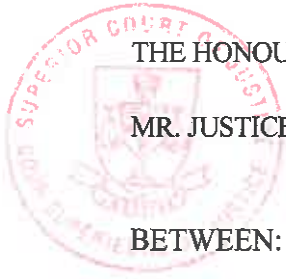


ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



THE HONOURABLE

)

TUESDAY, THE 2nd

MR. JUSTICE NEWBOULD

)

DAY OF MAY, 2017

)

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

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

Respondents

APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, section 68 of the *Construction Lien Act*, R.S.O. 1990,
c. C.30, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

SETTLEMENT APPROVAL ORDER
(RE: LESLIEVILLE PROJECT)

THIS MOTION, made by Alvarez & Marsal Canada Inc. ("A&M"), in its capacity as receiver and manager (in such capacity, the "**Receiver**"), pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended, and in its capacity as construction lien trustee (in such capacity, the "**Construction Lien Trustee**"), pursuant to section 68 of the *Construction Lien Act*, R.S.O. 1990, c. C.30, as amended ("**CLA**") (the Receiver, together with the Construction Lien Trustee, the "**Construction Receiver**"), of all of the assets, undertakings, and property acquired for, or used in relation to the business, including all proceeds thereof (the "**Property**") of Urbancorp (Leslieville) Developments Inc. ("UC Leslieville"), Urbancorp

(Riverdale) Developments Inc. ("**UC Riverdale**") and Urbancorp (The Beach) Developments Inc. ("**UC Beach**", together with UC Riverdale, and UC Leslieville, the "**Debtors**"), for an order approving various agreements and arrangements in order to give effect to a proposed settlement amongst the Syndicate, Terra Firma, Craft, and the Ad Hoc Leslieville Purchasers (each as defined in **Schedule "A"** hereto, and collectively, the "**Settlement Parties**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the second report of the Construction Receiver dated April 21, 2017 (the "**Second Report**") and on hearing the submissions of counsel for the Construction Receiver, the Syndicate, Terra Firma, Craft, the Ad Hoc Leslieville Purchasers, Tarion, and Travelers, and the counsel on the counsel slip, attached, no one else appearing for any other person on the service list although properly served as appears from the affidavit of service of Kelly Peters sworn April 28, 2017, filed,

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms shall have the meanings given to them in **Schedule "A"** hereto.

CONDITION PRECEDENT TO THIS ORDER

2. **THIS COURT ORDERS** that this Order will only become effective upon the filing by the Construction Receiver with the Court of a certificate confirming the satisfaction or waiver by the Settlement Parties of the Opt-In Threshold no later than two Business Days after the Ultimate Rescission Bar Date, or such later date as may be agreed to by the Settlement Parties. The date of the filing of such certificate shall be the Effective Date.

AUTHORITY TO ENTER INTO AGREEMENTS AND DOCUMENTS FOR AND ON BEHALF OF UC LESLIEVILLE

3. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized to execute such agreements authorized by paragraphs 4, 8, 10, 25, 26, 27, 28, 31 and 41 of this Order in the name of and for and on behalf of UC Leslieville, and not in its personal or corporate

capacity, and shall be without any liability on the part of the Construction Receiver or its directors, officers, agents and employees.

SALE OF UNITS TO OPT-IN LESLIEVILLE PURCHASERS

4. **THIS COURT ORDERS AND DECLARES** that each sale transaction contemplated by each New APS to be entered into between UC Leslieville and an Opt-In Leslieville Purchaser (each such transaction, a “**New APS Transaction**”) is hereby approved, with such non-material amendments as the Construction Receiver may deem necessary or desirable. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable for the completion of each New APS Transaction and for the conveyance of the applicable Unit to the applicable Opt-In Leslieville Purchaser.

OPT-IN LESLIEVILLE PURCHASERS’ PREMIUM CHARGE

5. **THIS COURT ORDERS** that each Opt-In Leslieville Purchaser shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**Purchasers’ Premium Charge**”) on the Leslieville Project as security for the reimbursement of the amount of the Premium paid by such Opt-In Leslieville Purchaser pursuant to its New APS. The Purchasers’ Premium Charge shall have the priority set out in paragraph 49 hereof.

SALE OF UNSOLD UNITS TO NEW PURCHASERS

6. **THIS COURT ORDERS** that Craft is hereby authorized to market each Unit that is not otherwise sold to an Opt-In Leslieville Purchaser (each, an “**Unsold Unit**”) pursuant to the Marketing Plan approved by the Construction Receiver, the Syndicate, and Terra Firma in accordance with the Craft Development Contract or as otherwise approved by the Court.

7. **THIS COURT ORDERS** that the form of Standard Form Sale Agreement to be offered to prospective purchasers of Unsold Units is hereby approved, with such non-material amendments as the Construction Receiver may deem necessary or desirable (including, without limitation, additional provisions relating to any non-resident or foreign purchaser taxes as may be

introduced after the date hereof), provided that the purchase price for an Unsold Unit shall be not less than the Minimum Unit Price.

8. **THIS COURT ORDERS AND DECLARES** that each sale transaction contemplated by each Standard Form Sale Agreement to be entered into between UC Leslieville and a New Leslieville Purchaser (each such transaction, a “**Subsequent Sale Transaction**”) is hereby approved, and the execution of the Standard Form Sale Agreement by the Construction Receiver is hereby authorized and approved. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable for the completion of each Subsequent Sale Transaction and for the conveyance of the applicable Unsold Unit to each New Leslieville Purchaser, including for greater certainty, the Tarion Addendum and the Disclosure Documentation (as approved pursuant to the Purchaser Package Approval Order).

FUNDING FAILURE

9. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in the New APS or Standard Form Sale Agreement (including the Tarion Addendum), if at any time the Construction Receiver determines in its sole discretion that a Funding Failure has occurred then, provided that no Opt-In Purchaser or New Leslieville Purchaser has entered into occupancy of his/her Unit pursuant to the terms of his/her New APS or Standard Form Sale Agreement, as the case may be, the Construction Receiver is hereby authorized to deliver to each Opt-In Leslieville Purchaser and New Leslieville Purchaser a Funding Failure Notice, and upon the delivery of such Funding Failure Notice: (a) the authority of the Construction Receiver to execute each such New APS and Standard Form Sale Agreement is withdrawn and each such New APS and Standard Form Sale Agreement is hereby deemed terminated and null and void and of no force and effect as a result of the Funding Failure, and (b) the Construction Receiver shall only return (i) to each Opt-In Leslieville Purchaser, the New Deposit paid by such Opt-In Leslieville Purchaser, and (ii) to each New Leslieville Purchaser, all deposit monies paid by the New Leslieville Purchaser, in each case, together with any interest required by law, and no other amounts, and (c) the Opt-In Purchasers and the New Leslieville Purchasers shall have no claim

of any kind whatsoever against the Construction Receiver (in its personal capacity, corporate capacity or otherwise) as a result of a Funding Failure.

VESTING OF RESIDENTIAL UNITS

10. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized and directed to deliver transfers/deeds in the form prescribed by the *Land Registration Reform Act* (but excluding the implied covenants thereunder) duly executed (or deemed to be executed through electronic signature) by the Construction Receiver (each a “**Transfer/Deed**”) with respect to each Unit to be conveyed pursuant to a New APS or a Standard Form Sale Agreement, as applicable, in favour of each Opt-In Leslieville Purchaser or New Leslieville Purchaser, as applicable.

11. **THIS COURT ORDERS AND DECLARES** that, upon the registration in the Land Titles Division of the Toronto Land Registry Office (No. 66) of each Transfer/Deed in respect of a Unit, all of UC Leslieville’s right, title and interest in and to the Unit described in the Transfer/Deed shall vest absolutely in the transferee named in such Transfer/Deed, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims with respect to such Unit (including, without limitation, the claims of all Existing Leslieville Purchasers and Leslieville Assignors), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, encumbrances, title retention agreements, each and every Original Leslieville APS, judgments, adverse claims or interests, exceptions, reservations, easements, encroachments, servitudes, restrictions on use, any right of occupancy, any matter capable of registration against title, options, rights of first refusal or similar rights, rights of pre-emption or privilege or any contract creating any of the foregoing (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by this Order and the Order of Mr. Justice Newbould dated May 31, 2016; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule “B”** hereto (all of which are collectively referred to as the “**Encumbrances**”).

which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "C"** (the "**Permitted Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the applicable Unit referenced in a Transfer/Deed are hereby expunged and discharged as against such Unit.

12. **THIS COURT ORDERS** that, upon the registration in the Land Titles Division of the Toronto Land Registry Office (No. 66) of each Transfer/Deed in respect of a Unit, the Land Registrar is hereby directed to enter the transferee named in such Transfer/Deed as the owner of the Unit described in such Transfer/Deed in fee simple, and is hereby directed to delete and expunge from title to the Unit described in each such Transfer/Deed all of the Claims listed in **Schedule "B"** hereto, including such further Claims as may have arisen and/or been registered against title to such Unit as more particularly set out by way of solicitor's statement or affidavit annexed to such Transfer/Deed (as contemplated by **Schedule "B"**), and such solicitor's statement will also confirm, in respect of such Subsequent Sale Transactions, that the Minimum Unit Price has been satisfied.

REPUDIATION AND TERMINATION OF EACH ORIGINAL LESLIEVILLE APS

13. **THIS COURT ORDERS** that the Construction Receiver be and is hereby authorized to repudiate each and every Original Leslieville APS, without a requirement to deliver a written notice, with such repudiation to be effective (a) in respect of each Opt-Out Leslieville Purchaser and each Unpaid Leslieville Assignor, on the Effective Date, and (b) in respect of each Opt-In Leslieville Purchaser, on either (i) the date of the registration of the applicable Transfer/Deed on the closing of the applicable New APS Transaction, or (ii) the date of the termination of the New APS in accordance with its term or deemed termination of the New APS in accordance with paragraph 9 of this Order (each such date, a "**Repudiation Date**").

