; and

(c) such other costs as are specifically chargeable to the customer under the terms of the contract.

A28. Costs that relate directly to a specific contract may include:

(a) site labour costs, including site supervision;

(b) costs of materials used;

(c) amortization of plant and equipment used on the contract;

(d) costs of moving plant, equipment and materials to and from the contract site;

(e) costs of leasing plant and equipment;

(f) costs of design and technical assistance that is directly related to the contract;

(g) claims from third parties; and

(h) the estimated costs of rectification and guarantee work, including expected warranty costs.

These costs may be reduced by any incidental income that is not included in contract revenue, for example, income from the sale of surplus materials and the disposal of plant and equipment at the end of the contract.

A29. Costs that may be attributable to contract activity in general and can be allocated to specific contracts include:

(a) insurance;

(b) costs of design and technical assistance that are not directly related to a specific contract; and

(c) overhead costs.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics. The allocation is based on the normal level of activity. Overhead costs include costs such as the preparation and processing of personnel payroll for personnel working on the contract.

A30. Costs that are specifically chargeable to the customer under the terms of the contract may include some general administration costs and development costs for which reimbursement is specified in the terms of the contract.

A31. Costs that cannot be attributed to contract activity or cannot be allocated to a contract are excluded from the costs of a contract. Such costs include:

(a) general administration costs for which reimbursement is not specified in the contract;

(b) selling costs;

(c) research and development costs for which reimbursement is not specified in the contract; and

(d) amortization of idle plant and equipment that is not used in a particular contract.

A32. Contract costs include the costs attributable to a contract for the period from the date of securing the contract to the final completion of the contract. However, costs that relate directly to a contract and are incurred in securing the contract are also included as part of the contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained. When costs incurred in securing a contract are recognized as an expense in the period in which they are incurred, they are not included in contract costs when the contract is obtained in a subsequent period.

Expected losses

A33. When it is probable that total contract costs will exceed total contract revenue, the entire expected loss is recognized as an expense immediately.

A34. The amount of such a loss is determined irrespective of:

(a) whether work has commenced on the contract;

(b) the degree of completion of the contract; or

(c) the amount of profits expected to arise on other contracts which are not treated as a single contract in accordance with paragraph 3400.A3.

REPORTING REVENUE GROSS OR NET

A35. To assess whether revenue should be reported gross or net, an enterprise considers whether it:

(a) acts as principal in the transaction;

(b) takes title to the products;

(c) has risks and rewards of ownership, such as the risk of loss for collection, delivery or returns; or

(d) acts as an agent or broker, including performing services, in substance, as an agent or broker, with compensation on a commission or fee basis.

A36. Whether revenue is recognized based on the gross amount billed to a customer or the net amount retained is a matter of judgment that depends on the relevant facts and circumstances. The factors and features set out below may be considered in the evaluation to determine the appropriate revenue recognition. None of the indicators included in paragraphs 3400.A37-A39 should be considered presumptive or determinative; however, the relative strength of each indicator should be considered.

Indicators of gross revenue reporting

A37. When considering the indicators included in paragraphs 3400.24(a)-(d), the following may also be considered:

(a) The enterprise is the primary obligor in the arrangement — Whether a supplier or an enterprise is responsible for providing the product or service desired by the customer is a strong indicator of the enterprise's role in the transaction. If an enterprise is responsible for fulfillment, including the acceptability of the product(s) or service(s) ordered or purchased by the customer, that fact is a strong indicator that an enterprise has risks and rewards of a principal in the transaction and that it should record revenue gross based on the amount billed to the customer. Representations (written or otherwise) made by an enterprise during marketing and the terms of the sales contract generally will provide evidence as to whether the enterprise or the supplier is responsible for fulfilling the ordered product or service. Responsibility for arranging transportation for the product ordered by a customer is not responsibility for fulfillment.

(b) The enterprise has general inventory risk (before customer order is placed or upon customer return) — Unmitigated general inventory risk is a strong indicator that an enterprise has risks and rewards as a principal in the transaction. Therefore, it should record revenue gross based on the amount billed to the customer. General inventory risk exists if an enterprise takes title to a product before that product is ordered by a customer (i.e., maintains the product in inventory) or will take title to the product if it is returned by the customer (i.e., back-end inventory risk) and the customer has a right of return. Evaluation of this indicator may include arrangements between an enterprise and a supplier that reduce or mitigate the enterprise's risk level. For example, an enterprise's risk may be reduced significantly or essentially eliminated if the enterprise has the right to return unsold products to the supplier or receives inventory price protection from the supplier. A similar and equally strong indicator of gross reporting exists if a customer arrangement involves services and the enterprise is obligated to compensate the individual service provider(s) for work performed regardless of whether the customer accepts that work.

(c) The enterprise has latitude in establishing price — If an enterprise has reasonable latitude, within economic constraints, to establish the exchange price with a customer for the product or service, that fact may indicate that the enterprise has risks and rewards of a principal in the transaction and that it should record revenue gross based on the amount billed to the customer.

(d) The enterprise has credit risk — If an enterprise assumes credit risk for the amount billed to the customer, that fact may provide weaker evidence that the enterprise has risks and rewards as a principal in the transaction and, therefore, that it should record revenue gross for that amount. Credit risk exists if an enterprise is responsible for collecting the sales price from a customer but must pay the amount owed to a supplier after the supplier performs, regardless of whether the sales price is fully collected. A requirement that an enterprise return or refund only the net amount it earned in the transaction if the transaction is cancelled or reversed is not evidence of credit risk for the gross transaction. Credit risk is not present if an enterprise fully collects the sales price prior to the delivery of the product or service to the customer (i.e., before the enterprise incurs an obligation to the supplier). Credit risk is mitigated, for example, if a customer pays by credit card and an enterprise obtains authorization for the charge in advance of product shipment or service performance. Credit risk that has been substantially mitigated is not an indicator of gross reporting.

A38. In addition to the factors listed in paragraphs 3400.24(a)-(d), the following indicators may also be considered to determine if revenue should be recognized based on the gross amount billed to a customer:

(a) The enterprise changes the product or performs part of the service — If an enterprise physically changes the product (beyond its packaging) or performs part of the service ordered by a customer, that fact may indicate that the enterprise is primarily responsible for fulfillment, including the ultimate acceptability of the product component or portion of the total services furnished by the supplier, and that it should record revenue gross based on the amount billed to the customer. This indicator is evaluated from the perspective of the product or service itself such that the selling price of that product or service is greater as a result of an enterprise's physical change of the product or performance of the service and is not evaluated based on other enterprise attributes such as marketing skills, market coverage, distribution system or reputation.

(b) The enterprise has discretion in supplier selection — If an enterprise has multiple suppliers for a product or service ordered by a customer and discretion to select the supplier that will provide the product(s) or service(s) ordered by a customer, that fact may indicate that the enterprise is primarily responsible for fulfillment and that it should record revenue gross based on the amount billed to the customer.

(c) The enterprise is involved in the determination of product or service specifications — If an enterprise must determine the nature, type, characteristics or specifications of the product(s) or service(s) ordered by the customer, that fact may indicate that the enterprise is primarily responsible for fulfillment and that it should record revenue gross based on the amount billed to a customer.

(d) The enterprise has physical loss inventory risk (after customer order or during shipping) — Physical loss inventory risk exists if title to the product is transferred to an enterprise at the shipping point (e.g., the supplier's facilities) and is transferred from that enterprise to the customer upon delivery. Physical loss inventory risk also exists if an enterprise takes title to the product after a customer order has been received but before the product has been transferred to a carrier for shipment. This indicator may provide some evidence, albeit less persuasive than general inventory risk, that an enterprise should record revenue gross based on the amount billed to the customer.

Indicators of net revenue reporting

A39. Indicators that revenue should be recognized based on the net amount retained include:

(a) The supplier (not the enterprise) is the primary obligor in the arrangement — Whether a supplier or an enterprise is responsible for providing the product or service desired by a customer is a strong indicator of the enterprise's role in the transaction. If a supplier (and not the enterprise) is responsible for fulfillment, including the acceptability of the product(s) or service(s) ordered or purchased by a customer, that fact may indicate that the enterprise does not have risks and rewards as principal in the transaction and that it should record revenue net based on the amount retained (i.e., the amount billed to the customer less the amount paid to a supplier). Representations (written or otherwise) made by an enterprise during marketing and the terms of the sales contract generally will provide evidence as to a customer's understanding of whether the enterprise or the supplier is responsible for fulfilling the ordered product or service.

(b) The amount the enterprise earns is fixed — If an enterprise earns a fixed dollar amount per customer transaction regardless of the amount billed to a customer or if it earns a stated percentage of the amount billed to a customer, that fact may indicate that the enterprise is an agent of the supplier and should record revenue net based on the amount retained.

(c) The supplier (and not the enterprise) has credit risk — If credit risk exists (i.e., the sales price has not been fully collected prior to delivering the product or service) but that credit risk is assumed by a supplier, that fact may indicate that the enterprise is an agent of the supplier and, therefore, the enterprise should record revenue net based on the amount retained.

BILL AND HOLD ARRANGEMENTS

A40. Paragraph 3400.07(b) states that the product has to have been delivered before revenue can be recognized, which is amplified by paragraph 3400.14. However, revenue should not be recognized until the vendor has substantially accomplished what it should do pursuant to the terms of the arrangement, which usually occurs upon delivery of the product.

A41. Delivery has not generally occurred unless the product has been delivered to the customer's place of business or another site specified by the customer. If the customer specifies an intermediate site but a substantial portion of the sales price is not payable until delivery is made to a final site, then revenue should not be recognized until final delivery has occurred.

A42. In some circumstances, a vendor may retain a form of title to goods delivered to customers until the customer makes payment so that the vendor can recover those goods in the event of customer default on payment. Presuming all other revenue recognition criteria have been met, it is appropriate to recognize revenue at delivery if the only right that a vendor retains with the title are those enabling recovery of the goods in the event of customer default on payment and such rights cannot be maintained by other means.

A43. The following criteria are required to be met to recognize revenue when delivery has not occurred:

(a) the risks of ownership must have passed to the buyer;

(b) the customer must have made a fixed commitment to purchase the goods;

(c) the buyer, not the seller, must request that the transaction be on a bill and hold basis, and the buyer must have a substantial business purpose for ordering the goods on a bill and hold basis;

(d) there must be a schedule for delivery of the goods that is reasonable and consistent with the buyer's business purpose (e.g. storage periods are customary in the industry);

(e) the seller must not have retained any specific performance obligations such that the earning process is not complete;

(f) the ordered goods must have been segregated from the seller's inventory and not be subject to being used to fill other orders; and

(g) the product must be complete and ready for shipment.

A44. The following factors may also be considered when applying the above criteria to a bill and hold transaction:

(a) the date by which the seller expects payment, and whether the seller has modified its normal billing and credit terms for this buyer;

(b) the seller's past experiences with and pattern of bill and hold transactions;

(c) whether the buyer has the expected risk of loss in the event of a decline in the market value of the goods;

(d) whether the seller's custodial risks are insurable and insured; and

(e) whether there are any exceptions to the buyer's commitment to accept and pay for the goods (i.e., the business reasons for the bill and hold have not introduced a contingency to the buyer's commitment).

UPFRONT NON-REFUNDABLE FEES OR PAYMENTS

A45. Enterprises may negotiate arrangements in which they may receive upfront non-refundable fees or payments upon entering into arrangements or on certain specified dates. The fees may be received by the seller for a license or other intangible right or for delivery of products or services, such as joining fees in health-club membership contracts, set-up fees in service contracts and initial fees in supply contracts. In some circumstances, the right, product or service provided in conjunction with the non-refundable fee has no utility to the buyer separate and independent of the seller's performance of the other elements of the arrangement. In the absence of the seller's continuing involvement under the arrangement, the buyer would not have paid the fee.

A46. Revenue is deferred when the upfront fee is in exchange for products delivered or services performed that have no utility to the buyer separate and independent of the enterprise's performance of the other elements of the arrangement.

A47. Supply or service transactions may involve the charge of upfront non-refundable fees with subsequent periodic payments for future products or services. The upfront fees may be wholly or partly an advance payment for future products or services. The ongoing rights or services being provided or products being delivered are essential to the customers receiving the expected benefit of the upfront payment.

A48. In such cases, the upfront fee and the continuing performance obligation related to the services to be provided or products to be delivered are assessed as an integrated package. These upfront fees, even if non-refundable, are earned as the products and/or services are delivered and/or performed and should be deferred and recognized systematically over the periods that the fees are earned.

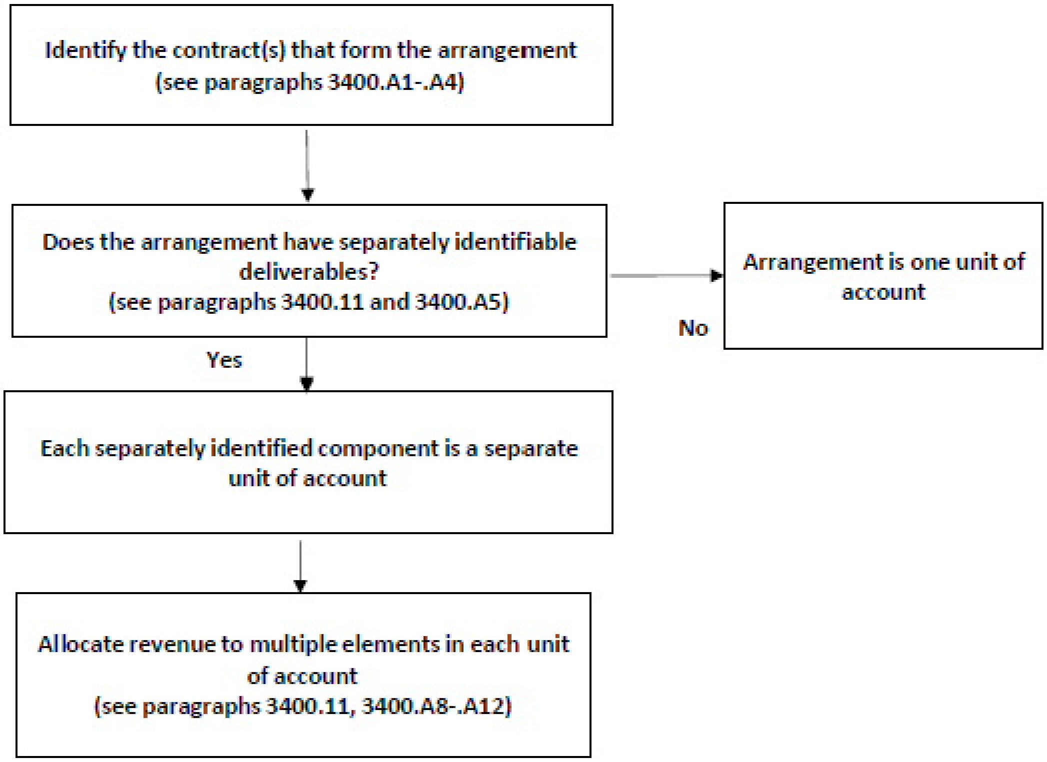
DECISION TREES

These Decision Trees are illustrative only.

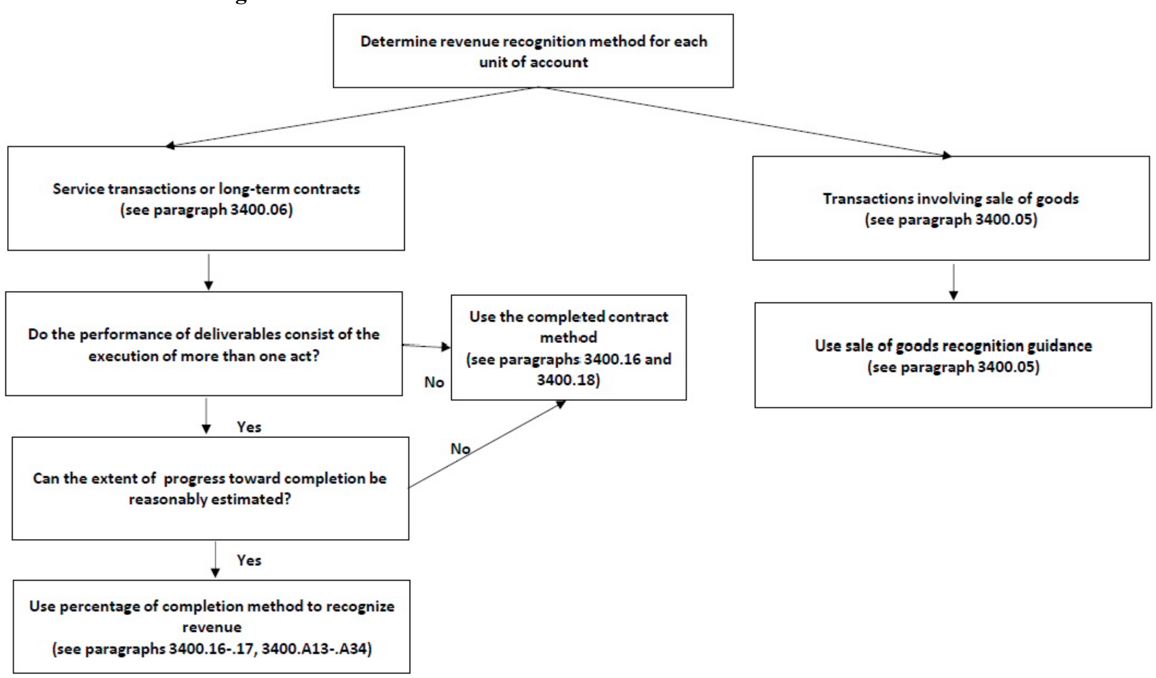
Decision Tree 1 – Identifying units of account for all revenue arrangements and allocation of revenue

Decision Tree 2 – Recognition of revenue for each unit of account

Decision Tree 1 – Identifying units of account for all revenue arrangements and allocation of revenue



Decision Tree 2 – Recognition of revenue for each unit of account



ILLUSTRATIVE EXAMPLES

This material is illustrative only.

These examples illustrate how the accounting treatment specified in this Section might be applied in particular situations. Matters of principle relating to particular situations should be decided in the context of the Section.

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MULTIPLE-ELEMENT ARRANGEMENTS

B1. The following examples indicate the application of the guidance for multiple-element arrangements.

Service agreements

Example 1

Human resources outsourcing services

Entity HR provides its customers with human resource solutions, such as support and guidance, employee relations, payroll and taxes, health benefits and administration. Customers may choose a prepackaged bundle of services, may customize an existing bundle of services, or may select the individual services they require. Given the many services Entity HR provides and its customers' varying needs, no two arrangements are exactly alike. Entity HR prices its arrangements based on the unique bundle of services to be provided. As a result, the stand-alone selling price for each of the services included in the contract is not directly observable.

Assume that on January 1, 20X1, Entity HR begins providing human resource solution services to Customer Y under a three-year arrangement. Under the arrangement, Entity HR agrees to provide Customer Y with payroll processing, three periodic training events, employee handbook development and an executive compensation assessment. The executive compensation assessment and employee handbook development are expected to be completed by June 30, 20X1 and 20X2, respectively. Entity HR expects to provide one training event annually. Total compensation under the arrangement is $1,275,000. Entity HR receives compensation under the arrangement as follows: an upfront payment of $375,000 and monthly payments of $25,000. There are no general refund rights included in the arrangement.

Entity HR is evaluating whether payroll processing, periodic training, employee handbook development and executive compensation assessment represent separate units of account and how to allocate arrangement consideration to the separate units of account.

Entity HR considers the criteria in paragraph 3400.A5 and determines that each of the deliverables in the arrangement has stand-alone value and should be accounted for as separate units of account. Because Entity HR does not have stand-alone selling prices that are directly observable, Entity HR must use its best estimate of selling price for each deliverable when allocating arrangement consideration under the relative stand-alone selling price method.

In estimating the stand-alone selling price for the deliverables, Entity HR considered its internal costs, its profit objectives, the pricing practices it used to establish the bundled price for its services, and whether any market constraints exist that may limit its selling price; for example, whether competitors could charge a lower price for the same service or whether the price for the service exceeds the cost savings to its customers. Entity HR believes that as the price for its service begins to exceed the customers' internal cost, the customers will be less likely to purchase the service.

When determining the price for its bundled services, Entity HR typically applies a gross profit margin to the cost incurred, primarily labour and other time and expenses, in providing the contracted services. The profit margin varies with the types of services to be provided and generally includes a discount based on the number of services being purchased. For example, Entity HR typically includes a 26 percent gross profit margin on its payroll processing services, 15 percent gross profit margins on its employee handbook development services and executive compensation assessments, and a 22 percent gross profit margin on its training services before considering any discount on the total arrangement. Those gross profit margins have been developed over time by a relevant authorized level of management based on available market data and demand for the services.

Entity HR's analysis also indicates that the price of the individual services calculated using its internal gross profit margins would be in a range in which the service would still be attractive to its customers, that is, the cost of the service would be less than the internal costs for the same service if the customers had to provide the service themselves.

Using its internal gross profit margins, and the total estimated costs it will incur to deliver the remaining units of account and considering market constraints, Entity HR estimates the selling price for the units of account as follows:

Costs to be incurred for payroll processing for 3 years	$976,250
(Payroll processing gross profit margin of 26%)	÷ .74
Estimated selling price for payroll processing	1,319,257
Cost to be incurred for executive compensation assessment	45,223
(Executive compensation assessment gross profit margin of 15%)	÷ .85
Estimated selling price for executive compensation assessment	53,204

Costs to be incurred for employee handbook development	56,113
(Employee handbook gross profit margin of 15%)	÷ .85
Estimated selling price for employee handbook development	66,015
Costs to be incurred for three training events	40,706
(Training event gross profit margin of 22%)	÷ .78
Estimated selling price for training events	52,187
Total estimated selling price of all deliverables	$1,490,663

Entity HR allocates the arrangement consideration of $1,275,000 for January 1, 20X1, as follows:

Payroll processing	[1,275,000 × (1,319,257 ÷ 1,490,663)]	$1,128,392
Executive compensation	[1,275,000 × (53,204 ÷ 1,490,663)]	45,507
Employee handbook	[1,275,000 × (66,015 ÷ 1,490,663)]	56,464
Three training events	[1,275,000 × (52,187 ÷ 1,490,663)]	44,637
Total consideration		$1,275,000

Example 2

Biotech license, research and development

Biotech enters into an agreement with Pharmaceutical Company ("Pharma"). The agreement includes Biotech licensing certain rights to Pharma and Biotech providing research and development services to Pharma. Additional details on each of those aspects of the agreement follow.

Biotech licenses certain rights on an exclusive basis to Pharma for a period of 10 years. The license gives Pharma the exclusive right to market, distribute and manufacture Drug B as developed using Technology A. Biotech retains all ownership rights to Technology A and Drug B. There are no when-and-if-available clauses or other performance obligations associated with the license, except as described below.

Biotech agrees to provide research and development services on a best-efforts basis to Pharma. Biotech agrees to devote four full-time equivalent employees to the research and development activities, and Pharma expects to devote several full-time equivalent employees to the research and development activities as well. The objective of the research and development services is to develop Drug B using Technology A. The ultimate objective is to receive government approval on Drug B.

Compensation under the arrangement is as follows:

(a) Biotech receives $5 million upfront upon signing the agreement;

(b) Biotech receives $250,000 per year for each full-time equivalent employee who performs research and development activities; and

(c) None of these payments, once received, is refundable, even if government approval is never received. In addition, Biotech must perform on a best-efforts basis.

Pharma must use Biotech to perform the research and development activities necessary to develop Drug B using Technology A because the know-how and expertise related to Technology A is proprietary to Biotech. In other words, Biotech is the only party capable of performing the level and type of research and development services required by Pharma under the agreement. Biotech has determined that the fees charged for the research and development services, $250,000 per year for each full-time equivalent employee who performs research and development activities, are competitive with the price other third-party vendors charge for similar services.

The two deliverables in this arrangement that are considered for separation are license and research and development activities. The license deliverable does not meet the second criteria for separation because it does not have stand-alone value to Pharma. Because Drug B has not yet been developed, the license is of no value to Pharma and could not be sold without the accompanying research and development activities using Technology A, which is proprietary to Biotech. Likewise, Pharma could not sell the license on a stand-alone basis to another party, because without Biotech agreeing to provide the research and development activities for that other party, the other party would not purchase the license. Therefore, the license and research and development activities should be considered as a single unit of account in the arrangement.

Example 3

Software contract

Software Co. licenses version 1.0 of its enterprise resource planning (ERP) product to 100 customers for $300 per copy. Software Co. also agrees to provide the 100 customers with a right to receive ERP version 2.0 at no additional cost when it becomes available. Software Co. also licenses ERP version 1.0 without the right to the software upgrade to customers for $250 per copy. Software Co. will provide ERP version 2.0 to existing users of ERP version 1.0 as a specified upgrade for a price of $100. Software Co. does not provide full or partial refunds for software licenses.

Software Co. is evaluating whether the licensing of ERP version 1.0 and the right to receive an upgrade to ERP version 2.0 represent separate units of account. Software Co. considers the criteria in paragraph 3400.A5 and determines that ERP versions 1.0 and 2.0 are separate units of account because they each have stand-alone value and there is no general right of return in the arrangement.

As Software Co. licenses ERP version 1.0 and sells the right to receive an upgrade to ERP version 2.0 separately to customers, the stand-alone selling price is directly observable. The relative stand-alone selling price is calculated as follows:

Total consideration received ($300 x 100 copies)	$30,000
	======
Stand-alone selling price of ERP version 1.0 ($250 x 100 copies)	$25,000
Stand-alone selling price of ERP version 2.0 upgrade ($100 x 100 copies)	
	$10,000
Total stand-alone selling of deliverables	$35,000
	======
Software Co. allocates the arrangement consideration of $30,000 on a relative stand-alone selling price basis as follows:	
ERP version 1.0 [$30,000 x ($25,000 ÷ $35,000)]	$21,429
ERP version 2.0 upgrade [$30,000 x ($10,000 ÷ $35,000)]	$8,571
Total consideration received	$30,000
	======

To meet the objective of allocating consideration to each deliverable in an amount that depicts the amount to which the enterprise is expected to be entitled in exchange for the deliverables, Software Co. recognizes revenue of $21,429 on delivery of ERP version 1.0 and does not recognize the revenue of $8,571 related to the upgrade to ERP version 2.0 until delivery of ERP version 2.0.

PERCENTAGE OF COMPLETION METHOD

B2. The following example illustrates determining the degree of completion of a contract using an input method and an output method.

A construction contractor has a contract for $9,000 to build a bridge. The initial contract revenue agreed on is $9,000. The contractor's initial estimate of contract costs is $8,000. It will take three years to build the bridge. The bridge will be 500 metres in length. The contractor estimates that it will have constructed 100 metres by the end of Year 1, 300 metres by the end of Year 2 and completed construction by the end of Year 3.

By the end of Year 1, the contractor's estimate of contract costs has increased to $8,050. In Year 2, the customer approves a variation resulting in an increase in contract revenue of $200 and estimated additional contract costs of $150. At the end of Year 2, costs incurred include $100 for standard materials purchased to be used in Year 3 to complete the project. These costs were included in the initial estimate of contract costs.

The contractor evaluated the deliverables in the contract and determined that the contract represents one unit of account.

The contractor is using Alternative A as included in paragraph 3400.A25 to calculate earned income under the contract.

A summary of the financial data during the construction period is as follows:

	Year 1	Year 2	Year 3
Initial contract revenue	$9,000	$9,000	$9,000
Variation	$0	$200	$200
Total contract revenue	$9,000	$9,200	$9,200
Contract costs incurred to date	$2,093	$6,168	$8,200
Contract costs to complete	$5,957	$2,032	$0
Total estimated contract costs	$8,050	$8,200	$8,200

Estimated profit	$950	$1,000	$1,000
Progress billings	$3,000	$3,100	$3,100

Determining degree of completion using an input method

The contractor determines the degree of completion of the contract based on the ratio of costs incurred to total estimated contract costs.

Calculating degree of completion:	Year 1	Year 2	Year 3
Cost incurred to date	$2,093	$6,168	$8,200
Total estimated contract costs	$8,050	$8,200	$8,200
Degree of completion (Cost incurred to date/Total estimated contract costs)	26%	74% *	100%

Calculating degree of completion for Year 2:

Cost incurred to date	$6,168
Less cost of materials for use in Year 3	
	$100
	$6,068
Total estimated contract costs	$8,200
Degree of completion ($6,068/$8,200)	
	74%

A summary of the financial statement impact during the construction period is as follows:

Income statement

	Year 1	Year 2 Only	Year 2 Cumulative	Year 3 Only	Year 3 Cumulative
Earned revenue (Total estimated revenue x degree of completion)	$2,340	$4,468	$6,808	$2,392	$9,200
Cost of earned revenue (Total estimated costs x degree of completion)	$2,093	$3,975	$6,068	$2,132	$8,200
Gross profit	$247	$493	$740	$260	$1,000
	======	======	======	======	======

Balance sheet

	Year 1	Year 2 Cumulative	Year 3 Cumulative
Work in progress			
Total costs incurred to date	$2,093	$6,168	$8,200
Cost of earned revenue recognized to date	$2,093	$6,068	$8,200
Contracts receivable	$0	$100	$0

Costs and estimated earnings in excess of billings on uncompleted contracts			
Progress billings	$0	$6,100	$9,200
Earned revenue	$0	$6,808	$9,200
Costs and estimated earnings in excess of billings on uncompleted contracts	$0	($708)	$0
	========	========	========

Billings in excess of costs and estimated earnings on uncompleted contracts			
Progress billings	$3,000	$0	$9,200
Earned revenue	$2,340	$0	$9,200
Billings in excess of costs and estimated earnings on uncompleted contracts	$660	$0	$0
	========	========	========

Determining degree of completion using an output method

The contractor determines the degree of completion of the contract based on how many metres of the bridge have been constructed.

	Year 1	Year 2	Year 3
Length of bridge constructed (in metres)	100	300	500
Degree of completion	20%	60%	100%

A summary of the financial statement impact during the manufacturing period is as follows:

Income statement

	Year 1	Year 2 Only	Year 2 Cumulative	Year 3 Only	Year 3 Cumulative
Earned revenue (Total estimated revenue x degree of completion)	$1,800	$3,720	$5,520	$3,680	$9,200
Cost of earned revenue (Total estimated costs x degree of completion)	$1,610	$3,310	$4,920	$3,280	$8,200
Gross profit	$190	$410	$600	$400	$1,000
	======	======	======	======	======

Balance sheet

	Year 2 Cumulative	Year 3 Cumulative

	Year 1		
Work in progress			
Total costs incurred to date	$2,093	$6,168	$8,200
Cost of earned revenue recognized to date	$1,610	$4,920	$8,200
Contracts receivable	$483	$1,248	$0
Billings in excess of costs and estimated earnings on uncompleted contracts			
Progress billings	$3,000	$6,100	$9,200
Earned revenue	$1,800	$5,520	$9,200
Billings in excess of costs and estimated earnings on uncompleted contracts	$1,200	$580	$0
	=====	=====	=====

B3. The following example illustrates the computation of income earned for a period using Alternative B in paragraph 3400.A25.

An enterprise has a contract to manufacture mining equipment. The terms of the contract are negotiated on a cost plus margin basis. The contract cost agreed on is $4,000 with a gross profit margin of 25 percent. It will take two years to manufacture the mining equipment.

The enterprise evaluated the deliverables in the contract and determined that the contract represents one unit of account.

A summary of the financial data during the construction period is as follows:

	Year 1	Year 2
Estimated contract cost	$4,000	$4,000
Estimated gross profit	$1,000	$1,000
Estimated contract revenue	$5,000	$5,000
Contract costs incurred to date	$2,600	$4,000
Contract costs to complete	$1,400	$0
Progress billings	$2,500	$2,500

The enterprise determines the degree of completion of the contract based on the ratio of costs incurred to total estimate contract costs.

Calculating degree of completion:	Year 1	Year 2
Cost incurred to date	$2,600	$4,000
Total estimated contract costs	$4,000	$4,000
Degree of completion (Cost incurred to date/Total estimated contract costs)	65%	100%

A summary of the financial statement impact during the manufacturing period is as follows:

Income statement

	Year 2 Only	Year 2 Cumulative

	Year 1		
Gross profit (Total estimated gross profit x degree of completion)	$650	$350	$1,000
Cost of earned revenue (Cost incurred during the period)	$2,600	$1,400	$4,000
Earned revenue (Gross profit earned plus cost of earned revenue)	$3,250	$1,750	$5,000

Balance sheet

	Year 1	Year 2 Cumulative
Work in progress		
Total costs incurred to date	$2,600	$4,000
Cost of earned revenue recognized to date	$2,600	$4,000
Contracts receivable	$0	$0
Costs and estimated earnings in excess of billings on uncompleted contracts		
Progress billings	$2,500	$5,000
Earned revenue	$3,250	$5,000
Costs and estimated earnings in excess of billings on uncompleted contracts	$750	$0
	=====	=====

B4. The following example illustrates the application of the guidance for expected contract losses.

Enterprise A is constructing a building for its customer. The construction is in its second year of the three-year project.

Enterprise A originally assessed the contract to be profitable and recognized a profit in year 1 of $2,000, based on the percentage of the contract that had been completed at that time. Enterprise A now estimates that the contract will incur a loss of $3,000.

In line with paragraph 3400.A33, Enterprise A should recognize a loss in respect of the contract of $5,000 in Year 2. This represents a reversal of the $2,000 profit recognized in Year 1 and the $3,000 loss expected on the contract as a whole.

The loss has been assessed through a revision of the estimated costs to completion. The appropriate accounting entry is to recognize the adjustment in the current year's results rather than record a prior-period adjustment.

REPORTING REVENUE GROSS OR NET

B5. The following examples demonstrate the application of the indicators for reporting revenue gross or net.

Product sales

Example 1

Entity A facilitates the sale of home furnishing products. Each product marketed has a unique supplier and that supplier is identified in product catalogues distributed to customers. Entity A maintains no inventories of products in advance of customer orders. Entity A takes title to the products ordered by customers at the point of shipment from suppliers. Title is passed to the customer upon delivery. The gross amount owed by a customer is charged to the customer's credit card prior to shipment and Entity A is the merchant of record. Entity A is responsible for collecting the credit card charges and must remit amounts owed to suppliers regardless of whether that collection occurs. Suppliers set product selling prices. Entity A retains a fixed percentage of the sales price and remits the balance to the supplier. Written information provided to customers during marketing and included in the terms of sales contracts states:

"Entity A manages ordering, shipping and billing processes to help you purchase home furnishing products. Entity A does not buy, sell, manufacture or design the products. When you use Entity A, you are purchasing the products from the Suppliers. Entity A has no control over the quality or safety of the products listed. Orders will not be binding on Entity A or the Suppliers until the applicable Supplier accepts them. Entity A will process your requests for order changes, cancellations, returns and refunds with the applicable Supplier. All order changes, cancellations, returns, or refunds are governed by the Supplier's policies, and you agree to pay additional shipment costs or restocking charges imposed by the Supplier. You agree to deal directly with the Supplier regarding warranty issues. Entity A will not be liable for loss, damage or penalty resulting from delivery delays or delivery failures due to any cause beyond reasonable control."

Certain indicators point toward gross reporting, while other indicators point toward net reporting. Entity A concludes that revenues should be reported net in this example. Although indicators of gross reporting exist for physical loss inventory risk (during shipping) and credit risk (for collecting amounts charged to credit cards), in Entity A's judgment, those indicators are not sufficient to overcome the stronger indicators that revenues should be reported net, including:

(a) the supplier, not the enterprise, is the primary obligor; and

(b) the amount earned by the entity is a fixed percentage of the total amount billed to the customer.

Example 2

A major Chain of athletic shoe stores obtains 60 percent of its seasonal shoes from an overseas source. The lead time for the order is four months and the selling season lasts three months. Chain takes title to the products upon delivery and is obligated to pay the Supplier according to typical industry payment terms. Selling prices for the products are determined exclusively by Chain. As long as Chain devotes at least 20 percent of its advertising budget to the Supplier's brands and prices the shoes within 20 percent of the national average price, Chain may return for full credit any unsold shoes and any customer returns within 60 days of the end of the season. Sales to customers are by cash or credit card.

After applying the indicators, Chain concludes that revenue from sales of products from the overseas source should be reported based on the gross amount charged to customers. Indicators of gross reporting are:

(a) Chain is the primary obligor to the customer, a strong indicator, as Chain is responsible for fulfillment and customer remedies in the event of dissatisfaction;

(b) Chain has general inventory risk as a result of taking title and maintaining inventory, although that risk is mitigated through the return provisions with the supplier;

(c) Chain has complete latitude to set the prices for the products (even though product pricing may affect Chain's return rights and expose it to greater inventory risk) and the net amount to be earned varies with that selling price; and

(d) Chain also has credit risk for credit card transactions (a weaker indicator). No indicators of net reporting are present.

Similar fact patterns: Changes in the fact pattern as to product return provisions for unsold products between the Chain and the Supplier that would not change the result that Chain should report revenue gross include, for example, a vendor-imposed restocking fee or a limit on the number of items that may be returned. Those types of changes would increase the amount of general inventory risk present and increase the strength of that indicator of gross reporting.

In this example, the conclusion to report revenue gross based on the indicators would not be affected if the products Chain sold were in Chain's inventory on a consignment basis. While a consignment arrangement would eliminate the general inventory risk indicator of gross reporting, the primary obligor indicator, a strong indicator of gross reporting, and the pricing latitude and credit risk gross indicators continue to point to gross reporting. Further, there continues to be no indicator of net reporting.

Service transactions

Example 3

Entity C sells access to industrial application software that assists customers in managing their energy usage levels. Billings are on standard 30-day terms. Entity C's software is resident on Entity C's hardware and is accessed through the Cloud. Entity C's software incorporates software from another vendor. In its marketing literature and sales contracts, Entity C clearly states that its software includes the other vendor's software (by name) and that the customer has the right to use that software as a component of Entity C's software. (The other software vendor is not party to the sales contract between Entity C and the customer.) Entity C sells access to its software for $50,000 per year per user/individual access right and pays the other vendor a fixed fee of $15,000 per year for each annual access right sold. Currently, Entity C has complete discretion in determining the selling price.

Entity C concludes that it should report its revenue from software access gross at an annual total of $50,000 per copy. [Note that the timing of recognition of that revenue is not covered in this example.] Entity C is primarily responsible to the customer for providing access to the "total solution" software, a strong indicator of gross reporting. Entity C has complete control over the sales price and has developed or physically changed its software (irrespective of the use of components from others), both indicators of gross reporting. Entity C has discretion to incorporate any other vendor software into its software, irrespective of the fact that changing to another vendor for a component would be difficult or expensive or that Entity C's agreement with its current supplier makes that supplier the exclusive supplier of the component for a stated period of time. Entity C determines software specifications, an indicator of gross reporting. Entity

C has full credit risk under its credit policies with customers, a weaker indicator of gross reporting. No indicators of net reporting are present.

Example 4

"Matchmaker" provides the service of matching enterprises needing advertising space for its advertisements with enterprises that have advertising space to sell. Matchmaker arranges for space and marks up the price by its fee (while that fee often is equal to 15 percent of the amount charged by the supplier of advertising space, the actual fee is a result of negotiations between Matchmaker and its customers). "Advertiser" needs to purchase advertising space. "Newspaper" is a major newspaper with advertising space to sell.

Advertiser and Matchmaker enter into a service agreement for Matchmaker to find appropriate advertising space. The agreement requires Advertiser to accept advertising space located by Matchmaker if certain criteria are met. Matchmaker reserves appropriate space for Advertiser at Newspaper. Matchmaker is obligated to purchase the space even if Advertiser cancels the advertisement; however, since Advertiser has engaged Matchmaker to find the advertising space, cancellation is unlikely. Advertiser pays Matchmaker 115 percent of Newspaper's rate and Matchmaker pays Newspaper the net amount. Matchmaker provides Advertiser's advertising copy to Newspaper to print and issue. The contract between Matchmaker and Advertiser requires Advertiser to seek remedies from Newspaper for defects in advertisements (e.g., improper placement or poor-quality print).

Certain of the indicators point to gross reporting, while others point to net reporting. Matchmaker concludes that revenues should be reported net based on the net indicator that Newspaper is the primary obligor. Two indicators of gross reporting were identified; however, Matchmaker did not consider them sufficiently strong to overcome the net indicators. Those gross indicators are:

(a) Matchmaker has a low-level general inventory risk because Matchmaker is obligated to pay Newspaper for the advertising space even if Advertiser cancels the advertisement (however, this risk is mitigated because Advertiser specifically engaged Matchmaker to obtain the advertising space); and

(b) Matchmaker has credit risk for collecting the amount billed to Advertiser.

BILL AND HOLD ARRANGEMENTS

B6. The following example indicates the application of the guidance for a bill and hold arrangement.

Customer A bought goods from Enterprise B and has requested Enterprise B to provide custodial services. Customer A requested the custodial services as its warehouse is under construction and currently has no place to store the purchased goods. Customer A and Enterprise B agreed that Customer A will pick up the goods upon completion of the construction of its warehouse.

The goods are not specifically customized for the customer but are stored in a special storage room. The enterprise typically does not provide custodial services unless a customer has ordered goods.

The contract does not state a price relating to the custodial services and the total transaction price does not change regardless of how long the goods are stored at the enterprise's premise. The storage room is locked and equipped with cameras and alarms and only certain designated employees have access to the room. The enterprise's policy is that once goods are placed in the storage room, they are "reserved" for the specific customer and, therefore, cannot be used or directed to another customer. However, the goods in the storage room are not specifically identified as belonging to a specific customer. There are controls in place to ensure compliance with the enterprise's "reservation" policy.

When the goods are picked up at the scheduled time, a designated employee tracks the customer purchase order in the system and identifies the specific items pertaining to the customer's order by the product description. The employee then enters the storage room, locates the described goods and provides them to the customer. Although the items are not specifically identified for the customer who has requested the custodial service, the total inventory count of a specific item would agree to the total quantity in the system.

