

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN

BRIDGING FINANCE INC., as agent for
2665405 ONTARIO INC.

Applicant

-and-

1033803 ONTARIO INC. and 1087507 ONTARIO LIMITED

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE
***BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED;**
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED

MOTION RECORD

(Returnable February 25, 2019)

**(Approval of Brampton Sale Agreement, Sale Process for Real Property, Fee Approval
and Distribution of Sale Proceeds)**

Date: February 15, 2019

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in its capacity as Court-appointed Receiver

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TAB1

ONTARIO
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AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED

NOTICE OF MOTION
(Returnable February 25, 2019)
(Approval of Brampton Sale Agreement, Sales Process for Real Property,
Fee Approval and Distribution of Sale Proceeds)

KSV KOFMAN INC. (“**KSV**”), in its capacity as the Court-appointed receiver and manager (KSV, in such capacity, the “**Receiver**”) of: (i) all of the assets, undertakings and properties of 1033803 Ontario Inc. (operating as Forma-Con Construction and Forma Finishing) (“**Forma-Con**”), including without limitation, the lands municipally known as 3420 Queen Street East, Brampton, Ontario (formerly 3420 Highway 7 East, Brampton, Ontario) (the “**Brampton Property**”) and 407 Basaltic Road, Concord, Ontario (the “**Concord Property**”) and 1087507 Ontario Limited including real property municipally known as 4431 Stouffville Road, Stouffville, Ontario (the “**Stouffville Property**”); (ii) certain assets of Bondfield Construction Company Limited (“**BCCL**”) and Bondfield Construction Equipment Ltd (“**BCEL**”); and (iii) the real property known municipally as 131 Saramia Crescent, Vaughan, Ontario (the “**Vaughan Property**”) ((i) – (iii), collectively, the “**Property**”), will make a motion

to a Judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario, on February 25, 2019, at 10:00 a.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR an order:

- (a) approving the agreement of purchase and sale made as of December 6, 2018 (the “**Sale Agreement**”), between the Receiver and 2657897 Ontario Inc. (“**265**”), an affiliate of Bridging Finance Inc., pursuant to which 265 has agreed to purchase the Brampton Property (the “**Transaction**”);
- (b) authorizing and directing the Receiver to execute all other ancillary documents and agreements required to complete the Transaction and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Companies’ right, title and interest in and to the Brampton Property to 265;
- (c) vesting Forma-Con’s and the Receiver’s right, title and interest in and to the Brampton Property free and clear of all encumbrances (other than permitted encumbrances, if any) provided that such vesting shall be effective only upon delivery by the Receiver to 254 of a certificate substantially in the form attached to the draft order confirming, among other things, that all terms and conditions under the Sale Agreement have been satisfied or waived;
- (d) approving the recommended sale and marketing process (the “**Real Estate Sale Process**”) to solicit offers for the Concord Property, the Stouffville Property and the Vaughan Property (collectively, the “**Unsold Properties**”), including the proposed retention of CBRE Group Inc. (“**CBRE**”) as listing agent;
- (e) approving the allocation of the sale proceeds of the GF Transaction (as defined herein) as set out in Section 5.3(5) of the Third Report;
- (f) authorizing the Receiver to make a distribution to Bridging Finance Inc., as agent for 2665405 Ontario Inc. (collectively, the “**Secured Creditor**”), in the

amount of \$12.3 million from the proceeds of the sale of BCCL's and BCEL's assets;

- (g) approving the fees and disbursements of the Receiver for the period from November 19, 2018 until January 31, 2019 and its counsel, Torys LLP for the period from November 13, 2018 until December 31, 2018;
- (h) approving the Third Report of the Receiver dated February 15, 2019 (the "**Third Report**"); and
- (i) such further and other relief as counsel may request and this Court may deem just, substantially in the form of the draft orders included at Tabs 3 and 4 of the Receiver's Motion Record.

THE GROUNDS FOR THE MOTION ARE:

- (a) On November 19, 2018, this Court granted an order (the "**Receivership Order**") appointing KSV as Receiver pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, R.S.O. 1990, c. C.43, as amended (the "**CJA**");
- (b) The Receivership Order authorizes the Receiver to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof (including the Brampton Property) and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

Approval of Brampton Property Sale
- (c) In connection with the Brampton Property, and as set forth in greater detail in the First Report, the Receiver negotiated and entered into the Sale Agreement subject to, among other things, approval by this Court;
- (d) On December 13, 2018, the Honourable Mr. Justice Dunphy issued an Order (the "**Stalking Horse Approval Order**") approving the Sale Agreement as a stalking

horse purchase agreement and approving the Bidding Procedures (as such term is defined in the Sale Agreement);

- (e) Pursuant to the Bidding Procedures, parties interested in purchasing the Brampton Property were provided with the opportunity to submit bids for the Brampton Property until January 31, 2019 (the “**Bid Deadline**”);
- (f) No qualified bids (other than the Sale Agreement) were received on or before the Bid Deadline and the Receiver and 265 have agreed to proceed with the Sale Agreement, subject to the approval of this Honourable Court;

Sales Process for Unsold Properties

- (g) The Receiver has solicited proposals from three realtors to act as listing agent for the Unsold Properties and has determined that CBRE is the appropriate listing agent for all 3 properties, subject to the approval of this Honourable Court;
- (h) The Receiver has summarized its proposed sales and marketing process for the Unsold Properties in Part 4 of the Third Report;
- (i) The Receiver believes that the Real Estate Sales Process for the Unsold Properties is a fair and transparent process and will maximize the value received for these properties in the circumstances;

Approval of Allocation of Sale Proceeds and Distribution to Secured Creditor

- (j) Pursuant to an Order of the Honourable Mr. Justice Dunphy dated December 13, 2018, the Court granted an Approval and Sale Order approving the sale of specific machinery, equipment and tooling owned by BCCL and BCEL to GF Equipment Corp. (“GFEC”) pursuant to a letter agreed dated November 23, 2018 and amended on December 10, 2018 (the “**GF Transaction**”) and ordered that all claims with respect to such assets shall attach to the sale proceeds from such transaction (the “**GF Transaction Sale Proceeds**”);

- (k) The Receiver and GFEC agreed to the allocation of the GF Transaction Sale Proceeds as set out in Section 5.3(5) of the Third Report;
- (l) The allocation of the GF Transaction Sale Proceeds is fair and reasonable and considers an independent appraisal obtained by BCCL, as well as other factors, as described in the Third Report;
- (m) The Secured Creditor holds security over all of the assets of the Debtors, including BCCL and BCEL;
- (n) The Receiver's counsel has provided the Receiver with an opinion that the Secured Creditor's security is valid and enforceable, subject to standard assumptions and qualifications;
- (o) The Receiver has determined that effecting a distribution in the amount of \$12.3 million from the proceeds of the sale of BCCL's and BCEL's assets to the Secured Creditor at this time is appropriate in the circumstances;

Approval of Receiver and its Counsel's Fees and Disbursements

- (p) Taking into account the overall value of the services provided by the Receiver and its counsel to date, the fees and disbursements of the Receiver and its counsel are fair and reasonable in the circumstances;
- (q) The Receiver has reviewed the bills of its counsel and is the opinion that the services have been duly authorized and rendered and the charges are reasonable;
- (r) The Receiver's actions and activities, as described in the Third Report, are lawful and proper, consistent with its powers and duties under the Receivership Order and in accordance with the provisions of the BIA;
- (s) Pursuant to the Receivership Order, the Receiver brings this motion to request the relief described above, and files the Third Report to provide this Court with the background, basis for, and recommendations in respect thereof;

- (t) Section 243(1) of the BIA;
- (u) Section 101 of the CJA;
- (v) The *Rules of Civil Procedure*, including, without limitation, Rules 1.04, 2.03, 3.02, and 37 thereof; and
- (w) Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) The Third Report; and
- (b) Such further and other evidence as counsel may advise and this Court may permit.

Date: February 15, 2019

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in its capacity as Court-appointed Receiver

TO: This Court

AND TO: The Service List

Service List

**ONTARIO
SUPERIOR COURT OF JUSTICE
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SERVICE LIST
(Unions and PPSA Registrants)
December 11, 2018

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| <p>BRICK AND ALLIED CRAFT UNION OF CANADA 130-180 Attwell Drive Etobicoke, ON M9W 6A9</p> <p>Elaine Daye Email: edaye@bacu.ca</p> | <p>GLOBAL BENEFITS 88 St Regis Crescent South North York, ON M3J 1Y8</p> <p>Fax: 416 635-6464 or 416 631-3064</p> |
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| | |
|--|---|
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PPSA REGISTRANTS¹

| | |
|---|---|
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| <p>McAlpine Ford Lincoln Sales Ltd 15815 Yonge Street Aurora, ON L4G 1P4</p> | <p>Aluma Systems Inc. 2 Manchester Court Bolton, ON L7E 2J3</p> |
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| <p>Bank of Montreal / Banque de Montreal 250 Yonge Street Toronto, ON M5B 2L7</p> | <p>ATCO Structures & Logistics ATCO Structures & Logistics Ltd. 65 Reive Boulevard Cookstown, ON L0L 1L0</p> |
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| <p>Wells Fargo Equipment Finance Company 2300 Meadowvale Blvd, Suite 200 Mississauga, ON L5N 5P9</p> | <p>Lincoln AFS PO Box 2400, Edmonton AB T5J 5C7</p> |
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¹ PPSA registrants on this Service List include parties with registrations against 1033803 Ontario Inc. and 1087507 Ontario Limited as well as other companies within the Bondfield group of companies.

| | |
|---|--|
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| Bridging Finance Inc., as Agent 77 King Street West Suite 2925 Toronto, ON M5K 1K7 | Element Financial Corporation 161 Bay Street Suite 4600, PO Box 621 Toronto, ON M5J 2S1 |

**BRIDGING FINANCE INC.,
as agent for 2665405 ONTARIO INC.**

Applicant

**1033803 ONTARIO INC. and
1087507 ONTARIO LIMITED**

Respondents

Court File No. CV-18-608978-00CL

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

Proceedings commenced in Toronto

**NOTICE OF MOTION
(Returnable February 25, 2019)
(Approval of Brampton Sale Agreement,
Sales Process for Real Property, Fee
Approval and Distribution of Sale Proceeds)**

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Lawyers for KSV Kofman Inc.,
in its capacity as Court-appointed Receiver



TAB2



**Third Report of
KSV Kofman Inc.
as Receiver and Manager of
1033803 Ontario Inc. and
1087507 Ontario Limited and
Certain Related Other Property**

February 15, 2019

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COURT FILE NO: CV-18-608978-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BRIDGING FINANCE INC. AS AGENT FOR
2665405 ONTARIO INC

APPLICANT

- AND -

1033803 ONTARIO INC. AND 1087507 ONTARIO LIMITED

RESPONDENTS

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS
AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.
1990, C. C.43, AS AMENDED

THIRD REPORT OF
KSV KOFMAN INC.
AS RECEIVER AND MANAGER

FEBRUARY 15, 2019

1.0 Introduction

1. On November 19, 2018, Bridging Finance Inc., as agent (the "Agent") for 2665405 Ontario Inc. (the "Lender"), made an application to the Ontario Superior Court of Justice (Commercial List) (the "Court") for, *inter alia*, the appointment of KSV Kofman Inc. ("KSV") as receiver and manager of:
 - a. all the assets, undertaking and property of 1033803 Ontario Inc., operating as Forma-Con Construction and Forma Finishing ("Forma Con"), including the real property known municipally as at 3420 Queen Street East, Brampton (the "Brampton Property") and 407 Basaltic Road, Concord (the "Concord Property");
 - b. all the assets, undertaking and property of 1087507 Ontario Inc. ("108" and together with Forma Con, the "Debtors"), including the real property known municipally as 4431 Stouffville Road, Stouffville (the "Stouffville Property");

- c. certain assets (the "Forma Con Related Assets") of Bondfield Construction Company Limited ("BCCL") and Bondfield Construction Equipment Ltd. ("BCEL", together with BCCL, Forma Con, 108 and several other related entities, the "Group"); and
 - d. the real property known municipally as 131 Saramia Crescent, Vaughan (the "Vaughan Property").
 2. The Court granted the relief requested by the Agent on the return of the receivership application and KSV was appointed receiver (the "Receiver").
 3. On December 13, 2018, the Court made orders:
 - a. approving a transaction (the "GF Transaction") with GF Equipment Corp. (the "Forma Con Purchaser") primarily for the sale of, *inter alia*, the Forma Con Related Assets; and
 - b. approving a "stalking horse" sale process (the "Stalking Horse Sale Process") for the Brampton Property (the "Stalking Horse Sale Process Order").
 4. The GF Transaction closed on December 14, 2018.

1.1 Purposes of this Report

1. The purposes of this report (the "Report") are to:
 - a. provide background information and an update concerning these proceedings;
 - b. summarize the results of the Stalking Horse Sale Process;
 - c. summarize a transaction (the "Brampton Transaction") with 2657897 Ontario Inc. ("265"), an affiliate of the Agent, the stalking horse bidder in the Stalking Horse Sale Process, for the sale of the Brampton Property pursuant to an Agreement of Purchase and Sale dated December 6, 2018 between the Receiver and 265 (the "Brampton APS");
 - d. summarize the recommended sale and marketing process (the "Real Estate Sale Process") to solicit offers for the Concord Property, Stouffville Property and Vaughan Property (collectively, the "Unsold Properties"), including the proposed retention of CBRE Group Inc. ("CBRE") as listing agent;
 - e. discuss the amounts presently available for distribution by the Receiver to creditors; and

- f. recommend that the Court issue orders, *inter alia*:
 - (i) approving the Brampton Transaction;
 - (ii) vesting title in and to the Brampton Property in 265, free and clear of all liens, claims and encumbrances, upon filing a certificate confirming, among other things, the completion of the Brampton Transaction;
 - (iii) approving the Real Estate Sale Process;
 - (iv) approving the allocation of the proceeds generated from the GF Transaction;
 - (v) authorizing and directing the Receiver to make a distribution in the amount of \$12.3 million to the Agent from the proceeds of the GF Transaction to reduce the pre-filing debt owing to the Agent;
 - (vi) approving the fees and disbursements of the Receiver and its legal counsel, Torys LLP ("Torys"), for the periods referenced in the attached fee affidavits; and
 - (vii) approving this Report and the Receiver's activities, as described herein.

1.2 Currency

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

1.3 Court Materials

- 1. Court materials filed in these proceedings are available on the Receiver's website at <https://www.ksvadvisory.com/insolvency-cases/case/forma-con>.

1.4 Restrictions

- 1. In preparing this Report, the Receiver has relied upon the Group's unaudited financial information, including certain of its books and records, discussions with its management and discussions with its advisors. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
- 2. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Group's financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Background

2.1 Forma Con

1. Forma Con was incorporated in 1993. It operated a concrete forming business that provided services to construction projects. The shares of Forma Con are privately held by members of the Aquino family.
2. BCCL is a full-service construction company operating in Southern Ontario. Other than BCCL's assets subject to the receivership order, BCCL is not subject to these proceedings and its business continues to operate.
3. The corporate chart for the Group is attached as Appendix "A".

2.2 GF Transaction

1. The GF Transaction was completed on December 14, 2018. The purchase price was \$13 million.
2. Pursuant to the terms of the Agreement of Purchase and Sale between the Receiver and the Forma Con Purchaser dated November 23, 2018, as amended by an agreement dated December 10, 2018 (collectively, the "Forma Con APS"), the Forma Con Purchaser was provided the opportunity to perform diligence until December 10, 2018. To address the risk that the Forma Con APS was conditional on further due diligence, and because Forma Con was continuing to incur significant costs during the diligence period, the Forma Con Purchaser agreed to fund all operating costs from November 19, 2018 to December 14, 2018 (the "Pre-Closing Liabilities") and received the benefit of all accounts receivable generated during that period. On the execution of the Forma Con APS, the Forma Con Purchaser paid a \$1 million deposit (the "Pre-Closing Liabilities Deposit") toward the Pre-Closing Liabilities, as required under the Forma Con APS.
3. In accordance with the terms of the Forma Con APS, the Receiver provided a Pre-Closing Liabilities statement (the "Statement") to the Forma Con Purchaser on January 14, 2019. The Statement was updated and provided again to the Forma Con Purchaser on January 18, 2019. After some minor adjustments, the Forma Con Purchaser and the Receiver agreed that the Pre-Closing Liabilities obligation totaled \$3,788,120.55.
4. On February 14, 2019, the Forma Con Purchaser paid the Receiver \$2,788,120.55 on account of the Pre-Closing Liabilities, representing payment in full of the Pre-Closing Liabilities after application of the Pre-Closing Liabilities Deposit (\$1 million).

2.3 Forma Con - Accounts Receivable

1. At the commencement of the receivership proceedings, Forma Con had 13 ongoing projects (collectively, the "Projects"). Additionally, Forma Con also provided, and still provides, forming services to BCCL on certain of its projects.

2. As of December 31, 2018, the total estimated accounts receivable¹ owing on the Projects was approximately \$19.9 million, excluding amounts owing from BCCL.
3. The Receiver has taken steps to collect the receivables on the Projects, including:
 - a. negotiating extensively with each of the Project owners or their representatives (the "Owners");
 - b. registering liens totalling approximately \$5.5 million against four of the Projects; and
 - c. entering into agreements (the "Close-Out Agreements") on four Projects that will result in the collection of the receivables net of agreed *bona fide* setoff claims. The Receiver is presently negotiating an additional three Close-Out Agreements.
4. In negotiating the Close-Out Agreements, the Receiver considered several factors, including:
 - a. the amounts owing to Forma Con under each contract;
 - b. the cost-to-complete each contract; and
 - c. setoff claims asserted by the Owners in respect of, *inter alia*:
 - (i) lien claims filed by Forma Con's subcontractors (including unions) which provided goods and/or services to the Projects;
 - (ii) delay, warranty and deficiency claims;
 - (iii) incremental costs incurred by the Owners to retain a forming contractor to complete the work Forma Con had contracted to provide²; and
 - (iv) the cost of removing nine cranes from job sites, which is a responsibility of Forma Con under each of its contracts with the Owners, and which is also a term of the Forma Con APS³.
5. Where possible, in negotiating each Close-Out Agreement:
 - (i) the Receiver has only accepted substantiated setoff claims, either through documentary support provided by the Owners or by Forma Con;

¹ Represents the sum of accounts receivable and holdbacks.

² The Forma Con Purchaser is completing many of the Forma Con projects. In each instance, the amount charged by the Forma Con Purchaser exceeds the amounts that were to be charged by Forma Con under the Project contracts. The Receiver has recognized this as a legitimate setoff.

³ The total cost to remove the cranes is estimated to be approximately \$1 million.

- (ii) to support delay claims, the Receiver spoke with Forma Con's management to determine the merits of the Owners' claims; and
 - (iii) for warranty claims, the Receiver is in the process of arranging for the Forma Con Purchaser to provide a warranty to certain Owners at a cost to the Receiver less than the setoff claims asserted by Owners in respect of Forma Con's warranty obligations under its contracts⁴.
6. As at the date of this Report, the Receiver is unable to determine the amount of the receivables that will be collected.

3.0 Stalking Horse Sale Process

3.1 Overview

1. 265, an affiliate of the Agent, and the Receiver entered the Brampton APS pursuant to which 265 is the "stalking horse" in the Stalking Horse Sale Process. The Brampton APS contemplates the purchase by 265 of the Brampton Property for \$16.5 million in the form of a credit bid. Further details concerning the Brampton APS are provided in Section 3.3 below.
2. In the two years prior to these proceedings, the Group's management had retained Intercity Realty Inc. ("Intercity") to list the property for sale.
3. The Stalking Horse Sale Process Order:
 - a) authorized and directed the Receiver to enter the Brampton APS for the purpose of conducting the Stalking Horse Sale Process; and
 - b) approved the Stalking Horse Sale Process, including authorizing the Receiver to retain Intercity as the realtor for the Brampton Property.
4. A summary of the Stalking Horse Sale Process conducted is as follows:

Pre-marketing Phase

- a) Following the issuance of the Stalking Horse Sale Process Order, the Receiver and Intercity assembled information concerning the Brampton Property to be made available to interested parties in a virtual data room ("VDR");

⁴ The Receiver has been advised that warranty claims are negligible in the forming business. However, because many Owners have taken the position that Forma Con has a warranty obligation under their respective contracts, the Owners have taken aggressive positions as to the value of the warranty.

- b) Intercity and the Receiver prepared:
- an investment summary detailing the acquisition opportunity for the Brampton Property (the "Investment Summary");
 - a confidentiality agreement ("CA");
 - the VDR, which contained, *inter alia*, environmental reports and a copy of the Brampton APS; and
 - a Confidential Information Memorandum ("CIM"), which included a summary of the Brampton Property and details concerning the Stalking Horse Sale Process.

Marketing

- a) On December 21, 2018, January 14, 2019 and January 29, 2019, Intercity sent the Investment Summary to approximately 3,000 parties in its database;
- b) The CA was attached to the Investment Summary. Interested parties were required to sign the CA to obtain a copy of the CIM and to access the data room;
- c) The opportunity was advertised on January 10 and 15, 2019 in the national edition of *The Globe and Mail*;
- d) Intercity met with and discussed the opportunity with several developers and builders;
- e) "For Sale" signs were placed on the Brampton Property; and
- f) The opportunity was advertised on Intercity's website and on the Multiple Listing Service;

Bid Deadline

- a) The bid deadline was January 31, 2019 (the "Bid Deadline").
- b) In order to compare the offers submitted, all interested parties were encouraged to submit offers in the form of the Brampton APS, which was provided in the data room, and to blackline any changes made to that agreement.

3.2 Stalking Horse Sale Process Results

1. A summary of the results of the Stalking Horse Sale Process is as follows:
 - a) 61 parties executed the CA, were provided a copy of the CIM and given access to the data room; and
 - b) one party submitted a Letter of Intent (the "LOI").
2. The value of the LOI is sufficient to be a "Qualified Bid"; however, it is subject to a 60-day diligence condition. In order to be a Qualified Bid, offers must be unconditional. Intercity advised the interested party that it was required to waive its diligence condition in order to be deemed a Qualified Bid. The party declined to do so and advised Intercity that an unconditional offer would be for an amount significantly less than the value of the Brampton APS. Accordingly, the Receiver determined that the LOI was not a Qualified Bid.

3.3 Brampton Transaction⁵

1. A copy of the Brampton APS is attached as Appendix "B".
2. A summary of the Brampton Transaction is as follows:
 - **Purchaser:** 265
 - **Purchased Assets:** the Brampton Property
 - **Purchase Price:** \$16.5 million, in the form of a credit bid. The purchase price is to be adjusted on closing for property taxes and other adjustments standard for a real estate transaction.
 - **Representation and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an "as is, where is" basis, with limited representations and warranties.
 - **Closing:** first business day which is three business days after receipt of the Approval and Vesting Order and such Order being a Final Order (as such term is defined in the Brampton APS). The Receiver and representatives of 265 have discussed closing on the day the Approval and Vesting Order is issued and the Receiver expects closing will occur on that date.

⁵ Capitalized terms in this section have the meaning provided to them in the Brampton APS unless otherwise defined herein.

- **Material Conditions:** none, other than by Closing, the Court will have issued an Approval and Vesting Order approving the transaction and vesting the Brampton Property in 265 free and clear of all Encumbrances other than Permitted Encumbrances.
- **Termination:** the Brampton APS can be terminated:
 - upon mutual written agreement of the parties;
 - by the Receiver or 265 if consummation of the Brampton Transaction violates any final order of the Court or any other Governmental Authority having competent jurisdiction, provided that the party seeking to terminate the Agreement shall have used its commercially reasonable efforts to challenge such law, order, decree or judgment; or
 - by 265 or the Receiver, if the Closing shall not have occurred by 5:00 p.m. on March 31, 2019.
- **Closing Documents and Payment of the Purchase Price:** on or before Closing, 265 shall deliver an irrevocable direction and acknowledgment, in a form acceptable to the Receiver, in its sole discretion, from each of the Agent and 265 acknowledging the reduction of the Secured Indebtedness in the amount of the Purchase Price.

3.4 Union Arrears

1. On the date the Stalking Horse Approval Order was issued (December 14, 2018), Koskie Minsky LLP LLP (“Koskie”), counsel to Labourers’ Pension Fund (183), I.U.O.E. Local 793 and Liuna Local 506 (collectively, the “Unions”), advised the Receiver and the Court that the Unions have claims for pension amounts that they allege rank in priority to the Agent’s security interest in the Brampton Property (the “Union Claim”). Support for the Union Claim was only provided to the Receiver on February 11, 2019. The Receiver has requested additional support in respect of the Union Claim. Koskie has advised the Receiver that the Unions will not oppose the Brampton Transaction provided the Receiver holds back sufficient cash in its bank account to satisfy the Union Claim.

3.5 Sale Process Recommendation

1. For the following reasons, the Receiver recommends that the Court issue an order approving the Brampton Transaction:
 - a) the Stalking Horse Sale Process was conducted in accordance with the terms of the Stalking Horse Process Order;
 - b) the Brampton Transaction provides for the greatest recovery available in the circumstances;

- c) the Brampton Property was marketed for sale by Intercity for two years prior to these proceedings;
- d) the market was widely canvassed during the Stalking Horse Sale Process using several commonly used approaches to sell real property;
- e) Intercity is of the view that the Brampton Transaction is the best available in the circumstances;
- f) absent the Brampton Transaction, a protracted marketing period will likely be necessary. The ongoing professional fees and other costs will erode the recoveries with no certainty that a superior transaction could be completed; and
- g) the Agent, being the principal party with an economic interest in the transaction, is supportive of it.

4.0 Real Estate Sale Process

4.1 Unsold Properties

1. The table below summarizes the Unsold Properties.

| Property | Owner | Status | Type | Number of Tenants | Right of First Refusal |
|-------------|--------------|--------|---------------|-------------------|------------------------|
| Stouffville | 108 | Leased | Garden Centre | 1 | Yes |
| Concord | Forma Con | Leased | Office | 1 | No |
| Vaughan | Ralph Aquino | Leased | Industrial | 2 | Yes |

2. The Receiver intends to commence a sale process for these properties.

4.2 Request for Proposals from Realtors

1. The Receiver solicited proposals from three realtors to act as listing agent for the Unsold Properties. The Receiver requested that each realtor provide: their experience with insolvency transactions; their experience selling similar real estate; a marketing plan; an estimate of the value of the Unsold Properties; and their proposed commission structure.
2. Each realtor was provided access to an electronic data room after it executed a confidentiality agreement ("CA").
3. The deadline to submit proposals was January 30, 2019.

4. The Receiver selected CBRE to act as the listing agent based on its responses to the criteria set out in 4.2.1 above. The Receiver discussed its recommendation with the Agent, who has consented to CBRE's retention.
5. A copy of CBRE's listing agreement was not available as at the time this Report was finalized; however, under the terms negotiated with CBRE, a total commission of 2.25% is payable if there is a co-operating broker, with 1.25% payable to the co-operating brokerage. If CBRE sells the property without the involvement of a co-operating broker, the commission is 1.75%. On the return of this motion, the Receiver will provide a copy of the listing agreement to the Court should it wish to have a copy. The Receiver will also advise the Court of any non-market terms of the listing agreement, if any, on the return of the motion.

4.3 Rights of First Refusal

1. The Stouffville Property and Vaughan Property (each a "ROFR Property" and jointly, the "ROFR Properties") are subject rights of first refusal (a "ROFR") in favour of one of the tenants in each of those properties (the "ROFR Holders").
2. Prior to commencing the sale process, the Receiver and/or CBRE intend to contact each ROFR Holder to understand if it has any intention to exercise its ROFR. If the ROFR Holders advise the Receiver that they have an interest in exercising their ROFRs, the Receiver intends to:
 - a) commission, at the Receiver's cost, reports (such as environmental and building inspection reports ("Diligence Reports")) which are normally required by prospective purchasers when performing diligence on real estate;
 - b) provide the ROFR Holders an option to exercise their ROFRs once the Receiver has received an offer/offers acceptable to it, meaning that it is for a value acceptable to the Receiver and is unconditional (the party submitting such an offer being a "Successful Bidder"); and
 - c) reimburse the Successful Bidder's legal expenses to a cap of \$10,000 (plus HST) should a ROFR be exercised.
2. The Receiver believes it is necessary to commission the Diligence Reports and to make them available to interested parties as interested parties may not be prepared to incur the costs of diligence given the existence of the ROFRs.
3. The Successful Bidder will be required to make their offer irrevocable for the period each ROFR Holder has to exercise its ROFR, being three business days on Saramia and 15 days on Stouffville.
4. In the Receiver's view, the steps described above are appropriate and necessary to facilitate a wide marketing of the ROFR Properties.

5. If the ROFR Holders are not interested in exercising their ROFRs, the Receiver does not intend to incur the costs of the Diligence Reports. In this circumstance, these costs would be the responsibility of the interested parties.

4.4 Sale Process

1. The Receiver recommends that the Court issue an order approving the Real Estate Sale Process described in the table below.
2. The launch dates for the sale process are proposed to be as follows: March 1, 2019 for the Concord Property and April 1, 2019 for the ROFR Properties. The time leading up to each launch date is to be used to prepare, *inter alia*, the marketing and other materials for each property, as more fully detailed below⁶.

| Summary of Sale Process | | |
|-------------------------------|---|--|
| Milestone | Description of Activities | Timeline |
| <i>Phase 1 – Underwriting</i> | | |
| Finalize marketing materials | <ul style="list-style-type: none"> ➤ CBRE and the Receiver to: <ul style="list-style-type: none"> ○ prepare a summary of the projects and the opportunities; ○ populate an online data room; ○ prepare a CA; ○ prepare a separate Confidential Information Memorandum (“CIM”) for each property; and ○ commission Diligence Reports for the ROFR Properties, if necessary (depending on feedback from the ROFR Holders). | March 1, 2019 for the Concord Property and April 1, 2019 for the ROFR Properties |
| Prospect Identification | <ul style="list-style-type: none"> ➤ CBRE to develop a master prospect list. CBRE will qualify and prioritize prospects. ➤ CBRE will also have pre-marketing discussions with targeted developers. | |
| <i>Phase 2 – Marketing</i> | | |
| Stage 1 | <ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ offering summary and marketing materials printed; ○ publication of the acquisition opportunity in <i>The Globe and Mail</i> (National Edition); | Weeks 1 to 2 from launch dates |

⁶ If either ROFR Holder advises that it does not wish to exercise its ROFR, the launch date would also be March 1, 2019 (or as soon as possible thereafter) for the respective ROFR Property.

| Summary of Sale Process | | |
|--|--|---------------------------------|
| Milestone | Description of Activities | Timeline |
| | <ul style="list-style-type: none"> o telephone and email canvassing of leading prospects; and o meet with and interview prospective bidders. ➤ Assist the Receiver and its legal counsel in the preparation of a vendor's form of Purchase and Sale Agreement (the "PSA") for each property. | |
| Stage 2 | <ul style="list-style-type: none"> ➤ CBRE to provide detailed information to qualified prospects which sign the CA, including the CIM, access to the data room and a form PSA. ➤ CBRE to facilitate all diligence by interested parties. | Weeks 2-5 from launch dates |
| Stage 3 | <ul style="list-style-type: none"> ➤ Prospective purchasers to submit PSAs | End of week 5 |
| <i>Phase 3 – Offer Review and Negotiations</i> | | |
| Short-listing of Offers | <ul style="list-style-type: none"> ➤ Short listing of bidders. ➤ Further bidding - Interested bidders may be asked to improve their offers. | One week following bid deadline |
| Selection of Successful Bids | <ul style="list-style-type: none"> ➤ Select successful bidder and finalize definitive documents. ➤ After selection of the successful bidders, provide the Saramia ROFR holder 3 business days and the Stouffville ROFR holder 15 days to exercise their ROFRs, as required under the terms of their ROFRs. | One week |
| Transaction Approval Motion and Closing | <ul style="list-style-type: none"> ➤ Motion for transaction approval and close transaction | ASAP |

3. Additional aspects of the Real Estate Sale Process include:

- a) the Unsold Properties will be marketed on an "as is, where is" basis;
- b) the Receiver will be entitled to extend the deadline to submit offers under the Real Estate Sale Process if it considers it to be appropriate and necessary;
- c) the Receiver will have the right to reject any and all offers, including the highest offer;

- d) if the Agent does not consent to the sale to the highest or best offer received for a property, then the Receiver will terminate the sale process for that property. The Agent will then have the option to credit bid its debt to purchase the property; and
- e) any transaction will be subject to Court approval.

4.5 Real Estate Sale Process Recommendation

1. The Receiver recommends that the Court issue an order approving the Real Estate Sale Process, including the retention of CBRE as realtor, for the following reasons:
 - a) CBRE's team will be led by individuals who have extensive real estate experience;
 - b) the commission structure presented by CBRE was the lowest of the three realtors;
 - c) the sale process is fair, open and transparent and is intended to canvass the market broadly in order to obtain the highest and best offers;
 - d) the duration of the process is sufficient to allow interested parties to perform diligence and to submit an offer. The Receiver will also have the right to extend or amend timelines, as it considers necessary, to maximize value. Each bidder will be provided with the same deadline to submit an offer; and
 - e) the process considers the interests of the ROFR holders and provides a framework for dealing with the ROFRs.

5.0 Distribution

5.1 Secured Lenders

1. The Agent, on behalf of the Lender, is the Group's principal secured creditor. As at the date of this Report, the Group is indebted to the Agent for approximately \$82 million, including \$1.895 million that it has advanced under Receiver's Certificates, plus costs and expenses which continue to accrue.
2. A list of parties that have Personal Property Security Act registrations against the Debtors and the Forma Con Related Assets is provided in Appendix "C". Each of these parties has been served with this motion.

5.2 PERI

1. The Receiver is aware of one claim against the GF Transaction proceeds where the claimant has asserted priority over the claims of the Agent. On or about January 15, 2019, counsel for PERI Formwork Systems Inc. ("PERI") advised the Receiver's counsel that certain of the assets sold pursuant to the GF Transaction were subject to an unregistered possessory lien under the Repair and Storage Lien Act (the "RSLA"). The Receiver was not aware of the unregistered RSLA lien at the time of seeking Court approval for the GF Transaction and PERI was not served with the application for a vesting order. As such, the Receiver does not believe that the RSLA lien attaches to the sale proceeds from the GF Transaction. In any event, the total amount of the purported RSLA lien is less than \$100,000 and the Receiver has held back sufficient funds to satisfy the RSLA lien claim if this Court determines that PERI has a priority entitlement to such proceeds. Additionally, significant assets remain to be realized upon by the Receiver, including the Unsold Properties.

5.3 Distribution

1. The purchase price under the GF Transaction was \$13 million. The principal assets acquired by the Forma Con Purchaser are aluminum scaffolding owned by BCCL and thirty-two cranes owned by BCEL (the "BCCL and BCEL Equipment").
2. In August 2018, BCCL commissioned GB Appraisal Canada, ULC, an affiliate of Gordon Brother Group, LLC to appraise the BCCL and BCEL Equipment (the "Appraisal"). The Appraisal provides that the orderly liquidation value and fair market value of the cranes and aluminium scaffolding is approximately \$12.3 million and \$21.9 million, respectively. A copy of the Appraisal is attached as Appendix "D".
3. As at the commencement date of these proceedings, the net book value of the cranes was approximately \$3.4 million. The Receiver has not been able to confirm the book value of the aluminum scaffolding as BCCL's books and records are incomplete in this regard.
4. In addition to the BCCL and BCEL Equipment, the Forma Con Purchaser also purchased the Pre-Closing Receivables. In the Receiver's view, the Pre-Closing Receivables have negligible, if any, value when netted against the Pre-Closing Liabilities. The Forma Con Purchaser also hired most of the Forma Con employees.
5. According to the Forma Con APS, the Forma Con Purchaser and Receiver are required to agree on value allocation. The Forma Con Purchaser and the Receiver have agreed to allocate the purchase price as follows: \$5 million to the cranes and other equipment owned by BCEL, \$7.5 million to the aluminium and other equipment owned by BCCL and \$500,000 to Forma Con.

6. The Receiver believes that the allocation is reasonable based on the appraised values, the available book values and the net realizable values of the purchased assets. Additionally, the Forma Con Purchaser has advised the Receiver that it is not prepared to allocate a greater portion of the purchase price to Forma Con.
7. Immediately following its appointment, the Receiver instructed Torys LLP ("Torys") to perform a review of the Agent's security. Subject to the standard assumptions and qualifications contained in the security opinion, Torys is of the opinion that the security granted by the Debtors, BCCL and BCEL and Ralph Aquino, a guarantor, in favour of the Agent creates a valid and perfected security interest in the assets subject to the receivership. A copy of the security opinion is provided in Appendix "E".
8. Canada Revenue Agency ("CRA") has filed a trust claim in the amount of \$12.5 million against Forma Con, comprised of approximately \$7.2 million for source deduction arrears and \$5.3 million for Harmonized Sales Tax arrears. The Receiver has served CRA with its motion materials. The Receiver has been advised by FAAN Advisors Group Inc., BCCL's financial advisor, that: (i) BCCL is current with respect to its source deductions and HST remittances; and (ii) BCEL does not have any source deductions or HST obligations.
9. The current bank balance in the receivership bank account is approximately \$14million. A statement of the receipts and disbursements from the commencement of the receivership to February 15, 2019 is attached as Appendix "F".
10. The Receiver is seeking Court approval to make a distribution of \$12.3 million from the proceeds of the BCCL BCEL Equipment to the Agent in respect of its pre-filing debt.
11. Other than the Receiver's Charge, the amounts borrowed under Receiver Certificates and the potential PERI RSLA claim, the Receiver is not aware of any claims in BCCL and BCEL that rank in priority to the proposed distribution. The Receiver will maintain a holdback of \$1.7 million to fund ongoing receivership costs, including professional fees, the Union Claim and any potential PERI RSLA claim. Additionally, further material recoveries are expected to be generated from the sale of the Unsold Properties and from other assets.
12. The Agent has been the only source of funding for these proceedings. The Agent has requested that the Receiver distribute available proceeds to it that are not otherwise subject to a holdback for the reasons described above. In light of the benefits provided by the Agent's funding of these proceedings, this is a reasonable request, in the view of the Receiver. Given the other relief that is being sought and that is described herein, as well as the availability of funds to distribute, this motion is an appropriate time to accommodate this request. In addition, a distribution to the Agent at this time will pay down a portion of the indebtedness owed to the Agent and limit the accrual of additional fees and interest in respect thereof, for the benefit of creditors generally.