14. **THIS COURT ORDERS AND DECLARES** that as a result of the repudiation by the Construction Receiver pursuant to paragraph 13 of this Order, each Original Leslieville APS is not capable of performance and may be terminated by each Existing Leslieville Purchaser. Notice of the termination by each Existing Leslieville Purchaser of their Original Leslieville APS shall be deemed to be provided to the Construction Receiver on, and effective as of, the applicable Repudiation Date. Notwithstanding the termination of such Original Leslieville

APS, any claim against Tarion or Travelers shall be dealt with in accordance with paragraphs 17 to 19 of this Order.

COMMISSIONS ON AN ORIGINAL LESLIEVILLE APS

15. **THIS COURT ORDERS AND DECLARES** that all Original Co-Operating Brokers shall have no claim, including without limitation a claim for fees or commissions, to any proceeds paid by an Opt-In Leslieville Purchaser on the closing of a New APS Transaction.

NON-RECOURSE AGAINST PROPERTY

16. **THIS COURT ORDERS AND DECLARES** that all Existing Leslieville Purchasers and Leslieville Assignors shall have no right, title, interest, claim or recourse as against any of the Property of the Debtors, and any such claim held by an Existing Leslieville Purchaser or a Leslieville Assignor against the Debtors shall be limited to (a) an unsecured claim against the estate of UC Leslieville, (b) a Tarion Deposit Claim, and (c) an Excess Deposit Insurance Claim, each to the extent available.

RECOURSE FOR DEPOSIT CLAIMS

17. **THIS COURT ORDERS** that any Tarion Deposit Claim or Excess Deposit Insurance Claim asserted against Tarion or Travelers, respectively, shall be dealt with in accordance with the terms of this Order.

18. **THIS COURT ORDERS AND DECLARES** that the following persons shall be authorized and permitted to assert, to the extent available, a Tarion Deposit Claim against Tarion and an Excess Deposit Insurance Claim against Travelers, in each case, only after the Repudiation Date of the applicable Original Leslieville APS as provided pursuant to paragraph 13 of this Order:

- (a) each Unpaid Leslieville Assignor;
- (b) each Opt-Out Leslieville Purchaser, but excluding a Non-Paying Leslieville Assignee; and

- (c) each Opt-In Leslieville Purchaser on the termination of such Opt-In Leslieville Purchaser's New APS as a result of a breach by UC Leslieville and not a breach or default by such Opt-In Leslieville Purchaser.

19. **THIS COURT ORDERS** that, notwithstanding any agreement to the contrary (including, without limitation, the terms of any assignment agreement between a Leslieville Assignee and its Leslieville Assignor):

- (a) each Paid-up Leslieville Assignor shall be forever estopped and enjoined from asserting a Tarion Deposit Claim and Excess Deposit Insurance Claim against Tarion and Travelers in respect of the applicable Original Leslieville APS, respectively; and
- (b) the recourse of each Paid-up Leslieville Assignee who: (i) opts out of the proposed settlement, or (ii) opts in but whose New APS does not close for any reason other than the breach or default of such Paid-Up Leslieville Assignee, in each case, as against each applicable Paid-Up Leslieville Assignor shall be limited to any amounts properly due and owing to such Paid-up Leslieville Assignee pursuant to the terms of the applicable assignment agreement that are not recovered from Tarion and Travelers, respectively.

The foregoing provisions of this paragraph 19 do not extend to Tarion Deposit Claims and Excess Deposit Insurance Claims by any Unpaid Leslieville Assignor or to any claims as between a Non-Paying Leslieville Assignee and its Unpaid Leslieville Assignor.

20. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized and empowered to share information with Tarion and Travelers, including information with respect to Existing Leslieville Purchasers and Leslieville Assignors, as requested by Tarion and Travelers to assist in the administration and processing of Tarion Deposit Claims and Excess Deposit Insurance Claims as set out in this Order. Tarion and Travelers shall have the right to seek advice and directions with respect to the terms of this Order.

TARION CHARGE

21. **THIS COURT ORDERS** that Tarion shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**Tarion Charge**”) on the Leslieville Project as security for its obligations under the ONHWPA to the Opt-In Leslieville Purchasers, New Leslieville Purchasers and the Condominium Corporation, provided that the Tarion Charge shall be limited to the Tarion Charge Amount at the time of any distribution of the Proceeds of Realization to Tarion pursuant to paragraph 55 hereof. The Tarion Charge shall have the priority set out in paragraph 49 hereof.

22. **THIS COURT ORDERS** that Tarion shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**Tarion Residual Charge**”) on the Leslieville Project as further security for any of its obligations under the ONHWPA to the Opt-In Leslieville Purchasers, New Leslieville Purchasers and the Condominium Corporation, provided that the Tarion Residual Charge shall be limited to the Tarion Residual Reserve Amount at the time of any distribution of the Proceeds of Realization to Tarion pursuant to paragraph 55 hereof. The Tarion Charge shall have the priority set out in paragraph 49 hereof.

TRAVELERS EXCESS INSURANCE POLICY AND CASH COLLATERAL

23. **THIS COURT ORDERS AND DECLARES** that, subject to payment of the premiums thereunder, the Travelers Master Excess Claims Policy is in full force and effect notwithstanding this Receivership Proceeding.

24. **THIS COURT ORDERS** that, notwithstanding anything to the contrary contained in this Order, none of the Court Ordered Charges shall have priority over Travelers with respect to the Travelers Cash Collateral and that Travelers shall be entitled to exercise its rights and remedies against the Travelers Cash Collateral from time to time to satisfy outstanding Travelers Secured Obligations as they arise, including the payment of any outstanding premiums under the Travelers Master Excess Claims Policy. The Travelers Mortgage shall have the priority set out in paragraphs 52(d) and 55.

CRAFT CONSTRUCTION CONTRACT

25. **THIS COURT ORDERS AND DECLARES** that the Craft Construction Contract is hereby approved, and the execution and delivery of the Craft Construction Contract by the Construction Receiver is hereby ratified, authorized and approved. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable from time to time to give effect to the Craft Construction Contract, including without limitation, the entering into, and execution and delivery of, any non-material amendments to the Craft Construction Contract as the Construction Receiver may deem necessary or desirable.

ENGAGEMENT OF PROJECT MONITOR

26. **THIS COURT ORDERS AND DECLARES** that the Project Monitor Engagement is hereby approved, and the execution and delivery of the Project Monitor Engagement by the Construction Receiver is hereby authorized and approved. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable from time to time to give effect to the Project Monitor Engagement, including without limitation, the entering into, and execution and delivery of, any non-material amendments to the Project Monitor Engagement as the Construction Receiver may deem necessary or desirable.

CRAFT DEVELOPMENT CONTRACT

27. **THIS COURT ORDERS AND DECLARES** that the Craft Development Contract (which includes, without limitation, the requirement for the provision of the Craft Cash Collateral by Craft and the payment of interest thereon, and the payment of an Earned Management Fee, Deferred Management Fee and Craft Success Fee), is hereby approved and the execution and delivery of the Craft Development Contract by the Construction Receiver is hereby ratified, authorized and approved, with such non-material amendments as the Construction Receiver may deem necessary or desirable from time to time.

28. **THIS COURT ORDERS** the Construction Receiver is hereby authorized to take such additional steps and execute and deliver such additional documents contemplated by the Craft Development Contract, including without limitation, any and all necessary site plan and condominium applications, plan of subdivision applications, application for part lot control exemption by-laws, and other similar application and agreements in order for Craft to perform the Development Services pursuant to the Craft Development Contract.

29. **THIS COURT ORDERS** that Craft shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the "**Craft Deferred Management Fee Charge**") on the Leslieville Project as security for the payment of the Deferred Management Fee, provided such Deferred Management Fee is earned in accordance with the Craft Development Contract. The Craft Deferred Management Fee Charge shall have the priority set out in paragraph 49 hereof.

30. **THIS COURT ORDERS** that Craft shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the "**Craft Success Fee Charge**") on the Leslieville Project as security for the payment of the Craft Success Fee, provided such Craft Success Fee is earned in accordance with the Craft Development Contract. The Craft Success Fee Charge shall have the priority set out in paragraph 49 hereof.

VACANT LOT

31. **THIS COURT ORDERS** that, subject to the satisfaction of the Vacant Lot Conditions as set out in the Craft Development Contract, the Construction Receiver is hereby authorized and directed to execute and deliver a Transfer/Deed with respect to the Vacant Lot in favour of Craft or such transferee as designated by Craft in writing to the Construction Receiver.

32. **THIS COURT ORDERS AND DECLARES** that upon the registration in the Land Titles Division of the Toronto Land Registry Office (No. 66) of the Transfer/Deed in respect of the Vacant Lot, all of UC Leslieville's right, title and interest in and to the Vacant Lot as more particularly described in the Transfer/Deed shall vest absolutely in the transferee named in such Transfer/Deed, free and clear of and from any and all Encumbrances and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Vacant Lot are hereby expunged and discharged as against the Vacant Lot.

33. **THIS COURT ORDERS** that, upon the registration in the Land Titles Division of the Toronto Land Registry Office (No. 66) of a Transfer/Deed in respect of the Vacant Lot, the Land Registrar is hereby directed to enter the transferee named in any such Transfer/Deed as the owner of the Vacant Lot in fee simple, and is hereby directed to delete and expunge from title to the Vacant Lot as described in such Transfer/Deed, all of the Claims listed in **Schedule “B”** hereto, including such further Claims as may have arisen and/or been registered against title to the Vacant Lot as more particularly set out by way of solicitor’s statement or affidavit annexed to such Transfer/Deed (as contemplated by **Schedule “B”**).