Generally, this arrangement fulfills the bill and hold considerations for the goods in paragraph 3400.A43:

- Ownership has passed to Customer A as the Customer A acknowledges the deferred delivery and the payment terms;
- Delivery has been delayed at Customer A's request and receives economic benefit in the form of cost saving for storage space;
- Delivery will be made as per the agreed upon schedule; and
- The inventory on-hand is identified and "reserved" for the customer at the time that the sale is recognized, the customer acknowledges the deferred delivery and the payment terms.

While not illustrated in this example, the custodial services should be assessed using the criteria in paragraph 3400.A5 to determine if they represent a separate unit of account.

UPFRONT NON-REFUNDABLE FEES OR PAYMENTS

B7. The following examples indicate the application of the guidance for non-refundable fee or payment arrangement.

Example 1

An enterprise sells a lifetime membership in a health club. After paying a non-refundable "initiation fee," the customer is permitted to use the health club indefinitely, so long as the customer also pays an additional usage fee each month. The monthly usage fees collected from all customers are adequate to cover the operating costs of the health club.

The upfront fee is not received in exchange for services provided to the customer that meet the criteria for recognizing revenue in paragraphs 3400.05-.06 and the upfront fee does not have a stand-alone value to the customer because ongoing use of the health club is dependent on payment of an additional usage fee each month. Therefore, the upfront fee and the continuing services to be provided or products to be delivered are assessed as an integrated package.

The upfront fees, even if non-refundable, are earned as the products and/or services are delivered and/or performed over the term of the arrangement or the expected period of performance and generally should be deferred and recognized systematically over the periods that the fees are earned.

Example 2

An enterprise requires a customer to pay a non-refundable "activation fee" when entering into an arrangement to provide telecommunications services. The terms of the arrangement require the customer to pay a monthly usage fee that is adequate to recover the enterprise's operating costs. In order to provide basic local telephone service to a customer, a telephone company must activate the customer's service at the central office.

The company charges $50 to activate basic local service. Ongoing fees related to basic local service consist of a flat monthly fee and usage-related charges. There is no contract between the customer and the company. The costs associated with activation are $40 and consist primarily of the technician's salary and related benefits.

The revenue from the fee should be deferred and recognized over the expected term of the customer relationship. The customer can be expected to view activation as a necessary and inseparable part of buying ongoing telephone service, and not as a separate service with a stand-alone value that meets the criteria for recognizing revenue in paragraphs 3400.05-.06.

In this situation, the activation costs are nominal. The question arises as to whether the incurrence of more than nominal costs for activation would permit revenue recognition when activation was performed. This example cited nominal costs solely to make it clear that there was not a separate earnings event in the situation described. However, incurrence of substantive costs does not necessarily indicate that there is a separate earnings event. Whether there is a separate earnings event should be evaluated on a case-by-case basis.

The question also arises as to whether revenue may be recognized in these transactions to the extent of the incremental direct costs incurred in the activation. Because there is no separable element or earnings event, the recognition of revenue to the extent of the incremental direct costs incurred in the activation would not be appropriate. However, capitalization of certain contract acquisition or origination costs may be appropriate in these circumstances when assessed against the criteria in GOODWILL AND INTANGIBLE ASSETS, Section 3064.

Example 3

Cloud Co. enters into a contract with a customer for a license of its software and a non-cancellable one-year subscription to access the licensed application (the cloud services). The contract amount for the software license is an upfront, non-refundable fee of $1 million. The fee for the cloud services is $500,000 for one year. The customer has the right to renew the cloud services each year for $500,000.

Assume that Cloud Co. determines the software license and cloud services are a single unit of account. There are no other promised goods and services in the contract. Therefore, the upfront fee is not associated with the transfer of any other good or service to the customer. However, Cloud Co. determines there is an implied performance obligation. That is, the right to renew the cloud services each year for $500,000 is a material right to the customer because that renewal rate is significantly below the rate the customer paid for the first year of service ($1.5 million in total).

Based on its experience, Cloud Co. determines that its average customer relationship is three years. As a result, Cloud Co. determines that the performance obligations in the contract include the right to a discounted annual contract renewal and that the customer is likely to exercise twice.

Cloud Co. should recognize the non-refundable fee of $1 million systematically over the period the licensing fees are expected to be earned.

Footnotes

* The degree of completion for Year 2 (74 percent) is determined by excluding the $100 of standard material purchased in Year 2 for use in Year 3, from costs incurred to date.

This is Exhibit “B” referred to in the Affidavit of David George sworn by David George at the City of Toronto, in the Province of Ontario, before me on June 23, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

NIKLAS HOLMBERG

402. REVENUE AND PROFIT RECOGNITION

402.1. No distinction has been made in the real estate industry in Canada between the recognition of revenue and profit. Until the time when revenue is recognized, the *deposit method* of accounting is used. Generally, once accounting principles allow for the recognition of revenue then the related profit is also recognized. Detailed rules have not been developed under ASPE to specify when the *cost recovery method* or *instalment method* should be used, if at all, although there is some guidance on when the *percentage of completion method* may be used. Companies must evaluate the substance of the transaction and record profit as appropriate in the circumstances.

402.2. Revenue and profit from the sale of real estate assets should be recognized when the requirements as to performance set out in paragraph 402.3. are satisfied, provided that at the time of performance ultimate collection of the sale proceeds is reasonably assured. (See 402.15.)

402.3. Performance should be regarded as having been achieved when the following conditions have been fulfilled:

- **the vendor of the property has transferred to the buyer the significant risks and rewards of ownership, in that all significant acts have been completed and the vendor retains no continuing managerial involvement in, or effective control of, the property transferred to a degree usually associated with ownership; (See 402.9., 402.10. and 402.13.); and**
- **reasonable assurance exists regarding the measurement of the consideration that will be derived from the sale of the property. (See 402.14.)**

402.4. In the case of rendering of services and long-term contracts, performance should be determined using either the *percentage of completion method* or the *completed contract method*, whichever relates the revenue to the work accomplished. Such performance should be regarded as having been achieved when reasonable assurance exists regarding the measurement of the consideration that will be derived from rendering the service or performing the long-term contract.

402.5. In accordance with ASPE Section 3400.17, the *percentage of completion method* s used when performance consists of the execution of more than one act, and revenue would be recognized proportionately by reference to the performance of each act. Revenue recognized under this method would be determined on a rational and consistent basis, such as on the basis of sales value, associated costs, extent of progress or number of acts. For practical purposes, when services are provided by an indeterminate number of acts over a specific period of time, revenue would be recognized on a straight-line basis over the period unless there is evidence that some other method better reflects the pattern of performance. The amount of work accomplished would be assessed by reference to measures of performance that are reasonably determinable and relate as directly as possible to the activities critical to the completion of the contract. (Measures of performance include output measures, such as project milestones, or input measures, such as labour hours.) Amounts billed are not an appropriate basis of measurement unless they reflect the work accomplished.

402.6. The *completed contract method* would only be appropriate when performance consists of the execution of a single act or when the entity cannot reasonably estimate the extent of progress toward completion.

402.7. Under IFRS (and U.S. GAAP), revenue and profit from the sale of real estate assets are recognized as the transfer of control of promised goods or services to customers takes place (in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services). Under IFRS 15, a five-step process is used to determine this. IFRS 15 and ASC 606-10 (U.S. GAAP) have an effective date for periods beginning on or after January 1, 2018. REALPAC guidance on changes to revenue recognition under IFRS 15 will be provided in a future amendment to the REALPAC IFRS Handbook.

402.8. TRANSFER OF SIGNIFICANT RISKS AND REWARDS OF OWNERSHIP

402.8.1. The earliest date revenue may be recognized is the date the parties are bound by the terms of the contract and all consideration has been exchanged. Normally, all conditions precedent to *closing* should have also been performed. Until such time, the *deposit method* of accounting should be used. Once these events have occurred, consideration must be given to assessing when the significant risks and rewards of ownership are transferred to the buyer.

402.9. COMPLETION OF ALL SIGNIFICANT ACTS

402.9.1. The first test of the transfer of significant risks and rewards of ownership is whether all significant acts have been completed. In many real estate transactions, the passing of possession of the property is evidence of such completion. Frequently, this is coincident with the passing of legal title. For example, a house buyer would normally take title and possession at the same date, and accordingly that would be the date to record the sale. Similarly, title would normally pass at *closing* for commercial and industrial properties and in the absence of other factors that would be the date to recognize the sale.

402.9.2. In other cases, the passing of legal title may occur at a different time from the passing of possession or of the risks and rewards of ownership. For example, land in Canada is frequently sold under an agreement of purchase and sale whereby possession is obtained by the purchaser but title does not pass until the purchase price has been fully paid. In these situations, it may be appropriate to recognize revenue earlier than the passing of title (i.e., at the date the risks and rewards of ownership are transferred).

402.9.3. Often there are other significant acts of performance or material requirements of the vendor that have to be met before revenue should be recognized. In certain transactions, these may be referred to as conditions precedent to *closing*. These acts may include the following:

- arrangement of permanent financing if this was the responsibility of the seller;
- registration of a plan of subdivision;
- availability of building permits; and
- letting of a contract for land servicing (installation of roads, sewers, water mains, etc.) and including the obtaining of a performance bond if required by the municipality.

402.9.4. Each act specified in the contract should be evaluated to determine its effect on the transfer of risks and rewards. In many instances, certain acts may trigger other events, but may not dissolve the contract. In addition, consideration must be given to the substance of the act and the uncertainty surrounding its completion.

402.9.5. In Canada, the accounting for the sale of condominium units demonstrates the practical application of the requirements for significant acts of performance to be completed before revenue is recorded. Typically, a unit purchaser arranges to make the purchase and occupy the unit long before it is legally possible to obtain title because the declaration of the condominium corporation has not been registered. The date the declaration is registered is referred to as the date of final *closing*. However, unless there is reason to believe that the declaration would not ultimately be obtained, the sale is recorded once the purchaser has paid all amounts due on the interim *closing*, has undertaken to assume a mortgage for the balance of the purchase price, has the right to occupy the premises and has received an undertaking from the developer to be assigned title in due course.

402.10.1. The second test of transfer of significant risks and rewards of ownership is whether the vendor retains any continuing managerial involvement in, or effective control of, the property to a degree usually associated with ownership.

402.10.2. The situation that demonstrates when a vendor retains any continuing managerial involvement in, or effective control of, the property to a degree usually associated with ownership that is most likely to affect real estate sales occurs when the purchaser has the right to rescind the transaction.

402.10.3. The usual provisions of a real estate sale agreement that would allow the purchaser to in effect rescind the transaction would include the following:

- a right to the purchaser to compel the seller to repurchase the property; or
- an obligation for the seller to repurchase the property.

402.10.4. Of these two examples, clearly, a sale has not occurred in the first. In the second, normally an obligation for the seller to repurchase would also prevent recognition of a sale; however, there may be circumstances where the exercise of the obligation was so remote as to allow recognition. For example, a vendor, in a standard contract, may be obligated to repurchase a site in 10 years if the purchaser has not proceeded with development on the site. Provided there was reasonable assurance that development would proceed within the time frame, a sale could be recognized on *closing*.

402.10.5. A similar provision that may prevent recognition of a sale would be an option to the seller to repurchase the property. If the option to repurchase is at a price less than *fair value*, REALPAC believes that in most cases the vendor has retained effective control (this may not be the case where, for example, the vendor is cash-constrained and is unlikely to exercise the option to repurchase); however, if the option to repurchase is at *fair value* then the vendor has likely not retained effective control.

402.10.6. Other potential conditions that might indicate that the vendor has retained continuing managerial involvement in, or effective control of, the property transferred to a degree usually associated with ownership would include the following:

- the vendor provides the buyer with a cash flow guarantee, agrees to initiate or support operations until a particular level of rental income has been achieved or guarantees a minimum return to the buyer;
- there are limitations and restrictions on the purchaser's profits and on the development or disposition of the property;
- the property is sold and repurchased simultaneously by the same interests; or
- there is a sale of an interest in the property to a limited partnership in which the vendor is the general partner.

402.10.7. Regarding the first example in paragraph 402.13.6., in the real estate business, properties are sometimes sold with cash flow guarantees, agreements to initiate or support operations until a particular level of rental income or occupancy has been achieved or guarantees of a minimum return to the buyers. From the seller's perspective, provided such commitments were thought to be of a short-term duration and the costs thereof could be reasonably estimated, revenue on the sale of the related property, including any fees related to the commitments, would normally be recorded at the date of *closing*. In such instances, the estimated cost of fulfilling the vendor's obligations would be recorded as a cost of sale. On the other hand, if the support period was thought to be of a longer-term duration, a portion of the contract revenue would usually be deferred and recorded over the period of support along with any costs of providing that support. Essentially, an inability to quantify the risk of the commitments would indicate that the vendor retained effective control of the property. From the buyer's perspective, any fees paid by the buyer relating to the seller's guarantees with respect to cash flow, revenues, occupancy or similar should be applied to the cost of the property, affecting future depreciation. The fee to obtain the seller's commitment can be viewed as an escrowed portion of the purchase price contingent on the seller's ability to rent the space. If the buyer earns any revenues or fees from the seller during the agreement term, those revenues should also be credited against the cost of the property.

402.10.8. In the second example in paragraph 402.13.6., the specific limitations and restrictions should be reviewed to determine whether they are so material to suggest the substance of the transaction is not a sale.

402.10.9. In the third instance in paragraph 402.13.6., it is clear that the significant risks and rewards of ownership remain with the vendor.

402.10.10. In Canada, a transfer of an interest in property to a limited partnership in which the vendor retains an interest as a general partner would not normally indicate that effective control of the property was retained by the vendor. Although the limited partners cannot participate in the day-to-day management of the property, usually they would have the right to terminate the general partner's contract, although the limited partnership agreement may require a significant percentage of the limited partners to be in favour of the termination. The terms of each such agreement must be reviewed to determine the substance of the transfer and whether the vendor had completed all acts necessary to prevent the unwinding of the transaction. Further, consideration needs to be given to the guidance set out in subsection 604. on contributions to a joint arrangement to determine the gain or loss to be recognized in income at the time of the transfer or sale to the extent of the interests of the other non-related investors.

402.10.11. Similarly, a transfer of a part interest in a property to a joint arrangement would not preclude recognition of a sale of that part of the property transferred to outside interests. The substance of the transfer must be evaluated, and the accounting would follow that set out in section 600.

402.11. REVENUE IS MEASURABLE

402.11.1. The next criterion in ASPE in the determination of whether a sale should be recognized involves the ability to measure the consideration that will be derived from the sale. Normally this determination is not difficult; however, there are two general situations in the real estate industry where a question as to the amount of the consideration may be raised.

402.11.2. In certain instances, there may be contracts where the proceeds are dependent on a future sale of the property. However, such contracts usually establish a minimum price with a participation in the profits of the purchaser related to the development of the property or a participation in the appreciation if the purchaser were to refinance the property. Provided the vendor did not share in any losses of the purchaser in such situations, revenue would normally be recognized at the date of *closing* based on the minimum price. The share of future profits or appreciation would be recorded as earned or received, as appropriate. In such situations, it would not be appropriate to defer any costs to charge against the future income. Sharing in the losses would likely prevent a sale from being recognized.

402.11.3. Other situations where measurement of revenue may be difficult in the real estate environment would include transactions whereby the consideration included purchaser's stock or notes with optional settlement provisions that are of an undeterminable value.

402.12. ULTIMATE COLLECTION IS REASONABLY ASSURED

402.12.1. The last criterion set under ASPE for the recognition of revenue when cash receipts are deferred is the degree of assurance as to the ultimate collectibility of the proceeds. When there is uncertainty as to ultimate collection, it may be appropriate to recognize revenue only as cash is received. When there is reasonable assurance of ultimate collection, revenue is recognized even though cash receipts are deferred. When the uncertainty relates to collectibility and arises subsequent to the time revenue was recognized, a separate provision to reflect the uncertainty should be made. The amount of revenue originally recorded would not be adjusted.

402.12.2. When consideration includes a note or other *financial instrument* issued by the purchaser to be settled in cash and under the terms of the notes the seller has recourse effectively only against the assets sold, income from the sale is only recognized when there is a substantial commitment by the purchaser demonstrating its intent to honour its obligations under the note and the seller has reasonable assurance of collecting the note.

402.12.3. There are a number of conditions that may indicate a lack of substantial commitment by the purchaser including:

- an appropriate amount of the sale price has not been received in cash;
- the vendor has made concurrent loans to the purchaser, particularly non-recourse loans; and
- the balance of the purchase price is not payable with some reasonable relationship to the progress of the development.

402.12.4. Contracts for the sale of real estate frequently include the purchaser providing part of the consideration in the form of a note. In these situations, the note may be without recourse to the assets of the buyer other than the property sold.

402.12.5. The amount of the down payment demonstrates the buyer's initial commitment to the property. ASPE does not provide explicit guidance on what would be considered a sufficient down payment. With respect to assets not held for sale in the normal course, practice has evolved where a commitment of approximately 15% of the purchase price is generally sufficient to allow profit recognition. Such a commitment could be in the form of cash from resources other than those transferred from the seller or other terms of the transaction including an absolute assumption by the purchaser of the seller's obligation to a third party equivalent in value to a sufficient down payment of the purchase price. In other circumstances, defining the appropriate amount of down payment must depend on the nature of the transaction and the circumstances at the time. In Canada, revenue from a sale of land has generally been recognized only after the receipt of at least 15% of the sales price. There has been no established practice for other types of properties. REALPAC believes that the amount must be determined based on the environment at the time of sale. For instance, in a depressed market with little evidence of an upturn or at the height of an escalating market, a land developer may think it appropriate to have received 25% to 35% of the sales price in cash before the sale is recognized. On the other hand, if the sale were to a company or organization with security above and beyond the land, a sale may be recognized with less than 15% down.

402.12.6. Concurrent loans to the purchaser raise a question as to the buyer's commitment to the property. Such loans may be unsecured, secured on a non-recourse basis by the property sold or secured by the property sold and other assets of the purchaser. In evaluating the collectibility of the note, the type of note must be taken into consideration. If the notes could be sold without recourse to the vendor or if the notes were supported by an irrevocable letter of credit from an independent established lending institution, then collectibility would not be a concern. Historically, in Canada, non-recourse debt would not necessarily prevent the recognition of a sale unless other factors suggested there was doubt as to the collectibility of the proceeds.

402.12.7. A further indication of the continuing commitment of the buyer is the rate, both as to time and amount, of principal repayments. The sooner the debt is repaid, the more certain is the collection. In projects involving further development, the closer the repayments are related to the progress of development, the more certain is the collection.

402.12.8. In situations where a note is taken back and secured on not only the property sold but also other assets of the purchaser, the vendor would need to assess whether the purchaser is a responsible and established organization and appears to have the financial strength to repay any monies owing. If the note taken back is non-recourse, factors that would raise doubt about the purchaser's ability to honour the note in accordance with its terms include the following:

- the net cash flow to be generated in the future by the assets sold and available to service the note is not reasonably expected to equal or exceed the purchaser's obligations under the note, based on past experience and current circumstances;
- the note bears a significantly higher effective rate of interest than market interest rates on other monetary financial instruments of a similar term to maturity (i.e., the risk premium indicates significant uncertainty about ultimate collection); or

- the purchaser could provide a lender with a security interest in the assets sold that ranks ahead of the interest of the seller.

402.12.9. The circumstances of each transaction must be reviewed in light of these guidelines along with any other qualitative factors that would support the seriousness of the purchaser to honour the obligations. For example, sales may be made to responsible and established entities but the down payment is in a form other than cash, such as existing property owned by the purchaser, a mortgage in good standing or shares of the purchasing entity. When examining the circumstances, it is unlikely that an inability to meet one guideline would prejudice the recognition of revenue and profit, however; a combination of factors may suggest that revenue should not be recorded until collection of the receivable was more reasonably assured.

This is Exhibit “C” referred to in the Affidavit of David George sworn by David George at the City of Toronto, in the Province of Ontario, before me on June 23, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

NIKLAS HOLMBERG

SATURDAY IN DOWNSVIEW PARK
Toronto, Ontario
Job No: 20130.103233.000

Prepared for:
DOWNSVIEW HOMES INC.

Prepared By:
ALTUS GROUP LIMITED

Issued**: July 23, 2020**

SATURDAY IN DOWNSVIEW PARK
RESIDENTIAL DEVELOPMENT

Project Budget Report
at March 31, 2020

July 23, 2020

Our Ref.: 20130.103233.000

National Bank of Canada
600 De La Gauchetiere St. West, 4th Floor
Montreal, Quebec
H3B 4L2

Attention: Marcie Kizuik

Dear Sir,

Re: Saturday In Downsview Park, Toronto, ON

We submit for your review our Project Budget Report as at March 31, 2020.

The Project Budget includes land cost and associated infrastructure costs, all anticipated hard and soft costs including municipal levies and fees, consultants, marketing, legal & administrative, financing, anticipated interim income/ recoveries and allowances for contingencies etc. The target construction budget includes all direct and indirect construction costs including general conditions and contingencies.

1. Project Description and Budget

Based on the documentation provided to date we have calculated a Project Budget of $255,135,000 to construct the residential development at 2995 Keele Street, Toronto, ON, consisting of 2 condo buildings (10 storey 249 units, and 7 storey 169 units) and a 4-storey, 53-unit rental building collectively called Block A and 80 townhome units (Block P), and associated site works. The budget is same as the budget noted in National Bank of Canada (the "Lender") Transaction Outline dated April 7, 2020. Refer to Appendix A for details.

We have received and reviewed Downsview Homes Inc. (the "Borrower") Project Budget Summaries (titled Block A and Block P). Copies are enclosed in Appendix E. Notwithstanding certain budget line-item variances, we are in general agreement with the Borrower's current budget.

2. Budget Assumptions & Comments

The project budget is based on the following key assumptions:

- Land cost of $14,672,508 plus additional hard and soft costs attributed to land development / land infrastructure;
- Development Charges allowance of $21,882,282 based on City of Toronto July 2020 rates;
- Allowances for Building Permit Fees of $1,821,803 and Planning / Municipal Fees of $879,600;
- Construction budget of $147,100,000, which equates to $287/sf based on 512,210 sf of gross construction area. Post contract contingency of 4% of hard construction costs is included in the construction budget. Refer to Section 3 for details.
- Ancillary construction costs including:
    - Allowances for Warranty & Deficiencies of $871,943 and Technical Audit of $483,907;
    - Tarion Enrolment Fees and Warranty reserve are included in the amount of $709,994;
    - Allowances for Insurance of $1,524,094 and Upgrades of $2,428,765;

- Design Consultants budget of ±$4,659,000 based on costs incurred to date and allowances;
- Development Management Fee (including Construction Management Fee) of $18,520,950 as carried by the Borrower;
- Allowances for Marketing, Advertising and Customer Service overheads of ±$4,659,000
- Sales Commissions for Lead and Co-Broker Budget of ±$12,263,000;
- Financing fees based on Transaction Outline from National Bank dated April 7, 2020. Allowance for Commitment Fee of 45bps of proposed construction loan;
- Construction loan interest reserve budget based on average 3.90% interest rate for 22 months. Refer to Appendix C for cash flow projection;
- Interim Operating Costs allowance of $587,497;
- Interim Operating Recoveries allowance of ($1,476156);
- Recoveries from purchasers for Development Charges and Tarion Enrollment Fee of ($3,411,265) and ($536,625) [***subject to Lender's approval***];
- Development contingency allowance of 1% (of soft costs);

Refer to Appendix A for Project Budget details and comments.

3. Construction Budget

Construction Cost budgets reviewed were provided by Downsview Homes Inc., which can be summarized at a high level as:

	Block A	Block P - Classic	Block P - Urban	Total
Construction Budget	$118,640,156	$8,658,001	$14,386,673	$141,684,830
Contingency	$4,715,954	$276,083	$423,133	$5,415,170
Total Budgets	**$123,256,110**	**$8,934,084**	**$14,809,806**	**$147,100,000**
Av. $/sf	**$328 / sf**	**$318 /sf**	**$140 /sf**	**$303/sf**

Overall hard construction budget for the project average $303/sf for 485,363 sf GCA (above grade construction area) which falls within the expected range of $/sf for residential product for similar quality and scale. Construction Management Fee is part of Development Management fee budget (outside of hard construction budget). Refer to Appendix D for details.

4. Project Contingencies

Included in the Project Budget of $255,135,000 are the following contingencies:

	Amount	%
Construction Contingency	$5,415,170	4%
Construction Contingency – Escalation	Excluded	
Development Contingency	$846,335	1%
Total Contingencies	**$6,261,505**	**3%**

5. Source and Use of Funds Assumption

The Project Budget assumes the following sources of funds:

Source	Amount	%
Equity – Land	$19,466,667	8%
Equity – Cash	$18,798,333	7%
Insured Deposits	$38,270,000	15%
Construction Loan	$178,600,000	70%
Total Sources	**$255,135,000**	**100%**

The above assumptions are subject to final loan term sheet. Refer to Appendix B for details. Changes to source of funds will have an impact on the overall Project Budget. We recommend that the Project Budget be updated upon finalization of the source of funds, and particulars of construction loan term sheet, including financing fees and interest rate etc.

6. Concluding Remarks & Qualifications

Based on our review of documentation provided to us at this time, we are in general agreement with the Project Budget of $255,135,000. For the final reporting budget prior to first loan advance, we recommend that the following items / budget allowances be reconfirmed to ensure that the budgeted allowances made in this report are valid:

a. Inclusion of recoveries from purchasers for Development Charges and Tarion Enrollment Fee of ($3,411,265) and ($536,625) in the budget – subject to the Lender's approval;
b. Contracted trade contracts reflecting full project scope and committing at least 60%-75% of the hard construction budget (excluding General Requirements).
c. Construction Contingency allowance of minimum 3%

It should be noted that this report is not intended for general circulation, publication or reproduction for any other person or purpose without express written permission to each specific instance. Furthermore, our reports are written for the exclusive use of Downsview Homes Inc. (Borrower) and National Bank of Canada (Lender) and is not to be relied upon by any other party. Altus Group Limited does not hold any reporting responsibility to any other party.

Once you have had the opportunity to review this Report, we look forward to discussing it with you.

Yours truly,

ALTUS GROUP LIMITED

Per: Max D'Arcangelo
Senior Consultant

Per: Koover Vohra
Senior Director

cc. Darryl Dawe, Shuang Yu, Adrian Tarapacky, Downsview Homes Inc.
Nick Apolonatos, Altus Group

Contents

Appendix A - Project Budget

AltusGroup
Downsview Homes Inc.

Saturday in Downsview
Toronto, Ontario

Capital Cost & Cost-to-Complete Summary
March 31, 2020

Job No. 103233
Report No. Budget Report
Date 23-Jul-20

Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Current Variance	Altus Group Current Budget	Budget Assumptions & Comments	Gross Cost-to-Date Block A	Gross Cost-to-Date Block P	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
EXECUTIVE SUMMARY															
LAND	15,087,006	14,481,841	29,568,847	0	29,568,847		13,227,022	10,982,552	24,209,574	0	24,209,574	5,359,273	0	0	45%
DEVELOPMENT CHARGES & MUNICIPAL FEES	16,854,626	5,038,088	21,892,714	2,690,971	24,583,685		682,112	183,460	865,572	0	865,572	23,718,114	0	0	3%
CONSTRUCTION	128,430,414	24,935,132	153,365,546	(246,842)	153,118,704		2,173,108	8,582	2,181,690	0	2,181,690	150,937,013	0	(177,002)	1%
DESIGN & CONSULTANTS	3,541,718	978,527	4,520,245	(296,699)	4,223,546		1,333,841	263,734	1,597,574	0	1,597,574	2,625,972	0	0	32%
GENERAL & ADMINISTRATIVE (G&A)	15,628,801	4,316,283	19,945,084	0	19,945,084		1,643,585	28,466	1,672,051	0	1,672,051	18,273,033	0	0	8%
FURNITURE, FIXTURES & EQUIPMENT (FF&E)	0	0	0	0	0		0	0	0	0	0	0	0	0	N/A
MARKETING, SALES & LEASING	13,810,723	3,111,254	16,921,977	0	16,921,977		7,206,962	730,223	7,937,185	0	7,937,185	8,984,791	0	0	43%
FINANCE	7,738,378	2,340,837	10,079,215	684,156	10,763,371		1,299,326	585,690	1,885,016	0	1,885,016	8,878,355	0	0	12%
PRE OPENING & INTERIM OPERATIONS	0	0	0	587,497	587,497		0	0	0	0	0	587,497	0	0	0%
GOVERNMENT TAXES	0	0	0	0	0		0	0	0	0	0	0	0	0	N/A
DEVELOPMENT CONTINGENCY	417,154	443,153	860,307	(13,972)	846,335		0	0	0	0	0	846,335	0	0	0%
GROSS PROJECT BUDGET	**201,508,821**	**55,645,114**	**257,153,935**	**3,405,112**	**260,559,046**		**27,565,957**	**12,782,706**	**40,348,663**	**0**	**40,348,663**	**220,210,384**	**0**	**(177,002)**	**11%**
Checks	0	0	0	0	0		0	0	0	0	0	0			
OFFSETTING INCOME & RECOVERIES	(471,000)	(342,250)	(813,250)	(4,610,796)	(5,424,046)		0	0	0	0	0	(5,424,046)		0	0%
NET PROJECT BUDGET	**201,037,821**	**55,302,864**	**256,340,685**	**(1,205,685)**	**255,135,000**		**27,565,957**	**12,782,706**	**40,348,663**	**0**	**40,348,663**	**214,786,337**	**0**	**(177,002)**	**11%**
Checks	0	0	0	(0)	0		0	0	0	0	0	0			

	Gross Cost-to-Date Block A	Gross Cost-to-Date Block P	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	
Less Holdback	(176,387)	(615)	(177,002)	0	(177,002)	177,002	Add Holdback
Add Holdback Release	0			0	0	0	Less Holdback Release
Net Cost-to-Date	**27,389,570**	**12,782,091**	**40,171,661**	**0**	**40,171,661**	**214,963,339**	**Net Cost-to-Complete**
Checks			40,171,661	0	40,171,661	214,963,339	
Check to Margin			40,171,661	0	40,171,661	214,963,339	
Checks			0	0	0	0	
Checks			0	0	0	0	

CONTINGENCIES	Borrowers Contingency: Borrowers Block A Contingency	Borrowers Contingency: Borrowers Block P Contingency	Borrowers Contingency: Borrowers Total Contingency	Current Variance	Altus Current	Current %	%
Construction Contingency	5,499,421	699,216	6,198,637	(783,467)	5,415,170	4%	of the Construction Budget
Development Contingency	417,154	443,153	860,307	(13,972)	846,335	1%	of the Soft Cost Budget
TOTAL CONTINGENCIES	**5,916,575**	**1,142,369**	**7,058,944**	**(797,439)**	**6,261,505**	**3%**	**of the Net Project Budget**

AltusGroup
Downsview Homes Inc.

Saturday in Downsview
Toronto, Ontario

Capital Cost & Cost-to-Complete Summary
March 31, 2020

Job No.	103233
Report No.	Budget Report
Date	23-Jul-20

	Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Current Variance	Altus Group Current Budget	Budget Assumptions & Comments	Gross Cost-to-Date Block A	Gross Cost-to-Date Block P	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
	LAND															
1	Land Value			0	0	0		0		0	0	0	0		0	N/A
2	Land Transfer Tax			0	0	0				0	0	0	0		0	N/A
3	Legal Fees - Land Development			0	0	0				0		0	0			N/A
4	Land Realty Taxes			0	0	0				0	0	0	0		0	N/A
5	Land - Construction	287,500	2,298,030	2,585,530	0	2,585,530	Allowance	65,585	96,604	162,189		162,189	2,423,341			6%
6	Land - Professional Fees	2,204,210	1,110,000	3,314,210	0	3,314,210	Based on incurred costs	1,123,997	391,120	1,515,117	0	1,515,117	1,799,093		0	46%
7	Land - Costs (Purchase Price)	6,442,150	8,230,358	14,672,508	0	14,672,508	Based on incurred costs	6,442,150	8,230,358	14,672,508	0	14,672,508	0		0	100%
8	Land - Costs Other	6,153,146	2,843,453	8,996,599	0	8,996,599	Based on incurred costs, including Realty Taxes	5,595,290	2,264,470	7,859,760		7,859,760	1,136,839			87%
	SUB TOTAL	**15,087,006**	**14,481,841**	**29,568,847**	**0**	**29,568,847**		**13,227,022**	**10,982,552**	**24,209,574**	**0**	**24,209,574**	**5,359,273**	**0**	**0**	**45%**
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	DEVELOPMENT CHARGES & MUNICIPAL FEES															
9	Tie-Back Agreements			0	0	0	Not Applicable			0	0	0	0		0	N/A
10	Development Charges & Educational Development Charges	14,705,647	4,485,664	19,191,311	2,690,971	21,882,282	Block A is based on the schedule from the City of Toronto (July 14, 2020), Block P is based on July 14, 2020 calculation including Educational DC's, no allowance for escalation			0	0	0	21,882,282		0	0%
11	Section 37			0	0	0	Not Applicable			0	0	0	0		0	N/A
12	Cash in Lieu / Parkland Dedication			0	0	0	Not Applicable			0	0	0	0		0	N/A
13	Public Art			0	0	0	Not Applicable						0			
14	Neighbour Contributions			0	0	0	Not Applicable			0	0	0	0		0	N/A
15	Building Permit Fees	1,616,807	204,996	1,821,803	0	1,821,803	Allowance	524,283	101,596	625,879	0	625,879	1,195,925		0	34%
16	Planning & Municipal Fees	532,172	347,428	879,600	0	879,600	Allowance	157,829	81,864	239,693	0	239,693	639,907		0	27%
17	Realty Taxes			0	0	0	Included Above in Land - Other Costs			0	0	0	0		0	N/A
	SUB TOTAL	**16,854,626**	**5,038,088**	**21,892,714**	**2,690,971**	**24,583,685**		**682,112**	**183,460**	**865,572**	**0**	**865,572**	**23,718,114**	**0**	**0**	**3%**
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	CONSTRUCTION	**124,139,577**	**23,743,890**	**147,883,467**	**(783,467)**	**147,100,000**										
18	Construction Budget - Block A	118,640,156		118,640,156	0	118,640,156	Based on review of Borrowe'rs budget	2,057,902		2,057,902	0	2,057,902	116,582,253		(176,387)	2%
19	Construction Budget - Classic Towns		8,658,001	8,658,001	0	8,658,001	Based on review of Borrowe'rs budget		0	0	0	0	8,658,001		0	0%
20	Construction Budget - Urban Towns		14,386,673	14,386,673	0	14,386,673	Based on review of Borrowe'rs budget		6,150	6,150	0	6,150	14,380,523		(615)	0%
21	Construction Contingency	5,499,421	699,216	6,198,637	(783,467)	5,415,170	Allowance of 4% of Construciton Budget			0	0	0	5,415,170			0%
22	Demolition			0	0	0	Included in Construction			0	0	0	0			N/A
23	Construction Management Fees			0	0	0	Included in Development Management Fee			0	0	0	0			N/A
24	Hydro Connections etc.			0	0	0	Included in Construction			0	0	0	0			N/A
25	Miscellaneous Warranty/Deficiencies	673,650	198,293	871,943	0	871,943	Allowance			0	0	0	871,943			0%
26	Technical Audit	430,388	53,520	483,907	0	483,907	Allowance			0	0	0	483,907			0%
27	TARION Unit Enrolment Fee	0	0	0	536,625	536,625	Based on Tarion Warranty Fee Schedule			0	0	0	536,625			0%
28	TARION Warranty Reserve	130,329	43,040	173,369	0	173,369	Allowance			0	0	0	173,369			0%
29	Insurance	1,300,851	223,243	1,524,094	0	1,524,094	Allowance	115,206	2,432	117,638	0	117,638	1,406,456			8%
30	Extras and Upgrades	1,755,620	673,145	2,428,765	0	2,428,765	Allowance			0	0	0	2,428,765			0%
31	Bonding			0		0	Not Required			0	0	0	0			N/A
	SUB TOTAL	**128,430,414**	**24,935,132**	**153,365,546**	**(246,842)**	**153,118,704**	**0**	**2,173,108**	**8,582**	**2,181,690**	**0**	**2,181,690**	**150,937,013**	**0**	**(177,002)**	**1%**
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	DESIGN & CONSULTANTS															
32	Architect	1,070,255	344,600	1,414,855	0	1,414,855	Allowance	747,622	133,500	881,122	0	881,122	533,733		0	62%
33	Structural Engineer	439,550	69,490	509,040	0	509,040	Allowance	240,461	49,081	289,542	0	289,542	219,498		0	57%
34	Rebar Detailing	137,950	10,000	147,950	0	147,950	Allowance	0		0	0	0	147,950		0	0%
35	Civil Engineer	54,600	90,100	144,700	0	144,700	Allowance	0		0	0	0	144,700		0	0%
36	Mechanical Engineer	160,852	24,155	185,007	0	185,007	Allowance	80,200	19,075	99,275	0	99,275	85,732		0	54%
37	Electrical Engineer	89,832	15,600	105,432	0	105,432	Allowance	37,312	12,100	49,412	0	49,412	56,020		0	47%
38	Landscape Architect	62,500	80,259	142,759	0	142,759	Allowance	14,853	12,500	27,353	0	27,353	115,406		0	19%
39	Interior Designer	153,258	20,000	173,258	0	173,258	Allowance	45,294	9,217	54,511	0	54,511	118,747		0	31%
40	Other Consultants	65,898		65,898	0	65,898	Allowance	55,866		55,866	0	55,866	10,032		0	85%
41	Commissioning Consultan	(0)		(0)	0	(0)	Allowance	0		0	0	0	(0)		0	0%
42	Ground Water Mnmgt Cons	37,039	56,450	93,489	0	93,489	Allowance	0		0	0	0	93,489		0	0%
43	Energy Efficiency Consu	37,039	8,254	45,293	0	45,293	Allowance	10,500	6,700	17,200	0	17,200	28,093		0	38%
44	Acoustical Consultant	40,780	19,000	59,780	0	59,780	Allowance	8,100	1,250	9,350	0	9,350	50,430		0	16%
45	Wind Study Consultant	0		0	0	0	Allowance	0		0	0	0	0		0	N/A
46	Window/Glazing Consulta	56,120	10,000	66,120	0	66,120	Allowance	0		0	0	0	66,120		0	0%
47	Lighting Consultant	5,000		5,000	0	5,000	Allowance	0		0	0	0	5,000		0	0%
48	Elevator Consultant	22,448		22,448	0	22,448	Allowance	5,150		5,150	0	5,150	17,298		0	23%
49	Sprinkler Consultant	29,931	5,000	34,931	0	34,931	Allowance	0		0	0	0	34,931		0	0%
50	Geotechnical Data/Soils Investigation	0	11,120	11,120	0	11,120	Allowance	0		0	0	0	11,120		0	0%
51	Shoring Consultant	133,290	33,210	166,500	0	166,500	Allowance	30,370	17,010	47,380	0	47,380	119,120		0	28%
52	Construction Layout & Survey	102,512	28,586	131,098	0	131,098	Allowance	18,888		18,888	0	18,888	112,211		0	14%
53	Cost Consultant	264,138	40,000	304,138	(296,699)	7,439	Balance reallocated to Project Monitor under Financing	4,181	3,257	7,439	0	7,439	0		0	100%
54	Reproduction Services	113,238	16,035	129,273	0	129,273	Allowance	5,848	44	5,891	0	5,891	123,382		0	5%
55	Safety Inspection Services	77,590	27,000	104,590	0	104,590	Allowance	638		638	0	638	103,952		0	1%
56	Testing & Inspection Services	204,572	36,150	240,722	0	240,722	Allowance	22,758		22,758	0	22,758	217,964		0	9%
57	Third Party Consultant - Bulletin 19	183,325	33,518	216,843	0	216,843	Allowance	5,800		5,800	0	5,800	211,043		0	3%
58	Permit Application			0	0	0	Included Above			0	0	0	0		0	N/A
	SUB TOTAL	**3,541,718**	**978,527**	**4,520,245**	**(296,699)**	**4,223,546**	**0**	**1,333,841**	**263,734**	**1,597,574**	**0**	**1,597,574**	**2,625,972**	**0**	**0**	**32%**
	Checks	0	0	0	(0)	0		0	0	0	0	0	0			
	GENERAL & ADMINISTRATIVE (G&A)															
59	Legal - Condo Registration			0	100,000	100,000	Allowance			0	0	0	100,000		0	0%
60	Legal - Financing			0	0	0	Included below			0	0	0	0		0	N/A
61	Legal - Other	680,487	112,075	792,562	(100,000)	692,562	Allowance	150,069	28,444	178,513		178,513	514,049			26%
62	Legal - Closing Costs	479,550	92,000	571,550	0	571,550	Allowance of approx $950/unit			0		0	571,550			0%
63	Development Management Fees	14,423,764	4,097,186	18,520,950	0	18,520,950	Allowance	1,483,308		1,483,308		1,483,308	17,037,642			8%
64	G&H	45,000	15,022	60,022	0	60,022	Allowance	10,208	22	10,230		10,230	49,792			17%
	SUB TOTAL	**15,628,801**	**4,316,283**	**19,945,084**	**0**	**19,945,084**		**1,643,585**	**28,466**	**1,672,051**	**0**	**1,672,051**	**18,273,033**	**0**	**0**	**8%**

AltusGroup

Downsview Homes Inc.

