

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1995, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF First Leaside Wealth Management Inc., First Leaside Finance Inc., First Leaside Securities Inc., FL Securities Inc., First Leaside Management Inc., First Leaside Accounting and Tax Services Inc., First Leaside Holdings Inc., 2086056 Ontario Inc., First Leaside Realty Inc., First Leaside Capital Inc., First Leaside Realty II Inc., First Leaside Investments Inc., 965010 Ontario Inc., 1045517 Ontario Inc., 1024919 Ontario Inc., 1031628 Ontario Inc., 1056971 Ontario Inc., 1376095 Ontario Inc., 1437290 Ontario Ltd., 1244428 Ontario Ltd., PrestonOne Development (Canada) Inc., PrestonTwo Development (Canada) Inc., PrestonThree Development (Canada) Inc., PrestonFour Development (Canada) Inc., 2088543 Ontario Inc., 2088544 Ontario Inc., 2088545 Ontario Inc., 1331607 Ontario Inc., Queenston Manor General Partner Inc., 1408927 Ontario Ltd., 2107738 Ontario Inc., 1418361 Ontario Ltd., 2128054 Ontario Inc., 2069212 Ontario Inc., 1132413 Ontario Inc., 2067171 Ontario Inc., 2085306 Ontario Inc., 2059035 Ontario Inc., 2086218 Ontario Inc., 2085438 Ontario Inc., First Leaside Visions Management Inc., 1049015 Ontario Inc., 1048016 Ontario Inc., 2007804 Ontario Inc., 2019418 Ontario Inc., FL Research Management Inc., 970877 Ontario Inc., 1031628 Ontario Inc., 1045516 Ontario Inc., 2004516 Inc. (the "Applicants")

SUPPLEMENTARY MOTION RECORD

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016785E

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SUPPLEMENTARY MOTION RECORD

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TAB 1

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AMENDED NOTICE OF MOTION

STRUCTFORM INTERNATIONAL LIMITED ("Structform"), a lien claimant, will make a motion to the Court on Friday, March 23, 2012 at 10:00 o'clock in the forenoon, or as soon thereafter as the motion can be heard, at the Court House located at 330 University Avenue, Toronto, Ontario.

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

THIS MOTION IS FOR:

1. An order, if necessary, abridging the time for, validating the manner of and/or dispensing with the service of this Notice of Motion and supporting affidavit;

2. An order varying or amending the Initial Order of Justice David M. Brown in this matter dated February 23, 2012 to add a paragraph 10A as follows:

"THIS COURT ORDERS that any funds held by First Leaside Expansion Limited Partnership ("FLEX") in its bank account as of February 23, 2012, be kept aside and not be used in any way, including as a part of the Central Cash Management System, until further order of this court; and that if such funds have been used or removed by FLEX or anyone, including the Monitor and the CRO, in the time since February 23, 2012, such funds be restored to the bank accounts of FLEX forthwith, to be kept there until further order of this court."

3. An order amending paragraph 56 of the Initial Order in these proceedings to read as follows:

56. THIS COURT ORDERS that the CRO fees and the professional fees of the Monitor, counsel to the Monitor, First Leaside's counsel and Representative counsel paid or incurred in accordance with this Order and the Directors' Charge shall be allocated by First Leaside with the assistance of the Monitor to the various business units pursuant to a protocol to be proposed by First

Leaside with the assistance of the Monitor, which protocol shall be approved upon motion to this Court. First Leaside and the Monitor shall endeavour to make recommendations in respect of a protocol on or before March 30, 2012.

4. If necessary, an order lifting the stay imposed by the Initial Order to the extent of allowing Structform to bring this motion.

5. Costs of this motion, if resisted; and

6. Such further and other order as this Honourable Court deems just.

THE GROUNDS OF THE MOTION ARE:

1. Prior to the Initial Order Structform registered a claim for lien pursuant to the Construction Lien Act, R.S.O. 1990, c. C.30 in the amount of \$1,723,754.66 on the title to lands owned by FLEX in Uxbridge, Ontario. Structform had entered into a contract with FLEX to supply and install forming on high-rise commercial building that was to be FLEX's head office. Structform has perfected its lien by commencing an action and registering a Certificate of Action on the title to the same lands;

2. Structform is also a beneficiary of trusts established by sections 7(1) and 7(2) of the Construction Lien Act R.S.O. 1990, c. C.30 in relation to monies received by FLEX for the purpose of financing the said improvement and monies being held by FLEX in an amount equal to unpaid certificates of payment issued in favour of Structform concerning the said improvement;

3. Structform has reason to believe that FLEX had received and was holding on February 23, 2012 between at least \$600,000 and \$700,000 in its TD Canada Trust account for the purpose of financing the said improvement, and that the said funds were funds in the hands of FLEX that were equal to and exceeded by unpaid certificates of payment issued in favour of Structform concerning the said improvement;

4. The Initial Order issued by Justice Brown established a central cash management system that appears to allow CRO and the Monitor to commingle funds held by any of the First Leaside entities, including FLEX, for the purpose specified in the said Order;

5. The potential prejudice to Structform in having the said trust funds commingled with other funds in the central cash management system (or with other funds of the First Leaside entities in the estate) vastly outweighs any need the CRO may have to use these funds for the purposes outlined in the Initial Order, and therefore justifies a lifting of the stay to enable this motion to proceed, if necessary;

6. Structform is concerned that if the funds in FLEX's bank account are commingled as stated above, its trust right to such funds may be compromised or prejudiced;

7. The Reasons for Decision of Mr Justice Brown in paragraph 57 provide that First Leaside and the Monitor will develop an allocation methodology for the priority charges for later consideration by this Court. The Reasons for Decision references the Monitor's view that the allocation of the proposed priority charges should be carried out on an equitable and proportionate basis.

8. Until the court has reviewed and approved such an allocation methodology, the aforesaid trust funds should not be allowed to be applied to any of the priority charges;

9. In addition, the subject funds do not belong to FLEX as they are trust monies for the benefit of the trust beneficiaries.

10. Such further and other grounds as counsel may advise and this Honourable Court permit.

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

1. The affidavit of James Greig;

2. The supplementary affidavit of James Greig;

3. Such further and other material as counsel may advise and this Honourable Court permit.

April 25, 2012

E. ALAN GARBE

Barrister & Solicitor
7507 Kennedy Road
Markham, ON L3R 0L8

Telephone (905) 415-9100
Facsimile (905) 479-3625

Lawyer for
Structform International Limited

SCHEDULE "A"

Description of premises:

PIN: 26850 0062 LT - Registered owner 2067171 Ontario Inc.

Lt 307, Pt Lts 304, 305, 306, 308, 309, 311 & 312, Blk HH, PI 83, Pt 1, 40R15228; Township of Uxbridge

Municipal Address: 4 Victoria Street, Uxbridge, Ontario

PIN: 26850 0058 LT - Registered Owner 1132413 Ontario Inc.

Lts 294, 295 & Pt Lts 296,297,298, 299, 300, 301 & 302, Blk GG, PI 83 in D527125; Uxbridge

Municipal Address: 170 Brock St. W., Uxbridge, Ontario

PIN: 26850 0059 LT - Registered Owner 1132413 Ontario Inc.

Pt Lts 296, 300, 301 & 302, Blk GG, PI 83, PT 1, 40R18184; Township of Uxbridge

Municipal Address: Uxbridge, Ontario

PIN: 26850 0060 LT - Registered Owner First Leaside Realty II Inc.

Pt Lts 303 & 304, Blk HH, PI 83 & Pt Mary St., as in CO75874; Township of Uxbridge

Municipal Address: 144 Brock Street, Uxbridge, Ontario

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c c.367, AS AMENDED;
AND IN THE MATTER OF FIRST LEASIDE WEALTH MANAGEMENT INC.

COURT FILE NO. CV-12-9617-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

AMENDED NOTICE OF MOTION

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Lawyer's Registration No. 016785E

Lawyer for Structform International Limited

TAB 2

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SUPPLEMENTARY AFFIDAVIT OF JAMES GREIG SWORN APRIL 25, 2012

I, James Greig, of the Town of Markham, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am the Chief Financial Officer of Structform International Limited ("Structform") and as such have knowledge of the matters deposed to in this affidavit. To the extent that this affidavit describes events or facts of which I do not have personal knowledge, I have identified the source of such information and, in all cases, believe it to be true.

2. During the period from June 2011 to December 2011, Structform performed concrete forming work on lands in Uxbridge, Ontario (the "Lands") under its contract with First Leaside Expansion Limited Partnership (the "Contract") and made six applications for payment for work done to the Construction Manager, Kenaidan Contracting Ltd. ("Kenaidan") as the payment certifier in accordance with the Contract. A true copy of the Contract is annexed hereto as Exhibit "A".

3. Attached hereto as Exhibits "B", "C", "D", "E", "F" and "G" are copies of the six applications for payment made by Structform.

4. Structform received payment for the applications for payment for the work done during the months of July, August and September, but the applications for payment for October, November and December were not paid even though certificates of payment were issued in accordance with the Contract. Attached hereto as Exhibits "H", "I" and "J" are copies of the certificates of payment for the three unpaid applications for payment.

5. In accordance with Section 5.3.1.3 of the Contract payment is due on or before 20 calendar days after the later of:

receipt by the Construction Manager of the application for payment, or
the last day of the monthly payment period for which application is made

and accordingly, payment of the application for work done pursuant to the October and November applications were overdue and payment of the December application, which was received by the Construction Manager on or before December 15, 2011, was due, at the latest, on or before January 27, 2012, being 20 business days after December 31, 2011.

6. In the course of a conference call held on April 17, 2012, between counsel for the Monitor, the Chief Restructuring Officer ("CRO"), a representative of Kenaidan, counsel for Structform and myself as the representative of Structform, we were advised that the value in the Lands may have diminished and therefore the CRO was seeking suggestions for the most effective way to market the Lands.

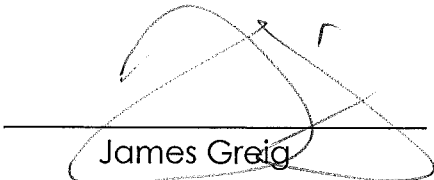
7. In the affidavit of Gregory MacLeod, sworn April 23, 2012, in support of the Applicants' motion returnable on April 30, 2012, Mr. MacLeod states that there is a sale of the property in St Catharines, referred to as "Queenston Manor", for the sale price of \$7.1 million which is property is subject to a mortgage which is to be paid out in the amount of \$4,397,405.05. A copy of Mr. MacLeod's affidavit without the exhibits is annexed as Exhibit "K".

8. It is my understanding that, pursuant to the Initial Order, the net proceeds from this sale will flow into the central cash management system established by the Initial Order and should provide ample funds for the priority charges. A copy of the Initial Order and the reasons for the decision are annexed hereto as Exhibits "L" and "M", respectively.

9. I remain very concerned that if the funds in FLEX's bank account are commingle pursuant to the Interim Order, Structform's trust rights to such funds will be compromised unless such funds are segregated as provided in the amending order being sought.

Sworn before me in the town of Markham)
in the Regional Municipality of York)
this 25th day of April, 2012)


A Commissioner of Oaths, Etc.


James Greig

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c c.367, AS AMENDED;
AND IN THE MATTER OF FIRST LEASIDE WEALTH MANAGEMENT INC.

COURT FILE NO. CV-12-9617-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**SUPPLEMENTARY AFFIDAVIT OF
JAMES GREIG SWORN
APRIL 25, 2012**

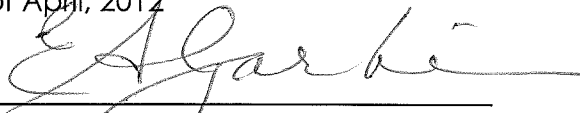
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Facsimile: (905) 479-3625
Lawyer's Registration No. 016785E

Lawyer for Structform International Limited

TAB A

This is Exhibit "A" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012



A Commissioner, Etc.

CCDC 17

Stipulated Price Contract between Owner and Trade Contractor for Construction Management Projects

2010

First Leaside Head Office

This agreement is protected by
copyright and is intended by the
parties to be an unaltered version of
CCDC 17 - 2010 except to the extent
that any alterations, additions or
modifications are set forth in
supplementary conditions.

CCDC

17

2010

CANADIAN CONSTRUCTION DOCUMENTS COMMITTEE
CANADIAN CONSTRUCTION DOCUMENTS COMMITTEE
CANADIAN CONSTRUCTION DOCUMENTS COMMITTEE

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CCDC 17 and CCDC 5A 'Construction Management Contract-For Services' are complimentary documents. CCDC 17 is the product of a consensus-building process aimed at balancing the interests of all parties on the construction project. It reflects recommended industry practices. CCDC 17 can have important consequences. The CCDC and its constituent member organizations do not accept any responsibility or liability for loss or damage which may be suffered as a result of the use or interpretation of CCDC 17.