GEO-THERMAL SYSTEM

34. **THIS COURT ORDERS** that Craft is hereby authorized to market the right to operate and, if legally available, the right to own the Geo-Thermal System (if repaired and commissioned in accordance with the Craft Construction Contract) (the “**Craft Collateral**”) pursuant to the Geo-Thermal System Marketing Process to be agreed to by the Construction Receiver and Craft or otherwise approved by the Court.

35. **THIS COURT ORDERS** that any proceeds arising from a transaction in respect of the Craft Collateral (the “**Geo-Thermal System Proceeds**”) shall be applied as follows:

- (a) first, to Craft in the aggregate amount of the Craft Geo-Thermal Costs, if any, and the Geo-Thermal Loan, if any; and
- (a) the balance, if any, to be added to Proceeds of Realization to be distributed pursuant to the Waterfall set out in paragraph 55 of this Order.

36. **THIS COURT ORDERS** that Craft, as security for the Craft Geo-Thermal Costs and the Geo-Thermal Loan, if any, shall be entitled to the benefit of and hereby is granted:

- (a) a first priority fixed and specific charge (the “**Craft Geo-Thermal Proceeds Charge**”) on the Craft Collateral; and
- (b) a fixed and specific charge (the “**Craft Geo-Thermal Charge**”) on the Leslieville Project, and shall have the priority set out in paragraph 49 hereof.

FINANCING OF LESLIEVILLE CONSTRUCTION

37. **THIS COURT ORDERS AND DECLARES** that the Construction Receiver is hereby authorized and empowered to obtain and borrow under credit facilities provided by the Syndicate Construction Loan Agreement and the Craft Loan Agreement, and the execution and delivery by the Construction Receiver of each of such agreements is hereby ratified, authorized and approved. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable from time to time to give effect to the Syndicate Construction Loan Agreement and/or the Craft Loan Agreement, including without limitation, the entering into, and execution and delivery of, any non-material amendments to the Syndicate Construction Loan Agreement and/or the Craft Loan Agreement as the Construction Receiver may deem necessary or desirable.

38. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized and empowered to execute and deliver such mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Syndicate Construction Loan Agreement and the Craft Loan Agreement, respectively, or as may be reasonably required by the Syndicate or Craft pursuant to the terms thereof, and the Construction Receiver is hereby authorized and directed to pay the Syndicate Construction Loan Obligations and Craft Construction Secured Obligations to the Syndicate and Craft, respectively, from the Proceeds of Realization as and when such Proceeds of Realization become available for distribution by the Construction Receiver in accordance with the Waterfall.

39. **THIS COURT ORDERS** that the Syndicate shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the "**Syndicate Charge**") on the whole of the Property of the Debtors as security for the payment of the Syndicate Construction Loan Obligations (which includes any Syndicate COR Funded Amount and any Syndicate COR Commitment Fee), together with interest and charges thereon, as applicable. The Syndicate Charge shall have the priority set out in paragraph 49 hereof.

40. **THIS COURT ORDERS** that Craft shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the "**Craft Construction Charge**") on the Leslieville

Project as security for the payment of the Craft Construction Secured Obligations (which includes any Craft COR Funded Amount and any Craft COR Commitment Fee), together with interest and charges thereon as applicable. The Craft Construction Charge shall have the priority set out in paragraph 49 hereof.

TF COST OVERRUN AGREEMENT

41. **THIS COURT ORDERS AND DECLARES** that the TF Cost Overrun Agreement is hereby approved, and the execution and delivery of the TF Cost Overrun Agreement by the Construction Receiver is hereby ratified, authorized and approved. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable from time to time to give effect to the TF Cost Overrun Agreement, including without limitation, the entering into, and execution and delivery of, any non-material amendments to the TF Cost Overrun Agreement as the Construction Receiver may deem necessary or desirable.

42. **THIS COURT ORDERS** that Terra Firma shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**TF Cost Overrun Agreement Charge**”) on the Property of UC Leslieville and UC Beach as security for the payment of the TF Cost Overrun Funded Amount, together with interest and charges thereon. The TF Cost Overrun Agreement Charge shall have the priority set out in paragraph 49 hereof.

43. **THIS COURT ORDERS** that in the event that Terra Firma defaults in funding a Cost Overrun, and either Craft or the Syndicate fund the Construction Receiver for such Cost Overrun or in the case of Craft, pay such Cost Overrun directly in accordance with the provisions of the TF Cost Overrun Agreement, the Craft Construction Contract and/or the Craft Development Contract (such amount, a “**Craft COR Funded Amount**” and a “**Syndicate COR Funded Amount**”, respectively), then subject to applicable law:

- (a) Craft shall be entitled to charge (i) a commitment fee in an amount of up to \$250,000 (the “**Craft COR Commitment Fee**”), and (ii) a deferred fee in the amount equal to 25% of each Craft COR Funded Amount (the “**Craft COR Deferred Fee**”), for each Craft COR Funded Amount paid by Craft; and

- (b) the Syndicate shall be entitled to charge (i) a commitment fee in an amount of up to \$250,000 (the “**Syndicate COR Commitment Fee**”), and (ii) a deferred fee in the amount equal to 25% of each Syndicate Cost Overrun Funded Amount (the “**Syndicate COR Deferred Fee**”), for each Syndicate COR Funded Amount paid by the Syndicate.

44. **THIS COURT ORDERS** that Craft shall be entitled to add the amount of each Craft COR Funded Amount and each Craft COR Commitment Fee to the principal amount outstanding under the Craft Loan Agreement on the date of the advance of such Craft COR Funded Amount.

45. **THIS COURT ORDERS** that Craft shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**Craft COR Deferred Fee Charge**”) on the Leslieville Project as security for the payment of all Craft COR Deferred Fees. The Craft COR Deferred Fee Charge shall have the priority set out in paragraph 49 hereof.

46. **THIS COURT ORDERS** that the Syndicate shall be entitled to add the amount of each Syndicate COR Funded Amount and each Syndicate COR Commitment Fee to the principal amount outstanding under the Syndicate Construction Loan Agreement on the date of the advance of such Syndicate COR Funded Amount.

47. **THIS COURT ORDERS** that the Syndicate shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**Syndicate COR Deferred Fee Charge**”) on the whole of the Property of the Debtors as security for the payment of all Syndicate COR Deferred Fees. The Syndicate COR Deferred Fee Charge shall have the priority set out in paragraph 49 hereof.

48. **THIS COURT ORDERS** that in the event that the Syndicate defaults in providing any advance of loans under the Syndicate Construction Loan Agreement which has been requested by the Construction Receiver and for which all conditions precedent thereunder have been satisfied (a “**Defaulted Syndicate Advance**”) and either or both of Craft and Terra Firma fund such Defaulted Syndicate Advance in accordance with the TF Cost Overrun Agreement (such amount, a “**Syndicate Default Funded Amount**”), then Craft and/or Terra

Firma, as the case may be, shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**Syndicate Loan Default Charge**”) on the whole of the Property of UC Leslieville and UC Beach as security for the payment of all such Syndicate Default Funded Amounts. The Syndicate Loan Default Charge shall have the priority set out in paragraph 49 hereof.

PRIORITY AND VALIDITY OF CHARGES

49. **THIS COURT ORDERS** that, subject to subparagraph 36(a) and paragraph 53 of this Order, the priorities of the Court Ordered Charges on the Leslieville Project, as among them, shall be as follows:

- (a) **First** – Construction Receiver’s Charge;
- (b) **Second** – Syndicate Charge (to the maximum amount of the Syndicate Construction Loan Obligations, including all applicable principal, interest, fees, charges and costs) and the Syndicate Loan Default Charge (to the maximum amount of all Syndicate Default Funded Amounts, including all applicable interest, fees charges and costs) on a *pari passu* basis;
- (c) **Third** – Construction Receiver’s Borrowings Charge (to the maximum principal amount of \$6.0 million, plus all applicable interest, fees, charges and costs);
- (d) **Fourth** – Craft Construction Charge (to the maximum amount of Craft Construction Secured Obligations, including all applicable principal, interest, fees, charges and costs);
- (e) **Fifth** – Craft Geo-Thermal Charge (to the maximum amount of the Craft Geo-Thermal Costs and Geo-Thermal Loan, if any);
- (f) **Sixth** – Craft Deferred Management Fee Charge (to the maximum amount of the Deferred Management Fee);
- (g) **Seventh** – Tarion Charge;
- (h) **Eighth** – Craft Success Fee Charge (to the maximum amount of the Craft Success Fee);
- (i) **Ninth** – Craft COR Deferred Fee Charge (to the maximum amount of all Craft COR Deferred Fees), and the Syndicate COR Deferred Fee Charge (to the

maximum amount of all Syndicate COR Deferred Fees), on a *pari passu* and rateable basis;

- (j) **Tenth** – TF Cost Overrun Agreement Charge (to the maximum amount of the TF Cost Overrun Funded Amounts);
- (k) **Eleventh** - Purchasers' Premium Charge (to the maximum amount of the aggregate Premiums paid by all Opt-In Leslieville Purchasers pursuant to their New APS); and
- (l) **Twelfth** – Tarion Residual Charge.

50. **THIS COURT ORDERS** that the filing, registration or perfection of all Court Ordered Charges shall not be required, and that all Court Ordered Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Court Ordered Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

51. **THIS COURT ORDERS** that the Court Ordered Charges or any of the Definitive Documents in connection with the Construction Receiver's borrowings authorized by this Order or the Appointment Order shall not be enforced without leave of this Court.