13. Based on the foregoing, the Receiver recommends the Court approve the distribution.

6.0 Professional Fees

1. The fees of the Receiver and Torys are summarized in the table below.

| Firm | Period | (\$) | | | Average Hourly Rate |
|-------|----------------------|------------|---------------|------------|------------------------|
| | | Fees | Disbursements | Total | |
| KSV | Nov 19/18– Jan 31/19 | 565,262.75 | - | 565,262.75 | 495.44 |
| Torys | Nov 13/18 -Dec 31/18 | 302,024.60 | 9,697.69 | 311,722.29 | 689.50 |
| Total | | 867,287.35 | 9,697.69 | 876,985.04 | |

2. Detailed invoices can be found in the affidavits filed by representatives of the Receiver and Torys, which are provided in Appendices "G" and "H", respectively.
3. The Receiver is of the view that the hourly rates charged by Torys are consistent with the rates charged by major law firms practicing in the area of insolvency and restructuring in the Toronto market, and that the fees charged are reasonable in the circumstances.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Court make an Order granting the relief detailed in Section 1.1(1)(f) of this Report.

* * *

All of which is respectfully submitted,



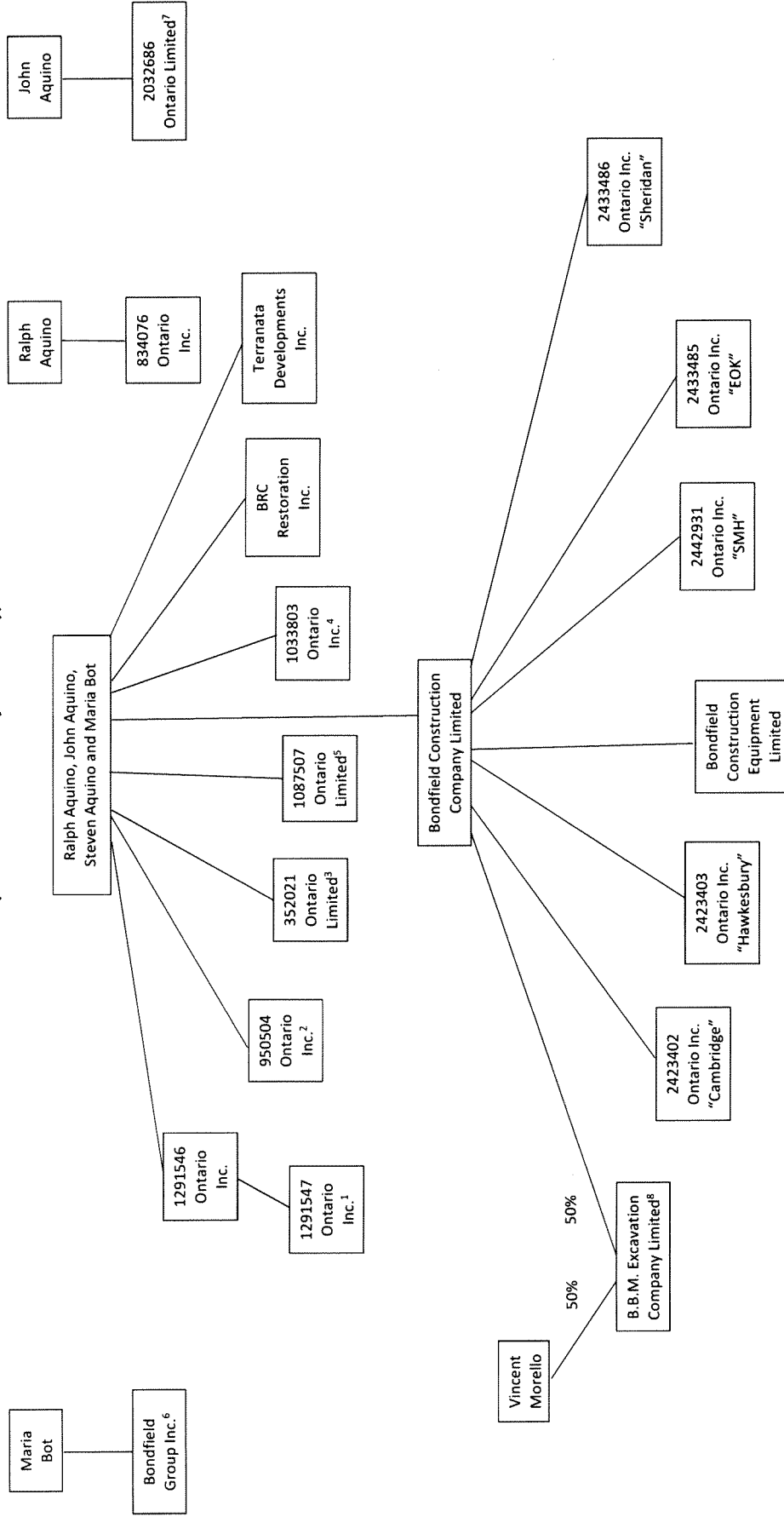
**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
10338083 ONTARIO INC., 1087507 ONTARIO LIMITED
AND CERTAIN OTHER PROPERTY
AND NOT IN ITS PERSONAL CAPACITY**



TABA

Appendix “A”

Bondfield Group – Corporate Organizational Chart
 (includes active P3 Project Cos only)



1. Shareholder Loans
2. Holding Company (Brewster Rd, Sangester and Avenue Road) – Holds properties (5%)
3. Union Payroll Company (only processes payroll)
4. Holding Company (407 Basaltic, Brewster Road and 3420 Hwy 7) – Holds Properties (5%). Operating as Forma Finishing and Forma-Con Construction
5. Holding Company (Stouffville Property) – Holds Properties (5%)
6. Formerly Bondfield Management Inc. Office Staff Payroll Company (only processes payroll)
7. Masonry Division. Operating as BMC Masonry.
8. Joint venture company (not forming part of security package)



TABB

Appendix “B”

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made as of the 6th day of December, 2018,

BETWEEN:

KSV KOFMAN INC., in its capacity as Court-appointed receiver of all of the assets, undertakings and properties of 1033803 Ontario Inc., and not in its personal capacity

(in such capacity, the “**Receiver**”)

OF THE FIRST PART,

-and-

2657897 ONTARIO INC.

(the “**Purchaser**”)

OF THE SECOND PART.

WHEREAS pursuant to an order of the Ontario Superior Court of Justice (Commercial List) issued on November 19, 2018 (the “**Receivership Order**”), the Receiver was appointed as receiver of, *inter alia*, all of the assets, undertakings and properties of 1033803 Ontario Inc., operating as Forma-Con Construction and Forma Finishing (“**Forma-Con**”);

AND WHEREAS the Receiver will seek the Bidding Procedures Order pursuant to which the Receiver will be authorized to enter into this Agreement and commence the sale process with respect to the Lands (as defined herein) in accordance with the Bidding Procedures (as defined herein);

AND WHEREAS the Purchaser has agreed: (i) to act as a “stalking horse bidder”, and (ii) to purchase the Lands in the absence of a superior bid to the transaction of purchase and sale contemplated in this Agreement pursuant to the Bidding Procedures;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree and declare as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

The terms defined herein shall have, for all purposes of this agreement, the following meanings, unless the context expressly or by necessary implication otherwise requires:

“**2665405**” means 2665405 Ontario Inc.

“**Adjustment Date**” means 11:59 p.m. on the day preceding the Closing Date.

“**Adjustments**” means the adjustments to the Purchase Price provided for and determined pursuant to Sections 3.2 and 3.3.

“**Agreement**” means this agreement of purchase and sale and the schedules attached hereto, as amended from time to time; “**Article**”, “**Section**” and “**Subsection**” mean and refer to the specified article, section and subsection of this Agreement.

“**Alternative Transaction**” means a transaction pursuant to a bid made by a Person other than the Purchaser which is selected by the Receiver as the highest and best offer in accordance with the Bidding Procedures.

“**Approval and Vesting Order**” has the meaning set forth in Section 4.1(d).

“**Applicable Laws**” means all statutes, laws, by-laws, rules, regulations, ordinances, orders, judgments, decrees, decisions or other requirements having the force of law of Governmental Authorities having jurisdiction, whether federal, provincial, municipal or otherwise.

“**Auction**” has the meaning ascribed thereto in Section 8.2(a).

“**BCCL**” means Bondfield Construction Company Limited.

“**Bidding Procedures**” means the bidding procedures attached as Schedule C.

“**Bidding Procedures Order**” has the meaning set out in Section 8.1.

“**Bridging**” means Bridging Finance Inc., as agent under the Credit Agreement.

“**Business Day**” means any day, other than a Saturday, Sunday or legal holiday in Toronto, Ontario.

“**Cash Proceeds**” has the meaning ascribed to such term in Section 3.1.

“**Claims**” means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including solicitor and client costs and disbursements, and all costs incurred in investigating or pursuing any of the foregoing or any proceedings relating to any of the foregoing, related to Forma-Con or the Lands, and “**Claim**” means any one of them.

“**Closing**” means the successful closing and consummation of the Transaction.

“**Closing Date**” means 10:00 a.m. (Toronto time) on the day that is which is three (3) Business Days after issuance of the Approval and Vesting Order.

“**Court**” means the Ontario Superior Court of Justice (Commercial List).

“**Closing Documents**” means, collectively, the agreements, instruments and other documents to be delivered by the Receiver to the Purchaser pursuant to Section 5.1 and the agreements, instruments and other documents to be delivered by the Purchaser to the Receiver pursuant to Section 5.2.

“**Confidential Information**” has the meaning ascribed thereto in Section 2.4.

“**Credit Agreement**” means that certain credit agreement letter dated as of July 24, 2017 between BCCL and Bridging, as agent for certain lenders, as such lenders interests were assigned to 2665405 pursuant to an assignment and assumption agreement dated November 15, 2018.

“**DRA**” has the meaning ascribed thereto in Section 5.5.

“**Encumbrances**” means all mortgages, pledges, charges, liens, trusts, deemed trusts, prior liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, the Lands or any part thereof or interest therein, and any agreements, leases, offers to lease, subleases, concessions, occupancy agreements, licences, options, easements, rights of way, servitudes, restrictions, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing) against title to the Lands or any part thereof or interest therein.

“**Execution Date**” means the date upon which this Agreement is executed and delivered by each of the parties hereto.

“**Final Order**” means an order of a court of competent jurisdiction, the operation or effect of which has not been stayed or subject to appeal.

“**Forma-Con**” has the meaning ascribed thereto in the first recital.

“**Governmental Authority**” means any government, regulatory authority, government department, agency, utility, commission, board, tribunal or court having jurisdiction on behalf of any nation, province or state or other subdivision thereof or any municipality, district or other subdivision thereof.

“**HST**” means goods and services tax payable pursuant to the *Excise Tax Act* (Canada) and, where applicable, any corresponding or similar taxes under provisions of provincial tax law, including harmonized sales tax.

“**HST Undertaking and Indemnity**” has the meaning ascribed thereto in Section 5.3.

“**Lands**” or the “**Property**” means the lands municipally known as 3420 Queen Street East, Brampton, Ontario (formerly 3420 Highway 7 East, Brampton, Ontario) and legally described in Schedule A attached hereto.

“**Loan Documents and Security**” means the Credit Agreement, and the security granted by Forma-Con in respect thereto, including (i) that certain Omnibus Guarantee dated as of July 24,

2017 by, among others, Forma-Con, pursuant to which Forma-Con guaranteed the Guarantee Obligations (as defined therein), which includes, without limitation, all indebtedness, liabilities and obligations of BCCL to Bridging under or in connection with the Credit Agreement, (ii) that certain Demand Debenture dated as of July 24, 2017 in the principal amount of \$90,000,000 made by Forma-Con in favour of Bridging with respect to the Lands, which constitutes a first registered charge/mortgage on the Lands, registered on July 25, 2017; (iii) that certain Agreement in respect of a general assignment of rents dated as of July 24, 2017 given by Forma-Con in favour of Bridging, which is registered against the Lands; and (iv) that certain Omnibus General Security Agreement dated as of July 24, 2017 by, among others, Forma-Con in favour of Bridging.

“**Notice**” has the meaning ascribed thereto in Section 9.10.

“**Order**” means any order, writ, judgment, injunction, decree, rule, ruling, directive, determination or award made, issued or entered into by or with any Governmental Authority whether preliminary, interlocutory, final, including any order entered into by the Court.

“**Permitted Encumbrances**” means the Encumbrances listed in Schedule B attached hereto.

“**Person**” means an individual, partnership, corporation, trust, unincorporated organization, government, or any department or agency thereof, and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual.

“**Purchase Price**” means Sixteen Million, Five Hundred Thousand Dollars (\$16,500,000), exclusive of any applicable taxes.

“**Purchaser’s Solicitors**” means Goodmans LLP or such other firm or firms of solicitors or agents as are retained by the Purchaser from time to time and Notice of which is provided to the Receiver.

“**Receiver’s Certificate**” means the Receiver’s Certificate (as defined in the Approval and Vesting Order).

“**Receiver’s Charge**” and “**Receiver’s Borrowing Charge**” have the meanings ascribed to those terms in the Receivership Order.

“**Receiver’s Solicitors**” means Torys LLP.

“**Secured Indebtedness**” means the aggregate of all principal, interest, costs, fees, expenses and other amounts owing by Forma-Con under the Loan Documents and Security as of the Closing Date.

“**Stalking Horse Bid**” has the meaning ascribed thereto in Section 8.1.

“**Successful Bid**” has the meaning ascribed thereto in the Bidding Procedures.

“**Transaction**” means the purchase and sale of the Lands provided for in this Agreement.

1.2 Certain Rules of Interpretation

In this Agreement and the Schedules:

- (a) Time shall in all respects be of the essence of this Agreement, provided that the time for doing or completing any matter provided for in this Agreement may be extended or abridged by an agreement in writing signed by the Receiver and the Purchaser or by an agreement between their respective solicitors who are hereby expressly authorized in this regard.
- (b) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end. All times referred to in this Agreement are referenced to the applicable time zone in Toronto, Ontario.
- (c) All references to amounts of money in this Agreement refer to the lawful currency of Canada.
- (d) The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.
- (e) Where the word “including” or “includes” is used in this Agreement, it means “including without limitation” or “includes without limitation”.
- (f) The use of words in the singular or plural, or referring to a particular gender shall not limit the scope or exclude the application of any provision of this Agreement to such Persons or circumstances as the context otherwise permits.
- (g) Any reference to a statute, regulation or by-law shall mean the statute, regulation or by-law in force as at the date of this Agreement, as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute, regulation or by-law thereto, unless otherwise expressly provided.
- (h) Each of the agreements and obligations of any of the parties hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.
- (i) The language used in this Agreement is the language chosen by the parties to express their mutual intent and accordingly, no rule of *contra preferentum* or strict construction shall be applied against either party.

1.3 Entire Agreement

- (a) This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties constitute the entire agreement between the parties pertaining to this Transaction and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto, and there are no other warranties or representations and no other agreements between the parties in connection with this Transaction except as specifically set forth in this Agreement or the Schedules and Exhibit attached hereto.
- (b) No supplement, modification, waiver or termination (other than a termination pursuant to Article 4, Article 7 or Article 8) of this Agreement shall be binding unless executed in writing by the parties in the same manner as the execution of this Agreement.

1.4 Schedules

The following schedules attached hereto form part of this Agreement:

| | | |
|------------|---|----------------------------|
| Schedule A | - | Lands – Legal Descriptions |
| Schedule B | - | Permitted Encumbrances |
| Schedule C | - | Bidding Procedures |
| Schedule D | - | Approval and Vesting Order |

ARTICLE 2 AGREEMENT OF PURCHASE AND SALE

2.1 Purchase and Sale of Lands

Upon and subject to the terms and conditions of this Agreement, the Receiver will sell, and the Purchaser will purchase, all right, title and interest of the Receiver and Forma-Con in and to the Lands free and clear of all Encumbrances, other than the Permitted Encumbrances, in consideration of the payment of the Purchase Price. This Agreement shall be completed on the Closing Date, subject to real property registrations being electronically effected in the appropriate land registry office.

2.2 Binding Agreement

The agreements of the Receiver and the Purchaser set forth in Section 2.1 create and constitute a binding agreement of purchase and sale for the Lands in accordance with the provisions of this Agreement.

2.3 Acknowledgement of Purchaser as to Condition of Lands

The Purchaser acknowledges and agrees that, subject to the representations and warranties as provided by Section 6.1:

- (a) on Closing, title to the Lands shall be subject to the Permitted Encumbrances;

- (b) in entering into this Agreement, the Purchaser has relied and will continue to rely entirely and solely upon its own inspections and investigations with respect to the Lands, including the physical and environmental condition of the Lands and the review of the documentation made available to the Purchaser and the Purchaser acknowledges it is not relying on any information furnished by the Receiver or any other Person on behalf of or at the direction of the Receiver in connection therewith; and
- (c) the Lands are being purchased and assumed by the Purchaser on an “as is, where is” basis as of the Closing Date and without any express or implied agreement, representation or warranty of any kind whatsoever as to the title, condition, area, suitability for development, physical characteristics, profitability, use or zoning, the existence of latent defects, any environmental matter or as to the accuracy, currency or completeness of any information or documentation supplied or to be supplied in connection with the Lands and without limiting the foregoing, any and all conditions or warranties expressed or implied pursuant to the *Sale of Goods Act* (Ontario) will not apply and will be waived by the Purchaser.

The Receiver shall have no obligations or responsibility to the Purchaser after Closing with respect to any matter relating to the Lands or the condition thereof save as otherwise expressly provided in this Agreement. This Section 2.3 shall survive Closing.

2.4 Confidentiality

- (a) Until Closing (and in the event this Agreement is terminated for any reason other than its completion, and also from and after such termination), the Purchaser and its consultants, agents, advisors and solicitors shall keep confidential all information, documentation and records obtained from the Receiver or its consultants, agents, advisors or solicitors with respect to the Lands as well as any information arising out of the Purchaser’s access to the Receiver’s records and the Lands and its due diligence with respect thereto (collectively, the “**Confidential Information**”). The Purchaser shall not use any Confidential Information for any purposes not related to this Transaction or in any way detrimental to the Receiver.

Nothing herein contained shall restrict or prohibit the Purchaser from disclosing the Confidential Information to its consultants, agents, advisors and solicitors as long as such parties acknowledge the confidential nature of the Confidential Information or the Receiver receives such other assurances as are acceptable to it.

- (b) The Confidential Information referred to in this Section shall not include:
 - (i) public information or information in the public domain at the time of receipt by the Purchaser or its consultants, agents, advisors and solicitors;
 - (ii) information which becomes public through no fault or act of the Purchaser or its consultants, agents, advisors and solicitors;

- (iii) information in the possession of the Purchaser not provided by the Receiver or its consultants, agents, advisors or solicitors and which information is not known by the Purchaser or its consultants, agents, advisors or solicitors to be subject to any confidentiality restrictions;
 - (iv) information required to be disclosed by law; or
 - (v) information received in good faith from a third party lawfully in possession of the information and not in breach of any confidentiality obligations.
- (c) If this Agreement is terminated for any reason, the Purchaser shall promptly return to the Receiver all Confidential Information (other than the Purchaser's notes and due diligence materials) and similar material including all copies, and shall destroy all of the Purchaser's notes and due diligence materials containing Confidential Information related to this Transaction; provided, however, that the Purchaser shall not be obligated to destroy any Confidential Information retained on its email network as a consequence of customary back-ups and its corporate document retention policy.
- (d) Upon request, the Receiver shall provide the Purchaser with authorizations executed by the Receiver and addressed to any Government Authority, authorizing the release of any and all information on file in respect to the Lands, but such authorization shall not authorize any inspections by any Government Authority.

2.5 Searches and Examination

The Purchaser waives any right to carry out any tests or physical investigations (including soil tests and environmental audits) of the Property.

ARTICLE 3 PURCHASE PRICE

3.1 Payment of Purchase Price

The Purchase Price shall be satisfied by the Purchaser (a) paying an amount to be determined by the Receiver, acting reasonably, as required to satisfy any realty taxes incurred in respect of or for the period prior to closing together with any interest and penalties thereon, and such further amounts that must be paid out to third parties on Closing as may be agreed by the Receiver and Purchaser, each acting reasonably, all as reflected in the Statement of Adjustments (the "**Cash Proceeds**"); and (b) by crediting an amount of the Secured Indebtedness equal to the balance of the Purchase Price as contemplated by Section 5.2(a) hereof.

3.2 General Adjustments

- (a) Subject to those items referred to in Section 3.3, the adjustments (herein referred to as the "**Adjustments**") shall include all realty taxes and local improvement

rates and charges and other adjustments established by usual practice in the Greater Toronto Area for the purchase and sale of vacant land. In addition, the Adjustments shall include the other matters referred to in this Agreement which are stated to be the subject of adjustment and shall exclude the other matters in this Agreement which are stated not to be the subject of adjustment.

- (b) Adjustments shall be made as of the Adjustment Date. From and after the Adjustment Date, the Purchaser shall be responsible for all expenses and shall be entitled to all income from the Property. The Receiver shall be responsible for all expenses and entitled to all income from the Property for that period ending on the Adjustment Date.
- (c) If any item subject to adjustment cannot be determined on Closing, an estimate shall be made by the Receiver, acting reasonably, for purposes of Closing and a final adjustment shall be made when the particular item can be determined. All claims for re-adjustments (save for realty taxes not yet assessed or under appeal) must be made within 90 days of the Closing. After the expiry of such period, such adjustments made by the parties shall be final and binding.

This Section 3.2 shall survive Closing.

3.3 Specific Adjustments

The Receiver and the Purchaser hereby acknowledge and agree that:

- (a) in the event that there are any realty tax appeals for 2018 or any prior calendar year, the Receiver shall, at its option, be entitled to continue such appeals and shall be entitled to receive any payment resulting therefrom. The Purchaser agrees to co-operate with the Receiver with respect to all such appeals. To the extent the Purchaser receives any of the aforementioned payments (or credits therefor) on or after the Closing Date, it shall hold such payments (or credits) in trust and forthwith remit them to the Receiver;
- (b) the Receiver shall be responsible and liable to pay and shall pay (and same shall be shown as an adjustment in favour of the Purchaser on the statement of adjustments if unpaid by Closing):
 - (i) the costs and expenses in respect of the Property or the operation and maintenance of the Property incurred in respect of or for a period prior to Closing; and
 - (ii) realty taxes incurred in respect of or for the period prior to Closing, it being understood that the Purchaser or its affiliate shall pay to the municipality on behalf of Forma-Con the amount required to discharge all realty tax arrears, interest and penalties relating to the period prior to closing, which amount shall be shown as an adjustment in favour of the Purchaser;

- (c) the Purchaser shall be responsible and liable to pay and shall pay following Closing:
 - (i) the costs and expenses in respect of the Property or the operation and maintenance of the Property incurred in respect of or for a period from and after the Closing; and
 - (ii) realty taxes incurred in respect of or for the period from and after Closing.

This Section 3.3 shall survive Closing.

ARTICLE 4 CONDITIONS

4.1 Conditions in Favour of Receiver

The obligation of the Receiver to complete the Transaction shall be subject to the following conditions:

- (a) by Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects;
- (b) on Closing, the representations and warranties of the Purchaser set out in Section 6.2 shall be true and accurate in all material respects;
- (c) this Agreement shall be the Successful Bid; and
- (d) by Closing, the Court has issued an Order approving the transaction contemplated herein and vesting the Lands in the Purchaser free and clear of all Encumbrances whatsoever other than Permitted Encumbrances, which Order shall be substantially in the form attached as Schedule D (the “**Approval and Vesting Order**”) and which order shall be a Final Order.

The conditions set forth in Section 4.1 are for the benefit of the Receiver and may be waived in whole or in part by the Receiver by Notice to the Purchaser prior to Closing.

4.2 Conditions in Favour of Purchaser

The obligation of the Purchaser to complete the Transaction shall be subject to the following conditions:

- (a) by Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Receiver shall have been complied with or performed in all material respects;
- (b) on Closing, the representations and warranties of the Receiver set out in Section 6.1 shall be true and accurate in all material respects;

- (c) this Agreement is the Successful Bid; and
- (d) by Closing, the Court has issued the Approval and Vesting Order, and such order is a Final Order.

The conditions set forth in Section 4.2 are for the benefit of the Purchaser, and may be waived in whole or in part by the Purchaser by Notice to the Receiver prior to the applicable date for the satisfaction of each of them.

4.3 Non-Satisfaction of Conditions

If each of the conditions in Sections 4.1 and 4.2 is not satisfied or waived as therein provided on or before the applicable date referred to therein, this Agreement shall be terminated, null and void and of no further force or effect whatsoever, and each of the Receiver and Purchaser shall be released from all of its liabilities and obligations under this Agreement unless the condition or conditions that have not been satisfied or waived were not satisfied as a result of its default save for those specified to survive termination. The conditions set out in Sections 4.1 and 4.2 are conditions to the obligations of the parties to this Agreement and are not conditions precedent to the existence or enforceability of this Agreement.

4.4 Efforts to Satisfy Conditions

Without derogating from any party's other obligations under this Agreement (including, in the case of the Purchaser, the obligation to pay the Purchase Price as provided for in this Agreement) it is agreed that each of the Receiver and Purchaser shall act in good faith and use reasonable commercial efforts to satisfy, or cause to be satisfied, the conditions set forth in Sections 4.1 and 4.2. Each of the Purchaser and the Receiver shall act in good faith in determining whether or not a condition in its favour has been satisfied.

4.5 Title

The Purchaser acknowledges and agrees that it has searched title to the Lands and that it will not be making any objection or requisition as to the title of the Lands and that it has accepted the state of Forma-Con's title to the Lands. The Purchaser acknowledges and agrees that title to the Lands will be subject to the Permitted Encumbrances.

ARTICLE 5 CLOSING DOCUMENTS

5.1 Receiver's Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Receiver shall prepare and execute or cause to be executed and shall deliver or cause to be delivered to the Purchaser the following:

- (a) a conveyance of the Property pursuant to the Approval and Vesting Order together with the Receiver's Certificate contemplated by the Approval and Vesting Order;

- (b) a direction as to the payee or payees of the Purchase Price;
- (c) a statement of adjustments to be delivered at least five (5) Business Days before Closing;
- (d) a certificate of KSV Kofman Inc. pursuant to Section 116 of the *Income Tax Act* (Canada) in respect of the Transaction; and
- (e) a certificate of the Receiver confirming that, as of the Closing Date, the representations and warranties of the Receiver set out in Section 6.1 are true and accurate in all material respects, save and except with respect to any matters which have occurred following the Execution Date and which are listed in such certificate.

All documentation shall be in form and substance acceptable to the Purchaser and the Receiver, each acting reasonably and in good faith, provided that none of such documents shall contain covenants, representations or warranties which are in addition to or more onerous upon either the Receiver or the Purchaser than those expressly set forth in this Agreement.

5.2 Purchaser's Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Purchaser shall execute or cause to be executed and shall deliver or cause to be delivered to the Receiver's Solicitors the following:

- (a) an irrevocable direction and acknowledgment, in a form acceptable to the Receiver in its sole discretion from each of Bridging (as agent for 2665405) and 2665405 acknowledging the reduction of the Secured Indebtedness in the amount of the Purchase Price;
- (b) a general assumption agreement and where required specific assumptions of Permitted Encumbrances in connection with the transfer of the Property;
- (c) any assumption agreements and other documentation in respect of Permitted Encumbrances which are specifically required in connection with the transfer of the Lands;
- (d) the HST Undertaking and Indemnity; and
- (e) all other documents which the Receiver reasonably requests to give effect to the Transaction and to result in the proper assumption of the Lands by the Purchaser and full indemnification by the Purchaser in favour of the Receiver in respect of all Claims by Persons other than the Purchaser relating to the Lands which arise or, accrue during, or relate to, the period after the Closing Date.

Except as set out in Section 5.2(a) hereof, all documentation shall be in form and substance acceptable to the Purchaser and the Receiver, each acting reasonably and in good faith, provided that none of such documents shall contain covenants, representations or warranties

which are in addition to or more onerous upon either the Receiver or the Purchaser than those expressly set forth in this Agreement.

5.3 Receiver's Certificate

Upon receipt of written confirmation from the Purchaser that all of the conditions contained in Section 4.2 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Receiver of all of the conditions contained in Section 4.1, the Receiver shall forthwith deliver to the Purchaser the Receiver's Certificate.

5.4 Registration and Other Costs

- (a) The Receiver shall be responsible for the costs of the Receiver's Solicitors in respect of this Transaction. The Purchaser shall be responsible for the costs of the Purchaser's Solicitors. The Purchaser shall be responsible for and pay any land transfer taxes payable on the transfer of the Property, all registration fees payable in respect of registration by it of any documents on Closing (other than discharges of Encumbrances which are required to be made by the Receiver, which shall be the responsibility of the Receiver) and all federal and provincial sales and other taxes payable by a purchaser upon or in connection with the conveyance or transfer of the Lands, including provincial retail sales tax and HST; provided, however, that the Purchaser shall not be required to pay HST to the Receiver on Closing if it delivers an undertaking to remit HST in accordance with applicable legislation, confirmation that it is a "registrant" under the *Excise Tax Act* (Canada) and an indemnity on the terms set out in Section 5.4(b)(i) (the "**HST Undertaking and Indemnity**").
- (b) The Purchaser shall indemnify and save harmless the Receiver and its shareholders, directors, officers, employees, advisors and agents from all Claims incurred, suffered or sustained as a result of a failure by the Purchaser:
 - (i) to pay any federal, provincial or other taxes payable by the Purchaser in connection with the conveyance or transfer of the Lands whether arising from a reassessment or otherwise, including provincial retail sales tax and HST, if applicable; and/or
 - (ii) to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the conveyance or transfer of the Lands.

This Section 5.4(b) shall survive Closing.

5.5 Escrow Closing and Registration

It is a condition of Closing that all matters of payment and the execution and delivery of Closing Documents by each party to the other shall be deemed to be concurrent requirements and

it is specifically agreed that nothing will be complete at the Closing until everything required at the Closing has been paid, executed and delivered.

All Closing Documents and monies shall be delivered in escrow on the Closing Date as reasonably required by the solicitors for the parties together with receipt of such evidence as they shall reasonably request to the effect that all conditions of this Agreement have been satisfied.

The Receiver and Purchaser covenant and agree to cause their respective solicitors to enter into a document registration agreement (the "DRA") in the form recommended by the Law Society of Ontario to govern the electronic submission of the transfer/deed for the Property to the applicable land registry office.

ARTICLE 6 REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Receiver's Representations

The Receiver hereby represents and warrants to and in favour of the Purchaser that, as of the date of this Agreement and as of the Closing Date:

- (a) pursuant to the Receivership Order, the Receiver is the receiver of, *inter alia*, Forma-Con and, subject to the approval of the Court, has the power, authority and capacity to enter into this Agreement and all other agreements, documents and certificates contemplated hereby to be executed by Receiver and to carry out the transaction contemplated hereby and thereby;
- (b) the execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Receiver, subject to the Bidding Procedures Order. This Agreement is a valid and binding obligation of the Receiver enforceable in accordance with its terms;
- (c) the Receiver has not created any Encumbrance on the Lands, other than the Receiver's Charge or the Receiver's Borrowing Charge as contemplated in the Receivership Order;
- (d) the Receiver is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (e) no party has sought leave in the receivership of Forma-Con to remove the Lands from the proceedings; and
- (f) the Receiver has retained the services of Intercity Realty as its real estate broker or agent in connection with the Transaction.

6.2 Purchaser's Representations

The Purchaser hereby represents and warrants to and in favour of the Receiver that, as of the date of this Agreement and as of the Closing Date:

- (a) the Purchaser is a corporation existing under the laws of Province of Ontario and has the necessary corporate authority, power and capacity to own the Lands, enter into this Agreement and the documents contemplated herein, and carry out the Transaction, in each case on the terms and conditions herein contained;
- (b) the agreement of purchase and sale constituted on the execution and delivery of this Agreement, its obligations hereunder, the Transaction and the documents contemplated herein have been authorized by all requisite corporate proceedings and constitute legal, valid and binding obligations of it, enforceable against it in accordance with their terms;
- (c) the Person or Persons who at Closing purchase the beneficial interests in the Lands will be registrants for the purposes of Part IX of the *Excise Tax Act* (Canada) and, by virtue of paragraph 221(2)(b) of such law, the Receiver is not obliged to collect the HST from the Purchaser or to pay HST; and
- (d) the Purchaser has not retained the services of any real estate broker or agent in connection with the Transaction and has not dealt with any broker or agent in connection with the Transaction.

ARTICLE 7 TERMINATION; WAIVER

7.1 Termination

This Agreement may be terminated at any time prior to the Closing by:

- (a) mutual written consent of the Receiver and the Purchaser;
- (b) the Receiver or the Purchaser if consummation of the Transaction would violate any final order of the Court or any other Governmental Authority having competent jurisdiction, *provided* that the Party seeking to terminate this Agreement pursuant to this Section 7.1(b) shall have used its commercially reasonable efforts to challenge such Law, order, decree or judgment;
- (c) by the Receiver or the Purchaser, if the Court approves an Alternative Transaction or the sale of all or substantially all of the Lands to a Person (or group of Persons) other than the Purchaser; and
- (d) the Purchaser or Receiver, if the Closing shall not have occurred by 5:00 p.m. on March 31, 2018.

7.2 Procedure and Effect of Termination

In the event of termination of this Agreement by either Receiver or Purchaser pursuant to Section 7.1, Notice thereof shall forthwith be given by the terminating party to the other party and, subject to Article 8 hereof, this Agreement shall terminate, the Transaction shall be abandoned, without further action by any of the parties hereto; *provided, however*, that (a) no party shall be relieved of or released from any liability arising from any intentional breach by

such party of any provision of this Agreement, and (b) this Section 7.2, Section 2.4 and any section expressly stated to survive Closing shall remain in full force and effect and survive any termination of this Agreement.

ARTICLE 8 OVERBID PROCEDURES

8.1 Bidding Procedures

- (a) The Receiver and the Purchaser acknowledge that this Agreement and the sale of the Lands are subject to higher and better bids and Court approval.
- (b) The Receiver and Purchaser acknowledge and agree that the Receiver shall apply to the Court no later than December 13, 2018, or such other date as they may agree, for an order (the “**Bidding Procedures Order**”), *inter alia*, recognizing this Agreement, and in particular the Purchase Price, as a baseline or “stalking horse bid” (the “**Stalking Horse Bid**”) and approving the Bidding Procedures, and the parties will use commercially reasonable efforts to have the Bidding Procedures Order issued. The Purchaser acknowledges and agrees that the Bidding Procedures are in contemplation of determining whether a superior bid can be obtained for the Lands.

8.2 Overbid Procedures

- (a) The Receiver and the Purchaser acknowledge that the Receiver must take reasonable steps to demonstrate that it had sought to obtain the highest or otherwise best price for the Lands, including entertaining higher and better offers from prospective bidders, and, in the event that additional qualified prospective bidders desire to bid for the Lands, conducting an auction (the “**Auction**”).
- (b) The bidding procedures to be employed with respect to this Agreement and any Auction shall be those reflected in the Bidding Procedures Order. The Purchaser agrees to be bound by and accepts the terms and conditions of the Bidding Procedures as approved by the Court. The Purchaser agrees and acknowledges that the Receiver is and may continue soliciting inquiries, proposals or offers for the Lands in connection with any Alternative Transaction pursuant to the terms of the Bidding Procedures and agrees and acknowledges that the bidding procedures contained in the Bidding Procedures may be supplemented by other customary procedures not inconsistent with the matters otherwise set forth therein and the terms of this Agreement.
- (c) The Receiver and the Purchaser agree that the provisions of this Agreement, including this Section 8.2 are reasonable, were a material inducement to the Receiver to enter into this Agreement and are designed to achieve the highest and best price for the Lands.

**ARTICLE 9
GENERAL**

9.1 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable thereto and shall be treated in all respects as an Ontario contract. The parties hereto hereby agree to irrevocably attorn to the Courts of the Province of Ontario, provided that any judgement by a Court of the Province of Ontario may be enforced in any other jurisdiction.