AGREEMENT BETWEEN OWNER AND TRADE CONTRACTOR
FOR CONSTRUCTION MANAGEMENT PROJECTS

This Agreement made on the 31 day of May in the year 2011 .

by and between the parties

First Leaside Expansion Limited Partnership

and

hereinafter called the *Owner*

Structform International Limited

hereinafter called the *Trade Contractor*

The *Owner* and the *Trade Contractor* agree as follows:

ARTICLE A-1 THE WORK

The *Trade Contractor* shall:

1.1 perform the *Work* required by the *Contract Documents* for

Concrete Works Package

insert above the description of the *Work*

for the *Project*

First Leaside Head Office

insert above the title of the *Project*

located at

2 Victoria Drive, Uxbridge, Ontario

insert above the Place of the *Project*

for which the Agreement has been signed by the parties, and for which

Kenaidan Contracting Ltd.

insert above the name of the *Construction Manager*

is acting as and is hereinafter called the *Construction Manager*, and for which

Rounthwaite Dick & Hadley Architects Inc. (RDH)

insert above the name of the *Consultant*

is acting as and is hereinafter called the *Consultant*, and for which

the ~~Construction~~ Manager* / Consultant* is acting as the *Payment Certifier*, and (* Strike out inapplicable term.)

- 1.2 do and fulfill everything indicated by the *Contract Documents*, and
- 1.3 perform the *Work*:
- .1 in accordance with a schedule provided by the *Owner* at the time of signing the *Contract*, or
 - .2 in accordance with a schedule mutually agreed upon if provided by the *Owner* after the signing of the *Contract*; or
 - .3 if no schedule is provided by the *Owner*, commence the *Work* by the day of in the year and, subject to adjustment in *Contract Time* as provided for in the *Contract Documents*, attain *Substantial Performance of the Work*, by the day of in the year .

ARTICLE A-2 AGREEMENTS AND AMENDMENTS

- 2.1 The *Contract* supersedes all prior negotiations, representations or agreements, either written or oral, relating in any manner to the *Work*, including the bidding documents that are not expressly listed in Article A-3 of the Agreement – CONTRACT DOCUMENTS.
- 2.2 The *Contract* may be amended only as provided in the *Contract Documents*.

ARTICLE A-3 CONTRACT DOCUMENTS

- 3.1 The following are the *Contract Documents* referred to in Article A-1 of the Agreement – THE WORK:

- Agreement Between *Owner* and *Trade Contractor*
- Definitions
- The General Conditions of the *Contract*

*

-Refer to attached "Appendix A", executed Letter of Intent between First Leaside Expansion Limited Partnership and Structform International Limited, dated May 31, 2011.

-Refer to attached "Appendix C", First Leaside Financial Office Headquarters, Construction Stage Proposal, Kenaidan Contracting Ltd., 07APR11 Update Baseline, 07APR11 Data Date.

* (Insert here, attaching additional pages if required, a list identifying all other *Contract Documents* e.g. supplementary conditions; information documents; specifications, giving a list of contents with section numbers and titles, number of pages, and date; material finishing schedules; drawings, giving drawing number, title, date, revision date or mark; addenda, giving title, number, date; schedule)

ARTICLE A-4 CONTRACT PRICE

4.1 The *Contract Price*, which excludes *Value Added Taxes*, is:

Five Million, One Hundred and Ninety-Five Thousand Dollars----00 /100 dollars \$ 5,195,000.00

4.2 *Value Added Taxes* (at 13 %) payable by the *Owner* to the *Trade Contractor* are:

Six Hundred and Seventy-Five Thousand, Three Hundred and Fifty Dollars--00 /100 dollars \$ 675,350.00

4.3 Total amount payable by the *Owner* to the *Trade Contractor* for the *Work* is:

Five Million, Eight Hundred and Seventy Thousand, Three Hundred and Fifty Dollars--00 /100 dollars \$ 5,870,350.00

4.4 These amounts shall be subject to adjustments as provided in the *Contract Documents*.

4.5 All amounts are in Canadian funds.

ARTICLE A-5 PAYMENT

5.1 Subject to the provisions of the *Contract Documents*, and in accordance with legislation and statutory regulations respecting holdback percentages and, where such legislation or regulations do not exist or apply, subject to a holdback of

TEN

percent (10 %), the *Owner* shall:

- .1 make progress payments to the *Trade Contractor* on account of the *Contract Price* when due in the amount certified by the *Payment Certifier* together with such *Value Added Taxes* as may be applicable to such payment, and
- .2 upon *Substantial Performance of the Work*, pay to the *Trade Contractor* the unpaid balance of the holdback amount when due together with such *Value Added Taxes* as may be applicable to such payment, and
- .3 upon the issuance of the final certificate for payment, pay to the *Trade Contractor* the unpaid balance of the *Contract Price* when due together with such *Value Added Taxes* as may be applicable to such payment.

5.2 In the event of loss or damage occurring where payment becomes due under the property and boiler insurance policies, payments shall be made to the *Trade Contractor* in accordance with the provisions of GC 11.1 – INSURANCE.

5.3 Interest

- .1 Should either party fail to make payments as they become due under the terms of the *Contract* or in an award by arbitration or court, interest at the following rates on such unpaid amounts shall also become due and payable until payment:
 - (1) 2% per annum above the prime rate for the first 60 days.
 - (2) 4% per annum above the prime rate after the first 60 days.

Such interest shall be compounded on a monthly basis. The prime rate shall be the rate of interest quoted by

the Royal Bank of Canada to the most credit-worthy borrows

(Insert name of chartered lending institution whose prime rate is to be used)

for prime business loans as it may change from time to time.

- .2 Interest shall apply at the rate and in the manner prescribed by paragraph 5.3.1 of this Article on the settlement amount of any claim in dispute that is resolved either pursuant to Part 8 of the General Conditions – DISPUTE RESOLUTION or otherwise, from the date the amount would have been due and payable under the *Contract*, had it not been in dispute, until the date it is paid.

ARTICLE A-6 COMMUNICATION

6.1 Except for the direct communications described in paragraph 6.2 of this Article, all communications between the *Trade Contractor*, and the *Owner*, the *Consultant* or the *Payment Certifier* that relate to the *Contract* shall be forwarded through the *Construction Manager*.

6.2 The parties shall inform the *Construction Manager* of the following direct communications:

- .1 between the *Payment Certifier* and the *Owner*, *Consultant* or *Trade Contractor* as described in Part 5 of the General Conditions – PAYMENT;
- .2 among the *Owner*, *Consultant* and *Trade Contractor* with respect to *Notices in Writing*; and
- .3 as otherwise expressly specified in the *Contract Documents*.

CCDC 17 – 2010

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ARTICLE A-7 RECEIPT OF AND ADDRESSES FOR NOTICES IN WRITING

- 7.1 *Notices in Writing* will be addressed to the recipient at the address set out below.
- 7.2 The delivery of a *Notice in Writing* will be by hand, by courier, by prepaid first class mail, or by facsimile or other form of electronic communication during the transmission of which no indication of failure of receipt is communicated to the sender.
- 7.3 A *Notice in Writing* delivered by one party in accordance with this *Contract* will be deemed to have been received by the other party on the date of delivery if delivered by hand or courier, or if sent by mail it shall be deemed to have been received five calendar days after the date on which it was mailed, provided that if either such day is not a *Working Day*, then the *Notice in Writing* shall be deemed to have been received on the *Working Day* next following such day.
- 7.4 A *Notice in Writing* sent by facsimile or other form of electronic communication shall be deemed to have been received on the date of its transmission provided that if such day is not a *Working Day* or if it is received after the end of normal business hours on the date of its transmission at the place of receipt, then it shall be deemed to have been received at the opening of business at the place of receipt on the first *Working Day* next following the transmission thereof.
- 7.5 An address for a party may be changed by *Notice in Writing* to the other party setting out the new address in accordance with this Article.

Owner

First Leaside Expansion Limited Partnership

*name of Owner**

430 Regional Road #8, Uxbridge, Ontario, L9P 1R1

address

(905) 852-0273

facsimile number

joan@firstleaside.com

email address

Trade Contractor

Structform International Limited

*name of Trade Contractor**

84 Passmore Avenue, Toronto, Ontario, M1V 4S9

address

(416) 291-1267

facsimile number

email address

Construction Manager

Kenaidan Contracting Ltd.

*name of Construction Manager**

1275 Cardiff Boulevard, Mississauga, Ontario, L5S 1R1

address

(905) 670-9172

facsimile number

balves@kenaidan.com

email address

Consultant

Rounthwaite Dick & Hadley Architects Inc. (RDH)

*name of Consultant **

225 Richmond Street West, Suite 201, Toronto, Ontario, M5V 1W2

address

(416) 204-1321

facsimile number

info@rdharch.com

email address

** If it is intended that a specific individual must receive the notice, that individual's name shall be indicated.*

ARTICLE A-8 LANGUAGE OF THE CONTRACT

- 8.1 When the *Contract Documents* are prepared in both the English and French languages, it is agreed that in the event of any apparent discrepancy between the English and French versions, the English / ~~French~~* language shall prevail.

** Complete this statement by striking out inapplicable term.*

- 8.2 This Agreement is drawn in English at the request of the parties hereto. La présente convention est rédigée en anglais à la demande des parties.

ARTICLE A-9 SUCCESSION

9.1 The *Contract* shall enure to the benefit of and be binding upon the parties hereto, their respective heirs, legal representatives, successors, and assigns.

In witness whereof the parties hereto have executed this Agreement by the hands of their duly authorized representatives.

SIGNED AND DELIVERED

In the presence of:

WITNESS

signature of witness

name of person signing

signature of witness

name of person signing

WITNESS

signature of witness

name of person signing

signature of witness

name of person signing

OWNER

First Leaside Expansion Limited Partnership

name of Owner

signature

name and title of person signing

signature

name and title of person signing

TRADE CONTRACTOR

Structform International Limited

name of Trade Contractor

signature

name and title of person signing

signature

name and title of person signing

N.B. Where legal jurisdiction, local practice or Owner or Trade Contractor requirement calls for:

- (a) proof of authority to execute this document, attach such proof of authority in the form of a certified copy of a resolution naming the representative(s) authorized to sign the Agreement for and on behalf of the corporation or partnership; or*
- (b) the affixing of a corporate seal, this Agreement should be properly sealed.*

DEFINITIONS

The following Definitions shall apply to all *Contract Documents*. References in the definition to the singular shall be considered to include the plural as the context requires.

Change Directive

A *Change Directive* is a written instruction issued by the *Owner* through the *Construction Manager* and signed by the *Owner* directing the *Trade Contractor* to proceed with a change in the *Work* within the general scope of the *Contract Documents* prior to the *Owner* and the *Trade Contractor* agreeing upon adjustments in the *Contract Price* and the *Contract Time*.

Change Order

A *Change Order* is a written amendment to the *Contract* issued by the *Construction Manager* and signed by the *Owner* and the *Trade Contractor* stating their agreement upon:

- a change in the *Work*;
- the method of adjustment or the amount of the adjustment in the *Contract Price*, if any; and
- the extent of the adjustment in the *Contract Time*, if any.

Construction Equipment

Construction Equipment means all machinery and equipment, either operated or not operated, that is required for preparing, fabricating, conveying, erecting, or otherwise performing the *Work* but is not incorporated into the *Work*.

Construction Manager

The *Construction Manager* is the person or entity engaged by the *Owner* and identified as such in the Agreement.

Consultant

The *Consultant* is the person or entity engaged by the *Owner* and identified as such in the Agreement. The *Consultant* is the Architect, the Engineer or entity licensed to practise in the province or territory of the *Place of the Project*.

Contract

The *Contract* is the undertaking by the parties to perform their respective duties, responsibilities and obligations as prescribed in the *Contract Documents* and represents the entire agreement between the parties.

Contract Documents

The *Contract Documents* consist of those documents listed in Article A-3 of the Agreement – CONTRACT DOCUMENTS and amendments agreed upon between the parties.

Contract Price

The *Contract Price* is the amount stipulated in Article A-4 of the Agreement – CONTRACT PRICE.

Contract Time

The *Contract Time* is the time stipulated in paragraph 1.3 of Article A-1 of the Agreement – THE WORK from commencement of the *Work* to *Substantial Performance of the Work*.

Drawings

The *Drawings* are the graphic and pictorial portions of the *Contract Documents*, wherever located and whenever issued, showing the design, location and dimensions of the *Work*, generally including plans, elevations, sections, details, and diagrams.