52. **THIS COURT ORDERS** that, subject to the priorities among the Court Ordered Charges set out in paragraph 49 of this Order and sections 14.06(7), 81.4(4) and 81.6 of the BIA:

- (a) the Construction Receiver's Charge, the Syndicate Charge, the Syndicate Loan Default Charge and the Construction Receiver's Borrowings Charge shall rank in priority to all Encumbrances, but subordinate in priority to the Travelers Cash Collateral;
- (b) subject to paragraph 53 below, the Craft Geo-Thermal Proceeds Charge shall, as against the Craft Collateral, have the priority set out in subparagraph 36(a);
- (c) subject to paragraph 53 below, the Craft Construction Charge, Craft Geo-Thermal Charge, and the Craft Deferred Management Fee Charge shall rank in priority to all Encumbrances, but subordinate in priority to (i) the Travelers Cash Collateral, (ii) the Holdback Deficiencies (up to the Holdback Reserve),

(iii) the Priority Realty Claims (up to the Priority Realty Claims Reserve), and
(iv) the Syndicate Pre-Filing Secured Obligations;

- (d) subject to paragraph 53 below, the Tarion Charge, the Craft Success Fee Charge, the Craft COR Deferred Fee Charge, the Syndicate COR Deferred Fee Charge, the TF Cost Overrun Agreement Charge, the Purchasers' Premium Charge, the Tarion Residual Charge shall rank in priority to all Encumbrances, but subordinate in priority to (i) the Travelers Cash Collateral, (ii) the Holdback Deficiencies (up to the Holdback Reserve), (iii) the Priority Realty Claims (up to the Priority Realty Claims Reserve), (iv) the Syndicate Pre-Filing Secured Obligation, and (v) the Travelers Secured Obligations secured by the Travelers Mortgage.

53. **THIS COURT ORDERS** that if a Major Event of Default has occurred and is continuing under either of the Craft Construction Contract or the Craft Development Contract, as defined therein, then subject to the terms and conditions as set out in the Craft Construction Contract and/or Craft Development Contract, on the earlier of: (i) notice in writing from the Construction Receiver to Craft as provided in the Craft Development Contract, and (ii) the termination of the Craft Development Contract:

- (a) Craft shall have no right or claim whatsoever to, and is forever barred from claiming, any payments or other consideration that might otherwise be due or become due under the Craft Development Contract and Craft Construction Contract (including, for certainty, the Deferred Compensation and the transfer of the Vacant Lot), except for the payments expressly provided for under such agreements in connection with a termination of such agreements relating to the Construction Work or Development Services actually performed or incurred by Craft or on behalf of Craft under either of such agreements; and
- (b) the repayment of the Craft Construction Secured Obligations, any Craft Geo-Thermal Costs or Geo-Thermal Loan (together with the Craft Construction Charge, the Craft Geo-Thermal Proceeds Charge and the Craft Geo-Thermal Charge) shall automatically be subordinated in priority such that repayment of

the Craft Construction Secured Obligations and any Craft Geo-Thermal Costs or Geo-Thermal Loan shall only occur after repayment of the Terra Firma Indebtedness.

DISTRIBUTION WATERFALL

54. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, all Proceeds of Realization shall stand in the place and stead of the Leslieville Project, and that as and when the Leslieville Project is sold, all Claims and Encumbrances shall attach to the net Proceeds of Realization with the same priority as they had with respect to the Leslieville Project immediately prior to the transfers as set out and permitted in this Order, as if the Leslieville Project had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the transfers.

55. **THIS COURT ORDERS** that, subject to the receipt of Proceeds of Realization as contemplated by this Order or any subsequent transaction with the Construction Receiver, the Construction Receiver is hereby authorized and directed to distribute from time to time, and without further Order of the Court, the Proceeds of Realization (other than any Geo-Thermal System Proceeds, which shall be distributed in accordance with paragraph 35, and other than the Travelers Cash Collateral, which may be used by Travelers in accordance with paragraph 24) as and when such Proceeds of Realization become available for distribution by the Construction Receiver as follows (the “**Waterfall**”):

- (a) first, to the Construction Receiver, the amount of the Construction Receiver’s Reserve;
- (b) second, on a *pari passu* and rateable basis (i) to the Administrative Agent, the amount of the Syndicate Construction Loan Obligations (including, for certainty, any Syndicate COR Funded Amount and any Syndicate COR Commitment Fee) secured by the Syndicate Charge; and (ii) to Craft and Terra Firma, as applicable, the amount of the Syndicate Default Funded Amounts secured by the Syndicate Loan Default Charge;

- (c) third, to the Administrative Agent, the amount of the Construction Receiver's obligations owing to the Syndicate for monies borrowed pursuant to the Construction Receiver's Borrowings Charge;
- (d) fourth, to the Construction Receiver, the amount of the Holdback Reserve and the Priority Claims Reserve;
- (e) fifth, to the Administrative Agent, the amount of the Syndicate Pre-Filing Secured Obligations;
- (f) sixth, subject to paragraph 53, to Craft, (i) the amount of the Craft Construction Secured Obligations (including, for certainty, any Craft COR Funded Amount and any Craft COR Commitment Fee) secured by the Craft Construction Charge, and (ii) the Craft Geo-Thermal Costs and Geo-Thermal Loan secured by the Craft Geo-Thermal Charge, and (iii) the Deferred Management Fee secured by the Craft Deferred Management Fee Charge;
- (g) seventh, to Travelers in respect of the Travelers Secured Obligations secured by the Travelers Mortgage, including: (i) the amount of monies paid by Travelers in respect of Excess Deposit Insurance Claims, (ii) as cash collateral, an amount reasonably estimated by Travelers, and approved by the Construction Receiver at the time of distribution, with respect to any remaining potential Excess Deposit Insurance Claims in connection with any Original Leslieville APS, (iii) the amount of monies paid by Travelers to Tarion with respect to Tarion Deposit Claims pursuant to the Tarion Bond, and (iv) as cash collateral, an amount equal to the then outstanding Tarion Bond Amount. For certainty, the foregoing amounts shall be calculated taking into account any then remaining Travelers Cash Collateral. The cash collateral to be paid to Travelers pursuant to this subparagraphs 55(g)(ii) and (iv) hereof is to be held by Travelers upon terms and conditions to be agreed upon by the Construction Receiver, Terra Firma, the Syndicate and Craft or as otherwise ordered by the Court as security for the obligations described in such subparagraphs.

- (h) eighth, to Tarion, as cash collateral in an amount equal to the Tarion Charge Amount at the time of distribution to Tarion as security for its obligations under the ONHWPA to the Opt-In Leslieville Purchasers, the New Leslieville Purchasers and the Condominium Corporation. The cash collateral to be paid to Tarion pursuant to this subparagraph 55(h) is to be held by Tarion upon terms and conditions to be agreed upon by the Construction Receiver, Terra Firma, the Syndicate and Craft or as otherwise ordered by the Court as security for the obligations described in this paragraph;
- (i) ninth, subject to paragraph 53, to Craft, the amount of the Craft Success Fee secured by the Craft Success Fee Charge;
- (j) tenth, *pari passu* and rateably, to (i) Craft, in the aggregate amount of all Craft COR Deferred Fees, and (ii) the Syndicate, in the aggregate amount of all Syndicate COR Deferred Fees, if applicable;
- (k) eleventh, to Terra Firma, in an amount not exceeding the sum of (i) \$6.5 million on account of the Terra Firma Indebtedness, and (ii) the aggregate of all TF Cost Overrun Funded Amounts secured by the TF Cost Overrun Agreement Charge;
- (l) twelfth, *pari passu* and rateably to (i) Terra Firma (up to the remaining Terra Firma Indebtedness, if any) and (ii) the Opt-In Leslieville Purchasers (for the aggregate amount of the Premiums paid by all Opt-In Leslieville Purchasers pursuant to the New APS), with such amount allocated to the Opt-In Leslieville Purchasers to be distributed on a *pari passu* and rateable basis amongst all Opt-In Leslieville Purchasers; and
- (m) thirteenth, to Tarion and/or the Construction Receiver, as cash collateral in an amount equal to the Tarion Residual Reserve Amount at the time of distribution to Tarion as security for its obligations under the ONHWPA to the Opt-In Leslieville Purchasers, the New Leslieville Purchasers and the Condominium Corporation. The cash collateral pursuant to this subparagraph 55(m) is to be

held by Tarion and/or the Construction Receiver upon terms and conditions to be agreed upon by Tarion, the Construction Receiver, Terra Firma, the Syndicate and Craft or as otherwise ordered by the Court as security for the obligations described in this paragraph;

- (n) fourteenth, to Lien Claimants in respect of the balance of their valid lien claims (other than claims for Holdback Deficiencies), such claims and their respective allocation between the Lien Claimants and the respective Projects to be determined, if necessary, by further order of the Court; and
- (o) the balance, if any, to unsecured creditors of the Debtors on a pro-rata basis, such claims to be determined, if necessary, by further order of the Court.

56. **THIS COURT ORDERS** that, any payments, distributions and disbursements under this Order by the Construction Receiver shall not constitute a “distribution” for the purposes of section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 107 of the *Corporations Tax Act* (Ontario), section 117(1) of the *Taxation Act, 2007* (Ontario), or any other similar federal or provincial tax legislation (collectively, the “**Tax Statutes**”), and that the Construction Receiver, in making such payments, distributions or disbursements is not “distributing”, nor shall be considered to “distribute” nor to have “distributed”, such funds for the purposes of the Tax Statutes, and shall have no obligation to obtain a clearance certificate in respect of such payments, distributions or disbursements. The Construction Receiver shall not incur any liability under the Tax Statutes in respect of its making any payments ordered or permitted by this Order, and is hereby forever released and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of payments made under this Order and any claims of this nature are hereby forever barred.

CONSTRUCTION LIEN CLAIMS AND HOLDBACK

57. **THIS COURT ORDERS** that, subject to the Waterfall set out in paragraph 55, upon receipt of any Proceeds of Realization, the Construction Receiver is hereby authorized and directed to retain from the Proceeds of Realization the amount of \$1,184,000 (the “**Holdback**”

Reserve") in full and final satisfaction of all claims of the construction lien claimants of the Leslieville Project as set out at **Schedule "D"** hereto (the **"Lien Claimants"**) and their subcontractors, if any, in respect of any deficiencies in the holdbacks required to have been retained by any statutory "owner" of the Leslieville Project, as that term is defined in section 1(1) of the CLA that have priority to amounts that were owing to any mortgagee against the Leslieville Project pursuant to Part IV of the CLA (the **"Holdback Deficiencies"**).

58. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized and directed to hold the Holdback Reserve in an interest bearing account for amounts owed to the Lien Claimants for Holdback Deficiencies and the Holdback Reserve shall stand in place and stead of the Leslieville Project, subject to the entirety of claims by the Lien Claimants, and their subcontractors, if any, with respect to Holdback Deficiencies, and all actions or proceedings commenced against UC Leslieville, the Administrative Agent, Travelers, and Terra Firma by the Lien Claimants, and their subcontractors, if any, with respect to the Holdback Deficiencies shall be satisfied by the Holdback Reserve.

59. **THIS COURT ORDERS** that, upon the establishment of the Holdback Reserve by the Construction Receiver, all actions or proceedings commenced by the Lien Claimants as set out at **Schedule "E"** hereto or their subcontractors, if any, as applicable, against UC Leslieville, Terra Firma, the Administrative Agent, and Travelers with respect to: (i) Holdback Deficiencies; (ii) trust or damage claims (if any); or (iii) otherwise claiming priority over any mortgagee (collectively, the **"Mortgagee Actions"**) are hereby dismissed as against UC Leslieville, Terra Firma, the Syndicate, as applicable, on a with prejudice without costs basis.

60. **THIS COURT ORDERS** that, upon settlement of the Holdback Deficiencies owed to the Lien Claimants from the Holdback Reserve, as may be agreed between Terra Firma, Travelers, the Administrative Agent and the Lien Claimants, with the consent of the Construction Receiver (the **"Settled Amounts"**), the Construction Receiver shall bring a motion or motions, as applicable, from time to time, as the Construction Receiver in its sole discretion deems appropriate, to pay the Settled Amounts to each of the Lien Claimants and to pay the amount, if any, by which the Holdback Reserve exceeds the Settled Amounts in accordance with the Waterfall set out in paragraph 55 of this Order.

61. **THIS COURT ORDERS** that this Order is without prejudice to the rights of the Construction Receiver, the Lien Claimants, or any of them, to, at any time, bring a motion(s) to the Court seeking, among other things, payment of their respective claims for Holdback Deficiencies, refer any issues to a Construction Lien Master or any relief with respect to the determination of their claims for Holdback Deficiencies to be paid from the Holdback Reserve.

PRIORITY REALTY TAX CLAIM RESERVE

62. **THIS COURT ORDERS** that, subject to the Waterfall set out in paragraph 55 of this Order, upon receipt of any Proceeds of Realization, the Construction Receiver is hereby authorized and directed to retain from the Proceeds of Realization an amount satisfactory to the Construction Receiver to be held by the Construction Receiver in an interest bearing account on account of any Priority Realty Tax Claims (the “**Priority Realty Tax Claim Reserve**”), and the Priority Realty Tax Claim Reserve shall stand in place and stead of the Property.

ROLE OF CONSTRUCTION RECEIVER

63. **THIS COURT ORDERS** that the obligations of the Construction Receiver with respect to the completion of the Leslieville Project shall be limited only to those obligations specified under the Project Agreements, and, for greater certainty, the Construction Receiver shall have no obligation or responsibility for any onsite supervision, review or certification of the Construction Work or the Development Services completed by Craft, its consultants, subcontractors and/or any other party, in respect of the Leslieville Project. The Construction Receiver shall at all times be entitled to rely only on that information provided by Craft, its consultants and subcontractors, including but not limited to, with respect to information contained in the monthly progress reports provided by Craft to the Construction Receiver, the Project Monitor and the Administrative Agent, regarding the progress of the Construction Work and the Development Services. In exercising its limited mandate under the Project Agreements, the Construction Receiver is hereby authorized, as the Construction Receiver considers it advisable or appropriate, to consult with and rely on any information and advice provided by the Project Monitor. For greater certainty, the Construction Receiver is not a “declarant” within the meaning of the *Condominium Act* (Ontario) and shall not be liable for the obligations of a declarant arising thereunder.

64. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Construction Receiver under the Appointment Order, the Construction Receiver shall not be liable for any act or omission on the part of the Construction Receiver pertaining to the discharge of its duties under this Order, save and except for any claim or liability arising out of gross negligence or wilful misconduct on the part of the Construction Receiver. Nothing in this Order shall derogate from the protections afforded to the Construction Receiver by the BIA, any other federal or provincial legislation, applicable law, or the Appointment Order.

SEALING OF CONFIDENTIAL APPENDIX

65. **THIS COURT ORDERS** that, subject to further order of the Court, **Confidential Appendix "B"** and **Confidential Appendix "C"** to the Second Report shall be sealed, kept confidential, and not form part of the public record, but rather be placed, separate and apart from all other contents of the Court file, in a sealed envelope with a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of the Court.

GENERAL

66. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Vacant Lot, the Units in the applicable persons, the Court Ordered Charges, the reserves, payments, distributions and disbursements made pursuant to this Order, are made free and clear of any Encumbrances, and shall be binding on any trustee in bankruptcy that may be appointed in respect of each Debtor, and shall not be void or voidable by creditors of each Debtor, nor shall they constitute nor be deemed to be a fraudulent preference, assignment,

fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

67. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Construction Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Construction Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Construction Receiver and its agents in carrying out the terms of this Order.

68. **THIS COURT ORDERS** that the Construction Receiver may apply from time to time to this Court for advice and directions in the discharge of its powers and duties hereunder, including, for greater certainty, with respect to the performance of its or UC Leslieville's obligations under any of the agreements approved herein.

69. **THIS COURT ORDERS** that pursuant to the BIA, section 195, this Order is subject to provisional execution notwithstanding any appeal therefrom.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 02 2017

PER / PAR: 

SCHEDULE "A"

DEFINITIONS

"A&M" shall have the meaning given to it in the recitals of this Order;

"Ad Hoc Leslieville Purchasers" means the forty-six (46) Existing Leslieville Purchasers represented by Dickinson Wright LLP;

"Administrative Agent" means Canadian Imperial Bank of Commerce, in its capacity as administrative agent for the Syndicate under the Syndicate Construction Loan and the Pre-Filing Syndicate Credit Agreement;

"Appointment Order" means the order of the Court dated May 31, 2016 appointing A&M as Construction Receiver of all of the Property of the Debtors;

"BIA" shall have the meaning given to it in the recitals of this Order;

"Builder" has the meaning given to it pursuant to the ONHWPA;

"Business Days" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Toronto, Ontario;

"CLA" shall have the meaning given to it in the recitals of this Order;

"Claims" shall have the meaning given to it in paragraph 11;

"Condominium" means the condominium which will be created upon registration of the declaration against the Leslieville Project pursuant to the provisions of the *Condominium Act* (Ontario);

"Condominium Corporation" means the condominium corporation for the Condominium;

"Construction Lien Trustee" shall have the meaning given to it in the recitals of this Order;

"Construction Receiver" shall have the meaning given to it in the recitals of this Order;

"Construction Receiver's Borrowings Charge" means the Receiver's Borrowings Charge and the Construction Lien Trustee's Charge as defined in paragraph 22 of the Appointment Order.

"Construction Receiver's Charge" shall have the meaning given to it in paragraph 19 of the Appointment Order;

"Construction Receiver's Counsel" means Gowlings WLG (Canada) LLP;

"Construction Receiver's Independent Counsel" means Blake, Cassels & Graydon LLP;

“Construction Receiver’s Reserve” means a reserve in an amount satisfactory to the Construction Receiver to serve as cash collateral sufficient to secure the payment of the Professional Expenses;

“Construction Work” shall have the meaning given to it in the Craft Development Contract;

“Cost Overrun” shall the meaning given to it in the TF Cost Overrun Agreement;

“Court Ordered Charges” shall mean the Construction Receiver’s Charge, the Construction Receiver’s Borrowings Charge, the Syndicate Charge, the Craft Construction Charge, the Craft Deferred Management Fee Charge, the Craft Geo-Thermal Proceeds Charge, the Craft Geo-Thermal Charge, the TF Cost Overrun Agreement Charge, the Tarion Charge and the Purchasers’ Premium Charge;

“Craft” means C.R.A.F.T. Development Corporation;

“Craft Cash Collateral” shall have the meaning given to it in the Craft Development Contract.

“Craft Collateral” shall have the meaning given to it in paragraph 34 of this Order;

“Craft Construction Charge” shall have the meaning given to it in paragraph 40 of this Order;

“Craft Construction Contract” means the fixed price construction contract dated April 18, 2017 made between UC Leslieville by the Construction Receiver and Craft for the completion of the construction of the Leslieville Project, and as appended as **Appendix “C”** to the Second Report;

“Craft Construction Secured Obligations” means, collectively (without duplication), (i) the obligations of the Construction Receiver owing to Craft under the Craft Loan Agreement, (ii) all Craft COR Funded Amounts and all Craft COR Commitment Fees earned by the Craft pursuant to the TF Cost Overrun Agreement, (iii) all other amounts, costs or expenses funded to the Construction Receiver or paid by Craft pursuant to the terms of the Craft Construction Contract or Craft Development Contract which are expressly provided thereunder to be loans funded by Craft under the Craft Loan Agreement or costs to be reimbursed from the Proceeds of Realization with the same priority in the Waterfall as loans funded by Craft under the Craft Loan Agreement; and (iv) interest on the Craft Cash Collateral as provided for under the Craft Development Contract.