9.2 Invalidity

If any immaterial covenant, obligation, agreement or part thereof or the application thereof to any Person or circumstance, to any extent, shall be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any Person, party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

9.3 Further Assurances

Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

9.4 Entire Agreement

This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreement between the parties hereto pertaining to the agreement of purchase and sale provided for herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto, and there are no other warranties or representations and no other agreements between the parties hereto in connection with the agreement of purchase and sale provided for herein except as specifically set forth in this Agreement or the Schedules attached hereto.

9.5 Waiver

No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided.

9.6 Solicitors as Agents and Tender

Any Notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Receiver's

Solicitors on behalf of the Receiver and any tender of Closing Documents may be made upon the Receiver's Solicitors and the Purchaser's Solicitors, as the case may be.

9.7 Merger

Except as otherwise expressly set out herein, this Agreement shall merge with the Closing of the Transaction.

9.8 Successors and Assigns

All of the covenants and agreements in this Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors and their permitted assigns pursuant to the terms and conditions of this Agreement.

9.9 Assignment

The Purchaser shall have no right to assign this Agreement or any rights or obligations under this Agreement without the prior written consent of the Receiver, acting reasonably. Notwithstanding the foregoing, the Purchaser may, upon Notice to the Receiver, without the requirement to obtain the written consent of the Receiver, assign this Agreement to an affiliate of the Purchaser.

9.10 Notice

Any notice, demand, approval, consent, information, agreement, offer, request or other communication (hereinafter referred to as a "Notice") to be given under or in connection with this Agreement shall be in writing and shall be given by personal delivery during regular business hours on any Business Day or by e-mail, addressed or sent as set out below or to such other address as may from time to time be the subject of a Notice:

- (a) Receiver: KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9
- Attention: Bobby Kofman and Noah Goldstein
E-mail: bkofman@ksvadvisory.com and ngoldstein@ksvadvisory.com

with a copy to the Receiver's Solicitors:

Torys LLP
79 Wellington Street West (TD South Tower)
Box 270
Toronto, ON M5K 1N2

Attention: Scott Bomhof and Adam Slavens
Email: sbomhof@torys.com and aslavens@torys.com

(b) Purchaser: 2657897 Ontario Inc.
Suite 2925
77 King St. W.
P.O. Box 322
Toronto, ON M5K 1K7

Attention: Natasha Sharpe
Email: nsharpe@bridgingfinance.ca

with a copy to the Purchaser's Solicitor:

Goodmans LLP
Suite 3400
333 Bay Street (West Tower)
Toronto, ON M5H 2S7

Attention: Christopher Armstrong and Jeffrey Shore
Email: carmstrong@goodmans.ca and jshore@goodmans.ca

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the date of such delivery and if sent by e-mail with confirmation of transmission prior to 5:00 p.m., shall be deemed to have been validly and effectively given and received on the Business Day it was sent unless the confirmation of transmission was after 5:00 p.m. in which case it shall be deemed to have been received on the next following Business Day.

9.11 Subdivision Control

This Agreement and the Transactions are subject to compliance with Section 50 of the *Planning Act* (Ontario).

9.12 Effect of Termination of Agreement

Notwithstanding the termination of this Agreement for any reason, the confidentiality provisions contained in Section 2.4 of this Agreement shall survive termination and shall remain in full force and effect.

9.13 Press Release

Neither the Receiver nor the Purchaser shall issue a press release or other public announcement with respect to the Transaction, whether prior to or after Closing, unless the content thereof has been mutually approved by the Receiver and the Purchaser, each acting reasonably. Provided, however, that in no event shall the foregoing preclude disclosure required under applicable securities law, so long as all reasonable commercial efforts are made prior to disclosure to obtain the other party's approval of the content of such press release or other public announcement.

This Section 9.13 shall survive Closing.

9.14 Counterparts, etc.

All parties agree that this Agreement may be executed in counterpart and transmitted by e-mail and that the reproduction of signatures in counterpart by way of e-mail will be treated as though such reproduction were executed originals. Each party undertakes to provide the other with a copy of this Agreement bearing original signatures within a reasonable time after the Execution Date.

[the remainder of the page is intentionally left blank]

IN WITNESS WHEREOF the Receiver and Purchaser have executed this Agreement as evidenced by their properly authorized officers as of the day and year first above written.

KSV KOFMAN INC., solely in its capacity as
Court-appointed receiver of all of the assets,
undertakings and properties of, *inter alia*, 1033803
Ontario Inc., and not in its personal capacity

Per: _____

2657897 ONTARIO INC.

Per: _____

IN WITNESS WHEREOF the Receiver and Purchaser have executed this Agreement as evidenced by their properly authorized officers as of the day and year first above written.

KSV KOFMAN INC., solely in its capacity as Court-appointed receiver of all of the assets, undertakings and properties of, *inter alia*, 1033803 Ontario Inc., and not in its personal capacity

Per: _____

2657897 ONTARIO INC.

Per: _____ 

SCHEDULE A

LANDS - LEGAL DESCRIPTION

PIN 14209-1704 (LT)

PT LT 6, CON 7 ND (TORONTO GORE), DES PTS 1, 2, 3, 4, 5, 6, 7, 8, 11, 43R34750; S/T EASEMENT IN GROSS OVER PTS 22, 23 AND 24, 43R31898 AS IN PR1385008. S/T EASEMENT IN GROSS OVER PTS 22 AND 23, 43R31898 AS IN PR1385011.; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 2 TO 5, 43R34750 AS IN PR2261758; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 3, 5, 11, 43R34750 AS IN PR2264436; CITY OF BRAMPTON

Being the whole of the PIN.

SCHEDULE B

PERMITTED ENCUMBRANCES

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including the reservation of any mines and minerals in the Crown or in any other Person, provided same have been complied with to the Closing Date.
2. Inchoate or statutory liens for unpaid taxes, local improvement rates or water rates.
3. Any municipal by-laws or regulations affecting the Property or its use and any other municipal land use instruments including, without limitation, official plans and zoning and building by-laws, as well as decisions of the Committee of Adjustment or any other competent authority permitting variances therefrom, and all applicable building codes, in each case which do not materially impair the present use of the Property.
4. Easements for the supply of utilities or telephone services to the Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services, whether registered or unregistered.
5. Title defects or irregularities which are of a minor nature and will not materially impair the use or marketability of the Property.
6. The provisions of Section 44(1)6, 7, 8, 9, 10 and 12 of the *Land Titles Act* (Ontario).
7. The specific encumbrances listed on Exhibit 1 attached hereto.

**EXHIBIT 1
TO SCHEDULE B**

SPECIFIC ENCUMBRANCES

Each of the following, but only to the extent that the Receiver has complied with the terms of the following:

1. Instrument No. PR713076 registered on 2004/09/03 being a NOTICE in favour of THE CORPORATION OF THE CITY OF BRAMPTON
2. Instrument No. R1385008 registered on 2007/12/05 being a TRANSFER EASEMENT by 1033803 ONTARIO INC. in favour of THE REGIONAL MUNICIPALITY OF PEEL
3. Instrument No. PR1385011 registered on 2007/12/05 being a TRANSFER EASEMENT by 1033803 ONTARIO INC. in favour of HYDRO ONE BRAMPTON NETWORKS INC.
4. Instrument No. PR2261758 registered on 2012/09/06 being a TRANSFER EASEMENT by 1033803 ONTARIO INC. in favour of THE REGIONAL MUNICIPALITY OF PEEL
5. Instrument No. PR2264402 registered on 2012/09/12 being a NOTICE in favour of THE CORPORATION OF THE CITY OF BRAMPTON
6. Instrument No. PR2264436 registered on 2012/09/12 being a TRANSFER EASEMENT by 1033803 ONTARIO INC. in favour of HYDRO ONE BRAMPTON NETWORKS INC.

SCHEDULE C

BIDDING PROCEDURES

(See Attached)

BIDDING PROCEDURES

Introduction

On November 19, 2018, the Superior Court of Justice (Commercial List) (the “**Court**”) made an order (the “**Receivership Order**”) appointing KSV Kofman Inc. (“**KSV**”) as receiver and manager (KSV, in such capacity, the “**Receiver**”) of: (i) all of the assets, undertakings and properties of 1033803 Ontario Inc. (operating as Forma-Con Construction and Forma Finishing) (“**Forma-Con**”), including without limitation, the lands municipally known as 3420 Queen Street East, Brampton, Ontario (formerly 3420 Highway 7 East, Brampton, Ontario) and legally described in Schedule “A” hereto (the “**Lands**”) and 1087507 Ontario Limited; (ii) certain assets of Bondfield Construction Company Limited and Bondfield Construction Equipment Ltd; and (iii) the real property known municipally as 131 Saramia Crescent, Vaughan, Ontario (such proceedings, the “**Receivership Proceedings**”).

The Receiver intends to bring a motion before the Court on December 13, 2018, for an order (the “**Bidding Procedures Order**”, and such motion the “**Bidding Procedures Approval Motion**”) approving: (i) the agreement of purchase and sale (the “**Stalking Horse Bid**”) made as of December 6, 2018, between the Receiver and 2657897 Ontario Inc. (the “**Stalking Horse Bidder**”) pursuant to which the Stalking Horse Bidder has agreed to purchase the Lands; and (ii) the bidding procedures as described in this document (the “**Bidding Procedures**”).

This document contains the Bidding Procedures to be followed by the Receiver in connection with the sale (the “**Sale**”) of the Lands. The Receiver will conduct the Bidding Procedures in accordance with the Bidding Procedures Order. All amounts specified herein are in Canadian dollars.

Assets to Be Sold

The Receiver is offering for sale all of Forma-Con’s right, title and interest in and to the Lands.

The Bidding Procedures

The Bidding Procedures Order approves the retention of Intercity Realty Inc. (the “**Broker**”) to act as real estate broker and listing agent for the Lands, and the entry into a retention agreement with the Broker by the Receiver, among other things.

Interested parties may be provided by the Receiver with such access to due diligence materials and information relating to the Lands as the Receiver deems appropriate in its reasonable business judgment. In the Receiver’s sole discretion, this may include the provision of access to an electronic data room of due diligence information. The Receiver, in its sole discretion, may also require interested parties to execute a form of non-disclosure agreement in form and substance satisfactory to the Receiver prior to the provision of any such access.

The Receiver shall have the right to adopt such other rules for the Bidding Procedures (including rules that may depart from those set forth herein) that in its reasonable business judgment will better promote the goals of the Bidding Procedures and/or achieving a Sale. The Receiver may

seek Court approval of an amendment to the Bid Procedures that it considers material. The extension of any deadline by up to two weeks shall not be considered material.

Bid Deadline

An interested party that desires to make a bid shall deliver written copies of its bid (including the Required Bid Terms and Materials) to the Broker, with a copy to the Receiver, by 5:00 p.m. (Toronto time) on January 18, 2018 (the “**Bid Deadline**”).

Bid Requirements

All bids (other than the Stalking Horse Bid) must include, unless such requirement is waived by the Receiver, the following:

- (i) A base cash purchase price equal to or greater than \$16,750,000, which is the amount of the Stalking Horse Bid plus \$250,000; provided, however, that in the case of a Credit Bid (as defined below), all or part of the consideration will not be in cash;
- (ii) A provision stating that the bidder’s offer is irrevocably open for acceptance until the first business day after the Lands have been sold pursuant to the closing of the Sale that is approved by the Court pursuant to the Sale Approval Order;
- (iii) Disclosure of the identity of each entity (including its ultimate shareholders and/or sponsors) that will be bidding for the Lands or otherwise participating in such bid and the complete terms of any such participation;
- (iv) Written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to consummate the proposed transaction comprising such bid, that will allow the Receiver to make a determination as to the bidder’s financial and other capabilities to consummate the proposed transaction;
- (v) Written evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the bidder’s board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;
- (vi) An acknowledgment and representations of the bidder that: (A) it has had an opportunity to conduct any and all due diligence regarding the Lands prior to making its bid; (B) it has relied solely upon its own independent review, investigation and/or inspection of the Lands (including, without limitation, any documents in connection therewith) in making its bid; and (C) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Lands or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Receiver and approved by the Court;

- (vii) An executed copy of a proposed purchase agreement and a redline of the bidder's proposed purchase agreement reflecting any variations from the Stalking Horse Bid; and
- (viii) A cash deposit in the amount of 15% of the purchase price in the form of a wire transfer, certified cheque or such other form acceptable to the Receiver (the "**Bid Deposit**"), which shall be held by the Receiver in an escrow account (the "**Escrow Account**"). Funds shall be disbursed from the Escrow Account only as follows: (i) if the Qualified Bidder is the Successful Bidder, its Bid Deposit will be applied without interest to the purchase price payable by it under its bid on the closing thereof or as otherwise provided for in the purchase agreement; and (ii) if the Qualified Bidder is not the Successful Bidder, then its Bid Deposit shall be returned without interest to it forthwith following the expiration of its offer;

provided, however, that a bid shall not be subject to further due diligence, financing, bid protections, expense reimbursement, third party approvals or any other conditions or conditions precedent except those that are customary in a transaction of this nature (collectively, the "**Required Bid Terms and Materials**").

A bid received from a bidder that includes all of the Required Bid Terms and Materials and is received by the Bid Deadline is a "**Qualified Bid**", and such bidder is a "**Qualified Bidder**". Notwithstanding the bid requirements detailed above, the Stalking Horse Bid shall be deemed a Qualified Bid and the Stalking Horse Bidder shall be deemed a Qualified Bidder.

The Receiver may waive strict compliance with the Bid Deadline or any one or more of the Required Bid Terms and Materials deem such non-compliant bid to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Receiver of the Bid Deadline or the Required Bid Terms and Materials or an obligation on the part of the Receiver to designate any other bid as a Qualified Bid. At any time during the Bidding Procedures, the Receiver may, in its reasonable business judgment, eliminate an interested party, a bidder or a Qualified Bidder (other than the Stalking Horse Bidder) from the Bidding Procedures, in which case such party will no longer be an interested party, bidder or a Qualified Bidder for the purposes of the Bidding Procedures.

Credit Bids

Other than the Stalking Horse Bidder, no bidder may provide for all or part of the consideration to be paid to be satisfied by way of a credit bid of secured indebtedness of Forma-Con (a "Credit Bid"). The Stalking Horse Bidder shall be permitted to Credit Bid up to the full face value of the secured indebtedness of Forma-Con.

"As Is, Where Is, With All Faults"

The sale of the Lands shall be on an "as is, where is" and "with all faults" basis and without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the Receiver or its agents, counsel, representatives, partners or employees, or any of the other parties participating in the procedures outlined in these Bidding Procedures, except as may otherwise be provided in a definitive purchase agreement with the

Receiver. Any party (including, without limitation, a Qualified Bidder) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Lands prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Lands in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Lands, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bidding Procedures or as set forth in a definitive purchase agreement with the Receiver.

Free of Any and All Liens

Except as otherwise provided in the Stalking Horse Bid or another Successful Bidder's purchase agreement, all of Forma-Con's right, title and interest in and to the Lands shall be sold free and clear of all liens and encumbrances pursuant to the Sale Approval Order except for Permitted Encumbrances (as defined in the Stalking Horse Bid).

Selection of Successful Bidder

If one or more Qualified Bids is received by the Bid Deadline or so designated by the Receiver, all such Qualified Bidders shall proceed to an auction with the Stalking Horse Bidder (an "**Auction**"), which shall proceed according to the Auction Procedures set out in Schedule "B" hereto (the "**Auction Procedures**") to identify the Successful Bidder. In such event, the Receiver shall determine, in its reasonable business judgment, which Qualified Bid is the highest and/or best bid (the "**Lead Bid**"). In determining the Lead Bid, the Receiver may consider, without limitation: (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the Receiver's assessment of the certainty of the Qualified Bidder to close the proposed transaction; (iv) the likelihood, extent and impact of any potential delays in closing; and (v) the net economic effect of any changes from the Stalking Horse Bid; (vi) the amount and priority of any Credit Bid; and (vii) such other considerations as the Receiver deems relevant in its reasonable business judgment.

If no Qualified Bid is submitted by the Bid Deadline or all Qualified Bids that have been submitted have been withdrawn prior to the Bid Deadline, then the Stalking Horse Bid shall be the Successful Bid, and the Stalking Horse Bidder shall be the Successful Bidder.

The "**Successful Bid**" will be either (i) the Stalking Horse Bid if no Qualified Bid is received by the Bid Deadline or so designated by the Receiver; (ii) in the event of an Auction, the highest and best bid as determined by the Receiver at the Auction; or (iii) a bid that is so designated by the Receiver in the event that the closing of the Sale that is approved by the Court pursuant to the Sale Approval Order (as defined below) does not occur by the required date pursuant to the Successful Bid (or such date that may otherwise be mutually agreed upon between the Receiver and the Successful Bidder). The party that submitted the Successful Bid is referred to herein as the "**Successful Bidder**".

Sale Approval Motion

Subject to the availability of the Court, within ten (10) business days following the conclusion of the Auction, the Receiver shall bring a motion (the “**Sale Approval Motion**”) for an order of the Court authorizing and approving the Sale of the Lands to the Successful Bidder (such order, as approved, the “**Sale Approval Order**”). At the hearing of the Sale Approval Motion, the Receiver shall, among other things, seek approval from the Court to consummate the Successful Bid.

Acceptance of Qualified Bids

The sale of the Lands to any Successful Bidder by the Receiver is expressly conditional upon the approval of the Successful Bid by the Court at the hearing of the Sale Approval Motion. The Receiver's presentation of the Successful Bid to the Court for approval does not obligate the Receiver to close the transaction contemplated by such Successful Bid unless and until the Court approves the Successful Bid. All of the Qualified Bids other than the Successful Bid, shall be deemed rejected by the Receiver on and as of the date of the closing of the Sale that is approved by the Court pursuant to the Sale Approval Order.

In the event that the closing of the Sale that is approved by the Court pursuant to the Sale Approval Order does not occur by the required date pursuant to the Successful Bid (or such date that may otherwise be mutually agreed upon between the Receiver and the Successful Bidder), the Receiver shall be authorized, but not required, to: (a) exercise such rights and remedies as are available to the Receiver under the Successful Bid including, if applicable, deeming that the Successful Bidder has breached its obligations pursuant to the Successful Bid and that the Successful Bidder has forfeited its Deposit to the Receiver; (b) accept any Qualified Bid or other bid of a Qualified Bidder, including, without limitation, a bid made at the Auction, in which case such bid and bidder shall be a Successful Bid and Successful Bidder, respectively, for the purposes of these Bidding Procedures, and close the transaction under such bid; and/or (c) take such other steps as it deems advisable. The Debtor reserves its right to seek all available damages and remedies, including specific performance, from any defaulting Successful Bidder.

Miscellaneous

The Receiver will oversee, in all respects, the conduct of the Bidding Procedures and, without limitation, the Receiver will participate in the Bidding Procedures in the manner set out in these Bidding Procedures and the Bidding Procedures Order. All discussions or inquiries regarding the Bidding Procedures should be directed to the Receiver.

The Sale Process and these Bidding Procedures are solely for the benefit of the Receiver and nothing contained in the Bidding Procedures Order or these Bidding Procedures shall create any rights in any other person (including, without limitation, any bidder or Qualified Bidder, and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Bidding Procedures Order. Other than as specifically set forth in the Broker's retention agreement, the Stalking Horse Bid or in a definitive agreement between the Receiver and another Successful Bidder, the Bidding Procedures do not, and will not be interpreted to create any contractual or other legal relationship among Forma-Con, the Receiver,

the Broker, any interested party, any bidder, and Qualified Bidder, the Successful Bidder, or any other party.

The receiver may consult with any other parties with a material interest in the Receivership Proceedings regarding the status and material information and developments relating to the Bidding Procedures to the extent considered appropriate by the Receiver; provided that such parties may be required to enter into confidentiality arrangements satisfactory to the Receiver.

Subject to the terms of the Receivership Order, participants in the Bidding Procedures are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any bids, participation in the Auction, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

Except as provided in the Bidding Procedures Order and Bidding Procedures, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Bidding Procedures Order and the Bidding Procedures.

Schedule "A"

Legal Description of the Lands

PIN 14209-1704 (LT)

PT LT 6, CON 7 ND (TORONTO GORE), DES PTS 1, 2, 3, 4, 5, 6, 7, 8, 11, 43R34750; S/T EASEMENT IN GROSS OVER PTS 22, 23 AND 24, 43R31898 AS IN PR1385008. S/T EASEMENT IN GROSS OVER PTS 22 AND 23, 43R31898 AS IN PR1385011.; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 2 TO 5, 43R34750 AS IN PR2261758; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 3, 5, 11, 43R34750 AS IN PR2264436; CITY OF BRAMPTON

Being the whole of the PIN.

Schedule "B"

Auction Procedures

1. If the Receiver determines to conduct an Auction pursuant to the Bidding Procedures, the Receiver will notify the Qualified Bidders who made a Qualified Bid that the Auction will be held at the offices of Torys LLP at 10:00 a.m. (Toronto time) on date that is determined by the Receiver, provided that that is not later than five business days after the Bid Deadline, or such other place and time as the Receiver may advise. Capitalized terms used but not defined have the meaning given to them in the Bidding Procedures.
2. The Auction shall be conducted in accordance with the following procedures:
 - (a) Participation At The Auction. Only a Qualified Bidder is eligible to participate in the Auction. The Receiver shall provide all Qualified Bidders with the amount of the Leading Bid, a copy thereof and a blackline to the Stalking Horse Bid by 5:00pm (Toronto Time) two business days before the scheduled date of the Auction. Each Qualified Bidder must inform the Receiver whether it intends to participate in the Auction no later than 12:00 p.m. (Toronto time) on the business day prior to the Auction. Only the authorized representatives of each of the Qualified Bidders, the Receiver, Forma-Con, Bridging Finance Inc. and their respective counsel and other advisors shall be permitted to attend the Auction.
 - (b) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The Leading Bid shall constitute the "Opening Bid" for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the "Opening Bid" for the following round. In each round, a Qualified Bidder may submit no more than one Overbid. Any Qualified Bidder who bids in a round (including the Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
 - (c) Receiver Shall Conduct The Auction. The Receiver and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Receiver shall provide the terms of the Opening Bid to all participating Qualified Bidders at the Auction. The determination of which Qualified Bid constitutes the Opening Bid for each round shall take into account any and all factors that the Receiver reasonably deems relevant to the value of the Qualified Bid, including, among other things, the following: (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the Receiver's assessment of the certainty of the Qualified Bidder to close the proposed transaction; (iv) the likelihood, extent and impact of any potential delays in closing; (v) the net economic effect of any changes from the Opening Bid of the previous round; (vi) the amount and priority of any Credit Bid; and (vii) such other considerations as the Receiver deems relevant in its reasonable business judgment (collectively, the "**Bid Assessment Criteria**"). All Bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and best

Overbid shall be fully disclosed to all other Qualified Bidders that are participating in the Auction. The Receiver shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.

- (d) Terms of Overbids. An “**Overbid**” is any Bid made at the Auction subsequent to the Receiver’s announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Bidder must comply with the following conditions:
- (i) *Minimum Overbid Increment:* Any Overbid shall be made in such increments as the Receiver may determine in order to facilitate the Auction (the “**Minimum Overbid Increment**”). The amount of any Overbid shall not be less than the amount of the Opening Bid, plus the Minimum Overbid Increment(s) at that time, plus any additional Minimum Overbid Increments.
 - (ii) *The Bid Requirements same as for Qualified Bids:* Except as modified herein, an Overbid must comply with the Bid Requirements, provided, however, that the Bid Deadline shall not apply.
 - (iii) *Announcing Overbids:* At the end of each round of bidding, the Receiver shall announce the identity of the Qualified Bidder and the material terms of the then highest and/or best Overbid and the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.
 - (iv) *Consideration of Overbids:* The Receiver reserves the right to make one or more adjournments in the Auction to, among other things: (A) allow individual Qualified Bidders to consider how they wish to proceed; (B) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (C) give Qualified Bidders the opportunity to provide the Receiver with such additional evidence as it may require that the Qualified Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Receiver may have clarifying discussions with a Qualified Bidder, and the Receiver may allow a Qualified Bidder to make technical clarifying changes to its Overbid following such discussions.
 - (v) *Failure to Bid:* If at the end of any round of bidding a Qualified Bidder (other than the Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Bidder shall not be entitled to continue to participate in the Auction.

- (vi) *Credit Bids*: Bids at the Auction by the Stalking Horse Bidder may provide for all or part of the consideration to be paid to be satisfied by way of a credit bid up to the full face value of secured indebtedness of Forma-Con (a “**Credit Bid**”). No other Qualified Bidder may Credit Bid at the Auction.

- (e) Additional Procedures. The Receiver may adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction, the order of bidding provided they are not inconsistent with any of the provisions of the Bidding Procedures (including these Auction Procedures) and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Bidders.

- (f) Closing the Auction. The Auction shall be closed after the Receiver has: (i) reviewed the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale; and (ii) identified the Successful Bid and advised the Qualified Bidders participating in the Auction of such determination.

- (g) Finalizing Documentation. Promptly following a bid of a Qualified Bidder being declared the Successful Bid, the Qualified Bidder shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Bid.

SCHEDULE D

APPROVAL AND VESTING ORDER

(See Attached)

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, 20YR
)

BETWEEN:

**BRIDGING FINANCE INC., as agent for
2665405 ONTARIO INC.**

Applicant

-and-

1033803 ONTARIO INC. and 1087507 ONTARIO LIMITED

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Kofman Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of, *inter alia*, 1033803 Ontario Inc. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and 2657897 Ontario Inc. (the “**Purchaser**”) dated [DATE] and appended to the Report of the Receiver dated [DATE] (the “**Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the Lands (as defined in the Sale Agreement, and as further set out on Schedule A hereto), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Lands to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule B hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Lands shall vest absolutely in the Purchaser, 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, encumbrances, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated November 19, 2018; and (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 C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances (as defined in the Sale Agreement) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Lands are hereby expunged and discharged as against the Lands.

3. **THIS COURT ORDERS** that upon the registration in the Land Titles Division of Peel (No. 43) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar for the Land Titles Division of Peel (No. 43) is hereby directed to enter the Purchaser as the owner of the Lands in fee simple, and is hereby directed to delete and expunge from title to the Lands all of the Claims listed in Schedule C hereto.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. **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 *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Lands in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

6. **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 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

SCHEDULE A- Lands - Legal Description

PIN 14209-1704 (LT)

PT LT 6, CON 7 ND (TORONTO GORE), DES PTS 1, 2, 3, 4, 5, 6, 7, 8, 11, 43R34750; S/T EASEMENT IN GROSS OVER PTS 22, 23 AND 24, 43R31898 AS IN PR1385008. S/T EASEMENT IN GROSS OVER PTS 22 AND 23, 43R31898 AS IN PR1385011.; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 2 TO 5, 43R34750 AS IN PR2261758; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 3, 5, 11, 43R34750 AS IN PR2264436; CITY OF BRAMPTON

Being the whole of the PIN.

Schedule B – Receiver’s Certificate

Court File No. CV-18-608978-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

**BRIDGING FINANCE INC., as agent for
2665405 ONTARIO INC.**

Applicant

-and-

1033803 ONTARIO INC. and 1087507 ONTARIO LIMITED

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the “**Court**”) dated November 19, 2018, KSV Kofman Inc. was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of, *inter alia*, 1033803 Ontario Inc. (the “**Debtor**”).

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of ●, 2018 (the “**Sale Agreement**”) between the Receiver and 2657897 Ontario Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Lands, which vesting is to be effective with respect to the Lands upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) that the conditions to Closing as set out in Sections [4.1 and 4.2] of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (ii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The conditions to Closing as set out in Sections **[4.1 and 4.2]** of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**KSV Kofman Inc., in its capacity as Receiver
of the undertaking, property and assets of,
inter alia, 1033803 Ontario Inc., and not in its
personal capacity**

Per: _____
Name:
Title:

Schedule C – Claims to be deleted and expunged from title to Real Property

| Party From | Party To | Instrument Type | Registration Number |
|----------------------|-----------------------|--|----------------------------|
| 1033803 Ontario Inc. | Bridging Finance Inc. | Charge/mortgage | PR3170291 (2017/07/25) |
| 1033803 Ontario Inc. | Bridging Finance Inc. | Notice of assignment of rents - general | PR3170292 (2017/07/25) |

GOODMANS\6882890



TABC

Appendix “C”

PPSA REGISTRANTS¹

| | |
|---|---|
| <p>Travelers Guarantee Company of Canada 650 West Georgia Street, Suite 2500 Vancouver, BC V6B 4N7 Attention: Cornel Peana</p> | <p>FF Supply LLC dba Zenith Insured Credit 445 Park Avenue, 9th Floor New York, NY 10022</p> |
| <p>McAlpine Ford Lincoln Sales Ltd 15815 Yonge Street Aurora, ON L4G 1P4</p> | <p>Aluma Systems Inc. 2 Manchester Court Bolton, ON L7E 2J3</p> |
| <p>Toromont CAT, a div. of Toromont Industries Ltd. 3131 Hwy. 7 West, PO Box 5511 Concord, ON L4K 1B7</p> | <p>Demelo's Construction Equipment Ltd 580 Fenmar Drive Toronto, ON M9L 2S4</p> |
| <p>Bank of Montreal / Banque de Montreal 250 Yonge Street Toronto, ON M5B 2L7</p> | <p>ATCO Structures & Logistics ATCO Structures & Logistics Ltd. 65 Reive Boulevard Cookstown, ON L0L 1L0</p> |
| <p>Ford Credit Canada Company Ford Credit Canada Limited PO Box 2400 Edmonton, AB T5J 5C7</p> | <p>Highland Chevrolet Buick GMC Cadillac Ltd. P.O. Box 71610, 15783 Yonge Street Aurora, ON L4G 6S9</p> |
| <p>Wells Fargo Equipment Finance Company 2300 Meadowvale Blvd, Suite 200 Mississauga, ON L5N 5P9</p> | <p>Lincoln AFS PO Box 2400, Edmonton AB T5J 5C7</p> |
| <p>GE Canada Asset Financing Holding Company 2300 Meadowvale Blvd, Suite 200 Mississauga, ON L5N 5P9</p> | <p>GE VFS Canada Limited Partnership 2300 Meadowvale Blvd, Suite 200 Mississauga ON L5N 5P9</p> |
| <p>National Leasing Group Inc. 1525 Buffalo Place Winnipeg, MB R3T 1L9</p> | <p>Caterpillar Financial Services Limited 3457 Superior Court, Unit 2 Oakville, ON L6L 0C4</p> |
| <p>Bank of Montreal, as Administrative Agent 100 King Street West, 11th Floor, Toronto, ON M5X 1A1</p> | <p>CWB NL Financial Inc. 1525 Buffalo Place, Winnipeg MB R3T 1L9</p> |
| <p>Caisse Centrale Desjardins, as Administrative Agent 1170 Peel Street, Office 300 Montreal, QC H3B 0A9</p> | <p>The Toronto-Dominion Bank, as Administrative Agent TD Bank Tower 66 Wellington Street West, 9th Floor Toronto, ON M5K 1A2</p> |

¹ PPSA registrants on this Service List include parties with registrations against 1033803 Ontario Inc. and 1087507 Ontario Limited as well as other companies within the Bondfield group of companies.

| | |
|--|--|
| <p>GE Canada Equipment Financing G.P. (9755530001) RS GE Canada Equipment Financing G.P. (9754010001) RS GE Canada Equipment Financing G.P. 2300 Meadowvale Blvd, Suite 200 Mississauga, ON L5N 5P9</p> | <p>Bank of Montreal, as Administrative Agent 100 King Street West, 4th Floor 1 First Canadian Place Toronto, ON M5T 1T4</p> |
| <p>Mercedes-Benz Financial Services Canada Corporation Mercedes-Benz Financial 2680 Matheson Blvd. E, Suite 500 Mississauga, ON L4W 0A5</p> | <p>GM Financial Canada Leasing Ltd. 2001 Sheppard Ave. Suite 600 Toronto, ON M2J 4Z8</p> |
| <p>Her Majesty in Right of Ontario Represented by the Minister of Finance 400-130 Dufferin Avenue London, ON N6A 6G8</p> | <p>Zurich Insurance Company Ltd. 100 King Street Suite 5500 Toronto, ON M5X 1C9</p> |
| <p>Bridging Finance Inc., as Agent 77 King Street West Suite 2925 Toronto, ON M5K 1K7</p> | <p>Element Financial Corporation 161 Bay Street Suite 4600, PO Box 621 Toronto, ON M5J 2S1</p> |



TABD

Appendix “D”



Bondfield Construction Company Limited

Valuation & Review

INVENTORY | **MACHINERY & EQUIPMENT** | BUSINESS VALUATIONS |
PATENTS & INTELLECTUAL PROPERTY | REAL ESTATE

EFFECTIVE DATE: July 23, 2018
REPORT DATE: August 10, 2018

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Appraisal performed for:
 Bondfield Construction Company Limited
 Mr. Domenic Dipede
 Chief Financial Officer
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 Concord, ON L4K 4W8

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August 10, 2018

Mr. Domenic Dipede
Chief Financial Officer
Bondfield Construction Company Limited
407 Basaltic Road
Concord, ON L4K 4W8
Canada

**Re: Appraisal – Bondfield Construction Company Limited
Machinery & Equipment**

Dear Mr. Dipede:

GB Appraisal Canada, ULC (“Gordon Brothers”), an affiliate of Gordon Brothers Group, LLC (Gordon Brothers Group”) is pleased to submit to you the following Appraisal Report.

On July 23, 2018, Gordon Brothers personnel inspected the machinery and equipment of Bondfield Construction Company Limited, located at:

• 407 Basaltic Road, Concord, Ontario, Canada

The inspection was conducted to gather data relative to the assets and provide an appraisal report to be used as documentation for financial decision-making.

The Effective Date of the appraisal is **July 23, 2018**.

Subject to the assumptions and limiting conditions set forth in an addendum to this report, it is our professional judgment that, as of the effective date as detailed in this report, the machinery and equipment has an estimated **Orderly Liquidation Value (All Assets)** of:

Orderly Liquidation Value
(All Assets):

Twelve Million
Two Hundred Eighty Five Thousand Dollars
\$12,285,000

Subject to the assumptions and limiting conditions set forth in an addendum to this report, it is our professional judgment that, as of the effective date as detailed in this report, the machinery and equipment has an estimated **Fair Market Value-Removed (All Assets)** of:

Fair Market Value-Removed
(All Assets):

Twenty One Million
Eight Hundred Fifty Thousand Dollars
\$21,850,000

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800 Boylston Street, 27th floor gordonbrothers.com
Boston, MA 02199 USA

Subject to the assumptions and limiting conditions set forth in an addendum to this report, it is our professional judgment that, as of the effective date as detailed in this report, the machinery and equipment has an estimated **Orderly Liquidation Value (Cranes & Related Assets)** of:

Orderly Liquidation Value
(Cranes & Related Assets):

Four Million
Seven Hundred Eighty Five Thousand
Five Hundred Dollars
\$4,785,500

Subject to the assumptions and limiting conditions set forth in an addendum to this report, it is our professional judgment that, as of the effective date as detailed in this report, the machinery and equipment has an estimated **Fair Market Value-Removed (Cranes & Related Assets)** of:

Fair Market Value-Removed
(Cranes & Related Assets):

Nine Million
Three Hundred Fifty Thousand Dollars
\$9,350,000

Subject to the assumptions and limiting conditions set forth in an addendum to this report, it is our professional judgment that, as of the effective date as detailed in this report, the machinery and equipment has an estimated **Orderly Liquidation Value (Aluma Forming & Shoring Equipment)** of:

Orderly Liquidation Value
(Aluma Forming & Shoring
Equipment):

Seven Million
Five Hundred Thousand Dollars
\$7,500,000

Subject to the assumptions and limiting conditions set forth in an addendum to this report, it is our professional judgment that, as of the effective date as detailed in this report, the machinery and equipment has an estimated **Fair Market Value-Removed (Aluma Forming & Shoring Equipment)** of:

Fair Market Value-Removed
(Aluma Forming & Shoring
Equipment):

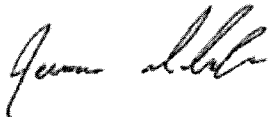
Twelve Million
Five Hundred Thousand Dollars
\$12,500,000

The report that follows sets forth the identification of the machinery and equipment appraised, the scope of the assignment, pertinent information relative to the data considered, the results of the investigation and analysis, and the assumptions and limiting conditions.

It has been a pleasure being of service to you.

Very truly yours,

GB Appraisal Canada, ULC



Jerome (Jerry) Galaszewski
Senior Manager, Valuations

enclosures

I. EVALUATION SUMMARY

BONDFIELD CONSTRUCTION COMPANY LIMITED
PERSONAL PROPERTY

Effective Date: July 23, 2018

| Location: | Orderly Liquidation Value | Fair Market Value - Removed |
|---|---------------------------|-----------------------------|
| Bondfield Construction Company Limited 407 Basaltic Road Concord, Ontario Canada Last Date of Inspection: July 23, 2018 | \$12,285,000 | \$21,850,000 |

Total Appraised Values – (All Assets)

\$12,285,000

\$21,850,000

II. EXECUTIVE SUMMARY

IMPORTANT NOTE

The executive summary is provided as a convenience to the reader. A comprehensive review of the entire appraisal is necessary in order to understand the factors considered in the valuation.