Saturday in Downsview
Toronto, Ontario

Capital Cost & Cost-to-Complete Summary
March 31, 2020

Job No.	103233
Report No.	Budget Report
Date	23-Jul-20

	Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Current Variance	Altus Group Current Budget	Budget Assumptions & Comments	Gross Cost-to-Date Block A	Gross Cost-to-Date Block P	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	FURNITURE, FIXTURES & EQUIPMENT (FF&E)															
65	Furniture, Fixtures & Equipment			0	0	0	Included in Construction			0	0	0	0		0	N/A
	SUB TOTAL	**0**	**0**	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**N/A**
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	MARKETING, SALES & LEASING															
66	Indirects - Customer Service Overhead	636,475	141,502	777,977	0	777,977	Allowance	0		0	0	0	777,977		0	0%
67	Indirects - Customer Service Site Overhead	376,480	109,092	485,572	0	485,572	Allowance	146		146	0	146	485,425		0	0%
68	Advertising & Marketing	2,175,389	1,119,911	3,295,300	0	3,295,300	Allowance	2,043,010	725,198	2,768,208	0	2,768,208	527,092		0	84%
69	Sales Commissions - Broker	2,305,321	412,638	2,717,959	0	2,717,959	Allowance	920,262	5,025	925,287	0	925,287	1,792,672		0	34%
70	Sales Commissions - Co-operating Broker	8,257,058	1,288,111	9,545,169	0	9,545,169	Allowance	4,232,959		4,232,959	0	4,232,959	5,312,210		0	44%
71	Leasing Commissions			0	0	0	Excluded			0	0	0	0		0	N/A
72	Sales Office - Construction			0	0	0	Included Above			0		0	0			N/A
73	Sales Office - Operating Costs			0	0	0	Included Above			0		0	0			N/A
74	Indirect Others	60,000	40,000	100,000	0	100,000	Allowance	10,585		10,585		10,585	89,415			11%
	SUB TOTAL	**13,810,723**	**3,111,254**	**16,921,977**	**0**	**16,921,977**		**7,206,962**	**730,223**	**7,937,185**	**0**	**7,937,185**	**8,984,791**	**0**	**0**	**43%**
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	FINANCE															
75	Commitment Fee	6,351,182	1,680,772	8,031,954	(7,228,254)	803,700	Based on Transaction Outline from NB dated April 7, 2020			0	0	0	803,700		0	0%
76	Agency Fee			0	30,000	30,000	Based on Transaction Outline from NB dated April 7, 2020			0	0	0	30,000		0	0%
77	Bank Charges and LC Fees			0	125,000	125,000	Based on Transaction Outline from NB dated April 7, 2020			0	0	0	125,000		0	0%
78	Construction Loan Interest			0	6,742,980	6,742,980	Based on Cash Flow projection			0	0	0	6,742,980		0	0%
79	Standby Fees			0	254,130	254,130	Based on Cash Flow projection			0	0	0	254,130		0	0%
80	Project Monitor			0	296,699	296,699	Allowance			0	0	0	296,699		0	0%
81	Deposit Insurance Fee			0	463,602	463,602	Allowance			0	0	0	463,602		0	0%
82	Interest on Purchaser Deposits			0	0	0	Excluded			0	0	0	0		0	N/A
83	Land - Development Financing	1,387,196	660,065	2,047,261	0	2,047,261	Allowance	1,299,326	585,690	1,885,016		1,885,016	162,245			92%
	SUB TOTAL	**7,738,378**	**2,340,837**	**10,079,215**	**684,156**	**10,763,371**	**0**	**1,299,326**	**585,690**	**1,885,016**	**0**	**1,885,016**	**8,878,355**	**0**	**0**	**12%**
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	PRE OPENING & INTERIM OPERATIONS															
84	Interim Occupancy Operating Costs			0	587,497	587,497	Allowance			0	0	0	587,497		0	0%
	SUB TOTAL	**0**	**0**	**0**	**587,497**	**587,497**	**0**	**0**	**0**	**0**	**0**	**0**	**587,497**	**0**	**0**	**0%**
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	GOVERNMENT TAXES															
85	HST on Revenue			0	0	0	Not Applicable			0		0	0			N/A
86	HST Payable	0		0	23,628,555	23,628,555	HST Payable			0	0	0	23,628,555		0	0%
87	HST Recoverable	0		0	(23,628,555)	(23,628,555)	HST Tax Credits - Assumed to be received monthly			0	0	0	(23,628,555)		0	0%
	SUB TOTAL	**0**	**0**	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**N/A**
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	DEVELOPMENT CONTINGENCY															
88	Development Contingency	417,154	443,153	860,307	(13,972)	846,335	Allowance			0	0	0	846,335		0	0%
	SUB TOTAL	**417,154**	**443,153**	**860,307**	**(13,972)**	**846,335**		**0**	**0**	**0**	**0**	**0**	**846,335**	**0**	**0**	**0%**
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	GROSS PROJECT BUDGET	**201,508,821**	**55,645,114**	**257,153,935**	**3,405,112**	**260,559,046**		**27,565,957**	**12,782,706**	**40,348,663**	**0**	**40,348,663**	**220,210,384**	**0**	**(177,002)**	**11%**
	Checks	201,508,821	55,645,114	257,153,935	3,405,112	260,559,046				40,348,663	0	40,348,663	220,210,384			
		0			0	0										
	OFFSETTING INCOME & RECOVERIES															
89	Interim Occupancy Recoveries (Mortgage,Condo Fees)	(471,000)	(342,250)	(813,250)	(662,906)	(1,476,156)	Allowance			0	0	0	(1,476,156)		0	0%
90	Development Charges Recoveries (Block A)			0	(3,411,265)	(3,411,265)	Allowance			0	0	0	(3,411,265)			
91	Tarion Unit Enrolment Fee Recovery			0	(536,625)	(536,625)	Allowance			0	0	0	(536,625)			
	SUB TOTAL	**(471,000)**	**(342,250)**	**(813,250)**	**(4,610,796)**	**(5,424,046)**	**0**	**0**	**0**	**0**	**0**	**0**	**(5,424,046)**	**0**	**0**	**0%**
	Checks	0	0	0	0	0		0	0	0	0	0	0			
	NET PROJECT BUDGET	**201,037,821**	**55,302,864**	**256,340,685**	**(1,205,685)**	**255,135,000**		**27,565,957**	**12,782,706**	**40,348,663**	**0**	**40,348,663**	**214,786,337**	**0**	**(177,002)**	**11%**
	Checks	0	0	0	(0)	0		0	0	0	0	0	0			
										40,348,663	0	40,348,663	214,786,337			
							Less Holdback	(176,387)	(615)	(177,002)	0	(177,002)	177,002	Add Holdback		
							Add Holdback Release			0	0	0		Less Holdback Release		
							Net Cost-to-Date	**27,389,570**	**12,782,091**	**40,171,661**	**0**	**40,171,661**	**214,963,339**	**Net Cost-to-Complete**		
							Checks			40,171,661	0	40,171,661	214,963,339			
							Checks			0	0	0	0			

Appendix B - Source of Funds Summary

Downsview Homes Inc.
Saturday in Downsview
Toronto, Ontario

Job No.	103233
Report No.	Budget Report
Date	23-Jul-20
Altus Group Limited 2020	

Draft Margin Calculation

March 31, 2020

MARGIN CALCULATIONS

Primary Margin Calculation (Cost-To-Date)	
Gross Cost-to-Date	40,348,663
Less Holdback	(177,002)
Less EQUITY - Cash	(20,704,994)
Less EQUITY - Land	(19,466,667)
Less DEFERRED COSTS	0
Less INSURED DEPOSITS	0
Advance Ceiling	0
Less Previously Advanced	0
	(A)
Current Advance	**0**

Secondary Margin Calculation (Cost-To-Complete)	
Construction Loan	178,600,000
Less Holdback	(177,002)
Less Cost-to-Complete	(214,786,337)
Add EQUITY - Land Remaining To Fund	0
Add EQUITY - Cash	(1,906,661)
Add DEFERRED COSTS Remaining to Fund	0
Add INSURED DEPOSITS Remaining to Fund	38,270,000
Advance Ceiling	0
Less Previously Advanced	0
	(B)
Current Advance	**0**
RECONCILES (A - B)	0
Checks	0

SOURCE & USE OF FUNDS

Source of Funds		Original Source of Funds	Total Variance	Current Source of Funds	Previously Funded	Current Recommended	Total Recommended	Remaining To Fund
EQUITY - Land	8%	19,466,667	0	19,466,667		19,466,667	19,466,667	0
EQUITY - Cash	7%	18,803,333	(5,000)	18,798,333		20,704,994	20,704,994	(1,906,661)
DEFERRED COSTS	0%		0	0		0	0	0
INSURED DEPOSITS	15%	38,270,000	0	38,270,000		0	0	38,270,000
CONSTRUCTION LOAN	70%	178,600,000	0	178,600,000		0	0	178,600,000
Rounding	0%	(5,000)	5,000	0		0	0	0
TOTAL	**100%**	**255,135,000**	**0**	**255,135,000**	**0**	**40,171,661**	**40,171,661**	**214,963,339**
Checks		0	0	0	0	40,171,661	40,171,661	214,963,339
Check to CCS					0	40,171,661	40,171,661	214,963,339
					0	0	0	0

NOTES

1 The Draft Margin Calculation is provided for reference only, the lender should satisfy itself as to amount available to advance

Appendix C - Cash Flow Projections

Downsview Homes Inc.
Saturday in Downsview
Toronto, Ontario

Altus Group

Job No. 103233
Report No. Budget Report
Date 23-Jul-20

Altus Group Limited 2020

Development Cost	Altus Group Calculated Budget	Commence 1 Mar-20 1.59%	2 Apr-20 1.50%	3 May-20 1.50%	4 Jun-20 1.50%	5 Jul-20 2.00%	6 Aug-20 3.00%	7 Sep-20 3.00%	8 Oct-20 3.00%	9 Nov-20 3.00%	10 Dec-20 4.00%
Months Remaining>		28	27	26	25	24	23	22	21	20	19
Block A			Structure Commence					Masonry, Envelope, Elevator			
Block P				Structure Commence			Masonry, Envelope, Elevator				Structure Complete
LAND											
Land Value	0	0									
Land Transfer Tax	0	0									
Legal Fees – Land Development	0	0									
Land Realty Taxes	0	0									
Land – Construction	2,585,530	162,189	1,211,671	1,211,671							
Land – Professional Fees	3,314,210	1,515,117	899,547	899,547							
Land – Costs (Purchase Price)	14,672,508	14,672,508									
Land – Costs Other	8,996,599	7,859,760	568,420	568,420							
SUB TOTAL	**29,568,847**	**24,209,574**	**2,679,637**	**2,679,637**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
DEVELOPMENT CHARGES & MUNICIPAL FEES											
Tie-Back Agreements	0	0									
Development Charges & Educational Development Charges	22,602,576	0						21,882,282			
Section 37	0	0									
Cash in Lieu / Parkland Dedication	0	0	0	0	0	0	0	0	0	0	0
Public Art	0										
Neighbour Contributions	0	0									
Building Permit Fees	1,821,803	625,879									
Planning & Municipal Fees	879,600	239,693	150,000		150,000						
Municipal Lawyer	0	0									
SUB TOTAL	**25,303,979**	**865,572**	**150,000**	**0**	**150,000**	**0**	**0**	**21,882,282**	**0**	**0**	**0**
CONSTRUCTION											
Construction Budget – Block A	118,640,156	1,881,515	1,779,602	1,779,602	1,779,602	2,372,803	3,559,205	3,559,205	3,559,205	3,559,205	4,745,606
Construction Budget – Classic Towns	8,658,001	0	129,870	129,870	129,870	173,160	259,740	259,740	259,740	259,740	346,320
Construction Budget – Urban Towns	14,386,673	5,535	215,800	215,800	215,800	287,733	431,600	431,600	431,600	431,600	575,467
Construction Contingency	5,415,170	0	81,228	81,228	81,228	108,303	162,455	162,455	162,455	162,455	216,607
Demolition	0	0									
Construction Management Fees	0	0									
Hydro Connections etc.	0	0									
Miscellaneous Warranty/Deficiencies	871,943	0									
Technical Audit	483,907	0									
TARION Unit Enrolment Fee	524,325	0				536,625					
TARION Warranty Reserve	173,369	0				173,369					
Insurance	1,524,094	117,638			1,406,456						
Extras and Upgrades	2,428,765	0									
Bonding	0										
SUB TOTAL	**153,106,404**	**2,004,688**	**2,206,500**	**2,206,500**	**3,612,956**	**3,651,994**	**4,413,000**	**4,413,000**	**4,413,000**	**4,413,000**	**5,884,000**
DESIGN & CONSULTANTS											
Architect	1,414,855	881,122	50,000	50,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Structural Engineer	509,040	289,542	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Rebar Detailing	147,950	0	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Civil Engineer	144,700	0	25,000	25,000	25,000	25,000	25,000	19,700			
Mechanical Engineer	185,007	99,275	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Electrical Engineer	105,432	49,412	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Landscape Architect	142,759	27,353	25,000								
Interior Designer	173,258	54,511	12,000	12,000							
Other Consultants	65,898	55,866									
Commissioning Consultan	(0)	0									
Ground Water Mnmgt Cons	93,489	0	30,000	30,000	30,000	3,489					
Energy Efficiency Consu	45,293	17,200	8,000	8,000							
Acoustical Consultant	59,780	9,350	6,000	6,000	6,000	6,000	6,000	6,000	6,000	8,430	
Wind Study Consultant	0	0									
Window/Glazing Consulta	66,120	0					10,000	5,000	5,000	5,000	5,000
Lighting Consultant	5,000	0									
Elevator Consultant	22,448	5,150									
Sprinkler Consultant	34,931	0				1,450	1,450	1,450	1,450	1,450	1,450
Geotechnical Data/Soils Investigation	11,120	0	11,120								
Shoring Consultant	166,500	47,380	55,000	64,120							
Construction Layout & Survey	131,098	18,888	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Cost Consultant	7,439	7,439									
Reproduction Services	129,273	5,891	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Safety Inspection Services	104,590	638	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
Testing & Inspection Services	240,722	22,758	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100
Third Party Consultant – Bulletin 19	216,843	5,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800
Permit Application	0	0									
SUB TOTAL	**4,223,546**	**1,597,574**	**289,520**	**262,520**	**143,400**	**118,339**	**124,850**	**114,550**	**94,850**	**97,280**	**88,850**
GENERAL & ADMINISTRATIVE (G&A)											
Legal – Condo Registration	100,000	0									
Legal – Financing	0	0									
Legal – Other	692,562	178,513	30,000	30,000	30,000	80,000	10,000	10,000	10,000	10,000	10,000
Legal – Closing Costs	571,550										
Development Management Fees	18,520,950	1,483,308	631,024	631,024	631,024	631,024	631,024	631,024	631,024	631,024	631,024
G&H	60,022	10,230	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
SUB TOTAL	**19,945,084**	**1,672,051**	**662,824**	**662,824**	**662,824**	**712,824**	**642,824**	**642,824**	**642,824**	**642,824**	**642,824**
FURNITURE, FIXTURES & EQUIPMENT (FF&E)											
Furniture, Fixtures & Equipment	0	0									
SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
MARKETING, SALES & LEASING											
Indirects – Customer Service Overhead	777,977	0									
Indirects – Customer Service Site Overhead	485,572	146									
Advertising & Marketing	3,295,300	2,768,208	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Sales Commissions – Broker	2,717,959	925,287	358,354	5,718	5,718	5,718	5,718	5,718	5,718	5,718	5,718
Sales Commissions – Co-operating Broker	9,545,169	4,232,959	1,813,125	30,495	30,495	30,495	30,495	30,495	30,495	30,495	30,495
Leasing Commissions	0	0									
Sales Office – Construction	0	0									
Sales Office – Operating Costs	0	0									
Indirect Others	100,000	10,585	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
SUB TOTAL	**16,921,977**	**7,937,185**	**2,194,279**	**59,013**	**59,013**	**59,013**	**59,013**	**59,013**	**59,013**	**59,013**	**59,013**
FINANCE											
Commitment Fee	803,700	0	0			803,700					
Agency Fee	30,000	0				15,000					
Bank Charges and LC Fees	125,000	0				62,500					
Construction Loan Interest	6,799,546	0	0	0	0	0	78,111	86,939	131,177	139,907	148,660
Standby Fees	268,728	0	0	0			19,321	18,981	17,280	16,944	16,607
Project Monitor	296,699	0	0			11,000	3,500	3,500	3,500	3,500	3,500
Deposit Insurance Fee	472,457	0	0	0	0	0	1,714	3,412	11,919	13,598	15,281
Interest on Purchaser Deposits	0	0									
Land – Development Financing	2,047,261	1,885,016	40,561	40,561	40,561	40,561					
SUB TOTAL	**10,843,391**	**1,885,016**	**40,561**	**40,561**	**40,561**	**932,761**	**102,646**	**112,832**	**163,875**	**173,948**	**184,048**
PRE OPENING & INTERIM OPERATIONS											
Interim Occupancy Operating Costs	587,497	0									
SUB TOTAL	**587,497**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GOVERNMENT TAXES											
HST on Revenue	0	0									
HST Payable	23,720,507	0	695,906	414,811	582,165	591,912	681,837	680,719	679,264	679,798	870,151
HST Recoverable	(23,720,507)	0	0	(695,906)	(414,811)	(582,165)	(591,912)	(681,837)	(680,719)	(679,264)	(679,798)
SUB TOTAL	**0**	**0**	**695,906**	**(281,095)**	**167,354**	**9,747**	**89,925**	**(1,118)**	**(1,455)**	**534**	**190,353**
DEVELOPMENT CONTINGENCY											
Development Contingency	2,455,334	0									
SUB TOTAL	**2,455,334**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GROSS PROJECT BUDGET	**262,956,058**	**40,171,661**	**8,919,226**	**5,629,959**	**4,836,107**	**5,484,678**	**5,432,258**	**27,223,382**	**5,372,107**	**5,386,599**	**7,049,087**
Checks	260,559,046										
	2,397,012										
OFFSETTING INCOME & RECOVERIES											
Interim Occupancy Recoveries (Mortgage,Condo Fees)	(1,476,156)	0									
Development Charges Recoveries (Block A)											
Tarion Unit Enrolment Fee Recovery											
SUB TOTAL	**(1,476,156)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
NET PROJECT BUDGET	**261,479,902**	**40,171,661**	**8,919,226**	**5,629,959**	**4,836,107**	**5,484,678**	**5,432,258**	**27,223,382**	**5,372,107**	**5,386,599**	**7,049,087**
Checks	255,135,000										
CUMULATIVE NET PROJECT BUDGET	**261,479,902**	**40,171,661**	**49,090,887**	**54,720,847**	**59,556,954**	**65,041,632**	**70,473,889**	**97,697,271**	**103,069,378**	**108,455,976**	**115,505,064**
Checks	255,135,000										
	6,344,902										

Development Cost	11 Jan-21 4.00%	12 Feb-21 4.00%	13 Mar-21 5.00%	14 Apr-21 5.00%	15 May-21 6.00%	16 Jun-21 6.00%	17 Jul-21 5.00%	18 Aug-21 5.00%	19 Sep-21 4.00%	20 Oct-21 4.00%
Months Remaining>	18	17	16	15	14	13	12	11	10	9
Block A	Structure Complete			Suite Finishes		Masonry, Envelope, Elevator Complete				
Block P				Masonry, Envelope, Elevator Complete/Suite Finishes						Initial Occupancy (Classic)
LAND										
SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
DEVELOPMENT CHARGES & MUNICIPAL FEES										
Cash in Lieu / Parkland Dedication	0	0	0	0	0	0				
SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
CONSTRUCTION										
Construction Budget – Block A	4,745,606	4,745,606	5,932,008	5,932,008	7,118,409	7,118,409	5,932,008	5,932,008	4,745,606	4,745,606
Construction Budget – Classic Towns	346,320	346,320	432,900	432,900	519,480	519,480	432,900	432,900	346,320	346,320
Construction Budget – Urban Towns	575,467	575,467	719,334	719,334	863,200	863,200	719,334	719,334	575,467	575,467
Construction Contingency	216,607	216,607	270,759	270,759	324,910	324,910	270,759	270,759	216,607	216,607
SUB TOTAL	**5,884,000**	**5,884,000**	**7,355,000**	**7,355,000**	**8,826,000**	**8,826,000**	**7,355,000**	**7,355,000**	**5,884,000**	**5,884,000**
DESIGN & CONSULTANTS										
Architect	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Structural Engineer	20,000	19,498								
Rebar Detailing	13,000	17,950								
Mechanical Engineer	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Electrical Engineer	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Interior Designer									12,000	12,000
Window/Glazing Consulta	5,000	5,000	5,000	5,000	5,000	5,000	5,000	1,120		
Elevator Consultant				5,000	5,000	5,000	2,298			
Sprinkler Consultant	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
Construction Layout & Survey	5,000									
Reproduction Services	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Safety Inspection Services	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
Testing & Inspection Services	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100
Third Party Consultant – Bulletin 19	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800
SUB TOTAL	**88,850**	**88,298**	**50,850**	**55,850**	**55,850**	**55,850**	**53,148**	**46,970**	**57,850**	**57,850**
GENERAL & ADMINISTRATIVE (G&A)										
Legal – Other	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Development Management Fees	631,024	631,024	631,024	631,024	631,024	631,024	631,024	631,024	631,024	631,024
G&H	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
SUB TOTAL	**642,824**	**642,824**	**642,824**	**642,824**	**642,824**	**642,824**	**642,824**	**642,824**	**642,824**	**642,824**
FURNITURE, FIXTURES & EQUIPMENT (FF&E)										
SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
MARKETING, SALES & LEASING										
Advertising & Marketing	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Sales Commissions – Broker	5,718	5,718	5,718	5,718	5,718	5,718	5,718	5,718	5,718	11,436
Sales Commissions – Co-operating Broker	30,495	30,495	30,495	30,495	30,495	30,495	30,495	30,495	30,495	60,990
Indirect Others	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
SUB TOTAL	**59,013**	**59,013**	**59,013**	**59,013**	**59,013**	**59,013**	**59,013**	**59,013**	**59,013**	**95,225**
FINANCE										
Agency Fee							15,000			
Bank Charges and LC Fees							62,500			
Construction Loan Interest	160,115	171,282	182,469	199,044	226,197	258,834	290,951	318,009	345,499	367,715
Standby Fees	16,167	15,737	15,307	14,669	13,625	12,370	11,135	10,094	9,037	8,182
Project Monitor	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Deposit Insurance Fee	17,484	19,631	21,783	23,919	23,919	23,919	23,919	23,919	23,919	23,919
SUB TOTAL	**197,265**	**210,151**	**223,059**	**241,132**	**267,240**	**298,622**	**407,004**	**355,521**	**381,954**	**403,316**
PRE OPENING & INTERIM OPERATIONS										
Interim Occupancy Operating Costs										8,333
SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**8,333**
GOVERNMENT TAXES										
HST Payable	870,437	870,645	1,057,286	1,058,214	1,249,444	1,249,444	1,057,862	1,057,059	867,244	871,951
HST Recoverable	(870,151)	(870,437)	(870,645)	(1,057,286)	(1,058,214)	(1,249,444)	(1,249,444)	(1,057,862)	(1,057,059)	(867,244)
SUB TOTAL	**286**	**207**	**186,641**	**928**	**191,230**	**0**	**(191,581)**	**(803)**	**(189,816)**	**4,708**
DEVELOPMENT CONTINGENCY										
SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GROSS PROJECT BUDGET	**6,872,238**	**6,884,492**	**8,517,387**	**8,354,746**	**10,042,157**	**9,882,308**	**8,325,407**	**8,458,524**	**6,835,825**	**7,096,256**
OFFSETTING INCOME & RECOVERIES										
Interim Occupancy Recoveries (Mortgage,Condo Fees)									0	(20,938)
SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(20,938)**
NET PROJECT BUDGET	**6,872,238**	**6,884,492**	**8,517,387**	**8,354,746**	**10,042,157**	**9,882,308**	**8,325,407**	**8,458,524**	**6,835,825**	**7,075,318**
CUMULATIVE NET PROJECT BUDGET	**122,377,301**	**129,261,794**	**137,779,180**	**146,133,926**	**156,176,083**	**166,058,392**	**174,383,799**	**182,842,323**	**189,678,148**	**196,753,466**

Development Cost	21 Nov-21 4.00%	22 Dec-21 3.00%	23 Jan-22 3.00%	24 Feb-22 2.00%	25 Mar-22 2.00%	26 Apr-22 2.00%	27 May-22 2.00%	28 Jun-22 9.91%		Total Budget 100.00%	Development Cost
Months Remaining>	8	7	6	5	4	3	2	1			
Block A			Suite Finishes Complete	Initial Occupancy	Registration	Final Closing					
Block P			Suite Finishes Complete	Initial Occupancy (Urban)		Registration (Classic)	Registration (Urban), Final Closing (Classic)	Final Closing (Urban)			
LAND											**LAND**
Land Value								0		0	Land Value
Land Transfer Tax								0		0	Land Transfer Tax
Legal Fees – Land Development								0		0	Legal Fees – Land Development
Land Realty Taxes								0		0	Land Realty Taxes
Land – Construction								0		2,585,530	Land – Construction
Land – Professional Fees								0		3,314,210	Land – Professional Fees
Land – Costs (Purchase Price)								0		14,672,508	Land – Costs (Purchase Price)
Land – Costs Other								0		8,996,599	Land – Costs Other
SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**29,568,847**	**SUB TOTAL**
DEVELOPMENT CHARGES & MUNICIPAL FEES											**DEVELOPMENT CHARGES & MUNICIPAL FEES**
Tie-Back Agreements								0		0	Tie-Back Agreements
Development Charges & Educational Development Charges								0		21,882,282	Development Charges & Educational Development Charges
Section 37								0		0	Section 37
Cash in Lieu / Parkland Dedication								0		0	Cash in Lieu / Parkland Dedication
Public Art								0		0	Public Art
Neighbour Contributions								0		0	Neighbour Contributions
Building Permit Fees								1,195,925		1,821,803	Building Permit Fees
Planning & Municipal Fees								339,907		879,600	Planning & Municipal Fees
Municipal Lawyer								0		0	Municipal Lawyer
SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,535,832**	**0**	**24,583,685**	**SUB TOTAL**
CONSTRUCTION											**CONSTRUCTION**
Construction Budget – Block A	4,745,606	3,559,205	3,559,205	2,372,803	2,372,803	2,372,803	2,372,803	11,762,102		118,640,156	Construction Budget – Block A
Construction Budget – Classic Towns	346,320	259,740	259,740	173,160	173,160	173,160	173,160	995,670		8,658,001	Construction Budget – Classic Towns
Construction Budget – Urban Towns	575,467	431,600	431,600	287,733	287,733	287,733	287,733	1,648,932		14,386,673	Construction Budget – Urban Towns
Construction Contingency	216,607	162,455	162,455	108,303	108,303	108,303	108,303	622,745		5,415,170	Construction Contingency
Demolition								0		0	Demolition
Construction Management Fees								0		0	Construction Management Fees
Hydro Connections etc.								0		0	Hydro Connections etc.
Miscellaneous Warranty/Deficiencies								871,943		871,943	Miscellaneous Warranty/Deficiencies
Technical Audit								483,907		483,907	Technical Audit
TARION Unit Enrolment Fee										536,625	TARION Unit Enrolment Fee
TARION Warranty Reserve										173,369	TARION Warranty Reserve
Insurance								0		1,524,094	Insurance
Extras and Upgrades			404,794	404,794	404,794	404,794	404,794	404,794		2,428,765	Extras and Upgrades
Bonding										0	Bonding
SUB TOTAL	**5,884,000**	**4,413,000**	**4,817,794**	**3,346,794**	**3,346,794**	**3,346,794**	**3,346,794**	**16,790,094**	**0**	**153,118,704**	**SUB TOTAL**
DESIGN & CONSULTANTS											**DESIGN & CONSULTANTS**
Architect	15,000	15,000	15,000	15,000	15,000	15,000	15,000	73,733		1,414,855	Architect
Structural Engineer								0		509,040	Structural Engineer
Rebar Detailing								0		147,950	Rebar Detailing
Civil Engineer								0		144,700	Civil Engineer
Mechanical Engineer	3,200	3,200	3,200	3,200	3,200	3,200	3,200	2,532		185,007	Mechanical Engineer
Electrical Engineer	2,000	2,000	2,000	2,000	2,000	2,000	2,000	4,020		105,432	Electrical Engineer
Landscape Architect				15,000	15,000	15,000	15,000	30,406		142,759	Landscape Architect
Interior Designer	12,000	12,000	12,000	12,000	12,000	10,747		0		173,258	Interior Designer
Other Consultants								10,032		65,898	Other Consultants
Commissioning Consultan								(0)		(0)	Commissioning Consultan
Ground Water Mnmgt Cons								0		93,489	Ground Water Mnmgt Cons
Energy Efficiency Consu						6,000	6,093	0		45,293	Energy Efficiency Consu
Acoustical Consultant								0		59,780	Acoustical Consultant
Wind Study Consultant								0		0	Wind Study Consultant
Window/Glazing Consulta								(0)		66,120	Window/Glazing Consulta
Lighting Consultant								5,000		5,000	Lighting Consultant
Elevator Consultant								(0)		22,448	Elevator Consultant
Sprinkler Consultant	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,581		34,931	Sprinkler Consultant
Geotechnical Data/Soils Investigation								0		11,120	Geotechnical Data/Soils Investigation
Shoring Consultant								0		166,500	Shoring Consultant
Construction Layout & Survey								62,211		131,098	Construction Layout & Survey
Cost Consultant										7,439	Cost Consultant
Reproduction Services	4,500	4,500	4,500	4,500	4,500	4,500	4,500	6,382		129,273	Reproduction Services
Safety Inspection Services	3,800	3,800	3,800	3,800	3,800	3,800	3,800	5,152		104,590	Safety Inspection Services
Testing & Inspection Services	8,100	8,100	8,100	8,100	8,100	8,100	8,100	7,364		240,722	Testing & Inspection Services
Third Party Consultant – Bulletin 19	7,800	7,800	7,800	7,800	7,800	7,800	7,800	8,243		216,843	Third Party Consultant – Bulletin 19
Permit Application								0		0	Permit Application
SUB TOTAL	**57,850**	**57,850**	**57,850**	**72,850**	**72,850**	**77,597**	**66,943**	**216,657**	**0**	**4,223,546**	**SUB TOTAL**
GENERAL & ADMINISTRATIVE (G&A)											**GENERAL & ADMINISTRATIVE (G&A)**
Legal – Condo Registration								100,000		100,000	Legal – Condo Registration
Legal – Financing								0		0	Legal – Financing
Legal – Other	10,000	10,000	10,000	10,000	10,000	10,000	10,000	124,049		692,562	Legal – Other
Legal – Closing Costs								571,550		571,550	Legal – Closing Costs
Development Management Fees	631,024	631,024	631,024	631,024	631,024	631,024	631,024	631,024		18,520,950	Development Management Fees
G&H	1,800	1,800	1,800	1,800	1,800	1,800	1,800	2,992		60,022	G&H
SUB TOTAL	**642,824**	**642,824**	**642,824**	**642,824**	**642,824**	**642,824**	**642,824**	**1,429,615**	**0**	**19,945,084**	**SUB TOTAL**
FURNITURE, FIXTURES & EQUIPMENT (FF&E)											**FURNITURE, FIXTURES & EQUIPMENT (FF&E)**
Furniture, Fixtures & Equipment										0	Furniture, Fixtures & Equipment
SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**SUB TOTAL**
MARKETING, SALES & LEASING											**MARKETING, SALES & LEASING**
Indirects – Customer Service Overhead								777,977		777,977	Indirects – Customer Service Overhead
Indirects – Customer Service Site Overhead								485,425		485,572	Indirects – Customer Service Site Overhead
Advertising & Marketing	19,500	19,500	19,500	19,500	19,500	19,500	19,500	20,092		3,295,300	Advertising & Marketing
Sales Commissions – Broker	11,436	11,436	17,153	20,012	22,871	22,871	22,871	1,197,031		2,717,959	Sales Commissions – Broker
Sales Commissions – Co-operating Broker	60,990	60,990	91,484	106,732	121,979	121,979	121,979	2,233,550		9,545,169	Sales Commissions – Co-operating Broker
Leasing Commissions								0		0	Leasing Commissions
Sales Office – Construction								0		0	Sales Office – Construction
Sales Office – Operating Costs								0		0	Sales Office – Operating Costs
Indirect Others	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,615		100,000	Indirect Others
SUB TOTAL	**95,225**	**95,225**	**131,438**	**149,544**	**167,650**	**167,650**	**167,650**	**4,717,690**	**0**	**16,921,977**	**SUB TOTAL**
FINANCE											**FINANCE**
Commitment Fee										803,700	Commitment Fee
Agency Fee										30,000	Agency Fee
Bank Charges and LC Fees								0		125,000	Bank Charges and LC Fees
Construction Loan Interest	390,710	413,679	431,257	451,008	465,353	480,376	495,374	510,316		6,742,980	Construction Loan Interest
Standby Fees	7,298	6,414	5,738	4,979	4,427	3,849	3,272	2,697		254,130	Standby Fees
Project Monitor	3,500	3,500	3,500	3,500	3,500	3,500	3,500	208,699		296,699	Project Monitor
Deposit Insurance Fee	23,919	23,919	23,919	23,919	23,919	23,919	23,919	23,919		463,602	Deposit Insurance Fee
Interest on Purchaser Deposits								0		0	Interest on Purchaser Deposits
Land – Development Financing										2,047,261	Land – Development Financing
SUB TOTAL	**425,426**	**447,512**	**464,414**	**483,405**	**497,198**	**511,644**	**526,065**	**745,632**	**0**	**10,763,371**	**SUB TOTAL**
PRE OPENING & INTERIM OPERATIONS											**PRE OPENING & INTERIM OPERATIONS**
Interim Occupancy Operating Costs	25,000	37,500	62,500	62,500	70,833	87,500	99,999	133,333		587,497	Interim Occupancy Operating Costs
SUB TOTAL	**25,000**	**37,500**	**62,500**	**62,500**	**70,833**	**87,500**	**99,999**	**133,333**	**0**	**587,497**	**SUB TOTAL**
GOVERNMENT TAXES											**GOVERNMENT TAXES**
HST on Revenue										0	HST on Revenue
HST Payable	871,951	680,721	738,052	551,126	553,480	554,097	552,712	3,040,268		23,628,555	HST Payable
HST Recoverable	(871,951)	(871,951)	(680,721)	(738,052)	(551,126)	(553,480)	(554,097)	(3,592,979)		(23,628,555)	HST Recoverable
SUB TOTAL	**0**	**(191,230)**	**57,331**	**(186,926)**	**2,354**	**617**	**(1,385)**	**(552,712)**	**0**	**0**	**SUB TOTAL**
DEVELOPMENT CONTINGENCY											**DEVELOPMENT CONTINGENCY**
Development Contingency								846,335		846,335	Development Contingency
SUB TOTAL	**0**	**0**	**0**			**0**	**0**	**846,335**	**0**	**846,335**	**SUB TOTAL**
GROSS PROJECT BUDGET	**7,130,325**	**5,502,681**	**6,234,150**	**4,570,990**	**4,800,503**	**4,834,626**	**4,848,891**	**25,862,475**	**0**	**260,559,046**	**GROSS PROJECT BUDGET**
Checks										260,559,046	Checks
										0	
OFFSETTING INCOME & RECOVERIES											**OFFSETTING INCOME & RECOVERIES**
Interim Occupancy Recoveries (Mortgage,Condo Fees)	(62,815)	(94,223)	(157,038)	(157,038)	(177,976)	(219,853)	(251,261)	(335,014)		(1,476,156)	Interim Occupancy Recoveries (Mortgage,Condo Fees)
Development Charges Recoveries (Block A)								(3,411,265)		(3,411,265)	Development Charges Recoveries (Block A)
Tarion Unit Enrolment Fee Recovery								(536,625)		(536,625)	Tarion Unit Enrolment Fee Recovery
SUB TOTAL	**(62,815)**	**(94,223)**	**(157,038)**	**(157,038)**	**(177,976)**	**(219,853)**	**(251,261)**	**(4,282,904)**	**0**	**(5,424,046)**	**SUB TOTAL**
NET PROJECT BUDGET	**7,067,510**	**5,408,458**	**6,077,112**	**4,413,952**	**4,622,527**	**4,614,773**	**4,597,630**	**21,579,571**	**0**	**255,135,000**	**NET PROJECT BUDGET**
Checks										255,135,000	Checks
CUMULATIVE NET PROJECT BUDGET	**203,820,976**	**209,229,434**	**215,306,547**	**219,720,499**	**224,343,026**	**228,957,799**	**233,555,429**	**255,135,000**	**255,135,000**	**255,135,000**	**CUMULATIVE NET PROJECT BUDGET**
Checks										255,135,000	Checks
										0	

Downsview Homes Inc.
Saturday in Downsview
Toronto, Ontario

AltusGroup

Job No. 103253
Report No. Budget Report
Date 23-Jul-20

Altus Group Limited 2020

Development Cost	Altus Group Calculated Budget	1 Mar-20 1.59%	2 Apr-20 1.50%	3 May-20 1.50%	4 Jun-20 1.50%	5 Jul-20 2.00%	6 Aug-20 3.00%	7 Sep-20 3.00%	8 Oct-20 3.00%	9 Nov-20 3.00%
Months Remaining>		28	27	26	25	24	23	22	21	20
Block A			Structure Commence					Masonry, Envelope, Elevator		
Block P				Structure Commence			Masonry, Envelope, Elevator			
		Commence								
REVENUE										
EQUITY										
CONDO SALES	277,312,150									
1st Deposit ($5000 with Offer)		2,245,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
2nd Deposit (5% in 30 Days)		10,591,408	47,178	47,178	47,178	47,178	47,178	47,178	47,178	47,178
3rd Deposit (5% in 90 Days)		12,836,408	57,178	57,178	57,178	57,178	57,178	57,178	57,178	57,178
4th Deposit (5% in 180 Days)		7,530,240	5,020,279	57,178	57,178	57,178	57,178	57,178	57,178	57,178
5th Deposit (5% in 365 Days)										
6th Deposit (5% in 450 Days)										
7th Deposit (5% on Occupancy)										
Balance on Final Closing										
Post Closing Sales										
Total Projected Residential Revenue	277,312,150									
Parking	1,274,336									
Less: Pricing Incentives	(1,873,906)									
Rental Revenue	14,000,000									
Extras and Upgrades	3,469,665									
Design Studio Incentives	(2,138,874)									
TOTAL PROJECTED REVENUE	292,043,371									
HST on unsold units	0									
CLOSING ADJUSTMENTS										
Misc. recoveries from Purchasers	0									
Sales Commissions - Internal (50% on closing)	0									
Sales Commissions - Co-Broker (50% on closing)	0									
TARION Fee Recovery from Purchasers	0									
Interest on Deposits (net of Interest Payable)	0									
TOTAL EQUITY AND REVENUE	292,043,371	33,203,056	5,134,634	171,533	171,533	171,533	171,533	171,533	171,533	171,533
SALES PROJECTION										
SALES										
Suites Sold - Monthly		449	2	2	2	2	2	2	2	2
Suites Sold - Cumulative	0	449	451	453	455	457	459	461	463	465
OCCUPANCIES										
Occupancies - Monthly										
Occupancies - Cumulative	0	0	0	0	0	0	0	0	0	0
DEPOSITS										
Deposits - Monthly	0	33,203,056	5,134,634	171,533	171,533	171,533	171,533	171,533	171,533	171,533
Deposits - Cumulative	0	33,203,056	38,337,690	38,509,223	38,680,757	38,852,290	39,023,823	39,195,357	39,366,890	39,538,423
Deposits Paying Costs - Monthly						2,742,339	2,716,129	13,611,691	2,686,053	2,693,299
Deposits Paying Costs - Cumulative		0		0	0	2,742,339	5,458,468	19,070,158	21,756,212	24,449,511
Unused Deposits Earning Interest		33,203,056	38,337,690	38,509,223	38,680,757	36,109,951	33,565,356	20,125,198	17,610,678	15,088,912
SOURCE OF FUNDS										
EQUITY - Land		19,466,667								
EQUITY - Cash		20,704,994	8,919,226	5,629,959	4,836,107	(21,291,954)				
DEFERRED COSTS		0								
INSURED DEPOSITS			0	0	0	2,742,339	2,716,129	13,611,691	2,686,053	2,693,299
CONSTRUCTION LOAN			0	0	0	24,034,293	2,716,129	13,611,691	2,686,053	2,693,299
TOTAL PROJECTED COSTS		40,171,661	8,919,226	5,629,959	4,836,107	5,484,678	5,432,258	27,223,382	5,372,107	5,386,599
TOTAL SOURCE OF FUNDS		40,171,661	8,919,226	5,629,959	4,836,107	5,484,678	5,432,258	27,223,382	5,372,107	5,386,599
SOURCE OF FUNDS SURPLUS/ (SHORTFALL) - MONTHLY		0	0	0	0	0	0	0	0	0
SOURCE OF FUNDS SURPLUS/ (SHORTFALL) - CUMULATIVE		0	0	0	0	0	0	0	0	0
LOAN ADVANCE CALCULATION										
PRIME RATE (Floor Rate of 3.9%)		2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%
INTEREST RATE (Prime + 0.95%)		3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%
NET DRAW - MONTHLY		0	0	0	0	24,034,293	2,716,129	13,611,691	2,686,053	2,693,299
NET DRAW - CUMULATIVE		0	0	0	0	24,034,293	26,750,422	40,362,112	43,048,166	45,741,465
STANDBY FEE										
UNDRAWN LOAN AMOUNT		178,600,000	178,600,000	178,600,000	178,600,000	154,565,707	151,849,578	138,237,888	135,551,834	132,858,535
STANDBY FEE (0.15%)						19,321	18,981	17,280	16,944	16,607
PROJECTED STANDBY FEE PAYMENTS								55,582		
COMPARISON PROJECTED COSTS vs. ACTUAL COSTS										
Monthly Expenditure - Projected		40,171,661	8,919,226	5,629,959	4,836,107	5,484,678	5,432,258	27,223,382	5,372,107	5,386,599
Monthly Expenditure - Actual		40,171,661	0	0	0					
Monthly Variance ($, 000)		0	(8,919)	(5,630)	(4,836)	(5,485)	(5,432)	(27,223)	(5,372)	(5,387)
Cumulative Expenditure - Projected at Report #1		40,171,661	49,090,887	54,720,847	59,556,954	65,041,632	70,473,889	97,697,271	103,069,378	108,455,976
Cumulative Expenditure - Current Projected		40,171,661	49,090,887	54,720,847	59,556,954	65,041,632	70,473,889	97,697,271	103,069,378	108,455,976
Cumulative Expenditure - Actual		40,171,661	0	0						
Cumulative Variance ($, 000)		0	(49,091)	(54,721)	(59,557)	(65,042)	(70,474)	(97,697)	(103,069)	(108,456)