“Craft COR Commitment Fee” shall have the meaning given to it in paragraph 43(a) of this Order;

“Craft COR Deferred Fee” shall have the meaning given to it in paragraph 43(a) of this Order;

“Craft COR Deferred Fee Charge” shall have the meaning given to it in paragraph 45 of this Order;

“Craft COR Funded Amount” shall have the meaning given to it in paragraph 43 of this Order;

“Craft Deferred Management Fee Charge” shall have the meaning given to it in paragraph 29 of this Order;

“Craft Development Contract” means the development contract dated April 18, 2017 between UC Leslieville by the Construction Receiver and Craft for the provision by Craft of development services with respect to the Leslieville Project, and as appended as **Appendix “D”** to the Second Report;

“Craft Geo-Thermal Charge” shall have the meaning given to it in paragraph 36(b) of this Order;

“Craft Geo-Thermal Costs” shall have the meaning given to it in the Craft Construction Contract;

“Craft Geo-Thermal Proceeds Charge” shall have the meaning given to it in paragraph 36(a) of this Order;

“Craft Loan Agreement” means the loan agreement dated April 18, 2017 made between the Construction Receiver (as borrower) and Craft (as lender), and as appended as **Appendix “F”** to the Second Report;

“Craft Success Fee” means the fee equal to \$1 million to be paid to Craft in accordance with the Craft Development Contract and the Waterfall;

“Craft Success Fee Charge” shall have the meaning given to it in paragraph 30 of this Order;

“Debtors” shall have the meaning given to it in the recitals of this Order;

“Defaulted Syndicate Advance” shall have the meaning given to it in paragraph 48 of this Order;

“Deferred Commitment Fee” shall have the meaning given to it in the Syndicate Construction Loan Agreement;

“Deferred Compensation” shall have the meaning given to it in the Craft Development Contract;

“Deferred Management Fee” means a management fee equal to \$1,125,000 to be paid to Craft in accordance with the Craft Development Contract and the Waterfall;

“Definitive Documents” shall have the meaning given to it in paragraph 38 of this Order;

“Development Services” shall have the meaning given to it in the Craft Development Contract;

“Disclosure Documentation” means, in respect of the Condominium, the disclosure statement, first year budget statement, declaration, by-laws and rules, proposed condominium management agreement and draft plan of standard condominium;

“Earned Management Fee” shall have the meaning given to it in the Craft Development Contract to be paid to Craft in accordance with the Craft Development Contract and the Waterfall;

“Effective Date” shall have the meaning given to it in paragraph 2 of this Order;

“Encumbrances” shall have the meaning given to it in paragraph 11 of this Order;

“Excess Deposit Insurance Claim” means an insurance claim made pursuant to the Master Insurance Policy for Excess Condominium Deposits and Upgrade Monies (Policy No. 10031069) dated July 13, 2012 provided by Travelers for purchase price deposits paid to UC Leslieville or UC Leslieville’s solicitor in excess of the Tarion Deposit Claim;

“Existing Leslieville Purchaser” means a person who has entered into an Original Leslieville APS with UC Leslieville, or where such person or persons has/have assigned its/their Original Leslieville APS, the assignee(s) thereof;

“Funding Failure” means the occurrence of any of the following:

- (a) if, at any time and for whatever reason (including by reason of default by Craft or the repair or replacement of any damage or destruction to all or any part of the Leslieville Project), the estimated cost to complete the Construction Work (including rectifying all known Latent Defects and completing all warranty work) and the Development Services, as determined by the Project Monitor, acting reasonably, is greater than the aggregate amount of: (i) all funding available for the Leslieville Project pursuant to the Craft Loan Agreement, the Syndicate Construction Loan Agreement and, to the extent available, the Craft Cash Collateral, and (ii) Terra Firma (or to the extent permitted (or required) under the TF Cost Overrun Agreement, Craft and the Syndicate) declines (or fails) to fund the difference pursuant to the TF Cost Overrun Agreement; or
- (b) if, at any time, a Cost Overrun is not funded by Terra Firma as required under the TF Cost Overrun Agreement (or by Craft or the Syndicate as required or permitted under the TF Cost Overrun Agreement);

“Funding Failure Notice” means a notice in writing providing notice of a Funding Failure delivered by the Construction Receiver to the Opt-In Leslieville Purchasers and New Leslieville Purchasers, as applicable;

“Geo-Thermal Loan” has the meaning given to it in the Craft Development Contract;

“Geo-Thermal System” has the meaning given to it in the Craft Construction Contract;

“Geo-Thermal System Marketing Process” shall have the meaning given to it in the Craft Development Contract;

“Geo-Thermal System Proceeds” shall have the meaning given to it in paragraph 35 of this Order;

“Holdback Deficiencies” shall have the meaning given to it in paragraph 57 of this Order;

“Holdback Reserve” shall have the meaning given to it in paragraph 57 of this Order;

“Latent Defect” means shall have the meaning given to it in the Craft Construction Contract

“Leslieville Assignee” means an Existing Leslieville Purchaser who is an assignee under an Original Leslieville APS from a Leslieville Assignor;

“Leslieville Assignor” means a person who entered into an Original Leslieville APS with UC Leslieville, and assigned such Original Leslieville APS to a person or persons that are now an Existing Leslieville Purchaser;

“Leslieville Project” means the Leslieville Project Lands and the 55 unit low-rise residential development located on the Leslieville Project Lands and other improvements and all landscaping and interior decoration, all plant, machinery, improvements and equipment and all other property whether free standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto, to be constructed or completed on, above or under the surface of the Leslieville Project Lands;

“Leslieville Project Lands” means the lands and premises situate in the City of Toronto, and which is currently municipally known as 50 Curzon Street, as more particularly described in Schedule “F” under the heading “Leslieville Project Lands”;

“Lien Claimant” shall have the meaning given to it in paragraph 57 of this Order;

“Major Event of Default” shall have the meaning given to it in the Craft Construction Contract or the Craft Development Contract, as applicable;

“Marketing Plan” shall have the meaning given to it in the Craft Development Contract;

“Minimum Unit Price” shall mean the minimum sale price for an Unsold Unit as set out in Confidential Appendix “B” to the Second Report, or such other price as maybe determined in accordance with the Craft Development Contract or otherwise approved by the Court;

“Mortgagee Action” shall have the meaning given to it in paragraph 59 of this Order;

“New APS” means an agreement of purchase and sale between UC Leslieville by the Construction Receiver and an Opt-In Leslieville Purchaser for a Unit, substantially in the form of Schedule “B” to the Purchaser Package Approval Order;

“New APS Transaction” shall have the meaning given to it in paragraph 4 of this Order;

“New Leslieville Purchaser” means a person who is a purchaser of an Unsold Unit pursuant to a Standard Form Sale Agreement;

“Non-Paying Leslieville Assignee” means a Leslieville Assignee who is an Opt-Out Leslieville Purchaser and has not paid all of the purchase price deposit monies outstanding under its

Original Leslieville APS either directly to UC Leslieville or reimbursed its Leslieville Assignor for such deposit amounts;

“ONHWPA” means the *Ontario New Home Warranties Plan Act* (Ontario) and all regulations prescribed thereunder, as may be amended from time to time;

“Opt-In Deadline” means May 19th, 2017 at 5:00 pm (EST);

“Opt-In Leslieville Purchaser” means an Existing Leslieville Purchaser (a) who has delivered a fully executed and completed Opt-In Package to the Construction Receiver in accordance with the Purchaser Information Package Approval Order, and (b) who has not rescinded its New APS by the applicable Rescission Bar Date;

“Opt-In Threshold” means at least 40% of the Existing Leslieville Purchasers opt-in to the proposed settlement by the Opt-In Deadline and have not rescinded their New APS by the Ultimate Rescission Bar Date;

“Opt-In Package” shall have the meaning given to it in the Purchaser Package Approval Order;

“Opt-Out Leslieville Purchaser” means an Existing Leslieville Purchaser who is not an Opt-In Leslieville Purchaser;

“Original Co-Operating Broker” means a broker who entered into a co-operating broker agreement with UC Leslieville in connection with an Original Leslieville APS;

“Original Leslieville APS” means an existing agreement of purchase and sale for a given unit in the Condominium entered into between UC Leslieville, as vendor, and an Existing Leslieville Purchaser, together with all related amendments and side agreements;

“Paid-up Leslieville Assignee” means a Leslieville Assignee who has reimbursed its Leslieville Assignor for all of the purchase price deposit monies paid by such Leslieville Assignor under the Original Leslieville APS;

“Paid-up Leslieville Assignor” means a Leslieville Assignor who has been paid by its Leslieville Assignee for all of the purchase price deposit monies paid by such Leslieville Assignor under the Original Leslieville APS;

“Parking Unit” means each parking unit in the Condominium to be registered against the Leslieville Project Lands;

“Permitted Encumbrances” shall have the meaning given to it in paragraph 11 of this Order;

“Pre-Filing Syndicate Credit Agreement” means the credit agreement made as of July 13, 2012 between UC Leslieville (as borrower), Alan Saskin, Urbancorp Toronto Management Inc., UC Riverdale and UC Beach (as guarantors), and the Syndicate (as lenders), as amended and supplemented from time to time;

“Premium” means, for each Opt-In Leslieville Purchaser, the sum of \$255,000;

“Priority Realty Tax Claim” means any unpaid realty taxes of UC Leslieville;

“Priority Realty Tax Claim Reserve” shall have the meaning given to it in paragraph 62 of this Order;

“Proceeds of Realization” means the net proceeds derived from the use, sale or other disposition of the Leslieville Project;

“Project Agreements” means Craft Construction Contract, Craft Development Contract, the TF Cost Overrun Agreement, Syndicate Construction Loan Agreement and the Craft Loan Agreement;

“Project Monitor Engagement” means the agreement between Altus Group Limited and the Construction Receiver, substantially in the form of **Appendix “E”** to the Second Report.