SUMMARY

Factors considered important in the appraisal are summarized as follows:

1. The assets appraised in this report consist of tower, crawler, and wheel cranes; Aluma concrete forming and shoring equipment; and related support equipment consisting of mostly spare parts.
2. The machinery and equipment is located at Bondfield Construction Company Limited.
3. The purpose of the appraisal is to provide an opinion of the Orderly Liquidation Value ("OLV") and Fair Market Value - Removed ("FMV-R") of the assets.
4. The general condition of the assets was considered to be fair to good.
5. Gordon Brothers inspected the machinery and equipment July 23, 2018. Detailed descriptive information about the assets was identified and compiled. The valuation analysis included consideration of transactions involving sales of similar assets. Research included searches of comparable sales databases and contact with original equipment manufacturers ("OEMs"), manufacturers' representatives, used machinery and equipment dealers, and auctioneers and liquidators. Gordon Brothers assembled and analyzed all of the information gathered, and developed the approaches to value most appropriate to the purpose and intended use of the appraisal.
6. Many of the assets were located and erected in the field at the time of the inspection. The values expressed in this appraisal report do not include any dismantling, rigging, or transporting of the assets to a central holding yard in the event of a sale.
7. The appraisal also includes approximately \$18 million in Aluma concrete forming and shoring equipment. Aluma is a recognized OEM of these types of assets. This equipment is available to rent to Bondfield's customers and consists of thousands of smaller pieces that form the basis of complete concrete forming and shoring sets. It should be noted that there could be some slippage of these assets, especially as it related to an OLV-type sale scenario.
8. The liquidity in the marketplace for used tower cranes is quite low. Bondfield has a significant amount of tower cranes. Therefore, there is a larger than normal penalty for selling a significant amount of tower cranes through an orderly liquidation sale proceeding.
9. The marketplace for both used tower cranes and forming and shoring equipment is highly cyclical. Typical cyclical peaks for both asset classes are highly correlated. Therefore, these assets tend to go up and down together. Right now the market is strong. In fact, the Company is currently running a reported utilization rental rate of the concrete forming and shoring equipment near 100%. This is extremely high. In the event of a market downturn, it is highly likely that the values of the assets presented within this appraisal report will be significantly overstated. In addition, the strength of the Canadian Dollar ("Loonie") as it relates to the U.S. Dollar causes significant fluctuations in pricing. At the moment, this is favorable for assets priced in Canadian Dollars. These changes can occur fairly rapidly and quickly invalidate the results of this appraisal report.
10. The conclusions of this appraisal assume a sale that is conducted by a professional liquidator strictly on a fee for service basis. The conclusions do not represent a guarantee or equity bid from Gordon Brothers Canada, ULC ("Gordon Brothers Canada") or any Gordon Brothers affiliates. If a liquidator was requested to make an equity bid (cash offer), or to provide an equity bid based guarantee of recovery for these assets, the liquidator would incorporate the risk associated with such a bid. Both an equity bid and/or a guarantee would in most cases be lower than the estimated appraised value to offset the liquidator's risk and profit margin.

CONCLUSIONS

| | |
|----------------------------------|--|
| Client: | Bondfield Construction Company Limited |
| USPAP Report Format: | Appraisal Report |
| Effective Date of the Appraisal: | July 23, 2018 |
| Report Date: | August 10, 2018 |

CRANES & RELATED ASSETS

| | |
|--|-------------|
| Estimated Orderly Liquidation Value (Cranes & Related Assets): | \$4,785,500 |
| Estimated Fair Market Value - Removed (Cranes & Related Assets): | \$9,350,000 |

ALUMA FORMING & SHORING EQUIPMENT

| | |
|--|--------------|
| Estimated Orderly Liquidation Value (Aluma Forming & Shoring Equipment): | \$7,500,000 |
| Estimated Fair Market Value - Removed (Aluma Forming & Shoring Equipment): | \$12,500,000 |

ALL ASSETS

| | |
|---|--------------|
| Estimated Total Orderly Liquidation Value (All Assets): | \$12,285,000 |
| Estimated Total Fair Market Value - Removed (All Assets): | \$21,850,000 |

All values are stated in Canadian Dollars

III. MACHINERY & EQUIPMENT REPORT

IDENTIFICATION OF THE SUBJECT ASSETS

The assets appraised in this report consist of tower, crawler, and wheel cranes; Aluma concrete forming and shoring equipment; and related support equipment. The machinery and equipment is located at Bondfield Construction Company Limited ("Bondfield Construction" or the "Company").

Gordon Brothers has inspected the machinery and equipment located at:

- 407 Basaltic Road, Concord, Ontario, Canada

This report includes a detailed listing of the assets.

DEFINITIONS OF VALUE

This appraisal estimates the Orderly Liquidation Value and Fair Market Value - Removed of the assets.

In its website posting, *Definitions of Value Relating to MTS Assets*¹ (<http://www.appraisers.org/Disciplines/Machinery-Technical-Specialties/mts-appraiser-resources/DefinitionsOfValue>, number 9), the American Society of Appraisers defines *Orderly Liquidation Value* as follows:

Orderly Liquidation Value (OLV)

"An opinion of the gross amount, expressed in terms of money, that typically could be realized from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date."

Given the nature of the assets being appraised, a reasonable period of time is considered to be a 3- to 6-month period. The definition assumes that the specific date is consistent with the effective date of the appraisal. It is also assumed the buyer will adjust the price paid to offset any risk and dismantling/removal costs. The conclusions take into consideration location, difficulty of removal, condition, adaptability, specialization, marketability, overall appearance, and psychological appeal. This is a privately negotiated sale that is properly advertised and professionally managed. Further, the ability of the asset group to draw sufficient prospective buyers to ensure competitive offers is considered. Any deletions or additions to the assets appraised could change the psychological or monetary appeal necessary to attain the value estimated. This definition does not take into account any of the expenses associated with the cost of selling the assets.

In its website posting, *Definitions of Value Relating to MTS Assets*² (<http://www.appraisers.org/Disciplines/Machinery-Technical-Specialties/mts-appraiser-resources/DefinitionsOfValue>, number 7), the American Society of Appraisers defines *Fair Market Value - Removed* as follows:

Fair Market Value - Removed (FMV - Removed)

"An opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering removal of the property to another location, as of a specific date."

In this case, the definition assumes that the specific date is consistent with the effective date of the appraisal. It is also assumed the buyer considered the risk and costs associated with dismantling and removal in the price paid.

¹ *Machinery & Technical Specialties Committee of the American Society of Appraisers – July 25, 2010*

² *Machinery & Technical Specialties Committee of the American Society of Appraisers – July 25, 2010*

IDENTIFICATION OF THE CLIENT, USERS, AND INTENDED USE OF THE APPRAISAL

Mr. Domenic Dipede, Chief Financial Officer, authorized and contracted with Gordon Brothers to conduct the appraisal of the assets for Bondfield Construction Company Limited ("Client"). The report is to be used solely by the Client. The intended use of the appraisal is to provide the documentation necessary for financial decision-making. It should not be used for any other purpose. Gordon Brothers accepts no responsibility to any other party for the whole or any part of the report contents.

Gordon Brothers developed and is submitting the appraisal in conformance with the Uniform Standards of Professional Appraisal Practice ("USPAP"), as promulgated by the Appraisal Standards Board of the Appraisal Foundation, and the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers. This appraisal is being submitted in an Appraisal Report format in accordance with USPAP.

EFFECTIVE DATE OF THE APPRAISAL AND DATE OF THE REPORT

The effective date of the appraisal is July 23, 2018. This is the date Gordon Brothers completed the inspection of the assets and the compilation of the information pertaining to the desktop equipment. The date of this report is August 10, 2018.

METHODOLOGY

Three basic valuation methods are used to derive an indication of the value of the assets. These methods include the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach to value.

| | |
|--|--|
| <p>Cost Approach</p> | <p><i>"A set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the personal property, deducting for all depreciation, including physical deterioration, functional obsolescence, and external or economic obsolescence."</i></p> |
| <p>Sales Comparison Approach</p> | <p><i>"A set of procedures in which an appraiser derives a value indication by comparing the personal property being appraised with similar assets that have been sold recently, applying appropriate units of comparison, and making adjustments based on the elements of comparison to the sale prices of the comparable."</i></p> |
| <p>Income Capitalization Approach</p> | <p><i>"A set of procedures in which an appraiser derives a value indication for income-producing personal property by converting anticipated benefits into value. This conversion is accomplished either by: (1) capitalizing a single year's income expectancy or an annual average of several years' income expectancies at a market-derived capitalization rate or capitalization rate that reflects a specified income pattern, return on investment, and change in value of the investment; or (2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate."</i></p> |

The sales comparison approach was the primary basis on which the assets were appraised. The cost approach was considered and given limited weight in the final analysis. However, the cost approach formed a greater portion of the valuation methodology for the concrete forming and shoring assets.

The Income Approach was considered but not used in this report. This approach considers income-generating criteria and is limited in its application to the appraisal of machinery and equipment. This is due to the difficulty in determining what portion of the total income and expense stream of a given plant would be attributable to a specific piece of equipment. This type of analysis is not appropriate to the scope of this appraisal.

SCOPE OF WORK

On July 23, 2018, Gordon Brothers inspected a portion of the machinery and equipment that is the subject of the appraisal. Bondfield Construction personnel assisted in the inspection and information-gathering process. During the inspection, detailed descriptive information pertaining to the assets was identified and compiled. Whenever possible, this included manufacturer, model, serial number, year of manufacture, and capacities and specifications. A variety of other data relating to the assets was discussed, requested, and gathered during the inspection. In some cases, additional information was subsequently requested.

Gordon Brothers held discussions with Company personnel to assemble information needed to describe and appraise the subject assets identified in this report. Information discussed and requested in detail, included, but was not limited to:

- Factual information for the assets - manufacturer, model, serial number, year, and condition
- Equipment rated capacities, utilization, upgrades, and rebuilds
- Existing maintenance issues
- Complete detailed list of Aluma concrete forming and shoring assets - "Aluma Forming and Shoring Rental Equipment List"

Subsequent to the inspection process, Company personnel familiar with specifications and other information, were made available and provided information requested.

In some cases, due to the limited information made available, Gordon Brothers relied on manufacturer information, outside industry information, and the experience of the appraisers. Assumptions and judgments also had to be made that may or may not be accurate and could have an influence on the final value estimates.

It should be clearly understood that Gordon Brothers has relied on the information the Company provided, and has assumed it to be an accurate representation of the assets and their associated costs. If the information is found to be inaccurate, the reliability of the final value conclusions would be correspondingly affected.

The appraisal does not include an evaluation of the raw materials, work-in-process, or finished goods inventories. The value of purchased repair parts or replacement parts has not been considered.

It should be clearly understood that Gordon Brothers has relied on the information the Company provided for the provided "Aluma Forming and Shoring Rental Equipment List" list which forms the basis of the concrete forming and shoring rental equipment, including quantities and their associated costs. If the information is found to be inaccurate, the reliability of the final value conclusions would be correspondingly affected.

Gordon Brothers contacted used machinery and equipment dealers, and auctioneers and liquidators. When relevant, discussions included supply and demand factors, the overall condition of the market, and the number of potential purchasers in the market for similar assets.

No product line-dedicated tooling or computer software is evaluated in this report.

The valuation analysis included consideration of transactions involving sales of similar assets and searches of comparable sales databases. It also considered the availability of competitive equipment on the open market and the overall condition and quality of the subject assets compared with the assets sold or available.

Gordon Brothers assembled and analyzed all of the information gathered for the subject assets, and during the market research process the approaches to value most appropriate to the purpose and intended use of the appraisal were then developed. The value indications were reconciled and the most meaningful data was considered in the final value estimates.

SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS – TOWER CRANES & FORMING & SHORING EQUIPMENT

There is a significant quantity and duplication of capacity associated with the tower cranes used in the Company’s operations. Regardless of industry conditions, the market will probably have difficulty absorbing the total capacity on hand. Assigning value estimates to individual machines is difficult. Accurately identifying which specific machines would sell when, and for how much, is even more difficult.

In practice, sale prices could vary dramatically for similar types of machines. The late-model units should sell for reasonable value. Older units will be more difficult to sell. As the market becomes saturated, prices typically decline. If speculators become the market, the values realized will be even lower. This is especially true when it comes to the OLV of the assets. As a result, those values have been more heavily discounted than they would for other asset types.

The appraisal also includes approximately \$18 million in Aluma concrete forming and shoring equipment. Aluma is a recognized OEM of these types of assets. This equipment is available to rent to Bondfield’s customers and consists of thousands of smaller pieces that form the basis of complete concrete forming and shoring sets. It should be noted that there could be some slippage of these assets, especially as it related to an OLV-type sale scenario. Furthermore, we have relied on the lists provided by the Company for the exact quantities and costs. An extensive inventorying process would be needed to reconcile the complete list, which is beyond the scope of this appraisal report.

STATEMENT OF OWNERSHIP

Gordon Brothers is providing an appraisal of only owned assets. If applicable, assets Company management indicated were leased or not owned have been excluded from the appraisal. The equipment is appraised free of any encumbrances.

Gordon Brothers has assumed that Bondfield Construction has accurately represented the ownership interest in all of the personal property and has not conducted Personnel Property Security Registration System (“PPSA”) searches to determine the ownership. A search of this type is outside the scope of this appraisal assignment. It is recommended that any parties with or considering an interest in the asset independently confirm the ownership and determine what potential impact any encumbrances may have on their marketability and ultimate value.

GENERAL CONDITION OF THE ASSETS

The general condition of the assets was considered to be fair to good. During the inspection, Gordon Brothers interviewed Bondfield Construction personnel familiar with the overall age and condition of the assets and internal maintenance practices. The equipment appeared to be adequately maintained. In some instances, machinery was not in operation at the time of inspection. The appraisal has assumed that all equipment is in working order, unless otherwise specifically indicated in the asset descriptions included in this report.

Any condition statements that appear in the listing of the assets are based only on general observations made during visual inspections. It is impossible to judge the actual mechanical condition of the assets without relying on the accuracy of the representations made by Company management. This appraisal is not a technical or engineering survey.

The following are Gordon Brothers’ guidelines for each condition classification. If no classification is noted in the machinery listing, the asset(s) are considered to be in average condition for their age.

| Classification | Description |
|----------------|---|
| New | New, unused, installed, or uninstalled property in excellent condition |
| Very Good | Like new condition, only slightly used, capable of full capacity per design specifications without modifications or requiring repairs or abnormal maintenance |
| Good | Used property, capable of operating at or near full specified capacity, that has undergone repairs as part of regular maintenance |

| Classification | Description |
|----------------|---|
| Average | Used property, requiring some repairs or ordinary replacement of wear parts, with the condition of the item being consistent with its actual age, assuming normal usage |
| Fair | Used property, operating below fully specified capacity due to age and/or application, requiring general maintenance and/or replacement of components and/or wear parts in the foreseeable future |
| Poor | Used property, operating below fully specified capacity due to age and/or application, requiring major rebuild and/or maintenance in the near future of its major components and/or wear parts |
| Scrap | Used property, salvage value only, no longer serviceable, not economically feasible to repair and/or modify, salable only for the recovery of the property's basic material content or reusable component parts |

ENVIRONMENTAL CONSIDERATIONS

This appraisal does not make any allowance for, nor has it considered, the impact, if any, of environmental issues or those associated with the Canadian Center for Occupational Health and Safety ("CCOHS") that would affect the salability, value, or use of the equipment. Environmental considerations such as property or equipment clean up, special handling, remediation, disposal, or other potential environmental liabilities are outside the scope of this appraisal. Furthermore, the appraisal does not consider compliance or non-compliance with regulatory agencies that may have jurisdiction in this area.

Gordon Brothers is not an environmental consulting firm and is not qualified to recognize or test for hazardous substances, conditions, or other environmental liabilities. Furthermore, Gordon Brothers is not qualified to identify or evaluate occupational safety hazards. It is recommended that any parties with or considering an interest in the assets contract with a qualified consulting firm to conduct any studies necessary to ensure that such issues are properly addressed.

KEY FACTORS

There are a number of factors that have been considered in the valuation of the assets. Industry research has been conducted to gather information to assist in the analysis of the salability and potential value of the subject machinery and equipment. Every effort has been made to reach value conclusions that are supportable and representative of the market as it currently exists, based on the best information available. The following is a brief general discussion addressing the valuation concepts applied in the appraisal, market conditions, and the factors that will affect the value of the major machinery.

The appraisal is being submitted under the orderly liquidation and fair market value concepts. An orderly liquidation is a duress must-sell situation that allows an extended time frame to locate and negotiate with buyers. Fair market value assumes an arm's-length sale, with no compulsion on the part of the seller or buyer to complete a transaction and both acting knowledgeably and in their best interest.

Both value definitions recognize that the assets are being sold to be removed at the buyer's risk and expense. Any expenditure that has been made for the installation and transportation of the equipment will be totally lost. Knowledgeable buyers also will recognize that costs will be incurred to dismantle, match mark, rig, crate, containerize, and transport the equipment. These factors will affect what buyers will be able to pay for the assets.

Two types of buyers are typically in the market for the assets in the event they must be sold, end users and dealers/brokers. An end user would purchase the machinery either to expand existing production capacity or to replace older, less productive equipment. When that group of buyers has been exhausted, used machinery dealers or brokers usually become the buyer pool. These are speculative purchasers, who acquire machinery in anticipation of its future resale. In addition to removal costs, dealers will consider their holding costs, including warehousing and storage, marketing, and warranty expense, as well as profit motive, in the amount they will pay.

The marketplace for both used tower cranes and forming and shoring equipment is highly cyclical. Typical cyclical peaks for both asset classes are highly correlated. Therefore, these assets tend to go up and down together. Right now the market is strong. In fact, the

Company is currently running a reported utilization rental rate of the concrete forming and shoring equipment near 100%. This is extremely high. In the event of a market downturn, it is highly likely that the values of the assets presented within this appraisal report will be significantly overstated. In addition, the strength of the Canadian Dollar as it relates to the U.S. Dollar causes significant fluctuations in pricing. These changes can occur fairly rapidly and quickly invalidate the results of this appraisal report.

The resale value of a single used machine in average condition would most likely be higher than the value estimates expressed in this appraisal. This is particularly true when assets are sold under duress, for a number of reasons. The seller is in a must-sell situation; buyers are under no compulsion to buy; and there is a finite amount of time to identify buyers and sell the assets. This is reflected in Gordon Brothers' conclusions.

It should be clearly understood that in any sale proceeding, certain machines might sell for more than the estimated values presented in this report, while others could sell for less. However, it is very much the opinion of the appraisers that, on an overall basis, the value conclusions are representative of the current market for the assets under the confines of the value definitions contained within this report.

Research has been conducted to gather information to assist in the analysis of the salability and potential value of the subject assets. Every effort has been made to reach value conclusions that are supportable and representative of the market as it currently exists, based on the best information available. However, the judgment of the appraisers has been applied in assigning value estimates to equipment that exhibits duplication and/or quantities, or that is more specialized

Important Note: The conclusions of this appraisal assume a sale that is conducted by a professional liquidator strictly on a fee for service basis. The conclusions do not represent a guarantee or equity bid from Gordon Brothers Canada or any Gordon Brothers affiliates. If a liquidator was requested to make an equity bid (cash offer), or to provide an equity bid based guarantee of recovery for these assets, the liquidator would incorporate the risk associated with such a bid. Both an equity bid and/or a guarantee would in most cases be lower than the estimated appraised value to offset the liquidator's risk and profit margin.



IV. Machinery & Equipment Listing

BONDFIELD CONSTRUCTION COMPANY LIMITED
407 BASALTIC ROAD
CONCORD, ONTARIO, CANADA

Department Evaluation Summary

Effective Date: July 23, 2018

| Departments: | Orderly Liquidation Value | Fair Market Value - Removed |
|--------------------------------------|--------------------------------------|--|
| Cranes - Basaltic Yard | \$1,620,000 | \$3,305,000 |
| Cranes - Off Site | 3,165,000 | 6,045,000 |
| Concrete Forming & Shoring Equipment | 7,500,000 | 12,500,000 |
| Total Appraised Values – | \$12,285,000 | \$21,850,000 |

| Description | | OLV | FMV-R |
|-------------------------------|---|-----------|-----------|
| Cranes - Basaltic Yard | | | |
| <i>Item #1</i> | | | |
| Qty:(1) | Comedil Model CTL180-A 16-Ton Luffing Tower Crane, S/N G8706022, (2006); 55 Meter Radius, 92.5 Meter Under Hook; with (9) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | \$150,000 | \$345,000 |
| <i>Item #2</i> | | | |
| Qty:(1) | Comedil Model CTT 331-16-M 16-Ton Tower Crane, S/N G5905031, (2005); 75 Meter Radius, 92.5 Meter Under Hook; with (12) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | 150,000 | 350,000 |
| <i>Item #3</i> | | | |
| Qty:(1) | Comedil Model CTT 331-16-M 16-Ton Tower Crane, S/N G5905049, (2005); 75 Meter Radius, 92.5 Meter Under Hook; with (12) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | 150,000 | 350,000 |
| <i>Item #4</i> | | | |
| Qty:(1) | Pecco Model PC-2000 22,000-Lb. Tower Crane, S/N 1103; 50 Meter Radius, 48 Meter Under Hook; with (7) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | 50,000 | 100,000 |
| <i>Item #5</i> | | | |
| Qty:(1) | Peiner Model SK-200 6.25-Ton Tower Crane, S/N 0803, (1981); 55 Meter Radius, 48 Meter Under Hook; with (11) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | 35,000 | 75,000 |
| <i>Item #6</i> | | | |
| Qty:(1) | Peiner Model SK-140 6.25-Ton Tower Crane, S/N 0515; 55 Meter Radius, 48 Meter Under Hook; with (6) Tower Sections; (3) Outer Sections; and Apex Jib Section | 25,000 | 50,000 |
| <i>Item #7</i> | | | |
| Qty:(1) | Peiner Model SK-315 16-Ton Tower Crane, S/N 25125, (2004); 70 Meter Radius, 72 Meter Under Hook; with (11) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | 150,000 | 350,000 |
| <i>Item #8</i> | | | |
| Qty:(1) | Peiner Model SK-315 16-Ton Tower Crane, S/N 105, (1999); 70 Meter Radius, 72 Meter Under Hook; with (11) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | 125,000 | 275,000 |

| Description | | OLV | FMV-R |
|--------------------------------------|---|--------------------|--------------------|
| <i>Item #9</i> Qty(1) | Peiner Model SK-315 16-Ton Tower Crane, S/N 060, (2000); 70 Meter Radius, 72 Meter Under Hook; with (11) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | 135,000 | 300,000 |
| <i>Item #10</i> Qty(1) | Peiner Model SK-415 20-Ton Tower Crane, S/N 26078, (2004); 75 Meter Radius, 65 Meter Under Hook; with (11) Tower Sections, (5) Top Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | 250,000 | 425,000 |
| <i>Item #11</i> Qty(1) | Grove Model RT745 45-Ton Wheel Rough Terrain Crane, S/N 70173, (1988); with Outriggers; (New Engine 2015) | 50,000 | 85,000 |
| <i>Item #12</i> Qty(1) | Lot of Miscellaneous and Large Quantity of Tower Crane Parts and Components, To Include But Not Limited To: Beams; Adaptors; Brackets; Panels; Corner Units; Braces; Frames; Jacks; Extensions; Screws; Bases; Decks; Racks; Clips; Tube; Planks; Stairways; Hooks; Baskets; etc. | 350,000 | 600,000 |
| TOTAL CRANES - BASALTIC YARD: | | \$1,620,000 | \$3,305,000 |
| Cranes - Off Site | | | |
| <i>Item #13</i> Qty(1) | Comedil Model CTL180-A 16-Ton Luffing Tower Crane, S/N G8706030, (2006); 55 Meter Radius, 92.5 Meter Under Hook; with (9) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) (Asset Documentation in Photograph Section) | \$150,000 | \$345,000 |
| <i>Item #14</i> Qty(1) | Comedil Model CTL180-A 16-Ton Luffing Tower Crane, S/N G8705011, (2005); 55 Meter Radius, 92.5 Meter Under Hook; with (9) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 125,000 | 325,000 |
| <i>Item #15</i> Qty(1) | Comedil Model CTL180-A 16-Ton Luffing Tower Crane, S/N G8707026, (2007); 55 Meter Radius, 92.5 Meter Under Hook; with (9) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 165,000 | 365,000 |

| Description | | OLV | FMV-R |
|-----------------|---|---------|---------|
| <i>Item #16</i> | | | |
| Qty(1) | Comedil Model CTL180-A 16-Ton Luffing Tower Crane, S/N G8707050, (2007); 55 Meter Radius, 92.5 Meter Under Hook; with (9) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 165,000 | 365,000 |
| <i>Item #17</i> | | | |
| Qty(1) | Comedil Model CTL250-A 16-Ton Luffing Tower Crane, S/N G1005004, (2005); 55 Meter Radius, 92.5 Meter Under Hook; with (10) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 125,000 | 285,000 |
| <i>Item #18</i> | | | |
| Qty(1) | Comedil Model CTL250-A 16-Ton Luffing Tower Crane, S/N G1006005, (2006); 55 Meter Radius, 92.5 Meter Under Hook; with (10) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 125,000 | 300,000 |
| <i>Item #19</i> | | | |
| Qty(1) | Comedil Model CTT 331-16-M 16-Ton Tower Crane, S/N G5906001, (2005); 75 Meter Radius, 92.5 Meter Under Hook; with (12) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 150,000 | 350,000 |
| <i>Item #20</i> | | | |
| Qty(1) | Comedil Model CTT 331-16-M 16-Ton Tower Crane, S/N G5905025, (2005); 75 Meter Radius, 92.5 Meter Under Hook; with (12) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 150,000 | 350,000 |
| <i>Item #21</i> | | | |
| Qty(1) | Pecco Model PC-1600 22,000-Lb. Tower Crane, S/N 0710; 50 Meter Radius, 48 Meter Under Hook; with (7) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 40,000 | 75,000 |
| <i>Item #22</i> | | | |
| Qty(1) | Pecco Model PC-1600/2000 (Hybrid) 22,000-Lb. Tower Crane, S/N 0603, (1976); 50 Meter Radius, 48 Meter Under Hook; with (7) Tower Sections; Apex & (4) Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | 40,000 | 75,000 |
| <i>Item #23</i> | | | |
| Qty(1) | Pecco Model PC-2000 22,000-Lb. Tower Crane, S/N 0907; 50 Meter Radius, 48 Meter Under Hook; with (7) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams | 50,000 | 100,000 |
| <i>Item #24</i> | | | |
| Qty(1) | Pecco Model PC-3600 28,000-Lb. Tower Crane, S/N 304, (1980); 60 Meter Radius, 35 Meter Under Hook; with (7) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 50,000 | 100,000 |

| Description | | OLV | FMV-R |
|--------------------|--|---------|---------|
| Item #25 Qty(1) | Pecco Model PC-3000 22,000-Lb. Tower Crane, S/N 0107/109; 55 Meter Radius, 42 Meter Under Hook; with (6) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 50,000 | 100,000 |
| Item #26 Qty(1) | Peiner Model SK-315 16-Ton Tower Crane, S/N 25127, (2004); 70 Meter Radius, 72 Meter Under Hook; with (11) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 150,000 | 350,000 |
| Item #27 Qty(1) | Peiner Model SK-315 16-Ton Tower Crane, S/N 25148, (2005); 70 Meter Radius, 72 Meter Under Hook; with (11) Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 175,000 | 375,000 |
| Item #28 Qty(1) | Peiner Model SN166 12-Ton Luffing Tower Crane, S/N 006, (1999); 50 Meter Radius, 98 Meter Under Hook; with (4) Single, (1) Double Tower Sections; Apex & Jib Sections; Heated/AC Enclosed Operator's Cab; Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 45,000 | 100,000 |
| Item #29 Qty(1) | Potain Model MR405 24-Ton Luffing Tower Crane, S/N 87069-M, (1999); 60 Meter Radius, 125 Meter Under Hook; with (11) Tower Sections; Heel & Jib Sections; Heated/AC Enclosed Operator's Cab, (Broken Window); Turntable; Hoist Winches; Hook Block; Trolley; Counterweights; and Climbing Beams; (Not Inspected) | 300,000 | 475,000 |
| Item #30 Qty(1) | Manitowoc Model 8000 80-Ton Crawler Crane, S/N 8501037, (2007); (Not Inspected) | 300,000 | 425,000 |
| Item #31 Qty(1) | Manitowoc Model 8000 80-Ton Crawler Crane, S/N 8501202, (2011); with Proface Touch Screen Monitor; Counter Weights; Model J60024RTC Hook, S/N 11-7238, 60-Ton Load, 7/8" Rope, 54.41 MT; and 150' Main Lattice Boom; (Not Inspected) (Asset Documentation in Photograph Section) | 375,000 | 535,000 |
| Item #32 Qty(1) | Grove Model RT540E 40-Ton Rough Terrain Crane, S/N 231527, (2011); with 4-Section 102' Main Telescopic Boom; and 45' Swing Away Jib, with Stinger; (Not Inspected) (Asset Documentation in Photograph Section) | 150,000 | 225,000 |
| Item #33 Qty(1) | Grove Model RT540E 40-Ton Rough Terrain Crane, S/N 227154, (2011); 12,559 Hours Indicated; with 4-Section 102' Main Telescopic Boom; and 45' Swing Away Jib, with Stinger | 150,000 | 225,000 |

| Description | OLV | FMV-R |
|---|-------------|---------------------|
| Item #34 Qty(1) Fushun Yongmao Model QUY80A 80-Ton Crawler Crane, S/N 1126, (2007); with LSI Load System Monitor | 100,000 | 150,000 |
| Item #35 Qty(1) Grove Model RT65S 35-Ton Rough Terrain Crane, S/N 33378, (1975); 1,583.9 Hours Indicated; with 4-Section Telescopic Boom; (Not Inspected) (Asset Documentation In Photograph Section) | 35,000 | 50,000 |
| TOTAL CRANES - OFF SITE: | | \$6,045,000 |
| Concrete Forming & Shoring Equipment | | |
| Item #36 Qty(1) Lot of Concrete Forming & Shoring Rental Equipment; (Note: Based On Information Supplied By The Company; Complete Detailed List Located In Appendix) | \$7,500,000 | \$12,500,000 |
| TOTAL CONCRETE FORMING & SHORING EQUIPMENT: | | \$12,500,000 |

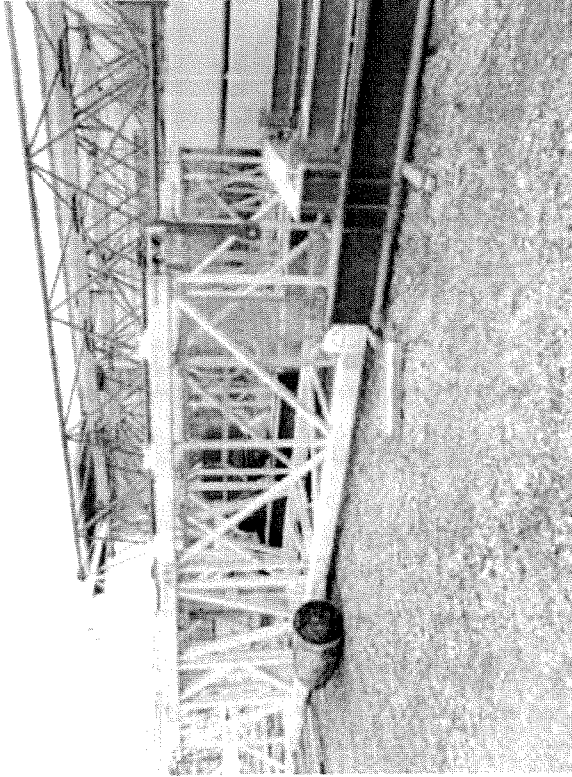
Total Appraised Values **\$12,285,000** **\$21,850,000**



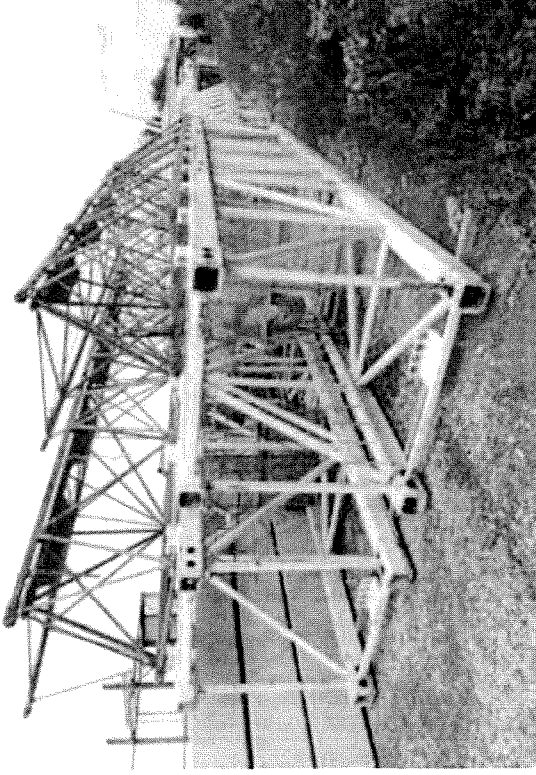


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Machinery & Equipment Photo Report



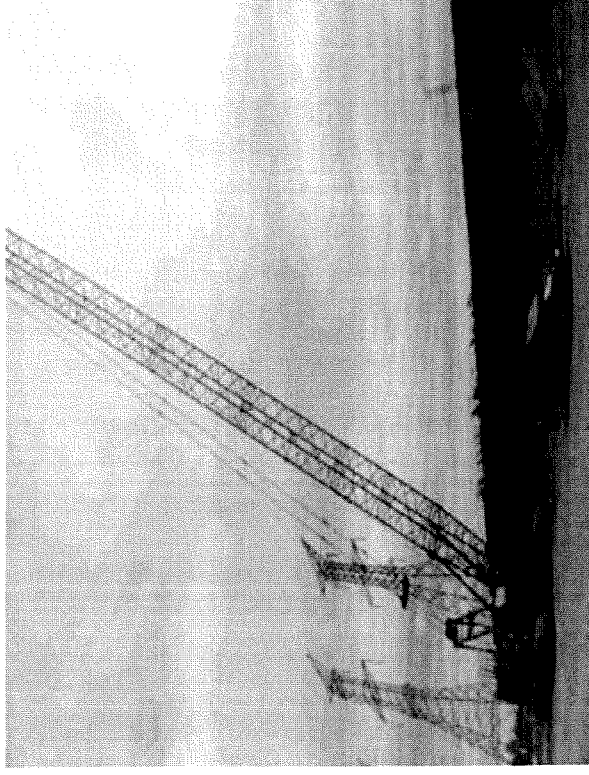
Item #13 - 1 Comedil Model CTL180-A 16-Ton Luffing Tower Crane



Item #13 - 2 Comedil Model CTL180-A 16-Ton Luffing Tower Crane



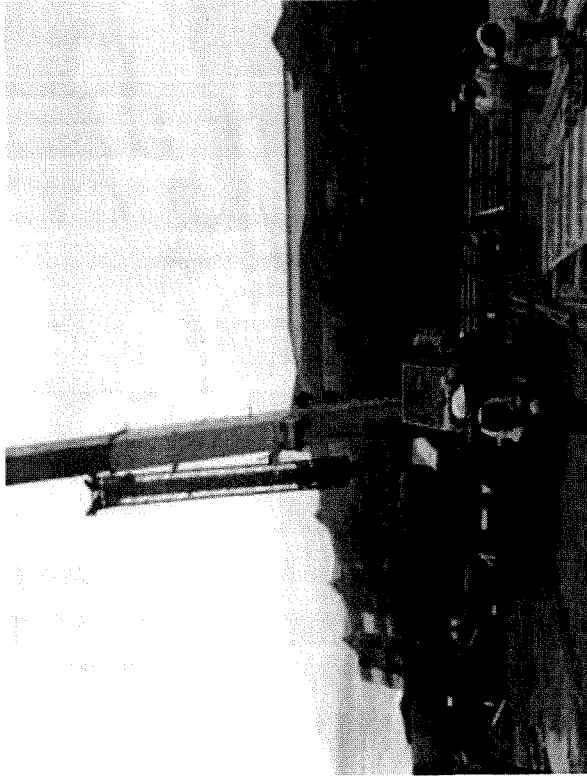
Item #31 - 1 Manitowoc Model 8000 80-Ton Crawler Crane



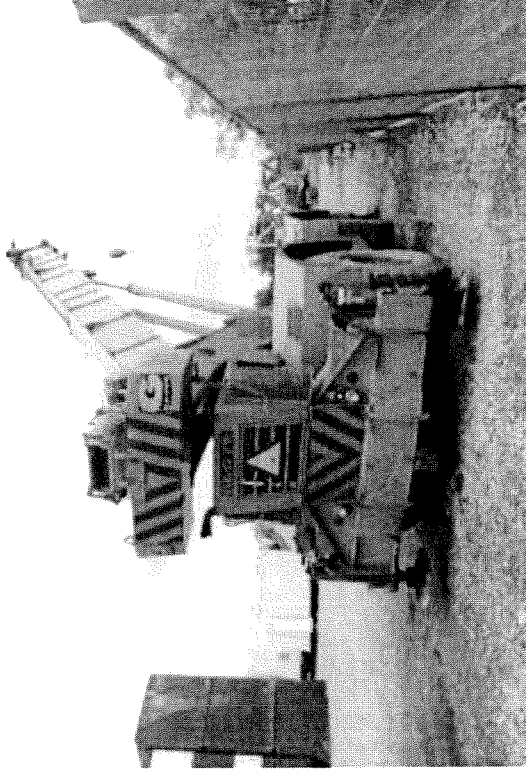
Item #31 - 2 Manitowoc Model 8000 80-Ton Crawler Crane

BONDFIELD CONSTRUCTION COMPANY LIMITED
JOB NUMBER: 3088296

MACHINERY & EQUIPMENT PHOTO REPORT
CONCORD, ONTARIO, CANADA



Item #32 Grove Model RT540E 40-Ton Rough Terrain Crane



Item #35 Grove Model RT65S 35-Ton Rough Terrain Crane

V. CERTIFICATION OF VALUE

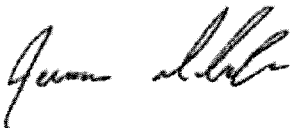
It is hereby certified that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the analyses, opinions, and conclusions set forth in this report are limited only by the assumptions and limiting conditions (imposed by the terms of the assignment or by the undersigned) set forth by this report, and are our personal, unbiased, professional analyses, opinions, and conclusions.
- this appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of The Appraisal Institute, the Uniform Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation, and the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers.
- the use of this report is subject to the requirements of the American Society of Appraisers relating to review by its duly authorized representatives. Disclosure of the contents of the appraisal report is governed by the Bylaws and Administrative Rules of the American Society of Appraisers.
- Gordon Brothers has no present or contemplated future interest in the property nor any personal interest or bias in the subject matter or the parties involved.
- the engagement of Gordon Brothers in this assignment was not contingent upon developing or reporting predetermined results.
- neither the appraisal assignment nor the amount of the fee is contingent upon developing or reporting a predetermined value, requested minimum value, a direction in the value that favors the cause of the client, a specific valuation, the approval of a loan, the amount of the value estimates or attainment of a stipulated result, nor is Gordon Brothers' compensation contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the appraiser(s) disclaim knowledge as to the appraised asset(s) operability, historical performance, and/or the existence of any hidden, latent, or undisclosed defects.
- any statement(s) of condition are the result of visual inspection only and should not be construed as an opinion of operability or utility.
- R.D. Gauley, CPPA, an independent fee appraiser, provided assistance in the inspection process. No person or persons other than those acknowledged below prepared the analysis, conclusions, and opinions, or provided significant professional assistance.
- the American Society of Appraisers has a mandatory re-certification program for all of its Senior Members. Timothy Randall is in compliance with this program.
- the undersigned, unless denoted by an (*), has made an inspection of the personal property that is the subject of this report.
- Jerome (Jerry) Galaszewski has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Should you have any questions regarding the foregoing value estimates or require any further information, please contact the undersigned.