Notice in Writing

A *Notice in Writing*, where identified in the *Contract Documents*, is a written communication between the parties or between them and the *Construction Manager* or the *Consultant* that is transmitted in accordance with the provisions of Article A-7 of the Agreement – RECEIPT OF AND ADDRESSES FOR NOTICES IN WRITING.

Owner

The *Owner* is the person or entity identified as such in the Agreement.

Payment Certifier

The *Payment Certifier* is either the *Construction Manager* or the *Consultant* identified as such in the Agreement.

Place of the Project

The *Place of the Project* is the designated site or location of the *Project* identified in the *Contract Documents*.

Product

Product means material, machinery, equipment, and fixtures incorporated into the *Work*, but does not include *Construction Equipment*.

Project

The *Project* means the total construction contemplated of which the *Work* may be the whole or a part.

Project In-Use Date

Project In-Use Date shall have been reached when the *Project* is ready for use or is being used for the purpose intended and is so confirmed in writing by the *Construction Manager* in consultation with the *Consultant* and the *Owner*.

Provide

Provide means to supply and install.

Shop Drawings

Shop Drawings are drawings, diagrams, illustrations, schedules, performance charts, brochures, *Product* data, and other data which the *Trade Contractor* provides to illustrate details of portions of the *Work*.

Specifications

The *Specifications* are that portion of the *Contract Documents*, wherever located and whenever issued, consisting of the written requirements and standards for *Products*, systems, workmanship, quality, and the services necessary for the performance of the *Work*.

Substantial Performance of the Work

Substantial Performance of the Work is as defined in the lien legislation applicable to the *Place of the Project*. If such legislation is not in force or does not contain such definition, or if the *Work* is governed by the Civil Code of Quebec, *Substantial Performance of the Work* shall have been reached when the *Work* is ready for use or is being used for the purpose intended and is so certified by the *Payment Certifier*.

Supplemental Instruction

A *Supplemental Instruction* is an instruction, not involving adjustment in the *Contract Price* or *Contract Time*, in the form of *Specifications*, *Drawings*, schedules, samples, models or written instructions, consistent with the intent of the *Contract Documents*. It is to be issued by the *Construction Manager* to supplement the *Contract Documents* as required for the performance of the *Work*.

Supplier

A *Supplier* is a person or entity having a direct contract with the *Trade Contractor* to supply *Products*.

Temporary Work

Temporary Work means temporary supports, structures, facilities, services, and other temporary items, excluding *Construction Equipment*, required for the execution of the *Work* but not incorporated into the *Work*.

Trade Contractor

The *Trade Contractor* is the person or entity identified as such in the Agreement.

Trade Subcontractor

A *Trade Subcontractor* is a person or entity having a direct contract with the *Trade Contractor* to perform a part or parts of the *Work* at the *Place of the Project*.

Value Added Taxes

Value Added Taxes means such sum as shall be levied upon the *Contract Price* by the Federal or any Provincial or Territorial Government and is computed as a percentage of the *Contract Price* and includes the Goods and Services Tax, the Quebec Sales Tax, the Harmonized Sales Tax, and any similar tax, the collection and payment of which have been imposed on the *Trade Contractor* by tax legislation.

Work

The *Work* means the total construction and related services required by the *Contract Documents*.

Working Day

Working Day means a day other than a Saturday, Sunday, statutory holiday, or statutory vacation day that is observed by the construction industry in the area of the *Place of the Project*.

GENERAL CONDITIONS OF THE CONTRACT

PART 1 GENERAL PROVISIONS

GC 1.1 CONTRACT DOCUMENTS

- 1.1.1 The intent of the *Contract Documents* is to include the labour, *Products*, and services necessary for the performance of the *Work* by the *Trade Contractor* in accordance with these documents. It is not intended, however, that the *Trade Contractor* shall supply products or perform work not consistent with, not covered by, or not properly inferable from the *Contract Documents*.
- 1.1.2 Nothing contained in the *Contract Documents* shall create any contractual relationship between:
- .1 the *Owner* and a *Trade Subcontractor*, a *Supplier*, or their agent, employee, or other person performing any of the *Work* ;
 - .2 the *Construction Manager* and the *Trade Contractor*, a *Trade Subcontractor*, a *Supplier*, or their agent, employee, or other person performing any portion of the *Work*; or
 - .3 the *Consultant* and the *Trade Contractor*, a *Trade Subcontractor*, a *Supplier*, or their agent, employee, or other person performing any portion of the *Work*.
- 1.1.3 The *Contract Documents* are complementary, and what is required by any one shall be as binding as if required by all.
- 1.1.4 Words and abbreviations which have well known technical or trade meanings are used in the *Contract Documents* in accordance with such recognized meanings.
- 1.1.5 Neither the organization of the *Specifications* nor the arrangement of *Drawings* shall control the *Trade Contractor* in dividing the work among *Trade Subcontractors* and *Suppliers*.
- 1.1.6 If there is a conflict within the *Contract Documents*:
- .1 the order of priority of documents, from highest to lowest, shall be
 - the Agreement between the *Owner* and *Trade Contractor*,
 - the Definitions,
 - Supplementary Conditions,
 - the General Conditions of the *Contract*,
 - Division 1 of the *Specifications*,
 - technical *Specifications*,
 - material and finishing schedules,
 - the *Drawings*.
 - .2 *Drawings* of larger scale shall govern over those of smaller scale of the same date.
 - .3 dimensions shown on *Drawings* shall govern over dimensions scaled from *Drawings*.
 - .4 later dated documents shall govern over earlier documents of the same type.
 - .5 noted materials and annotations shall govern over graphic indications.
- 1.1.7 The *Owner* shall provide the *Trade Contractor*, without charge, sufficient copies of the *Contract Documents* to perform the *Work*.
- 1.1.8 *Specifications*, *Drawings*, models, and copies thereof furnished by the *Consultant* are and shall remain the *Consultant's* property. Signed *Contract* sets shall belong to each party to the *Contract*. All *Specifications*, *Drawings* and models prepared by the *Consultant* and issued to the *Trade Contractor* are to be used only with respect to the *Work* and are not to be used on other work. These *Specifications*, *Drawings* and models are not to be copied or altered in any manner without the written authorization of the *Consultant*.
- 1.1.9 Models furnished by the *Trade Contractor* at the *Owner's* expense are the property of the *Owner*.

GC 1.2 LAW OF THE CONTRACT

- 1.2.1 The law of the *Place of the Project* shall govern the interpretation of the *Contract*.

GC 1.3 RIGHTS AND REMEDIES

- 1.3.1 Except as expressly provided in the *Contract Documents*, the duties and obligations imposed by the *Contract Documents* and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law.
- 1.3.2 No action or failure to act by the *Owner*, *Construction Manager*, *Consultant*, *Payment Certifier*, or *Trade Contractor* shall constitute a waiver of any right or duty afforded any of them under the *Contract*, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

GC 1.4 ASSIGNMENT

- 1.4.1 Neither party to the *Contract* shall assign the *Contract* or a portion thereof without the written consent of the other, which consent shall not be unreasonably withheld.

PART 2 ADMINISTRATION OF THE CONTRACT

GC 2.1 AUTHORITY OF THE CONSTRUCTION MANAGER AND THE CONSULTANT

- 2.1.1 The *Construction Manager* and the *Consultant* will have authority to act on behalf of the *Owner* only to the extent provided in the *Contract Documents*, unless otherwise modified by written agreement as provided in paragraph 2.1.2.
- 2.1.2 The duties, responsibilities and limitations of authority of the *Construction Manager* and the *Consultant* as set forth in the *Contract Documents* shall be modified or extended only with the written consent of the *Owner* and the *Trade Contractor*.
- 2.1.3 If the employment of the *Construction Manager* or the *Consultant* is terminated, the *Owner* shall immediately appoint or reappoint those against whom the *Trade Contractor* makes no reasonable objection and whose duties, responsibilities and limitations of authority under the *Contract Documents* will be that of the former *Construction Manager* or the former *Consultant*, as the case may be.
- 2.1.4 If the employment of the *Construction Manager* or the *Consultant* as the *Payment Certifier* is terminated, the *Owner* shall immediately appoint or reappoint the *Construction Manager* or the *Consultant* as the *Payment Certifier*.

GC 2.2 ROLES OF THE CONSTRUCTION MANAGER AND THE CONSULTANT

- 2.2.1 The *Construction Manager* will:
- .1 provide administration of the *Contract* as described in the *Contract Documents*;
 - .2 in the first instance, receive all questions in writing by the *Owner* or the *Trade Contractor* for interpretations and findings relating to the performance of the *Work* or the interpretation of the *Contract Documents* except with respect to GC 5.1 – FINANCING INFORMATION REQUIRED OF THE OWNER;
 - .3 in the first instance, give interpretations and make findings on matters in question relating to the performance of the *Work* or the requirements of the *Contract Documents*, except with respect to any and all architectural and engineering aspects of the *Work* or GC 5.1 – FINANCING INFORMATION REQUIRED OF THE OWNER; and
 - .4 during the progress of the *Work*, issue *Supplemental Instructions* to the *Trade Contractor* with reasonable promptness or in accordance with a schedule for such instructions agreed to by the *Construction Manager* and the *Trade Contractor*.
- 2.2.2 The *Consultant* will:
- .1 visit the *Place of the Project* at intervals appropriate to the progress of construction to become familiar with the progress and quality of the *Work* and to determine if the *Work* is proceeding in general conformity with the *Contract Documents*; and
 - .2 in the first instance, give interpretations and make findings on matters in question relating to the requirements of the design.
- 2.2.3 The *Construction Manager* and the *Consultant* will:
- .1 have authority to reject work which in their opinion does not conform to the requirements of the *Contract Documents* and whenever it is considered necessary or advisable, require inspection or testing of work, whether or not such work is fabricated, installed or completed. However, neither the authority of the *Construction Manager* or the *Consultant* to act nor any decision either to exercise or not to exercise such authority shall give rise to any duty or responsibility of the *Construction Manager* or the *Consultant* to the *Trade Contractor*, *Trade Subcontractors*, *Suppliers*, or their agents, employees, or other persons performing any of the *Work*; and

- .2 give interpretations and make findings that relate to the *Work*. Such interpretations and findings shall be provided in writing within a reasonable time, and unless otherwise agreed with the *Owner* and the *Trade Contractor*, no later than 5 *Working Days* of a request. In making such interpretations and findings the *Construction Manager* and the *Consultant* will not show partiality to either the *Owner* or the *Trade Contractor*.
- 2.2.4 The *Construction Manager* and the *Consultant* will not:
 - .1 be responsible for the *Trade Contractor's* failure to carry out the *Work* in accordance with the *Contract Documents*; and
 - .2 have control over, charge of or be responsible for, the acts or omissions of the *Trade Contractor*, *Trade Subcontractors*, *Suppliers*, or their agents, employees, or any other persons performing portions of the *Work*.

GC 2.3 REVIEW AND INSPECTION OF THE WORK

- 2.3.1 The *Owner*, the *Construction Manager* and the *Consultant* shall have access to the *Work* at all times. The *Trade Contractor* shall provide sufficient, safe and proper facilities at all times for the review of the *Work* by the *Construction Manager* and the *Consultant* and the inspection of the *Work* by authorized agencies. If parts of the *Work* are in preparation at locations other than the *Place of the Project*, the *Owner*, the *Construction Manager* and the *Consultant* shall be given access to such work whenever it is in progress.
- 2.3.2 If work is designated for tests, inspections or approvals in the *Contract Documents*, or by the instructions of the *Construction Manager* or the *Consultant*, or by the laws or ordinances of the *Place of the Project*, the *Trade Contractor* shall give the *Construction Manager* reasonable notification of when the work will be ready for review and inspection. The *Trade Contractor* shall arrange for and shall give the *Construction Manager* reasonable notification of the date and time of inspections by other authorities.
- 2.3.3 The *Trade Contractor* shall furnish promptly to the *Construction Manager* copies of certificates and inspection reports relating to the *Work*.
- 2.3.4 If the *Trade Contractor* covers, or permits to be covered, work that has been designated for special tests, inspections or approvals before such special tests, inspections or approvals are made, given or completed, the *Trade Contractor* shall, if so directed, uncover such work, have the inspections or tests satisfactorily completed, and make good covering work at the *Trade Contractor's* expense.
- 2.3.5 The *Construction Manager* may order any portion or portions of the *Work* to be examined to confirm that such work is in accordance with the requirements of the *Contract Documents*. If the work is not in accordance with the requirements of the *Contract Documents*, the *Trade Contractor* shall correct the work and pay the cost of examination and correction. If the work is in accordance with the requirements of the *Contract Documents*, the *Owner* shall pay the cost of examination and restoration.
- 2.3.6 The *Trade Contractor* shall pay the cost of making any test or inspection if such test or inspection is designated in the *Contract Documents* to be performed by the *Trade Contractor* or is so designated by the laws or ordinances applicable to the *Place of the Project*.
- 2.3.7 The *Trade Contractor* shall pay the cost of samples required for any test or inspection to be performed by others if such test or inspection is designated in the *Contract Documents* or is required pursuant to paragraph 2.3.6.