“Projects” means the Leslieville Project and the Beach Project;

“Professional Expenses” means (i) all accrued but unpaid fees and disbursements of the Construction Receiver, the Construction Receiver’s Counsel and the Construction Receiver’s Independent Counsel, and (ii) the fees and disbursements as estimated from time to time by the Construction Receiver to complete the Receivership Proceeding;

“Property” has the meaning given to it in the recitals of this Order;

“Purchaser Package Approval Order” means the order of the Court dated April 19, 2017 approving, among other things, the information to be provided to the Existing Leslieville Purchasers in respect of the proposed settlement;

“Purchasers’ Premium Charge” shall have the meaning given to it in paragraph 5 of this Order;

“Receiver” shall have the meaning given to it in recitals of this Order;

“Receivership Proceeding” means the receivership proceeding with respect to the Debtors commenced by the Appointment Order bearing Court File No. CV-16-11409-00CL;

“Repudiation Date” shall have the meaning given to it in paragraph 13 of this Order;

“Rescission Bar Date” shall have the meaning given to it in the Purchaser Package Approval Order;

“Second Report” shall have the meaning given to it in the recitals of this Order;

“Settled Amounts” shall have the meaning given to it in paragraph 60 of this Order;

“Settlement Parties” shall have the meaning given to it in the recitals of this Order;

“Standard Form Sale Agreement” means an agreement of purchase and sale between UC Leslieville by the Construction Receiver and a New Leslieville Purchaser for an Unsold Unit, substantially in the form of **Appendix “I”** to the Second Report;

“Storage Unit” means each storage unit in the Condominium to be registered against the Leslieville Project Lands;

“Subsequent Sale Transaction” shall have the meaning given to it in paragraph 8 of this Order;

“Syndicate” means Canadian Imperial Bank of Commerce, Canadian Western Bank, and Laurentian Bank, or their assignees, as represented by the Administrative Agent;

“Syndicate Charge” shall have the meaning given to it in paragraph 39 of this Order;

“Syndicate Construction Loan Agreement” means the credit agreement made as of April 18, 2017 between the Construction Receiver (as borrower), the Syndicate (as lenders), and the Administrative Agent (as the administrative agent for the Syndicate), in the initial principal amount of \$4.5 million, substantially in the form as appended as **Appendix “G”** to the Second Report, as the same may be amended or supplemented from time to time;

“Syndicate Construction Loan Obligations” means the obligations of the Construction Receiver owing to the Syndicate pursuant to the Syndicate Construction Loan Agreement from time to time, including: (i) the Deferred Commitment Fee, (ii) all Syndicate COR Funded Amounts and all Syndicate COR Commitment Fees earned by the Syndicate pursuant to the TF Cost Overrun Agreement, and (iii) any other amounts which may expressly be provided by the terms of the Syndicate Construction Loan Agreement, the Craft Construction Contract, the Craft Development Contract and/or the TF Cost Overrun Agreement to be (or be deemed to be) a loan under the Syndicate Construction Loan Agreement;

“Syndicate COR Commitment Fee” shall have the meaning given to it in paragraph 43(b) of this Order;

“Syndicate COR Deferred Fee” shall have the meaning given to it in paragraph 43(b) of this Order;

“Syndicate COR Deferred Fee Charge” shall have the meaning given to it in paragraph 47 of this Order;

“Syndicate COR Funded Amount” shall have the meaning given to it in paragraph 43 of this Order;

“Syndicate Default Funded Amount” shall have the meaning given to it in paragraph 48 of this Order;

“Syndicate Loan Default Charge” shall have the meaning given to it in paragraph 48 of this Order;

"Syndicate Pre-Filing Secured Obligations" means the secured obligations owing by the Debtors to the Syndicate under the Pre-Filing Syndicate Credit Agreement;

"Tarion" means Tarion Warranty Corporation;

"Tarion Addendum" means the addendum to the Standard Form Sale Agreement from Tarion Warranty Corporation;

"Tarion Bond" means bond no. 10030498 dated May 19, 2011 in the original amount of \$1.26 million issued by Travelers in favour of Tarion in respect of the Leslieville Project, as amended from time to time;

"Tarion Bond Amount" means, at any time, the amount equal to \$1.1 million less the amounts paid by Travelers to Tarion prior to such time under the Tarion Bond;

"Tarion Residual Reserve Amount" means, at any time, a reserve reasonably estimated by Tarion, and approved by the Construction Receiver, to serve as cash collateral sufficient to secure the payment of Tarion's remaining obligations under the ONHWPA to the Opt-In Leslieville Purchasers, New Leslieville Purchasers and the Condominium Corporation after taking into account the Tarion Bond Amount and the Tarion Charge Amount at such time;

"Tarion Deposit Claim" means a claim to Tarion for compensation for purchase price deposits paid pursuant to an Original Leslieville APS (up to a maximum amount of \$20,000) pursuant to the ONHWPA;

"Tarion Charge" shall have the meaning given to it in paragraph 21 of this Order;

"Tarion Charge Amount" means, at any time, the amount equal to \$1.1 million less the Tarion Bond Amount at such time;

"Tax Statutes" shall have the meaning given to it in paragraph 56 of this Order;

"Terra Firma" means Terra Firma Capital Corporation;

"Terra Firma Commitment Letter" means the commitment letter between Terra Firma and UC Leslieville, Bosvest Inc. and Westside Gallery Lofts Inc., UTMI and Mr. Alan Saskin as guarantors, and UC Riverdale, UC Beach, Edge Residential Inc. and Edge on Triangle Park Inc., and all amending agreements;

"Terra Firma Indebtedness" means the indebtedness owed by the Debtors to Terra Firma pursuant to the Terra Firma Commitment Letter;

"TF Cost Overrun Funded Amount" means the amount of funds advanced by Terra Firma pursuant to the TF Cost Overrun Agreement;

"TF Cost Overrun Agreement" means the cost overrun funding and performance agreement April 18, 2017 made among Terra Firma, the Construction Receiver, the Administrative Agent, and Craft, as amended or supplemented from time to time;

"TF Cost Overrun Agreement Charge" shall have the meaning given to it in paragraph 42 of this Order;

"Transfer/Deed" shall have meaning given to it in paragraph 10 of this Order;

"Travelers" means Travelers Guarantee Company of Canada/Travelers Insurance Company of Canada;

"Travelers Cash Collateral" means the deposit monies received by UC Leslieville under the Original Leslieville APS and held in trust by Harris Sheaffer LLP, which were pledged by UC Leslieville to Travelers as cash collateral for Travelers Secured Obligations, and as of August 9, 2016 was in the total amount of \$250,000, plus \$85,484.97 in interest;

"Travelers Master Excess Claims Policy" means Policy No. 10031069 - Master Insurance Policy for Excess Condominium Deposits and Upgrades issued by Travelers favour of UC Leslieville;

"Travelers Secured Obligations" means all obligations owed or owing by UC Leslieville to Travelers, from time to time, related to the Travelers Master Excess Claims Policy and/or the Tarion Bond arising under a letter agreement dated March 5, 2012 between Travelers and UC Leslieville or the UC Leslieville Indemnity Agreement, as secured by a Deposit Trust Agreement dated May 19, 2011 amongst UC Leslieville, Travelers and Harris, Sheaffer LLP or the Travelers Mortgage;

"Travelers Mortgage" means the charge/mortgage registered as Instrument No. AT2720786 on June 15, 2011 granted by UC Leslieville in favor of Travelers to secure the Travelers Secured Obligations;

"UC Beach" shall have the meaning given to it in the recitals of this Order;

"UC Leslieville" shall have the meaning given to it in the recitals of this Order;

"UC Riverdale" shall have the meaning given to it in the recitals of this Order;

"UC Leslieville Indemnity Agreement" means the indemnity agreement dated May 19, 2011 entered into between UC Leslieville (as principal), Alan Saskin, High Res. Inc., Urbancorp Toronto Management Inc. (as indemnitors) and Travelers.

"Ultimate Rescission Bar Date" means the date being ten (10) days after the Opt-In Deadline;

"Unit" means a residential unit in the Condominium to be registered against the Leslieville Project Lands and, in the case of a unit sold pursuant to a New Sale Transaction or a Subsequent Sale Transaction, includes a Parking Unit and Storage Unit, together with an undivided interest in the common elements appurtenant to such unit and the exclusive use of those parts of the common elements attaching to such unit, to the extent included in such sale transaction;

"Unpaid Leslieville Assignor" means a Leslieville Assignor who paid deposit monies to UC Leslieville pursuant to an Original Leslieville APS and has not been reimbursed for such deposit

monies by the applicable Leslieville Assignee for deposit monies paid by the Leslieville Assignor under the Original Leslieville APS;

“Unsold Unit” shall have the meaning given to it in paragraph 6 of this Order;

“UTMI” means Urbancorp Toronto Management Inc.;

“Vacant Lot” means the lands and premises situate in the City of Toronto, as more particularly described in **Schedule “F”** under the heading **“Vacant Lot”**;

“Vacant Lot Conditions” shall have the meaning given to them in the Craft Development Contract;

“Vendor” has the meaning given to it pursuant to the ONHWPA; and

“Waterfall” shall have the meaning given to it in paragraph 55 of this Order.