Respectfully submitted,

GB Appraisal Canada, ULC



8-10-2018

Jerome (Jerry) Galaszewski*

Date

VI. GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions.

- The contents of the appraisal and valuation as described hereof are to be considered confidential and for the use of the Client only. The use of this appraisal report is limited to providing the documentation necessary for financial decision-making purposes regarding the underwriting of a potential financing agreement for the assets considered in this report. Upon receipt of payment in full of the appraisal fee, the valuation shall be deemed to be owned by the Client, which may, at its option, provide this appraisal to other persons providing financing for any or all of the assets considered in this report. The Other Syndicate Lenders, who finance the assets considered in this report, shall be entitled to rely on the appraisal to the same extent as the Client. No other third party shall have any right to rely on the appraisal without Gordon Brothers' prior written consent. The appraisal should not be used for any other purpose.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated. Title to the property is assumed to be good and marketable unless otherwise indicated.
- It is assumed that all of the property included in the appraisal is owned by the company appraised. Gordon Brothers has relied upon management to identify any equipment that is leased or owned by parties unrelated to the appraisal. Conducting a UCC search is outside the scope of an appraisal assignment.
- This Valuation and Review Report has been prepared in large part in reliance on information furnished by the Company, or other third parties. The accuracy, completeness and reliability of all such information has been assumed by Gordon Brothers, and except as otherwise specifically described herein, Gordon Brothers has not independently verified or audited any such information. Gordon Brothers makes no representation or warranty as to the completeness or accuracy of that information furnished by third parties, and Gordon Brothers shall have no liability for the failure of any such information to be complete and correct in any respect.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
- The value estimates submitted are based upon the definition of value stated in the body of the report as of the valuation date.
- The opinions expressed herein are valid only for the express and stated purpose of providing information and assistance to the parties to whom this report is specifically addressed, and are not in any way, implied or expressed, to be construed, used, circulated, quoted, relied upon, or otherwise referred to for any other purpose or by any other person without Gordon Brothers' express written authorization. Possession of this Valuation and Review Report, or a copy thereof, does not carry with it the right of publication or reliance.
- Following the delivery of this appraisal, no advice, opinion, perspective, or other communication by Gordon Brothers or its affiliates, regardless of the manner or circumstances given, may be relied upon by the Client or any other person for any reason absent a subsequent written engagement and/or a formal reissuance of the underlying appraisal report.
- Gordon Brothers reserves the right to recall all copies of this report to correct any error or omission.
- It is an express condition of this report that Gordon Brothers is not required to give testimony or appear in court regarding this Valuation and Review Report, unless arrangements have been previously made therefore.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

- Except to the extent otherwise set forth in a mutually executed agreement to which this report and the related appraisal engagement are subject: (i) the maximum liability of Gordon Brothers for the breach of any obligation in connection with this engagement or the report, and for any and all damages of any type or nature (whether in contract or in tort, and whether compensatory, consequential, or punitive in nature) sustained or claimed by The Company(ies) or any other person or entity in connection with this engagement or the report, shall be limited to the fee actually received by Gordon Brothers under the engagement letter; and (ii) in no event or circumstance shall Gordon Brothers have any liability to The Company(ies) or any other person or entity in excess of the fee actually paid to and received by Gordon Brothers under the engagement letter.
- This appraisal may not be included or referenced in any Securities and Exchange Commission ("SEC") or Canadian Securities Administrators ("CSA") filings without the prior written consent of Gordon Brothers.



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Brothers**

Appendices

- I: Appraiser qualifications
- II: ReRent summary

APPRAISER QUALIFICATIONS

JEROME (JERRY) GALASZEWSKI

Senior Manager, Valuations

Gordon Brothers
10218 N. Port Washington Rd.
Mequon, WI 53092 USA

Office: 262.240.8804
Mobile: 262.994.9372
jgalaszewski@gordonbrothers.com

Experience

Jerry Galaszewski is a senior manager in Gordon Brothers' Machinery & Equipment Valuation practice. He has conducted hundreds of machinery and equipment valuation projects across a wide range of industries during his career, which began in 1999.

Industry Specialties (partial listing)

- Aircraft Parts and Equipment
- Automotive
- Chemicals
- Construction & Building Products
- Fabricated Metal
- Food & Beverage
- Foundries
- Machinery Manufacturing
- Packaging
- Plastics and Rubber
- Printing and Publishing
- Trucking and Transportation

Professional Development

- Introduction to Machinery & Equipment Valuation (Course ME201, American Society of Appraisers)
- Machinery & Equipment Valuation (Course ME 202, American Society of Appraisers)
- Machinery and Equipment Valuation – Advanced Topics and Case Studies (Course ME203, American Society of Appraisers)
- Machinery and Equipment Valuation – Advanced Topics and Report Writing (Course ME204, American Society of Appraisers)
- Uniform Standards of Professional Appraisal Practice

Association Memberships

- Candidate, American Society of Appraisers

Education

UNIVERSITY OF WISCONSIN – MILWAUKEE
Bachelor of Arts – Business Administration, Finance, Real Estate & Urban Development

APPRAISER QUALIFICATIONS

TIMOTHY RANDALL, ASA

Senior Manager, Valuations

Gordon Brothers
10218 N. Port Washington Road
Mequon, WI 53092 USA

Office: 262.240.8814
Mobile: 262.227.9813
trandall@gordonbrothers.com

Experience

Tim Randall is a senior manager in Gordon Brothers' Machinery & Equipment Valuation practice. He has managed hundreds of unique appraisal projects across a wide range of industries during his career, which began in 2001.

Industry Specialties (partial listing)

- Aggregate Processing
- Agricultural Equipment
- Aluminum Extrusion
- Automotive Manufacturing
- Construction Machinery
- Food Processing
- Laboratories
- Metalworking and Fabrication
- Packaging
- Plastics (Injection Molding, Thermoforming & Extrusion)
- Printing and Bindery
- Rental and Leasing
- Scrap Yard Processing
- Steel Processing & Service Centers
- Trucking & Transportation
- Warehousing & Storage
- Woodworking & Sawmills

Licenses, Accreditation, and Certifications

- Accredited Senior Appraiser, American Society of Appraisers, Machinery & Technical Specialties

Professional Development

- Introduction to Machinery & Equipment Valuation (Course ME201, American Society of Appraisers)
- Machinery & Equipment Valuation Methodology (Course ME202, American Society of Appraisers)
- Machinery and Equipment Valuation – Advanced Topics and Case Studies (Course ME203, American Society of Appraisers)
- Machinery and Equipment Valuation – Advanced Topics and Report Writing (Course ME204, American Society of Appraisers)
- Uniform Standards of Professional Appraisal Practice

Association Memberships

- American Society of Appraisers

Presentations and Publications

- Industry Insight – Machinery & Equipment: Plastics Injection Molding, March 2016
- How to Add Value to Your Next Appraisal: Part 2 – Machinery, October 2014
- Scrap Processors: Consolidation and Compression, December 2013
- Cellulose Fiber Insulation: A Greener Alternative, November 2011
- CNC Equipment Values on the Rebound, June 2011

Education

UNIVERSITY OF WISCONSIN – WHITEWATER
Bachelor of Business Administration – Finance

Summary ReRent Report

Parameters: Vendor: 106842

| Material # | Description | Quantity | List Price | List Total |
|---|------------------------------------|----------|------------|--------------|
| Yard Number: 152001 - TORONTO CC | | | | |
| Vendor Number: 106842 - BONDFIELD CONST CO LTD | | | | |
| PO Number: E1520-26039 | | | | |
| SR10493 | ALUMA ALUPROP TOP PLATE ADAPTER | 260 | \$33.29 | \$8,655.40 |
| SR11 | BEAM ALUMA 18FT (5.49M) | 2781 | \$270.00 | \$750,870.00 |
| SR1137 | GUARDRAIL POST 42GALV.W/JETLOCK | 3 | \$82.43 | \$82.29 |
| SR119 | SOCKET POST ALUMINUM | 200 | \$25.00 | \$5,000.00 |
| SR12 | BEAM ALUMA 16ft (4.88M) | 3279 | \$240.00 | \$786,960.00 |
| SR122 | STRONGBACK CHANNEL 55K 2.59M 8FT6 | 120 | \$255.00 | \$30,600.00 |
| SR123 | STRONGBACK CHANNEL 55K 3.81M 12FT6 | 430 | \$281.25 | \$120,937.50 |
| SR124 | STRONGBACK CHANNEL 55K 4.88M 16FT | 18 | \$360.00 | \$6,480.00 |
| SR126 | STRONGBACK SPLICE CHANNEL | 0 | \$37.50 | \$0.00 |
| SR127 | CHANNEL SPLICE STEEL | 300 | \$47.30 | \$14,190.00 |
| SR128 | BAR STRONGBACK SPLICE | 300 | \$15.00 | \$4,500.00 |
| SR130 | PLATE TIE (UK) | 1600 | \$25.00 | \$40,000.00 |
| SR131 | BRACKET BOLTED CATWALK | 200 | \$150.00 | \$30,000.00 |
| SR136 | SHOE STRONGBACK | 200 | \$10.00 | \$2,000.00 |
| SR14 | BEAM ALUMA 14FT (4.27M) | 4516 | \$210.00 | \$948,360.00 |
| SR144 | LUG WALL LIFTING ASSEMBLY | 200 | \$285.00 | \$57,000.00 |
| SR15 | BEAM ALUMA 10FT 6IN (3.2M) | 2035 | \$157.50 | \$320,512.50 |
| SR16 | BEAM ALUMA 12FT (3.66M) | 3195 | \$180.00 | \$575,100.00 |
| SR163 | CHANNEL STRONGBACK 55K 9.83FT(3M) | 400 | \$175.00 | \$70,000.00 |
| SR17 | BEAM ALUMA 21FT (6.40M) | 3106 | \$315.00 | \$978,390.00 |
| SR1861094 | ORIMA WALKWAY BRACKET | 31 | \$158.53 | \$4,914.43 |
| SR1870029 | BEAM CC 2.32 | 1400 | \$230.79 | \$323,106.00 |
| SR1870031 | BEAM CC 1.57 | 660 | \$168.82 | \$111,421.20 |
| SR1870035 | TRANSVERSAL CC TE 1.5 | 0 | \$39.41 | \$0.00 |
| SR1870040 | TRANSVERSAL CC TE 0.75 | 200 | \$18.31 | \$3,662.00 |
| SR1870045 | TRANSVERSAL CC TR 1.5 | 712 | \$89.78 | \$63,923.36 |
| SR1870050 | TRANSVERSAL CC TR 0.75 | 220 | \$60.38 | \$13,283.60 |
| SR1870060 | DROPHEAD CC | 0 | \$84.78 | \$0.00 |
| SR1870080 | HEAD CC FD | 84 | \$16.85 | \$1,415.40 |
| SR1870090 | PANEL CC 1.5x0.75 | 3150 | \$226.16 | \$712,404.00 |
| SR1870096 | PANEL CC 0.75x0.75 | 186 | \$141.51 | \$26,320.86 |
| SR1870105 | BEAM CC W 1.5 | 272 | \$108.85 | \$29,607.20 |
| SR1870150 | BEAM CC W 0.75 | 136 | \$65.86 | \$8,956.96 |
| SR1870155 | DROPHEAD CCT | 0 | \$69.66 | \$0.00 |
| SR1870165 | PANEL CC 1.5x0.375 | 134 | \$153.81 | \$20,610.54 |
| SR1870400 | TRANSVERSAL CC TE 1.5 ALU | 1521 | \$58.26 | \$88,613.46 |
| SR1870405 | TRANSVERSAL CC TE .75 ALUM | 78 | \$84.22 | \$6,569.16 |
| SR1870440 | DROPHEAD SH | 1446 | \$114.83 | \$166,044.18 |

Summary ReRent Report

Parameters: Vendor: 106842

| Material # | Description | Quantity | List Price | List Total |
|------------|---------------------------------|----------|------------|--------------|
| SR1870464 | EDGE BEAM 2.32 | 100 | \$155.69 | \$15,569.00 |
| SR1870465 | EDGE BEAM 1.57 | 50 | \$112.62 | \$5,631.00 |
| SR1870500 | UNIVERSAL HEAD CC (NEW STYLE) | 120 | \$126.73 | \$15,207.60 |
| SR1870516 | SH-PLY HEAD | 937 | \$93.60 | \$87,703.20 |
| SR1900002 | PANEL 2,7x2,4(6.48m2) | 10 | \$2,463.72 | \$24,637.20 |
| SR1900005 | PANEL 2,7x1,2(3.24m2) | 10 | \$1,280.92 | \$12,809.20 |
| SR1900008 | PANEL 2,7x0,9(2.43m2) | 10 | \$1,094.70 | \$10,947.00 |
| SR1900011 | PANEL 2,7x0,6(1.62m2) | 5 | \$956.93 | \$4,784.65 |
| SR1900020 | PANEL 2,7x0,45(1.21m2) | 5 | \$812.66 | \$4,063.30 |
| SR1900029 | PANEL 2,7x0,3(0.81m2) | 5 | \$739.98 | \$3,699.90 |
| SR1900032 | PANEL 1,2x1,2(1.44m2) | 16 | \$904.75 | \$14,476.00 |
| SR1900035 | PANEL 1,2x0,9(1.08m2) | 10 | \$775.30 | \$7,753.00 |
| SR1900038 | PANEL 1,2x0,6(0.72m2) | 16 | \$664.84 | \$10,637.44 |
| SR1900047 | PANEL 1,2x0,45(0.54m2) | 8 | \$671.96 | \$5,375.68 |
| SR1900056 | PANEL 1,2x0,3(0.36m2) | 10 | \$577.75 | \$5,777.50 |
| SR1900089 | ORMA INSIDE CORNER 2.7 | 8 | \$1,043.98 | \$8,351.84 |
| SR1900119 | HEAD 60 | 60 | \$80.91 | \$4,854.60 |
| SR1900123 | PUSH-PULL PROP 2,4-3,5 | 60 | \$236.68 | \$14,200.80 |
| SR1900134 | PUSH-PULL PROP 1,1-1,7 | 60 | \$122.82 | \$7,369.20 |
| SR1900144 | PUSH PULL PROP SHOE | 60 | \$40.48 | \$2,427.60 |
| SR1900170 | ORMA CLAMP | 600 | \$59.34 | \$35,604.00 |
| SR1900179 | ORMA LIFTING HOOK | 16 | \$374.55 | \$5,992.80 |
| SR1900193 | ORMA WALER 0.9 | 90 | \$67.07 | \$6,036.30 |
| SR1900217 | COMPENSATION TUBE 1,2 (0,06 m2) | 16 | \$84.48 | \$1,351.68 |
| SR1900445 | ORMA WALER 1.55 | 50 | \$108.25 | \$5,412.50 |
| SR1900448 | WALER HOOK | 260 | \$26.71 | \$6,944.60 |
| SR1900932 | ORMA OUTSIDE CORNER 2.7 | 8 | \$460.41 | \$3,683.28 |
| SR1908168 | PUSH-PULL PROP 3,3-4,8 | 30 | \$365.24 | \$10,957.20 |
| SR1908247 | PANEL 3,3x2,4(7.92m2) | 40 | \$3,025.82 | \$121,032.80 |
| SR1908250 | PANEL 3,3x1,2(3.96m2) | 20 | \$1,586.00 | \$31,720.00 |
| SR1908253 | PANEL 3,3x0,9(2.97m2) | 40 | \$1,342.28 | \$53,691.20 |
| SR1908256 | PANEL 3,3x0,75(2.475m2) | 25 | \$1,245.72 | \$31,143.00 |
| SR1908259 | PANEL 3,3x0,6(1.98m2) | 30 | \$1,158.70 | \$34,761.00 |
| SR1908262 | PANEL 3,3x0,45(1.485m2) | 20 | \$1,364.43 | \$27,288.60 |
| SR1908265 | PANEL 3,3x0,3(0.99m2) | 20 | \$1,281.99 | \$25,639.80 |
| SR1908271 | ORMA INSIDE CORNER 3,3 (1,98m2) | 8 | \$1,461.08 | \$11,688.64 |
| SR1908273 | ORMA OUTSIDE CORNER 3,3 | 16 | \$577.56 | \$9,240.96 |
| SR1908275 | ORMA RETRACTABLE CORNER 3.3M | 0 | \$2,403.50 | \$0.00 |
| SR1908276 | ORMA RETRACTABLE CORNER 2.7M | 0 | \$2,219.06 | \$0.00 |
| SR1908460 | COMPENSATION TUBE 3,3 | 16 | \$95.77 | \$1,532.32 |
| SR1908730 | ORMA LIFTING BRACKET/CHAIN | 2 | \$1,737.66 | \$3,475.32 |
| SR1908770 | N-ORMA RETRACTABLE CORNER 3,3 | 40 | \$2,218.09 | \$88,723.60 |
| SR1908771 | N-ORMA RETRACTABLE CORNER 2,7 | 8 | \$1,817.73 | \$14,541.84 |

Summary ReRent Report

Parameters: Vendor: 106842

| Material # | Description | Quantity | List Price | List Total |
|------------|------------------------------------|----------|------------|----------------|
| SR1908772 | N-ORMA RETRACTABLE CORNER 1,2 | 32 | \$1,106.64 | \$35,412.48 |
| SR2049 | BASKET WIRE W GATE | 1 | \$315.00 | \$315.00 |
| SR2050 | RACK LARGE 3 X 6 | 3 | \$350.00 | \$1,050.00 |
| SR2054 | RACK SMALL 3 X 3 | 11 | \$240.00 | \$2,640.00 |
| SR215 | FRAME ALUMA 6x6 18kip Norm/Leg ASM | 920 | \$360.00 | \$331,200.00 |
| SR216 | FRAME ALUMA 6X5 18KIP NOM/LEG ASM | 1010 | \$340.00 | \$343,400.00 |
| SR2186 | BRACE 3R 4ft X 7ft SR | 1600 | \$30.00 | \$48,000.00 |
| SR2200 | BRACE 5W X 4H | 3000 | \$25.30 | \$75,900.00 |
| SR2203 | BRACE 4W X 4H | 2150 | \$25.30 | \$54,395.00 |
| SR2205 | BRACE 4W X 2H | 375 | \$15.00 | \$5,625.00 |
| SR2211003 | DOUBLE VR HEAD (TWO WAY) | 260 | \$55.73 | \$14,489.80 |
| SR2212 | BRACE COMBINATION 7X4-7X2 | 1000 | \$25.00 | \$25,000.00 |
| SR2213 | BRACE 6W X 2H | 475 | \$30.00 | \$14,250.00 |
| SR2220010 | ALUPROP 1,65-2,8 | 2120 | \$253.54 | \$537,504.80 |
| SR2220020 | ALUPROP 2,2-3,7 | 2113 | \$294.24 | \$621,728.12 |
| SR2220030 | ALUPROP 3,3-4,8 | 1000 | \$335.08 | \$335,080.00 |
| SR2220090 | UNIVERSAL TRIPOD CC4 | 33 | \$112.94 | \$3,727.02 |
| SR2220120 | BRACE FRAME 2,32m | 652 | \$210.20 | \$137,050.40 |
| SR2220125 | BRACE FRAME 1,5m | 636 | \$186.79 | \$118,798.44 |
| SR2220130 | BRACE FRAME 1,57m | 228 | \$180.51 | \$41,156.28 |
| SR2220140 | BRACE FRAME 0,75m | 208 | \$156.02 | \$32,452.16 |
| SR239 | J HEAD 5" X 8" | 12400 | \$25.00 | \$310,000.00 |
| SR245 | FRAME ALUMA ASSEMBLED 6XB | 195 | \$525.00 | \$102,375.00 |
| SR257 | FRAME ALUMACS 4x4 10kip Norm/Leg | 2274 | \$258.00 | \$586,692.00 |
| SR258 | FRAME ALUMACS 4X6 10kip Norm/Leg | 2956 | \$304.00 | \$898,624.00 |
| SR259 | FRAME ALUMACS 4x 8 10kip Norm/Leg | 1652 | \$383.00 | \$632,716.00 |
| SR261 | CONNECTOR INTER FRAME ALUMACS | 5000 | \$10.00 | \$50,000.00 |
| SR265 | PLATE BASE | 10968 | \$22.00 | \$241,296.00 |
| SR337 | TRUSS JACK 12-18 MOD.MKIII | 600 | \$250.00 | \$150,000.00 |
| SR352 | TRUSS EXTENSION LEG INNER 6FT | 600 | \$220.00 | \$132,000.00 |
| SR369 | TRUSS CROSS BRACE 7ft (2.13M) | 180 | \$70.00 | \$12,600.00 |
| SR370 | TRUSS CROSS BRACE 10ft (3.04M) | 250 | \$100.00 | \$25,000.00 |
| SR3991 | RIVET | 3388 | \$2.00 | \$6,776.00 |
| SR4045 | PIN HITCH | 3388 | \$0.25 | \$847.00 |
| SR4354 | TRUSS JACK RETAINER | 600 | \$5.00 | \$3,000.00 |
| SR513 | SCREWJACK UNIV. ALUMA FRAME | 3000 | \$55.00 | \$165,000.00 |
| SR5160 | J HEAD FOR 1M JACK | 60 | \$22.50 | \$1,350.00 |
| SR521 | SCREWJACK UNIV. ALUMACS FRAME | 21364 | \$63.75 | \$1,361,955.00 |
| SR60 | ALUM DROPHEAD BEAM 10'6"(3.20M) | 11 | \$180.00 | \$1,980.00 |
| SR6161 | HEAVY DUTY GALV. SHORE 6'6" TO 11' | 6885 | \$148.00 | \$1,018,980.00 |
| SR62 | BEAM ALUMA 10FT (3.04M) | 1200 | \$150.00 | \$180,000.00 |
| SR6406 | POST SHORE EXTENSION 2' | 1064 | \$48.00 | \$51,072.00 |
| SR7436 | SCREWJACK 1M W/HANDLE MKII ASSY | 188 | \$76.10 | \$14,306.80 |

Summary ReRent Report

Parameters: Vendor: 1068-12

| Material # | Description | Quantity | List Price | List Total |
|------------|--------------------------------------|----------|------------|--------------|
| SR7551 | PLATE BASE FOR 1M SCREW | 128 | \$15.00 | \$1,920.00 |
| SR7853 | PRIMARY DEK BEAM 4' | 0 | \$161.95 | \$0.00 |
| SR7855 | PRIMARY DEK BEAM 6' | 0 | \$199.80 | \$0.00 |
| SR7857 | PRIMARY DEK BEAM 8' | 0 | \$268.40 | \$0.00 |
| SR7865 | DROP HEAD DEK PANEL | 0 | \$70.00 | \$0.00 |
| SR7867 | DEK QUICK BRACE FRAME 6' | 0 | \$237.10 | \$0.00 |
| SR7868 | DEK QUICK BRACE FRAME 8' | 0 | \$257.50 | \$0.00 |
| SR8361 | SECONDARY BEAM 6' ALUMA DEK | 0 | \$136.00 | \$0.00 |
| SR8471 | SECONDARY BEAM 4' ALUMA DEK | 0 | \$149.15 | \$0.00 |
| SR85 | BEAM ALUMA 9FT (2.75M) | 1812 | \$135.00 | \$244,620.00 |
| SR9310 | TRUSS W OUTER 30R (9.14M) #6E | 200 | \$2,950.00 | \$590,000.00 |
| SR9317 | ALUMA DEK RACK | 1 | \$449.68 | \$449.68 |
| SR9361 | 4'X5' ALUMACS FRAME | 1000 | \$304.00 | \$304,000.00 |
| SR9466 | 1M BASEPLATE SCREWJACK MARK II ASSY | 2782 | \$112.43 | \$312,780.26 |
| SR9467 | 1M JHEAD SCREWJACK MARK II ASSY | 2850 | \$113.31 | \$322,933.50 |
| SRALT16 | 16' ALUMINUM TUBE | 8 | \$92.00 | \$736.00 |
| SRALT4 | 4' ALUMINUM TUBE | 185 | \$23.00 | \$4,255.00 |
| SRALT6 | 6' ALUMINUM TUBE | 0 | \$34.50 | \$0.00 |
| SRB104 | CROSS BRACE 10X4 | 1800 | \$39.75 | \$71,550.00 |
| SRB74 | CROSS BRACE 7X4 | 0 | \$33.70 | \$0.00 |
| SRBCSSV | BEAM CLIP SCAF SPEC V CW BT | 11 | \$6.00 | \$66.00 |
| SRBP1 | BASE PLATE (FIXED) | 18 | \$15.00 | \$270.00 |
| SRC8R | 8" RUBBER WHEEL CASTER | 4 | \$200.00 | \$800.00 |
| SRK870001 | ADJUSTABLE CC HEAD (3 WAY) | 10 | \$143.98 | \$1,439.80 |
| SRK870002 | PANEL PALLET CC4 LARGE (5'X8'X7.25') | 30 | \$990.00 | \$29,700.00 |
| SRLVAC-S | LAYHER ADAPTER SWIVEL | 181 | \$50.00 | \$9,050.00 |
| SRRACW | RIGHT ANGLE WEDGE CLAMP 2" X 2" | 11 | \$20.00 | \$220.00 |
| SRSJB | SCREWJACK W/BASEPLATE 24" | 34 | \$40.00 | \$1,360.00 |
| SRSJS | SURELOCK SCREWJACK SWIVEL BASE | 3 | \$23.03 | \$69.09 |
| SRSLB10 | SURELOCK BRACE 10FT (3.05M) | 22 | \$90.00 | \$1,980.00 |
| SRSLB54 | SURELOCK BRACE 54" (1.63M) | 11 | \$75.00 | \$825.00 |
| SRSLB7 | SURELOCK BRACE 7' (2.13M) | 131 | \$80.00 | \$10,480.00 |
| SRSLBC | SURELOCK BASE COLLAR | 45 | \$25.00 | \$1,125.00 |
| SRSLDH10 | SURELOCK DBL LEDGER 10FT 3.05M | 2 | \$285.00 | \$570.00 |
| SRSLH10 | SURELOCK LEDGER 10FT (3.05M) | 17 | \$80.00 | \$1,360.00 |
| SRSLH22 | SURELOCK LEDGER 2FT 2 (0.65M) | 3 | \$45.00 | \$135.00 |
| SRSLH310 | SURELOCK LEDGER 3FT 10 (1.15M) | 280 | \$55.00 | \$15,400.00 |
| SRSLH36 | SURLOCK LEDGER STRWY 3FT61.07M | 72 | \$55.00 | \$3,960.00 |
| SRSLH52 | SURELOCK LEDGER 5FT 2IN(1.57M) | 10 | \$70.00 | \$700.00 |
| SRSLH70 | SURELOCK LEDGER 7FT (2.13M) | 480 | \$70.00 | \$33,600.00 |
| SRSLSB2B | SURELOCK SIDE BRKT 21IN(0.65M) | 2 | \$115.00 | \$230.00 |
| SRSLSB3B | SURELOCK SIDE BRKT 3 BRD .81M | 1 | \$140.00 | \$140.00 |
| SRSLSPT0 | PLANK STEEL(SPII)7' 2.13M W/HR | 89 | \$71.50 | \$6,363.50 |

Summary ReRent Report

Parameters: Vendor: 106842

| Material # | Description | Quantity | List Price | List Total |
|-----------------------|--------------------------------|---------------|------------|------------------------|
| SRSLSS70 | STAIRWAY STRINGER 7FT (2.13M) | 69 | \$197.00 | \$13,593.00 |
| SRSLST | TREAD STAIR SCAFD. 8 X 3 MK3 | 253 | \$65.00 | \$16,445.00 |
| SRSLVP33 | SURELOCK STANDARD 3FT 3IN(1M) | 26 | \$55.00 | \$1,430.00 |
| SRSLVP411 | SURELOCK STANDARD 4FT 11 1.5M | 30 | \$75.00 | \$2,250.00 |
| SRSLVP67 | SURELOCK STANDARD 6FT 7IN(2M) | 58 | \$80.00 | \$4,640.00 |
| SRSLVP910 | SURELOCK STANDARD 9FT 10IN(3M) | 201 | \$110.00 | \$22,110.00 |
| SRSSP10 | 10' STL/PLANK GALV/W/HOOKS | 12 | \$116.50 | \$1,398.00 |
| SRSSP5 | 5' STL/PLANK GALV.W/HOOKS | 5 | \$68.10 | \$340.50 |
| SRSSP7 | 7' STL/PLANK GALV.W/HOOKS | 80 | \$87.45 | \$6,996.00 |
| SRSSRS | SYSTEM RACK SMALL | 5 | \$272.00 | \$1,360.00 |
| SRSSSS | STAIR SECTION SCAF STEEL | 10 | \$253.52 | \$2,535.20 |
| SRSSX562 | GOOSER 10' | 6 | \$0.00 | \$0.00 |
| SRU043006 | METAL BASKET 4'X3'X2' | 20 | \$292.28 | \$5,845.60 |
| PO Totals: | | 145346 | | \$17,905,003.62 |
| Vendor Totals: | | 145346 | | \$17,905,003.62 |
| Yard Totals: | | 145346 | | \$17,905,003.62 |
| Report Totals: | | 145346 | | \$17,905,003.62 |



TABE

Appendix “E”

December 3, 2018

DELIVERED VIA E-MAIL

KSV Advisory Inc.
150 King Street West
Suite 2308
Toronto, ON
M5H 1J9

Attention: Bobby Kofman and Noah Goldstein

Dear Sirs:

Re: Review of certain security granted by 1033803 Ontario Inc. (“103”), 1087507 Ontario Limited (“108”), Bondfield Construction Company Limited (“BCCL”), Bondfield Construction Equipment Ltd. (“BCEL”) and Ralph Aquino (“Aquino”, and together with 103, 108, BCCL, and BCEL, the “Bondfield Parties”) in favour of Bridging Finance Inc. (“Bridging”), as agent for 2665405 Ontario Inc. (“266”), pursuant to the Security Documents (as defined below)

In connection with your appointment as Court-appointed receiver and manager of certain of the assets, undertakings and/or properties of the Bondfield Parties (in such capacity, the “**Receiver**”), you have asked us to provide an opinion in respect of the Security Documents (as defined below).

I. Scope and Documents Reviewed

This opinion is provided to you in your capacity as Monitor and is limited to our review of copies of the following documents:

- (a) Loan Facility Letter Agreement from Bridging to BCCL, accepted by BCCL on July 24, 2017 (the “**Credit Agreement**”);
- (b) Omnibus Guarantee dated as of July 24, 2017, provided by 103, 108 and BCEL, among others, to Bridging;
- (c) Omnibus General Security Agreement dated as of July 24, 2017, entered into by BCCL, 103, 108 and BCEL, among others, in favour of Bridging;
- (d) Demand Debenture in the principal sum of \$90,000,000 dated as of July 24, 2017, issued by 103 to Bridging;
- (e) General Assignment of Rents made as of July 24, 2017, between 103 and Bridging;
- (f) Demand Debenture in the principal sum of \$90,000,000 dated as of July 24, 2017, issued by 108 to Bridging;

- (g) General Assignment of Rents made as of July 24, 2017, between 108 and Bridging;
- (h) Limited Recourse Guarantee dated as of July 24, 2017, provided by Aquino to Bridging;
- (i) Demand Debenture in the principal sum of \$90,000,000 dated as of July 24, 2017, issued by Aquino to Bridging; and
- (j) General Assignment of Rents made as of July 24, 2017, between Aquino and Bridging.

The documents in (a) and (b) above are together referred to herein as the “**Loan Documents**”. The documents in (c) – (j) above are collectively referred to herein as the “**Security Documents**”. The undertaking, business, property, assets, interests, and rights of the Bondfield Parties subject to the Security Documents are collectively referred to herein as the “**Charged Property**”. The Charged Property includes certain real property having the following municipal addresses: (i) 4431 Stouffville Road, Stouffville, Ontario; (ii) 407 Basaltic Road, Vaughan, Ontario; (iii) 131 Saramia Crescent, Vaughan, Ontario; and (iv) 3420 Queen Street East, Brampton, Ontario (such real property, the “**Charged Lands**”).

In conducting our review and for the purposes of the opinions given herein, we have made the assumptions contained herein and as set out on Schedule “A” attached hereto. Additionally, our opinions herein are subject to the qualifications and limitations contained herein and as set out on Schedule “A”. We confirm that the restrictions and limitations on our opinion, as herein contained, are satisfactory to you.

We have made no investigation of the laws of any jurisdiction other than, and the opinions hereinafter expressed are restricted to, the laws of the Province of Ontario and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, we express no opinion thereon.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter expressed.

II. Searches

We have conducted, caused to be conducted, and/or have been provided with such public registration searches for filings or registrations made in Ontario, in the applicable offices of public record, against the Bondfield Parties as we have deemed appropriate. These searches include corporate profile and status searches, *Personal Property Security Act* (“PPSA”) searches in Ontario, litigation searches, execution searches, bankruptcy searches, *Bank Act* searches and real property searches, all as more specifically set out in Schedule “B” attached hereto, in each case as of the dates set forth in Schedule “B”. The results of the searches are set out in Schedule “B”.

We confirm your advice that our review based upon these searches, and our reliance upon such searches in giving the opinions set out herein, is satisfactory for your purposes at this time.

III. Additional Comments

As described in the Affidavit of Brian Champ sworn on November 15, 2018, we note that: (i) the existing lenders under the Credit Agreement assigned their right, title and interest in the Credit Agreement and the other Loan Documents and Credit Agreements (each, as defined in the Credit

Agreement) to 266; and (ii) Bridging remains the Agent (as defined in the Credit Agreement) under the Credit Agreement and the other Loan Documents and Credit Agreements (any and all agreements and related documents in respect of such assignment and matters related thereto, the "**Assignment Documents**"). We have not reviewed the Assignment Documents and express no opinion thereon.

IV. Opinions

Subject to the assumptions and qualifications set forth on Schedule "A" hereto and comments we have made herein, including, without limitation, those related to the Assignment Documents, we are of the opinion that:

1. Each of the Security Documents constitute a legal, binding and enforceable obligation of the applicable Bondfield Party that is a party thereto in favour of Bridging;
2. Each of the Security Documents creates in favour of Bridging a valid security interest in the Charged Property identified therein to which the Ontario PPSA applies;
3. Each of the Security Documents has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interest created by such Security Document in the applicable Charged Property to which the Ontario PPSA applies;
4. Each of the Security Documents creates in favour of Bridging a valid charge on the Charged Lands identified therein; and
5. Each of the Security Documents has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to create in favour of Bridging a valid charge on the Charged Lands identified therein.

This opinion is provided solely for the use of the addressee hereof and may not be relied on by any other person without the prior written consent of Torys LLP.

Yours truly,

A handwritten signature in black ink that reads "Torys LLP". The signature is written in a cursive, flowing style with a large, decorative flourish at the beginning of the word "Torys".