GC 2.4 DEFECTIVE WORK

- 2.4.1 The *Trade Contractor* shall promptly correct defective work that has been rejected by the *Construction Manager* or the *Consultant* as failing to conform to the *Contract Documents* whether or not the defective work has been incorporated in the *Work* and whether or not the defect is the result of poor workmanship, use of defective products or damage through carelessness or other act or omission of the *Trade Contractor*.
- 2.4.2 The *Trade Contractor* shall make good promptly other contractors' work destroyed or damaged by such corrections at the *Trade Contractor's* expense.
- 2.4.3 If in the opinion of the *Construction Manager* it is not expedient to correct defective work or work not performed as provided in the *Contract Documents*, the *Owner* may deduct from the amount otherwise due to the *Trade Contractor* the difference in value between the work as performed and that called for by the *Contract Documents*. If the *Owner* and the *Trade Contractor* do not agree on the difference in value, they shall refer the matter to the *Construction Manager* for a finding.

PART 3 EXECUTION OF THE WORK

GC 3.1 CONTROL OF THE WORK

- 3.1.1 The *Trade Contractor* shall have total control of the *Work* and shall effectively direct and supervise the *Work* so as to ensure conformity with the *Contract Documents*.
- 3.1.2 The *Trade Contractor*, and not the *Owner*, the *Construction Manager* or the *Consultant*, shall be responsible for construction means, methods, techniques, sequences, and procedures and for co-ordinating the various parts of the *Work* under the *Contract*.

GC 3.2 CONSTRUCTION BY OWNER, CONSTRUCTION MANAGER OR OTHER CONTRACTORS

- 3.2.1 The *Owner* shall:
- .1 provide for the co-ordination of the activities and work of other contractors and the *Owner's* and the *Construction Manager's* own forces with the *Work* of the *Contract*;
 - .2 enter into separate contracts with other contractors under conditions of contract which are compatible with the conditions of the *Contract*; and
 - .3 ensure that insurance coverage is provided to the same requirements as are called for in GC 11.1 – INSURANCE and co-ordinate such insurance with the insurance coverage of the *Trade Contractor* as it affects the *Work*.
- 3.2.2 The *Trade Contractor* shall:
- .1 afford the *Owner*, the *Construction Manager* and other contractors reasonable opportunity to store their products and execute their work;
 - .2 co-ordinate and schedule the *Work* with the work of other contractors as identified in the *Contract Documents*;
 - .3 participate with other contractors and the *Construction Manager* in reviewing their construction schedules when directed to do so;
 - .4 report promptly to the *Construction Manager* in writing any apparent deficiencies in the work of other contractors or the *Owner's* or *Construction Manager's* own forces, where such work affects the proper execution of any portion of the *Work*, prior to proceeding with that portion of the *Work*; and
 - .5 take all reasonable precautions to avoid labour disputes or other disputes on the *Project* arising from the work of other contractors.
- 3.2.3 Where a change in the *Work* is required as a result of the co-ordination and integration of the work of other contractors or the *Owner's* or *Construction Manager's* own forces with the *Work*, the changes shall be authorized and valued as provided in GC 6.1 – OWNER'S RIGHT TO MAKE CHANGES, GC 6.2 – CHANGE ORDER and GC 6.3 – CHANGE DIRECTIVE.
- 3.2.4 Disputes and other matters in question between the *Trade Contractor* and other contractors shall be dealt with as provided in Part 8 of the General Conditions – DISPUTE RESOLUTION provided the other contractors have reciprocal obligations. The *Trade Contractor* shall be deemed to have consented to arbitration of any dispute with any other contractor whose contract with the *Owner* contains a similar agreement to arbitrate. In the absence of other contractors having reciprocal obligations, disputes and other matters in question initiated by the *Trade Contractor* against other contractors will be considered disputes and other matters in question between the *Trade Contractor* and the *Owner*.

GC 3.3 TEMPORARY WORK

- 3.3.1 The *Trade Contractor* shall have the responsibility for the design, erection, operation, maintenance, and removal of *Temporary Work* unless otherwise specified in the *Contract Documents*.
- 3.3.2 The *Trade Contractor* shall engage and pay for registered professional engineering personnel skilled in the appropriate disciplines to perform those functions referred to in paragraph 3.3.1 where required by law or by the *Contract Documents* and in all cases where such *Temporary Work* is of such a nature that professional engineering skill is required to produce safe and satisfactory results.
- 3.3.3 Notwithstanding the provisions of GC 3.1 – CONTROL OF THE WORK, paragraphs 3.3.1 and 3.3.2 or provisions to the contrary elsewhere in the *Contract Documents* where such *Contract Documents* include designs for *Temporary Work* or specify a method of construction in whole or in part, such designs or methods of construction shall be considered to be part of the design of the *Work* and the *Trade Contractor* shall not be held responsible for that part of the design or the specified method of construction. The *Trade Contractor* shall, however, be responsible for the execution of such design or specified method of construction in the same manner as for the execution of the *Work*.

GC 3.4 DOCUMENT REVIEW

- 3.4.1 The *Trade Contractor* shall review the *Contract Documents* and shall report promptly to the *Construction Manager* any error, inconsistency, or omission the *Trade Contractor* may discover. Such review by the *Trade Contractor* shall be to the best of the *Trade Contractor's* knowledge, information and belief and in making such review the *Trade Contractor* does not assume any responsibility to the *Owner*, the *Construction Manager*, or the *Consultant* for the accuracy of the review. The *Trade Contractor* shall not be liable for damage or costs resulting from such errors, inconsistencies or omissions in the *Contract Documents* which the *Trade Contractor* did not discover. If the *Trade Contractor* does discover any error, inconsistency or omission in the *Contract Documents*, the *Trade Contractor* shall not proceed with the work affected until the *Trade Contractor* has received corrected or missing information from the *Construction Manager*.

GC 3.5 CONSTRUCTION SCHEDULE

- 3.5.1 The *Construction Manager* will provide to the *Trade Contractor* the *Project* schedule that indicates the timing of the major activities of the *Project* in sufficient detail for the *Trade Contractor* to schedule the *Work*.
- 3.5.2 The *Construction Manager* will monitor the progress of the *Work* relative to the *Project* schedule and update the *Project* schedule on a monthly basis.
- 3.5.3 The *Trade Contractor* shall:
- .1 prepare and submit to the *Construction Manager* within 15 calendar days after its receipt of the *Project* schedule, a construction schedule that indicates the timing of the major activities of the *Work* and provides sufficient detail of the critical events and their inter-relationship to demonstrate that the *Work* will be performed in conformity with the *Project* schedule;
 - .2 monitor the progress of the *Work* relative to the construction schedule and update the schedule on a monthly basis or as stipulated by the *Contract Documents*; and
 - .3 advise the *Construction Manager* of any revisions required to the schedule as the result of extensions of the *Contract Time* as provided in Part 6 of the General Conditions – CHANGES IN THE WORK.

GC 3.6 SUPERVISION

- 3.6.1 The *Trade Contractor* shall provide all necessary supervision and appoint a competent representative who shall be in attendance at the *Place of the Project* while work is being performed. The appointed representative shall not be changed except for valid reason.
- 3.6.2 The appointed representative shall represent the *Trade Contractor* at the *Place of the Project*. Information and instructions provided in accordance with the *Contract* by the *Construction Manager* to the appointed representative shall be deemed to have been received by the *Trade Contractor*, except with respect to Article A-7 of the Agreement – RECEIPT OF AND ADDRESSES FOR NOTICES IN WRITING.

GC 3.7 TRADE SUBCONTRACTORS AND SUPPLIERS

- 3.7.1 The *Trade Contractor* shall preserve and protect the rights of the parties under the *Contract* with respect to work to be performed under subcontract, and shall:
- .1 enter into contracts or written agreements with *Trade Subcontractors* and *Suppliers* to require them to perform their work as provided in the *Contract Documents*;
 - .2 incorporate the terms and conditions of the *Contract Documents* into all contracts or written agreements with *Trade Subcontractors* and *Suppliers*; and
 - .3 be as fully responsible to the *Owner* for acts and omissions of *Trade Subcontractors*, *Suppliers* and of persons directly or indirectly employed by them as for acts and omissions of persons directly employed by the *Trade Contractor*.
- 3.7.2 The *Trade Contractor* shall indicate in writing, if requested by the *Construction Manager*, those *Trade Subcontractors* or *Suppliers* whose bids have been received by the *Trade Contractor* which the *Trade Contractor* would be prepared to accept for the performance of a portion of the *Work*. Should the *Owner* not object before signing the *Contract*, the *Trade Contractor* shall employ those *Trade Subcontractors* or *Suppliers* so identified by the *Trade Contractor* in writing for the performance of that portion of the *Work* to which their bid applies.
- 3.7.3 The *Owner* may, for reasonable cause, at any time before the *Owner* has signed the *Contract*, object to the use of a proposed *Trade Subcontractor* or *Supplier* and require the *Trade Contractor* to employ one of the other trade subcontract bidders.

- 3.7.4 If the *Owner* requires the *Trade Contractor* to change a proposed *Trade Subcontractor* or *Supplier*, the *Contract Price* and *Contract Time* shall be adjusted by the difference occasioned by such required change.
- 3.7.5 The *Trade Contractor* shall not be required to employ as a *Trade Subcontractor* or *Supplier*, a person or firm to whom the *Trade Contractor* may reasonably object.
- 3.7.6 The *Owner*, through the *Construction Manager*, may provide to a *Trade Subcontractor* or *Supplier* information as to the percentage of the *Trade Subcontractor's* or *Supplier's* work which has been certified for payment.

GC 3.8 LABOUR AND PRODUCTS

- 3.8.1 The *Trade Contractor* shall maintain good order and discipline among the *Trade Contractor's* employees engaged in the *Work* and shall not employ in the *Work* anyone not skilled in the tasks assigned.
- 3.8.2 The *Trade Contractor* shall provide and pay for labour, *Products*, tools, *Construction Equipment*, water, heat, light, power, transportation, and other facilities and services necessary for the performance of the *Work* in accordance with the *Contract*.
- 3.8.3 Unless otherwise specified in the *Contract Documents*, *Products* provided shall be new. *Products* which are not specified shall be of a quality consistent with those specified and their use acceptable to the *Consultant*.

GC 3.9 DOCUMENTS AT THE SITE

- 3.9.1 The *Trade Contractor* shall keep one copy of current *Contract Documents*, submittals, reports, and records of meetings at the *Place of the Project*, in good order and available to the *Construction Manager* and the *Consultant*.

GC 3.10 SHOP DRAWINGS

- 3.10.1 The *Trade Contractor* shall provide *Shop Drawings* as required in the *Contract Documents*.
- 3.10.2 The *Trade Contractor* shall provide *Shop Drawings* to the *Construction Manager* for review by the *Construction Manager* and the *Consultant* in orderly sequence and sufficiently in advance so as to cause no delay in the *Work* or in the work of other contractors.
- 3.10.3 The *Trade Contractor*, the *Consultant* and the *Construction Manager* shall jointly prepare a schedule of the dates for provision, review and return of *Shop Drawings* upon request by any one of them.
- 3.10.4 The *Trade Contractor* shall provide *Shop Drawings* in the form specified, or if not specified, as directed by the *Consultant*.
- 3.10.5 *Shop Drawings* provided by the *Trade Contractor* to the *Construction Manager* shall indicate by stamp, date and signature of the person responsible for the review that the *Trade Contractor* has reviewed each one of them.
- 3.10.6 The *Consultant's* review is for conformity to the design concept and for general arrangement only.
- 3.10.7 *Shop Drawings* which require approval of any legally constituted authority having jurisdiction shall be provided to such authority by the *Trade Contractor* for approval.
- 3.10.8 The *Trade Contractor* shall review all *Shop Drawings* before providing them to the *Construction Manager*. The *Trade Contractor* represents by this review that:
 - .1 the *Trade Contractor* has determined and verified all field measurements, field construction conditions, *Product* requirements, catalogue numbers and similar data, or will do so; and
 - .2 the *Trade Contractor* has checked and co-ordinated each *Shop Drawing* with the requirements of the *Work* and of the *Contract Documents*.
- 3.10.9 At the time of providing *Shop Drawings*, the *Trade Contractor* shall expressly advise the *Construction Manager* in writing of any deviations in a *Shop Drawing* from the requirements of the *Contract Documents*. The *Construction Manager* shall indicate the *Consultant's* acceptance or rejection of such deviation expressly in writing.
- 3.10.10 If *Shop Drawings* are found to be in order, the *Construction Manager* will forward them to the *Consultant*. If the *Construction Manager* or the *Consultant* find the *Shop Drawings* incomplete or not in order, the *Construction Manager* may request the *Trade Contractor* to provide revised *Shop Drawings*.
- 3.10.11 The review by the *Construction Manager* and the *Consultant* shall not relieve the *Trade Contractor* of responsibility for errors or omissions in the *Shop Drawings* or for meeting all requirements of the *Contract Documents*.