Development Cost	10 Dec-20 4.00%	11 Jan-21 4.00%	12 Feb-21 4.00%	13 Mar-21 5.00%	14 Apr-21 5.00%	15 May-21 6.00%	16 Jun-21 6.00%	17 Jul-21 6.00%	18 Aug-21 6.00%	19 Sep-21 4.00%
Months Remaining>	19	18	17	16	15	14	13	12	11	10
Block A		Structure Complete			Suite Finishes		Masonry, Envelope, Elevator Complete			
Block P	Structure Complete				Masonry, Envelope, Elevator Complete/Suite Finishes					
REVENUE										
EQUITY										
CONDO SALES										
1st Deposit ($5000 with Offer)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	20,000
2nd Deposit (5% in 30 Days)	47,178	47,178	47,178	47,178	47,178	47,178	47,178	47,178	47,178	94,356
3rd Deposit (5% in 90 Days)	57,178	57,178	57,178	57,178	57,178	57,178	57,178	57,178	57,178	114,356
4th Deposit (5% in 180 Days)	57,178	57,178	57,178	57,178	57,178	57,178	57,178	57,178	57,178	114,356
5th Deposit (5% in 365 Days)					12,836,408	57,178	57,178	57,178	57,178	57,178
6th Deposit (5% in 450 Days)								12,836,408	57,178	57,178
7th Deposit (5% on Occupancy)										
Balance on Final Closing										
TOTAL EQUITY AND REVENUE	171,533	171,533	171,533	171,533	13,007,941	228,711	228,711	13,065,119	285,889	457,422
SALES PROJECTION										
Suites Sold - Monthly	2	2	2	2	2	2	2	2	2	4
Suites Sold - Cumulative	467	469	471	473	475	477	479	481	483	487
Occupancies - Monthly										
Occupancies - Cumulative	0	0	0	0	0	0	0	0	0	0
Deposits - Monthly	171,533	171,533	171,533	171,533	13,007,941	228,711	228,711	13,065,119	285,889	457,422
Deposits - Cumulative	39,709,956	39,881,490	40,053,023	40,224,556	53,232,497	53,461,208	53,689,919	66,755,038	67,040,927	67,498,349
Deposits Paying Costs - Monthly	3,524,544	3,436,119	3,442,246	3,417,580	0					
Deposits Paying Costs - Cumulative	27,974,055	31,410,174	34,852,420	38,270,000	38,270,000	38,270,000	38,270,000	38,270,000	38,270,000	38,270,000
Unused Deposits Earning Interest	11,735,902	8,471,316	5,200,603	1,954,556	14,962,497	15,191,208	15,419,919	28,485,038	28,770,927	29,228,349
SOURCE OF FUNDS										
INSURED DEPOSITS	3,524,544	3,436,119	3,442,246	3,417,580	0	0	0	0	0	0
CONSTRUCTION LOAN	3,524,544	3,436,119	3,442,246	5,099,807	8,354,746	10,042,157	9,882,308	8,325,407	8,458,524	6,835,825
TOTAL PROJECTED COSTS	7,049,087	6,872,238	6,884,492	8,517,387	8,354,746	10,042,157	9,882,308	8,325,407	8,458,524	6,835,825
TOTAL SOURCE OF FUNDS	7,049,087	6,872,238	6,884,492	8,517,387	8,354,746	10,042,157	9,882,308	8,325,407	8,458,524	6,835,825
SOURCE OF FUNDS SURPLUS/ (SHORTFALL) - MONTHLY	0	0	0	0	0	0	0	0	0	0
SOURCE OF FUNDS SURPLUS/ (SHORTFALL) - CUMULATIVE	0	0	0	0	0	0	0	0	0	0
LOAN ADVANCE CALCULATION										
PRIME RATE (Floor Rate of 3.9%)	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%
INTEREST RATE (Prime + 0.95%)	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%
NET DRAW - MONTHLY	3,524,544	3,436,119	3,442,246	5,099,807	8,354,746	10,042,157	9,882,308	8,325,407	8,458,524	6,835,825
NET DRAW - CUMULATIVE	49,266,009	52,702,128	56,144,374	61,244,180	69,598,926	79,641,083	89,523,392	97,848,799	106,307,323	113,143,148
STANDBY FEE										
UNDRAWN LOAN AMOUNT	129,333,991	125,897,872	122,455,626	117,355,820	109,001,074	98,958,917	89,076,608	80,751,201	72,292,677	65,456,852
STANDBY FEE (0.15%)	16,167	15,737	15,307	14,669	13,625	12,370	11,135	10,094	9,037	8,182
PROJECTED STANDBY FEE PAYMENTS	49,718			45,714			37,130			27,313
Monthly Expenditure - Projected	7,049,087	6,872,238	6,884,492	8,517,387	8,354,746	10,042,157	9,882,308	8,325,407	8,458,524	6,835,825
Monthly Expenditure - Actual										
Monthly Variance ($, 000)	(7,049)	(6,872)	(6,884)	(8,517)	(8,355)	(10,042)	(9,882)	(8,325)	(8,459)	(6,836)
Cumulative Expenditure - Projected at Report #1	115,505,064	122,377,301	129,261,794	137,779,180	146,133,926	156,176,083	166,058,392	174,383,799	182,842,323	189,678,148
Cumulative Expenditure - Current Projected	115,505,064	122,377,301	129,261,794	137,779,180	146,133,926	156,176,083	166,058,392	174,383,799	182,842,323	189,678,148
Cumulative Expenditure - Actual										
Cumulative Variance ($, 000)	(115,505)	(122,377)	(129,262)	(137,779)	(146,134)	(156,176)	(166,058)	(174,384)	(182,842)	(189,678)

Development Cost	20 Oct-21 4.00%	21 Nov-21 4.00%	22 Dec-21 3.00%	23 Jan-22 3.00%	24 Feb-22 2.00%	25 Mar-22 2.00%	26 Apr-22 2.00%	27 May-22 2.00%	28 Jun-22 5.51%		Total Budget 100.00%	Development Cost
Months Remaining>	9	8	7	6	5	4	3	2	1			
Block A				Suite Finishes Complete	Initial Occupancy	Registration	Final Closing					
Block P	Initial Occupancy (Classic)			Suite Finishes Complete	Initial Occupancy (Urban)		Registration (Classic)	Registration (Urban), Final Closing (Classic)	Final Closing (Urban)			
REVENUE												**REVENUE**
EQUITY											0	EQUITY
CONDO SALES												CONDO SALES
1st Deposit ($5000 with Offer)	20,000	20,000	30,000	35,000	40,000	40,000	40,000	40,000	50,000		2,750,000	1st Deposit ($5000 with Offer)
2nd Deposit (5% in 30 Days)	94,356	94,356	141,533	165,122	188,711	188,711	188,711	188,711	235,889		[illegible]	2nd Deposit (5% in 30 Days)
3rd Deposit (5% in 90 Days)	114,356	114,356	171,533	200,122	228,711	228,711	228,711	228,711	285,889		[illegible]	3rd Deposit (5% in 90 Days)
4th Deposit (5% in 180 Days)	114,356	114,356	171,533	200,122	228,711	228,711	228,711	228,711	285,889		[illegible]	4th Deposit (5% in 180 Days)
5th Deposit (5% in 365 Days)	57,178	57,178	57,178	57,178	57,178	57,178	57,178	57,178	57,178		13,636,896	5th Deposit (5% in 365 Days)
6th Deposit (5% in 450 Days)	57,178	57,178	57,178	57,178	57,178	57,178	57,178	57,178	57,178		13,465,363	6th Deposit (5% in 450 Days)
7th Deposit (5% on Occupancy)									12,836,408		12,836,408	7th Deposit (5% on Occupancy)
Balance on Final Closing									190,544,895		190,544,895	Balance on Final Closing
Post Closing Sales											0	Post Closing Sales
Total Projected Residential Revenue											277,312,150	Total Projected Residential Revenue
Parking									1,274,336		1,274,336	Parking
Less: Pricing Incentives									(1,873,906)		(1,873,906)	Less: Pricing Incentives
Rental Revenue									14,000,000		14,000,000	Rental Revenue
Extras and Upgrades									3,469,665		3,469,665	Extras and Upgrades
Design Studio Incentives									(2,138,874)		(2,138,874)	Retail-Revenue Mortgagability
TOTAL PROJECTED REVENUE											292,043,371	TOTAL PROJECTED REVENUE
HST on unsold units									0		0	HST on unsold units
CLOSING ADJUSTMENTS												CLOSING ADJUSTMENTS
Misc. recoveries from Purchasers											0	Misc. recoveries from Purchasers
Sales Commissions - Internal (50% on closing)											0	Sales Commissions - Internal (50% on closing)
Sales Commissions - Co-Broker (50% on closing)											0	Sales Commissions - Co-Broker (50% on closing)
TARION Fee Recovery from Purchasers											0	TARION Fee Recovery from Purchasers
Interest on Deposits (net of Interest Payable)											0	Interest on Deposits (net of Interest Payable)
TOTAL EQUITY AND REVENUE	457,422	457,422	628,955	714,722	800,489	800,489	800,489	800,489	219,084,546	0	292,043,371	**TOTAL EQUITY AND REVENUE**
											292,043,371	
											0	Deduct Equity
											292,043,371	NET PROJECTED REVENUE / VALUE
											36,908,371	PROFIT
											14%	PROFIT %
SALES PROJECTION												**SALES PROJECTION**
Suites Sold - Monthly	4	4	6	7	8	8	8	8	10		550	Suites Sold - Monthly
Suites Sold - Cumulative	491	495	501	508	516	524	532	540	550		0	Suites Sold - Cumulative
Occupancies - Monthly	20	20	50	50	50	70	70	100	120		550	Occupancies - Monthly
Occupancies - Cumulative	20	20	50	50	50	70	70	100	120		550	Occupancies - Cumulative
Deposits - Monthly	457,422	457,422	628,955	714,722	800,489	800,489	800,489	800,489	13,808,430		86,767,255	Deposits - Monthly
Deposits - Cumulative	67,955,771	68,413,193	69,042,149	69,756,871	70,557,359	71,357,848	72,158,337	72,958,825	86,767,255		86,767,255	Deposits - Cumulative
Deposits Paying Costs - Monthly			0	0	0	0	0	0	0		38,270,000	Deposits Paying Costs - Monthly
Deposits Paying Costs - Cumulative	38,270,000	38,270,000	38,270,000	38,270,000	38,270,000	38,270,000	38,270,000	38,270,000	38,270,000		38,270,000	Deposits Paying Costs - Cumulative
Unused Deposits Earning Interest	29,685,771	30,143,193	30,772,149	31,486,871	32,287,359	33,087,848	33,888,337	34,688,825	48,497,255		48,497,255	Unused Deposits Earning Interest
SOURCE OF FUNDS												**SOURCE OF FUNDS**
EQUITY - Land											19,466,667	EQUITY - Land
EQUITY - Cash											18,798,333	EQUITY - Cash
DEFERRED COSTS											0	DEFERRED COSTS
INSURED DEPOSITS	0	0	0	0	0	0	0	0	0		38,270,000	INSURED DEPOSITS
CONSTRUCTION LOAN	7,075,318	7,067,510	5,408,458	6,077,112	4,413,952	4,622,527	4,614,773	4,597,630	21,579,571		178,600,000	CONSTRUCTION LOAN
TOTAL PROJECTED COSTS	7,075,318	7,067,510	5,408,458	6,077,112	4,413,952	4,622,527	4,614,773	4,597,630	21,579,571		255,135,000	TOTAL PROJECTED COSTS
TOTAL SOURCE OF FUNDS	7,075,318	7,067,510	5,408,458	6,077,112	4,413,952	4,622,527	4,614,773	4,597,630	21,579,571		255,135,000	TOTAL SOURCE OF FUNDS
SOURCE OF FUNDS SURPLUS/ (SHORTFALL) - MONTHLY	0	0	0	0	0	0	0	0	0		0	SOURCE OF FUNDS SURPLUS/ (SHORTFALL) - MONTHLY
SOURCE OF FUNDS SURPLUS/ (SHORTFALL) - CUMULATIVE	0	0	0	0	0	0	0	0	0		0	SOURCE OF FUNDS SURPLUS/ (SHORTFALL) - CUMULATIV
LOAN ADVANCE CALCULATION												**LOAN ADVANCE CALCULATION**
PRIME RATE (Floor Rate of 3.9%)	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%			PRIME RATE (Floor Rate of 3.9%)
INTEREST RATE (Prime + 0.95%)	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%			INTEREST RATE (Prime + 0.95%)
NET DRAW - MONTHLY	7,075,318	7,067,510	5,408,458	6,077,112	4,413,952	4,622,527	4,614,773	4,597,630	21,579,571		178,600,000	NET DRAW - MONTHLY
NET DRAW - CUMULATIVE	120,218,466	127,285,976	132,694,434	138,771,547	143,185,499	147,808,026	152,422,799	157,020,429	178,600,000		0	NET DRAW - CUMULATIVE
STANDBY FEE												
UNDRAWN LOAN AMOUNT	58,381,534	51,314,024	45,905,566	39,828,453	35,414,501	30,791,974	26,177,201	21,579,571	0			UNDRAWN LOAN AMOUNT
STANDBY FEE (0.15%)	7,298	6,414	5,738	4,979	4,427	3,849	3,272	2,697	0			STANDBY FEE (0.15%)
PROJECTED STANDBY FEE PAYMENTS			19,450					10,946				PROJECTED STANDBY FEE PAYMENTS
COMPARISON PROJECTED COSTS vs. ACTUAL COSTS												COMPARISON PROJECTED COSTS vs. ACTUAL COSTS
Monthly Expenditure - Projected	7,075,318	7,067,510	5,408,458	6,077,112	4,413,952	4,622,527	4,614,773	4,597,630	21,579,571		255,135,000	Monthly Expenditure - Projected
Monthly Expenditure - Actual												Monthly Expenditure - Actual
Monthly Variance ($, 000)	(7,075)	(7,068)	(5,408)	(6,077)	(4,414)	(4,623)	(4,615)	(4,598)	(21,580)			Monthly Variance ($, 000)
Cumulative Expenditure - Projected at Report #1	196,753,466	203,820,976	209,229,434	215,306,547	219,720,499	224,343,026	228,957,799	233,555,429	255,135,000			Cumulative Expenditure - Projected at Report #1
Cumulative Expenditure - Current Projected	196,753,466	203,820,976	209,229,434	215,306,547	219,720,499	224,343,026	228,957,799	233,555,429	255,135,000			Cumulative Expenditure - Current Projected
Cumulative Expenditure - Actual												Cumulative Expenditure - Actual
Cumulative Variance ($, 000)	(196,753)	(203,821)	(209,229)	(215,307)	(219,720)	(224,343)	(228,958)	(233,555)	(255,135)			Cumulative Variance ($, 000)

Appendix D - Construction Cost Reports

AltusGroup

Downsview Homes Inc.
Saturday in Downsview
Toronto, Ontario

Construction Budget & Cost Report (Block A)

March 31, 2020

Job No.	103233
Report No.	Budget Report
Date	23-Jul-20

Code	Division	Borrower's Current Budget	Variance (Altus vs Borrower)	Altus Group Current Budget	Vendor Name Comments	Contracts/ Quotes	C.O.'s	P.O.'s	Total Committed	Gross Cost-to-Date	Previously Approved	Current Approved	Cost-to-Complete	Gross Holdback	Holdback Release	Net Holdback	% Complete
	EXECUTIVE SUMMARY																
	DIVISION 1 - GENERAL REQUIREMENTS & FEES	9,477,139	0	9,477,139	8%	0	0	294,034	294,034	294,034	0	294,034	9,183,105	0	0	0	3%
	DIVISION 2 - SITE WORK	9,200,587	0	9,200,587	7%	1,763,868	0	0	1,763,868	1,763,868	0	1,763,868	7,436,719	(176,387)	0	(176,387)	19%
	DIVISION 3 - CONCRETE	34,077,594	0	34,077,594	28%	0	0	0	0	0	0	0	34,077,594	0	0	0	0%
	DIVISION 4 - MASONRY	2,030,043	0	2,030,043	2%	0	0	0	0	0	0	0	2,030,043	0	0	0	0%
	DIVISION 5 - METALS	665,956	0	665,956	1%	0	0	0	0	0	0	0	665,956	0	0	0	0%
	DIVISION 6 - CARPENTRY	4,327,685	0	4,327,685	4%	0	0	0	0	0	0	0	4,327,685	0	0	0	0%
	DIVISION 7 - THERMAL & MOISTURE PROTECTION	6,109,995	0	6,109,995	5%	0	0	0	0	0	0	0	6,109,995	0	0	0	0%
	DIVISION 8 - DOORS & WINDOWS	13,433,054	0	13,433,054	11%	0	0	0	0	0	0	0	13,433,054	0	0	0	0%
	DIVISION 9 - FINISHES	12,248,769	0	12,248,769	10%	0	0	0	0	0	0	0	12,248,769	0	0	0	0%
	DIVISION 10 - SPECIALTIES	554,091	0	554,091	0%	0	0	0	0	0	0	0	554,091	0	0	0	0%
	DIVISION 11 - EQUIPMENT	2,773,179	0	2,773,179	2%	0	0	0	0	0	0	0	2,773,179	0	0	0	0%
	DIVISION 12 - FURNISHINGS	640,596	0	640,596	1%	0	0	0	0	0	0	0	640,596	0	0	0	0%
	DIVISION 13 - SPECIAL CONSTRUCTION	56,868	0	56,868	0%	0	0	0	0	0	0	0	56,868	0	0	0	0%
	DIVISION 14 - CONVEYING SYSTEMS	1,129,000	0	1,129,000	1%	0	0	0	0	0	0	0	1,129,000	0	0	0	0%
	DIVISION 15 - MECHANICAL	15,216,601	0	15,216,601	12%	0	0	0	0	0	0	0	15,216,601	0	0	0	0%
	DIVISION 16 - ELECTRICAL	6,699,000	0	6,699,000	5%	0	0	0	0	0	0	0	6,699,000	0	0	0	0%
	CONSTRUCTION BUDGET SUB-TOTAL	**118,640,156**	**0**	**118,640,156**	**96%**	**1,763,868**	**0**	**294,034**	**2,057,902**	**2,057,902**	**0**	**2,057,902**	**116,582,253**	**(176,387)**	**0**	**(176,387)**	**2%**
	CONSTRUCTION CONTINGENCY	5,499,421	(783,467)	4,715,954	4%	0	0	0	0	0	0	0	4,715,954				0%
	CONSTRUCTION BUDGET TOTAL	**124,139,577**	**(783,467)**	**123,356,110**	**100%**	**1,763,868**	**0**	**294,034**	**2,057,902**	**2,057,902**	**0**	**2,057,902**	**121,298,207**	**(176,387)**	**0**	**(176,387)**	**2%**
	checks	124,139,577	(783,467)	123,356,110				checks		2,057,902	0	2,057,902	121,298,207				
									Less Holdback	(176,387)	0	(176,387)	176,387	Add Holdback			
									Add Holdback Release	0	0	0	0	Deduct Holdback Release			
									Net Cost-to-Date	**1,881,515**	**0**	**1,881,515**	**121,474,594**	**Net Cost-to-Complete**			
									checks	1,881,515	0	1,881,515	121,474,594				
										0	0	0	0				

RECONCILIATION OF CONSTRUCTION COSTS TO DATE		
Net Costs Approved by Altus Group		1,881,515
Gross Costs Claimed by Mattamy		2,057,902
Total Variance	**A**	**(176,387)**
Variances are explained as follows:		
Holdback	(176,387)	
Variances Explained	**B**	**(176,387)**
Reconciles	**(A-B)**	**0**

AltusGroup

Downsview Homes Inc.
Saturday in Downsview
Toronto, Ontario

Construction Budget & Cost Report (Block A)

March 31, 2020

Job No. 103233
Report No. Budget Report
Date 23-Jul-20

Code	Division	Borrower's Current Budget	Variance (Altus vs Borrower)	Altus Group Current Budget	Vendor Name Comments	Contracts/ Quotes	C.O.'s	P.O.'s	Total Committed	Gross Cost-to-Date	Previously Approved	Current Approved	Cost-to-Complete	Gross Holdback	Holdback Release	Net Holdback	% Complete
	DIVISION 1 - GENERAL REQUIREMENTS & FEES																
60010	Site Salaries	0	0	0				0	0	0		-	0			0	-
60015	Builder Salaries	1,520,606	0	1,520,606				46,208	46,208	46,208		46,208	1,474,398			0	3%
60022	Field Bonus Plan/BBP	354,753	0	354,753				18,501	18,501	18,501		18,501	336,252			0	5%
60025	General Labour	2,886,370	0	2,886,370				29,317	29,317	29,317		29,317	2,857,053			0	1%
60026	Handyman - HRD	338,173	0	338,173				0	0	0		-	338,173			0	0%
60030	Vehicle Expenses - Payr	0	0	0				0	0	0		-	0			0	-
60035	Payroll Benefits & Taxes	441,817	0	441,817				0	0	0		-	441,817			0	0%
60045	Worker Compensation Insurance	2,500	0	2,500				1,070	1,070	1,070		1,070	1,431			0	43%
61015	Field Office Set-up	2,458	0	2,458				2,458	2,458	2,458		2,458	0			0	100%
60020	Filed Office Utilities	20,690	0	20,690				0	0	0		0	20,690			0	0%
61030	Field Office Supplies	20,672	0	20,672				5,320	5,320	5,320		5,320	15,352			0	26%
61040	Field Office Phone	10,275	0	10,275				223	223	223		223	10,052			0	2%
61050	Field Office Furniture	0	0	0				0	0	0		-	0			0	-
61060	Field Office Other	7,490	0	7,490				7,490	7,490	7,490		7,490	0			0	100%
63005	Equipment Rental/Lease	54,000	0	54,000				6,763	6,763	6,763		6,763	47,237			0	13%
63015	Toilet Rental/Temporary Sanitation	82,394	0	82,394				1,318	1,318	1,318		1,318	81,076			0	2%
63020	Temporary Power/Hydro	543,582	0	543,582				125,851	125,851	125,851		125,851	417,731			0	23%
63030	Temporary Water	2,998	0	2,998				1,302	1,302	1,302		1,302	1,696			0	43%
63050	Security Guard Service	289,444	0	289,444				2,890	2,890	2,890		2,890	286,554			0	1%
63060	Traffic Control	13,527	0	13,527				0	0	0		0	13,527			0	0%
63055	Construction Signs	37,413	0	37,413				0	0	0		0	37,413			0	0%
63070	Site Cleaning	0	0	0				0	0	0		0	0			0	-
63073	Street Cleaning	62,400	0	62,400				0	0	0		0	62,400			0	0%
63075	Garbage Removal	0	0	0				0	0	0		0	0			0	-
63124	Vehicle Operating Expenses	120,100	0	120,100				3,105	3,105	3,105		3,105	116,995			0	3%
63125	General Account	1,000	0	1,000				1,000	1,000	1,000		1,000	0			0	100%
63126	Construction Hoist	419,300	0	419,300				0	0	0		0	419,300			0	0%
63127	Hoist Operator	363,825	0	363,825				0	0	0		0	363,825			0	0%
63128	Crane Rental	0	0	0				0	0	0		0	0			0	-
63175	Small Tools & Supplies	267,018	0	267,018				0	0	0		0	267,018			0	0%
65060	Snow Removal Costs	0	0	0				0	0	0		0	0			0	-
015119	Temporary Fuel Oil	296,869	0	296,869				141	141	141		141	296,728			0	0%
015123	Temp. Heating, Cooling & Ventilating	112,240	0	112,240				0	0	0		0	112,240			0	0%
015523	Temporary Roads	0	0	0				0	0	0		0	0			0	-
015600	Temporary Barriers & Enclosures	396,581	0	396,581				39,330	39,330	39,330		39,330	357,251			0	10%
015623	Temporary Barricades	0	0	0				0	0	0		0	0			0	-
015650	Safety Fencing	354,547	0	354,547				765	765	765		765	353,782			0	0%
017419	Construction Waste Mgmt & Disposal	307,387	0	307,387				985	985	985		985	306,402			0	0%
017423	Final Cleaning	146,710	0	146,710				0	0	0		0	146,710			0	0%
	DIVISION 1 - GENERAL REQUIREMENTS & FEES TOTAL	**9,477,139**	**0**	**9,477,139**		**0**	**0**	**294,034**	**294,034**	**294,034**	**0**	**294,034**	**9,183,105**	**0**	**0**	**0**	**3%**
	Checks	9,477,139	0	9,477,139		0	0	294,034	294,034	294,034	0	294,034	9,183,105				
	DIVISION 2 - SITE WORK																
011813	Utility Service Connections	380,000	0	380,000		6,212			6,212	6,212		6,212	373,788	(621)		(621)	2%
024100	Demolition	0	0	0		0			0	0		0	0	0		0	-
312000	Earth Moving	3,817,700	0	3,817,700		715,000			715,000	715,000		715,000	3,102,700	(71,500)		(71,500)	19%
311000	Site Clearing	3,240	0	3,240		3,240			3,240	3,240		3,240	0	(324)		(324)	100%
312319	Dewatering	112,535	0	112,535		12,254			12,254	12,254		12,254	100,281	(1,225)		(1,225)	11%
312323	Backfill	132,892	0	132,892		0			0	0		0	132,892	0		0	0%
314100	Shoring	1,535,812	0	1,535,812		1,027,162			1,027,162	1,027,162		1,027,162	508,650	(102,716)		(102,716)	67%
320000	Exterior Improvements	2,843,408	0	2,843,408					0	0		0	2,843,408	0		0	0%
321000	Bases, Ballasts & Paving	0	0	0					0	0		0	0	0		0	-
323300	Site Furnishings	0	0	0					0	0		0	0	0		0	-
329000	Planting	0	0	0					0	0		0	0	0		0	-
334600	Subdrainage	374,999	0	374,999					0	0		0	374,999	0		0	0%
	DIVISION 2 - SITE WORK TOTAL	**9,200,587**	**0**	**9,200,587**		**1,763,868**	**0**	**0**	**1,763,868**	**1,763,868**	**0**	**1,763,868**	**7,436,719**	**(176,387)**	**0**	**(176,387)**	**19%**
	Checks	9,200,587	0	9,200,587		1,763,868	0	0	1,763,868	1,763,868	0	1,763,868	7,436,719				
	DIVISION 3 - CONCRETE																
031100	Concrete Forming	19,465,000	0	19,465,000					0	0		-	19,465,000	0		0	0%
031200	Concrete Pouring	1,622,500	0	1,622,500					0	0		-	1,622,500	0		0	0%
031300	Concrete Pump	0	0	0					0	0		-	0	0		0	-
031500	Concrete Accessories	442,549	0	442,549					0	0		-	442,549	0		0	0%
032000	Concrete Reinforcing	3,641,200	0	3,641,200					0	0		-	3,641,200	0		0	0%
032600	Reinforcing Steel Placing	1,862,000	0	1,862,000					0	0		0	1,862,000	0		0	0%
033000	Cast-In-Place Concrete	4,984,229	0	4,984,229					0	0		0	4,984,229	0		0	0%
031300	Concrete Additives	0	0	0					0	0		0	0	0		0	0%
033500	Concrete Finishing	314,114	0	314,114					0	0		0	314,114	0		0	0%
034000	Precast Concrete	1,746,001	0	1,746,001					0	0		0	1,746,001	0		0	0%
038000	Concrete Cutting & Boring	0	0	0					0	0		0	0	0		0	-
	DIVISION 3 - CONCRETE TOTAL	**34,077,594**	**0**	**34,077,594**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**34,077,594**	**0**	**0**	**0**	**0%**
	Checks	34,077,594	0	34,077,594		0	0	0	0	0	0	0	34,077,594				

Altus Group

Downsview Homes Inc.
Saturday in Downsview
Toronto, Ontario

Construction Budget & Cost Report (Block A)

March 31, 2020

Job No.	103233
Report No.	Budget Report
Date	23-Jul-20

Code	Division	Borrower's Current Budget	Variance (Altus vs Borrower)	Altus Group Current Budget	Vendor Name Comments	Contracts/ Quotes	C.O.'s	P.O.'s	Total Committed	Gross Cost-to-Date	Previously Approved	Current Approved	Cost-to-Complete	Gross Holdback	Holdback Release	Net Holdback	% Complete
	DIVISION 4 - MASONRY																
042000	Unit Masonry	2,030,043	0	2,030,043					0	0	0	0	2,030,043	0		0	0%
	DIVISION 4 - MASONRY TOTAL	**2,030,043**	**0**	**2,030,043**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,030,043**	**0**	**0**	**0**	**0%**
	Checks	2,030,043	0	2,030,043					0	0	0	0	2,030,043				
	DIVISION 5 - METALS																
055000	Metal Fabrications	665,956	0	665,956					0	0		-	665,956	0		0	0%
	DIVISION 5 - METALS TOTAL	**665,956**	**0**	**665,956**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**665,956**	**0**	**0**	**0**	**0%**
	Checks	665,956	0	665,956					0	0	0	0	665,956				
	DIVISION 6 - CARPENTRY																
061000	Rough Carpentry	34,706	0	34,706					0	0	0	0	34,706	0		0	0%
062000-1	Finish Carpentry	2,694,763	0	2,694,763					0	0	0	0	2,694,763	0		0	0%
064300	Wood Stairs & Railings	198,215	0	198,215					0	0	0	0	198,215	0		0	0%
123530	Residential Casework	1,400,000	0	1,400,000					0	0			1,400,000	0		0	0%
	DIVISION 6 - CARPENTRY TOTAL	**4,327,685**	**0**	**4,327,685**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**4,327,685**	**0**	**0**	**0**	**0%**
	Checks	4,327,685	0	4,327,685		0	0	0	0	0	0	0	4,327,685				
	DIVISION 7 - THERMAL & MOISTURE PROTECTION																
071000	Dampproofing & Waterproofing	4,788,898	0	4,788,898					0	0		0	4,788,898	0		0	0%
072100	Thermal Insulation	284,042	0	284,042					0	0		0	284,042	0		0	0%
072400	Exterior Insulation & Finish Systems	436,613	0	436,613					0	0		0	436,613	0		0	0%
076000	Flashing & Sheet Metal	0	0	0					0	0		0	0	0		0	-
078000	Fire & Smoke Protection	0	0	0					0	0		0	0	0		0	-
079200	Joint Sealants	600,443	0	600,443					0	0		0	600,443	0		0	0%
	DIVISION 7 - THERMAL & MOISTURE PROTECTION TOTAL	**6,109,995**	**0**	**6,109,995**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6,109,995**	**0**	**0**	**0**	**0%**
	Checks	6,109,995	0	6,109,995		0	0	0	0	0	0	0	6,109,995				
	DIVISION 8 - DOORS & WINDOWS																
057300	Decorative Metal Railings	1,964,196	0	1,964,196					0	0		0	1,964,196	0		0	0%
081100	Metal Doors & Frames	214,378	0	214,378					0	0		0	214,378	0		0	0%
083100	Access Doors & Panels	0	0	0					0	0		0	0	0		0	-
083613	Sectional Doors	77,071	0	77,071					0	0		0	77,071	0		0	0%
084400	Curtain Wall & Glazed Assemblies	0	0	0					0	0		0	0			0	-
085000	Windows	10,024,944	0	10,024,944					0	0		0	10,024,944			0	0%
087100	Door Hardware	498,397	0	498,397					0	0		0	498,397	0		0	0%
102819	Tub & Shower Enclosures	135,862	0	135,862					0	0		0	135,862	0		0	0%
105700	Wardrobe & Closet Specialties	518,205	0	518,205					0	0		0	518,205	0		0	0%
	DIVISION 8 - DOORS & WINDOWS TOTAL	**13,433,054**	**0**	**13,433,054**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**13,433,054**	**0**	**0**	**0**	**0%**
	Checks	13,433,054	0	13,433,054		0	0	0	0	0	0	0	13,433,054				

AltusGroup
Downsview Homes Inc.
Saturday in Downsview
Toronto, Ontario

Construction Budget & Cost Report (Block A)

March 31, 2020

Job No. 103233
Report No. Budget Report
Date 23-Jul-20

Code	Division	Borrower's Current Budget	Variance (Altus vs Borrower)	Altus Group Current Budget	Vendor Name Comments	Contracts/ Quotes	C.O.'s	P.O.'s	Total Committed	Gross Cost-to-Date	Previously Approved	Current Approved	Cost-to-Complete	Gross Holdback	Holdback Release	Net Holdback	% Complete
	DIVISION 9 - FINISHES																
092000-1	Plaster & Gypsum Board	6,232,753	0	6,232,753					0	0	0	0	6,232,753	0		0	0%
093000-1	Tiling	1,649,485	0	1,649,485					0	0	0	0	1,649,485	0		0	0%
096400	Wood Flooring	1,569,091	0	1,569,091					0	0	0	0	1,569,091	0		0	0%
096500	Resilent Flooring	0	0	0					0	0	0	0	0	0		0	-
096800	Carpeting	216,997	0	216,997					0	0	0	0	216,997	0		0	0%
099100-1	Painting	1,604,273	0	1,604,273					0	0	0	0	1,604,273	0		0	0%
123640	Stone Countertops	762,037	0	762,037					0	0	0	0	762,037	0		0	0%
123661	Cultured Marble Countertops	214,132	0	214,132					0	0	0	0	214,132	0		0	0%
093000-3	Tiling-Backsplash	0	0	0					0	0	0	0	0	0		0	-
	DIVISION 9 - FINISHES TOTAL	**12,248,769**	**0**	**12,248,769**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12,248,769**	**0**	**0**	**0**	**0%**
	Checks	12,248,769	0	12,248,769		0	0	0	0	0	0	0	12,248,769				
	DIVISION 10 - SPECIALTIES																
088300	Mirrors	150,876	0	150,876					0		0	0	150,876	0		0	0%
102800	Toilet, Bath & Laundry Accessories	7,483	0	7,483					0	0	0	0	7,483	0		0	0%
103100	Manufactured Fireplaces	0	0	0					0	0	0	0	0	0		0	-
101400	Signage	0	0	0					0	0	0	0	0	0		0	-
105100	Lockers	395,733	0	395,733					0	0	0	0	395,733	0		0	0%
	DIVISION 10 - SPECIALTIES TOTAL	**554,091**	**0**	**554,091**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**554,091**	**0**	**0**	**0**	**0%**
	Checks	554,091	0	554,091		0	0	0	0	0	0	0	554,091				
	DIVISION 11 - EQUIPMENT																
113013-1	Residential Appliances	1,898,965	0	1,898,965					0	0	0	0	1,898,965	0		0	0%
116600	Athletic Equipment	201,286	0	201,286					0	0	0	0	201,286	0		0	0%
118123	Window Washing Systems	246,928	0	246,928					0	0	0	0	246,928	0		0	0%
118200	Solid Waste Handling Equipment	213,000	0	213,000					0	0	0	0	213,000	0		0	0%
280000	Electronic Safety & Security	213,000	0	213,000					0	0	0	0	213,000	0		0	0%
	DIVISION 11 - EQUIPMENT TOTAL	**2,773,179**	**0**	**2,773,179**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,773,179**	**0**	**0**	**0**	**0%**
	Checks	2,773,179	0	2,773,179					0	0	0	0	2,773,179				
	DIVISION 12 - FURNISHINGS																
122000	Window Treatments	0	0	0					0	0	0	0	0	0		0	-
124800	Floor Grilles	0	0	0					0	0	0	0	0	0		0	-
125000	Furniture	640,596	0	640,596					0	0	0	0	640,596	0		0	0%
	DIVISION 12 - FURNISHINGS TOTAL	**640,596**	**0**	**640,596**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**640,596**	**0**	**0**	**0**	**0%**
	Checks	640,596	0	640,596					0	0	0	0	640,596				
	DIVISION 13 - SPECIAL CONSTRUCTION																
									0	0	0	0	0	0		0	-
131100	Swimming Pools	0	0	0					0	0		0	0			0	-
131713	Hot Tubs	0	0	0					0	0		0	0			0	-
132416	Saunas	0	0	0					0	0		0	0			0	-
134800	Sound, Vibration and Seismic Control	56,868	0	56,868					0	0		0	56,868			0	0%
	DIVISION 13 - SPECIAL CONSTRUCTION TOTAL	**56,868**	**0**	**56,868**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**56,868**	**0**	**0**	**0**	**0%**
	Checks	56,868	0	56,868					0	0	0	0	56,868				
	DIVISION 14 - CONVEYING SYSTEMS																
142000	Elevators	1,129,000	0	1,129,000					0	0	0	0	1,129,000	0		0	0%
	DIVISION 14 - CONVEYING SYSTEMS TOTAL	**1,129,000**	**0**	**1,129,000**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,129,000**	**0**	**0**	**0**	**0%**
	Checks	1,129,000	0	1,129,000		0	0	0	0	0	0	0	1,129,000				

AltusGroup

Downsview Homes Inc.
Saturday in Downsview
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Construction Budget & Cost Report (Block A)

March 31, 2020

Job No. 103233
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Code	Division	Borrower's Current Budget	Variance (Altus vs Borrower)	Altus Group Current Budget	Vendor Name Comments	Contracts/ Quotes	C.O.'s	P.O.'s	Total Committed	Gross Cost-to-Date	Previously Approved	Current Approved	Cost-to-Complete	Gross Holdback	Holdback Release	Net Holdback	% Complete
	DIVISION 15 - MECHANICAL																
211300-1	Fire Suppression Sprinkler Systems	0	0	0					0	0	0	0	0	0		0	0%
220000-1	Plumbing	12,100,000	0	12,100,000					0	0	0	0	12,100,000	0		0	0%
230000-1	HVAC	3,116,601	0	3,116,601					0	0	0	0	3,116,601	0		0	0%
	DIVISION 15 - MECHANICAL TOTAL	**15,216,601**	**0**	**15,216,601**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**15,216,601**	**0**	**0**	**0**	**0%**
	Checks	15,216,601	0	15,216,601		0	0	0	0	0	0	0	15,216,601				
	DIVISION 16 - ELECTRICAL																
260000-1	Electrical	6,699,000	0	6,699,000					0	0	0	0	6,699,000	0		0	0%
	DIVISION 16 TOTAL	**6,699,000**	**0**	**6,699,000**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6,699,000**	**0**	**0**	**0**	**0%**
	Checks	6,699,000	0	6,699,000		0	0	0	0	0	0	0	6,699,000				
	CONSTRUCTION BUDGET SUB-TOTAL	**118,640,156**	**0**	**118,640,156**		**1,763,868**	**0**	**294,034**	**2,057,902**	**2,057,902**	**0**	**2,057,902**	**116,582,253**	**(176,387)**	**0**	**(176,387)**	**2%**
	CONSTRUCTION CONTINGENCY	5,499,421	(783,467)	4,715,954 4%						0		0	4,715,954				0%
	CONSTRUCTION BUDGET TOTAL	**124,139,577**	**(783,467)**	**123,356,110**		**1,763,868**	**0**	**294,034**	**2,057,902**	**2,057,902**	**0**	**2,057,902**	**121,298,207**	**(176,387)**	**0**	**(176,387)**	**2%**
	Checks	124,139,577	(783,467)	123,356,110		1,763,868	0	294,034	2,057,902	2,057,902	0	2,057,902	121,298,207				
									0	0	0	0	0				

AltusGroup

Downsview Homes Inc.
Saturday in Downsview
Toronto, Ontario

Construction Budget & Cost Report (Block P - Classic)

March 31, 2020

Job No. 103233
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Altus Group Limited 2020

Code	Division	Borrower's Current Budget	Variance (Altus vs Borrower)	Altus Group Current Budget	Vendor Name Comments	Contracts/ Quotes	C.O.'s	P.O.'s	Total Committed	Gross Cost-to-Date	Previously Approved	Current Approved	Cost-to-Complete	Gross Holdback	Holdback Release	Net Holdback	% Complete
	EXECUTIVE SUMMARY																
	DIVISION 1 - GENERAL REQUIREMENTS & FEES	966,665	0	966,665	11%	0	0	0	0	0	0	0	966,665	0	0	0	0%
	DIVISION 2 - SITE WORK	784,585	0	784,585	9%	0	0	0	0	0	0	0	784,585	0	0	0	0%
	DIVISION 3 - CONCRETE	314,939	0	314,939	4%	0	0	0	0	0	0	0	314,939	0	0	0	0%
	DIVISION 4 - MASONRY	373,000	0	373,000	4%	0	0	0	0	0	0	0	373,000	0	0	0	0%
	DIVISION 5 - METALS	187,180	0	187,180	2%	0	0	0	0	0	0	0	187,180	0	0	0	0%
	DIVISION 6 - CARPENTRY	2,228,800	0	2,228,800	25%	0	0	0	0	0	0	0	2,228,800	0	0	0	0%
	DIVISION 7 - THERMAL & MOISTURE PROTECTION	988,701	0	988,701	11%	0	0	0	0	0	0	0	988,701	0	0	0	0%
	DIVISION 8 - DOORS & WINDOWS	445,095	0	445,095	5%	0	0	0	0	0	0	0	445,095	0	0	0	0%
	DIVISION 9 - FINISHES	1,235,505	0	1,235,505	14%	0	0	0	0	0	0	0	1,235,505	0	0	0	0%
	DIVISION 10 - SPECIALTIES	0	0	0	0%	0	0	0	0	0	0	0	0	0	0	0	-
	DIVISION 11 - EQUIPMENT	139,080	0	139,080	2%	0	0	0	0	0	0	0	139,080	0	0	0	0%
	DIVISION 12 - FURNISHINGS	0	0	0	0%	0	0	0	0	0	0	0	0	0	0	0	-
	DIVISION 13 - SPECIAL CONSTRUCTION	0	0	0	0%	0	0	0	0	0	0	0	0	0	0	0	-
	DIVISION 14 - CONVEYING SYSTEMS	0	0	0	0%	0	0	0	0	0	0	0	0	0	0	0	-
	DIVISION 15 - MECHANICAL	694,338	0	694,338	8%	0	0	0	0	0	0	0	694,338	0	0	0	0%
	DIVISION 16 - ELECTRICAL	300,112	0	300,112	3%	0	0	0	0	0	0	0	300,112	0	0	0	0%
	CONSTRUCTION BUDGET SUB-TOTAL	**8,658,001**	**0**	**8,658,001**	**97%**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**8,658,001**	**0**	**0**	**0**	**0%**
	CONSTRUCTION CONTINGENCY	276,083	0	276,083	3%	0	0	0	0	0	0	0	276,083				0%
	CONSTRUCTION BUDGET TOTAL	**8,934,084**	**0**	**8,934,084**	**100%**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**8,934,084**	**0**	**0**	**0**	**0%**
	checks	0	0	0				checks		0	0	0	0				
									Less Holdback	0	0	0	0	Add Holdback			
									Add Holdback Release	0	0	0	0	Deduct Holdback Release			
									Net Cost-to-Date	**0**	**0**	**0**	**8,934,084**	**Net Cost-to-Complete**			
									checks	0	0	0	8,934,084				
										0	0	0	0				