SCHEDULE "A"

ASSUMPTIONS

A. Loan Documents, Security Documents and Assignment Documents

We have assumed that none of the Loan Documents or Security Documents have been assigned (other than pursuant to the Assignment Documents), released, discharged or otherwise impaired, either in whole or in part, and there are no agreements that are relevant to the matters discussed in this letter other than those identified herein, including, without limitation, the Assignment Documents.

We have not reviewed the Assignment Documents and express no opinion thereon. We have assumed that there is nothing in the Assignment Documents that would affect the opinions set out herein, including, without limitation, the validity, legality, binding effect or enforceability of any of the Loan Documents or Security Documents.

B. Authority, Existence of Debt and Security Matters

We have assumed that:

- (a) each of the Loan Documents, Security Documents and Assignment Documents was duly authorized, executed and delivered by each of the parties thereto;
- (b) each of the Bondfield Parties (other than Aquino) was a duly incorporated and validly existing corporation at the time that each of the Loan Documents and Security Documents was authorized, executed and delivered, and that each of the Bondfield Parties (other than Aquino) has continued to be duly incorporated and validly existing since that time;
- (c) each of the Bondfield Parties (other than Aquino) had the requisite corporate power, capacity and authority to enter into and perform its obligations under each of the Loan Documents and Security Documents at the time each of the Loan Documents Security Documents was authorized, executed and delivered;
- (d) Aquino was above the age of eighteen or the relevant age of majority, solvent, not under any duress or undue influence, and had all requisite capacity, including, without limitation, mental capacity, and received independent legal advice or was provided with the appropriate opportunity to seek such legal advice and did decline such legal advice, at the time each of the Loan Documents Security Documents was authorized, executed and delivered to enter into and perform his obligations under each of the Loan Documents and Security Documents;
- (e) there were or are no consents, approvals, orders, authorizations, licences, exemptions or designations or registrations, qualifications, declarations or filings of, by or with any governmental or regulatory body which were or are necessary in order for Aquino to enter into, perform and/or continue to be subject to his obligations under each of the Loan Documents and Security Documents at or since the time each of the Loan Documents Security Documents was authorized, executed and delivered;

- (f) valuable consideration, including any consideration required to be given under the Loan Documents or Security Documents, was given by Bridging to each of the Bondfield Parties;
- (g) all conditions precedent to the Loan Documents, Security Documents and Assignment Documents, if any, have been satisfied or waived;
- (h) attachment of the security interests created by the Security Documents has occurred within the meaning of the Ontario PPSA;
- (i) the Bondfield Parties have an interest in the Charged Property expressed to be subject to each of the Security Documents, as applicable;
- (j) the applicable Bondfield Parties were the registered owners of the Charged Lands with good and valid title thereto in fee simple at the time the relevant Security Documents (or any notices thereof) were registered on title to the applicable Charged Lands; and
- (k) insofar as any obligation under any of the Loan Documents, Security Documents and Assignment Documents is to be performed in any jurisdiction outside the Province of Ontario, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction.

C. Factual Matters

We have assumed that no fact exists, or has existed, that would entitle the Bondfield Parties to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Loan Documents or Security Documents.

D. Entire Agreement

We have assumed that there is no written or oral agreement or other facts or understanding and there is no trade usage or course of conduct or prior dealing, that would vary the interpretation, application or enforceability of any term or condition of any of the Loan Documents, Security Documents or Assignment Documents and that, except as expressly noted herein, there have been no amendments, restatements, deletions or other modifications to any of the Loan Documents, Security Documents or Assignment Documents.

E. Choice of Law

We have assumed that the choice of law of the Province of Ontario as the governing law of the Loan Documents, Security Documents and Assignment Documents (where such choice has been made) will be given effect to in any legal proceedings.

F. Authenticity and Accuracy

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of: (i) all indices, filing and registration systems maintained at the public offices, including, without limitation, land registry offices, where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein; (ii) all search results obtained by

electronic transmission; and (iii) the results of any printed or computer search of any office of public record.

QUALIFICATIONS

1. **Title:** We express no opinion concerning:
 - (a) title to any property, whether real or personal, that is purportedly subject to any security interest created by the Security Documents and such title has been assumed to the full extent necessary to express the opinions contained herein; and
 - (b) the effectiveness of each of the Security Documents as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions that expressly or by necessity relate to the enforceability of the Security Documents and the Assignment Documents (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:
 - (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the Ontario PPSA and the *Mortgages Act* (Ontario) affecting the rights and remedies of creditors generally);
 - (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity, and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;
 - (c) the power of a court to grant relief from forfeiture;
 - (d) applicable laws regarding limitations of action;
 - (e) the court's powers to stay proceedings and execution of judgments;
 - (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;
 - (g) limitations that may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;
 - (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;
 - (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;
 - (j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and

- (k) the following limitations:
- (i) provisions that purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;
 - (ii) the *Courts of Justice Act* (Ontario) limits interest on a judgment debt arising under the judgment of a court of competent jurisdiction located in Ontario to rates prescribed by regulation from time to time;
 - (iii) the *Currency Act* (Canada) precludes a court in Canada from rendering a judgment in any currency other than Canadian currency;
 - (iv) rights of debtors and duties of secured parties referred to in the Ontario PPSA and the *Mortgages Act* (Ontario) may not be waived, released, varied or disclaimed by agreement prior to a default and our opinions regarding any such waivers, releases, variations and disclaimers are limited accordingly;
 - (v) rights of indemnity may be limited by applicable law;
 - (vi) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;
 - (vii) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;
 - (viii) no opinion is expressed as to the enforceability of any provision that purports to provide for a higher rate of interest after default than before;
 - (ix) no opinion is expressed as to the enforceability of a provision of any of the Security Documents or the Assignment Documents that provides that the provisions of another document govern in the event of any conflict or inconsistency between the provisions of the other document and such Security Document or Assignment Document;
 - (x) the validity and enforceability of provisions that purport to sever from the Security Documents or the Assignment Documents any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument may be subject to the discretion of a court of competent jurisdiction;
 - (xi) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;
 - (xii) no opinion is expressed as to the enforceability of any provision that purports to restrict the access to, or waive the benefit of, legal or equitable rights, remedies or defences, including any right to receive notice (including notice of enforcement) or that purport to consent in advance to the taking of any action or the exercise of any right, remedy or defence;

- (xiii) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in any of the Security Documents or the Assignment Documents;
- (xiv) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of each of the Security Documents or the Assignment Documents, or by any person on its behalf, whether such enforcement involves the operation of the business of the Bondfield Parties or a sale, transfer or disposition of any of their property or assets;
- (xv) no opinion is expressed as to the enforceability of any provision in any of the Security Documents or the Assignment Documents that purports to constitute a receiver or receiver and manager thereunder as agent of the Bondfield Parties or absolve a receiver or receiver and manager of responsibility for its acts;
- (xvi) no opinion is expressed as to the enforceability of any provision in any of the Security Documents that purports to grant a security interest or hypothec in federal Crown debts to which the *Financial Administration Act* (Canada) applies;
- (xvii) with the exception of the opinions in Section IV regarding the Charged Lands, no opinion is expressed as to any security or other interest(s) created in any: (A) real property; (B) any lease of real property; or (C) any other interest in real property;
- (xviii) no opinion is expressed as to the enforceability of any provision that contemplates or provides for agreement at a later date;
- (xix) no opinion is expressed as to the enforceability of any provision that purports to relieve any party thereto, or its agents, from liability for its own acts;
- (xx) no opinion is expressed as to the enforceability of any provision that purports to bind or affect, or confer a benefit upon, persons who are not parties to the Security Documents or the Assignment Documents; and
- (xxi) remedies exercisable upon default in any of the Security Documents or the Assignment Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Searches:** We have only conducted those searches described in Schedule "B" hereto. We have not conducted any real property or other searches or investigations, including, without limitation, searches of the title to the Charged Lands, as disclosed by any abstract indices, and the instruments, notices and plans registered or deposited in any land registry office, or any investigation of title to adjoining lands to confirm compliance by the Bondfield Parties with the subdivision control provisions of the *Planning Act* or any other investigations, with respect to encumbrances against real or immovable property or any interests therein or any statutory lien, court registry or other searches, other than those searches described in Schedule "B" hereto. We have only searched against the names set

out in Schedule “B” hereto. To the extent applicable, we have not examined the underlying pleadings associated with the litigation search results set out in Schedule “B”.

4. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest created by any of the Security Documents.
5. **Reviewable Transactions:** No opinion is given as to whether any security interest given under any of the Security Documents constitutes a fraudulent preference or other reviewable transaction pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any applicable provincial legislation.
6. **Security Interests and Registrations:** We express no opinion:
 - (a) as to the validity, enforceability, creation, attachment or perfection of a security interest in:
 - (i) property consisting of a receivable, licence, approval, privilege, contractual right, franchise, permit or lease (collectively, “**Special Property**”) to the extent that the terms of the Special Property, any applicable law or the nature of the business of the Bondfield Parties prohibit its charging, assignment or hypothecation or require, as a condition of its charging, assignability or hypothecation, a consent, approval or other authorization or registration that has not been made or given;
 - (ii) any collateral to the extent that security agreements, hypothecs or assignments with respect to such collateral are governed by the laws of the Parliament of Canada, including, without limitation, any vessel registered under the *Canada Shipping Act*, any rolling stock and any trademark, trade name, copyright, patent, industrial design or other intellectual property right;
 - (iii) permits, quotas, licences, privileges, governmental authorizations or other property that are not personal property and that are held by or issued to or in favour of the Bondfield Parties;
 - (iv) any interest in a right to damages in tort or at law;
 - (v) any interest in deposits / deposit accounts;
 - (vi) property for which, pursuant to applicable conflicts rules (including, without limitation, the conflicts rules of the Ontario PPSA and the *Securities Transfer Act* (Ontario)), the validity, perfection and the effect of perfection or non-perfection or enforcement are governed by the laws of a jurisdiction other than Ontario;
 - (vii) property that is now or hereafter becomes a fixture, crop, timber, minerals, petroleum, natural gas or other deposits located therein or thereon, or any right of payment that arises in connection with an interest in land;
 - (viii) property or rights of a nature listed in section 4(1) of the Ontario PPSA; or

- (ix) property that is Consumer Goods or a Security (as each is defined in the Ontario PPSA);
 - (b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in the Province of Ontario; and
 - (c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under any of the Security Documents with respect to any property of the Bondfield Parties or any proceeds of such property that are not identifiable or traceable.
7. **Specific Collateral:** A security interest in a motor vehicle or serial-numbered equipment may be ineffective as against certain third parties under the Ontario PPSA unless the vehicle identification number or serial number, as the case may be, is set out in the corresponding PPSA registration. None of the Security Documents have been registered so as to protect and preserve any security interest, mortgage or charge thereof against nor have we searched for any encumbrances created by the Bondfield Parties on any ship, or as against any coal, mineral, placer, mining or petroleum and natural gas lease, license or claim, owned or which may be acquired by the Bondfield Parties. Accordingly, any hypothecs, security interests and mortgages on such property will be subject to the rights of third parties who at any time acquire and perfect or render opposable to third parties an interest in those assets.
8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by any of the Security Documents.

SCHEDULE "B"

LIST OF SEARCHES

As described below, searches were conducted against each of the Bondfield Parties.

I. CORPORATE SEARCHES

(a) 1033803 Ontario Inc.

A Corporation Profile Report was obtained from the Province of Ontario's Ministry of Government Services on November 14, 2018, with respect to 1033803 Ontario Inc. The report indicates that 1033803 Ontario Inc. (Ontario Corporation Number 1033803) was incorporated on June 16, 1993, under the laws of the Province of Ontario. The report indicates that 1033803 Ontario Inc. is active. The registered office address is listed as 407 Basaltic Road, Concord, Ontario L4K 4W8.

(b) 1087507 Ontario Limited

A Corporation Profile Report was obtained from the Province of Ontario's Ministry of Government Services on November 14, 2018, with respect to 1087507 Ontario Limited. The report indicates that 1087507 Ontario Limited (Ontario Corporation Number 1087507) was incorporated on June 28, 1994, under the laws of the Province of Ontario. The report indicates that 1087507 Ontario Limited is active. The registered office address is listed as 407 Basaltic Road, Concord, Ontario L4K 4W8.

(c) Bondfield Construction Company Limited

A Corporation Profile Report was obtained from the Province of Ontario's Ministry of Government Services on November 14, 2018, with respect to Bondfield Construction Company Limited. The report indicates that Bondfield Construction Company Limited (Ontario Corporation Number 1272456) was amalgamated on December 31, 1997, under the laws of the Province of Ontario. The amalgamating corporations were 959863 Ontario Inc. (Ontario Corporation Number 959863) and Bondfield Construction Company (1983) Limited (Ontario Corporation Number 267516). Bondfield Construction Company Limited's former name was Bondfield Construction Company (1983) Limited. The report indicates that Bondfield Construction Company Limited is active. The registered office address is listed as 407 Basaltic Road, Concord, Ontario L4K 4W8.

(d) Bondfield Construction Equipment Ltd.

A Corporation Profile Report was obtained from the Province of Ontario's Ministry of Government Services on November 14, 2018, with respect to Bondfield Construction Equipment Ltd. The report indicates that Bondfield Construction Equipment Ltd. (Ontario Corporation Number 2061088) was incorporated on December 20, 2004, under the laws of the Province of Ontario. The report indicates that Bondfield Construction Equipment Ltd. is active. The registered office address is listed as 407 Basaltic Road, Concord, Ontario L4K 4W8.

II. BANK ACT SEARCHES

Bank Act Security – Section 427 reports were obtained on November 14, 2018, with respect to each of the Bondfield Parties. Such reports indicated that there are no notices of intention to give security under the *Bank Act* (Canada) registered in the Province of Ontario as at November 14, 2018.

III. BANKRUPTCY SEARCHES

Bankruptcy and Insolvency Records Search reports were obtained from Industry Canada on November 14, 2018, with respect to each of the Bondfield Parties. Such reports revealed no results for the period of 1978 to November 9, 2018.

IV. LITIGATION SEARCHES

We conducted, or caused to be conducted, litigation searches in respect of each of the Bondfield Parties.

A Litigation Search Report / Superior Court of Justice At: Toronto conducted on November 14, 2018, with a start date of January 1, 1992, and a currency date of October 17, 2018, found: (a) 347 cases in respect of Bondfield Construction Company Limited; (b) 9 cases in respect of 1033803 Ontario Inc.; (c) 2 cases in respect of 1087507 Ontario Limited; (d) 2 cases in respect of Bondfield Construction Equipment Ltd.; and (e) 76 cases in respect of Ralph Aquino.

A Litigation Search Report / Superior Court of Justice At: Newmarket conducted on November 15, 2018, with a start date of January 1, 1992, and a currency date of November 13, 2018, found: (a) 80 cases in respect of Bondfield Construction Company Limited; (b) 1 case in respect of 1033803 Ontario Inc.; (c) no cases in respect of 1087507 Ontario Limited; (d) no cases in respect of Bondfield Construction Equipment Ltd.; and (e) 10 cases in respect of Ralph Aquino.

V. EXECUTION SEARCHES

We conducted, or caused to be conducted, a search for writs of execution, orders and certificates of lien filed and entered into the electronic database maintained by the Sheriff of the City of Toronto (Toronto) in accordance with Section 10 of the *Execution Act*. At the time of searching against the real and personal property of the Bondfield Parties on November 14, 2018, the search found no executions against the Bondfield Parties other than Execution No. 18-0001692 against Bondfield Construction Equipment Ltd.

We conducted, or caused to be conducted, a search for writs of execution, orders and certificates of lien filed and entered into the electronic database maintained by the Sheriff of the Regional Municipality of York (Newmarket) in accordance with Section 10 of the *Execution Act*. At the time of searching against the real and personal property of the Bondfield Parties on November 14, 2018, the search found: (a) Execution Nos. 18-0002100, 18-0002543, 18-0002786 and 18-0002787 against Bondfield Construction Company Limited; (b) Execution No. 18-0002786 against Ralph Aquino; (c) no executions against 1033803 Ontario Inc.; (d) no executions against 1087507 Ontario Limited; and (e) no executions against Bondfield Construction Equipment Ltd.

VI. REAL PROPERTY SUBSEARCHES

We conducted, or caused to be conducted, certain real property subsearches, as described below, against the real property described below in order to determine whether the relevant Security Documents have been registered against title to the Charged Lands.

The subsearches (conducted on November 14, 2018) have disclosed the following registrations made in favour of Bridging:

| |
|--|
| <p>1. Parcel Register for Property Identification No. 03725-0367 (LT) (4431 Stouffville Road, Stouffville, Ontario); Registered Owner Name: 1087507 Ontario Limited</p> |
| <p>Charge (Instrument No. YR2706728) registered July 25, 2017, in the amount of \$90,000,000 from 1087507 Ontario Limited to Bridging Finance Inc.</p> |
| <p>Notice of Assignments of Rents – General (Instrument No. YR2706729) registered July 25, 2017, from 1087507 Ontario Limited to Bridging Finance Inc.</p> |
| <p>Postponement (Instrument No. YR2706730) registered July 25, 2017, from Ralph Aquino to Bridging Finance Inc.</p> |
| <p>Postponement (Instrument No. YR2706731) registered July 25, 2017, from Ralph Aquino to Bridging Finance Inc.</p> |
| <p>2. Parcel Register for Property Identification No. 03272-0071 (LT) (407 Basaltic Road, Vaughan, Ontario); Registered Owner Name: 1033803 Ontario Inc.</p> |
| <p>Charge (Instrument No. YR2706717) registered July 25, 2017, in the amount of \$90,000,000 from 1033803 Ontario Inc. to Bridging Finance Inc.</p> |
| <p>Notice of Assignments of Rents – General (Instrument No. YR2706718) registered July 25, 2017, from 1033803 Ontario Inc. to Bridging Finance Inc.</p> |
| <p>3. Parcel Register for Property Identification No. 14209-1704 (LT) (3420 Queen Street East, Brampton, Ontario); Registered Owner Name: 1033803 Ontario Inc.</p> |
| <p>Charge (Instrument No. PR3170291) registered July 25, 2017, in the amount of \$90,000,000 from 1033803 Ontario Inc. to Bridging Finance Inc.</p> |
| <p>Notice of Assignments of Rents – General (Instrument No. PR3170292) registered July 25, 2017, from 1033803 Ontario Inc. to Bridging Finance Inc.</p> |
| <p>Postponement (Instrument No. PR3170293) registered July 25, 2017, from Ralph Aquino to Bridging Finance Inc.</p> |
| <p>Postponement (Instrument No. PR3170294) registered July 25, 2017, from Ralph Aquino to Bridging Finance Inc.</p> |

| |
|---|
| 4. Parcel Register for Property Identification No. 03276-0174 (LT) (131 Saramia Cr, Vaughan, Ontario); Registered Owner Name: Ralph Aquino |
| Charge (Instrument No. YR2706715) registered July 25, 2017, in the amount of \$90,000,000 from Ralph Aquino to Bridging Finance Inc. |
| Notice of Assignments of Rents – General (Instrument No. YR2706716) registered July 25, 2017, from Ralph Aquino to Bridging Finance Inc. |

VII. PPSA SEARCHES

We conducted, or caused to be conducted, searches against each of the Bondfield Parties from the registries maintained under the Ontario PPSA in order to determine whether registrations or filings have been made in connection with the relevant Security Documents.

The searches (file currency date of November 13, 2018) have disclosed the following registrations made in favour of Bridging:

| DEBTOR(S) | SECURED PARTY | REGISTRATION DATE AND NUMBER | REGISTRATION EXPIRY DATE | COLLATERAL CLASSIFICATION |
|--|---------------------------------|--|--------------------------|--|
| 1. BONDFIELD CONSTRUCTION COMPANY LIMITED | | | | |
| BONDFIELD CONSTRUCTION COMPANY LIMITED | BRIDGING FINANCE INC., AS AGENT | 2017/07/19 20170719 1320 1590 8526 | 2020/07/19 | INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE |
| 2. BONDFIELD CONSTRUCTION EQUIPMENT LTD | | | | |
| BONDFIELD CONSTRUCTION EQUIPMENT LTD. | BRIDGING FINANCE INC., AS AGENT | 2017/07/18 20170718 1523 1590 8433 | 2020/07/18 | INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE |
| 3. 1033803 ONTARIO INC | | | | |
| 1033803 ONTARIO INC. | BRIDGING FINANCE INC., AS AGENT | 2017/07/18 20170718 1524 1590 8437 | 2020/07/18 | INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, |

| DEBTOR(S) | SECURED PARTY | REGISTRATION DATE AND NUMBER | REGISTRATION EXPIRY DATE | COLLATERAL CLASSIFICATION |
|---|---------------------------------|--|--------------------------|--|
| | | | | MOTOR VEHICLE |
| 4. 1087507 ONTARIO LIMITED | | | | |
| 1087507 ONTARIO LIMITED | BRIDGING FINANCE INC., AS AGENT | 2017/07/18 20170718 1524 1590 8436 | 2020/07/18 | INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE |
| 5. RALPH AQUINO | | | | |
| RAFFAELE AQUINO (DOB: 19MAY1943) RALPH AQUINO (DOB: 19MAY1943) | BRIDGING FINANCE INC., AS AGENT | 2017/07/18 20170718 1521 1590 8429 | 2020/07/18 | ACCOUNTS, OTHER |



TABF

Appendix “F”

1033803 Ontario Inc. & 1087507 Ontario Inc.
Statement of Receipts and Disbursements
For the period November 19, 2018 to February 15, 2019
(Unaudited; \$C)

| <i>Receipts</i> | |
|---|--------------------------|
| Proceeds from the sale of assets | 13,000,000 |
| "Pre-Closing Liabilities" | 3,788,121 |
| Advances from secured creditor | 1,895,000 |
| Transfers from Company's operating accounts ¹ | 1,391,901 |
| Receipts under "close out agreements" | 1,258,876 |
| Rental income | 120,947 |
| GST/HST | 9,364 |
| Interest and other | 16,617 |
| Total Receipts | <u>21,480,826</u> |
| <i>Disbursements</i> | |
| Payroll, subcontractor fees, source deductions and benefits | 4,396,856 |
| Union dues and obligations | 952,573 |
| Purchase of materials and operating supplies | 705,405 |
| Receiver's fees | 565,263 |
| Legal fees | 302,025 |
| Other costs | 239,957 |
| GST/HST/QST | 264,623 |
| Equipment rental and leases | 107,486 |
| Total Disbursements | <u>7,534,187</u> |
| Balance in Receiver's account | <u>13,946,640</u> |

This statement has been prepared on a cash basis and excludes accrued obligations.

1. Includes amounts paid by Bondfield Construction Company Ltd. for use of equipment, head office rent and other sundry costs.



TABG

Appendix “G”

COURT FILE NO: CV-18-608978-00CL

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

**BRIDGING FINANCE INC. AS AGENT FOR
2665405 ONTARIO INC**

APPLICANT

- AND -

1033803 ONTARIO INC. AND 1087507 ONTARIO LIMITED

RESPONDENTS

**IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF
THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS
AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, C. C.43, AS AMENDED**

**AFFIDAVIT OF NOAH GOLDSTEIN
(Sworn February 15, 2019)**

I, Noah Goldstein, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am a Vice President and Managing Director of KSV Kofman Inc. ("KSV").
2. Pursuant to an order (the "Receivership Order") of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on November 19, 2018, KSV was appointed as the receiver and manager ("Receiver") of:
 - a) all the assets, undertaking and property of 1033803 Ontario Inc., operating as Forma-Con Construction and Forma Finishing;
 - b) all the assets, undertaking and property of 1087507 Ontario Inc.;
 - c) certain assets of Bondfield Construction Company Limited and Bondfield Construction Equipment Ltd.; and
 - d) the real property known municipally as 131 Saramia Crescent, Vaughan.

3. I have had overall responsibility for this mandate since the date of the Receivership Order. As such, I have knowledge of the matters to which I hereinafter depose.

4. On February 15, 2019, the Receiver finalized its Third Report to Court in which it provided a summary of the Receiver's fees for the period commencing November 19, 2018 to January 31, 2019.

5. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the periods indicated and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by it.

6. Additionally, attached hereto as Exhibit "B" is a summary of roles, hours and rates charged by members of KSV who have worked on this matter, and I hereby confirm that the list represents an accurate account of such information.

7. I consider the accounts to be fair and reasonable considering the circumstances connected with this matter.

8. I also confirm that the Receiver has not received, nor expects to receive, nor has the Receiver been promised any remuneration or consideration other than the amounts claimed in the accounts.

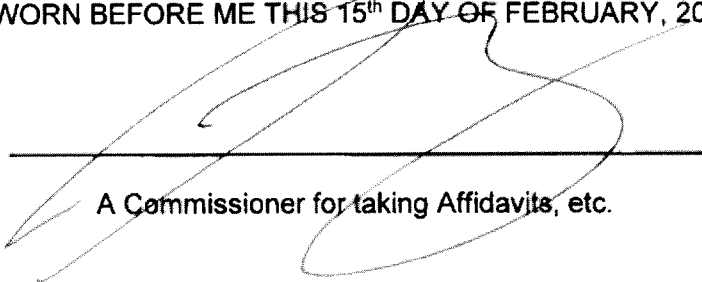
SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario, this)
15th day of February, 2019.)

Commissioner for taking affidavits, etc.)

ANN BRADY LG: 567163

Noah Goldstein)

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF NOAH GOLDSTEIN
SWORN BEFORE ME THIS 15th DAY OF FEBRUARY, 2019

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is cursive and somewhat abstract, with several loops and flourishes.

A Commissioner for taking Affidavits, etc.



Bobby Kofman
ksv advisory inc.

150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6228
F +1 416 932 6266

ksvadvisory.com

bkofman@ksvadvisory.com

December 18, 2018

DELIVERED BY EMAIL

Bridging Finance Inc.
77 King Street West, Suite 2925, P.O. Box 322
Toronto, ON M5K 1K7

Attention: Brian Champ and Lekan Temidire

Dear Brian:

Re: 1033803 Ontario Inc. ("Forma Con") and 1087507 Ontario Limited ("108", and together with Forma Con, the "Companies")

Enclosed please find our invoice for services rendered in connection with the Companies' receivership proceedings during November 2018.

Should you have any questions regarding the enclosed, please do not hesitate to contact us.

Yours very truly,

KSV KOFMAN INC.

Per: Bobby Kofman

BK:lq
Encl(s)



ksv advisory inc.

150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6262
F +1 416 932 6266

ksvadvisory.com

Bridging Finance Inc.
77 King Street West
Suite 2925, P.O. Box 322
Toronto, ON M5K 1K7

December 18, 2018

Attention: Brian Champ and Lekan Temidire

Invoice No.: 1105
HST No.: 824308969RT0001

**Re: 1033803 Ontario Inc. ("Forma Con") and 1087507 Ontario Limited
("108" and together with Forma Con, the "Companies")**

For professional services rendered by KSV Kofman Inc. in its capacity as receiver (the "Receiver") of the Companies for November 2018, including:

Pre-Receivership Activities

- Reviewing and commenting on several drafts of the receivership application materials, including the Affidavit of Brian Champ ("Affidavit"), the Receivership Order and the Notice of Motion;
- Attending a meeting on November 8, 2018 at Goodmans LLP ("Goodmans"), counsel to Bridging Finance Inc. in its capacity as agent to 2665405 Ontario Inc. (the "Agent"), regarding the Affidavit;
- Attending several calls on November 12, 13, 14 and 15, 2018 with Goodmans to review the receivership application materials;
- Preparing first day communication materials, including a supplier script and employee script;
- Preparing a letter to Forma Con's employees advising of the receivership proceedings;
- Preparing an employee termination letter for certain of Forma Con's employees;
- Attending a meeting on November 16, 2018 with Bridging to discuss the pending receivership proceedings;
- Reviewing and commenting on several drafts of an Intercreditor Agreement ("ICA") among the Agent, Zurich Insurance Company of Canada ("Zurich") and Bondfield Construction Company Limited ("BCCL") and corresponding with Goodmans, Borden Ladner Gervais LLP ("BLG"), legal counsel to Zurich, and Ernst & Young Inc. ("E&Y"), financial advisor to Zurich, regarding same;
- Attending a meeting on November 16, 2018 with E&Y to the ICA;

- Attending several calls on November 17, 18 and 19, 2018 to discuss the ICA, the receivership application materials and the Restructuring Agreement;
- Corresponding with Infinity Assets Inc. ("Infinity") to obtain an appraisal for certain of BCCL's assets as required under the ICA;
- Reviewing and commenting on several drafts of a restructuring agreement drafted by Goodmans to be entered into between the Agent, BCCL, Zurich, and Forma Con (the "Restructuring Agreement");
- Reviewing and commenting on a letter from the Receiver to Zurich in connection with certain equipment owned by BCCL;
- Preparing a receivership action plan;
- Attending a planning meeting at KSV on November 15, 2018 with Torys LLP, the Receiver's counsel, to discuss a day one action plan;
- Attending an update call on November 16, 2018 with Torys;
- Attending a call on November 18, 2018 with FAAN Advisory Services Inc. ("FAAN"), BCCL's financial advisor, to discuss a receivership action plan;
- Attending Court on November 16 and 19, 2018 in connection with the receivership application;
- Arranging for security at the Companies' head office premises;
- Arranging for certain locks to be changed at the head office at the commencement of the receivership;
- Arranging an inventory of all Forma Con cranes and photographing same;

General Receivership Activities

- Attending at the Companies' head office on a daily basis from November 19, 2018 to carry out the Receiver's duties and responsibilities under the Receivership Order;
- Corresponding on a daily basis with representatives of the Agent and FAAN;
- Corresponding frequently with Steven Aquino, the President of BCCL, regarding receivership matters;
- Corresponding with Brauti Thorning Zibarras LLP, counsel to Mr. Aquino;
- Conducting a town hall meeting on November 19, 2018 with all head office Forma Con employees to advise of the receivership;
- Backing-up the Companies' systems and servers as at the date of receivership;
- Considering cost cutting measures;
- Preparing an internal update email on November 20, 2018;

- Attending calls on November 20, 21 and 22, 2018 with Canada Revenue Agency to provide an update on the receivership proceedings;
- Dealing with cash management issues, including setting up receivership accounts and paying post-filing expenses from the receivership accounts;
- Corresponding extensively with suppliers regarding the receivership and the impact on any amounts owing as at the date of receivership;
- Preparing and filing the Notices and Statements of the Receiver (the "Receiver's Notices") for the Companies as required under Sections 245 and 246 of the *Bankruptcy and Insolvency Act*;
- Compiling a list of the Companies' creditors to include with the Receiver's Notices;
- Preparing an email to the service list advising of the e-service protocol;
- Posting materials on the KSV website;
- Preparing a "first day" email update for the Agent;
- Attending a meeting on November 28, 2018 with Infinity to discuss the appraisal;
- Preparing an analysis of Forma Con's contracts to determine if there is any equity in the contracts;
- Reviewing payments issued by BCCL and other entities related to BCCL (that are not subject to these receivership proceedings) in connection with the ICA;
- Corresponding with Yukon Construction Inc. regarding a crane it is leasing from Forma Con and arranging for future lease payments to be directed to the Receiver;
- Reviewing and commenting on a letter to Ritchie Bros. prepared by Goodmans directing certain proceeds from equipment sales to the Agent;
- Dealing with Mr. Aquino regarding the liquidation of marketable securities held at Bank of Montreal ("BMO") and Connor, Clarke & Lunn Financial Group and providing the Agent with updates regarding same;
- Corresponding with Goodmans regarding the marketable securities;
- Corresponding with E&Y regarding certain Forma Con employees required to complete bonded projects;
- Meeting with Paul Dipede, general counsel for the Companies, to discuss all ongoing litigation involving the Companies;
- Reviewing several lien claims and other actions regarding Forma Con, gathering information requested under the actions and corresponding with Torys regarding same;
- Reviewing and responding to several letters from Koskie Minsky LLP, counsel to several of the unionized employees, requesting certain information;

- Reviewing a letter dated November 28, 2018 from Goldman Sloan Nash & Haber LLP ("GSNH"), counsel to Aluma Systems Inc. ("Aluma");
- Attending a call on November 28, 2018 with GSNH regarding Aluma;

Banking Activities

- Preparing a letter dated November 19, 2018 to BMO requesting that the Companies' bank accounts be restricted to deposits only;
- Corresponding with representatives from BMO regarding the receivership proceedings;
- Opening a receivership bank account at BMO,
- Arranging to transfer funds from the Companies' bank accounts to the receivership bank accounts;
- Reviewing and tracking all purchase orders made by Forma Con and discussing same with management;
- Reviewing Forma Con's weekly payroll,
- Corresponding with BMO to facilitate weekly payroll;

Rental Properties

- Preparing a letter dated November 19, 2018 to the tenant (the "Stouffville Tenant") of 4431 Stouffville Road, Stouffville, Ontario directing the Stouffville Tenant to pay all rent to the Receiver;
- Corresponding with the Stouffville Tenant and its counsel regarding the receivership proceedings;
- Preparing a letter dated November 19, 2018 to the two tenants ("Saramia Tenants") of 131 Saramia Crescent, Vaughan directing the Saramia Tenants to pay rent to the Receiver;
- Corresponding with the Saramia Tenants and counsel to one of the Saramia Tenants regarding the receivership proceedings;

Owner and General Contractor Correspondence

- Corresponding with owners and general contractors of Forma Con's projects throughout the period, including:
 - Tucker Highrise ("Tucker");
 - Elite Construction ("Elite");
 - Dunpar Homes,
 - CentreCourt Developments ("CentreCourt");
 - Skygrid Construction Inc. ("Skygrid"); and
 - MOD Developments ("MOD");

- Attending calls on November 19 and 21, 2018 with Tucker to provide an update on the status of the receivership proceedings;
- Attending several calls on November 19, 20, 21, 26 and 28, 2018 with Elite regarding Forma Con's East United project;
- Attending calls on November 19, 20 and 27, 2018 with MOD regarding the status of the Massey Tower and Waterworks;
- Attending a call on November 20, 2018 with Marco Drudi, counsel to an Owner, to provide an update on the receivership proceedings;
- Attending a call on November 28, 2018 with CentreCourt and E&Y regarding Forma Con's Axis project;

Forma Con Transaction

- Attending a meeting on November 19, 2018 with George Frankfort (the "Purchaser"), the Purchaser's counsel, Minden Gross LLP, Torys, Goodmans and the Agent regarding a sale of Forma Con's business and certain related assets (the "Forma Con Assets");
- Reviewing and commenting on several drafts of a letter agreement (the "Letter Agreement") between the Receiver and Purchaser in connection with the purchase of the Forma Con Assets (the "Transaction");
- Executing the Letter Agreement on November 23, 2018;
- Attending a meeting on November 26, 2018 with the Purchaser at the Companies' head office;
- Attending several calls with the Purchaser on November 26, 27, 28, 29 and 30, 2018;
- Corresponding frequently with the Agent regarding the Transaction;
- Attending a call on November 19, 2018 with Davidzon Law, a law firm representing a party interested in purchasing certain of the Forma Con Assets;
- Preparing a confidentiality agreement and sending same to the Purchaser for execution;
- Reviewing a due diligence list provided by the Purchaser;
- Compiling all information requested on the due diligence list and adding same to a data room;

Brampton Property

- Reviewing and commenting on an agreement of purchase and sale whereby the Agent would act as the stalking horse bidder in a sale process (the "Sale Process") for the real property located at 3420 Queen Street East, Brampton (the "Brampton Property");
- Reviewing and commenting on bid procedures in connection with the Sale Process;
- Corresponding with Lou Grossi of Intercity Realty Inc. to act as listing agent for the Brampton Property;

Creditor/Supplier Correspondence

- Corresponding with creditors and suppliers to provide an update on the status of the receivership, including:
 - Argo Lumber;
 - Concord Hardware;
 - David Wolfe Engineering;
 - National Concrete Accessories;
 - Skyway Canada Limited;
 - My Construction Supply Ltd.;
 - Dufferin Concrete;
 - Strongco Corporation;
 - Delia Equipment and Welding Ltd.; and
 - JCL Concrete Pumping Limited.

- Dealing with various utility companies at the commencement of the receivership in order to arrange for continued supply of service during the receivership; and

- To all other meetings, correspondence, etc. pertaining to this matter.

| | |
|---|----------------------|
| Total professional fees and disbursements | \$ 212,329.00 |
| HST | <u>27,602.77</u> |
| Total | <u>\$ 239,931.77</u> |

KSV Kofman Inc.
Receivership of 1033803 Ontario Inc. and 1087507 Ontario Limited
Time Summary
For the period ending November, 2018

| <u>Personnel</u> | <u>Rate (\$)</u> | <u>Hours</u> | <u>Amount (\$)</u> |
|--------------------------------|------------------|---------------|--------------------|
| Robert Kofman | 700 | 68.60 | 48,020.00 |
| Noah Goldstein | 550 | 158.13 | 86,971.50 |
| Jonathan Joffe | 450 | 106.50 | 47,925.00 |
| Javed Rasool | 350 | 42.00 | 14,700.00 |
| Other staff and administration | | 43.45 | 14,712.50 |
| Total Fees | | <u>418.68</u> | <u>212,329.00</u> |



Bobby Kofman
kvs advisory Inc.

150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
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F +1 416 932 6266

kvsadvisory.com

bkofman@kvsadvisory.com

January 21, 2019

DELIVERED BY EMAIL

Bridging Finance Inc.
77 King Street West
Suite 2925, P.O. Box 322
Toronto, ON M5K 1K7

Attention: Brian Champ and Lekan Temidire

Dear Brian:

**Re: 1033803 Ontario Inc. ("Forma Con") and 1087507 Ontario Limited
("108", and together with Forma Con, the "Companies")**

Enclosed please find our invoice for services rendered in connection with the Companies' receivership proceedings during December 2018.