- 3.10.12 The *Trade Contractor* shall provide revised *Shop Drawings* to correct those which the *Construction Manager* found to be incomplete or not in order or the *Consultant* rejects as inconsistent with the *Contract Documents*. The *Trade Contractor* shall notify the *Construction Manager* in writing of any revisions to the *Shop Drawings* other than those requested by the *Construction Manager* or the *Consultant*.
- 3.10.13 The *Construction Manager* will return *Shop Drawings* in accordance with the schedule agreed upon, or, in the absence of such schedule, with reasonable promptness so as to cause no delay in the performance of the *Work*.

GC 3.11 USE OF THE SITE

- 3.11.1 The *Trade Contractor* shall confine *Construction Equipment*, *Temporary Work*, storage of *Products*, waste products and debris, and operations of employees and *Trade Subcontractors* to limits indicated by laws, ordinances, permits, or the *Contract Documents* and shall not unreasonably encumber the *Place of the Project*.
- 3.11.2 The *Trade Contractor* shall not load or permit to be loaded any part of the *Project* with a weight or force that will endanger the safety of the *Project*.

GC 3.12 CUTTING AND REMEDIAL WORK

- 3.12.1 The *Trade Contractor* shall perform the cutting and remedial work required to make the affected parts of the *Work* come together properly.
- 3.12.2 The *Trade Contractor* shall co-ordinate the *Work* to ensure that the cutting and remedial work is kept to a minimum.
- 3.12.3 Should the *Owner*, the *Construction Manager*, the *Consultant*, other contractors, or anyone employed by them be responsible for ill-timed work necessitating cutting or remedial work to be performed, the *Contract Price* and the *Contract Time* shall be adjusted as provided in GC 6.2 - CHANGE ORDER and GC 6.3 - CHANGE DIRECTIVE.
- 3.12.4 Cutting and remedial work shall be performed by specialists familiar with the *Products* affected and shall be performed in a manner to neither damage nor endanger the *Project*.

GC 3.13 CLEANUP

- 3.13.1 The *Trade Contractor* shall maintain the *Work* in a safe and tidy condition and free from the accumulation of waste products and debris, other than that caused by the *Owner*, the *Construction Manager*, other contractors, or their employees.
- 3.13.2 Before applying for *Substantial Performance of the Work* as provided in GC 5.4 – SUBSTANTIAL PERFORMANCE OF THE WORK, the *Trade Contractor* shall remove waste products and debris, other than that resulting from the work of the *Owner*, the *Construction Manager*, other contractors, or their employees, and shall leave the *Place of the Project* clean and suitable for use or occupancy by the *Owner*. The *Trade Contractor* shall remove products, tools, *Construction Equipment*, and *Temporary Work* not required for the performance of the remaining *Work*.
- 3.13.3 Prior to application for the final payment, the *Trade Contractor* shall remove any remaining *Products*, tools, *Construction Equipment*, *Temporary Work*, and waste products and debris, other than those resulting from the work of the *Owner*, the *Construction Manager*, other contractors, or their employees.

PART 4 ALLOWANCES

GC 4.1 CASH ALLOWANCES

- 4.1.1 The *Contract Price* includes the cash allowances, if any, stated in the *Contract Documents*. The scope of work or costs included in such cash allowances shall be as described in the *Contract Documents*.
- 4.1.2 The *Contract Price*, and not the cash allowances, includes the *Trade Contractor's* overhead and profit in connection with such cash allowances.
- 4.1.3 Expenditures under cash allowances shall be authorized by the *Owner* through the *Construction Manager*.

- 4.1.4 Where the actual cost of the *Work* under any cash allowance exceeds the amount of the allowance, the *Trade Contractor* shall be compensated for the excess incurred and substantiated plus an amount for overhead and profit on the excess as set out in the *Contract Documents*. Where the actual cost of the *Work* under any cash allowance is less than the amount of the allowance, the *Owner* shall be credited for the unexpended portion of the cash allowance, but not for the *Trade Contractor's* overhead and profit on such amount. Multiple cash allowances shall not be combined for the purpose of calculating the foregoing.
- 4.1.5 The *Contract Price* shall be adjusted by *Change Order* to provide for any difference between the amount of each cash allowance and the actual cost of the *Work* under that cash allowance.
- 4.1.6 The value of the work performed under a cash allowance is eligible to be included in progress payments.
- 4.1.7 The *Trade Contractor* and the *Construction Manager* shall jointly prepare a schedule that shows when items called for under cash allowances must be ordered to avoid delaying the progress of the *Work*.

GC 4.2 CONTINGENCY ALLOWANCE

- 4.2.1 The *Contract Price* includes the contingency allowance, if any, stated in the *Contract Documents*.
- 4.2.2 The contingency allowance includes the *Trade Contractor's* overhead and profit in connection with such contingency allowance.
- 4.2.3 Expenditures under the contingency allowance shall be authorized and valued as provided in GC 6.1 – OWNER'S RIGHT TO MAKE CHANGES, GC 6.2 – CHANGE ORDER, and GC 6.3 – CHANGE DIRECTIVE.
- 4.2.4 The *Contract Price* shall be adjusted by *Change Order* to provide for any difference between the expenditures authorized under paragraph 4.2.3 and the contingency allowance.

PART 5 PAYMENT

GC 5.1 FINANCING INFORMATION REQUIRED OF THE OWNER

- 5.1.1 The *Owner* shall, at the request of the *Trade Contractor*, before signing the *Contract*, and promptly from time to time thereafter, furnish to the *Trade Contractor* reasonable evidence that financial arrangements have been made to fulfill the *Owner's* obligations under the *Contract*.
- 5.1.2 The *Owner* shall give the *Trade Contractor Notice in Writing* of any material change in the *Owner's* financial arrangements to fulfil the *Owner's* obligations under the *Contract* during the performance of the *Contract*.

GC 5.2 APPLICATIONS FOR PAYMENT

- 5.2.1 Applications for payment on account as provided in Article A-5 of the Agreement – PAYMENT may be made monthly to the *Construction Manager* as the *Work* progresses.
- 5.2.2 Applications for payment shall be dated the last day of each payment period, which is the last day of the month or an alternative day of the month agreed in writing by the parties.
- 5.2.3 The amount claimed shall be for the value, proportionate to the amount of the *Contract*, of *Work* performed and *Products* delivered to the *Place of the Project* as of the last day of the payment period.
- 5.2.4 The *Trade Contractor* shall submit to the *Construction Manager*, at least 15 calendar days before the first application for payment, a schedule of values for the parts of the *Work*, aggregating the total amount of the *Contract Price*, so as to facilitate evaluation of applications for payment.
- 5.2.5 The schedule of values shall be made out in such form and supported by such evidence as the *Payment Certifier* may reasonably require and when accepted by the *Payment Certifier*, shall be used as the basis for applications for payment, unless it is found to be in error.
- 5.2.6 The *Trade Contractor* shall include:
- .1 with each application for payment a statement based on the schedule of values, and
 - .2 with each of the second and subsequent applications for payment a CCDC 9A 'Statutory Declaration' to state that all accounts for labour, subcontracts, *Products*, *Construction Equipment*, and other indebtedness which may have been incurred by the *Trade Contractor* as of the last day of the payment period or an alternative day agreed by the parties and for which the *Owner* might in any way be held responsible have been paid in full, except for amounts properly retained as a holdback or as an identified amount in dispute.

- 5.2.7 Applications for payment for *Products* delivered to the *Place of the Project* but not yet incorporated into the *Work* shall be supported by such evidence as the *Payment Certifier* may reasonably require to establish the value and delivery of the *Products*.

GC 5.3 PROGRESS PAYMENT

- 5.3.1 After the *Construction Manager* receives an application for payment from the *Trade Contractor* as described in GC 5.2 – APPLICATIONS FOR PAYMENT:
- 1 the *Construction Manager* will promptly inform the *Owner* of the date of receipt of the *Trade Contractor's* application for payment and promptly forward a copy of the application for payment to the *Consultant*;
 - 2 the *Payment Certifier* will issue to the *Owner* and copy to the *Trade Contractor* and to the *Construction Manager* and the *Consultant*, as the case may be, no later than 10 calendar days after the receipt by the *Construction Manager* of the application for payment, a certificate for payment in the amount applied for, or in such other amount as the *Payment Certifier* determines to be properly due. If the *Payment Certifier* amends the application, the *Payment Certifier* will promptly advise the *Trade Contractor* in writing giving reasons for the amendment; and
 - 3 the *Owner* shall make payment to the *Trade Contractor* on account as provided in Article A-5 of the Agreement – PAYMENT on or before 20 calendar days after the later of:
 - receipt by the *Construction Manager* of the application for payment, or
 - the last day of the monthly payment period for which the application for payment is made.

GC 5.4 SUBSTANTIAL PERFORMANCE OF THE WORK

- 5.4.1 When the *Trade Contractor* considers that the *Work* is substantially performed, or if permitted by the lien legislation applicable to the *Place of the Project* a designated portion thereof which the *Owner* agrees to accept separately is substantially performed, the *Trade Contractor* shall, within one *Working Day*, deliver to the *Construction Manager* and to the *Owner* a comprehensive list of items to be completed or corrected, together with a written application for a review and verification by the *Construction Manager* and the *Consultant* to establish *Substantial Performance of the Work* or of the designated portion of the *Work*. Failure to include an item on the list does not alter the responsibility of the *Trade Contractor* to complete the *Contract*.
- 5.4.2 The *Construction Manager* and the *Consultant* will review the *Work* to verify the validity of the application and whichever of them is the *Payment Certifier*, acting in that capacity, will promptly, and in any event, no later than 20 calendar days after the *Construction Manager's* receipt of the *Trade Contractor's* list and application:
- 1 advise the *Trade Contractor* in writing that the *Work* or the designated portion of the *Work* is not substantially performed and give reasons why, or
 - 2 state the date of *Substantial Performance of the Work* or a designated portion of the *Work* in a certificate and issue a copy of that certificate to each of the *Owner* and the *Trade Contractor*.
- 5.4.3 Immediately following the issuance of the certificate of *Substantial Performance of the Work* or a designated portion of the *Work*, the *Trade Contractor*, in consultation with the *Construction Manager*, will establish a reasonable date for completing the *Work*.

GC 5.5 PAYMENT OF HOLDBACK UPON SUBSTANTIAL PERFORMANCE OF THE WORK

- 5.5.1 After the issuance of the certificate of *Substantial Performance of the Work*, the *Trade Contractor* shall submit to the *Construction Manager* an application for payment of the holdback amount including a CCDC 9A 'Statutory Declaration'.
- 5.5.2 After the *Construction Manager* receives an application for payment of the holdback amount from the *Trade Contractor*, whichever of the *Construction Manager* and the *Consultant* who is the *Payment Certifier*, and acting in that capacity, will issue a certificate for payment of the holdback amount.
- 5.5.3 Where the holdback amount required by the applicable lien legislation has not been placed in a separate holdback account, the *Owner* shall, 10 calendar days prior to the expiry of the holdback period stipulated in the lien legislation applicable to the *Place of the Project*, place the holdback amount in a bank account in the joint names of the *Owner* and the *Trade Contractor*.
- 5.5.4 In the common law jurisdictions, the holdback amount authorized by the certificate for payment of the holdback amount is due and payable on the first calendar day following the expiration of the holdback period stipulated in the lien legislation applicable to the *Place of the Project*. Where lien legislation does not exist or apply, the holdback amount shall be due and payable in accordance with other legislation, industry practice or provisions which may be agreed to between the parties. The *Owner* may retain out of the holdback amount any sums required by law to satisfy any liens against the *Work* or, if permitted by the lien legislation applicable to the *Place of the Project*, other third party monetary claims against the *Trade Contractor* which are enforceable against the *Owner*.