RECONCILIATION OF CONSTRUCTION COSTS TO DATE			
Net Costs Approved by Altus Group			0
Gross Costs Claimed by Mattamy			
Total Variance	**A**		**0**
Variances are explained as follows:			
Holdback		0	
Variances Explained	**B**		**0**
Reconciles	**(A-B)**		**0**

AltusGroup

Downsview Homes Inc.
Saturday in Downsview
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	DIVISION 1 - GENERAL REQUIREMENTS & FEES																
60010	Site Salaries		0	0					0	0		-	0			0	-
60015	Builder Salaries	169,705	0	169,705					0	0		-	169,705			0	0%
60022	Field Bonus Plan/BBP	38,514	0	38,514					0	0		-	38,514			0	0%
60025	General Labour	362,980	0	362,980					0	0		0	362,980			0	0%
60026	Handyman - HRD	40,500	0	40,500					0	0		-	40,500			0	0%
60030	Vehicle Expenses - Payr	0	0	0					0	0		-	0			0	-
60035	Payroll Benefits & Taxes	47,890	0	47,890					0	0		-	47,890			0	0%
61015	Field Office Set-up	385	0	385					0	0		-	385			0	0%
60020	Filed Office Utilities	3,984	0	3,984					0	0		-	3,984			0	0%
61030	Field Office Supplies	1,787	0	1,787					0	0		0	1,787			0	0%
61040	Field Office Phone	0	0	0					0	0		-	0			0	-
61050	Field Office Furniture	1,464	0	1,464					0	0		-	1,464			0	0%
61060	Field Office Other	0	0	0					0	0		-	0			0	-
63005	Equipment Rental/Lease	5,585	0	5,585					0	0		0	5,585			0	0%
63015	Toilet Rental/Temporary Sanitation	9,240	0	9,240					0	0		0	9,240			0	0%
63020	Temporary Power/Hydro	69,948	0	69,948					0	0		0	69,948			0	0%
63030	Temporary Water	386	0	386					0	0		0	386			0	0%
63050	Security Guard Service	38,631	0	38,631					0	0		0	38,631			0	0%
63060	Traffic Control	1,741	0	1,741					0	0		0	1,741			0	0%
63055	Construction Signs	4,814	0	4,814					0	0		0	4,814			0	0%
63070	Site Cleaning	0	0	0					0	0		0	0			0	-
63073	Street Cleaning	8,011	0	8,011					0	0		0	8,011			0	0%
63075	Garbage Removal	0	0	0					0	0		0	0			0	-
63124	Vehicle Operating Expenses	13,230	0	13,230					0	0		0	13,230			0	0%
63125	General Account	96	0	96					0	0		0	96			0	0%
63126	Construction Hoist	51,292	0	51,292					0	0		0	51,292			0	0%
63127	Hoist Operator	42,037	0	42,037					0	0		0	42,037			0	0%
63128	Crane Rental	0	0	0					0	0		0	0			0	-
63175	Small Tools & Supplies	34,360	0	34,360					0	0		0	34,360			0	0%
65060	Snow Removal Costs	0	0	0					0	0		0	0			0	-
65060	Temporary Fuel Oil		0	0					0	0		0	0			0	-
015123	Temp. Heating, Cooling & Ventilating		0	0					0	0		0	0			0	-
015523	Temporary Roads		0	0					0	0		0	0			0	-
015600	Temporary Barriers & Enclosures		0	0					0	0		0	0			0	-
015623	Temporary Barricades		0	0					0	0		0	0			0	-
015650	Safety Fencing		0	0					0	0		0	0			0	-
017419	Construction Waste Mgmt & Disposal		0	0					0	0		0	0			0	-
017423	Final Cleaning	20,086	0	20,086					0	0		0	20,086			0	0%
	DIVISION 1 - GENERAL REQUIREMENTS & FEES TOTAL	**966,665**	**0**	**966,665**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**966,665**	**0**	**0**	**0**	**0%**
	Checks	966,665	0	966,665		0	0	0	0	0	0	0	966,665				
	DIVISION 2 - SITE WORK																
011813	Utility Service Connections		0	0					0	0		0	0	0		0	-
024100	Demolition		0	0					0	0		0	0	0		0	-
312000	Earth Moving	34,200	0	34,200					0	0		0	34,200	0		0	0%
311000	Site Clearing		0	0					0	0		0	0	0		0	-
312319	Dewatering		0	0					0	0		0	0	0		0	-
312323	Backfill		0	0					0	0		0	0	0		0	-
314100	Shoring	56,800	0	56,800					0	0		0	56,800	0		0	0%
320000	Exterior Improvements	481,717	0	481,717					0	0		0	481,717	0		0	0%
321000	Bases, Ballasts & Paving		0	0					0	0		0	0	0		0	-
323300	Site Furnishings		0	0					0	0		0	0	0		0	-
329000	Planting		0	0					0	0		0	0	0		0	-
334600	Subdrainage	211,868	0	211,868					0	0		0	211,868	0		0	0%
	DIVISION 2 - SITE WORK TOTAL	**784,585**	**0**	**784,585**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**784,585**	**0**	**0**	**0**	**0%**
	Checks	784,585	0	784,585		0	0	0	0	0	0	0	784,585				
	DIVISION 3 - CONCRETE																
031100	Concrete Forming	314,939	0	314,939					0	0		-	314,939	0		0	0%
031200	Concrete Pouring		0	0					0	0		-	0	0		0	-
031300	Concrete Pump		0	0					0	0		-	0	0		0	-
031500	Concrete Accessories		0	0					0	0		-	0	0		0	-
032000	Concrete Reinforcing		0	0					0	0		-	0	0		0	-
032600	Reinforcing Steel Placing		0	0					0	0		0	0	0		0	-
033000	Cast-In-Place Concrete		0	0					0	0		0	0	0		0	-
031300	Concrete Additives		0	0					0	0		0	0	0		0	-
033500	Concrete Finishing		0	0					0	0		0	0	0		0	-
034000	Precast Concrete		0	0					0	0		0	0	0		0	-
038000	Concrete Cutting & Boring		0	0					0	0		0	0	0		0	-
	DIVISION 3 - CONCRETE TOTAL	**314,939**	**0**	**314,939**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**314,939**	**0**	**0**	**0**	**0%**
	Checks	314,939	0	314,939		0	0	0	0	0	0	0	314,939				

AltusGroup
Downsview Homes Inc.
Saturday in Downsview
Toronto, Ontario

Construction Budget & Cost Report (Block P - Classic)

March 31, 2020

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Altus Group Limited 2020

Code	Division	Borrower's Current Budget	Variance (Altus vs Borrower)	Altus Group Current Budget	Vendor Name Comments	Contracts/ Quotes	C.O.'s	P.O.'s	Total Committed	Gross Cost-to-Date	Previously Approved	Current Approved	Cost-to-Complete	Gross Holdback	Holdback Release	Net Holdback	% Complete
	DIVISION 4 - MASONRY																
042000	Unit Masonry	373,000	0	373,000					0	0	0	0	373,000	0		0	0%
	DIVISION 4 - MASONRY TOTAL	**373,000**	**0**	**373,000**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**373,000**	**0**	**0**	**0**	**0%**
	Checks	373,000	0	373,000					0	0	0	0	373,000				
	DIVISION 5 - METALS																
055000	Metal Fabrications	187,180	0	187,180					0	0		-	187,180	0		0	0%
	DIVISION 5 - METALS TOTAL	**187,180**	**0**	**187,180**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**187,180**	**0**	**0**	**0**	**0%**
	Checks	187,180	0	187,180					0	0	0	0	187,180				
	DIVISION 6 - CARPENTRY																
061000	Rough Carpentry	1,550,517	0	1,550,517					0	0	0	0	1,550,517	0		0	0%
062000-1	Finish Carpentry	523,041	0	523,041					0	0	0	0	523,041	0		0	0%
064300	Wood Stairs & Railings		0	0					0	0	0	0	0	0		0	-
123530	Residential Casework	155,243	0	155,243						0			155,243	0			
	DIVISION 6 - CARPENTRY TOTAL	**2,228,800**	**0**	**2,228,800**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,228,800**	**0**	**0**	**0**	**0%**
	Checks	2,228,800	0	2,228,800		0	0	0	0	0	0	0	2,228,800				
	DIVISION 7 - THERMAL & MOISTURE PROTECTION																
071000	Dampproofing & Waterproofing	15,906	0	15,906					0	0		0	15,906	0		0	0%
072100	Thermal Insulation		0	0					0	0		0	0	0		0	-
072400	Exterior Insulation & Finish Systems		0	0					0	0		0	0	0		0	-
075000	Membrane Roofing	197,235	0	197,235					0	0		0	197,235	0		0	0%
076000	Flashing & Sheet Metal	755,200	0	755,200					0	0		0	755,200	0		0	0%
078000	Fire & Smoke Protection		0	0					0	0		0	0	0		0	-
079200	Joint Sealants	20,360		20,360					0	0			20,360	0		0	0%
	DIVISION 7 - THERMAL & MOISTURE PROTECTION TOTAL	**988,701**	**0**	**988,701**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**988,701**	**0**	**0**	**0**	**0%**
	Checks	988,701	0	988,701		0	0	0	0	0	0	0	988,701				
	DIVISION 8 - DOORS & WINDOWS																
057300	Decorative Metal Railings	148,035	0	148,035					0	0		0	148,035	0		0	0%
081100	Metal Doors & Frames		0	0					0	0		0	0	0		0	-
083100	Access Doors & Panels		0	0					0	0		0	0	0		0	-
083613	Sectional Doors	32,600	0	32,600					0	0		0	32,600	0		0	0%
084400	Curtain Wall & Glazed Assemblies		0	0					0	0		0	0	N/A		N/A	-
085000	Windows	218,051	0	218,051					0	0		0	218,051	N/A		N/A	0%
087100	Door Hardware		0	0					0	0		0	0	0		0	-
102819	Tub & Shower Enclosures		0	0					0	0		0	0	0			
105700	Wardrobe & Closet Specialties	46,410	0	46,410					0	0		0	46,410	0			
	DIVISION 8 - DOORS & WINDOWS TOTAL	**445,095**	**0**	**445,095**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**445,095**	**0**	**0**	**0**	**0%**
	Checks	445,095	0	445,095		0	0	0	0	0	0	0	445,095				

AltusGroup

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Altus Group Limited 2020

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	DIVISION 9 - FINISHES																
092000-1	Plaster & Gypsum Board	700,500	0	700,500					0	0	0	0	700,500	0		0	0%
093000-1	Tiling	104,980	0	104,980					0	0	0	0	104,980	0		0	0%
096400	Wood Flooring	180,305	0	180,305					0	0	0	0	180,305	0		0	0%
096500	Resilent Flooring		0	0					0	0	0	0	0	0		0	-
096800	Carpeting	14,313	0	14,313					0	0	0	0	14,313	0		0	0%
099100-1	Painting	152,698	0	152,698					0	0	0	0	152,698	0		0	0%
123640	Stone Countertops	82,711	0	82,711					0	0	0	0	82,711	0		0	0%
123661	Cultured Marble Countertops		0	0					0	0	0	0	0	0		0	-
093000-3	Tiling-Backsplash	0	0	0					0	0	0	0	0	0		0	-
	DIVISION 9 - FINISHES TOTAL	**1,235,505**	**0**	**1,235,505**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,235,505**	**0**	**0**	**0**	**0%**
	Checks	1,235,505	0	1,235,505		0	0	0	0	0	0	0	1,235,505				
	DIVISION 10 - SPECIALTIES																
088300	Mirrors		0	0					0	0	0	0	0	0		0	-
102800	Toilet, Bath & Laundry Accessories		0	0					0	0	0	0	0	0		0	-
103100	Manufactured Fireplaces		0	0					0	0	0	0	0	0		0	-
101400	Signage		0	0					0	0	0	0	0	0		0	-
105100	Lockers		0	0					0	0	0	0	0	0		0	-
	DIVISION 10 - SPECIALTIES TOTAL	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0 -**	
	Checks	0	0	0		0	0	0	0	0	0	0	0				
	DIVISION 11 - EQUIPMENT																
113013-1	Residential Appliances	139,080	0	139,080					0	0	0	0	139,080	0		0	0%
116600	Athletic Equipment		0	0					0	0	0	0	0	0		0	-
118123	Window Washing Systems		0	0					0	0	0	0	0	0		0	-
118200	Solid Waste Handling Equipment		0	0					0	0	0	0	0	0		0	-
280000	Electronic Safety & Security		0	0					0	0	0	0	0	0			
	DIVISION 11 - EQUIPMENT TOTAL	**139,080**	**0**	**139,080**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**139,080**	**0**	**0**	**0**	**0%**
	Checks	139,080	0	139,080					0	0	0	0	139,080				
	DIVISION 12 - FURNISHINGS																
122000	Window Treatments	0	0	0				0	0	0	0	0	0	0		0	-
124800	Floor Grilles	0	0	0					0	0	0	0	0	0		0	-
125000	Furniture		0	0					0	0	0	0	0	0		0	-
	DIVISION 12 - FURNISHINGS TOTAL	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0 -**	
	Checks	0	0	0					0	0	0	0	0				
	DIVISION 13 - SPECIAL CONSTRUCTION																
									0	0	0	0	0	0		0	-
131100	Swimming Pools	0	0	0					0	0		0	0				-
131713	Hot Tubs	0	0	0					0	0		0	0				
132416	Saunas	0	0	0					0	0		0	0				
134800	Sound, Vibration and Seismic Control		0	0					0	0		0	0				
	DIVISION 13 - SPECIAL CONSTRUCTION TOTAL	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0 -**	
	Checks	0	0	0					0	0	0	0	0				
	DIVISION 14 - CONVEYING SYSTEMS																
142000	Elevators		0	0					0	0	0	0	0	0		0	-
	DIVISION 14 - CONVEYING SYSTEMS TOTAL	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0 -**	
	Checks	0	0	0		0	0	0	0	0	0	0	0				

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	DIVISION 15 - MECHANICAL																
211300-1	Fire Suppression Sprinkler Systems		0	0					0	0	0	0	0	0		0	-
220000-1	Plumbing	353,950	0	353,950					0	0	0	0	353,950	0		0	0%
230000-1	HVAC	340,388	0	340,388					0	0	0	0	340,388	0		0	0%
	DIVISION 15 - MECHANICAL TOTAL	**694,338**	**0**	**694,338**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**694,338**	**0**	**0**	**0**	**0%**
	Checks	694,338	0	694,338		0	0	0	0	0	0	0	694,338				
	DIVISION 16 - ELECTRICAL																
260000-1	Electrical	300,112	0	300,112					0	0	0	0	300,112	0		0	0%
	DIVISION 16 TOTAL	**300,112**	**0**	**300,112**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**300,112**	**0**	**0**	**0**	**0%**
	Checks	300,112	0	300,112		0	0	0	0	0	0	0	300,112				
	CONSTRUCTION BUDGET SUB-TOTAL	**8,658,001**	**0**	**8,658,001**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**8,658,001**	**0**	**0**	**0**	**0%**
	CONSTRUCTION CONTINGENCY	276,083	0	276,083 3%						0		0	276,083				0%
	CONSTRUCTION BUDGET TOTAL	**8,934,084**	**0**	**8,934,084**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**8,934,084**	**0**	**0**	**0**	**0%**
	Checks	8,934,084	0	8,934,084		0	0	0	0	0	0	0	8,934,084				
									0	0	0	0	0				

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	EXECUTIVE SUMMARY																
	DIVISION 1 - GENERAL REQUIREMENTS & FEES	1,208,981	0	1,208,981	8%	0	0	0	0	0	0	0	1,208,981	0	0	0	0%
	DIVISION 2 - SITE WORK	1,844,821	3,650	1,848,471	12%	6,150	0	0	6,150	6,150	0	6,150	1,842,321	(615)	0	(615)	0%
	DIVISION 3 - CONCRETE	2,111,020	0	2,111,020	14%	0	0	0	0	0	0	0	2,111,020	0	0	0	0%
	DIVISION 4 - MASONRY	381,720	0	381,720	3%	0	0	0	0	0	0	0	381,720	0	0	0	0%
	DIVISION 5 - METALS	115,138	0	115,138	1%	0	0	0	0	0	0	0	115,138	0	0	0	0%
	DIVISION 6 - CARPENTRY	2,097,622	0	2,097,622	14%	0	0	0	0	0	0	0	2,097,622	0	0	0	0%
	DIVISION 7 - THERMAL & MOISTURE PROTECTION	1,268,814	0	1,268,814	9%	0	0	0	0	0	0	0	1,268,814	0	0	0	0%
	DIVISION 8 - DOORS & WINDOWS	457,452	0	457,452	3%	0	0	0	0	0	0	0	457,452	0	0	0	0%
	DIVISION 9 - FINISHES	1,338,864	0	1,338,864	9%	0	0	0	0	0	0	0	1,338,864	0	0	0	0%
	DIVISION 10 - SPECIALTIES	82,750	0	82,750	1%	0	0	0	0	0	0	0	82,750	0	0	0	0%
	DIVISION 11 - EQUIPMENT	235,090	0	235,090	2%	0	0	0	0	0	0	0	235,090	0	0	0	0%
	DIVISION 12 - FURNISHINGS	25,000	0	25,000	0%	0	0	0	0	0	0	0	25,000	0	0	0	0%
	DIVISION 13 - SPECIAL CONSTRUCTION	0	0	0	0%	0	0	0	0	0	0	0	0	0	0	0	-
	DIVISION 14 - CONVEYING SYSTEMS	115,000	0	115,000	1%	0	0	0	0	0	0	0	115,000	0	0	0	0%
	DIVISION 15 - MECHANICAL	2,065,000	0	2,065,000	14%	0	0	0	0	0	0	0	2,065,000	0	0	0	0%
	DIVISION 16 - ELECTRICAL	1,039,400	0	1,039,400	7%	0	0	0	0	0	0	0	1,039,400	0	0	0	0%
	CONSTRUCTION BUDGET SUB-TOTAL	**14,386,673**	**3,650**	**14,390,323**	**97%**	**6,150**	**0**	**0**	**6,150**	**6,150**	**0**	**6,150**	**14,384,173**	**(615)**	**0**	**(615)**	**0%**
	CONSTRUCTION CONTINGENCY	423,133	0	423,133	3%	0	0	0	0	0	0	0	423,133				0%
	CONSTRUCTION BUDGET TOTAL	**14,809,806**	**3,650**	**14,813,456**	**100%**	**6,150**	**0**	**0**	**6,150**	**6,150**	**0**	**6,150**	**14,807,306**	**(615)**	**0**	**(615)**	**0%**
	checks	14,809,806	3,650	14,813,456				checks		6,150	0	6,150	14,807,306				
									Less Holdback	(615)	0	(615)	615	Add Holdback			
									Add Holdback Release	0	0	0	0	Deduct Holdback Release			
									Net Cost-to-Date	**5,535**	**0**	**5,535**	**14,807,921**	**Net Cost-to-Complete**			
									checks	5,535	0	5,535	14,807,921				
										0	0	0	0				

RECONCILIATION OF CONSTRUCTION COSTS TO DATE		
Net Costs Approved by Altus Group		5,535
Gross Costs Claimed		6,150
Total Variance	**A**	**(615)**
Variances are explained as follows:		
Holdback	(615)	
Variances Explained	**B**	**(615)**
Reconciles	**(A-B)**	**0**

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	DIVISION 1 - GENERAL REQUIREMENTS & FEES																
60010	Site Salaries	0	0	0					0	0		-	0			0	-
60015	Builder Salaries	135,715	0	135,715					0	0		-	135,715			0	0%
60022	Field Bonus Plan/BBP	33,929	0	33,929					0	0		-	33,929			0	0%
60025	General Labour	379,805	0	379,805					0	0		0	379,805			0	0%
60026	Handyman - HRD	42,371	0	42,371					0	0		-	42,371			0	0%
60030	Vehicle Expenses - Payr	0	0	0					0	0		-	0			0	-
60035	Payroll Benefits & Taxes	39,018	0	39,018					0	0		-	39,018			0	0%
61015	Field Office Set-up	10,584	0	10,584					0	0		-	10,584			0	0%
60020	Filed Office Utilities	0	0	0					0	0		-	0			0	-
61030	Field Office Supplies	4,498	0	4,498					0	0		0	4,498			0	0%
61040	Field Office Phone	5,662	0	5,662					0	0		-	5,662			0	0%
61050	Field Office Furniture	3,704	0	3,704					0	0		-	3,704			0	0%
61060	Field Office Other	0	0	0					0	0		-	0			0	-
63005	Equipment Rental/Lease	12,000	0	12,000					0	0		0	12,000			0	0%
63015	Toilet Rental/Temporary Sanitation	20,950	0	20,950					0	0		0	20,950			0	0%
63020	Temporary Power/Hydro	77,143	0	77,143					0	0		0	77,143			0	0%
63030	Temporary Water	0	0	0					0	0		0	0			0	-
63050	Security Guard Service	202,087	0	202,087					0	0		0	202,087			0	0%
63060	Traffic Control	1,920	0	1,920					0	0		0	1,920			0	0%
63055	Construction Signs	5,310	0	5,310					0	0		0	5,310			0	0%
63070	Site Cleaning	0	0	0					0	0		0	0			0	-
63073	Street Cleaning	15,600	0	15,600					0	0		0	15,600			0	0%
63075	Garbage Removal	0	0	0					0	0		0	0			0	-
63124	Vehicle Operating Expenses	25,000	0	25,000					0	0		0	25,000			0	0%
63125	General Account	0	0	0					0	0		0	0			0	-
63126	Construction Hoist	0	0	0					0	0		0	0			0	-
63127	Hoist Operator	0	0	0					0	0		0	0			0	-
63128	Crane Rental	0	0	0					0	0		0	0			0	-
63175	Small Tools & Supplies	37,894	0	37,894					0	0		0	37,894			0	0%
65060	Snow Removal Costs	0	0	0					0	0		0	0			0	-
65060	Temporary Fuel Oil		0	0					0	0		0	0			0	-
015123	Temp. Heating, Cooling & Ventilating	15,000	0	15,000					0	0		0	15,000			0	0%
015523	Temporary Roads		0	0					0	0		0	0			0	-
015600	Temporary Barriers & Enclosures	45,000	0	45,000					0	0		0	45,000			0	0%
015623	Temporary Barricades		0	0					0	0		0	0			0	-
015650	Safety Fencing	40,000	0	40,000					0	0		0	40,000			0	0%
017419	Construction Waste Mgmt & Disposal	35,000	0	35,000					0	0		0	35,000			0	0%
017423	Final Cleaning	20,792	0	20,792					0	0		0	20,792			0	0%
	DIVISION 1 - GENERAL REQUIREMENTS & FEES TOTAL	**1,208,981**	**0**	**1,208,981**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,208,981**	**0**	**0**	**0**	**0%**
	Checks	1,208,981	0	1,208,981		0	0	0	0	0	0	0	1,208,981				
	DIVISION 2 - SITE WORK																
011813	Utility Service Connections		0	0					0	0		0	0	0		0	-
024100	Demolition		3,650	3,650		3,650			3,650	3,650		3,650	0	(365)		(365)	100%
312000	Earth Moving	659,000	0	659,000					0	0		0	659,000	0		0	0%
311000	Site Clearing		0	0					0	0		0	0	0		0	-
312319	Dewatering	35,000	0	35,000		2,500			2,500	2,500		2,500	32,500	(250)		(250)	7%
312323	Backfill	15,565	0	15,565					0	0		0	15,565	0		0	0%
314100	Shoring	525,000	0	525,000					0	0		0	525,000	0		0	0%
320000	Exterior Improvements	440,666	0	440,666					0	0		0	440,666	0		0	0%
321000	Bases, Ballasts & Paving	169,590	0	169,590					0	0		0	169,590	0		0	0%
323300	Site Furnishings		0	0					0	0		0	0	0		0	-
329000	Planting		0	0					0	0		0	0	0		0	-
334600	Subdrainage		0	0					0	0		0	0	0		0	-
	DIVISION 2 - SITE WORK TOTAL	**1,844,821**	**3,650**	**1,848,471**		**6,150**	**0**	**0**	**6,150**	**6,150**	**0**	**6,150**	**1,842,321**	**(615)**	**0**	**(615)**	**0%**
	Checks	1,844,821	3,650	1,848,471		6,150	0	0	6,150	6,150	0	6,150	1,842,321				
	DIVISION 3 - CONCRETE																
031100	Concrete Forming	1,340,000	0	1,340,000					0	0		-	1,340,000	0		0	0%
031200	Concrete Pouring	123,750	0	123,750					0	0		-	123,750	0		0	0%
031300	Concrete Pump		0	0					0	0		-	0	0		0	-
031500	Concrete Accessories	25,322	0	25,322					0	0		-	25,322	0		0	0%
032000	Concrete Reinforcing	236,345	0	236,345					0	0		-	236,345	0		0	0%
032600	Reinforcing Steel Placing	119,700	0	119,700					0	0		0	119,700	0		0	0%
033000	Cast-In-Place Concrete	166,164	0	166,164					0	0		0	166,164	0		0	0%
031300	Concrete Additives	99,739	0	99,739					0	0		0	99,739	0		0	0%
033500	Concrete Finishing		0	0					0	0		0	0	0		0	-
034000	Precast Concrete		0	0					0	0		0	0	0		0	-
038000	Concrete Cutting & Boring		0	0					0	0		0	0	0		0	-
	DIVISION 3 - CONCRETE TOTAL	**2,111,020**	**0**	**2,111,020**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,111,020**	**0**	**0**	**0**	**0%**
	Checks	2,111,020	0	2,111,020		0	0	0	0	0	0	0	2,111,020				

AltusGroup

Downsview Homes Inc.
Saturday in Downsview
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March 31, 2020

Job No.	103233
Report No.	Budget Report
Date	23-Jul-20

Code	Division	Borrower's Current Budget	Variance (Altus vs Borrower)	Altus Group Current Budget	Vendor Name Comments	Contracts/ Quotes	C.O.'s	P.O.'s	Total Committed	Gross Cost-to-Date	Previously Approved	Current Approved	Cost-to-Complete	Gross Holdback	Holdback Release	Net Holdback	% Complete
	DIVISION 4 - MASONRY																
042000	Unit Masonry	381,720	0	381,720					0	0	0	0	381,720	0		0	0%
	DIVISION 4 - MASONRY TOTAL	**381,720**	**0**	**381,720**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**381,720**	**0**	**0**	**0**	**0%**
	Checks	381,720	0	381,720					0	0	0	0	381,720				
	DIVISION 5 - METALS																
055000	Metal Fabrications	115,138	0	115,138					0	0		-	115,138	0		0	0%
	DIVISION 5 - METALS TOTAL	**115,138**	**0**	**115,138**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**115,138**	**0**	**0**	**0**	**0%**
	Checks	115,138	0	115,138					0	0	0	0	115,138				
	DIVISION 6 - CARPENTRY																
061000	Rough Carpentry	1,451,327	0	1,451,327					0	0	0	0	1,451,327	0		0	0%
062000-1	Finish Carpentry	290,575	0	290,575					0	0	0	0	290,575	0		0	0%
064300	Wood Stairs & Railings	216,300	0	216,300					0	0	0	0	216,300	0		0	0%
123530	Residential Casework	139,420	0	139,420					0	0			139,420	0			
	DIVISION 6 - CARPENTRY TOTAL	**2,097,622**	**0**	**2,097,622**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,097,622**	**0**	**0**	**0**	**0%**
	Checks	2,097,622	0	2,097,622		0	0	0	0	0	0	0	2,097,622				
	DIVISION 7 - THERMAL & MOISTURE PROTECTION																
071000	Dampproofing & Waterproofing	502,950	0	502,950					0	0		0	502,950	0		0	0%
072100	Thermal Insulation	659,286	0	659,286					0	0		0	659,286	0		0	0%
072400	Exterior Insulation & Finish Systems		0	0					0	0		0	0	0		0	-
075000	Membrane Roofing		0	0					0	0		0	0	0		0	-
076000	Flashing & Sheet Metal		0	0					0	0		0	0	0		0	-
078000	Fire & Smoke Protection	49,809	0	49,809					0	0		0	49,809	0		0	0%
079200	Joint Sealants	56,769	0	56,769					0	0		0	56,769	0		0	0%
	DIVISION 7 - THERMAL & MOISTURE PROTECTION TOTAL	**1,268,814**	**0**	**1,268,814**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,268,814**	**0**	**0**	**0**	**0%**
	Checks	1,268,814	0	1,268,814		0	0	0	0	0	0	0	1,268,814				
	DIVISION 8 - DOORS & WINDOWS																
057300	Decorative Metal Railings	41,895	0	41,895					0	0		0	41,895	0		0	0%
081100	Metal Doors & Frames	68,900	0	68,900					0	0		0	68,900	0		0	0%
083100	Access Doors & Panels		0	0					0	0		0	0	0		0	-
083613	Sectional Doors	42,500	0	42,500					0	0		0	42,500	0		0	0%
084400	Curtain Wall & Glazed Assemblies		0	0					0	0		0	0				-
085000	Windows	164,205	0	164,205					0	0		0	164,205				0%
087100	Door Hardware	53,850	0	53,850					0	0		0	53,850	0		0	0%
102819	Tub & Shower Enclosures	34,608	0	34,608					0	0		0	34,608	0		0	0%
105700	Wardrobe & Closet Specialties	51,495	0	51,495					0	0		0	51,495	0		0	0%
	DIVISION 8 - DOORS & WINDOWS TOTAL	**457,452**	**0**	**457,452**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**457,452**	**0**	**0**	**0**	**0%**
	Checks	457,452	0	457,452		0	0	0	0	0	0	0	457,452				

AltusGroup

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March 31, 2020

Job No. 103233
Report No. Budget Report
Date 23-Jul-20

Code	Division	Borrower's Current Budget	Variance (Altus vs Borrower)	Altus Group Current Budget	Vendor Name Comments	Contracts/ Quotes	C.O.'s	P.O.'s	Total Committed	Gross Cost-to-Date	Previously Approved	Current Approved	Cost-to-Complete	Gross Holdback	Holdback Release	Net Holdback	% Complete
	DIVISION 9 - FINISHES																
092000-1	Plaster & Gypsum Board	746,120	0	746,120					0	0	0	0	746,120	0		0	0%
093000-1	Tiling	80,082	0	80,082					0	0	0	0	80,082	0		0	0%
096400	Wood Flooring	126,917	0	126,917					0	0	0	0	126,917	0		0	0%
096500	Resilent Flooring	0	0	0					0	0	0	0	0	0		0	-
096800	Carpeting	38,527	0	38,527					0	0	0	0	38,527	0		0	0%
099100-1	Painting	255,318	0	255,318					0	0	0	0	255,318	0		0	0%
123640	Stone Countertops	50,400	0	50,400					0	0	0	0	50,400	0		0	0%
123661	Cultured Marble Countertops	41,500	0	41,500					0	0	0	0	41,500	0		0	0%
093000-3	Tiling-Backsplash	0	0	0					0	0	0	0	0	0		0	-
	DIVISION 9 - FINISHES TOTAL	**1,338,864**	**0**	**1,338,864**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,338,864**	**0**	**0**	**0**	**0%**
	Checks	1,338,864	0	1,338,864		0	0	0	0	0	0	0	1,338,864				
	DIVISION 10 - SPECIALTIES																
088300	Mirrors	31,500	0	31,500					0	0	0	0	31,500	0		0	0%
102800	Toilet, Bath & Laundry Accessories		0	0					0	0	0	0	0	0		0	-
103100	Manufactured Fireplaces		0	0					0	0	0	0	0	0		0	-
101400	Signage		0	0					0	0	0	0	0	0		0	-
105100	Lockers	51,250	0	51,250					0	0	0	0	51,250	0		0	0%
	DIVISION 10 - SPECIALTIES TOTAL	**82,750**	**0**	**82,750**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**82,750**	**0**	**0**	**0**	**0%**
	Checks	82,750	0	82,750		0	0	0	0	0	0	0	82,750				
	DIVISION 11 - EQUIPMENT																
113013-1	Residential Appliances	153,090	0	153,090					0	0	0	0	153,090	0		0	0%
116600	Athletic Equipment		0	0					0	0	0	0	0	0		0	-
118123	Window Washing Systems		0	0					0	0	0	0	0	0		0	-
118200	Solid Waste Handling Equipment	40,000	0	40,000					0	0	0	0	40,000	0		0	0%
280000	Electronic Safety & Security	42,000	0	42,000					0	0	0	0	42,000	0		0	0%
	DIVISION 11 - EQUIPMENT TOTAL	**235,090**	**0**	**235,090**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**235,090**	**0**	**0**	**0**	**0%**
	Checks	235,090	0	235,090					0	0	0	0	235,090				
	DIVISION 12 - FURNISHINGS																
122000	Window Treatments	0	0	0				0	0	0	0	0	0	0		0	-
124800	Floor Grilles	0	0	0					0	0	0	0	0	0		0	-
125000	Furniture	25,000	0	25,000					0	0	0	0	25,000	0		0	0%
	DIVISION 12 - FURNISHINGS TOTAL	**25,000**	**0**	**25,000**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**25,000**	**0**	**0**	**0**	**0%**
	Checks	25,000	0	25,000					0	0	0	0	25,000				
	DIVISION 13 - SPECIAL CONSTRUCTION																
									0	0	0	0	0	0		0	-
131100	Swimming Pools	0	0	0					0	0		0	0	0		0	-
131713	Hot Tubs	0	0	0					0	0		0	0	0		0	-
132416	Saunas	0	0	0					0	0		0	0	0		0	-
134800	Sound, Vibration and Seismic Control		0	0					0	0		0	0	0		0	-
														0		0	-
	DIVISION 13 - SPECIAL CONSTRUCTION TOTAL	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0 -**	
	Checks	0	0	0					0	0	0	0	0				
	DIVISION 14 - CONVEYING SYSTEMS																
142000	Elevators	115,000	0	115,000					0	0	0	0	115,000	0		0	0%
	DIVISION 14 - CONVEYING SYSTEMS TOTAL	**115,000**	**0**	**115,000**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**115,000**	**0**	**0**	**0**	**0%**
	Checks	115,000	0	115,000		0	0	0	0	0	0	0	115,000				

AltusGroup
Downsview Homes Inc.
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March 31, 2020

Job No.	103233
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Code	Division	Borrower's Current Budget	Variance (Altus vs Borrower)	Altus Group Current Budget	Vendor Name Comments	Contracts/ Quotes	C.O.'s	P.O.'s	Total Committed	Gross Cost-to-Date	Previously Approved	Current Approved	Cost-to-Complete	Gross Holdback	Holdback Release	Net Holdback	% Complete
	DIVISION 15 - MECHANICAL																
211300-1	Fire Suppression Sprinkler Systems		0	0					0	0	0	0	0	0		0	-
220000-1	Plumbing	1,300,000	0	1,300,000					0	0	0	0	1,300,000	0		0	0%
230000-1	HVAC	765,000	0	765,000					0	0	0	0	765,000	0		0	0%
	DIVISION 15 - MECHANICAL TOTAL	**2,065,000**	**0**	**2,065,000**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,065,000**	**0**	**0**	**0**	**0%**
	Checks	2,065,000	0	2,065,000		0	0	0	0	0	0	0	2,065,000				
	DIVISION 16 - ELECTRICAL																
260000-1	Electrical	1,039,400	0	1,039,400					0	0	0	0	1,039,400	0		0	0%
	DIVISION 16 TOTAL	**1,039,400**	**0**	**1,039,400**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,039,400**	**0**	**0**	**0**	**0%**
	Checks	1,039,400	0	1,039,400		0	0	0	0	0	0	0	1,039,400				
	CONSTRUCTION BUDGET SUB-TOTAL	**14,386,673**	**3,650**	**14,390,323**		**6,150**	**0**	**0**	**6,150**	**6,150**	**0**	**6,150**	**14,384,173**	**(615)**	**0**	**(615)**	**0%**
	CONSTRUCTION CONTINGENCY	423,133	0	423,133 3%						0		0	423,133				0%
	CONSTRUCTION BUDGET TOTAL	**14,809,806**	**3,650**	**14,813,456**		**6,150**	**0**	**0**	**6,150**	**6,150**	**0**	**6,150**	**14,807,306**	**(615)**	**0**	**(615)**	**0%**
	Checks	14,809,806	3,650	14,813,456		6,150	0	0	6,150	6,150	0	6,150	14,807,306				
									0	0	0	0	0				

Appendix E - Downsview Homes Inc. Project Budget

Project Name - Downsview Block A

31-Mar-20

Site Statistics	Building A	Building B (Rental)	Building C	Total
Address		2995 Keele St, North York, ON M3K 2C5		
Number of Floors	10	4	7	21
Number of Units	249	53	168	470
Project TFA	197,100	41,795	136,350	375,245
Project TCA	436,710	56,630	277,804	771,144
Project TSA	162,881	34,309	118,670	315,860
Efficiency	82.6%	82.1%	87.0%	84.2%
Commercial - GLA				
Land Area (sq. ft.)	89,142		56,773	145,915
FSI	2.2		2.4	2.6

Detailed P & L

	Up to the Minute Forecast 31-Mar-20	Actuals 31-Mar-20	ECC
Revenue			
Units	$203,649,931	195,374,825	$8,275,106
Parking	$1,274,336	-	$1,274,336
Lockers	$0		$0
Commercial	$0		$0
Less: Pricing Incentives	($428,008)	($4,590)	($423,417)
Rental Revenue	$14,000,000		$14,000,000
Guest Suite Units - 2			$0
Car Wash Bay Unit			$0
Extras and Upgrades	$2,508,029		$2,508,029
Design Studio Incentives	($1,767,193)		($1,767,193)
Total Project Revenue	**$219,237,096**	**$195,370,235**	**$23,866,861**
Land - Construction	$287,500	$65,585	$221,915
Land - Municipal Charges	$532,172	$157,829	$374,343
Land - Development fees	$14,705,647	$0	$14,705,647
Land - Professional Fees	$2,204,210	$1,123,997	$1,080,213
Land - Development financing	$1,387,196	$1,299,326	$87,870
Land - Contingency	$417,154	$0	$417,154
Land - Costs (purchase price)	$6,442,150	$6,442,150	$0
Land - Costs Other	$6,153,146	$5,595,290	$557,856
Total Land Costs	**32,129,175**	**14,684,177**	**17,444,998**
Construction - Indirect	$8,875,760	252,960	$8,622,800
Construction - Direct	$115,935,876	3,663,213	$112,272,664
Construction - Contingency	$5,499,421	-	$5,499,421
Construction - Warranty	$673,650		$673,650
Construction - Tech Audit	$430,388		$430,388
Construction- Allocated costs			$0
Total Construction Costs, excl extras & upgrades	**$131,415,094**	**$3,916,173**	**$127,498,922**
Cost of Extras & Upgrades	$1,755,620		$1,755,620
Total Construction Costs	**$133,170,715**	**$3,916,173**	**$129,254,542**
S&M - Capital	$635,951	635,951	$0
S&M - Expenses	$1,539,438	1,407,059	$132,380
S&M - In-House Commission	$2,305,321	920,262	$1,385,059
S&M - Co-Brokes Commission	$8,257,058	4,232,959	$4,024,099
Total Sales & Marketing Costs	**$12,737,768**	**$7,196,230**	**$5,541,538**
OH- Indirect Others	$60,000	$10,585	$49,415
OH- Prepaid Insurance	$1,300,851	$115,206	$1,185,645
OH- Legal Fees	$680,487	$150,069	$530,418
OH- Closing Costs	$479,550		$479,550
OH - Occupancy Costs/Fees	($471,000)	0	($471,000)
OH - Development Management Fees	$14,423,764	$1,483,308	$12,940,456
OH- Warranty	$130,329	$0	$130,329
OH - G&A	$45,000	10,208	$34,792
Total Overhead Costs	**$16,648,981**	**$1,769,376**	**$14,879,604**
Construction Interest/ Financing Costs	$6,351,182	$0	$6,351,182
Total Project Costs	$201,037,820	$27,565,956	$173,471,864
Total Project Profit	**$18,199,276**	**$167,804,278**	**($149,605,003)**
Total Project Profit Margin	**8.3%**		

Project Name - Downsview Block P

31-Mar-20

Site Statistics	
Address	2995 Keele St, North York, ON M3K 2C5
Number of Floors	2
Number of Units	80
Project TFA	110,118
Project TCA	172,743
Project TSA	
Efficiency	0.0%
Commercial - GLA	
Land Area (sq. ft.)	95,740
FSI	1.15

Detailed P & L

	UTTM 31-Mar-20	Actuals 31-Mar-20	ECC
Revenue			
Units	$60,924,071	34,295,168	$26,628,903
Parking		-	$0
Lockers			$0
Commercial	$0		$0
Less: Pricing Incentives	($1,445,898)	($271,681)	($1,174,217)
Rental Revenue			$0
Guest Suite Units - 2			$0
Car Wash Bay Unit			$0
Extras and Upgrades Revenue	$961,636	-	$961,636
Design Studio Incentives	($371,681)	($234,513)	($137,168)
Total Project Revenue	**$60,068,127**	**$33,788,973**	**$26,279,153**
Land - Construction	$2,298,030	$96,604	$2,201,426
Land - Municipal Charges	$347,428	$81,864	$265,563
Land - Development fees	$4,485,664	$0	$4,485,664
Land - Professional Fees	$1,110,000	$391,120	$718,880
Land - Development financing	$660,065	$585,690	$74,375
Land - Contingency	$443,153	$0	$443,153
Land - Costs (purchase price)	$8,230,358	$8,230,358	$0
Land - Costs Other	$2,843,453	$2,264,470	$578,983
Total Land Costs	**$20,418,150**	**$11,650,106**	**$8,768,044**
Construction - Indirect	$2,250,362	$0	$2,250,362
Construction - Direct	$22,157,179	$371,479	$21,785,700
Construction - Contingency	$699,216	$0	$699,216
Construction - Warranty	$198,293	$0	$198,293
Construction - Tech Audit	$53,520	$0	$53,520
Construction- Allocated costs			$0
Total Construction Costs , excl upgrades	**25,358,570**	**371,479**	**24,987,091**
Cost of Extras & Upgrades	$673,145		$673,145
Total Construction Costs	**$26,031,715**	**$371,479**	**$25,660,236**
S&M - Capital	239,421	239,421	$0
S&M - Expenses	$880,490	485,777	$394,713
S&M - In-House Commission	$412,638	5,025	$407,613
S&M - Co-Brokes Commission	$1,288,111	-	$1,288,111
Total Sales & Marketing Costs	**$2,820,660**	**$730,223**	**$2,090,436**
OH- Indirect Others	$40,000	-	$40,000
OH- Prepaid Insurance	$223,243	2,432	$220,811
OH- Legal Fees	$112,075	28,444	$83,631
OH- Closing costs	$92,000		$92,000
OH - Occupancy Costs/Fees	($271,000)	-	($271,000)
OH - Development Management Fees	$4,097,186	-	$4,097,186
OH- Warranty	$43,040	-	$43,040
OH - G&A	$15,022	22	$15,000
Total Overhead Costs	**$4,351,565**	**$30,898**	**$4,320,668**
Construction Interest	$1,680,772	-	$1,680,772
Total Project Costs	$55,302,863	$12,782,706	$42,520,156
Total Project Profit	**$4,765,264**	**$21,006,267**	**($16,241,003)**
Project Profit Margin	**7.93%**		

This is Exhibit “D” referred to in the Affidavit of David George sworn by David George at the City of Toronto, in the Province of Ontario, before me on June 23, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

NIKLAS HOLMBERG

Altus Group

Downsview Homes Inc.