Should you have any questions regarding the enclosed, please do not hesitate to contact us

Yours very truly,

KSV KOFMAN INC.

Per: Bobby Kofman

BK:lq
Encl(s)



ksv advisory Inc.

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Bridging Finance Inc.
77 King Street West
Suite 2925, P.O. Box 322
Toronto, ON M5K 1K7

January 21, 2019

Attention: **Brian Champ and Lekan Temidire**

Invoice No.: 1134
HST No.: 818808768RT0001

**Re: 1033803 Ontario Inc. ("Forma Con") and 1087507 Ontario Limited
("108" and together with Forma Con, the "Companies")**

For professional services rendered by KSV Kofman Inc. in its capacity as receiver (the "Receiver") of the Companies for December 2018, including

General Receivership Activities

- Attending at the Companies' head office daily to carry out the Receiver's duties and responsibilities under the Receivership Order;
- Corresponding daily with representatives of Bridging Finance Inc. in its capacity as agent to 2665405 Ontario Inc. (the "Agent") and with representatives of FAAN Advisory Services Inc. ("FAAN"), Bondfield Construction Company Limited's ("BCCL") financial advisor;
- Corresponding frequently with Steven Aquino, the President of BCCL, regarding receivership matters;
- Corresponding with representatives of Brauti Thorning Zibarras LLP, counsel to Steven Aquino;
- Considering cost cutting measures;
- Corresponding with Canada Revenue Agency ("CRA") to provide an update on the receivership proceedings, including calls on December 3, 5, 12, 13 and 17, 2018;
- Dealing with cash management issues, including paying post-filing expenses from the receivership accounts;
- Corresponding extensively with suppliers regarding the receivership and the impact on any amounts owing as at the date of receivership;
- Posting Court materials on the KSV website;
- Preparing analyses of Forma Con's contracts to determine if there is any equity in the contracts;

- Corresponding with representatives from BCCL regarding an auction of certain of BCCL's equipment at Ritchie Brothers Inc. ("Ritchie Bros") on December 4, 2018;
- Reviewing and commenting on a letter to Ritchie Bros. prepared by Goodmans directing proceeds from equipment sales to the Agent;
- Dealing with Steven Aquino regarding the liquidation of marketable securities held by Connor, Clarke & Lunn Financial Group and providing the Agent with updates regarding same;
- Corresponding with Goodmans LLP ("Goodmans"), counsel to the Agent, regarding the marketable securities;
- Corresponding with Ernst & Young Inc. ("E&Y"), financial advisor to Zurich Insurance Company of Canada ("Zurich"), regarding Forma Con employees required to complete bonded projects;
- Meeting with Paul Dipede, general counsel for the Companies, to discuss litigation involving the Companies;
- Reviewing several lien claims and other actions, gathering information requested under the actions and corresponding with Torys LLP ("Torys"), the Receiver's legal counsel, regarding same;
- Submitting several funding requests to the Agent (collectively, the "Funding Requests");
- Preparing and executing Receiver's Certificates in connection with the Funding Requests;
- Reviewing and responding to several letters from Koskie Minsky LLP ("Koskie"), counsel to several of the unionized employees;
- Preparing information requested by Koskie and corresponding extensively with Koskie and Torys regarding same;
- Preparing an online data room to facilitate the transfer of information requested by Koskie;
- Responding to multiple requests for information pursuant to section 39 of the *Construction Act* submitted by creditors of the Companies;
- Reviewing emails from December 6, 11, 12 and 13, 2018 from Goldman Sloan Nash & Haber LLP ("GSNH"), counsel to Aluma Systems Inc. ("Aluma");
- Attending calls on December 6, 11 and 12, 2018 with GSNH regarding "Aluma";
- Reviewing payroll on a weekly basis and coordinating funding of same;
- Corresponding daily with E&Y regarding, *inter alia*, the funding of bonded costs for the Company;
- Reviewing payments issued by BCCL and other entities related to BCCL (that are not subject to these receivership proceedings) in connection with the Intercreditor Agreement among the Agent, Zurich and BCCL;
- Facilitating an audit of the Companies' payroll accounts with CRA on December 13, 2018;

- Working extensively with the Forma Con's payroll administrator to transition the Companies' payroll to a new account number, as required by CRA;
- Reviewing union remittance reports for November 2018.

Rental Properties

- Corresponding with a tenant of 4431 Stouffville Road, Stouffville to provide updates on the receivership proceedings;
- Corresponding with tenants of 131 Saramia Crescent, Vaughan to provide updates on the receivership proceedings;

Cash Reporting

- Reviewing and commenting routinely on a daily cash position report circulated by FAAN;
- Reviewing and commenting on the weekly project-by-project accounting prepared by FAAN and discussing same with E&Y;

Owner and General Contractor Correspondence

- Corresponding with owners and general contractors of Forma Con's projects throughout the period, including:
 - Tucker Highrise ("Tucker");
 - Elite Construction ("Elite");
 - Dunpar Homes;
 - CentreCourt Developments ("CentreCourt"); and
 - MOD Developments ("MOD");
- Attending several calls on December 6, 9, 14, 17, 18 and 19, 2018 with Elite regarding Forma Con's East United project;
- Reviewing and commenting on a "close out agreement" regarding the East United project and sending same to Elite;
- Executing a "close out agreement" on December 24, 2018 with Elite;
- Attending several calls on December 6, 10, 14, 23 and 24, 2018 with MOD and its counsel regarding the status of the Massey Tower project;
- Reviewing and commenting on a "close out agreement" for the Massey Tower project and sending same to MOD and executing the agreement on December 27, 2018 with MOD;
- Attending calls on December 4, 6, 7, 17, 19 and 21, 2018 with representatives of Dunpar Homes to discuss completing its project;
- Attending calls on December 4, 6, 11, 12, 17, 19, 21 and 27, 2018 with CentreCourt regarding the Axis project;

- Reviewing and commenting on a draft agreement among CentreCourt, Zurich and the Receiver regarding the completion of the Axis project (the "CentreCourt Agreement");
- Corresponding with E&Y regarding the CentreCourt Agreement;
- Corresponding with McCarthy Tetrault LLP, counsel to the owner of the Massey Hall project, regarding the status of the project and a labour and material bond issued by Zurich;
- Corresponding with a representative of Reliance Construction regarding the completion of the YC Condos project;

Brampton Property

- Reviewing and commenting on an agreement of purchase and sale ("APS") whereby 2657897 Ontario Inc. (the "Stalking Horse"), an affiliate of the Agent would act as the stalking horse bidder in a sale process (the "Sale Process") for the real property located at 3420 Queen Street East, Brampton (the "Brampton Property");
- Executing the APS on December 5, 2018;
- Reviewing an opinion on the Agent's security prepared by Torys;
- Reviewing and commenting on bid procedures in connection with the Sale Process;
- Preparing the Receiver's First Report dated December 7, 2018 to recommend the approval of the Sale Process;
- Corresponding with Lou Grossi of Intercity Realty Inc. ("Intercity") to act as listing agent for the Brampton Property;
- Preparing and executing a listing agreement with Intercity;
- Reviewing and commenting on marketing materials, including a teaser and confidential information memorandum, in connection with the Sale Process;
- Preparing a confidentiality agreement to be used in the Sale Process;
- Providing Intercity with documents to be added to the Sale Process data room, including an environmental report and surveys for the Brampton Property;
- Reviewing a Notice of Motion, proposed bidding procedures order and factum in connection with the Sale Process;
- Reviewing and commenting on an agreement terminating an agreement of purchase and sale entered into by the Stalking Horse prior to the receivership proceedings;
- Attending at Court on December 13, 2018 to seek approval of the Forma Con Transaction and the Sale Process;
- Preparing a letter dated December 14, 2018 to the Region of Peel regarding the Sale Process;

Forma Con Transaction

- Attending a meeting on December 1, 2018 with George Frankfort (the "Purchaser") and the Agent regarding a sale of Forma Con's business and certain related assets (the "Forma Con Assets") (the "Forma Con Transaction");
- Attending near daily several calls with the Purchaser;
- Dealing with due diligence requests from the Purchaser and providing all information requested to the Purchaser and its counsel, Minden Gross LLP;
- Seeking the Purchaser's approval for certain purchase orders as contemplated in the Letter Agreement between the Receiver and the Purchaser;
- Reviewing and commenting on an Amendment to the Forma Con Transaction;
- Dealing with Mr. S. Aquino and the Purchaser regarding leasing the property adjacent to the head office from an entity owned by Ralph Aquino and John Aquino, including regarding the execution of the lease;
- Reviewing and commenting on several drafts of an agreement among Sentinel (Broadway) Holdings Inc., the Company and the Purchaser regarding, *inter alia*, the use of Forma Con's receivables to settle pre-filing obligations;
- Reviewing the motion record of Aluma dated December 12, 2018;
- Corresponding frequently with the Agent regarding the Forma Con Transaction;
- Reviewing and commenting on the closing agenda for the Forma Con Transaction and discussing same with Goodmans and Torys;
- Corresponding with Torys regarding an HST election;
- Preparing a letter terminating all employees transferred to the purchaser in connection with the Forma Con Transaction and arranging the delivery of the letters with the respective unions;
- Reviewing and commenting on all closing documents in connection with the Forma Con Transaction;
- Preparing the Receiver's Second Report dated December 10, 2018 to recommend the approval of the Forma Con Transaction;
- Closing the Forma Con Transaction on December 14, 2018;

Creditor/Supplier Correspondence

- Corresponding with creditors and suppliers to provide an update on the status of the receivership, including:
 - Argo Lumber;
 - Concord Hardware;
 - David Wolfe Engineering;
 - National Concrete Accessories;

- My Construction Supply Ltd.;
- Dufferin Concrete;
- Strongco Corporation, and
- Jonas Enterprise Service and Construction Software
- Corresponding extensively with the Companies' materials procurement team regarding the material requirements for the Companies' projects; and
- To all other meetings, correspondence, etc. pertaining to this matter.

| | |
|---|----------------------|
| Total professional fees and disbursements | \$ 181,202.50 |
| HST | <u>23,556.33</u> |
| Total | <u>\$ 204,758.83</u> |

KSV Kofman Inc.
Receivership of 1033803 Ontario Inc. and 1087507 Ontario Limited

Time Summary

For the period ending December 2018

| <u>Personnel</u> | <u>Rate (\$)</u> | <u>Hours</u> | <u>Amount (\$)</u> |
|--------------------------------|------------------|---------------|--------------------|
| Robert Kofman | 700 | 47.25 | 33,075.00 |
| Noah Goldstein | 550 | 150.00 | 82,500.00 |
| Jonathan Joffe | 450 | 86.40 | 38,880.00 |
| Esther Mann | 425 | 38.20 | 16,235.00 |
| Other staff and administration | | 44.00 | 10,512.50 |
| Total Fees | | <u>365.85</u> | <u>181,202.50</u> |



Bobby Kofman

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bkofman@ksvadvisory.com

February 13, 2019

DELIVERED BY EMAIL

Bridging Finance Inc.
77 King Street West
Suite 2925, P.O. Box 322
Toronto, ON M5K 1K7

Attention: Brian Champ and Lekan Temidire

Dear Brian:

**Re: 1033803 Ontario Inc. ("Forma Con") and 1087507 Ontario Limited
("108", and together with Forma Con, the "Companies")**

Enclosed please find our invoice for services rendered in connection with the Companies' receivership proceedings during January 2019.

Should you have any questions regarding the enclosed, please do not hesitate to contact us.

Yours very truly,

KSV KOFMAN INC.

Per: Bobby Kofman

BK:lq
Encl(s)



ksv advisory inc.

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Bridging Finance Inc.
77 King Street West
Suite 2925, P.O. Box 322
Toronto, ON M5K 1K7

February 13, 2019

Attention: Brian Champ and Lekan Temidire

Invoice No.: 1156

HST No.: 818808768RT0001

Re: **1033803 Ontario Inc. ("Forma Con") and 1087507 Ontario Limited**
("108" and together with Forma Con, the "Companies")

For professional services rendered by KSV Kofman Inc. in its capacity as receiver (the "Receiver") of the Companies for January 2019, including:

General Receivership Activities

- Corresponding with Torys LLP ("Torys"), legal counsel to the Receiver, regarding all matters in the receivership proceedings;
- Attending at the Companies' head office to carry out the Receiver's duties and responsibilities under the Receivership Order;
- Corresponding daily with representatives of Bridging Finance Inc., in its capacity as agent to 2665405 Ontario Inc. (the "Agent"), FAAN Advisory Services Inc. ("FAAN") and Bondfield Construction Company Limited's ("BCCL") financial advisor;
- Corresponding frequently with Steven Aquino, the President of BCCL, regarding receivership matters;
- Corresponding with representatives of Brauti Thorning Zibarras LLP, counsel to Steven Aquino, concerning the real property located at 375 Basaltic Road, Concord;
- Dealing with cash management issues, including paying post-filing expenses from the receivership accounts;
- Corresponding extensively with suppliers regarding the receivership and its impact on any amounts owing to them as at the date of receivership;
- Corresponding with Ernst & Young Inc. ("E&Y"), financial advisor to Zurich Insurance Company of Canada ("Zurich"), regarding, *inter alia*, the completion of several Forma Con and BCCL projects and an intercreditor and cooperation agreement between Zurich and the Agent (the "ICA");

- Preparing a schedule of bonded costs to be reimbursed by BCCL (the "Bonded Schedule") and corresponding with E&Y regarding same;
- Reviewing comments by E&Y on the Bonded Schedule;
- Attending a meeting on January 8, 2019 with E&Y to discuss the Bonded Schedule;
- Corresponding with the Ministry of Finance to open a receivership account and obtain remittance forms, including attending multiple phone calls on January 25, 2019;
- Working with Forma Con's accounting department to determine the accounts receivable balance owing on the Yorkville project;
- Corresponding with tenants of 131 Saramia Crescent, Vaughan and their legal counsel to provide updates on the receivership proceedings;
- Reviewing and commenting routinely on a daily cash position report circulated by FAAN;
- Reviewing and commenting on the weekly project-by-project accounting reports prepared by FAAN and discussing same with E&Y;
- Corresponding with Goodmans LLP ("Goodmans"), counsel to the Agent, and E&Y regarding the marketable securities subject to the Agent's security and the impact on the status of the ICA;
- Corresponding with Paul Dipede, general counsel for the Companies, to discuss certain of the Companies' litigation;
- Corresponding extensively with the Companies' procurement team regarding materials required for the Companies' projects;

Employee Matters

- Preparing information requested by Koskie Minsky LLP ("Koskie"), counsel to several of Forma Con's unions, and corresponding extensively with Koskie and Torys regarding same;
- Reviewing payroll on a weekly basis and coordinating funding of same with E&Y and FAAN;
- Preparing an estimate of source deductions related to bonded projects and facilitating payment of same with E&Y;
- Reconciling with E&Y estimated to actual source deductions paid, including attending a phone call on January 24, 2019;
- Working with Forma Con's payroll administrator to prepare Records of Employment for terminated employees;
- Working extensively with Forma Con's payroll administrator to prepare a reconciliation of unpaid union dues for I.U.O.E Local 793 ("Local 793"), Labourers Union Local 506, L.I.U.N.A. Local 183 ("Local 183"), Ontario Ironworks/Rodmen Benefit Plan Administrator, Carpenters Local 27 and remitting payment to all unions for post-filing services;
- Corresponding with the Workplace Safety and Insurance Board ("WSIB") regularly to open a receivership account and to obtain clearance certificates, including attending phone calls on January 3, 9, 10, 18, 25 and 28, 2019;

- Coordinating with the payroll administrator to answer questions relating to workplace injury claims filed by employees with WSIB, including attending a phone call on January 23, 2019;
- Reviewing Employer Health Tax remittance reports for the post-filing period ending December 31, 2018;

Lien Claims

- Reviewing lien claims on the Blue Diamond project by:
 - Concord Hardware Limited ("Concord");
 - Argo Lumber Ltd ("Argo"); and
 - National Concrete Accessories
- Corresponding with Camrost Felcorp Inc., the project owner, regarding all liens registered against the Blue Diamond project;
- Reviewing lien claims registered by the following companies on the Waterworks project:
 - Concord;
 - Argo; and
 - Dural Flooring Inc
- Corresponding with Torys regarding all lien claims;

Sale Process for Unsold Properties

- Preparing a Request for Realtor Proposals ("RFP") for 131 Saramia Crescent, Vaughan, 4431 Stouffville Road, Stouffville, and 407 Basaltic Road, Concord (collectively, the "Unsold Properties");
- Preparing an online data room for the Unsold Properties;
- Corresponding with JDL Realty Inc., CBRE Inc. and JLL Incorporated regarding the RFP;
- Reviewing proposals submitted on January 31, 2019 by the realtors;

Sale Process for Brampton Property

- Corresponding with Lou Grossi of Intercity Realty Inc. ("Intercity"), the listing agent for 3420 Queen Street East, Brampton (the "Brampton Property");
- Reviewing a weekly marketing report prepared by Intercity;
- Reviewing and commenting on Intercity's marketing materials, including a *Globe and Mail* advertisement;
- Providing Intercity with documents to be made available in a data room;
- Reviewing a letter of intent submitted on January 31, 2019 to purchase the Brampton Property and corresponding internally regarding same;

Project Correspondence

- Corresponding with owners and general contractors of Forma Con's projects, including:
 - Tucker Highrise;
 - Elite Construction ("Elite"),
 - Dunpar Homes ("Dunpar");
 - CentreCourt Developments ("CentreCourt"); and
 - MOD Developments ("MOD");
- Preparing funding requests on January 10 and January 24, 2019 for Elite in connection with the "close out agreement" on the East United project (the "East United Funding Requests");
- Providing all information requested and responding to questions from Elite regarding the East United Funding Requests;
- Reconciling time and material costs in connection with the East United Funding Requests;
- Sending Elite all support for the East United Funding Requests and reconciliations, including invoices, payroll reports and proofs of payment;
- Corresponding with MOD throughout the month regarding the status of the Massey Tower project, including the removal of the crane
- Preparing a funding request on January 15, 2019 for MOD in connection with the "close out agreement" regarding the Massey Tower project ("Massey Tower Funding Request");
- Providing all information requested and responding to questions from MOD regarding the Massey Tower Funding Request;
- Reconciling time and material costs in connection with the Massey Tower Funding Request;
- Sending MOD all support for the Massey Tower Funding Request and reconciliations, including invoices, payroll reports and proofs of payment;
- Dealing with the removal of a crane from the Dunpar project;
- Corresponding with representatives from Centrecorp regarding the status of the Axis project and the receivables owing to Forma Con on that project;

Forma Con Transaction

- Attending several meetings and calls throughout the month with George Frankfort of Advance Forming Inc. (the "Purchaser") and the Agent regarding a sale of Forma Con's business and certain related assets (the "Forma Con Transaction");
- Preparing a schedule of pre-closing expenses as required under the Forma Con Transaction (the "Pre-Closing Liabilities Schedule") and dealing extensively with the Purchaser regarding same;
- Dealing with Local 183 regarding a reconciliation of amounts owing to it in connection with the Forma Con Transaction;

- Compiling supporting documentation for each item on the Pre-Closing Liabilities Schedule, including payroll reports, job cost reports, union due reports, Employer Health Tax remittance reports, WSIB reports, supplier invoices and employee expense reimbursement reports;
- Reviewing and answering questions from the Purchaser regarding the Pre-Closing Liabilities Schedule;

Creditor/Supplier Correspondence

- Corresponding with creditors and suppliers to provide an update on the status of the receivership, including:
 - Stone-Link;
 - JCL Concrete Pumping III;
 - National Concrete Accessories;
 - My Construction Supply Ltd.;
 - Dufferin Concrete;
 - Chantler's Environmental Services Ltd.;
 - Bell Canada;
- Corresponding with the following creditors and suppliers to obtain updated statements of account
 - My Construction Supply Ltd ., on January 18, 2019;
 - Stone-Link, on January 23, 2019;
 - Chantler's Environmental Services Ltd., on January 25, 2019; and
- To all other meetings, correspondence, etc pertaining to this matter.

| | | |
|---|----|-------------------|
| Total professional fees and disbursements | \$ | 171,731.25 |
| HST | | <u>22,325.06</u> |
| Total | \$ | <u>194,056.31</u> |

KSV Kofman Inc.
Receivership of 1033803 Ontario Inc. and 1087507 Ontario Limited
Time Summary
For the period ending January 2019

| <u>Personnel</u> | <u>Rate (\$)</u> | <u>Hours</u> | <u>Amount (\$)</u> |
|--------------------------------|------------------|---------------|--------------------|
| Robert Kofman | 725 | 38.75 | 28,093.75 |
| Noah Goldstein | 575 | 78.10 | 44,907.50 |
| Jonathan Joffe | 475 | 47.80 | 22,705.00 |
| Esther Mann | 425 | 158.00 | 67,150.00 |
| Eli Brenner | 350 | 16.25 | 5,687.50 |
| Other staff and administration | | 17.50 | 3,187.50 |
| Total Fees | | <u>356.40</u> | <u>171,731.25</u> |

Note: Effective January 1, 2019, the hourly rate of Messrs. Kofman and Goldstein increased by \$25

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF NOAH GOLDSTEIN
SWORN BEFORE ME THIS 15th DAY OF FEBRUARY, 2019



A Commissioner for taking Affidavits, etc.

1033803 Ontario Inc. and 1087507 Ontario Limited and certain other property
Schedule of Professionals' Time and Rates
For the Period from November 19, 2018 to January 31, 2019

| Personnel | Title | Duties | Hours | Billing Rate (\$ per hour) | Amount (\$) |
|--------------------------------|-------------------|--|--------|-------------------------------|-------------------|
| Robert Kofman | Managing Director | Overall responsibility | 154.60 | 700 / 725 | 109,188.75 |
| Noah Goldstein | Managing Director | All aspects of mandate | 386.23 | 550 / 575 | 214,379.00 |
| Jonathan Joffe | Senior Manager | Cash management and creditor correspondence | 240.70 | 450 / 475 | 109,510.00 |
| Esther Mann | Associate | Employee matters and dealing with project owners | 196.20 | 425 | 83,385.00 |
| Other staff and administrative | | | 163.20 | 100-350 | 48,800.00 |
| Total fees | | | | | <u>565,262.75</u> |
| Total hours | | | | | 1,140.93 |
| Average hourly rate | | | | | \$ 495.44 |

Note: Effective January 1, 2019, the hourly rate of Messrs. Kofman, Goldstein and Joffe increased by \$25.



TABH

Appendix “H”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN

BRIDGING FINANCE INC., as agent for
2665405 ONTARIO INC.

Applicant

-and-

1033803 ONTARIO INC. and 1087507 ONTARIO LIMITED

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE
***BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED;**
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED

AFFIDAVIT OF SCOTT BOMHOF
(sworn February 11, 2019)

I, SCOTT BOMHOF, of the Town of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Partner with Torys LLP (“Torys”), lawyers for KSV Kofman Inc., in its capacity as receiver (in such capacity, the “Receiver”), of (i) all the assets, undertakings and properties of 1033803 Ontario Inc. operating as Forma-Con Construction and Forma Finishing and 1087507 Ontario Limited (the “Debtors”), acquired for or used in relation to a business carried on by the Debtors, (ii) the specific assets of Bondfield Construction Company Limited and Bondfield Construction Equipment Ltd, and (iii) the real property known municipally as 131 Saramia Crescent in Vaughan, Ontario, and as such I have personal knowledge of the matters to which I depose, except where my knowledge is based upon information and belief, in which case I believe such information to be true.

2. This affidavit is sworn in support of the Receiver's motion for, *inter alia*, an order authorizing and approving the fees and disbursements of Torys as counsel to the Receiver.

3. I confirm that the accounts attached as Exhibit "A" are a true copy of the accounts of Torys (collectively, the "Accounts") for the period from November 13, 2018 until December 31, 2018, and affirm that the Accounts accurately reflect the services provided by Torys in this matter and the fees and disbursements claimed by it. I also affirm that the time summaries attached to the Accounts relate to the Accounts, and were generated by Torys.

4. Torys' accounts for which approval is being sought are in the total amount of \$352,109.28 for fees and disbursements (inclusive of HST).


5. Attached as Exhibit "B" is a summary of additional information with respect to all members of Torys who have worked on this matter, their title, their year of call (if applicable) and their rates, and I confirm that the list represents an accurate account of such information.

6. The legal costs and expenses incurred in respect of the receivership proceedings of the Debtor as set out in the Accounts were properly incurred, and are fair and reasonable considering the circumstances of these proceedings.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario,
this 11th day of February, 2019.

Commissioner for Taking Affidavits

Adam Slavens



SCOTT BOMHOF

**This is Exhibit "A" referred to in the
Affidavit of Scott Bomhof
sworn before me, this 11th
day of February, 2019**

A Commissioner, etc.

Adam Slavens



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com
GST / HST Registration R119420685

December 13, 2018

Invoice: 1454409
Matter: 40363-0001

KSV Kofman Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9

Email: bkofman@ksvadvisory.com

Re: Receivership of Bondfield Construction Company Limited et al

To Professional Services Rendered, for the period ending November 30, 2018 as described on the attached Schedule.

| | |
|---------------------|--------------------|
| Fee | \$121,784.50 |
| Negotiated Discount | <u>(24,356.90)</u> |
| Net Fees | \$97,427.60 |

Disbursements Subject to Ontario - HST

| | | |
|-----------------------------|--------------|--------|
| Binding Charges | \$9.00 | |
| CYBERBAHN - Online Searches | 110.00 | |
| Exhibit Tabs | 31.64 | |
| Laser Printing | 630.80 | |
| Parcel Register | 118.80 | |
| Taxi & Travel | 10.00 | |
| Writs Name Search (Taxable) | <u>51.20</u> | 961.44 |

Disbursements Not Subject to Tax

| | | |
|---|---------------|--------|
| CYBERBAHN - Online Searches (Non-Taxable) | \$88.00 | |
| Parcel Register w/o tax | 54.55 | |
| Writs Name Search (Non-Taxable) | <u>384.05</u> | 526.60 |

Ontario - HST 12,790.58

Total \$111,706.22

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1454409

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|-----------------|--|--------------|
| 13/11/18 | Adam Slavens | Reviewing background materials; telephone calls and email correspondence with N. Goldstein and S. Bomhof; | 0.4 |
| 13/11/18 | Scott A. Bomhof | Various telephone calls with R. Kofman; review draft court materials and provide comments to Goodmans; review Bridging credit agreement and security documents and related security registrations; meeting with R. Kofman and N. Goldstein regarding receivership issues; | 5.6 |
| 14/11/18 | Adam Slavens | Reviewing draft court documents regarding motion returnable November 16, 2018; reviewing and commenting on draft restructuring documents; reviewing Bondfield corporate and PPSA searches; conducting preliminary review of Bridging security; email correspondence and telephone calls with KSV team, C. Armstrong and S. Bomhof regarding same; office conferences with S. Bomhof regarding same; | 3.5 |
| 14/11/18 | Brandi Tye | Subsearch lands as requested for A. Slavens; provide summary of registrations and copies of PINs/registered instruments; | 1.2 |
| 14/11/18 | Scott A. Bomhof | Review draft court materials; prepare Consent and engagement letter; prepare for November 16 motion; various telephone calls with R. Kofman and C. Armstrong; | 5.0 |
| 15/11/18 | Adam Slavens | Reviewing and commenting on draft stakeholder communications; reviewing court documents regarding motion returnable November 16, 2018; reviewing and commenting on draft restructuring documents; reviewing Bondfield corporate and PPSA searches; conducting preliminary review of Bridging security; email correspondence and telephone calls with KSV team, C. Armstrong and S. Bomhof regarding same; meeting with KSV team and S. Bomhof regarding receivership planning; office conferences with S. Bomhof regarding same; | 6.3 |
| 15/11/18 | Scott A. Bomhof | Review security documents and provide comments to C. Armstrong and verbal summary to R. Kofman; various telephone calls with R. Kofman, N. Goldstein and C. Armstrong; attend meeting at KSV with R. Kofman, N. Goldstein and D. | 4.0 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1454409

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|-----------------|---|--------------|
| 16/11/18 | Adam Slavens | Sieradzki; prepare for November 16 hearing; Attending application returnable November 16, 2018; preparing for same; reviewing, commenting on, and finalizing restructuring documents; telephone calls and email correspondence with working group regarding application and restructuring matters; reviewing search results regarding security opinion; office conference with S. Bomhof regarding same; | 6.6 |
| 16/11/18 | Kristina Milne | Order from Ontario eleven corporation profile reports in order to confirm the current name of the companies, obtain current director/officer information, confirm the status of the companies, obtain the registered office address and determine if there are any former names or amalgamated companies in order to capture those in the due diligence searches; order from Ontario PPSA searches and provide summaries of the search results; conduct searches under s.427 of the Bank Act, Ontario; obtain search results from the Official Receivers office, Ottawa; conduct Execution and Litigation searches in Toronto and in Concord, Ontario for Bondfield Construction Company Limited et al; | 4.1 |
| 16/11/18 | Scott A. Bomhof | Various telephone calls with C. Armstrong, R. Kofman and N. Goldstein regarding Bondfield receivership; attend motion before Justice Haaney; revise order and prepare draft side letter; provide comments on draft employee notices and customer notices; | 6.0 |
| 17/11/18 | Adam Slavens | Reviewing and commenting on restructuring documents and receivership order; telephone calls and email correspondence with working group regarding application and restructuring matters; | 3.0 |
| 18/11/18 | Adam Slavens | Preparing for application returnable November 19, 2018; reviewing, commenting on, and finalizing restructuring documents and receivership order; conference calls and email correspondence with working group regarding application and restructuring matters; | 4.1 |
| 18/11/18 | Scott A. Bomhof | Reviewing revised order, restructuring term sheet and intercreditor agreement; revise side letter; | 3.0 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1454409

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|-----------------|---|--------------|
| 19/11/18 | Adam Slavens | provide comments on revised employee and customer notices; telephone call with R. Kofman and C. Armstrong; join call with Goodmans, KSV, E&Y and BLG; Attending application returnable November 19, 2018; preparing for same; reviewing, commenting on, and finalizing restructuring documents; conference calls and email correspondence with working group regarding application and restructuring matters; preparing service list; reviewing and considering employment law matters; telephone calls and email correspondence with N. Goldstein, J. Joffe and D. Hiscocks regarding same; | 6.8 |
| 19/11/18 | Darryl Hiscocks | Memos and telephone calls from and to A. Slavens and client regarding mass terminations, union employees, etc.; | 0.8 |
| 19/11/18 | Scott A. Bomhof | Prepare for and attend at Court regarding appointment of Receiver over Forma-Con business and assets; join telephone call with KSV, E&Y, Goodmans and BLG regarding finalization of Zurich-Bridging intercreditor issues; revise side letter; review revised notice letters; | 4.5 |
| 20/11/18 | Adam Slavens | Reviewing comments and email correspondence on Forma Con business APA; preparing security opinion; office conference with S. Bomhof regarding same; | 3.6 |
| 20/11/18 | Scott A. Bomhof | Various telephone calls with R. Kofman regarding safe process issues and employee issues; prepare draft NDA; reviewing union issues; | 1.9 |
| 21/11/18 | Adam Slavens | Reviewing comments and email correspondence on Forma Con business APA; preparing security opinion; office conference with S. Bomhof regarding same; | 4.7 |
| 21/11/18 | Scott A. Bomhof | Telephone call with KSV and Goodmans regarding update on Forma-Con APA; reviewing revised APA; revising NDA for G. Fronton; reviewing correspondence from Koskie Minsky regarding union claims; meeting with A. Slavens to discuss security review/opinion; | 3.5 |
| 22/11/18 | Darryl Hiscocks | Review of demand letter from Union counsel; revise of emails, etc. from Union counsel and client; | 0.8 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1454409

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|-------------------|--|--------------|
| 22/11/18 | Scott A. Bomhof | discussions with A. Slavens regarding same; Attend meeting at Bridging's offices regarding finalization of APA with G. Frankfort; various telephone calls with R. Kofman regarding APA issues; | 4.0 |
| 22/11/18 | Adam Slavens | Preparing security opinion; email correspondence with working group regarding Forma-Con APA; reviewing letter from union; considering issues regarding same; telephone call with D. Hiscocks regarding same; office conference with S. Bomhof regarding same; updating service list; | 2.8 |
| 23/11/18 | Adam Slavens | Reviewing revised drafts of Forma-Con business APA and email correspondence regarding same; email correspondence with KSV team and S. Bomhof regarding same; preparing security opinion; reviewing searches regarding same; telephone call with J. Daniels regarding same; email correspondence with Kristina Milne regarding same; | 3.9 |
| 23/11/18 | Joshua A. Daniels | Review of draft security opinion and provided real estate specific revisions to opinions, qualifications and schedules; review of underlying parcel registers to inform same; correspondence with A. Slavens regarding same; | 0.9 |
| 23/11/18 | Scott A. Bomhof | Review revisions to APA; attend meeting at Bridging's office to finalize APA; various telephone calls with R. Kofman regarding G. Frankfort APA issues; arrange for KSV signature on APA and confirm escrow terms; reviewing correspondence from Koskie Minsky regarding union issues; reviewing Goodman's and Minden Gross revisions to APA; reviewing due diligence/data room issues with KSV; | 5.9 |
| 23/11/18 | David A. Dell | Email form J. Daniels with comments on draft opinion; | 0.1 |
| 24/11/18 | Adam Slavens | Reviewing comments of D. Dell and J. Daniels on security opinion; email correspondence regarding same; | 0.3 |
| 24/11/18 | Joshua A. Daniels | Correspondence with D. Dell regarding real property opinions; review of demand debentures to confirm accuracy of opinions proposed; | 0.3 |
| 24/11/18 | David A. Dell | Review and give comments on draft opinion; | 0.4 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1454409

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|-------------------|--|--------------|
| 24/11/18 | Scott A. Bomhof | Telephone call with R. Kofman; reviewing blacklined APA; | 0.8 |
| 25/11/18 | Adam Slavens | Reviewing revised drafts of Forma-Con business APA and email correspondence regarding same; | 0.6 |
| 25/11/18 | Scott A. Bomhof | Review Minden Gross revisions to G. Frankfort APA and provide comments on same; telephone call with Goodmans and Minden Gross regarding G. Frankfort APA revisions; prepare summary of APA issues for R. Kofman; | 1.9 |
| 26/11/18 | Adam Slavens | Reviewing and commenting on draft Brampton real property APA; reviewing Forma-Con APA; considering issues regarding service and closing regarding same; updating service list; reviewing comments on security opinion; revising same; office conference with S. Bomhof regarding same; email correspondence with KSV team and S. Bomhof regarding receivership matters; | 2.7 |
| 26/11/18 | Scott A. Bomhof | Review various letters regarding claims and liens against Forma-Con and discuss same with R. Kofman and N. Goldstein; telephone call with A. Zinman regarding G. Frankfort due diligence requests; reviewing G. Frankfort agreement of purchase and sale and prepare closing checklist; confirm receipt of deposit and pre-filing liabilities reimbursement amount; reviewing and providing comments on Bridging security opinion; telephone call with A. MacFarlane regarding request to release sealed Application Record; discuss payroll funding issues with R. Kofman and N. Goldstein; | 4.5 |
| 27/11/18 | Joshua A. Daniels | Review and markup of terms of draft purchase and sale agreement for 3420 Queen Street East, Brampton; review of conveyance and permitted encumbrances language to prior approval and vesting orders to inform markup; correspondence with D. Dell regarding same; | 1.0 |
| 27/11/18 | Adam Slavens | Preparing letter to G. Galati; email correspondence with R. Kofman regarding same; reviewing and commenting on draft Brampton real property APA and bidding procedures regarding same; email correspondence with J. Daniels regarding same; reviewing real estate comments on same; email correspondence with KSV team and S. Bomhof regarding receivership matters; | 3.3 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1454409

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|----------------------|---|--------------|
| 27/11/18 | Scott A. Bomhof | Follow up on Minden Gross due diligence requests and discuss same with N. Goldstein; revise Brampton property stalking horse APA; exchange messages with R. Kofman regarding G. Frankfort transaction issues; | 1.0 |
| 27/11/18 | David A. Dell | Review email from A. Slavens and form of purchase agreement and give comments to J. Daniels; | 0.5 |
| 28/11/18 | Adam Slavens | Reviewing revised draft of Brampton APA; preparing bidding and auction procedures regarding same; reviewing letters to creditors; telephone call with G. Galati regarding same; email correspondence with working group regarding receivership matters; | 6.1 |
| 28/11/18 | Scott A. Bomhof | Revise Brampton property APA and discuss same with R. Kofman; review KSV comments on Brampton property bidding procedures; review draft vesting order for Brampton property; telephone call with D. Yiokaris regarding Forma-Con union issues; telephone call with C. Gibson regarding Dell-Core litigation; | 4.0 |
| 28/11/18 | David J. Outerbridge | Discussion with S. Bomhof regarding review of various construction lien matters; | 0.1 |
| 29/11/18 | Adam Slavens | Reviewing comments on Brampton bidding procedures and APA; revising bidding procedures; conference call, email correspondence and telephone calls with Goodmans team, KSV team and S. Bomhof regarding same; reviewing Saramna lease agreement; preparing reporting email regarding same; | 4.0 |
| 29/11/18 | Scott A. Bomhof | Revise and circulate APA for Brampton property; telephone call with R. Kofman and C. Armstrong regarding due diligence issues related to G. Frankfort deal; various email exchanges with R. Kofman regarding sales process; telephone call with KSV and Goodmans regarding stalking horse APA and bid procedures for Brampton property; | 3.0 |
| 30/11/18 | Darryl Hiscocks | Memos from and to S. Bomhof and review of employee benefits reports; | 0.5 |
| 30/11/18 | Adam Slavens | Reviewing Saramia lease regarding ROFR; considering issues regarding same; revising bidding procedures; email correspondence with KSV team | 1.8 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1454409

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|-----------------|---|--------------|
| | | regarding same; email correspondence with D. Hiscocks and S. Bomhof regarding union matters; | |
| 30/11/18 | Scott A. Bomhof | Telephone call with Goodmans regarding Brampton property transaction and revise stalking horse APA; review draft security agreement regarding Bridging security; various telephone calls with Koskie Minsky and KSV regarding Forma-Con union issues; | 3.8 |

Lawyer Summary

| Timekeeper | Hours |
|-------------------------------|--------------|
| Adam Slavens | 64.5 |
| Darryl Hiscocks | 2.1 |
| Brandi Tye | 1.2 |
| Kristina Milne | 4.1 |
| Joshua A. Daniels | 2.2 |
| Scott A. Bomhof | 62.4 |
| David A. Dell | 1.0 |
| David J. Outerbridge | 0.1 |
| TOTAL HOURS & FEES | 137.6 |



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com
GST / HST Registration R119420685

December 13, 2018

KSV Kofman Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9

Email: bkofman@ksvadvisory.com

Invoice Number: 1454409
Matter Number: 40363-0001
Invoice Total: **\$111,706.22**

Please mail remittance to:

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario M5K 1N2
Canada

Remittance by Electronic Banking (please include invoice number):

| | | |
|------------------|------------------|------------|
| TD Canada Trust | Account Name: | Torys LLP |
| 55 King Street | Bank ID: | 004 |
| West | Branch Number: | 10202 |
| Toronto, Ontario | Account (CAD): | 5364535 |
| M5K 1A2 | Account (USD): | 7389354 |
| Canada | Bank Swift Code: | TDOMCATTOR |

Intermediary Bank (only needed for USD wiring from outside of Canada):

Bank of America New York, NY USA
Bank Swift Code BOFAUS3N
ABA 026 009 593

All accounts are payable on receipt. Please retain this copy for your files. Interest will be charged on all accounts overdue one month or more.