- 5.5.5 In the Province of Quebec, the holdback amount authorized by the certificate for payment of the holdback amount is due and payable 30 calendar days after the issuance of the certificate. The *Owner* may retain out of the holdback amount any sums required to satisfy any legal hypothecs that have been taken, or could be taken, against the *Work* or other third party monetary claims against the *Trade Contractor* which are enforceable against the *Owner*.

GC 5.6 PROGRESSIVE RELEASE OF HOLDBACK

- 5.6.1 In the Common Law jurisdictions, where legislation permits and where, upon application by the *Trade Contractor*, the *Payment Certifier* has certified that the work of a *Trade Subcontractor* or *Supplier* has been performed prior to *Substantial Performance of the Work*, the *Owner* shall pay the *Trade Contractor* the holdback amount retained for such subcontract work, or the *Products* supplied by such *Supplier*, on the first calendar day following the expiration of the holdback period for such work stipulated in the lien legislation applicable to the *Place of the Project*. The *Owner* may retain out of the holdback amount any sums required by law to satisfy any liens against the *Work* or, if permitted by the lien legislation applicable to the *Place of the Project*, other third party monetary claims against the *Trade Contractor* which are enforceable against the *Owner*.
- 5.6.2 In the Province of Quebec, where, upon application by the *Trade Contractor*, the *Payment Certifier* has certified that the work of a *Trade Subcontractor* or *Supplier* has been performed prior to *Substantial Performance of the Work*, the *Owner* shall pay the *Trade Contractor* the holdback amount retained for such subcontract work, or the *Products* supplied by such *Supplier*, no later than 30 calendar days after such certification by the *Payment Certifier*. The *Owner* may retain out of the holdback amount any sums required to satisfy any legal hypothecs that have been taken, or could be taken, against the *Work* or other third party monetary claims against the *Trade Contractor* which are enforceable against the *Owner*.
- 5.6.3 Notwithstanding the provisions of the preceding paragraphs, and notwithstanding the wording of such certificates, the *Trade Contractor* shall ensure that such subcontract work or *Products* are protected pending the *Substantial Performance of the Work* and be responsible for the correction of defects or work not performed regardless of whether or not such was apparent when such certificates were issued.

GC 5.7 FINAL PAYMENT

- 5.7.1 When the *Trade Contractor* considers that the *Work* is completed, the *Trade Contractor* shall submit an application for final payment to the *Construction Manager*
- 5.7.2 No later than 10 calendar days after the receipt by the *Construction Manager* an application for final payment from the *Trade Contractor*:
- .1 the *Construction Manager* and the *Consultant* will review the *Work* to verify the validity of the application, and
 - .2 the *Payment Certifier* will advise the *Trade Contractor* in writing that the application is valid or give reasons why it is not valid.
- 5.7.3 When the *Construction Manager* and the *Consultant* find the *Trade Contractor's* application for final payment valid, whichever of them is the *Payment Certifier*, and acting in that capacity, will promptly issue a final certificate for payment.
- 5.7.4 Subject to the provision of paragraph 10.4.1 of GC 10.4 – WORKERS' COMPENSATION, and any lien legislation applicable to the *Place of the Project*, the *Owner* shall, no later than 5 calendar days after the issuance of a final certificate for payment, pay the *Trade Contractor* as provided in Article A-5 of the Agreement – PAYMENT.

GC 5.8 WITHHOLDING OF PAYMENT

- 5.8.1 If because of climatic or other conditions reasonably beyond the control of the *Trade Contractor*, there are items of work that cannot be performed, payment in full for that portion of the *Work* which has been performed as certified by the *Payment Certifier* shall not be withheld or delayed by the *Owner* on account thereof, but the *Owner* may withhold, until the remaining portion of the *Work* is finished, only such an amount that the *Payment Certifier* determines is sufficient and reasonable to cover the cost of performing such remaining *Work*.

GC 5.9 NON-CONFORMING WORK

- 5.9.1 No payment by the *Owner* under the *Contract* nor partial or entire use or occupancy of the *Work* by the *Owner* shall constitute an acceptance of any portion of the *Work* or *Products* which are not in accordance with the requirements of the *Contract Documents*.

PART 6 CHANGES IN THE WORK

GC 6.1 OWNER'S RIGHT TO MAKE CHANGES

- 6.1.1 The *Owner* without invalidating the *Contract*, may make:
- .1 changes in the *Work* consisting of additions, deletions or other revisions to the *Work* by *Change Order* or *Change Directive*, and
 - .2 changes to the *Contract Time* for the *Work*, or any part thereof, by *Change Order*.
- 6.1.2 The *Trade Contractor* shall not perform a change in the *Work* without a *Change Order* or a *Change Directive*.

GC 6.2 CHANGE ORDER

- 6.2.1 When a change in the *Work* is proposed or required, the *Construction Manager* will provide the *Trade Contractor* with a written description of the proposed change in the *Work*. The *Trade Contractor* shall promptly present, in a form acceptable to the *Construction Manager*, a method of adjustment or an amount of adjustment for the *Contract Price*, if any, and the adjustment in the *Contract Time*, if any, for the proposed change in the *Work*.
- 6.2.2 When the *Owner* and *Trade Contractor* agree to the adjustments in the *Contract Price* and *Contract Time* or to the method to be used to determine the adjustments, such agreement shall be effective immediately and shall be recorded in a *Change Order*. The value of the work performed as the result of a *Change Order* shall be included in the applications for progress payment.

GC 6.3 CHANGE DIRECTIVE

- 6.3.1 If the *Owner* requires the *Trade Contractor* to proceed with a change in the *Work* prior to the *Owner* and the *Trade Contractor* agreeing upon the corresponding adjustment in *Contract Price* and *Contract Time*, the *Owner*, through the *Construction Manager*, shall issue a *Change Directive*.
- 6.3.2 A *Change Directive* shall only be used to direct a change in the *Work* which is within the general scope of the *Contract Documents*.
- 6.3.3 A *Change Directive* shall not be used to direct a change in the *Contract Time* only.
- 6.3.4 Upon receipt of a *Change Directive*, the *Trade Contractor* shall proceed promptly with the change in the *Work*.
- 6.3.5 For the purpose of valuing *Change Directives*, changes in the *Work* that are not substitutions or otherwise related to each other shall not be grouped together in the same *Change Directive*.
- 6.3.6 The adjustment in the *Contract Price* for a change carried out by way of a *Change Directive* shall be determined on the basis of the cost of the *Trade Contractor's* actual expenditures and savings attributable to the *Change Directive*, valued in accordance with paragraph 6.3.7 and as follows:
- .1 If the change results in a net increase in the *Trade Contractor's* cost, the *Contract Price* shall be increased by the amount of the net increase in the *Trade Contractor's* cost, plus the *Trade Contractor's* percentage fee on such net increase.
 - .2 If the change results in a net decrease in the *Trade Contractor's* cost, the *Contract Price* shall be decreased by the amount of the net decrease in the *Trade Contractor's* cost, without adjustment for the *Trade Contractor's* percentage fee.
 - .3 The *Trade Contractor's* fee shall be as specified in the *Contract Documents* or as otherwise agreed by the parties.
- 6.3.7 The cost of performing the work attributable to the *Change Directive* shall be limited to the actual cost of the following:
- .1 salaries, wages and benefits paid to personnel in the direct employ of the *Trade Contractor* under a salary or wage schedule agreed upon by the *Owner* and the *Trade Contractor*, or in the absence of such a schedule, actual salaries, wages and benefits paid under applicable bargaining agreements, and in the absence of a salary or wage schedule and bargaining agreement, actual salaries, wages and benefits paid by the *Trade Contractor*, for personnel:
 - (1) stationed at the *Trade Contractor's* field office, in whatever capacity employed;
 - (2) engaged in expediting the production or transportation of material or equipment, at shops or on the road;
 - (3) engaged in the preparation or review of *Shop Drawings*, fabrication drawings, and coordination drawings; or
 - (4) engaged in the processing of changes in the *Work*.
 - .2 contributions, assessments or taxes incurred for such items as employment insurance, provincial or territorial health insurance, workers' compensation, and Canada or Quebec Pension Plan, insofar as such cost is based on wages, salaries or other remuneration paid to employees of the *Trade Contractor* and included in the cost of the *Work* as provided in paragraph 6.3.7.1;

- .3 travel and subsistence expenses of the *Trade Contractor's* personnel described in 6.3.7.1;
 - .4 all *Products* including the cost of transportation thereof;
 - .5 materials, supplies, *Construction Equipment*, *Temporary Work*, and hand tools not owned by the workers, including transportation and maintenance thereof, which are consumed in the performance of the *Work*; and cost less salvage value on such items used but not consumed, which remain the property of the *Trade Contractor*;
 - .6 all tools and *Construction Equipment*, exclusive of hand tools used in the performance of the *Work*, whether rented from or provided by the *Trade Contractor* or others, including installation, minor repairs and replacements, dismantling, removal, transportation and delivery cost thereof;
 - .7 all equipment and services required for the *Trade Contractor's* field office;
 - .8 deposits lost, provided that they are not caused by negligent acts or omissions of the *Construction Manager* and the *Services* are performed in accordance with this *Contract*.
 - .9 the amounts of all subcontracts;
 - .10 quality assurance such as independent inspection and testing services;
 - .11 charges levied by authorities having jurisdiction at the *Place of the Project*;
 - .12 royalties, patent license fees and damages for infringement of patents and cost of defending suits therefor subject always to the *Trade Contractor's* obligations to indemnify the *Owner* as provided in paragraph 10.3.1 of GC 10.3 – PATENT FEES;
 - .13 any adjustment in premiums for all bonds and insurance which the *Trade Contractor* is required, by the *Contract Documents*, to purchase and maintain;
 - .14 any adjustment in taxes, other than *Value Added Taxes*, and duties for which the *Trade Contractor* is liable;
 - .15 charges for long distance communications, courier services, expressage, printing, and reproduction incurred in relation to the performance of the *Work*;
 - .16 removal and disposal of waste products and debris; and
 - .17 safety measures and requirements.
- 6.3.8 Notwithstanding any other provisions contained in the General Conditions of the *Contract*, it is the intention of the parties that the cost of any item under any cost element referred to in paragraph 6.3.7 shall cover and include any and all costs or liabilities attributable to the *Change Directive* other than those which are the result of or occasioned by any failure on the part of the *Trade Contractor* to exercise reasonable care and diligence in the *Trade Contractor's* attention to the *Work*. Any cost due to failure on the part of the *Trade Contractor* to exercise reasonable care and diligence in the *Trade Contractor's* attention to the *Work* shall be borne by the *Trade Contractor*.
- 6.3.9 The *Trade Contractor* shall keep full and detailed accounts and records necessary for the documentation of the cost of performing the work attributable to the *Change Directive* and shall provide the *Construction Manager* with copies thereof when requested.
- 6.3.10 For the purpose of valuing *Change Directives*, the *Owner* and the *Construction Manager* shall be afforded reasonable access to all of the *Trade Contractor's* pertinent documents related to the cost of performing the *Work* attributable to the *Change Directive*.
- 6.3.11 Pending determination of the final amount of a *Change Directive*, the undisputed value of the *Work* performed as the result of a *Change Directive* is eligible to be included in progress payments.
- 6.3.12 If the *Owner* and the *Trade Contractor* do not agree on the proposed adjustment in the *Contract Time* attributable to the change in the *Work*, or the method of determining it, the adjustment shall be referred to the *Construction Manager* for finding.
- 6.3.13 When the *Owner* and the *Trade Contractor* reach agreement on the adjustment to the *Contract Price* and to the *Contract Time*, this agreement shall be recorded in a *Change Order*.

GC 6.4 CONCEALED OR UNKNOWN CONDITIONS

- 6.4.1 If the *Owner*, the *Trade Contractor* or the *Construction Manager* discover conditions at the *Place of the Project* which are:
- .1 subsurface or otherwise concealed physical conditions which existed before the commencement of the *Work* which differ materially from those indicated in the *Contract Documents*; or
 - .2 physical conditions, other than conditions due to weather, that are of a nature which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the *Contract Documents*,
- then the observing party shall give *Notice in Writing* to the *Construction Manager* of such conditions before they are disturbed and in no event later than 5 *Working Days* after first observance of the conditions. The *Construction Manager* will promptly inform the *Owner*, the *Trade Contractor* and the *Consultant* in writing.