Saturday in Downsview
Toronto, Ontario

Capital Cost & Cost-to-Complete Summary
May 31, 2021

Job No. 103233
Report No. Report No. 8
Date 30-Jun-21

Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Variance (Altus vs Borrower)	Altus Group Previous Budget	Current Variance	Altus Group Current Budget	Gross Cost-to-Date Block A	Gross Cost-to-Date Block P	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
EXECUTIVE SUMMARY																
LAND	16,474,202	15,141,906	31,616,108	(171,394)	31,444,714	0	31,444,714	14,830,405	13,133,325	27,963,731	27,963,731	0	3,480,984	0	0	47%
DEVELOPMENT CHARGES & MUNICIPAL FEES	16,854,626	5,038,088	21,892,714	3,847,300	25,740,014	0	25,740,014	19,549,442	5,140,043	24,689,485	24,689,485	0	1,050,530	0	0	76%
CONSTRUCTION	128,430,414	24,935,132	153,365,546	(246,842)	153,118,704	0	153,118,704	64,483,623	7,644,840	72,128,463	68,358,839	3,769,624	80,990,241	0	(5,406,364)	42%
DESIGN & CONSULTANTS	3,541,718	978,527	4,520,245	(245,839)	4,274,406	0	4,274,406	2,489,008	606,232	3,095,240	3,030,784	64,456	1,179,167	0	0	58%
GENERAL & ADMINISTRATIVE (G&A)	12,022,860	3,291,987	15,314,847	0	15,314,847	0	15,314,847	1,534,107	247,667	1,781,774	1,770,510	11,264	13,533,073	10,000,000	0	10%
FURNITURE, FIXTURES & EQUIPMENT (FF&E)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
MARKETING, SALES & LEASING	13,810,723	3,111,254	16,921,977	0	16,921,977	0	16,921,977	7,647,439	1,670,318	9,317,757	9,223,545	94,213	7,604,219	0	0	45%
FINANCE	6,351,182	1,680,772	8,031,954	(308,756)	7,723,198	0	7,723,198	1,785,443	30,048	1,815,490	1,662,546	152,945	5,907,708	0	0	23%
PRE OPENING & INTERIM OPERATIONS	0	0	0	587,497	587,497	0	587,497	0	0	0	0	0	587,497	0	0	0%
GOVERNMENT TAXES	0	0	0	0	0	0	0	893,333	322,670	1,216,003	1,772,612	(556,609)	(1,216,003)	0	0	N/A
DEVELOPMENT CONTINGENCY	4,023,095	1,467,449	5,490,544	(593,480)	4,897,064	0	4,897,064	0	0	0	0	0	4,897,064	0	0	0%
GROSS PROJECT BUDGET	**201,508,821**	**55,645,114**	**257,153,934**	**2,868,488**	**260,022,422**	**(0)**	**260,022,422**	**113,212,799**	**28,795,144**	**142,007,943**	**138,472,051**	**3,535,892**	**118,014,479**	**10,000,000**	**(5,406,364)**	**44%**
Checks	0	0	0	0	0	0	(0)	0	0	0	0	0	0			
OFFSETTING INCOME & RECOVERIES	(471,000)	(342,250)	(813,250)	(4,074,171)	(4,887,421)	0	(4,887,421)	0	0	0	0	0	(4,887,421)		0	0%
NET PROJECT BUDGET	**201,037,821**	**55,302,864**	**256,340,684**	**(1,205,684)**	**255,135,000**	**(0)**	**255,135,000**	**113,212,799**	**28,795,144**	**142,007,943**	**138,472,051**	**3,535,892**	**113,127,058**	**10,000,000**	**(5,406,364)**	**44%**
Checks	0	0	0	0	0	0	(0)	0	0	0	0	0	0			
Less Holdback								(4,799,173)	(607,190)	(5,406,364)	(5,024,437)	(381,927)	5,406,364	Add Holdback		
Add Holdback Release								381,770	125,755	507,525	507,525	0	(507,525)	Less Holdback Release		
Net Cost-to-Date								**108,795,396**	**28,313,708**	**137,109,104**	**133,955,138**	**3,153,965**	**118,025,897**	**Net Cost-to-Complete**		
Checks										137,109,104	133,955,138	3,153,965	118,025,897			
Check to Margin										137,109,104	133,955,139	3,153,965	118,025,896			
Checks										0	0	(0)	0			
Checks										0	(0)	0	0			

CONTINGENCIES	Borrowers Block A Contingency	Borrowers Block P Contingency	Borrowers Total Contingency	Variance (Altus v Borrower)	Previous	Current Variance	Altus Current	%
Construction Contingency	5,499,421	699,216	6,198,637	386,263	2,925,738	(94,081)	2,831,657	2%
Development Contingency	4,023,095	1,467,449	5,490,544	(593,480)	4,897,064	0	4,897,064	6%
TOTAL CONTINGENCIES	**9,522,516**	**2,166,665**	**11,689,181**	**(207,216)**	**7,822,802**	**(94,081)**	**7,728,722**	**3%**

Altus Group

Downsview Homes Inc.

Saturday in Downsview

Toronto, Ontario

Capital Cost & Cost-to-Complete Summary
May 31, 2021

Job No.	103233
Report No.	Report No. 8
Date	30-Jun-21

	Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Variance (Altus vs Borrower)	Altus Group Previous Budget	Current Variance	Altus Group Current Budget	Gross Cost-to-Date Block A	Gross Cost-to-Date Block P	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
	LAND																
1	Land Value			0	0	0	0	0			0	0	0	0		0	N/A
2	Land Transfer Tax			0	0	0	0	0			0	0	0	0		0	N/A
3	Legal Fees - Land Development			0	0	0	0	0			0	0	0	0			N/A
4	Land Realty Taxes			0	0	0	0	0			0	0	0	0		0	N/A
5	Land - Construction	287,500	2,298,030	2,585,530	0	2,585,530	0	2,585,530	0	1,309,548	1,309,548	1,309,548	0	1,275,982			51%
6	Land - Professional Fees	2,204,210	1,110,000	3,314,210	0	3,314,210	0	3,314,210	1,200,458	488,232	1,688,690	1,688,690	0	1,625,520		0	51%
7	Land - Costs (Purchase Price)	6,442,150	8,230,358	14,672,508	0	14,672,508	0	14,672,508	6,442,150	8,230,358	14,672,508	14,672,508	0	0		0	100%
8	Land - Costs Other	6,153,146	2,843,453	8,996,599	1,500,000	10,496,599	0	10,496,599	7,184,171	3,103,093	10,287,263	10,287,263	0	209,336			98%
9	Land - Development Financing	1,387,196	660,065	2,047,261	(1,671,394)	375,867	0	375,867	3,626	2,095	5,721	5,721	0	370,146			
	SUB TOTAL	**16,474,202**	**15,141,906**	**31,616,108**	**(171,394)**	**31,444,714**	**0**	**31,444,714**	**14,830,405**	**13,133,325**	**27,963,731**	**27,963,731**	**0**	**3,480,984**	**0**	**0**	**47%**
	Checks	0	0	0	0	0	0	0	0	0	0	0	0	0			
	DEVELOPMENT CHARGES & MUNICIPAL FEES																
10	Tie-Back Agreements			0	0	0	0	0			0	0	0	0		0	N/A
11	Development Charges & Educational Development Charges	14,705,647	4,485,664	19,191,311	3,826,665	23,017,976	0	23,017,976	18,207,652	4,810,324	23,017,976	23,017,976	0	0		0	100%
12	Section 37			0	0	0	0	0			0	0	0	0		0	N/A
13	Cash in Lieu / Parkland Dedication			0	20,635	20,635	0	20,635	20,635		20,635	20,635	0	(0)		0	100%
14	Public Art			0	0	0	0	0						0			
15	Neighbour Contributions			0	0	0	0	0			0	0	0	0		0	N/A
16	Building Permit Fees	1,616,807	204,996	1,821,803	0	1,821,803	0	1,821,803	1,112,971	236,497	1,349,468	1,349,468	0	472,336		0	74%
17	Planning & Municipal Fees	532,172	347,428	879,600	0	879,600	0	879,600	208,184	93,222	301,406	301,406	0	578,194		0	34%
18	Realty Taxes			0	0	0	0	0			0	0	0	0		0	N/A
	SUB TOTAL	**16,854,626**	**5,038,088**	**21,892,714**	**3,847,300**	**25,740,014**	**0**	**25,740,014**	**19,549,442**	**5,140,043**	**24,689,485**	**24,689,485**	**0**	**1,050,530**	**0**	**0**	**76%**
	Checks	0	0	0	0	0	0	0	0	0	0	0	0	0			
	CONSTRUCTION	**124,139,577**	**23,743,890**	**147,883,467**	**2,583,513**	**147,100,000**	**0**	**147,100,000**									
19	Construction Budget - Block A	118,640,156		118,640,156	2,311,250	120,857,324	94,081	120,951,405	63,667,681		63,667,681	60,295,829	3,371,852	57,283,724		(4,799,173)	53%
20	Construction Budget - Classic Towns		8,658,001	8,658,001	(114,000)	8,544,001	0	8,544,001		0	0	0	0	8,544,001		0	0%
21	Construction Budget - Urban Towns		14,386,673	14,386,673	386,263	14,772,937	(0)	14,772,936		7,306,900	7,306,900	6,913,193	393,707	7,466,036		(607,190)	49%
22	Construction Contingency	5,499,421	699,216	6,198,637	(3,366,980)	2,925,738	(94,081)	2,831,657			0	0	0	2,831,657			0%
23	Demolition			0	0	0	0	0			0	0	0	0			N/A
24	Construction Management Fees			0	0	0	0	0			0	0	0	0			N/A
25	Hydro Connections etc.			0	0	0	0	0			0	0	0	0			N/A
26	Miscellaneous Warranty/Deficiencies	673,650	198,293	871,943	0	871,943	0	871,943	2,703	0	2,703	2,703	0	869,241			0%
27	Technical Audit	430,388	53,520	483,907	0	483,907	0	483,907			0	0	0	483,907			0%
28	TARION Unit Enrolment Fee	0	0	0	536,625	536,625	0	536,625	403,340	102,145	505,485	501,420	4,065	31,140			94%
29	TARION Warranty Reserve	130,329	43,040	173,369	0	173,369	0	173,369			0	0	0	173,369			0%
30	Insurance	1,300,851	223,243	1,524,094	0	1,524,094	0	1,524,094	409,899	235,795	645,695	645,695	0	878,399			42%
31	Extras and Upgrades	1,755,620	673,145	2,428,765	0	2,428,765	0	2,428,765			0	0	0	2,428,765			0%
32	Bonding			0	0	0	0	0			0	0	0	0			N/A
	SUB TOTAL	**128,430,414**	**24,935,132**	**153,365,546**	**(246,842)**	**153,118,704**	**0**	**153,118,704**	**64,483,623**	**7,644,840**	**72,128,463**	**68,358,839**	**3,769,624**	**80,990,241**	**0**	**(5,406,364)**	**42%**
	Checks	0	0	0	0	0	0	0	0	0	0	0	0	0			
	DESIGN & CONSULTANTS																
33	Architect	1,070,255	344,600	1,414,855	0	1,414,855	0	1,414,855	1,012,039	269,669	1,281,708	1,263,852	17,856	133,147		0	91%
34	Structural Engineer	439,550	69,490	509,040	0	509,040	0	509,040	422,076	74,141	496,217	495,365	852	12,823		0	97%
35	Rebar Detailing	137,950	10,000	147,950	791	148,741	0	148,741	139,157	9,585	148,742	148,742	0	(0)		0	100%
36	Civil Engineer	54,600	90,100	144,700	0	144,700	0	144,700	0	0	0	0	0	144,700		0	0%
37	Mechanical Engineer	160,852	24,155	185,007	0	185,007	0	185,007	148,665	27,475	176,140	176,140	0	8,867		0	95%
38	Electrical Engineer	89,832	15,600	105,432	25,000	130,432	0	130,432	108,007	16,854	124,861	124,861	0	5,571		0	96%
39	Landscape Architect	62,500	80,259	142,759	0	142,759	0	142,759	44,014	23,250	67,264	67,264	0	75,495		0	47%
40	Interior Designer	153,258	20,000	173,258	0	173,258	0	173,258	118,162	14,365	132,527	130,042	2,485	40,731		0	76%
41	Other Consultants	65,898		65,898	45,000	110,898	0	110,898	72,344	3,285	75,629	75,629	0	35,269		0	68%
42	Commissioning Consultant	(0)		(0)	0	0	0	0	0	0	0	0	0	0		0	N/A
43	Ground Water Mgmt. Consultant	37,039	56,450	93,489	(28,800)	64,689	0	64,689	0	0	0	0	0	64,689		0	0%
44	Energy Efficiency Consultant	37,039	8,254	45,293	0	45,293	0	45,293	10,500	6,700	17,200	17,200	0	28,093		0	38%
45	Acoustical Consultant	40,780	19,000	59,780	0	59,780	0	59,780	25,825	8,825	34,650	34,650	0	25,130		0	58%
46	Wind Study Consultant	0		0	0	0	0	0	0	0	0	0	0	0		0	N/A
47	Window/Glazing Consultant	56,120	10,000	66,120	0	66,120	0	66,120	0	0	0	0	0	66,120		0	0%
48	Lighting Consultant	5,000		5,000	3,800	8,800	0	8,800	8,800	0	8,800	8,800	0	0		0	100%
49	Elevator Consultant	22,448		22,448	0	22,448	0	22,448	6,900	0	6,900	6,900	0	15,548		0	31%
50	Sprinkler Consultant	29,931	5,000	34,931	25,069	60,000	0	60,000	47,700	6,000	53,700	53,700	0	6,300		0	90%
51	Geotechnical Data/Soils Investigation	0	11,120	11,120	0	11,120	0	11,120	3,580	0	3,580	9,783	(6,203)	7,540		0	32%
52	Shoring Consultant	133,290	33,210	166,500	0	166,500	0	166,500	79,625	53,300	132,925	132,925	0	33,575		0	80%
53	Construction Layout & Survey	102,512	28,586	131,098	0	131,098	0	131,098	26,995	10,535	37,530	35,943	1,587	93,569		0	29%
54	Cost Consultant	264,138	40,000	304,138	(296,699)	7,439	0	7,439	4,181	3,257	7,439	7,439	0	0		0	100%
55	Reproduction Services	113,238	16,035	129,273	0	129,273	0	129,273	48,199	6,765	54,964	52,439	2,525	74,309		0	43%
56	Safety Inspection Services	77,590	27,000	104,590	0	104,590	0	104,590	17,484	6,160	23,644	12,094	11,550	80,946		0	23%
57	Testing & Inspection Services	204,572	36,150	240,722	(20,000)	220,722	0	220,722	117,712	14,484	132,196	113,079	19,117	88,526		0	60%
58	Third Party Consultant - Bulletin 19	183,325	33,518	216,843	0	216,843	0	216,843	27,043	51,583	78,626	63,938	14,688	138,217		0	36%
59	Permit Application			0	0	0	0	0			0	0	0	0		0	N/A
	SUB TOTAL	**3,541,718**	**978,527**	**4,520,245**	**(245,839)**	**4,274,406**	**0**	**4,274,406**	**2,489,008**	**606,232**	**3,095,240**	**3,030,784**	**64,456**	**1,179,167**	**0**	**0**	**58%**
	Checks	0	0	(0)	(0)	0	0	0	0	0	0	0	0	0			
	GENERAL & ADMINISTRATIVE (G&A)																
60	Legal - Condo Registration			0	100,000	100,000	0	100,000			0	0	0	100,000		0	0%
61	Legal - Financing			0	0	0	0	0			0	0	0	0		0	N/A
62	Legal - Other	680,487	112,075	792,562	(100,000)	692,562	0	692,562	166,243	41,331	207,574	207,574	0	484,988			30%
63	Legal - Closing Costs	479,550	92,000	571,550	0	571,550	0	571,550			0	0	0	571,550			0%
64	Development Management Fees	10,817,823	3,072,890	13,890,713	0	13,890,713	0	13,890,713	1,367,864	206,336	1,574,200	1,562,936	11,264	12,316,512	10,000,000		11%
65	G&H	45,000	15,022	60,022	0	60,022	0	60,022	0		0	0	0	60,022			0%
	SUB TOTAL	**12,022,860**	**3,291,987**	**15,314,847**	**0**	**15,314,847**	**0**	**15,314,847**	**1,534,107**	**247,667**	**1,781,774**	**1,770,510**	**11,264**	**13,533,073**	**10,000,000**	**0**	**10%**

AltusGroup

Downsview Homes Inc.

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Toronto, Ontario

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Job No. 103233
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Date 30-Jun-21

	Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Variance (Altus vs Borrower)	Altus Group Previous Budget	Current Variance	Altus Group Current Budget	Gross Cost-to-Date Block A	Gross Cost-to-Date Block P	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
	Checks	0	0	0	0	0	0	0	0	0	0	0	0	0			
	FURNITURE, FIXTURES & EQUIPMENT (FF&E)																
66	Furniture, Fixtures & Equipment			0	0		0	0			0	0	0	0		0	N/A
	SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**N/A**
	Checks	0	0	0	0	0	0	0	0	0	0	0	0	0			
	MARKETING, SALES & LEASING																
67	Indirects - Customer Service Overhead	636,475	141,502	777,977	0	777,977	0	777,977	0	340	340	340	0	777,637		0	0%
68	Indirects - Customer Service Site Overhead	376,480	109,092	485,572	0	485,572	0	485,572	23,513	0	23,513	21,578	1,935	462,058		0	5%
69	Advertising & Marketing	2,175,389	1,119,911	3,295,300	0	3,295,300	0	3,295,300	2,064,548	1,196,855	3,261,403	3,233,319	28,084	33,897		0	99%
70	Sales Commissions - Broker	2,305,321	412,638	2,717,959	0	2,717,959	0	2,717,959	806,147	363,786	1,169,932	1,115,932	54,000	1,548,027		0	43%
71	Sales Commissions - Co-operating Broker	8,257,058	1,288,111	9,545,169	0	9,545,169	0	9,545,169	4,750,312	109,338	4,859,650	4,850,313	9,337	4,685,519		0	51%
72	Leasing Commissions			0	0	0	0	0			0	0	0	0		0	N/A
73	Sales Office - Construction			0	0	0	0	0			0	0	0	0			N/A
74	Sales Office - Operating Costs			0	0	0	0	0			0	0	0	0			N/A
75	Indirect Others	60,000	40,000	100,000	0	100,000	0	100,000	2,919		2,919	2,062	856	97,081			3%
	SUB TOTAL	**13,810,723**	**3,111,254**	**16,921,977**	**0**	**16,921,977**	**0**	**16,921,977**	**7,647,439**	**1,670,318**	**9,317,757**	**9,223,545**	**94,213**	**7,604,219**	**0**	**0**	**45%**
	Checks	0	0	0	0	0	0	0	0	0	0	0	(0)	0			
	FINANCE																
76	Commitment Fee	6,351,182	1,680,772	8,031,954	(7,228,254)	803,700	0	803,700	211,522	20,000	231,522	231,522	0	572,178		0	29%
77	Agency Fee			0	30,000	30,000	0	30,000			0	0	0	30,000		0	0%
78	Bank Charges and LC Fees			0	125,000	125,000	0	125,000	21,797	6,444	28,240	26,692	1,548	96,760		0	23%
79	Construction Loan Interest			0	5,515,303	5,515,303	0	5,515,303	1,235,627	0	1,235,627	1,087,797	147,830	4,279,676		0	22%
80	Standby Fees			0	279,023	279,023	0	279,023			0	0	0	279,023		0	0%
81	Project Monitor			0	296,699	296,699	0	296,699	14,364		14,364	10,798	3,566	282,335		0	5%
82	Deposit Insurance Fee			0	673,473	673,473	0	673,473	302,133	3,604	305,737	305,737	0	367,736		0	45%
83	Interest on Purchaser Deposits			0	0	0	0	0			0	0	0	0		0	N/A
	SUB TOTAL	**6,351,182**	**1,680,772**	**8,031,954**	**(308,756)**	**7,723,198**	**0**	**7,723,198**	**1,785,443**	**30,048**	**1,815,490**	**1,662,546**	**152,945**	**5,907,708**	**0**	**0**	**23%**
	Checks	0	0	0	0	0	0	0	0	(0)	0	0	0	0			
	PRE OPENING & INTERIM OPERATIONS																
84	Interim Occupancy Operating Costs			0	587,497	587,497	0	587,497			0	0	0	587,497		0	0%
	SUB TOTAL	**0**	**0**	**0**	**587,497**	**587,497**	**0**	**587,497**	**0**	**0**	**0**	**0**	**0**	**587,497**	**0**	**0**	**0%**
	Checks	0	0	0	0	0	0	0	0	0	0	0	0	0			
	GOVERNMENT TAXES					**0**											
85	HST on Revenue			0	0	0	0	0			0	0	0	0			N/A
86	HST Payable	0		0	21,414,707	21,414,707	0	21,414,707	5,040,411	982,841	6,023,253	5,840,267	182,986	15,391,455		0	28%
87	HST Recoverable	0		0	(21,414,707)	(21,414,707)	0	(21,414,707)	(4,147,079)	(660,171)	(4,807,250)	(4,067,655)	(739,595)	(16,607,458)		0	22%
	SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**893,333**	**322,670**	**1,216,003**	**1,772,612**	**(556,609)**	**(1,216,003)**	**0**	**0**	**N/A**
	Checks	0	0	0	0	0	0	0	0	0	0	0	0	0			
	DEVELOPMENT CONTINGENCY																
88	Development Contingency	4,023,095	1,467,449	5,490,544	(593,480)	4,897,064	0	4,897,064			**0**	0	0	4,897,064		0	0%
	SUB TOTAL	**4,023,095**	**1,467,449**	**5,490,544**	**(593,480)**	**4,897,064**	**0**	**4,897,064**	**0**	**0**	**0**	**0**	**0**	**4,897,064**	**0**	**0**	**0%**
	Checks	0	0	0	0	0	0	0	0	0	0	0	0	0			
	GROSS PROJECT BUDGET	**201,508,821**	**55,645,114**	**257,153,934**	**2,868,488**	**260,022,422**	**0**	**260,022,422**	**113,212,799**	**28,795,144**	**142,007,943**	**138,472,051**	**3,535,892**	**118,014,479**	**10,000,000**	**(5,406,364)**	**44%**
	Checks	0	0	0	0	0	0	0			142,007,943	138,472,051	3,535,892	118,014,479			
	OFFSETTING INCOME & RECOVERIES																
89	Interim Occupancy Recoveries (Mortgage, Condo Fees)	(471,000)	(342,250)	(813,250)	(662,906)	(1,476,156)	0	(1,476,156)			0	0	0	(1,476,156)		0	0%
90	Development Charges Recoveries (Block A)			0	(3,411,265)	(3,411,265)	0	(3,411,265)			0	0	0	(3,411,265)			
91	Tarion Unit Enrolment Fee Recovery			0	0	0	0	0			0	0	0	0			
	SUB TOTAL	**(471,000)**	**(342,250)**	**(813,250)**	**(4,074,171)**	**(4,887,421)**	**0**	**(4,887,421)**	**0**	**0**	**0**	**0**	**0**	**(4,887,421)**	**0**	**0**	**0%**
	Checks	0	0	0	0	0	0	0	0	0	0	0	0	0			
	NET PROJECT BUDGET	**201,037,821**	**55,302,864**	**256,340,684**	**(1,205,684)**	**255,135,000**	**0**	**255,135,000**	**113,212,799**	**28,795,144**	**142,007,943**	**138,472,051**	**3,535,892**	**113,127,058**	**10,000,000**	**(5,406,364)**	**44%**
	Checks	0	0	0	0	0	0	0	0	0	0	0	0	0			

	Gross Cost-to-Date Block A	Gross Cost-to-Date Block P	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	
Less Holdback	(4,799,173)	(607,190)	(5,406,364)	(5,024,437)	(381,927)	5,406,364	Add Holdback
Add Holdback Release	381,770	125,755	507,525	507,525	0	(507,525)	Less Holdback Release
Net Cost-to-Date	**108,795,396**	**28,313,708**	**137,109,104**	**133,955,138**	**3,153,965**	**118,025,897**	**Net Cost-to-Complete**
Checks	0	0	0	0	0	0	

This is Exhibit "E" referred to in the Affidavit of David George sworn by David George at the City of Toronto, in the Province of Ontario, before me on June 23, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

NIKLAS HOLMBERG

Altus Group
Downsview Homes Inc.

Saturday in Downsview
Toronto, Ontario

Capital Cost & Cost-to-Complete Summary
July 31, 2021

Job No. 103233
Report No. Report No. 10
Date 24-Aug-21

EXECUTIVE SUMMARY

Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Variance (Altus vs Borrower)	Altus Group Previous Budget	Current Variance	Altus Group Current Budget	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
LAND	16,474,202	15,141,906	31,616,108	(171,394)	31,444,714	0	31,444,714	28,234,014	28,208,675	25,339	3,210,701	0	0	47%
DEVELOPMENT CHARGES & MUNICIPAL FEES	16,854,626	5,038,088	21,892,714	3,954,292	25,847,006	0	25,847,006	24,905,109	24,897,359	7,750	941,898	0	0	76%
CONSTRUCTION	128,430,414	24,935,132	153,365,546	(246,842)	153,118,704	0	153,118,704	86,131,944	78,486,797	7,645,146	66,986,760	0	(6,615,310)	50%
DESIGN & CONSULTANTS	3,541,718	978,527	4,520,245	(245,839)	4,274,406	0	4,274,406	3,232,187	3,147,551	84,636	1,042,219	0	0	60%
GENERAL & ADMINISTRATIVE (G&A)	12,022,860	3,291,987	15,314,847	0	15,314,847	0	15,314,847	1,802,770	1,789,676	13,094	13,512,077	10,000,000	0	10%
FURNITURE, FIXTURES & EQUIPMENT (FF&E)	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
MARKETING, SALES & LEASING	13,810,723	3,111,254	16,921,977	0	16,921,977	0	16,921,977	9,516,643	9,428,452	88,190	7,405,334	0	0	46%
FINANCE	6,351,182	1,680,772	8,031,954	(308,756)	7,723,198	0	7,723,198	2,335,292	2,211,420	123,873	5,387,906	0	0	30%
PRE OPENING & INTERIM OPERATIONS	0	0	0	587,497	587,497	0	587,497	0	0	0	587,497	0	0	0%
GOVERNMENT TAXES	0	0	0	0	0	0	0	1,216,003	1,216,003	0	(1,216,003)	0	0	N/A
DEVELOPMENT CONTINGENCY	4,023,095	1,467,449	5,490,544	(700,472)	4,790,072	0	4,790,072	0	0	0	4,790,072	0	0	0%
GROSS PROJECT BUDGET	**201,508,821**	**55,645,114**	**257,153,934**	**2,868,488**	**260,022,422**	**(0)**	**260,022,422**	**157,373,961**	**149,385,933**	**7,988,028**	**102,648,461**	**10,000,000**	**(6,615,310)**	**48%**
Checks	0	0	0	0	0	0	(0)	0	0	0	0			
OFFSETTING INCOME & RECOVERIES	(471,000)	(342,250)	(813,250)	(4,074,171)	(4,887,421)	0	(4,887,421)	0	0	0	(4,887,421)		0	0%
NET PROJECT BUDGET	**201,037,821**	**55,302,864**	**256,340,684**	**(1,205,684)**	**255,135,000**	**(0)**	**255,135,000**	**157,373,961**	**149,385,933**	**7,988,028**	**97,761,040**	**10,000,000**	**(6,615,310)**	**49%**
Checks	0	0	0	0	0	0	(0)	0	0	0	0			

	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	
Less Holdback	(6,615,310)	(5,930,821)	(684,489)	6,615,310	Add Holdback
Add Holdback Release	507,525	507,525	0	(507,525)	Less Holdback Release
Net Cost-to-Date	**151,266,176**	**143,962,637**	**7,303,539**	**103,868,825**	**Net Cost-to-Complete**
Checks	151,266,176	143,962,637	7,303,539	103,868,825	
Check to Margin	151,266,176	143,962,637	7,303,539	103,868,824	
Checks	0	0	(0)	0	
Checks	0	0	(0)	0	

CONTINGENCIES	Borrowers Block A Contingency	Borrowers Block P Contingency	Borrowers Total Contingency	Variance (Altus v Borrower)	Previous	Current Variance	Altus Current	%
Construction Contingency	5,499,421	699,216	6,198,637	265,675	2,597,435	(149,571)	2,447,864	2%
Development Contingency	4,023,095	1,467,449	5,490,544	(700,472)	4,790,072	0	4,790,072	5%
TOTAL CONTINGENCIES	**9,522,516**	**2,166,665**	**11,689,181**	**(434,797)**	**7,387,508**	**(149,571)**	**7,237,937**	**3%**

Altus Group

Downsview Homes Inc.

Saturday in Downsview
Toronto, Ontario

Capital Cost & Cost-to-Complete Summary
July 31, 2021

Job No.	103233
Report No.	Report No. 10
Date	24-Aug-21

	Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Variance (Altus vs Borrower)	Altus Group Previous Budget	Current Variance	Altus Group Current Budget	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
	LAND														
1	Land Value			0	0	0	0	0	0	0	0	0		0	N/A
2	Land Transfer Tax			0	0	0	0	0	0	0	0	0		0	N/A
3	Legal Fees - Land Development			0	0	0	0	0	0	0	0	0			N/A
4	Land Realty Taxes			0	0	0	0	0	0	0	0	0		0	N/A
5	Land - Construction	287,500	2,298,030	2,585,530	0	2,585,530	0	2,585,530	1,527,531	1,527,531	0	1,057,999			59%
6	Land - Professional Fees	2,204,210	1,110,000	3,314,210	0	3,314,210	0	3,314,210	1,689,650	1,689,650	0	1,624,560		0	51%
7	Land - Costs (Purchase Price)	6,442,150	8,230,358	14,672,508	0	14,672,508	0	14,672,508	14,672,508	14,672,508	0	0		0	100%
8	Land - Costs Other	6,153,146	2,843,453	8,996,599	1,500,000	10,496,599	0	10,496,599	10,338,603	10,313,264	25,339	157,996			98%
9	Land - Development Financing	1,387,196	660,065	2,047,261	(1,671,394)	375,867	0	375,867	5,721	5,721	0	370,146			
	SUB TOTAL	**16,474,202**	**15,141,906**	**31,616,108**	**(171,394)**	**31,444,714**	**0**	**31,444,714**	**28,234,014**	**28,208,675**	**25,339**	**3,210,701**	**0**	**0**	**47%**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	DEVELOPMENT CHARGES & MUNICIPAL FEES														
10	Tie-Back Agreements			0	0	0	0	0	0	0	0	0		0	N/A
11	Development Charges & Educational Development Charges	14,705,647	4,485,664	19,191,311	3,933,657	23,124,968	0	23,124,968	23,124,968	23,124,968	0	0		0	100%
12	Section 37			0	0	0	0	0	0	0	0	0		0	N/A
13	Cash in Lieu / Parkland Dedication			0	20,635	20,635	0	20,635	20,635	20,635	0	(0)		0	100%
14	Public Art			0	0	0	0	0				0			
15	Neighbour Contributions			0	0	0	0	0	0	0	0	0		0	N/A
16	Building Permit Fees	1,616,807	204,996	1,821,803	0	1,821,803	0	1,821,803	1,357,218	1,349,468	7,750	464,586		0	74%
17	Planning & Municipal Fees	532,172	347,428	879,600	0	879,600	0	879,600	402,288	402,288	0	477,312		0	46%
18	Realty Taxes			0	0	0	0	0	0	0	0	0		0	N/A
	SUB TOTAL	**16,854,626**	**5,038,088**	**21,892,714**	**3,954,292**	**25,847,006**	**0**	**25,847,006**	**24,905,109**	**24,897,359**	**7,750**	**941,898**	**0**	**0**	**76%**
	Checks	0	0	0	0	0	0	0	0	0	0	(0)			
	CONSTRUCTION	**124,139,577**	**23,743,890**	**147,883,467**	**2,967,306**	**147,100,000**	**0**	**147,100,000**							
19	Construction Budget - Block A	118,640,156		118,640,156	2,396,440	121,029,210	7,385	121,036,595	75,063,167	68,977,659	6,085,507	45,973,429		(5,879,384)	62%
20	Construction Budget - Classic Towns		8,658,001	8,658,001	305,191	8,686,781	276,411	8,963,193	1,270,839	522,530	748,309	7,692,354		(33,073)	14%
21	Construction Budget - Urban Towns		14,386,673	14,386,673	265,675	14,786,574	(134,226)	14,652,348	8,644,056	7,832,726	811,330	6,008,292		(702,853)	59%
22	Construction Contingency	5,499,421	699,216	6,198,637	(3,750,773)	2,597,435	(149,571)	2,447,864	0	0	0	2,447,864			0%
23	Demolition			0	0	0	0	0	0	0	0	0			N/A
24	Construction Management Fees			0	0	0	0	0	0	0	0	0			N/A
25	Hydro Connections etc.			0	0	0	0	0	0	0	0	0			N/A
26	Miscellaneous Warranty/Deficiencies	673,650	198,293	871,943	0	871,943	0	871,943	2,703	2,703	0	869,241			0%
27	Technical Audit	430,388	53,520	483,907	0	483,907	0	483,907	0	0	0	483,907			0%
28	TARION Unit Enrolment Fee	0	0	0	536,625	536,625	0	536,625	505,485	505,485	0	31,140			94%
29	TARION Warranty Reserve	130,329	43,040	173,369	0	173,369	0	173,369	0	0	0	173,369			0%
30	Insurance	1,300,851	223,243	1,524,094	0	1,524,094	0	1,524,094	645,695	645,695	0	878,399			42%
31	Extras and Upgrades	1,755,620	673,145	2,428,765	0	2,428,765	0	2,428,765	0	0	0	2,428,765			0%
32	Bonding			0	0	0	0	0	0	0	0	0			N/A
	SUB TOTAL	**128,430,414**	**24,935,132**	**153,365,546**	**(246,842)**	**153,118,704**	**0**	**153,118,704**	**86,131,944**	**78,486,797**	**7,645,146**	**66,986,760**	**0**	**(6,615,310)**	**50%**
	Checks	0	0	0	0	0	(0)	0	0	0	(0)	0			
	DESIGN & CONSULTANTS														
33	Architect	1,070,255	344,600	1,414,855	0	1,414,855	0	1,414,855	1,310,417	1,292,787	17,630	104,438		0	93%
34	Structural Engineer	439,550	69,490	509,040	0	509,040	0	509,040	505,583	502,154	3,429	3,457		0	99%
35	Rebar Detailing	137,950	10,000	147,950	791	148,741	0	148,741	148,742	148,742	0	(0)		0	100%
36	Civil Engineer	54,600	90,100	144,700	0	144,700	0	144,700	0	0	0	144,700		0	0%
37	Mechanical Engineer	160,852	24,155	185,007	0	185,007	0	185,007	190,710	181,860	8,850	(5,703)		0	103%
38	Electrical Engineer	89,832	15,600	105,432	25,000	130,432	0	130,432	126,361	124,861	1,500	4,071		0	97%
39	Landscape Architect	62,500	80,259	142,759	0	142,759	0	142,759	89,083	78,333	10,750	53,676		0	62%
40	Interior Designer	153,258	20,000	173,258	0	173,258	0	173,258	135,257	134,087	1,170	38,001		0	78%
41	Other Consultants	65,898		65,898	45,000	110,898	0	110,898	76,969	75,629	1,340	33,929		0	69%
42	Commissioning Consultant	(0)		(0)	0	0	0	0	0	0	0	0		0	N/A
43	Ground Water Mgmt. Consultant	37,039	56,450	93,489	(28,800)	64,689	0	64,689	0	0	0	64,689		0	0%
44	Energy Efficiency Consultant	37,039	8,254	45,293	0	45,293	0	45,293	17,200	17,200	0	28,093		0	38%
45	Acoustical Consultant	40,780	19,000	59,780	0	59,780	0	59,780	34,650	34,650	0	25,130		0	58%
46	Wind Study Consultant	0		0	0	0	0	0	0	0	0	0		0	N/A
47	Window/Glazing Consultant	56,120	10,000	66,120	0	66,120	0	66,120	0	0	0	66,120		0	0%
48	Lighting Consultant	5,000		5,000	3,800	8,800	0	8,800	8,800	8,800	0	0		0	100%
49	Elevator Consultant	22,448		22,448	0	22,448	0	22,448	6,900	6,900	0	15,548		0	31%
50	Sprinkler Consultant	29,931	5,000	34,931	25,069	60,000	0	60,000	53,700	53,700	0	6,300		0	90%
51	Geotechnical Data/Soils Investigation	0	11,120	11,120	0	11,120	0	11,120	3,580	3,580	0	7,540		0	32%
52	Shoring Consultant	133,290	33,210	166,500	0	166,500	0	166,500	132,925	132,925	0	33,575		0	80%
53	Construction Layout & Survey	102,512	28,586	131,098	0	131,098	0	131,098	40,895	37,530	3,365	90,204		0	31%
54	Cost Consultant	264,138	40,000	304,138	(296,699)	7,439	0	7,439	7,439	7,439	0	0		0	100%
55	Reproduction Services	113,238	16,035	129,273	0	129,273	0	129,273	80,611	57,732	22,878	48,663		0	62%
56	Safety Inspection Services	77,590	27,000	104,590	0	104,590	0	104,590	31,389	27,494	3,895	73,201		0	30%
57	Testing & Inspection Services	204,572	36,150	240,722	(20,000)	220,722	0	220,722	144,418	138,504	5,913	76,304		0	65%
58	Third Party Consultant - Bulletin 19	183,325	33,518	216,843	0	216,843	0	216,843	86,561	82,646	3,915	130,282		0	40%
59	Permit Application			0	0	0	0	0	0	0	0	0		0	N/A
	SUB TOTAL	**3,541,718**	**978,527**	**4,520,245**	**(245,839)**	**4,274,406**	**0**	**4,274,406**	**3,232,187**	**3,147,551**	**84,636**	**1,042,219**	**0**	**0**	**60%**
	Checks	0	0	(0)	(0)	0	0	0	0	0	0	(0)			
	GENERAL & ADMINISTRATIVE (G&A)														
60	Legal - Condo Registration			0	100,000	100,000	0	100,000	0	0	0	100,000		0	0%
61	Legal - Financing			0	0	0	0	0	0	0	0	0		0	N/A
62	Legal - Other	680,487	112,075	792,562	(100,000)	692,562	0	692,562	207,574	207,574	0	484,988			30%
63	Legal - Closing Costs	479,550	92,000	571,550	0	571,550	0	571,550	0	0	0	571,550			0%
64	Development Management Fees	10,817,823	3,072,890	13,890,713	0	13,890,713	0	13,890,713	1,595,196	1,582,103	13,094	12,295,516	10,000,000		11%
65	G&H	45,000	15,022	60,022	0	60,022	0	60,022	0	0	0	60,022			0%
	SUB TOTAL	**12,022,860**	**3,291,987**	**15,314,847**	**0**	**15,314,847**	**0**	**15,314,847**	**1,802,770**	**1,789,676**	**13,094**	**13,512,077**	**10,000,000**	**0**	**10%**

Downsview Homes Inc.