SCHEDULE "B" - CLAIMS TO BE EXPUNGED FROM TITLE TO REAL PROPERTY

1. Instrument No. AT2720786, registered June 15, 2011, being a charge in favour of Travelers Guarantee Company of Canada;
2. Instrument No. AT3081811, registered July 24, 2012, being a charge in favour of Canadian Imperial Bank of Commerce;
3. Instrument No. AT3082309, registered July 24, 2012, being a postponement of Travelers Insurance Company of Canada charge No. AT2720786 in favour of Canadian Imperial Bank of Commerce charge No. AT3081811;
4. Instrument No. AT3102606, registered August 16, 2012, being a notice with respect to Travelers Insurance Company of Canada charge No. AT2720786;
5. Instrument No. AT3954372, registered July 22, 2015, being a charge in favour of Terra Firma Capital Corporation;
6. Instrument No. AT3954373, registered July 22, 2015, being a notice of general assignment of rents in favour of Terra Firma Capital Corporation;
7. Instrument No. AT4011571, registered September 17, 2015, being a construction lien in favour of Alpa Stairs and Railings Inc.
8. Instrument No. AT4039964, registered October 19, 2015, being a certificate of action in favour of Alpa Stairs and Railings Inc.
9. Instrument No. AT4057394, registered November 3, 2015, being a construction lien registered in favour of EXP Services Inc.;
10. Instrument No. AT4072949, registered November 20, 2015, being a construction lien in favour of Roni Excavating Limited;
11. Instrument No. AT4072991, registered November 20, 2015, being a construction lien in favour of Orin Contractors Corp.;
12. Instrument No. AT4073814, registered November 23, 2015, being a construction lien in favour of Sterling Carpet & Tile;
13. Instrument No. AT4106412, registered December 30, 2015, being a certificate of action in favour of Roni Excavating Limited;
14. Instrument No. AT4106476, registered December 30, 2015, being a certificate of action in favour of Orin Contractors Corp.;
15. Instrument No. AT4129370, registered January 26, 2016, being a certificate of action in favour EXP Services Inc.

16. Instrument No. AT4140578, registered February 8, 2016, being a certificate of action in favour of Sterling Tile & Carpet;
17. Instrument No. AT4153410, registered February 25, 2016, being a construction lien in favour of Silvio Construction Co. Ltd.;
18. Instrument No. AT4165123, registered March 10, 2016, being a construction lien in favour of NG Marin Inc.;
19. Instrument No. AT4165218, registered March 11, 2016, being a construction lien in favour of Commercial Two Construction Inc.;
20. Instrument No. AT4165591, registered March 11, 2016, being a construction lien in favour of MDF Mechanical Limited;
21. Instrument No. AT4166872, registered March 14, 2016, being a construction lien in favour of Uptown Hardware Limited;
22. Instrument No. AT4181331, registered March 31, 2016, being a certificate of action in favour of Silvio Construction Co. Ltd.;
23. Instrument No. AT4194677, registered April 15, 2016, being a construction lien in favour of 207875 Ontario Limited;
24. Instrument No. AT4194686, registered April 15, 2016, being a construction lien in favour of Emergency Propane Services Inc.
25. Instrument No. AT4198081, registered April 20, 2016, being a construction lien in favour of Lido Construction Inc.
26. Instrument No. AT4200385, registered April 22, 2016, being a certificate of action in favour of Uptown Hardware Limited;
27. Instrument No. AT4200654, registered April 25, 2016, being a certificate of action in favour of MDF Mechanical Limited;
28. Instrument No. AT4211208, registered May 4, 2016, being a certificate of action in favour of NG Marin Inc.;
29. Instrument No. AT4215263, registered May 10, 2016, being a certificate of action in favour of Commercial Two Construction Inc.;
30. Instrument No. AT4229855, registered May 30, 2016, being a certificate of action in favour of 207875 Ontario Limited;
31. Instrument No. AT4229857, registered May 30, 2016, being a certificate of action in favour of Emergency Propane Services Inc.;

32. Instrument No. AT4243741, registered June 10, 2016, being an application to register a court order of the Ontario Superior Court of Justice Commercial List appointing Alvarez & Marsal Canada Inc. as appointing receiver and construction lien trustee;
33. Instrument No. AT4244696, registered June 10, 2016, being a certificate of action in favour of Lido Construction Inc.; and
34. Together with such further Claims as may arise and/or be registered against title to the Leslieville Project Lands up to and including the time of closing of a New APS Transaction, a Subsequent Sale Transaction or such other transaction (as set out in more detail by way of solicitor's statement or affidavit annexed to the Transfer/Deed).

**SCHEDULE "C" – PERMITTED ENCUMBRANCES, EASEMENTS AND
RESTRICTIVE COVENANTS RELATED TO THE REAL PROPERTY**

(unaffected by the Vesting Order)

1. Instrument No. AT2958528, registered March 2, 2012, being a transfer of easement in favour of Rogers Communications Inc.;
2. Instrument No. AT3708202, registered October 7, 2014, being a transfer of easement in favour of Bell Canada;
3. Instrument No. AT3728135, registered October 30, 2014, being a transfer of easement in favour of Enbridge Gas Distribution Inc.; and
4. Instrument No. AT4163132, registered March 8, 2016, being a Notice of Security Interest in favour of Genesis Home Services Inc.

SCHEDULE "D"
LIST OF LIEN CLAIMANTS

207875 Ontario Ltd (o/a Canadian Rental Centres)
Alpa Stairs and Railings Inc.
Commercial Two Construction Inc.
Emergency Propane Services Inc.
EXP Services Inc.
Lido Construction Inc.
MDF Mechanical Ltd.
NG Marin Inc.
Orin Contractors Corp.
Roni Excavating Limited
Silvio Construction Co. Ltd.
Sterline Carpet and Tile
Uptown Hardware Ltd

SCHEDULE "E"

LIEN CLAIMANT ACTIONS

	Plaintiff	Defendants	Court File No.
1.	207875 Ontario Limited	Urbancorp (Leslieville) Developments Inc., Urbancorp Construction Company Inc., Terra Firma Capital Corporation, Canadian Imperial Bank of Commerce, Travelers Insurance Company of Canada	CV-16-553611
2.	Alpa Stairs and Railings Inc.	Urbancorp (Leslieville) Developments Inc., Urbancorp (The Beach) Developments Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-15-537937
3.	Commercial Two Construction Inc.	Urbancorp (Leslieville) Developments Inc., Urbancorp Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-552495
4.	Emergency Propane Services Inc.	Urbancorp (Leslieville) Developments Inc., Urbancorp Construction Company Inc., Terra Firma Capital Corporation, Canadian Imperial Bank of Commerce, Travelers Insurance Company of Canada	CV-16-553614
5.	EXP Services Inc.	Urbancorp (Leslieville) Developments Inc., Urbancorp Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-545215

	Plaintiff	Defendants	Court File No.
6.	Lido Construction Inc.	Urbancorp (Leslieville) Developments Inc., Urbancorp Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce, Terra Firma Capital Corporation	CV-16-554573
7.	MDF Mechanical Limited	Urbancorp (Leslieville) Developments Inc., Travelers Guarantee Company of Canada also known as Travelers Insurance Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-551542
8.	NG Marin Inc.	Urbancorp (Leslieville) Developments Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-552136
9.	Orin Contractors Corp.	Urbancorp (Leslieville) Developments Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-15-543587
10.	Roni Excavating Limited	Urbancorp (Leslieville) Developments Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-15-543574
11.	Silvio Construction Co. Ltd.	Urbancorp (Leslieville) Developments Inc., Urbancorp Toronto Management Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-549968

	Plaintiff	Defendants	Court File No.
12.	Sterling Carpet & Tile	Urbancorp (Leslieville) Developments Inc., Urbancorp Inc., Urbancorp Financial Inc., Urbancorp Construction Company, Canadian Imperial Bank of Commerce, Travelers Insurance Company of Canada and Terra Firma Capital Corporation	CV-16-546232
13.	Uptown Hardware Limited	Urbancorp (Leslieville) Developments Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-551471

SCHEDULE "F"

Legal Description

Leslieville Project Lands - 50 Curzon Street, Toronto, Ontario

PIN 21051-0408 (LT)

Owner: Urbancorp (Leslieville) Developments Inc.

Firstly: Part Lot 11, Plan 61E Toronto; Part Lot 11, Concession 1 FTB, designated as Part 2, Plan 66R-25636; Secondly: Part Lot 11, Concession 1 FTB designated as Part 1, Plan 66R-25636; Thirdly: Part Lot 11, Concession 1 FTB commencing at an iron bar in the western limit of Curzon Street, distant 595.81 feet measured northerly therealong from the northern limit of Queen Street East; Thence north 16 degrees 00 minutes west along the said western limit of Curzon Street a distance of 65.70 feet to an iron bar; thence south 74 degrees 22 minutes 20 seconds west a distance of 252.43 feet to an iron pipe in the eastern limit of Lot 8, according to a Plan filed in the said Registry Office as number 61E; thence south 17 degrees 06 minutes east along the eastern limits of Lots 8 and 9 according to said Plan 61E a distance of 66.00 feet to a spike in a stump; Thence north 74 degrees 18 minutes 20 seconds east a distance of 251.17 feet to the point of commencement; subject to an easement as in AT2958528; subject to an easement as in AT3708202, subject to an easement as in AT3728135, City of Toronto

Vacant Lot

Owner: Urbancorp (Leslieville) Developments Inc.

Part of the Leslieville Project Lands designated as Part 10 on a draft reference plan of survey prepared by George C.M. Lo., Ontario Land Surveyor, of R. Avis Surveying Inc. dated January 28, 2015, the precise legal description for which will be set out in the Transfer/Deed to be delivered pursuant to the terms of the Order to which this schedule is annexed.

10:00 A.M.
COUNSEL SLIP

N

COURT FILE NO CV-16-11409-00CL DATE MAY 2, 2017

NO ON LIST 10

TITLE OF
PROCEEDING

✓ CANADIAN IMPERIAL BANK OF COMMERCE
URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.
et al.

COUNSEL FOR:

PLAINTIFF(S)

APPLICANT(S)

PETITIONER(S)

Clifton Prophet for CIBC
Thomas Germer as Agent
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RESPONDENT(S)

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V.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

SETTLEMENT APPROVAL ORDER

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Independent Counsel for Alvarez & Marsal Canada Inc., in its capacity as both Receiver and Manager, and Construction Lien Trustee of the assets, undertakings and property of Urbancorp (Leslieville) Developments Inc., Urbancorp (Riverdale) Developments Inc., and Urbancorp (The Beach) Developments Inc.