- 6.4.2 The *Construction Manager* will promptly investigate such conditions and make a finding. If the finding is that the conditions differ materially and this would cause an increase or decrease in the *Trade Contractor's* cost or time to perform the *Work*, the *Construction Manager*, with the *Owner's* approval, will issue appropriate instructions for a change in the *Work* as provided in GC 6.2 – CHANGE ORDER or GC 6.3 – CHANGE DIRECTIVE.
- 6.4.3 If the *Construction Manager* finds that the conditions at the *Place of the Project* are not materially different or that no change in the *Contract Price* or the *Contract Time* is justified, the *Construction Manager* will promptly inform the *Owner* and the *Trade Contractor* in writing.
- 6.4.4 If such concealed or unknown conditions relate to toxic and hazardous substances and materials, artifacts and fossils, or mould, the parties will be governed by the provisions of GC 9.2 – TOXIC AND HAZARDOUS SUBSTANCES, GC 9.3 – ARTIFACTS AND FOSSILS and GC 9.5 – MOULD.

GC 6.5 DELAYS

- 6.5.1 If the *Trade Contractor* is delayed in the performance of the *Work* by an action or omission of the *Owner*, the *Construction Manager*, the *Consultant*, or anyone employed or engaged by them directly or indirectly, contrary to the provisions of the *Contract Documents*, then the *Contract Time* shall be extended for such reasonable time as the *Construction Manager* may recommend in consultation with the *Trade Contractor*. The *Trade Contractor* shall be reimbursed by the *Owner* for reasonable costs incurred by the *Trade Contractor* as the result of such delay.
- 6.5.2 If the *Trade Contractor* is delayed in the performance of the *Work* by a stop work order issued by a court or other public authority and providing that such order was not issued as the result of an act or fault of the *Trade Contractor* or any person employed or engaged by the *Trade Contractor* directly or indirectly, then the *Contract Time* shall be extended for such reasonable time as the *Construction Manager* may recommend in consultation with the *Trade Contractor*. The *Trade Contractor* shall be reimbursed by the *Owner* for reasonable costs incurred by the *Trade Contractor* as the result of such delay.
- 6.5.3 If the *Trade Contractor* is delayed in the performance of the *Work* by:
- .1 labour disputes, strikes, lock-outs (including lock-outs decreed or recommended for its members by a recognized contractors' association, of which the *Trade Contractor* is a member or to which the *Trade Contractor* is otherwise bound),
 - .2 fire, unusual delay by common carriers or unavoidable casualties,
 - .3 abnormally adverse weather conditions, or
 - .4 any cause beyond the *Trade Contractor's* control other than one resulting from a default or breach of *Contract* by the *Trade Contractor*,
- then the *Contract Time* shall be extended for such reasonable time as the *Construction Manager* may recommend in consultation with the *Trade Contractor*. The extension of time shall not be less than the time lost as the result of the event causing the delay, unless the *Trade Contractor* agrees to a shorter extension. The *Trade Contractor* shall not be entitled to payment for costs incurred by such delays unless such delays result from actions by the *Owner*, *Consultant*, *Construction Manager*, or anyone employed or engaged by them directly or indirectly.
- 6.5.4 No extension shall be made for delay unless *Notice in Writing* of the cause of delay is given to the *Construction Manager* not later than 10 *Working Days* after the commencement of delay. In the case of a continuing cause of delay only one *Notice in Writing* shall be necessary.
- 6.5.5 If no schedule is made under paragraph 2.2.1.4 of GC 2.2 – ROLE OF THE CONSTRUCTION MANAGER AND THE CONSULTANT, then no request for extension shall be made because of failure of the *Construction Manager* to furnish instructions until 10 *Working Days* after demand for such instructions has been made.

GC 6.6 CLAIMS FOR A CHANGE IN CONTRACT PRICE

- 6.6.1 If the *Trade Contractor* intends to make a claim for an increase to the *Contract Price*, or if the *Owner* intends to make a claim against the *Trade Contractor* for a credit to the *Contract Price*, the party that intends to make the claim shall give timely *Notice in Writing* of intent to claim to the other party and to the *Construction Manager*.
- 6.6.2 Upon commencement of the event or series of events giving rise to a claim, the party intending to make the claim shall:
- .1 take all reasonable measures to mitigate any loss or expense which may be incurred as a result of such event or series of events, and
 - .2 keep such records as may be necessary to support the claim.

- 6.6.3 The party making the claim shall submit within a reasonable time to the *Construction Manager* a detailed account of the amount claimed and the grounds upon which the claim is based, and the *Construction Manager* shall make a finding upon such claim.
- 6.6.4 Where the event or series of events giving rise to the claim has a continuing effect, the detailed account submitted under paragraph 6.6.3 shall be considered to be an interim account and the party making the claim shall, at such intervals as the *Construction Manager* may reasonably require, submit further interim accounts giving the accumulated amount of the claim and any further grounds upon which it is based. The party making the claim shall submit a final account after the end of the effects resulting from the event or series of events.
- 6.6.5 The *Construction Manager's* finding with respect to a claim made by either party, will be given by *Notice in Writing* to both parties within 30 *Working Days* after receipt of the claim by the *Construction Manager*, or within such other time period as may be agreed by the parties.
- 6.6.6 If such finding is not acceptable to either party, the claim shall be settled in accordance with Part 8 of the General Conditions – DISPUTE RESOLUTION.†

PART 7 DEFAULT NOTICE

GC 7.1 OWNER'S RIGHT TO PERFORM THE WORK, TERMINATE THE TRADE CONTRACTOR'S RIGHT TO CONTINUE WITH THE WORK OR TERMINATE THE CONTRACT

- 7.1.1 If the *Trade Contractor* is adjudged bankrupt, or makes a general assignment for the benefit of creditors because of the *Trade Contractor's* insolvency, or if a receiver is appointed because of the *Trade Contractor's* insolvency, the *Owner* may, without prejudice to any other right or remedy the *Owner* may have, terminate the *Trade Contractor's* right to continue with the *Work*, by giving the *Trade Contractor* or receiver or trustee in bankruptcy *Notice in Writing* to that effect.
- 7.1.2 If the *Trade Contractor* neglects to prosecute the *Work* properly or otherwise fails to comply with the requirements of the *Contract* to a substantial degree and if the *Construction Manager* has given a written statement to the *Owner* and *Trade Contractor* that sufficient cause exists to justify such action, the *Owner* may, without prejudice to any other right or remedy the *Owner* may have, give the *Trade Contractor Notice in Writing* with a copy to the *Construction Manager* that the *Trade Contractor* is in default of the *Trade Contractor's* contractual obligations and instruct the *Trade Contractor* to correct the default in the 5 *Working Days* immediately following the receipt of such *Notice in Writing*.
- 7.1.3 If the default cannot be corrected in the 5 *Working Days* specified or in such other time period as may be subsequently agreed in writing by the parties, the *Trade Contractor* shall be in compliance with the *Owner's* instructions if the *Trade Contractor*:
- .1 commences the correction of the default within the specified time, and
 - .2 provides the *Owner* with an acceptable schedule for such correction, and
 - .3 corrects the default in accordance with the *Contract* terms and with such schedule.
- 7.1.4 If the *Trade Contractor* fails to correct the default in the time specified or in such other time period as may be subsequently agreed in writing by the parties, without prejudice to any other right or remedy the *Owner* may have, the *Owner* may:
- .1 correct such default and deduct the cost thereof from any payment then or thereafter due to the *Trade Contractor* provided the *Payment Certifier* has certified such cost to the *Owner* and the *Trade Contractor*, or
 - .2 terminate the *Trade Contractor's* right to continue with the *Work* in whole or in part or terminate the *Contract*.
- 7.1.5 If the *Owner* terminates the *Trade Contractor's* right to continue with the *Work* as provided in paragraphs 7.1.1 and 7.1.4, the *Owner* shall be entitled to:
- .1 take possession of the *Work* and *Products* at the *Place of the Project*; subject to the rights of third parties, utilize the *Construction Equipment* at the *Place of the Project*; finish the *Work* by whatever method the *Construction Manager* may consider expedient, but without undue delay or expense, and
 - .2 withhold further payment to the *Trade Contractor* until a final certificate for payment is issued, and
 - .3 charge the *Trade Contractor* the amount by which the full cost of finishing the *Work* as certified by the *Payment Certifier*, including compensation to the *Construction Manager* and the *Consultant* for their additional services and a reasonable allowance as determined by the *Construction Manager* to cover the cost of corrections to work performed by the *Trade Contractor* that may be required under GC 12.3 – WARRANTY, exceeds the unpaid balance of the *Contract Price*; however, if such cost of finishing the *Work* is less than the unpaid balance of the *Contract Price*, the *Owner* shall pay the *Trade Contractor* the difference, and

- .4 on expiry of the warranty period, charge the *Trade Contractor* the amount by which the cost of corrections to the *Trade Contractor's* work under GC 12.3 – WARRANTY exceeds the allowance provided for such corrections, or if the cost of such corrections is less than the allowance, pay the *Trade Contractor* the difference.

7.1.6 The *Trade Contractor's* obligation under the *Contract* as to quality, correction and warranty of the work performed by the *Trade Contractor* up to the time of termination shall continue in force after such termination of the *Contract*.

GC 7.2 TRADE CONTRACTOR'S RIGHT TO SUSPEND THE WORK OR TERMINATE THE CONTRACT

7.2.1 If the *Owner* is adjudged bankrupt, or makes a general assignment for the benefit of creditors because of the *Owner's* insolvency, or if a receiver is appointed because of the *Owner's* insolvency, the *Trade Contractor* may, without prejudice to any other right or remedy the *Trade Contractor* may have, terminate the *Contract* by giving the *Owner* or receiver or trustee in bankruptcy *Notice in Writing* to that effect.

7.2.2 If the *Work* should be suspended or otherwise delayed for a period of 20 *Working Days* or more under an order of a court or other public authority and providing that such order was not issued as the result of an act or fault of the *Trade Contractor* or of anyone directly or indirectly employed or engaged by the *Trade Contractor*, the *Trade Contractor* may, without prejudice to any other right or remedy the *Trade Contractor* may have, terminate the *Contract* by giving the *Owner* *Notice in Writing* to that effect.

7.2.3 The *Trade Contractor* may give *Notice in Writing* to the *Owner*, with a copy to the *Construction Manager* and the *Consultant*, that the *Owner* is in default of the *Owner's* contractual obligations if:

- .1 the *Owner* fails to furnish, when so requested by the *Trade Contractor*, reasonable evidence that financial arrangements have been made to fulfill the *Owner's* obligations under the *Contract*, or
- .2 the *Payment Certifier* fails to issue a certificate as provided in Part 5 of the General Conditions – PAYMENT, or
- .3 the *Owner* fails to pay the *Trade Contractor* when due the amounts certified by the *Payment Certifier* or awarded by arbitration or court, or
- .4 the *Owner* violates the requirements of the *Contract* to a substantial degree and the *Construction Manager*, except for GC 5.1 – FINANCING INFORMATION REQUIRED OF THE OWNER, confirms by written statement to the *Trade Contractor* that sufficient cause exists.

7.2.4 The *Trade Contractor's* *Notice in Writing* to the *Owner* provided under paragraph 7.2.3 shall advise that if the default is not corrected within 5 *Working Days* following the receipt of the *Notice in Writing*, the *Trade Contractor* may, without prejudice to any other right or remedy the *Trade Contractor* may have, suspend the *Work* or terminate the *Contract*.

7.2.5 If the *Trade Contractor* terminates the *Contract* under the conditions set out above, the *Trade Contractor* shall be entitled to be paid for all work performed including reasonable profit, for loss sustained upon *Products* and *Construction Equipment*, and such other damages as the *Trade Contractor* may have sustained as a result of the termination of the *Contract*.

PART 8 DISPUTE RESOLUTION

GC 8.1 AUTHORITY OF THE CONSTRUCTION MANAGER AND THE CONSULTANT

8.1.1 Differences between the parties to the *Contract* as to the interpretation, application or administration of the *Contract* or any failure to agree where agreement between the parties is called for, herein collectively called disputes, which are not resolved in the first instance by findings of the *Construction Manager* or the *Consultant* as provided in GC 2.2 – ROLE OF THE CONSTRUCTION MANAGER AND THE CONSULTANT, shall be settled in accordance with the requirements of Part 8 of the General Conditions – DISPUTE RESOLUTION.

8.1.2 If a dispute arises under the *Contract* in respect of a matter in which neither the *Construction Manager* nor the *Consultant* have authority under the *Contract* to make a finding, the procedures set out in paragraph 8.1.3 and paragraphs 8.2.3 to 8.2.8 of GC 8.2 – NEGOTIATION, MEDIATION AND ARBITRATION, and in GC 8.3 – RETENTION OF RIGHTS apply to that dispute with the necessary changes to detail as may be required.