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Toronto, Ontario

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Report No.	Report No. 10
Date	24-Aug-21

	Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Variance (Altus vs Borrower)	Altus Group Previous Budget	Current Variance	Altus Group Current Budget	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	FURNITURE, FIXTURES & EQUIPMENT (FF&E)														
66	Furniture, Fixtures & Equipment			0	0		0	0	0	0	0	0		0	N/A
	SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**N/A**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	MARKETING, SALES & LEASING														
67	Indirects - Customer Service Overhead	636,475	141,502	777,977	0	777,977	0	777,977	340	340	0	777,637		0	0%
68	Indirects - Customer Service Site Overhead	376,480	109,092	485,572	0	485,572	0	485,572	28,941	25,450	3,491	456,630		0	6%
69	Advertising & Marketing	2,175,389	1,119,911	3,295,300	0	3,295,300	0	3,295,300	3,287,924	3,271,597	16,327	7,376		0	100%
70	Sales Commissions - Broker	2,305,321	412,638	2,717,959	0	2,717,959	0	2,717,959	1,265,549	1,215,822	49,726	1,452,410		0	47%
71	Sales Commissions - Co-operating Broker	8,257,058	1,288,111	9,545,169	0	9,545,169	0	9,545,169	4,930,939	4,912,293	18,646	4,614,230		0	52%
72	Leasing Commissions			0	0	0	0	0	0	0	0	0		0	N/A
73	Sales Office - Construction			0	0	0	0	0	0	0	0	0			N/A
74	Sales Office - Operating Costs			0	0	0	0	0	0	0	0	0			N/A
75	Indirect Others	60,000	40,000	100,000	0	100,000	0	100,000	2,950	2,950	0	97,050			3%
	SUB TOTAL	**13,810,723**	**3,111,254**	**16,921,977**	**0**	**16,921,977**	**0**	**16,921,977**	**9,516,643**	**9,428,452**	**88,190**	**7,405,334**	**0**	**0**	**46%**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	FINANCE														
76	Commitment Fee	6,351,182	1,680,772	8,031,954	(7,228,254)	803,700	0	803,700	231,522	231,522	0	572,178		0	29%
77	Agency Fee			0	30,000	30,000	0	30,000	0	0	0	30,000		0	0%
78	Bank Charges and LC Fees			0	125,000	125,000	0	125,000	31,185	29,737	1,448	93,815		0	25%
79	Construction Loan Interest			0	5,515,303	5,515,303	0	5,515,303	1,645,494	1,417,390	228,104	3,869,809		0	30%
80	Standby Fees			0	279,023	279,023	0	279,023	0	0	0	279,023		0	0%
81	Project Monitor			0	296,699	296,699	0	296,699	17,899	17,899	0	278,800		0	6%
82	Deposit Insurance Fee			0	673,473	673,473	0	673,473	409,193	514,872	(105,679)	264,280		0	61%
83	Interest on Purchaser Deposits			0	0	0	0	0	0	0	0	0		0	N/A
	SUB TOTAL	**6,351,182**	**1,680,772**	**8,031,954**	**(308,756)**	**7,723,198**	**0**	**7,723,198**	**2,335,292**	**2,211,420**	**123,873**	**5,387,906**	**0**	**0**	**30%**
	Checks	0	0	0	0	0	0	0	0	0	(0)	0			
	PRE OPENING & INTERIM OPERATIONS														
84	Interim Occupancy Operating Costs			0	587,497	587,497	0	587,497	0	0	0	587,497		0	0%
	SUB TOTAL	**0**	**0**	**0**	**587,497**	**587,497**	**0**	**587,497**	**0**	**0**	**0**	**587,497**	**0**	**0**	**0%**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	GOVERNMENT TAXES					**0**									
85	HST on Revenue			0	0	0	0	0	0	0	0	0			N/A
86	HST Payable	0		0	21,414,707	21,414,707	0	21,414,707	6,023,253	6,023,253	0	15,391,455		0	28%
87	HST Recoverable	0		0	(21,414,707)	(21,414,707)	0	(21,414,707)	(4,807,250)	(4,807,250)	0	(16,607,458)		0	22%
	SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,216,003**	**1,216,003**	**0**	**(1,216,003)**	**0**	**0**	**N/A**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	DEVELOPMENT CONTINGENCY														
88	Development Contingency	4,023,095	1,467,449	5,490,544	(700,472)	4,790,072	0	4,790,072	**0**	0	0	4,790,072		0	0%
	SUB TOTAL	**4,023,095**	**1,467,449**	**5,490,544**	**(700,472)**	**4,790,072**	**0**	**4,790,072**	**0**	**0**	**0**	**4,790,072**	**0**	**0**	**0%**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	GROSS PROJECT BUDGET	**201,508,821**	**55,645,114**	**257,153,934**	**2,868,488**	**260,022,422**	**0**	**260,022,422**	**157,373,961**	**149,385,933**	**7,988,028**	**102,648,461**	**10,000,000**	**(6,615,310)**	**48%**
	Checks	0	0	0	0	0	(0)	0	157,373,961	149,385,933	7,988,028	102,648,461			
	OFFSETTING INCOME & RECOVERIES														
89	Interim Occupancy Recoveries (Mortgage, Condo Fees)	(471,000)	(342,250)	(813,250)	(662,906)	(1,476,156)	0	(1,476,156)	0	0	0	(1,476,156)		0	0%
90	Development Charges Recoveries (Block A)			0	(3,411,265)	(3,411,265)	0	(3,411,265)	0	0	0	(3,411,265)			
91	Tarion Unit Enrolment Fee Recovery			0	0	0	0	0	0	0	0	0			
	SUB TOTAL	**(471,000)**	**(342,250)**	**(813,250)**	**(4,074,171)**	**(4,887,421)**	**0**	**(4,887,421)**	**0**	**0**	**0**	**(4,887,421)**	**0**	**0**	**0%**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	NET PROJECT BUDGET	**201,037,821**	**55,302,864**	**256,340,684**	**(1,205,684)**	**255,135,000**	**0**	**255,135,000**	**157,373,961**	**149,385,933**	**7,988,028**	**97,761,040**	**10,000,000**	**(6,615,310)**	**49%**
	Checks	0	0	0	0	0	(0)	0	0	0	0	0			

	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	
Less Holdback	(6,615,310)	(5,930,821)	(684,489)	6,615,310	Add Holdback
Add Holdback Release	507,525	507,525	0	(507,525)	Less Holdback Release
Net Cost-to-Date	**151,266,176**	**143,962,637**	**7,303,539**	**103,868,825**	**Net Cost-to-Complete**
Checks	0	0	0	0	

This is Exhibit “F” referred to in the Affidavit of David George sworn by David George at the City of Toronto, in the Province of Ontario, before me on June 23, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

NIKLAS HOLMBERG

Job No. 103233
Report No. Report No. 11
Date 27-Oct-21

AltusGroup

Downsview Homes Inc.

Saturday in Downsview
Toronto, Ontario

Capital Cost & Cost-to-Complete Summary
September 30, 2021

Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Variance (Altus vs Borrower)	Altus Group Previous Budget	Current Variance	Altus Group Current Budget	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
EXECUTIVE SUMMARY														
LAND	16,474,202	15,141,906	31,616,108	(171,394)	31,444,714	0	31,444,714	28,365,209	28,234,014	131,195	3,079,505	0	0	47%
DEVELOPMENT CHARGES & MUNICIPAL FEES	16,854,626	5,038,088	21,892,714	3,954,292	25,847,006	0	25,847,007	24,925,067	24,905,109	19,958	921,940	0	0	76%
CONSTRUCTION	128,430,414	24,935,132	153,365,546	210,783	153,376,329	200,000	153,576,328	98,840,762	86,131,944	12,708,818	54,735,567	0	(7,700,233)	56%
DESIGN & CONSULTANTS	3,541,718	978,527	4,520,245	(206,054)	4,274,406	39,784	4,314,190	3,377,981	3,232,187	145,794	936,210	0	0	62%
GENERAL & ADMINISTRATIVE (G&A)	12,022,860	3,291,987	15,314,847	0	15,314,847	0	15,314,847	2,073,881	1,802,770	271,111	13,240,965	10,000,000	0	10%
FURNITURE, FIXTURES & EQUIPMENT (FF&E)	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
MARKETING, SALES & LEASING	13,810,723	3,111,254	16,921,977	0	16,921,977	0	16,921,977	9,642,407	9,516,643	125,765	7,279,569	0	0	46%
FINANCE	6,351,182	1,680,772	8,031,954	(308,756)	7,723,198	0	7,723,198	2,555,909	2,335,292	220,617	5,167,289	0	0	33%
PRE OPENING & INTERIM OPERATIONS	0	0	0	587,497	587,497	0	587,497	0	0	0	587,497	0	0	0%
GOVERNMENT TAXES	0	0	0	0	0	0	0	1,561,294	1,216,003	345,291	(1,561,294)	0	0	N/A
DEVELOPMENT CONTINGENCY	4,023,095	1,467,449	5,490,544	(1,197,881)	4,532,447	(239,784)	4,292,663	0	0	0	4,292,663	0	0	0%
GROSS PROJECT BUDGET	**201,508,821**	**55,645,114**	**257,153,934**	**2,868,487**	**260,022,421**	**(0)**	**260,022,421**	**171,342,510**	**157,373,961**	**13,968,549**	**88,679,912**	**10,000,000**	**(7,700,233)**	**53%**
Checks	0	0	(0)	(0)	0	0	(0)	0	0	0	0			
OFFSETTING INCOME & RECOVERIES	(471,000)	(342,250)	(813,250)	(4,074,171)	(4,887,421)	0	(4,887,421)	0	0	0	(4,887,421)		0	0%
NET PROJECT BUDGET	**201,037,821**	**55,302,864**	**256,340,684**	**(1,205,684)**	**255,135,000**	**(1)**	**255,135,000**	**171,342,510**	**157,373,961**	**13,968,549**	**83,792,490**	**10,000,000**	**(7,700,233)**	**54%**
Checks	0	0	(0)	(0)	0	0	(0)	0	0	0	0			

	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	
Less Holdback	(7,700,233)	(6,615,310)	(1,084,923)	7,700,233	Add Holdback
Add Holdback Release	507,525	507,525	0	(507,525)	Less Holdback Release
Net Cost-to-Date	**164,149,802**	**151,266,176**	**12,883,626**	**90,985,198**	**Net Cost-to-Complete**
Checks	164,149,802	151,266,176	12,883,626	90,985,198	
Check to Margin	164,149,802	143,962,637	20,187,164	90,985,198	
Checks	0	0	0	0	
Checks	0	7,303,539	(7,303,539)	0	

CONTINGENCIES	Borrowers Block A Contingency	Borrowers Block P Contingency	Borrowers Total Contingency	Variance (Altus v Borrower)	Previous	Current Variance	Altus Current	%
Construction Contingency	5,499,421	699,216	6,198,637	551,509	2,597,435	(1,140,710)	1,583,566	1%
Development Contingency	4,023,095	1,467,449	5,490,544	(1,197,881)	4,790,072	(239,784)	4,292,663	5%
TOTAL CONTINGENCIES	**9,522,516**	**2,166,665**	**11,689,181**	**(646,372)**	**7,387,508**	**(1,380,495)**	**5,876,229**	**2%**

AltusGroup

Downsview Homes Inc.

Saturday in Downsview
Toronto, Ontario

Capital Cost & Cost-to-Complete Summary
September 30, 2021

Job No. 103233
Report No. Report No. 11
Date 27-Oct-21

Altus Group Limited 2021

	Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Variance (Altus vs Borrower)	Altus Group Previous Budget	Current Variance	Altus Group Current Budget	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
	LAND														
1	Land Value			0	0	0	0	0	0	0	0	0		0	N/A
2	Land Transfer Tax			0	0	0	0	0	0	0	0	0		0	N/A
3	Legal Fees - Land Development			0	0	0	0	0	0	0	0	0			N/A
4	Land Realty Taxes			0	0	0	0	0	0	0	0	0		0	N/A
5	Land - Construction	287,500	2,298,030	2,585,530	0	2,585,530	0	2,585,530	1,598,883	1,527,531	71,352	986,647			62%
6	Land - Professional Fees	2,204,210	1,110,000	3,314,210	0	3,314,210	0	3,314,210	1,724,335	1,689,650	34,685	1,589,875		0	52%
7	Land - Costs (Purchase Price)	6,442,150	8,230,358	14,672,508	0	14,672,508	0	14,672,508	14,672,508	14,672,508	0	0		0	100%
8	Land - Costs Other	6,153,146	2,843,453	8,996,599	1,500,000	10,496,599	0	10,496,599	10,363,762	10,338,603	25,159	132,837			99%
9	Land - Development Financing	1,387,196	660,065	2,047,261	(1,671,394)	375,867	0	375,867	5,721	5,721	0	370,146			
	SUB TOTAL	**16,474,202**	**15,141,906**	**31,616,108**	**(171,394)**	**31,444,714**	**0**	**31,444,714**	**28,365,209**	**28,234,014**	**131,195**	**3,079,505**	**0**	**0**	**47%**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	DEVELOPMENT CHARGES & MUNICIPAL FEES														
10	Tie-Back Agreements			0	0	0	0	0	0	0	0	0		0	N/A
11	Development Charges & Educational Development Charges	14,705,647	4,485,664	19,191,311	3,933,657	23,124,968	0	23,124,968	23,124,968	23,124,968	0	0		0	100%
12	Section 37			0	0	0	0	0	0	0	0	0		0	N/A
13	Cash in Lieu / Parkland Dedication			0	20,635	20,635	0	20,635	20,635	20,635	0	0		0	100%
14	Public Art			0	0	0	0	0				0			
15	Neighbour Contributions			0	0	0	0	0	0	0	0	0		0	N/A
16	Building Permit Fees	1,616,807	204,996	1,821,803	0	1,821,803	0	1,821,803	1,362,804	1,357,218	5,586	459,000		0	75%
17	Planning & Municipal Fees	532,172	347,428	879,600	0	879,600	0	879,600	416,660	402,288	14,372	462,940		0	47%
18	Realty Taxes			0	0	0	0	0	0	0	0	0		0	N/A
	SUB TOTAL	**16,854,626**	**5,038,088**	**21,892,714**	**3,954,292**	**25,847,006**	**0**	**25,847,007**	**24,925,067**	**24,905,109**	**19,958**	**921,940**	**0**	**0**	**76%**
	Checks	0	0	0	0	0	(0)	0	0	0	(0)	(0)			
	CONSTRUCTION	**124,139,577**	**23,743,890**	**147,883,467**	**4,289,229**	**147,357,625**	**200,000**	**147,557,625**							
19	Construction Budget - Block A	118,640,156		118,640,156	1,507,709	121,036,595	(888,731)	120,147,864	85,837,396	75,063,167	10,774,230	34,310,468		(6,808,808)	71%
20	Construction Budget - Classic Towns		8,658,001	8,658,001	2,230,011	8,963,193	1,924,820	10,888,012	1,731,659	1,270,839	460,820	9,156,353		(58,059)	16%
21	Construction Budget - Urban Towns		14,386,673	14,386,673	551,509	14,633,561	304,621	14,938,182	10,117,825	8,644,056	1,473,769	4,820,358		(833,366)	68%
22	Construction Contingency	5,499,421	699,216	6,198,637	(4,615,071)	2,724,276	(1,140,710)	1,583,566	0	0	0	1,583,566			0%
23	Demolition			0	0	0	0	0	0	0	0	0			N/A
24	Construction Management Fees			0	0	0	0	0	0	0	0	0			N/A
25	Hydro Connections etc.			0	0	0	0	0	0	0	0	0			N/A
26	Miscellaneous Warranty/Deficiencies	673,650	198,293	871,943	0	871,943	0	871,943	2,703	2,703	0	869,241			0%
27	Technical Audit	430,388	53,520	483,907	0	483,907	0	483,907	0	0	0	483,907			0%
28	TARION Unit Enrolment Fee	0	0	0	536,625	536,625	0	536,625	505,485	505,485	0	31,140			94%
29	TARION Warranty Reserve	130,329	43,040	173,369	0	173,369	0	173,369	0	0	0	173,369			0%
30	Insurance	1,300,851	223,243	1,524,094	0	1,524,094	0	1,524,094	645,695	645,695	0	878,399			42%
31	Extras and Upgrades	1,755,620	673,145	2,428,765	0	2,428,765	0	2,428,765	0	0	0	2,428,765			0%
32	Bonding			0	0	0	0	0	0	0	0	0			N/A
	SUB TOTAL	**128,430,414**	**24,935,132**	**153,365,546**	**210,783**	**153,376,329**	**200,000**	**153,576,328**	**98,840,762**	**86,131,944**	**12,708,818**	**54,735,567**	**0**	**(7,700,233)**	**56%**
	Checks	0	0	(0)	(0)	0	(0)	0	0	0	0	0			
	DESIGN & CONSULTANTS														
33	Architect	1,070,255	344,600	1,414,855	0	1,414,855	0	1,414,855	1,346,664	1,310,417	36,247	68,191		0	95%
34	Structural Engineer	439,550	69,490	509,040	2,678	509,040	2,678	511,718	511,718	505,583	6,135	0		0	100%
35	Rebar Detailing	137,950	10,000	147,950	791	148,741	0	148,742	148,742	148,742	0	0		0	100%
36	Civil Engineer	54,600	90,100	144,700	0	144,700	0	144,700	0	0	0	144,700		0	0%
37	Mechanical Engineer	160,852	24,155	185,007	34,253	185,007	34,253	219,260	219,260	190,710	28,550	0		0	100%
38	Electrical Engineer	89,832	15,600	105,432	25,000	130,432	0	130,432	128,999	126,361	2,638	1,434		0	99%
39	Landscape Architect	62,500	80,259	142,759	0	142,759	0	142,759	100,884	89,083	11,801	41,875		0	71%
40	Interior Designer	153,258	20,000	173,258	0	173,258	0	173,258	135,437	135,257	180	37,821		0	78%
41	Other Consultants	65,898		65,898	45,000	110,898	0	110,898	80,981	76,969	4,013	29,917		0	73%
42	Commissioning Consultant	(0)		(0)	0	0	0	0	0	0	0	0		0	N/A
43	Ground Water Mgmt. Consultant	37,039	56,450	93,489	(28,800)	64,689	0	64,689	0	0	0	64,689		0	0%
44	Energy Efficiency Consultant	37,039	8,254	45,293	0	45,293	0	45,293	17,200	17,200	0	28,093		0	38%
45	Acoustical Consultant	40,780	19,000	59,780	0	59,780	0	59,780	34,650	34,650	0	25,130		0	58%
46	Wind Study Consultant	0		0	0	0	0	0	0	0	0	0		0	N/A
47	Window/Glazing Consultant	56,120	10,000	66,120	0	66,120	0	66,120	0	0	0	66,120		0	0%
48	Lighting Consultant	5,000		5,000	6,653	8,800	2,853	11,653	11,653	8,800	2,853	0		0	100%
49	Elevator Consultant	22,448		22,448	0	22,448	0	22,448	6,900	6,900	0	15,548		0	31%
50	Sprinkler Consultant	29,931	5,000	34,931	25,069	60,000	0	60,000	55,100	53,700	1,400	4,900		0	92%
51	Geotechnical Data/Soils Investigation	0	11,120	11,120	0	11,120	0	11,120	3,580	3,580	0	7,540		0	32%
52	Shoring Consultant	133,290	33,210	166,500	0	166,500	0	166,500	132,925	132,925	0	33,575		0	80%
53	Construction Layout & Survey	102,512	28,586	131,098	0	131,098	0	131,098	64,225	40,895	23,330	66,874		0	49%
54	Cost Consultant	264,138	40,000	304,138	(296,699)	7,439	0	7,439	7,439	7,439	0	0		0	100%
55	Reproduction Services	113,238	16,035	129,273	0	129,273	0	129,273	63,586	80,611	(17,025)	65,687		0	49%
56	Safety Inspection Services	77,590	27,000	104,590	0	104,590	0	104,590	40,099	31,389	8,710	64,491		0	38%
57	Testing & Inspection Services	204,572	36,150	240,722	(20,000)	220,722	0	220,722	150,282	144,418	5,864	70,440		0	68%
58	Third Party Consultant - Bulletin 19	183,325	33,518	216,843	0	216,843	0	216,843	117,658	86,561	31,098	99,185		0	54%
59	Permit Application			0	0	0	0	0	0	0	0	0		0	N/A
	SUB TOTAL	**3,541,718**	**978,527**	**4,520,245**	**(206,054)**	**4,274,406**	**39,784**	**4,314,190**	**3,377,981**	**3,232,187**	**145,794**	**936,210**	**0**	**0**	**62%**
	Checks	0	0	(0)	(0)	0	(0)	0	0	0	0	(0)			
	GENERAL & ADMINISTRATIVE (G&A)														
60	Legal - Condo Registration			0	100,000	100,000	0	100,000	0	0	0	100,000		0	0%
61	Legal - Financing			0	0	0	0	0	0	0	0	0		0	N/A
62	Legal - Other	680,487	112,075	792,562	(100,000)	692,562	0	692,562	231,221	207,574	23,647	461,341			33%
63	Legal - Closing Costs	479,550	92,000	571,550	0	571,550	0	571,550	0	0	0	571,550			0%
64	Development Management Fees	10,817,823	3,072,890	13,890,713	0	13,890,713	0	13,890,713	1,842,660	1,595,196	247,464	12,048,052	10,000,000		13%
65	G&H	45,000	15,022	60,022	0	60,022	0	60,022	0	0	0	60,022			0%
	SUB TOTAL	**12,022,860**	**3,291,987**	**15,314,847**	**0**	**15,314,847**	**0**	**15,314,847**	**2,073,881**	**1,802,770**	**271,111**	**13,240,965**	**10,000,000**	**0**	**10%**

AltusGroup

Downsview Homes Inc.

Saturday in Downsview

Toronto, Ontario

Capital Cost & Cost-to-Complete Summary
September 30, 2021

Job No. 103233

Report No. Report No. 11

Date 27-Oct-21

	Development Cost	Borrower Block A Budget	Borrower Block P Budget	Borrower Total Budget	Variance (Altus vs Borrower)	Altus Group Previous Budget	Current Variance	Altus Group Current Budget	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	Deferred Costs	Holdback to Date	% Complete
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	FURNITURE, FIXTURES & EQUIPMENT (FF&E)														
66	Furniture, Fixtures & Equipment			0	0		0	0	0	0	0	0		0	N/A
	SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**N/A**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	MARKETING, SALES & LEASING														
67	Indirects - Customer Service Overhead	636,475	141,502	777,977	0	777,977	0	777,977	340	340	0	777,637		0	0%
68	Indirects - Customer Service Site Overhead	376,480	109,092	485,572	0	485,572	0	485,572	33,097	28,941	4,156	452,474		0	7%
69	Advertising & Marketing	2,175,389	1,119,911	3,295,300	0	3,295,300	0	3,295,300	3,292,093	3,287,924	4,169	3,207		0	100%
70	Sales Commissions - Broker	2,305,321	412,638	2,717,959	0	2,717,959	0	2,717,959	1,344,617	1,265,549	79,068	1,373,342		0	49%
71	Sales Commissions - Co-operating Broker	8,257,058	1,288,111	9,545,169	0	9,545,169	0	9,545,169	4,969,122	4,930,939	38,183	4,576,047		0	52%
72	Leasing Commissions			0	0	0	0	0	0	0	0	0		0	N/A
73	Sales Office - Construction			0	0	0	0	0	0	0	0	0			N/A
74	Sales Office - Operating Costs			0	0	0	0	0	0	0	0	0			N/A
75	Indirect Others	60,000	40,000	100,000	0	100,000	0	100,000	3,138	2,950	189	96,862			3%
	SUB TOTAL	**13,810,723**	**3,111,254**	**16,921,977**	**0**	**16,921,977**	**0**	**16,921,977**	**9,642,407**	**9,516,643**	**125,765**	**7,279,569**	**0**	**0**	**46%**
	Checks	0	0	0	0	0	0	0	0	0	(0)	0			
	FINANCE														
76	Commitment Fee	6,351,182	1,680,772	8,031,954	(7,228,254)	803,700	0	803,700	231,522	231,522	0	572,178		0	29%
77	Agency Fee			0	30,000	30,000	0	30,000	0	0	0	30,000		0	0%
78	Bank Charges and LC Fees			0	125,000	125,000	0	125,000	34,227	31,185	3,042	90,773		0	27%
79	Construction Loan Interest			0	5,515,303	5,515,303	0	5,515,303	1,852,463	1,645,494	206,969	3,662,840		0	34%
80	Standby Fees			0	279,023	279,023	0	279,023	0	0	0	279,023		0	0%
81	Project Monitor			0	296,699	296,699	0	296,699	28,504	17,899	10,605	268,195		0	10%
82	Deposit Insurance Fee			0	673,473	673,473	0	673,473	409,193	409,193	0	264,280		0	61%
83	Interest on Purchaser Deposits			0	0	0	0	0	0	0	0	0		0	N/A
	SUB TOTAL	**6,351,182**	**1,680,772**	**8,031,954**	**(308,756)**	**7,723,198**	**0**	**7,723,198**	**2,555,909**	**2,335,292**	**220,617**	**5,167,289**	**0**	**0**	**33%**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	PRE OPENING & INTERIM OPERATIONS														
84	Interim Occupancy Operating Costs			0	587,497	587,497	0	587,497	0	0	0	587,497		0	0%
	SUB TOTAL	**0**	**0**	**0**	**587,497**	**587,497**	**0**	**587,497**	**0**	**0**	**0**	**587,497**	**0**	**0**	**0%**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	GOVERNMENT TAXES					**0**									
85	HST on Revenue			0	0	0	0	0	0	0	0	0			N/A
86	HST Payable	0		0	21,479,371	21,414,707	64,663	21,479,371	9,419,168	6,023,253	3,395,915	12,060,203		0	44%
87	HST Recoverable	0		0	(21,479,371)	(21,414,707)	(64,663)	(21,479,371)	(7,857,874)	(4,807,250)	(3,050,624)	(13,621,497)		0	37%
	SUB TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,561,294**	**1,216,003**	**345,291**	**(1,561,294)**	**0**	**0**	**N/A**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	DEVELOPMENT CONTINGENCY														
88	Development Contingency	4,023,095	1,467,449	5,490,544	(1,197,881)	4,532,447	(239,784)	4,292,663	**0**	0	0	4,292,663		0	0%
	SUB TOTAL	**4,023,095**	**1,467,449**	**5,490,544**	**(1,197,881)**	**4,532,447**	**(239,784)**	**4,292,663**	**0**	**0**	**0**	**4,292,663**	**0**	**0**	**0%**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	GROSS PROJECT BUDGET	**201,508,821**	**55,645,114**	**257,153,934**	**2,868,487**	**260,022,421**	**(0)**	**260,022,421**	**171,342,510**	**157,373,961**	**13,968,549**	**88,679,912**	**10,000,000**	**(7,700,233)**	**53%**
	Checks	0	0	(0)	(0)	0	(0)	0	171,342,510	157,373,961	13,968,549	88,679,912			
	OFFSETTING INCOME & RECOVERIES														
89	Interim Occupancy Recoveries (Mortgage, Condo Fees)	(471,000)	(342,250)	(813,250)	(662,906)	(1,476,156)	0	(1,476,156)	0	0	0	(1,476,156)		0	0%
90	Development Charges Recoveries (Block A)			0	(3,411,265)	(3,411,265)	0	(3,411,265)	0	0	0	(3,411,265)			
91	Tarion Unit Enrolment Fee Recovery			0	0	0	0	0	0	0	0	0			
	SUB TOTAL	**(471,000)**	**(342,250)**	**(813,250)**	**(4,074,171)**	**(4,887,421)**	**0**	**(4,887,421)**	**0**	**0**	**0**	**(4,887,421)**	**0**	**0**	**0%**
	Checks	0	0	0	0	0	0	0	0	0	0	0			
	NET PROJECT BUDGET	**201,037,821**	**55,302,864**	**256,340,684**	**(1,205,684)**	**255,135,000**	**(0)**	**255,135,000**	**171,342,510**	**157,373,961**	**13,968,549**	**83,792,490**	**10,000,000**	**(7,700,233)**	**54%**
	Checks	0	0	(0)	(0)	0	(0)	0	0	0	0	0			

	Gross Cost-to-Date Total	Previously Approved	Current Approved	Cost-to-Complete	
Less Holdback	(7,700,233)	(6,615,310)	(1,084,923)	7,700,233	Add Holdback
Add Holdback Release	507,525	507,525	0	(507,525)	Less Holdback Release
Net Cost-to-Date	**164,149,802**	**151,266,176**	**12,883,626**	**90,985,198**	**Net Cost-to-Complete**
Checks	0	0	0	0	

This is Exhibit “G” referred to in the Affidavit of David George sworn by David George at the City of Toronto, in the Province of Ontario, before me on June 23, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

____

Commissioner for Taking Affidavits (or as may be)

NIKLAS HOLMBERG

Downsview Homes Inc.

Financial Statements
May 31, 2020

Independent auditor's report

To the Shareholders of Downsview Homes Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Downsview Homes Inc. (the Company) as at May 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises (ASPE).

What we have audited
The Company's financial statements comprise:

- the balance sheet as at May 31, 2020;
- the statement of operations and deficit for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Comparative information

The comparative information as at and for the year ended May 31, 2019 has not been audited.

PricewaterhouseCoopers LLP
200 Apple Mill Road, Vaughan, Ontario, Canada L4K 0J8
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Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If

we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Ontario
July 13, 2021

Downsview Homes Inc.

Balance Sheet

As at May 31, 2020

	2020 $	2019 $ (Unaudited)
Assets		
Cash	3,369,368	3,303,092
Sundry receivables and prepaid expenses (note 6)	5,902,633	3,306,511
Deposits held in trust	1,087,818	2,935,275
Property, plant and equipment	231,062	197,750
Condominiums and townhouses under construction (note 7)	36,930,271	27,176,537
	47,521,152	36,919,165
Liabilities		
Accounts payable and accrued liabilities	3,856,644	2,965,790
Deposits on sales	29,017,833	12,766,872
Loans payable (note 4)	88,359	4,880,216
Management fees payable (note 5)	7,562,712	6,786,919
Amounts payable to shareholders (note 3)	27,897,090	27,897,090
Estimated cost to complete	297,120	2,642,595
	68,719,758	57,939,482
Shareholders' Deficiency		
Share capital (note 9)	20	20
Deficit	(21,198,626)	(21,020,337)
	(21,198,606)	(21,020,317)
	47,521,152	36,919,165

Contingencies (note 10)

Approved by the Board of Directors

_______________________ Director _______________________ Director

The accompanying notes are an integral part of these financial statements.

Downsview Homes Inc.

Statement of Operations and Deficit

For the year ended May 31, 2020

	2020 $	2019 $ (Unaudited)
Revenue		
Sales	497	-
Interest income	-	19,138
	497	19,138
Cost of sales (recovery)	(1,132,515)	(1,547,425)
Gross profit	1,133,012	1,566,563
Expenses		
Selling, general and administrative	1,311,301	669,118
(Loss) earnings before income taxes	(178,289)	897,445
Income taxes (recovery) (note 12)	-	(94,291)
Net (loss) earnings for the year	(178,289)	991,736
Deficit – Beginning of year	(21,020,337)	(22,012,073)
Deficit – End of year	(21,198,626)	(21,020,337)

The accompanying notes are an integral part of these financial statements.

Downsview Homes Inc.

Statement of Cash Flows

For the year ended May 31, 2020

	2020 $	2019 $ (Unaudited)
Cash provided by (used in)		
Operating activities		
Net (loss) earnings for the year	(178,289)	991,736
Item not involving cash		
Depreciation of property, plant and equipment	319,091	28,249
Changes in non-cash operating items		
Additions to inventory (condominiums and townhouses under construction)	(8,977,941)	5,457,883
Sales closing receivable	-	159,014,087
Deposits held in trust	1,847,457	3,168,482
Sundry receivables and prepaid expenses	(2,596,123)	(2,566,817)
Accounts payable and accrued liabilities	890,854	(16,055,495)
Deposits on sales	16,250,961	12,766,872
Estimated cost to complete	(2,345,475)	(23,529,995)
	5,210,535	139,275,002
Financing activities		
Proceeds from loans payable	3,689,290	19,062,268
Repayment of loans payable	(8,481,146)	(27,583,028)
Repayment of management fees payable	-	(7,151,923)
Repayment of construction loan	-	(94,124,000)
Amounts payable to shareholders	-	(25,500,000)
	(4,791,856)	(135,296,683)
Investing activities		
Additions to property, plant and equipment	(352,403)	(225,999)
Change in cash during the year	66,276	3,752,320
Cash (bank overdraft) – Beginning of year	3,303,092	(449,228)
Cash – End of year	3,369,368	3,303,092

The accompanying notes are an integral part of these financial statements.

1 Nature of operations

Downsview Homes Inc. (the Company) was incorporated on July 30, 2013 under the laws of Ontario and has operations in Toronto, Ontario. The primary business activity of the Company is the development and sale of townhouses and high-rise condominiums (the project).

The shareholders of the Company are Mattamy (Downsview) Limited (Mattamy) – 49% ownership interest – and Urbancorp Downsview Park Development Inc. (Urbancorp) – 51% ownership interest. The shareholders have entered into an Amended and Restated Co-Ownership Agreement dated July 30, 2013, as further amended among the Company, Mattamy and Urbancorp.

On April 21, 2016, Urbancorp filed a Notice of Intention to Make a Proposal (NOI) pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended. KSV Kofman Inc. (KSV) was appointed as the Proposal Trustee of Urbancorp. Pursuant to an Order made by the Ontario Superior Court of Justice (Commercial List) (the Court) dated May 18, 2016 (the Initial Order), Urbancorp was granted protection under the Companies' Creditors Arrangement Act (the CCAA) and KSV was appointed monitor (the Monitor). Various orders in the CCAA proceedings of Urbancorp have authorized the Monitor to take actions and make decisions on behalf of Urbancorp.

In accordance with agreements governing the project, Mattamy as development manager has been making certain decisions in respect of the Company, with KSV on behalf of Urbancorp consenting to decisions as required.

2 Summary of significant accounting policies

Basis of presentation

These financial statements are prepared in accordance with the Canadian Accounting Standards for Private Enterprises (ASPE).

The Company has presented a non-classified balance sheet, and accordingly its assets and liabilities have been presented in order of liquidity as the operating cycle of the Company revolves around the construction of townhouses and high-rise condominiums, the timing of which is greater than one year. As a result, presentation based on liquidity is considered by management to provide information that is more reliable and relevant to the users of the financial statements. With the exception of certain accounts payable and accrued liabilities, deposits on sales and due to shareholders, all assets and liabilities are current in nature and are expected to be settled in less than 12 months.

Condominiums and townhouses under construction (collectively referred to as inventory)

Inventory is recorded at the lower of cost and estimated net realizable value. Development costs, interest and financing fees on general and property specific debt, realty taxes and applicable general and administrative expenses incurred during construction are capitalized to inventory and are expensed as the condominium units and developed land are sold.

Revenue recognition

Revenue from townhouses and high rise condominium units is recognized using the completed contract method, whereby the purchaser has occupied the residential unit, the risk and rewards of ownership have been transferred and collectability of the proceeds is reasonably assured, which is typically at the interim closing date.

Cost of sales and estimated cost to complete

Cost of sales includes land development, carrying and construction cost components. The land and carrying cost components are determined by allocating a percentage of total budgeted costs to actual sales during the year. The construction cost component is generally determined using a specific identification method based on the model type. Construction and land costs include amounts paid through the closing date of the condominium units, plus an estimate of the cost to complete based on budgeted costs. Adjustments to estimated total costs from the project affect the costs for the project's closed and remaining units. Selling and marketing costs are expensed as incurred.

Deposits held in trust and deposits on sales

These deposits relate to units sold but not closed. The deposits are held in trust by the Company's lawyers and are released for general use based on additional insurance coverage securing the deposit or on final closing.

Financial instruments

The Company records cash and cash equivalents, sundry receivables and prepaid expenses, accounts payable and accrued liabilities, deposits on sales, loans payable, management fees payable and amounts payable to shareholders, initially at fair value and subsequently at amortized cost. Amortization is recorded on a straight-line basis. Related party amounts are recorded at the exchange amount. Financial assets are tested for impairment annually when there are indications the assets may be impaired.

Income taxes

The Company accounts for taxes using the income taxes payable method. Under this method, the Company reports as an expense for the period only taxes paid or payable or recoverable in the period.

Use of estimates

The preparation of financial statements in accordance with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The significant estimates made in these financial statements include the estimates of cash flows for determining provisions for impairment and net realizable value of land inventory and estimated cost to complete. Actual results could differ from those estimates.

Impact of COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) a global pandemic. The outbreak and continuing spread of COVID-19 and the related disruption to the economy are affecting the Company's operations. The Company suspended all land development, townhouse and condominium construction (collectively referred to as site operations) effective March 17, 2020. Full operations resumed effective May 4, 2020.

At this stage, the impact on the Company's business and results has not been significant and based on the Company's experience to date, it expects this to remain the case. The Company will continue to follow the various government policies and advice and, in parallel, it will do its utmost to continue its operations in the best and safest way possible without jeopardizing the health of its people. A further outbreak of COVID-19 is underway, and Ontario has continued to impose certain restrictions under lockdown measures. Site operations activities can continue; however, there can be no assurances that the Company's continuing ability to undertake site operations activities will not be impacted by the pandemic. The Company will continue to monitor the ongoing impacts or potential impacts of the COVID-19 outbreak on revenue, expenses, assets and liabilities. Uncertainty about assumptions and estimates related to these items could result in a material adjustment to the carrying value of the asset or liability affected.

3 Amounts payable to shareholders

Amounts payable to shareholders consist of the following:

	2020 **$**	**2019** **$** (Unaudited)
Payable to Mattamy		
Cash contributions from Mattamy (Downsview) Limited	13,669,574	13,669,574
Payable to Urbancorp		
Cash contributions from Urbancorp Downsview Park Development	14,227,516	14,227,516
Total due to shareholders	27,897,090	27,897,090

These amounts are non-interest bearing, unsecured and payable in accordance with section 8.4 or 8.5 of the Amended and Restated Co-Ownership Agreement dated July 30, 2013, as further amended among the Company, Mattamy and Urbancorp.

Subsequent to the year-end, the Company entered into a credit agreement (note 14) and these amounts have been treated as equity contributions and are postponed until the credit agreement is repaid in full.

Mattamy (Downsview) Limited contributed funds in the amount of $2,109,600 (2019 – $1,817,008) on behalf of Urbancorp Downsview Park Development at 15% interest per annum and accrued on a monthly basis. Based on the agreement between Mattamy and Urbancorp, any amounts payable to shareholder are made to Mattamy until this loan is repaid.

4 Loans payable

	2020 $	2019 $ (Unaudited)
Payable to companies controlled by Mattamy Homes Inc. and related entities	88,359	4,880,216

The balances bear no interest, are unsecured and are payable on demand.

5 Management fees payable

	2020 $	2019 $ (Unaudited)
Management fees to Downsview Park Management Inc.	7,562,712	6,786,919

These amounts are non-interest bearing, unsecured and payable in accordance with section 8.4 or 8.5 of the Amended and Restated Co-Ownership Agreement dated July 30, 2013, as further amended among the Company, Mattamy and Urbancorp.

6 Sundry receivable and prepaid expenses

	2020 $	2019 $ (Unaudited)
Prepaid commissions	5,340,175	2,778,661
Other receivables	44,157	3,760
HST/GST receivables	518,301	524,090
	5,902,633	3,306,511

7 Condominiums and townhouses under construction

	2020 $	2019 $ (Unaudited)
Balance – Beginning of year	27,176,537	24,754,102
Additions during the year		
Construction costs	9,753,734	2,422,435
Balance – End of year	36,930,271	27,176,537

8 Related party transactions and balances

Other than as disclosed below and elsewhere in the financial statements, related parties refer to the owners and/or entities controlled by the ultimate shareholders. The entities are related through common ownership. Related party transactions and balances include the following:

- The development manager is entitled to a management fee of 4.5% of gross receipts of the project under the terms of the agreement. During the year, management fees of $775,792 (2019 – $476,431, unaudited) were capitalized to condominiums and townhouses under construction.

- These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9 Share capital

Authorized
Unlimited Class A common shares
Unlimited Class B common shares

Issued

	2020 $	2019 $ (Unaudited)
980 Class A common shares	10	10
1,020 Class B common shares	10	10
	20	20

10 Contingencies

Bond facility

The Company has access to the bond facilities of one of the shareholders, Mattamy Group Corporation (MGC). As at May 31, 2020, the Company had drawn $30,272,514 (2019 – $8,363,570, unaudited).

Letters of credit

The Company is contingently liable with respect to letters of credit issued by Royal Bank of Canada totalling $1,592,010 (2019 – $586,324, unaudited). The Company has access to a credit facility of one of the shareholders of the Company, MGC, to support its ongoing development operations.

Litigation and claims

In the normal course of operations, the Company is a defendant in actions brought against it. It is not possible to predict the ultimate outcome of the various proceedings at this time or to estimate additional costs, if any, that may result.

The representative of the parent company of Urbancorp has sought direction from the Court to commence an arbitration proceeding relating to amounts to be paid by the Company to Mattamy. Subsequent to year-end, KSV served a motion seeking a court order approving a sale process of Urbancorp's interest in the Company.

Management is of the opinion that any liability arising from such contingencies will not have a significant impact on the financial statements of the Company.

In the normal course of operations, the Company enters into agreements that meet the definition of a guarantee. The agreements include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisers and consultants, outsourcing agreements, information technology agreements and service agreements. The indemnification provisions in these agreements may require the Company to compensate counterparties for losses incurred by the counterparties as a result of certain events including, without limitation: breaches of covenants, representations and warranties in the agreements, litigation claims and regulatory or statutory breaches. The Company, whenever possible, tries to limit this potential liability.

The nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum exposure. Historically, the Company has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the balance sheet with respect to these agreements.

11 Government remittances

Government remittances consist of amounts (such as property taxes, sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, $nil (2019 – $nil, unaudited) is included in accounts payable and accrued liabilities.

12 Income taxes

Income tax expense differs from the amount that would be computed by applying the combined federal and provincial statutory income tax rate of 26.50% (2019 – 26.50%) to income before income taxes. The reasons for the differences are as follows:

	2020 $	2019 $ (Unaudited)
Income taxes payable (recovery) at statutory rate	-	201,080
Tax losses utilized	-	(201,080)
Benefit on carry back of tax losses	-	(94,291)
	-	(94,291)

The Company has accumulated federal non-capital tax losses of $21,528,712 (2019 — $21,348,286, unaudited) to reduce future years' taxable income, the potential tax benefit of which has not been recognized in these financial statements.

The expiry of these losses is as follows:

	Non-capital tax losses $
2038	17,513,067
2039	3,835,219
2040	180,426
	21,528,712

13 Risk management

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company’s approach is to ensure it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances. Cash flow projections are prepared and reviewed to ensure a sufficient continuity of funding is available.

Credit risk

Credit risk arises from the possibility that purchasers may not fulfill their contractual obligations. The Company mitigates its credit risk by attracting buyers of sound financial standing, obtaining security deposits and ensuring adequate security has been provided for support of amounts outstanding.

14 Subsequent events

On November 27, 2020, the Company entered into a credit facility agreement to obtain construction financing for its mixed-use development project as follows:

- Construction Facility — available for construction of condominium and residential townhouse units in the amount of $168,600,000, of which $2,500,000 is available by way of overdraft.