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com
GST / HST Registration R119420685

January 22, 2019

Invoice: 1457627
Matter: 40363-0001

KSV Kofman Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9

Email: bkofman@ksvadvisory.com

Re: Receivership of Bondfield Construction Company Limited et al

To Professional Services Rendered, for the period ending December 31, 2018 as described on the attached Schedule.

Fee \$204,597.00

Disbursements Subject to Ontario - HST

| | | |
|--|---------------|----------|
| Binding Charges | \$1,422.00 | |
| Copies | 82.88 | |
| Courier | 1,690.56 | |
| Exhibit Tabs | 105.28 | |
| Laser Printing | 1,958.80 | |
| Laser Printing-Colour | 36.00 | |
| Media (8 GB USB Key) | 40.00 | |
| Miscellaneous | 45.15 | |
| On Line Research Charges - Quicklaw | 15.02 | |
| On Line Research Charges -WestlaweCarswell Incl. | 41.00 | |
| OnCorp - Services (Taxable) | 1,028.90 | |
| PS Filing - Civil | 105.00 | |
| Parcel Register | 777.15 | |
| Process Server Issuing | 45.00 | |
| Process Servers | 75.00 | |
| Section 427 | <u>215.31</u> | 7,683.05 |

Disbursements Not Subject to Tax

OnCorp - Services (Non-Taxable) \$136.00

January 22, 2019

Page 2 of 14

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

| | | |
|---------------------------------|--------------|----------------------------|
| Parcel Register w/o tax | 351.00 | |
| Personal Property Search | 16.00 | |
| Writs Name Search (Non-Taxable) | <u>23.60</u> | 526.60 |
| Ontario - HST | | <u>27,596.41</u> |
| Total | | <u>\$240,403.06</u> |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|----------------------|--|--------------|
| 01/12/18 | Adam Slavens | Reviewing email correspondence from KSV team regarding receivership matters; considering issues regarding same; | 0.4 |
| 02/12/18 | Scott A. Bomhof | Review caselaw regarding priority claims under WEPPA; telephone call with R. Kofman and N. Goldstein regarding status of GF deal and creditor priority issues; | 0.8 |
| 03/12/18 | Darryl Hiscocks | Discussions with S. Bomhof and review of case law regarding union dues, priority claims; | 0.6 |
| 03/12/18 | Scott A. Bomhof | Various telephone calls with Koskie, Minsky regarding union claims and deliver October Benefit reports; telephone call with Bennett Jones regarding Dell-Core lien claim and 454 Yonge Cross-Claim; meeting with D. Outerbridge regarding lien issues; review litigation claims; telephone call with R. Kofman and N. Goldstein regarding G. Frankfort due diligence issues; confirm court date for December 13, 2018; prepare court materials for approval of Brampton stalking horse APA; | 3.0 |
| 03/12/18 | Adam Slavens | Finalizing security opinion; email correspondence with working group regarding same; office conference with D. Outerbridge and S. Bomhof regarding construction lien matters; considering issues regarding same; preparing motion materials regarding approval of Brampton real property stalking horse agreement and bidding procedures; preparing commercial list request form and email correspondence with commercial list regarding same; conference call regarding litigation matters; office conferences with S. Bomhof regarding same; | 5.3 |
| 03/12/18 | David J. Outerbridge | Reviewing requests for information from lien claimants; preparing for and attending meeting with S. Bomhof and A. Slavens regarding responding to information requests and review of lien claims; | 0.9 |
| 04/12/18 | Scott A. Bomhof | Review and revise proposed amendment to G. Frankfort purchase agreement; various telephone calls with R. Kofman and N. Goldstein regarding Forma-Con issues; meeting with D. Outerbridge regarding construction lien review; review comments on Brampton property APA; review emails with C. Fell (BTZ) regarding rental of | 3.8 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|----------------------|---|--------------|
| 04/12/18 | Adam Slavens | storage yard; follow up on lien claim information demands; Preparing motion materials regarding approval of Brampton real property stalking horse agreement and bidding procedures; preparing motion materials regarding approval of Forma-Con agreement; email correspondence with commercial list regarding hearing; reviewing construction lien and litigation matters; | 2.9 |
| 04/12/18 | David J. Outerbridge | Reviewing accounts receivable information for Forma-Con; emails with S. Bomhof regarding information required to determine lien rights; | 0.2 |
| 05/12/18 | Scott A. Bomhof | Follow up on lien issues; review and revise amendment to GF purchase agreement and various telephone calls with R. Kofman, N. Goldstein and C. Armstrong regarding same; review and revise draft court materials for Brampton property stalking horse transaction; review documentation related to direction of receivables to pay Union claims with respect to G. Frankfort transaction; | 4.5 |
| 05/12/18 | Adam Slavens | Email correspondence with working group regarding agreements of purchase and sale, security opinion and receivership matters; preparing motion materials regarding approval of Brampton real property stalking horse agreement and bidding procedures; preparing motion materials regarding approval of Forma-Con agreement; office conferences with S. Bomhof regarding same; telephone call with N. Goldstein regarding same; | 4.0 |
| 06/12/18 | Adam Slavens | Reviewing and commenting on draft report, Brampton APA, Forma-Con APA and orders; preparing court materials regarding same; preparing factum; email correspondence with working group regarding same; office conference with S. Bomhof regarding same; | 4.9 |
| 06/12/18 | Scott A. Bomhof | Review and provide comments on draft closing documents for G. Frankfort transaction; review amendment to G. Frankfort sale agreement; prepare court materials for G. Frankfort transaction; finalize court materials for Brampton stalking horse transaction; telephone call with Koskie Minsky regarding union issues; telephone call with KSV team regarding lien claims and litigation status; | 6.2 |

January 22, 2019

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|----------------------|--|--------------|
| 06/12/18 | David J. Outerbridge | Communications with N. Goldstein regarding lien claim issues and trust obligations attaching to holdback; | 0.4 |
| 07/12/18 | Adam Slavens | Finalizing court materials regarding Brampton transaction; 5.2 coordinating service of same; reviewing and commenting on draft report, Forma-Con APA and orders; preparing court materials regarding same; preparing factum; conference call and email correspondence with working group regarding same; office conference with S. Bomhof regarding same; | 5.2 |
| 07/12/18 | Scott A. Bomhof | Follow up on service of Brampton property stalking horse deal; review and revise amendment to G. Frankfort transaction; various telephone calls with R. Kofman and N. Goldstein regarding sale process issues; review and revise closing documents for G. Frankfort transaction; prepare court materials for G. Frankfort transaction; telephone call with R. Gelbart and T. Dunn regarding G. Frankfort transaction issues; | 4.8 |
| 08/12/18 | Adam Slavens | Email correspondence with KSV team, S. Bomhof and D. Hiscocks regarding Forma-Con transaction; reviewing court documents regarding hearing; | 0.8 |
| 08/12/18 | Darryl Hiscocks | Memos from and to A. Slavens regarding successor employer application; review of amendment to purchase agreement; | 1.1 |
| 08/12/18 | Scott A. Bomhof | Review and revise report for G. Frankfort transaction; various telephone calls and email exchanges with KSV and Minden Gross regarding amendment to G. Frankfort transaction; | 1.5 |
| 09/12/18 | Scott A. Bomhof | Revise report and court materials for G. Frankfort transaction; telephone call with R. Gelbert regarding court materials for G. Frankfort transaction; | 1.8 |
| 10/12/18 | Anthony A. Bishop | Drafting closing documentation; | 0.3 |
| 10/12/18 | Lily E. Coodin | Telephone call regarding closing matters; preparing court documents; | 3.2 |
| 10/12/18 | Scott A. Bomhof | Finalize and serve court materials for G. Frankfort transaction; various telephone calls with R. Gelbart, B. Kofman and N. Goldstein regarding amendment to G. Frankfort agreement; various telephone calls with Union counsel (Koskie Minsky); prepare draft closing documents for G. Frankfort transaction; telephone call with P. Bottos regarding Dell-Core | 6.2 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|-------------------|---|--------------|
| | | litigation; | |
| 10/12/18 | Adam Slavens | Preparing court materials and factum regarding motion returnable December 13, 2018; coordinating the service and filing of motion materials regarding same; email correspondence and telephone calls with working group regarding same; telephone calls and email correspondence with union representatives regarding motion; | 7.0 |
| 10/12/18 | John Tobin | Telephone call with A. Slavens regarding GST election; | 0.3 |
| 11/12/18 | Anthony A. Bishop | Corresponding with A. Slavens; | 0.1 |
| 11/12/18 | Brandi Tye | Review of PINs; review of additional municipal lands to identify possible PINs; | 1.6 |
| 11/12/18 | Lily E. Coodin | Preparing court documents for filing; researching regarding priority issue; | 3.0 |
| 11/12/18 | Scott A. Bomhof | Finalize factum and BOA for December 13 hearings; various telephone calls with Koskie Minsky (Union counsel), GSNH (Aluma counsel), P. Bottos (Dell-Core counsel) regarding sale approval motion; telephone call with KSV and Koskie Minsky to discuss Union claims; prepare for December 13 motions; | 5.8 |
| 11/12/18 | Adam Slavens | Preparing court materials regarding motion returnable December 13, 2018; coordinating the service and filing of same; email correspondence and telephone calls with working group regarding same; telephone calls and email correspondence with union representatives regarding motion; reviewing closing agenda; | 7.6 |
| 12/12/18 | Adam Banack | Attending initial call with the KSV and Torys teams, reviewing background documentation and preparing initial drafts of Close-Out Agreements for Massey Tower and YC Condos and other related matters; | 2.2 |
| 12/12/18 | Adam Slavens | Preparing for motion returnable December 13, 2018; telephone calls and email correspondence with stakeholders regarding same; coordinating service and filing of motion materials regarding same; telephone calls and email correspondence with working group regarding same and SCC matters; Forma-Con closing preparations; office conference and email correspondence with D. Outerbridge and A. Banack regarding SCC matters; | 7.2 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|----------------------|---|--------------|
| 12/12/18 | Anthony A. Bishop | Drafting closing documents; | 2.5 |
| 12/12/18 | Brandi Tye | Meeting with A. Bishop to discuss subsearch results from PINs pulled based off client provided municipal addresses; | 0.5 |
| 12/12/18 | Lily E. Coodin | Assisting with closing matters; telephone call regarding same; | 3.4 |
| 12/12/18 | Scott A. Bomhof | Prepare for December 13 court hearing regarding GF transaction and Brampton stalking horse approval; review and revise closing documents for G. Frankfort action; various telephone calls with Koskie Minsky and Minden Gross regarding union issues; telephone call with P. Bottos regarding Dell-Core lien; various telephone calls with R. Gelbart regarding Sentinel CRT agreements; prepare final orders for December 13 court hearing; various telephone calls with C. Wilson regarding Aluma contract; | 7.0 |
| 12/12/18 | David J. Outerbridge | Communications with A. Slavens and A. Banack regarding negotiation of deals to secure holdback release; call with KSV Kofman regarding same; | 0.9 |
| 13/12/18 | Adam Banack | Reviewing background documentation and preparing initial drafts of Close-Out Agreements for Massey Tower and YC Condos, corresponding with N. Goldstein and other related matters; | 3.3 |
| 13/12/18 | Adam Slavens | Attending motion returnable December 13, 2018; preparing for same; Forma-Con closing preparations; telephone calls and email correspondence with working group regarding same; updating service lists; telephone calls and email correspondence with B. Kofman, N. Goldstein and S. Bomhof regarding receivership matters; telephone calls and email correspondence with stakeholders regarding same; | 6.4 |
| 13/12/18 | Anthony A. Bishop | Drafting closing documents; | 3.0 |
| 13/12/18 | Lily E. Coodin | Preparing for closing; | 2.1 |
| 13/12/18 | Scott A. Bomhof | Prepare for and attend hearing before Justice Dunphy regarding G. Frankfort transaction and Brampton stalking horse transaction; have orders issued and entered; finalize closing documents for | 6.5 |

January 22, 2019

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|----------------------|--|--------------|
| | | G. Frankfort transaction; reviewing updated closing agenda for G. Frankfort transaction; prepare for closing of G. Frankfort transaction and various telephone calls with Minden Gross with respect to same; | |
| 13/12/18 | John Tobin | Reviewing draft indemnity; | 0.3 |
| 13/12/18 | David J. Outerbridge | Emails regarding access to Forma-Con contracts; communications with A. Banack regarding form of agreement; reviewing and commenting on draft agreement; | 0.6 |
| 14/12/18 | Adam Banack | Reviewing and revising the 411 Church Project Completion Agreement and the Massey Tower Close-Out Agreement, telephone call with A. Slavens regarding same, and other related matters; | 1.9 |
| 14/12/18 | Adam Slavens | Forma-Con closing; telephone call and email correspondence with stakeholders regarding receivership matters; telephone call with N. Goldstein regarding same; telephone calls and email correspondence with A. Banack regarding SCCs; email correspondence regarding same; email correspondence with service list regarding motion returnable December 13, 2018; | 6.9 |
| 14/12/18 | Anthony A. Bishop | Delivering cheque to KSV; drafting and compiling closing documentation; | 4.1 |
| 14/12/18 | Lily E. Coodin | Attending to closing; calls regarding same; | 6.8 |
| 14/12/18 | Scott A. Bomhof | Engaged regarding closing of G. Frankfort transaction; review revisions to closing documents; | 2.0 |
| 15/12/18 | Adam Slavens | Email correspondence with KSV team and S. Bomhof regarding receivership matters; | 0.3 |
| 16/12/18 | Adam Slavens | Email correspondence with KSV team and S. Bomhof regarding receivership matters; | 0.4 |
| 17/12/18 | Adam Banack | Corresponding with N. Goldstein, reviewing and revising the 411 Church Agreement and Massey Agreement, drafting the East United and Yorkville Close-Out Agreements and other related matters; | 1.9 |
| 17/12/18 | Scott A. Bomhof | Telephone call with counsel to unions regarding lien claims, WEPP claims and related matters; exchange messages with counsel to Waterlocks project; follow up on Muzzo/CRT agreement, post-closing steps regarding G. Frankfort transaction; | 2.0 |
| 17/12/18 | Adam Slavens | Forma-Con closing follow-up; telephone call and | 5.4 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|-------------------|--|--------------|
| | | email correspondence with stakeholders regarding receivership matters; telephone calls with N. Goldstein regarding same; telephone calls and email correspondence with N. Goldstein and A. Banack regarding SCCs; email correspondence regarding same; | |
| 18/12/18 | Anthony A. Bishop | Drafting construction lien chart; | 1.0 |
| 18/12/18 | Lily E. Coodin | Research regarding WEPPA issue; advising regarding same; | 3.6 |
| 18/12/18 | Adam Banack | Corresponding with N. Goldstein, reviewing and revising the YC Condos Close-Out Agreement and other related matters; | 0.5 |
| 18/12/18 | Scott A. Bomhof | Review project completion agreements; various calls with KSV and Koskie Minsky re: union issues; telephone call with P. Cho and N. Goldstein regarding Waterworks project; engaged re: post-closing steps in GF transaction; review law related to Union lien claims and WEPP issues; | 4.0 |
| 18/12/18 | Adam Slavens | Telephone calls and email correspondence with KSV team, S. Bomhof and A. Banack regarding receivership matters and SCCs; telephone calls and email correspondence with stakeholders; | 4.0 |
| 19/12/18 | Adam Banack | Assisting N. Goldstein with Close-Out Agreements for Forma-Con projects, including: 571 Prince Edward, Massey Hall, Massey Tower and East United; | 2.1 |
| 19/12/18 | Scott A. Bomhof | Follow-up on information requests from Koskie Minsky; finalize and send out reply letters to s.39 Construction Lien information requests; telephone conversation with R. Kofman regarding project completion issues; review Massey Hall project agreement and bond; | 3.0 |
| 19/12/18 | Adam Slavens | Telephone calls and email correspondence with KSV team, S. Bomhof and A. Banack regarding employee matters, receivership matters and SCCs; telephone calls and email correspondence with stakeholders; preparing correspondence to stakeholders; reviewing documents and searches regarding Massey Hall project; | 3.8 |
| 20/12/18 | Adam Banack | Addressing matters related to finalizing the East United Close-Out Agreement and reviewing comments provided by MOD on the Massey Close-Out Agreement | 1.3 |

January 22, 2019

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|----------------------|---|--------------|
| 20/12/18 | Kristina Milne | Order from Ontario a corporation profile report in order to determine registered office address, current director/officer information, and the status of the company; order from Ontario PPSA searches; conduct a litigation search in Toronto; request a litigation search from Newmarket (Concord); conduct Execution searches in Toronto and in York region (Concord); obtain search results from the Official Receivers office, Ottawa; conduct searches under s. 427 of the Bank Act, Ontario for 1428508 Ontario Limited; | 2.6 |
| 20/12/18 | Anthony A. Bishop | Compiling construction lien chart; | 0.4 |
| 20/12/18 | Scott A. Bomhof | Telephone conversation with D. Yiokaris regarding union issues; telephone conversation with R. Kofman regarding union issues and union lien claims; telephone conversation with P. Cho regarding Waterworks project; review documents related to completion of Axis project; | 1.2 |
| 20/12/18 | Adam Slavens | Telephone calls and email correspondence with working group regarding receivership, employee and SCCs matters, reviewing information regarding same; office conference with L. Coodin regarding same; | 2.9 |
| 20/12/18 | David J. Outerbridge | Telephone call with and follow up email to N. Goldstein regarding registering claims for lien; emails with S. Bomhof regarding requested disclosure of payroll records; | 0.6 |
| 21/12/18 | Adam Banack | Reviewing and revising the East United Close Out Agreement, drafting a Supplemental Agreement in respect of the East United project and reviewing issues related to the Massey Tower project; | 2.5 |
| 21/12/18 | Adam Slavens | Email correspondence with stakeholders, KSV team and S. Bomhof regarding receivership matters; reviewing correspondence regarding same and SCCs; | 0.5 |
| 21/12/18 | Anthony A. Bishop | Drafting construction lien chart; | 1.8 |
| 21/12/18 | Scott A. Bomhof | Various telephone conversations with D. Resnick (Koskie) and email exchanges with KSV regarding union issues; telephone conversation with P. Cho and prepare letter to P. Cho regarding Waterworks project; telephone conversation with J. Mighton and review Competition Certificate and documentations regarding Axis Project; review Massey Hall documents; | 3.0 |

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|----------------------|---|--------------|
| 21/12/18 | David J. Outerbridge | Discussion with S. Bomhof regarding right of workers trust fund to inspect payroll records; | 0.1 |
| 22/12/18 | Adam Slavens | Reviewing email correspondence from stakeholders; email correspondence with KSV team and S. Bomhof regarding same; | 0.2 |
| 22/12/18 | Adam Banack | Reviewing issues related to the Massey Tower project, including the terms of the Construction Contract and Massey's comments on the Close Out Agreement; | 1.0 |
| 22/12/18 | Scott A. Bomhof | Various calls and email exchanges with M. Farace regarding Massey project; various telephone calls with R. Kofman regarding Massey project; attend call with KSV, Mod Developments and Miller Thompson regarding Massey project. | 3.0 |
| 23/12/18 | Adam Banack | Reviewing issues related to the Massey Tower project and telephone call with S. Bomhof regarding current status of negotiations between the parties; | 0.5 |
| 23/12/18 | Scott A. Bomhof | Telephone calls with J. Carhart regarding Massey project; review Massey construction contract and Close-Out Agreement; various calls with R. Kofman and N. Goldstein regarding Massey project. | 2.0 |
| 24/12/18 | Adam Banack | Attending conference call regarding the Massey Tower Close Out Agreement, reviewing and revising same, telephone call with Owner's counsel regarding Massey and other related matters; | 4.5 |
| 24/12/18 | Adam Slavens | Email correspondence with stakeholder, KSV team and S. Bomhof regarding receivership matters; | 0.3 |
| 24/12/18 | Scott A. Bomhof | Various telephone calls with J. Carhart; telephone call with Mod team, J. Carhart, KSV and A. Banack to discuss Completion Agreement for Massey project; order corporate searches for 1428502 Ontario Inc.; review Massey Project Agreement and discuss crane issues with A. Banack; revise Completion Agreement; | 3.0 |
| 25/12/18 | Adam Banack | Reviewing and revising the Massey Tower Close Out Agreement; | 0.4 |
| 25/12/18 | Scott A. Bomhof | Exchange messages with Bobby Kofman and N. Goldstein regarding Massey agreement and availability of crew; review revised Completion Agreement. | 1.2 |
| 26/12/18 | Adam Banack | Reviewing and revising the Massey Tower Close Out Agreement based on comments received from | 1.5 |

January 22, 2019

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|----------------------|--|--------------|
| | | Owner's counsel; | |
| 26/12/18 | Scott A. Bomhof | Review J. Carhart comments on Completion Agreement and exchange messages with Bobby Kofman, N. Goldstein and A. Banack re: same; review and revise Completion Agreement; telephone call with A. Banack to discuss holdback issues. | 2.0 |
| 27/12/18 | Adam Banack | Telephone call with David Outerbridge, reviewing and revising the Massey Tower Close Out Agreement, reviewing and commenting upon a draft Crane Use and Indemnity Agreement for the 411 Church project and other related matters; | 4.5 |
| 27/12/18 | Lily E. Coodin | Revising Agreement of Purchase and Sale for data room; | 2.6 |
| 27/12/18 | Scott A. Bomhof | Review and provide comments on Massey Close-out/Completion Agreement and exchange messages with KSV with respect to same; review Axis agreement and exchange messages with J. Mighton regarding use of crane at Axis condo; prepare draft Crane Use and Indemnity Agreement; discuss stalking horse APS and Bidding Procedures with L. Coodin. | 3.1 |
| 27/12/18 | David J. Outerbridge | Reviewing draft close out agreement; communications with A. Banack regarding lien aspects; | 0.2 |
| 28/12/18 | Adam Banack | Reviewing and commenting upon a draft Crane Use and Indemnity Agreement for the 411 Church project, telephone call with Owner's counsel and other related matters; | 2.5 |
| 28/12/18 | Lily E. Coodin | Revising Agreement of Purchase and Sale for data room; | 2.8 |
| 28/12/18 | Scott A. Bomhof | Review and revise Crane Use and Indemnity Agreement for Axis condo; telephone call with J. Mighton regarding Axis condo issues and Zurich position on crane use; telephone call with A. Banack regarding issues related to Zurich acknowledgment of Crane Agreement and follow-up with R. Kofman; follow-up on Massey Hall agreement issues with J. Carhart; review corporate searches for Forma-Con entity that entered into Massey contract and prepare report o KSV with respect to same; | 1.8 |
| 29/12/18 | Adam Banack | Telephone call with Owner's counsel regarding the draft Crane Use and Indemnity Agreement for the | 0.5 |

January 22, 2019

Re: Receivership of Bondfield Construction Company Limited et al

Invoice: 1457627

Time Summary

| Date | Lawyer | Narrative | Hours |
|-------------|-----------------|--|--------------|
| 29/12/18 | Scott A. Bomhof | 411 Church project; Review revised Crane Use Agreement and discuss Zurich issues with J. Mighton; discuss Crane Use Agreement with A. Banack; | 0.9 |

Lawyer Summary

| <u>Timekeeper</u> | <u>Hours</u> |
|--------------------------|---------------------|
| Adam Banack | 31.1 |
| Adam Slavens | 76.4 |
| Anthony A. Bishop | 13.2 |
| Brandi Tye | 2.1 |
| Kristina Milne | 2.6 |
| Darryl Hiscocks | 1.7 |
| Lily E. Coodin | 27.5 |
| Scott A. Bomhof | 84.1 |
| John Tobin | 0.6 |
| David J. Outerbridge | 3.9 |



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
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www.torys.com
GST / HST Registration R119420685

January 22, 2019

KSV Kofman Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9

Email: bkofman@ksvadvisory.com

Invoice Number: 1457627
Matter Number: 40363-0001
Invoice Total: **\$240,403.06**

Please mail remittance to:

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario M5K 1N2
Canada

Remittance by Electronic Banking (please include invoice number):

| | | |
|------------------|------------------|------------|
| TD Canada Trust | Account Name: | Torys LLP |
| 55 King Street | Bank ID: | 004 |
| West | Branch Number: | 10202 |
| Toronto, Ontario | Account (CAD): | 5364535 |
| M5K 1A2 | Account (USD): | 7389354 |
| Canada | Bank Swift Code: | TDOMCATTOR |

Intermediary Bank (only needed for USD wiring from outside of Canada):

Bank of America New York, NY USA
Bank Swift Code BOFAUS3N
ABA 026 009 593

**This is Exhibit "B" referred to in the
Affidavit of Scott Bomhof
sworn before me, this 11th
day of February, 2019.**

A Commissioner, etc.

Adam Slavens

ADDITIONAL INFORMATION

| Name | Title | Year of Call | Hourly Rate |
|--------------------------|--------------------------|---------------------|--------------------|
| Adam Banack | Counsel | 2009 | \$790 |
| Adam Slavens | Partner | 2007 | \$825 |
| Anthony Bishop | Articling Student | N/A | \$310 |
| Brandi Tye | Law Clerk | N/A | \$355 |
| David Outerbridge | Partner | 2000 | \$900 |
| Darryl Hiscocks | Counsel | 1996 | \$900 |
| John Tobin | Partner | 1989 | \$1,110 |
| Joshua Daniels | Associate | 2016 | \$460 |
| Kristina Milne | Searcher | N/A | \$180 |
| Lily Coodin | Sr. Associate | 2012 | \$750 |
| Scott Bomhof | Partner | 1995 | \$1,015 |
| | | | |

BRIDGING FINANCE INC.,
as agent for **2665405 ONTARIO INC.**

Applicant

1033803 ONTARIO INC. and
1087507 ONTARIO LIMITED

Respondents

Court File No.: CV-18-608978-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

AFFIDAVIT OF SCOTT BOMHOF
(sworn February 11, 2019)

TORYS LLP

79 Wellington St. W., Suite 3000
Box 270, TD Centre
Toronto, Ontario
M5K 1N2 Canada
Fax: 416.865.7380

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Email: sbomhof@torys.com

Adam M. Slavens (LSO#: 54433J)
Tel: 416.865.7333
Email: aslavens@torys.com

Lawyers for KSV Kofman Inc.,
in its capacity as Court-appointed Receiver



TAB3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) MONDAY, THE 25TH
JUSTICE) DAY OF FEBRUARY, 2019

B E T W E E N:

**BRIDGING FINANCE INC., as agent for
2665405 ONTARIO INC.**

Applicant

-and-

1033803 ONTARIO INC. and 1087507 ONTARIO LIMITED

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Kofman Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of, *inter alia*, 1033803 Ontario Inc. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and 2657897 Ontario Inc. (the “**Purchaser**”) dated December 6, 2018, and appended to the Third Report of the Receiver dated February 15, 2019 (the “**Third Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the Lands (as defined in the Sale Agreement, and as further set out on Schedule “A” hereto), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report and on hearing the submissions of counsel for the Receiver and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ■, sworn February 15, 2019, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Lands to the Purchaser.
2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Lands shall vest absolutely in the Purchaser, 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, encumbrances, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated November 19, 2018; (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 "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances (as defined in the Sale Agreement) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Lands are hereby expunged and discharged as against the Lands.
3. **THIS COURT ORDERS** that upon the registration in the Land Titles Division of Peel (No. 43) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar for the Land Titles Division of Peel (No. 43) is hereby directed to enter the Purchaser as the owner of the Lands in fee simple, and is hereby directed to delete and expunge from title to the Lands all of the Claims listed in Schedule "C" hereto.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. **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 *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Lands in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

6. **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 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule "A"

Lands - Legal Description

PIN 14209-1704 (LT)

PT LT 6, CON 7 ND (TORONTO GORE), DES PTS 1, 2, 3, 4, 5, 6, 7, 8, 11, 43R34750; S/T EASEMENT IN GROSS OVER PTS 22, 23 AND 24, 43R31898 AS IN PR1385008. S/T EASEMENT IN GROSS OVER PTS 22 AND 23, 43R31898 AS IN PR1385011.; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 2 TO 5, 43R34750 AS IN PR2261758; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 3, 5, 11, 43R34750 AS IN PR2264436; CITY OF BRAMPTON

Being the whole of the PIN.

Schedule "B"

Receiver's Certificate

Court File No. CV-18-608978-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

BETWEEN:

**BRIDGING FINANCE INC., as agent for
2665405 ONTARIO INC.**

Applicant

-and-

1033803 ONTARIO INC. and 1087507 ONTARIO LIMITED

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "**Court**") dated November 19, 2018, KSV Kofman Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of, *inter alia*, 1033803 Ontario Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated February 25, 2019, the Court approved the agreement of purchase and sale made as of December 6, 2018 (the "**Sale Agreement**") between the Receiver and 2657897 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Lands, which vesting is to be effective with respect to the Lands upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) that the conditions to Closing as set out in Sections [4.1 and 4.2] of the

Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (ii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The conditions to Closing as set out in Sections [4.1 and 4.2] of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV Kofman Inc., in its capacity as Receiver of the undertaking, property and assets of, *inter alia*, 1033803 Ontario Inc., and not in its personal capacity

Per: _____
Name:
Title:

Schedule "C"

Claims to be deleted and expunged from title to Real Property

| Party From | Party To | Instrument Type | Registration Number |
|----------------------|-----------------------|--|----------------------------|
| 1033803 Ontario Inc. | Bridging Finance Inc. | Charge/mortgage | PR3170291 (2017/07/25) |
| 1033803 Ontario Inc. | Bridging Finance Inc. | Notice of assignment of rents - general | PR3170292 (2017/07/25) |

BRIDGING FINANCE INC.,
as agent for **2665405 ONTARIO INC.**

Applicant

1033803 ONTARIO INC. and
1087507 ONTARIO LIMITED

Respondents

Court File No. CV-18-608978-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

APPROVAL AND VESTING ORDER

TORYS LLP

79 Wellington St. W., Suite 3000
Box 270, TD Centre
Toronto, Ontario
M5K 1N2 Canada
Fax: 416.865.7380

Scott A. Bomhof (LSO#: 37006F)
Tel: 416.865.7370
Email: sbomhof@torys.com

Adam M. Slavens (LSO#: 54433J)
Tel: 416.865.7333
Email: aslavens@torys.com

Lawyers for KSV Kofman Inc.,
in its capacity as Court-appointed
Receiver



TAB4

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

THE HONOURABLE) MONDAY, THE 25TH
JUSTICE) DAY OF FEBRUARY, 2019

BETWEEN

**BRIDGING FINANCE INC., as agent for
2665405 ONTARIO INC.**

Applicant

- and -

1033803 ONTARIO INC. and 1087507 ONTARIO LIMITED

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED;
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED**

ORDER

**(Approval of Sale Process for Real Property, Fee Approval
and Distribution of Sale Proceeds)**

THIS MOTION, made by KSV Kofman Inc. (“KSV”), in its capacity as the Court-appointed receiver and manager (KSV, in such capacity, the “**Receiver**”) of: (i) all of the assets, undertakings and properties of 1033803 Ontario Inc. (operating as Forma-Con Construction and Forma Finishing) (“Forma-Con”), including without limitation, the lands municipally known as 3420 Queen Street East, Brampton, Ontario (formerly 3420 Highway 7 East, Brampton, Ontario) (the “Brampton Property”) and 407 Basaltic Road, Concord, Ontario (the “Concord Property”) and 1087507 Ontario Limited including real property municipally known as 4431 Stouffville

Road, Stouffville, Ontario (the “Stouffville Property”); (ii) certain assets of Bondfield Construction Company Limited (“**BCCL**”) and Bondfield Construction Equipment Ltd (“**BCEL**”); and (iii) the real property known municipally as 131 Saramia Crescent, Vaughan, Ontario (the “Vaughan Property”) ((i) – (iii), collectively, the “Property”), for an order approving; (a) a sales and marketing process for the Concord Property, the Stouffville Property and the Vaughan Property (collectively, the “**Unsold Properties**”); (b) the purchase price allocation under the GF Transaction (as such term is defined in the Third Report) and a distribution of proceeds to Bridging Finance Inc., as agent for 2665404 Ontario Inc.; (c) the fees and disbursements of the Receiver and its counsel; and (d) the Third Report of the Receiver dated February 15, 2019 (the “**Third Report**”); and (e) certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and Motion Record, each dated February 15, 2019, filed, and the Third Report, filed, and on hearing the submissions of counsel for the Receiver and Bridging Finance Inc., and such other counsel appearing on the counsel slip, no one else appearing although properly served as appears from the affidavit of service of Cathy Pellegrini sworn February 15, 2019, filed, and the affidavit of service of Siva Sivaperuman sworn February 15, 2019, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

SALES AND MARKETING PROCESS FOR UNSOLD PROPERTIES

2. **THIS COURT ORDERS** that the sales and marketing process for the Unsold Properties as described in Part 4 of the Third Report, including the retention of CBRE Group Inc. as listing agent, be and is hereby approved.

APPROVAL OF GF TRANSACTION PURCHASE PRICE ALLOCATION

3. **THIS COURT ORDERS** that the allocation of the purchase price of the GF Transaction (as such term is defined in the Third Report) set out in section 5.3(5) of the Third Report be and is hereby approved.

DISTRIBUTION TO BRIDGING FINANCE INC., AS AGENT FOR 2665404 ONTARIO INC.

4. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the amount of \$12.3 million from the proceeds of the sale of the assets of BCCL and BCEL to Bridging Finance Inc., as agent for 2665405 Ontario Inc. (the “**Agent**”), or as the Agent may otherwise direct in writing.

APPROVAL OF FEES AND ACTIVITIES

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Receiver’s counsel, as set out in the Third Report are hereby approved.

6. **THIS COURT ORDERS** that the Third Report be and is hereby approved, and the actions and activities of the Receiver described therein be and they are hereby approved.

GENERAL

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other jurisdiction, to give effect to this Order and to assist the Receiver and its agents and advisors 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents and advisors in carrying out the terms of this Order.

**BRIDGING FINANCE INC.,
as agent for 2665405 ONTARIO INC.**

Applicant

**1033803 ONTARIO INC. and
1087507 ONTARIO LIMITED**

Respondents

Court File No. CV-18-608978-00CL

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

Proceedings commenced in Toronto

**ORDER
(Approval of Sale Process for Real
Property, Fee Approval and Distribution
of Sale Proceeds)**

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Lawyers for KSV Kofman Inc.,
in its capacity as Court-appointed
Receiver

**BRIDGING FINANCE INC.,
as agent for 2665405 ONTARIO INC.**

Applicant

**1033803 ONTARIO INC. and
1087507 ONTARIO LIMITED**

Respondents

Court File No. CV-18-608978-00CL

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

Proceedings commenced in Toronto

**MOTION RECORD
(Returnable February 25, 2019)
(Approval of Brampton Sale Agreement,
Sale Process for Real Property, Fee
Approval and Distribution of Sale Proceeds)**

TORYS LLP

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in its capacity as Court-appointed Receiver