- LC/LG Facility — available to provide letters of credit/guarantee of $5,000,000.

Amounts drawn on the facilities are non-revolving, due on May 27, 2023 and available as a bank loan at prime rate plus 0.95% per annum. The facility is secured by the first collateral mortgage over the project and $84,300,000 guarantee by Mattamy Group Corporation.

The shareholders contributed $12,676,878 in November 2020 to meet the equity requirements for the credit facility noted above. Mattamy (Downsview) Limited contributed $6,211,670 for its 49% ownership interest in the Company. In addition, Mattamy also contributed $6,465,208 on behalf of Urbancorp Downsview Park Development Inc. at 15% interest per annum and accrued on a monthly basis. Based on the agreement between Mattamy and Urbancorp, any amounts payable to shareholders are made to Mattamy until this loan is repaid.

This is Exhibit “H” referred to in the Affidavit of David George sworn by David George at the City of Toronto, in the Province of Ontario, before me on June 23, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

NIKLAS HOLMBERG

CLOSED

Suite	Purchasers	Occupancy/ Adjustment Date	Extended Occupancy Date	Notes
1	Ravi Sharma	17/05/22		
2	Sunhong Yang	17/05/22		
3	Robyn Lynn Gillrie, Michelle Wong and Chui-Ping Chow	17/05/22	5/26/20222	
4	Vu Minh Hieu Le and Thi Thuy Huyen Nguyen	17/05/22	18/05/22	
5	Amanda May Wong	18/05/22	25/05/22	
6	Yinka Olusesan Oluwasanya	18/05/22	25/05/22	
7	Albert Gutay Glipo and Marilou Glipo	18/05/22	19/05/22	
8	Thi Mong Huyen Le	18/05/22		
9	Saeed Asad Khan and Sumaya Ismail	12/05/22		
10	Minkyoung Park	12/05/22		
11	Joseph Marco Di Caro and Maria Antonietta Cumbo	12/05/22		
12	Hyeong Ook Yu and Ashley Shauna Kim	28/07/22		
13	La Young Shin	13/05/22		
14	Tafsir Hossain	13/05/22	16/05/22	
15	Siu Fan Alice Lam, FENCE HOLDINGS LTD. and Ki-Yan Lam	13/05/22		
16	Arlene Goloyugo	16/05/22		
17	Karolina Romanczyk and Matthew Ventresca	16/05/22		
18	Tea Young Peter Choi	16/05/22		
19	Heather Monique Headley	16/05/22	27/05/22	
20	Moc Thanh Diep, Thanh Hoa Tran and Annie Tran	16/05/22		
21	Wing Tung Kelly Ho	09/05/22	11/05/22	
22	Shichun Chen and Zhuming Yi	09/05/22		
23	Tuong Duc Pham and Phuong Ngoc Han Nguyen	09/05/22	13/05/22	
24	Dmitri Chilov and Elena Chilova	09/05/22	10/05/22	
25	Ziya He	10/05/22		
26	Ru Man Guo and Shi Li	10/05/22	11/05/22	
27	Fangqian An	10/05/22	13/05/22	
28	Giyeon Yi	10/05/22		
29	Tet Sam Siew	11/05/22		
30	Farah Jetha and Riaz Amershi	24/05/22		
31	Ngao Ng and Angela Frances Bella	24/05/22	25/05/22	
32	Joy Petrina Boatswain	24/05/22		
33	Milosz Zak, Malgorzata Zak and Jan Zak	24/05/22	25/05/22	
34	Jiawei Hou	19/05/22	25/05/22	
35	Xiao Fu	25/05/22	26/05/22	
36	Catherine Flores	19/05/22	30/05/22	
37	Vigyat Kaushik and Devyani Banduni	19/05/22	31/05/22	
38	Mariana Durcikova and MM REAL ESTATE HOLDINGS CORP.	20/05/22	30/05/22	

Suite	Occupancy Date	**Extended Occupancy Date**	Notes
101	20/05/22	02/06/22	
102	20/05/22		
103	20/05/22	27/05/22	
104	20/05/22		
105	24/05/22	01/06/22	
106	24/05/22	25/05/22	
107	24/05/22	24/06/22	
108	24/05/22	25/05/22	
109	24/05/22	27/05/22	
110	25/05/22		
111	25/05/22		
112	25/05/22	26/05/22	
113	25/05/22		
114	25/05/22		
115	26/05/22	31/05/22	
116	26/05/22		
117	26/05/22	27/05/22	
118	26/05/22		
119	26/05/22		
120	27/05/22		
121	27/05/22		
201	16/05/22	18/05/22	
202	16/05/22	20/05/22	
203	16/05/22		
204	16/05/22		
205	16/05/22		
206	17/05/22	25/05/22	
207	17/05/22		
208	17/05/22		
209	17/05/22	18/05/22	
210	17/05/22	19/05/22	
211	18/05/22		
212	18/05/22		
213	18/05/22		
214	18/05/22		
215	18/05/22		
216	19/05/22	20/05/22	
217	19/05/22		
218	19/05/22	25/05/22	
219	19/05/22	20/05/22	
220	19/05/22	25/05/22	
221	20/05/22		

CLOSED

				Occupancy Closed		
Suite	**Unit**	**Level**	**Purchasers**	**Occupancy/ Adjustment Date**	**Extended Occupancy Date**	**NOTES:**
401	26	4	Nibal Yehia	02/05/22	05/05/22	
402	27	4	Cynthia Beddoe and Richard Beddoe	02/05/22	03/05/22	
403	28	4	Kevin Luong	02/05/22	04/05/22	
404	29	4	Renu Chandna and Saroj Kumari	02/05/22		
405	30	4	Cinto Dubloo Roy	02/05/22		
406	31	4	Carmen Burnaru	02/05/22	09/05/22	
407	32	4	Helder Teles and Maria Teles	02/05/22		
408	33	4	Ankiekem Olivia Anu and Efectngwa Nlage Atembe	03/05/22	11/05/22	
409	34	4	Kamil Trocki	03/05/22	04/05/22	
410	35	4	Joshua Avery Goldstein	03/05/22	11/05/22	
411	36	4	Alexandre Ribeiro Dos Santos	03/05/22	05/05/22	
414	39	4	Jason Elliot Barron	03/05/22		
415	40	4	Desislava Rashkova and Kadir Mehmed Sadula	03/05/22	04/05/22	
416	41	4	Ian Todd Fowler	03/05/22	10/05/22	
417	42	4	Akerke Baibergenova and Akerke Holdings Limited	04/05/22	06/05/22	
418	43	4	Angela Pantaleo	04/05/22		
419	44	4	Robert Starkman and Glenmont Limited	04/05/22		
420	45	4	Nicholas Ntentes	04/05/22		
421	46	4	Eric Robert Stephen Tull	04/05/22		
422	47	4	Alexander Zadorojnyi	04/05/22		
423	48	4	Afnan Azam	04/05/22	06/05/22	
425	50	4	Manuela Angelucci	05/05/22		
501	26	5	Marie Ramos	05/05/22	06/05/22	
502	27	5	Vivienne Remedios and Valerian Patrick Remedios	05/05/22		
503	28	5	Jacqueline Mallouk	05/05/22	06/05/22	
504	29	5	Hanna Eleonora Poliszot	05/05/22	09/05/22	
505	30	5	Joao Santos and Grace Santos	05/05/22		
506	31	5	Jake Goldstein and Galla Sotsky	05/05/22		
507	32	5	Noel Hsiung, Khin Ling Hsiung and Joshua Wei Kang Hsiung	06/05/22		
508	33	5	Stephen Davis and Dianne Davis	06/05/22	10/05/22	
509	34	5	Kristian Timofey Kartashov and Alexander Timofey Kartashov	06/05/22	10/05/22	

510	35	5	Lalit Sharma	06/05/22		
511	36	5	Helene Belanskaya and Mikail Khazanovich	06/05/22		
514	39	5	Desy Harum Ismah	06/05/22		
515	40	5	Tatyana Rashkova and Ziyavettin Yakub	06/05/22		
516	41	5	Jumell Montuya Molina	09/05/22		
517	42	5	To Na So and Tsz Kit So	09/05/22		
518	43	5	Thanh Yen Phi Tran and Thanh Mien Vuong	09/05/22		
519	44	5	Karoline Ratcliff	09/05/22		
520	45	5	Natalia Toma and Nichita Bailuc	09/05/22		
521	46	5	Teresa Massa	09/05/22	12/05/22	
522	47	5	Nikhil Koushik	09/05/22		
523	48	5	John Fahmy Shenouda, Jennifer Shenouda and TERRAMOVA LTD.	10/05/22		
525	50	5	Winston Mangal	10/05/22		
601	26	6	Peter Hanna	10/05/22		
602	27	6	Shobhit Kumar	10/05/22	13/05/22	
603	28	6	Fabien Laurent	10/05/22	11/05/11	
604	29	6	Daniel Richard Casaluce	10/05/22		
605	30	6	Soon-Duk Lim	10/05/22		
607	32	6	Carmen Faysal Khalil and Maged Saad	11/05/22		
608	33	6	Lourdes Mauleon Antazo and Mario Antazo	11/05/22	31/05/22	
609	34	6	Marcella Casaluce and Franco Casaluce	11/05/22		
610	35	6	Raffaele Virdo	11/05/22	13/05/22	
611	36	6	Rosa Pantaleo	11/05/22	12/05/22	
614	39	6	Moudar Aad and Wendy Wen-Chai Sung	11/05/22	16/05/21	
615	40	6	Zagorka Lepojevic and Branimir Lepojevic	11/05/22		
618	43	6	Naeem Ul Haq Qazi, Haseeb Ahmed Muhammad and Saba Naeem	12/05/22	20/05/22	
619	44	6	Aly Nizar Alibhai and Alyco Holdings Inc.	12/05/22		
620	45	6	Jack Frank Salvatore	12/05/22	09/06/22	
621	46	6	Aaron Rampersad and Yeon Rampersad	12/05/22		
622	47	6	Anthony Positano and Nadia Positano	12/05/22	13/05/22	
625	50	6	Nicolo Arrigo	12/05/22	13/05/22	
701	26	7	Aaron Neville Dennis	12/05/22		
702	27	7	Arooba Manzoor	13/05/22		
703	28	7	Amir Cheema	13/05/22		
704	29	7	Jim Lam	13/05/22	18/05/22	

705	30	7	Mercy Moscoso and Teodolfo Moscoso	13/05/22		
706	31	7	James Crone and Joyce Jonathan-Crone	13/05/22	17/05/22	
707	32	7	Mohammad Shahid Naseer	13/05/22		
708	33	7	Regina Chi Clancy	13/05/22		
709	34	7	Tomasz Trocki	16/05/22	17/05/22	
710	35	7	Jakub Tomasz Sawicki and Minerva Capital Ventures Inc.	16/05/22	18/05/22	
711	36	7	Sulaim Iqbal Siddiqi and Rumsha Nadeem	16/05/22	19/05/22	
714	39	7	Jamal Lamar Muckett-Sobers	16/05/22	18/05/22	
715	40	7	Vasanthapiriya Nandakumar	16/05/22		
716	41	7	Kristopher Daniel Garcia Membreno	16/05/22		
717	42	7	Ebrahim Bhagat	16/05/22	27/05/22	
718	43	7	Reem Chalhoub	17/05/22	19/05/22	
719	44	7	Angelina Pereira Dos Santos Moderno	17/05/22		
720	45	7	Christopher De Sousa	17/05/22		
721	46	7	Daniella Franca Massa	17/05/22		
722	47	7	Iqtidar Varraich and Risham Iqtidar	17/05/22		
723	48	7	Victor Raul Palomino Basauri and Marlyn Vicente Belando	17/05/22		
725	50	7	Thanh-Nguyen Tran-Nguyen and Thu-Nguyet Nguyen	17/05/22	18/05/22	
413	38	4	David Luu and Marharyta Radzevich	25/05/22		
513	38	5	Navreet Singh	26/05/22		
606	31	6	Donald Givelos, MINA CORPORATION and Ilianna Sofia Katsikeris	18/05/22	19/05/22	
613	38	6	Alyssa Baldin	26/05/22	31/05/22	
616	41	6	Joey Chun-Yen To and Wai Lap Lai	18/05/22	25/05/22	
617	42	6	Shawn Hwung and Steve Haitao Hwung	18/05/22		
623	48	6	Floyd Sterling	18/05/22		
301	29	3	Thi Ngoc Nguyen	19/05/22	31/05/22	
302	30	3	Donald Givelos and Mina Corporation	19/05/22		
303	31	3	Ragulan Thanigasalam and Inthumathy Ragulan	19/05/22		
304	32	3	Jung Ho Park	19/05/22		
305	33	3	Kamaldeep Budwal, Paul Budwal and Ravneet Kaur Mann	19/05/22		
306	34	3	Naim Akhtar	19/05/22	03/06/22	
713	38	7	Amir Gandhi	26/05/22		
307	35	3	Kushan Jasenthu De Silva and Hiranya De Silva	20/05/22		
308	36	3	Enrique Gabriel Villagra	20/05/22		
309	37	3	Soni Kumar Tolani and Poonam Makhija	20/05/22		

310	38	3	Michelle Christine Irving and Alexandre Edward Pike	20/05/22		
313	41	3	Sangeeta Ramtahal	20/05/22	25/05/22	
314	42	3	Darelys Fleitas Perez	20/05/22	26/05/22	
315	43	3	Eduardo Portiansky	20/05/22	26/05/22	
316	44	3	Roberto Salvatoire Tassone and Loucas Tassone	24/05/22		
317	45	3	Mohdhar Jeilan Habib	24/05/22	27/05/22	
318	46	3	Stephanie Leanne Baldin	24/05/22		
319	47	3	Mark Louie Antazo	24/05/22		
320	48	3	Visaka Morapitiya and Kamal Chinthaka Kiruwanagamage	24/05/22		
321	49	3	Huynh David Ngo and Joseph Nguyen	24/05/22	30/05/22	
322	50	3	Simmer Principio and Josephine Guinto	24/05/22		
108	30	1	Carlos Andres Pinzon Ramirez	25/05/22	31/05/22	
109	31	1	Michael Kenneth Amoroso	25/05/22	31/05/22	
110	32	1	J-Gabriel Goncalves and Maria Da Encarnacao Teixeira	25/05/22	31/05/22	
113	35	1	Daniel Denison Delamere and Sonia Ruth Mahoney	25/05/22		
323	51	3	Sara Piedad Villamar, Michael D'Angelo and Cheyenne Paulino-Villamar	25/05/22	07/06/22	
324	52	3	Neo Sawlal Sawh and Leela Anitra Sawh	25/05/22		
325	53	3	Thomas Karafotis, Sally Ginez Cacho and Afroditi Diamandas	25/05/22		
114	36	1	Abdulhaseeb Jabari	26/05/22	03/05/22	
115	37	1	Renee Bonnick	26/05/22	30/05/22	
116	38	1	Gurbax Singh Kassowal and Sukhvinder Kaur Kassowal	26/05/22		
117	39	1	Teresa Trocka	26/05/22		
201	28	2	Erfan Tehrani	26/05/22		
202	29	2	Lasya Prakash and Shashank Venkata Subbaiah	26/05/22		
203	30	2	Syed Farhad Mahmood and Umairah Ismail	26/05/22	31/05/22	
206	33	2	Nimalan Nadarajah	27/05/22		
207	34	2	Dragos Tutoveanu	27/05/22		
208	35	2	Solomon Catalan Rapada and Marife Bulaclac Rapada	27/05/22		
209	36	2	Ivan Korobkov	27/05/22		
210	37	2	Bogdan Hancas and Oana Alecsandra Hancas	27/05/22	31/05/22	
211	38	2	Patrick Zinko	27/05/22		
212	39	2	Jagbir Brar and Ramnique Grewal	27/05/22		
213	40	2	Joseph Michael Paonessa and Amanda Prete	30/05/22		
214	41	2	Matthew Wei Te Hsiung, Noel Hsiung and Khin Ling Hsiung	30/05/22		
215	42	2	Rodelio Enrique Dizon and Joyce Dizon	30/05/22		

216	43	2	Levin Tumaliuan	30/05/22		
217	44	2	Patanjali Chaturvedi and Chaturvedi Holdings Ltd.	30/05/22	02/06/22	
218	45	2	Pawel Dominik Poliszot	30/05/22	01/06/22	
219	46	2	Spyros Nikolas Katsikeris and Ilianna Sofia Katsikeris	30/05/22	06/06/22	Extended to June 6, 2022
111	33	1	Kamalpreet Singh Dhamrait and Rajwant Kaur Dhamrait	31/05/22		
205	32	2	Grzegorz Kotapka	31/05/22		
312	40	3	Angelina Savasta	31/05/22		
424	49	4	Yauheni Paduta	31/05/22		
524	49	5	Netan Choudhry and Udaarta Incorporated	31/05/22	02/06/22	
624	49	6	Anthony Miller	31/05/22	01/06/22	
724	49	7	Denise Tatiana Linhares Fajardo	31/05/22		
101	23	1	Justin Howard Bates	06/06/22	09/06/22	Extended to June 9, 2022
102	24	1	Walter Hugo	06/06/22		
103	25	1	Hendry Caguana	06/06/22		
104	26	1	Brian Bates	06/06/22	08/06/22	
105	27	1	Piero Manzini	07/06/22		
106	28	1	Raul Tofalo	07/06/22		
107	29	1	Joao Simoes	07/06/22		
120	42	1	Christopher Strzemieczny	07/06/22		
112	34	1	Linda Savasta and Antonino Savasta	08/06/22		
204	31	2	Kevin Muniapen	08/06/22	09/06/22	Extended to June 9, 2022
311	39	3	Vien Huy Ngo	08/06/22		
412	37	4	Ahmed Farooq	09/06/22		
512	37	5	Vadim Muravyev	09/06/22	10/06/22	Extended to June 10, 2022
612	37	6	Eunice Michelle Llagas	09/06/22		
712	37	7	Sharon Watts and Andrew Hope	09/06/22	29/06/22	Extended by Omar
121	43	1	Houssain Ahmadi and Ahmad Zaki Asmat	17/06/22	20/06/22	Mortgage approval o/s
TH01	1	A	Rubaiyat Karim and Achuth Kesavan	05/07/22		
TH02	2	A	Tieu Yen Van	05/07/22		
TH03	3	A	Tieu Yen Van	05/07/22		
TH04	4	A	Barry Ralph Dohms and 670549 ONTARIO LTD.	05/07/22		
TH05	5	A	Michael Rogers Perez Cabezas	05/07/22		

				Occupancy Closed		
Suite	**Unit**	**Level**	**Purchasers**	**Occupancy/ Adjustment Date**	**Extended Occupancy Date**	**NOTES:**
101	1	1	Del Ranson	31/03/22		
104	4	1	Marcin Marek Bysiewicz	31/03/22		
105	5	1	Ruth Velastegui	31/03/22	01/04/22	
106	6	1	Grazyna Lemantowicz	31/03/22		
107	7	1	Matthew Aaron Grzelak	31/03/22		
108	8	1	Irene Josephine Karabassis	31/03/22		
109	9	1	Phu Van Lu and Nguyen Phuong Mai Bui	01/04/22	04/04/22	
110	10	1	Clifton Rodney	01/04/22		
111	11	1	Kunga Choenyi Sadutshang	01/04/22	04/04/22	
112	12	1	Nibal Yehia	01/04/22	01/04/22	
113	13	1	Syed Farhad Mahmood and Umairah Ismail	01/04/22		
114	14	1	Ricardo Menjivar Perez	01/04/22	04/04/22	
115	15	1	Amitkumar Patel, Shitalben Patel, Dashrathbhai Punjabhai Patel and Savitaben Dashrathbhai Patel	04/04/22	05/04/22	
117	17	1	David Pham	04/04/22		
118	18	1	Alain Elliott	04/04/22		
119	19	1	In-Sook Lee	04/04/22		
120	20	1	Roberto Salvatorie Tassone	04/04/22		
121	21	1	Angelina Savasta	04/04/22		
201	1	2	Camesha Nicola Elvy-Black and Seth Black	05/04/22	06/04/22	
204	4	2	Suntharasingam Muthiah	05/04/22	07/04/22	
205	5	2	Zieline Dianne Lucrida	05/04/22		
206	6	2	Jayantha Chandrasiri Herath	05/04/22		
207	7	2	Van Giap Nguyen and Xuan Thanh Vo	05/04/22		
208	8	2	Anna Tran	05/04/22		
209	9	2	Thien Binh Ha and 2106501 Ontario Inc.	06/04/22		
210	10	2	Antoinette Ross	06/04/22	07/04/22	
211	11	2	Leonid Popov and Toronto Trade - Industrial Corporation Ltd.	06/04/22	07/04/22	
212	12	2	Florea Branisteanu	06/04/22		
213	13	2	Daniel Federico and Mark Enrico Di Sante	06/04/22		
214	14	2	Alberto Carinci and Daria Carinci	06/04/22		
215	15	2	Irene Chan and Robert Mackett	07/04/22		
216	16	2	Suman Gupta	07/04/22	08/04/22	
217	17	2	Rana Jameel Elias Heelo	07/04/22		
218	18	2	Stephen Hamid	07/04/22	14/04/22	
219	19	2	Eva Circosta	07/04/22		
220	20	2	Kathleen Mary Hart and IFM Inc.	07/04/22	08/04/22	
221	21	2	Trung Van Nguyen and Donna Claire Resuena	08/04/22		

222	22	2	Nguyet Pham	08/04/22	12/04/22	
223	23	2	Chanuk Rajeen De Silva	08/04/22		
224	24	2	Brandon Daniel Benn	08/04/22	11/04/22	
225	25	2	Hitesh Patel and Aileen Gomez-Patel	08/04/22		
226	26	2	Celeste Ezekiels	08/04/22		
227	27	2	Eric Oscar Czitrom	11/04/22	12/04/22	
301	1	3	Roma Budaniw	11/04/22		
304	4	3	Stephen Mcgrail	11/04/22		
305	5	3	Cameron Angus Britt	11/04/22	12/04/22	
306	6	3	Haresh Daryanani and Elysha Mahmud	11/04/22		
307	7	3	Joselito Pacheco	11/04/22	13/04/22	
308	8	3	Beverley Jones	12/04/22		
309	9	3	Gayatri Singal, Rakesh Mohan Singal and Mayank Singal	12/04/22		
310	10	3	Waheed Khan and Uzma Javed Awan	12/04/22		
311	11	3	Mark Justin Langner	12/04/22		
312	12	3	Daniel Fonseca and Melissa Do Carmo De Almeida	12/04/22		
313	13	3	Avital Berezkin and Brian Joseph Schwartz	12/04/22	14/04/22	
314	14	3	Syed Azfar Zaheer and Rabia Azhar	13/04/22		
315	15	3	Monique Philippe and David Tonigussi	13/04/22		
316	16	3	Luis Tandazo	13/04/22	14/04/22	
317	17	3	Qiang Shen	13/04/22		
318	18	3	Jaskaran Singh Ranu and Avtar Singh Ranu	13/04/22	14/04/22	
319	19	3	Minerva Gabriela Rodriguez Cantelmi	13/04/22		
320	20	3	Zuoyi Hong	14/04/22		
321	21	3	Rajesh Babulal Jalan and Pooja Rajesh Jalan	14/04/22		
322	22	3	Shimon Ness	14/04/22	02/05/22	
323	23	3	Kevin Anil Bobb	14/04/22		
324	24	3	Zack Gregory Warrell and Nicholas Daniel Minnella	14/04/22		
325	25	3	Mahesh Chandra Tyagi and Sudha Tyagi	14/04/22	17/05/22	
326	26	3	Hanh Nghi Thai	18/04/22		
327	27	3	Stephanie Rita Rebello	18/04/22		
328	28	3	Haydee Dimphna Gardiner and Aimee Gonzaga	18/04/22	19/04/22	
401	1	4	Tseten Lektsog	18/04/22		
402	2	4	Katarzyna Zofia Jaskiewicz	18/04/22	19/04/22	
403	3	4	Elena Vetere and Daniel Benn	18/04/22	21/04/22	
404	4	4	Natasha Lauren Kozodoy	19/04/22	20/04/22	
405	5	4	Vishal Gupta	19/04/22	20/04/22	
406	6	4	Austin Cipolletta	19/04/22		
407	7	4	Fanny Narcisa Samaniego	19/04/22		
408	8	4	Stephen Hart and IFM Inc.	19/04/22		

409	9	4	Tenpa Lektsog	19/04/22		
410	10	4	Jung Ho Park	20/04/22	22/04/22	
411	11	4	Julia Anne Lenarduzzi and Michael Perri	20/04/22	21/04/22	
412	12	4	Sung-Min Lee and Jeong Hwa Lee	20/04/22		
415	15	4	Komalben Vipulkumar Raval and Vipulkumar Raval	20/04/22	21/04/22	
416	16	4	Thy Mong Thi Ta	20/04/22	21/04/22	
417	17	4	Benedetta Cesario and Antonio Cesario	20/04/22		
418	18	4	Santhosh Kumar Gutta and Rusheeka Poluru	21/04/22	22/04/22	
419	19	4	Dale Robertson	21/04/22		
420	20	4	Ewa Romita	21/04/22		
421	21	4	Mario Tomei	21/04/22	22/04/22	
422	22	4	Shantanu Purwar and Charisma Srivastava	21/04/22		
423	23	4	Sanjaykumar Devshibhai Senjaliya and Dhruvin Devshibhai Barvalia	21/04/22		
424	24	4	Neerupama Kothari	22/04/22	25/04/22	
425	25	4	Agatha Machala	22/04/22		
501	1	5	Savalaxs Supaamornkul	22/04/22	25/04/22	
502	2	5	Sonia Sampoleo and Ronald Sampoleo	22/04/22		
503	3	5	Iegor Kyslyi	22/04/22		
504	4	5	Sheree Perez Persaud	22/04/22		
505	5	5	Hrachya Grigoryan	25/04/22	26/04/22	
506	6	5	Pawel Dominik Poliszot	25/04/22		
507	7	5	Nhan Thi Nguyen	25/04/22	26/04/22	
508	8	5	Mackenzie Richard Tate	25/04/22		
509	9	5	Siu Ping Yip and Luc Major	25/04/22	26/04/22	
510	10	5	Dany Hebert	25/04/22		
511	11	5	Xiao Guang Cai and Ziwei Bai	26/04/22	27/04/22	
512	12	5	Dionne Martin and Melanie Hunt	26/04/22	27/04/22	
515	15	5	Hai Anh Bui	26/04/22		
516	16	5	Jakub Tomasz Sawicki	26/04/22	02/05/22	
517	17	5	Francesco Casciaro and Maria Casciaro	26/04/22		
518	18	5	Leecha Harris	26/04/22		
519	19	5	Jelena Braslavsky and Copenhagen Trade Center Inc.	27/04/22	29/04/22	
520	20	5	Kimberly Lorraine Sauder	27/04/22		
521	21	5	Ravi Gehani and Kenny Tung	27/04/22		
522	22	5	Robert Gollanek and 1654733 Ontario Limited	27/04/22	28/04/22	
523	23	5	Hari Krishna Addepalli	27/04/22		
524	24	5	Adam William Fletcher Cowling	27/04/22		
525	25	5	Patrick Marcel Blair	28/04/22	29/04/22	
601	1	6	Daniel Jared Parris	28/04/22	04/05/22	
602	2	6	Edgardo Valles and Norma Cabildo Valles	28/04/22		

603	3	6	Darrin Fay	28/04/22		
604	4	6	Rowena Morin and Darcy Morin	28/04/22		
605	5	6	Lucia De Longis and Antonio De Longis	28/04/22		
606	6	6	Nusrat Shah	29/04/22		
607	7	6	Xiang Hua Jin and Bo Jin	29/04/22		
608	8	6	Kerem Koca and Fatima Pamela Lemus Rodriguez	29/04/22		
609	9	6	Iftikhar Cheema	29/04/22		
610	10	6	Tyrel Mark Ramkhalawansingh and Rachna Kothari	29/04/22		
611	11	6	Jasel Mars and Septon Linton	29/04/22		
612	12	6	Naderia Devi Robbins and Chad Newman Robbins	02/05/22		
615	15	6	Jakub Rosa	02/05/22		
616	16	6	Jenny Mei	02/05/22	03/05/22	
617	17	6	Monica Amiri	02/05/22		
618	18	6	Nissar Ahmed Abdul Rahman, Malalai Mohammad Rahim and Najiba Bahaduri	02/05/22		
619	19	6	Mikayel Ter-Grigoryan	02/05/22	05/05/22	
620	20	6	Daniel Wilson, Alyson Kelly Wilson and ABCD Properties Inc.	03/05/22		
621	21	6	Arlene Juanillo Marques	03/05/22		
622	22	6	David Joseph Ariganello	03/05/22	04/05/22	
623	23	6	Peter Weinstein	03/05/22	04/05/22	
624	24	6	Russell Everett Goslin	03/05/22		
625	25	6	Arvinder Singh Sandhu and Kewal Singh Sandhu	03/05/22		
701	1	7	Harinarine Haripal and Sharadha Haripal	04/05/22	10/05/22	
702	2	7	Jessica Paige Campana	04/05/22		
703	3	7	Benjamin Dimitri Krys	04/05/22	05/05/22	
704	4	7	Francois Cussac	04/05/22		
705	5	7	De Andra Mitchell	04/05/22	05/05/22	
706	6	7	Claudia Pugliese	04/05/22		
707	7	7	Evelyn Tassios	04/05/22		
708	8	7	Katherine Isabel Nancekivell	05/05/22	06/05/22	
709	9	7	Jason Brown	05/05/22	16/05/22	
710	10	7	Daisy Park	05/05/22		
711	11	7	Volodymyr Mykol Borysov	05/05/22		
712	12	7	Morsheda Begum	05/05/22	09/05/22	
715	15	7	Oksana Levkivska and Yuriy Grygorchak	06/05/22	10/05/22	
716	16	7	Johnny Wu	06/05/22		
717	17	7	Ermira Krutaj	06/05/22	09/05/22	
718	18	7	Hong Van Tran	06/05/22		
719	19	7	Choonmae Choi and Suengbum Choi	06/05/22		
720	20	7	J-Bradley Miller	06/05/22		
721	21	7	Adrian Iwanicki	09/05/22		

722	22	7	Suresh Kumar Anantharaj and Revathy Suresh Kumar	09/05/22		
723	23	7	Hanna Eleonora Poliszot	09/05/22		
724	24	7	Daniel Christopher Baldin	09/05/22		
725	25	7	Liam Tiernan Patrick Doherty	09/05/22		
801	1	8	Susan Okbansie Hiyabu	09/05/22		
802	2	8	Harjit Chana and Satnam Properties Ltd.	10/05/22	11/05/22	
803	3	8	Franca De Stefana and Dario Massamo De Stefano	10/05/22		
804	4	8	Olivia Magdalena Podolak	10/05/22		
805	5	8	Kassandra Giulia Mauti	10/05/22		
806	6	8	Ryan Charles Rebello, Royston Allan Rebello and Raymond Rebello	10/05/22	12/05/22	
807	7	8	Hiew Chau Ly and Andre Joseph Blas	10/05/22		
808	8	8	Laura Sabatini-Mior	11/05/22	12/05/22	
809	9	8	Cossa Ganda	11/05/22		
810	10	8	Albet Sufa	11/05/22	12/05/22	
811	11	8	Michael Foster and Erica Foster	11/05/22		
812	12	8	Pema Lektsog	11/05/22		
815	15	8	Viktoriya Ivanenkova	12/05/22		
816	16	8	Ryan Crane	12/05/22	13/05/22	
817	17	8	Harjot Singh Saini and Jatinder Singh Saini	12/05/22		
818	18	8	Cullen Patrick Woods	12/05/22	17/05/22	
819	19	8	Elif Adalis and Erhan Adalis	12/05/22	20/05/22	
820	20	8	Erica Angela Bellio	12/05/22	13/05/22	
821	21	8	Orazio Gianfriddo	12/05/22		
822	22	8	Mandeep Banvait and Harpreet Singh Banvait	13/05/22		
823	23	8	Larisa Schetinina	13/05/22	30/05/22	
824	24	8	Emanuel Gianfriddo	13/05/22	16/05/22	
825	25	8	Jocelyn Ibanez	13/05/22	16/05/22	
901	1	9	Nicole Liddell	13/05/22	20/05/22	
902	2	9	Daniel Michael Aaron Cohen	13/05/22		
903	3	9	Hyun Joo Park	16/05/22		
904	4	9	Sandra Baldin	16/05/22	17/05/22	
905	5	9	Rosaria Rosie Zaccaria, Angelo Zaccaria and Doreen Zaccaria	16/05/22		
906	6	9	Katalin Doiron and Michael Doiron	16/05/22	18/05/22	
907	7	9	Saeid Goharanpour	16/05/22		
908	8	9	Khee Chen Ah Sen and Yeena Ah Sen	16/05/22		
909	9	9	Elena Zviagina	17/05/22		
910	10	9	Karl Augustyn Schellenberg and Iwonka Schellenberg	17/05/22	19/05/22	
911	11	9	Benjamin Joseph Glube	17/05/22	20/05/22	
912	12	9	Sheila Venkatarao	17/05/22	25/05/22	
913	13	9	Jenny Jieun Min	17/05/22		

915	15	9	Nataliya Grebinko and Joydeb Guha	17/05/22	18/05/22	
916	16	9	Malcolm Simmons and Donna Kathleen Andrews	18/05/22		
917	17	9	Julia Chikina and Valentyna Chikina	18/05/22		
918	18	9	Suman Rajkarnikar and Shrada Rajkarnikar	18/05/22	19/05/22	
919	19	9	Anatoly Broock and 2132002 ONTARIO INC.	18/05/22		
920	20	9	Laura Rocha and Jose Pedro Rocha	18/05/22	19/05/22	
921	21	9	Rachelle Deme	18/05/22	20/05/22	
922	22	9	Deepak Sharma	19/05/22		
923	23	9	Rukayat Adebimpe Oyebo	19/05/22	20/05/22	
924	24	9	David Ha	19/05/22		
925	25	9	Brandon Joseph Vince Farrugia	19/05/22		
1001	1	10	David Williams	19/05/22		
1002	2	10	Shashi Rahim	19/05/22		
1003	3	10	James Bragg	20/05/22	26/05/22	
1004	4	10	Ian Oakley	20/05/22		
1005	5	10	Abdulhaseeb Jabari	20/05/22	27/05/22	
1006	6	10	Moin Ahmed	20/05/22	24/05/22	
1007	7	10	Jaspal Singh Shah	20/05/22	27/05/22	
1008	8	10	Jameet Singh Shah	20/05/22	01/06/22	
1009	9	10	Renee Mark	24/05/22	06/06/22	
1010	10	10	Neil Kumar Sehra	24/05/22	31/05/22	
1011	11	10	Se Hyun Lim	24/05/22		
1012	12	10	Samuel Mensah	24/05/22	25/05/22	
1013	13	10	Biren Maheshchandra Trivedi and Trupti Biren Trivedi	24/05/22	25/05/22	
1015	15	10	Mary Morrison and William Morrison	24/05/22	23/06/22	extended by Omar Mashnuk
1016	16	10	Catherine Tran	25/05/22		
1017	17	10	Nicholas Nazareno Masci	25/05/22		
1018	18	10	Pektas Firat and Hamid Barzegar Khaselouie	25/05/22	27/05/22	
1019	19	10	Denise Opal South, Rita Jethi and Ruth Velastegui	25/05/22	26/05/22	
1020	20	10	Sophia Patricia Hughes-Ambrose	25/05/22		
1021	21	10	Karthikayini Chandrakumaran	25/05/22		
103	3	1	Samantha Machtinger	26/05/22		
202	2	2	Domenico Lonuzzo and Sarah Wells	26/05/22	27/05/22	
1022	22	10	Nirupma Pandhi and Vinay Pandhi	26/05/22	27/05/22	
1023	23	10	Loucas Christien Tassone	26/05/22		
1024	24	10	Davinder Hooda and Raj Bala Hooda	26/05/22		
1025	25	10	Brandon Michael Tonna	26/05/22	27/05/22	
302	2	3	Van Thinh Nguyen	27/05/22		
413	13	4	Pratik Bharatbh Rawal and Harshikaben Bhu Shah	27/05/22		
513	13	5	Giuseppe Pulla	27/05/22	30/05/22	

613	13	6	Editha Bringas Claro	27/05/22	13/06/22	Extended to June 13 with fees
713	13	7	Rita Pulla	27/05/22	30/05/22	
813	13	8	Sui-Fong Chuk	27/05/22		
102	2	1	Lisa Hami Nguyen	30/05/22		
203	3	2	Craig Serjeant	30/05/22		
303	3	3	Robert Murdoch and Marzia Murdoch	30/05/22		
414	14	4	Roopa Kothari	30/05/22		
514	14	5	Anna Wojtczak and Artur Wojtczak	30/05/22		
614	14	6	Thuong Mong Thi Ta	30/05/22		
714	14	7	Martin Halle	31/05/22		
814	14	8	Aurelian Ciocan	31/05/22		
914	14	9	Heather Ann Kenalty	31/05/22		
1014	14	10	Avneet Singh Grewal	31/05/22		
116	16	1				
TERM718	18	7	TERMINATED - Albert Vesmir Damsi			

IN THE MATTER OF THE ARBITRATION ACT, 1991, S.O.1991, C 17 AND IN THE MATTER OF AN ARBITRATION

KSV RESTRUCTING INC et al.
Claimants

DOWNSVIEW HOMES INC.
Respondents

FURTHER SUPPLEMENTARY AFFIDAVIT OF DAVID GEORGE

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Lawyers for Mattamy

IN THE MATTER OF THE ARBITRATION ACT, 1991, S.O. 1991, c 17

AND IN THE MATTER OF AN ARBITRATION

B E T W E E N:

KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE COURT APPOINTED MONITOR (THE "MONITOR") OF URBANCORP DOWNSVIEW PARK DEVELOPMENT INC. ("UDPDI" AND URBANCORP TORONTO MANAGEMENT INC. ("UTMI") PURSUANT TO THE *COMPANIES*' *CREDITORS ARRANGMENT ACT* R.S.C. 1985, C. C-36. AS AMENDED

- and -

GUY GISSIN, IN HIS CAPACITY AS THE APPOINTED FUNCTIONARY AND FOREIGN REPRESENTATIVE OF URBANCORP INC. ("UCI") BY ORDER OF THE DISTRICT COURT IN TEL AVIV-YAFO, ISREAL (THE "ISREAL FUNCTIONARY")

Claimants

- and –

MATTAMY (DOWNSVIEW) LIMITED ("MATTAMY")

- and –

DOWNSVIEW HOMES INC.

Respondent

FURTHER SUPPLEMENTARY AFFIDAVIT OF DAVID GEORGE

I, David George, of the City of Toronto, in the Province of Ontario, AFFIRM:

1. I am Senior Vice President, Legal of Mattamy Asset Management Incorporated. On behalf of Mattamy, I have been involved in the Downsview Project since April 2016. I have also been involved in the insolvency proceeding of the relevant Urbancorp entities as it relates to the Project. I previously swore affidavits for this arbitration on May 6, 2022 and May 20, 2022. I

adopt all defined terms in those affidavits and confirm that their contents remain true and accurate.

ASPE

2. Portions of ASPE that are relevant to the recognition of revenue are attached as **Exhibit "A"**.

3. The Real Property Association of Canada ("**REALPAC**"), has published "*Recommended Accounting Practices for Real Estate Investment and Development Entities Reporting in Accordance with ASPE"* (the "**Handbook**"). Excerpts from the Handbook respecting revenue recognition for real estate are attached as **Exhibit "B"**.

Historic Altus Reports Show Deferral of Management Fee

4. Altus Group is National Bank's cost consultant on the Project. ~~It~~ Mattamy prepares periodic budget statements based on the progress of the Project which are reviewed by Altus and ~~that~~ are provided to National Bank, Mattamy, and, from time to time, the Monitor.

~~5. The Altus budgets have consistently shown a deferral of Development Management Fees of $10 million with respect to Phase 2 (Blocks A and P). In Altus' first budget prepared for National Bank on July 23, 2020, delivered prior to the credit facility with National Bank being entered into, Altus noted that the Development Management Fee is "carried by the Borrower". The July 23,~~ [2020] ~~2022 report is attached as **Exhibit "C"**~~.

6. The $10 million deferral is reflected ~~has appeared on Altus budgets delivered prior to the Transfer Date, including~~ in budgets dated ~~delivered on~~ May 31, 2021, July 31, 2021 and September 30, 2021, ~~all~~

Of these, the May 31, 2021 budget was provided to the Monitor prior to the Transfer Date.

^~~of which were provided to the Monitor~~. ~~Relevant~~ pages from those budgets are attached as

Certain

"**Exhibits "D", "E"** and **"F"** respectively.

Audited Financial Statements in Accordance with ASPE

7. ~~I am advised by Cathy Rudman that, in 2020, Downsview sold Block A and P units in the amount of $71,795,214.83. Apart from rental units, which have not yet closed, all units sold in Blocks A and P are residential condominium units. As reflected in Downsview's audited financial statements for fiscal year 2020 revenue was not recognised for the sold units. These audited financial statements were prepared by PwC in accordance with ASPE and were provided to the Monitor. The Claimants have never raised any issues with the audited financial statements (obtained at their request) prior to this arbitration.~~ The 2020 audited financial statements for DHI are attached as **Exhibit "G"**.

~~**Status of Blocks A and P of the Project**~~

~~8. As of the date of this affidavit, none of the units in Blocks A and P have closed. Interim occupancies began occurring on March 31, 2022. As at May 31, 2022, a total of 458 units have achieved interim occupancy. There were no interim occupancies with respect to Blocks A and P prior to the Transfer Date. Copies of excel spreadsheets prepared by McMillan LLP, who are retained by Mattamy in connection with the sale of Block A and P units, tracking the statuses of interim occupancies are attached at **Exhibit "H".**~~

SWORN by David George at the City of Toronto, in the Province of Ontario, before me on June 23, 2022 in accordance with O.Reg. 431/20, Administering Oath or Declaration Remotely

Commissioner for Taking Affidavits
(or as may be)

NIKLAS HOLMBERG

DAVID GEORGE