8.1.3 If a dispute is not resolved promptly, the *Construction Manager* will give such instructions as in the *Construction Manager's* opinion are necessary for the proper performance of the *Work* and to prevent delays pending settlement of the dispute. The parties shall act immediately according to such instructions, it being understood that by so doing neither party will jeopardize any claim the party may have. If it is subsequently determined that such instructions were in error or at variance with the *Contract Documents*, the *Owner* shall pay the *Trade Contractor* costs incurred by the *Trade Contractor* in carrying out such instructions which the *Trade Contractor* was required to do beyond what the *Contract Documents* correctly understood and interpreted would have required, including costs resulting from interruption of the *Work*.

GC 8.2 NEGOTIATION, MEDIATION AND ARBITRATION

- 8.2.1 In accordance with the Rules for Mediation and Arbitration of Construction Disputes as provided in CCDC 40 in effect at the time of bid closing, the parties shall appoint a Project Mediator
- .1 within 20 *Working Days* after the *Contract* was awarded, or
 - .2 if the parties neglected to make an appointment within the 20 *Working Days*, within 10 *Working Days* after either party by *Notice in Writing* requests that the Project Mediator be appointed.
- 8.2.2 A party shall be conclusively deemed to have accepted a finding of the *Construction Manager* or the *Consultant* under GC 2.2 - ROLES OF THE CONSTRUCTION MANAGER AND THE CONSULTANT and to have expressly waived and released the other party from any claims in respect of the particular matter dealt with in that finding unless, within 15 *Working Days* after receipt of that finding, the party sends a *Notice in Writing* of dispute to the other party, the *Construction Manager* and the *Consultant*, which contains the particulars of the matter in dispute and the relevant provisions of the *Contract Documents*. The responding party shall send a *Notice in Writing* of reply to the dispute within 10 *Working Days* after receipt of such *Notice in Writing* setting out particulars of this response and any relevant provisions of the *Contract Documents*.
- 8.2.3 The parties shall make all reasonable efforts to resolve their dispute by amicable negotiations and agree to provide, without prejudice, frank, candid and timely disclosure of relevant facts, information and documents to facilitate these negotiations.
- 8.2.4 After a period of 10 *Working Days* following receipt of a responding party's *Notice in Writing* of reply under paragraph 8.2.2, the parties shall request the Project Mediator to assist the parties to reach agreement on any unresolved dispute. The mediated negotiations shall be conducted in accordance with the Rules for Mediation and Arbitration of Construction Disputes as provided in CCDC 40 in effect at the time of bid closing.
- 8.2.5 If the dispute has not been resolved within 10 *Working Days* after the Project Mediator was requested under paragraph 8.2.4 or within such further period agreed by the parties, the Project Mediator shall terminate the mediated negotiations by giving *Notice in Writing* to the *Owner*, the *Trade Contractor* and the *Construction Manager*.
- 8.2.6 By giving a *Notice in Writing* to the other party and the *Construction Manager*, not later than 10 *Working Days* after the date of termination of the mediated negotiations under paragraph 8.2.5, either party may refer the dispute to be finally resolved by arbitration under the latest edition of the Rules for Mediation and Arbitration of Construction Disputes as provided in CCDC 40 in effect at the time of bid closing. The arbitration shall be conducted in the jurisdiction of the *Place of the Project*.
- 8.2.7 On expiration of the 10 *Working Days*, the arbitration agreement under paragraph 8.2.6 is not binding on the parties and, if a *Notice in Writing* is not given under paragraph 8.2.6 within the required time, the parties may refer the unresolved dispute to the courts or to any other form of dispute resolution, including arbitration, which they have agreed to use.
- 8.2.8 If neither party, by *Notice in Writing*, given within 10 *Working Days* of the date of *Notice in Writing* requesting arbitration in paragraph 8.2.6, requires that a dispute be arbitrated immediately, all disputes referred to arbitration as provided in paragraph 8.2.6 shall be
- .1 held in abeyance until
 - (1) *Substantial Performance of the Work*,
 - (2) the *Contract* has been terminated, or
 - (3) the *Trade Contractor* has abandoned the *Work*,whichever is earlier, and
 - .2 consolidated into a single arbitration under the rules governing the arbitration under paragraph 8.2.6.

GC 8.3 RETENTION OF RIGHTS

- 8.3.1 It is agreed that no act by either party shall be construed as a renunciation or waiver of any rights or recourses, provided the party has given the *Notice in Writing* required under Part 8 of the General Conditions – DISPUTE RESOLUTION and has carried out the instructions as provided in paragraph 8.1.3 of GC 8.1 – AUTHORITY OF THE CONSTRUCTION MANAGER AND THE CONSULTANT.
- 8.3.2 Nothing in Part 8 of the General Conditions – DISPUTE RESOLUTION shall be construed in any way to limit a party from asserting any statutory right to a lien under applicable lien legislation of the jurisdiction of the *Place of the Project* and the assertion of such right by initiating judicial proceedings is not to be construed as a waiver of any right that party may have under paragraph 8.2.6 of GC 8.2 – NEGOTIATION, MEDIATION AND ARBITRATION to proceed by way of arbitration to adjudicate the merits of the claim upon which such a lien is based.

PART 9 PROTECTION OF PERSONS AND PROPERTY

GC 9.1 PROTECTION OF WORK AND PROPERTY

- 9.1.1 The *Trade Contractor* shall protect the *Project* and the *Owner's* property and property adjacent to the *Place of the Project* from damage which may arise as the result of the *Trade Contractor's* operations under the *Contract*, and shall be responsible for such damage, except damage which occurs as the result of:
- .1 errors in the *Contract Documents*; or
 - .2 acts or omissions by the *Owner*, the *Construction Manager*, the *Consultant*, other contractors, their agents and employees.
- 9.1.2 Before commencing any *Work*, the *Trade Contractor* shall determine the location of all underground utilities and structures indicated in the *Contract Documents* or that are reasonably apparent in an inspection of the *Place of the Project*.
- 9.1.3 Should the *Trade Contractor* in the performance of the *Contract* damage the *Project*, the *Owner's* property or property adjacent to the *Place of the Project*, the *Trade Contractor* shall be responsible for making good of such damage at the *Trade Contractor's* expense.
- 9.1.4 Should damage occur to the *Work* or *Owner's* property for which the *Trade Contractor* is not responsible, as provided in paragraph 9.1.1, the *Trade Contractor* shall make good such damage to the *Work* and, if the *Construction Manager* so directs, to the *Owner's* property. The *Contract Price* and *Contract Time* shall be adjusted as provided in GC 6.1 – OWNER'S RIGHT TO MAKE CHANGES, GC 6.2 – CHANGE ORDER, and GC 6.3 – CHANGE DIRECTIVE.

GC 9.2 TOXIC AND HAZARDOUS SUBSTANCES

- 9.2.1 For the purposes of applicable legislation related to toxic and hazardous substances, the *Owner* shall be deemed to have control and management of the *Place of the Project* with respect to existing conditions.
- 9.2.2 Prior to the *Trade Contractor* commencing the *Work*, the *Owner* shall,
- .1 take all reasonable steps to determine whether any toxic or hazardous substances are present at the *Place of the Project*, and
 - .2 provide the *Construction Manager*, the *Consultant* and the *Trade Contractor* with a written list of any such substances that are known to exist and their locations.
- 9.2.3 The *Owner* shall take all reasonable steps to ensure that no person's exposure to any toxic or hazardous substance exceeds the time weighted levels prescribed by applicable legislation at the *Place of the Project* and that no property is damaged or destroyed as a result of exposure to, or the presence of, toxic or hazardous substances which were at the *Place of the Project* prior to the *Trade Contractor* commencing the *Work*.
- 9.2.4 Unless the *Contract* expressly provides otherwise, the *Owner* shall be responsible for taking all necessary steps, in accordance with applicable legislation in force at the *Place of the Project*, to dispose of, store or otherwise render harmless toxic or hazardous substances which were present at the *Place of the Project* prior to the *Trade Contractor* commencing the *Work*.
- 9.2.5 If the *Trade Contractor*
- .1 encounters toxic or hazardous substances at the *Place of the Project*, or
 - .2 has reasonable grounds to believe that toxic or hazardous substances are present at the *Place of the Project*, which were not brought to the *Place of the Project* by the *Trade Contractor* or anyone for whom the *Trade Contractor* is responsible and which were not disclosed by the *Owner* or which were disclosed but have not been dealt with as required under paragraph 9.2.4, the *Trade Contractor* shall
 - .3 take all reasonable steps, including stopping the *Work*, to ensure that no person's exposure to any toxic or hazardous substance exceeds any applicable time weighted levels prescribed by applicable legislation at the *Place of the Project*, and
 - .4 immediately report the circumstances to the *Construction Manager*, the *Owner* and the *Consultant* in writing.
- 9.2.6 If the *Owner* and *Trade Contractor* do not agree on the existence, significance of, or whether the toxic or hazardous substances were brought onto the *Place of the Project* by the *Trade Contractor* or anyone for whom the *Trade Contractor* is responsible, the *Owner* shall retain and pay for an independent qualified expert to investigate and determine such matters. The expert's report shall be delivered to the *Owner*, the *Trade Contractor* and the *Construction Manager*.

- 9.2.7 If the *Owner* and *Trade Contractor* agree or if the expert referred to in paragraph 9.2.6 determines that the toxic or hazardous substances were not brought onto the *Place of the Project* by the *Trade Contractor* or anyone for whom the *Trade Contractor* is responsible, the *Owner* shall promptly at the *Owner's* own expense:
- .1 take all steps as required under paragraph 9.2.4;
 - .2 reimburse the *Trade Contractor* for the costs of all steps taken pursuant to paragraph 9.2.5;
 - .3 extend the *Contract Time* for such reasonable time as the *Construction Manager* may recommend in consultation with the *Owner*, the *Trade Contractor* and the expert referred to in 9.2.6 and reimburse the *Trade Contractor* for reasonable costs incurred as a result of the delay; and
 - .4 indemnify the *Trade Contractor* as required by paragraph GC 12.1 – INDEMNIFICATION
- 9.2.8 If the *Owner* and *Trade Contractor* agree or if the expert referred to in paragraph 9.2.6 determines that the toxic or hazardous substances were brought onto the *Place of the Project* by the *Trade Contractor* or anyone for whom the *Trade Contractor* is responsible, the *Trade Contractor* shall promptly at the *Trade Contractor's* own expense:
- .1 take all necessary steps in accordance with applicable legislation in force at the *Place of the Project*, to safely remove and dispose the toxic or hazardous substances;
 - .2 make good any damage to the *Work*, the *Owner's* property or property adjacent to the *Place of the Project* as provided in paragraph 9.1.3 of GC 9.1 – PROTECTION OF WORK AND PROPERTY;
 - .3 reimburse the *Owner* for reasonable costs incurred under paragraph 9.2.6; and
 - .4 indemnify the *Owner* as required by GC 12.1 – INDEMNIFICATION.
- 9.2.9 If either party does not accept the expert's findings under paragraph 9.2.6, the disagreement shall be settled in accordance with Part 8 of the General Conditions – DISPUTE RESOLUTION. If such disagreement is not resolved promptly, the parties shall act immediately in accordance with the expert's determination and take the steps required by paragraph 9.2.7 or 9.2.8 it being understood that by so doing, neither party will jeopardize any claim that party may have to be reimbursed as provided by GC 9.2 – TOXIC AND HAZARDOUS SUBSTANCES.

GC 9.3 ARTIFACTS AND FOSSILS

- 9.3.1 Fossils, coins, articles of value or antiquity, structures and other remains or things of scientific or historic interest discovered at the *Place of the Project* shall, as between the *Owner* and the *Trade Contractor*, be deemed to be the absolute property of the *Owner*.
- 9.3.2 The *Trade Contractor* shall take all reasonable precautions to prevent removal or damage to discoveries as identified in paragraph 9.3.1, and shall advise the *Construction Manager* upon discovery of such items.
- 9.3.3 The *Construction Manager* will investigate the impact on the *Work* of the discoveries identified in paragraph 9.3.1. If conditions are found that would cause an increase or decrease in the *Trade Contractor's* cost or time to perform the *Work*, the *Owner*, through the *Construction Manager*, will issue appropriate instructions for a change in the *Work* as provided in GC 6.2 – CHANGE ORDER or GC 6.3 – CHANGE DIRECTIVE.

GC 9.4 CONSTRUCTION SAFETY

- 9.4.1 The *Trade Contractor* shall:
- .1 be responsible for construction health and safety relating to the *Work* at the *Place of the Project* in compliance with the rules, regulations and practices required by the applicable construction health and safety legislation;
 - .2 be responsible for establishing, initiating, maintaining, and supervising all health and safety precautions and programs in connection with the performance of the *Work*; and
 - .3 comply with all health and safety precautions and programs established at the *Place of the Project*.
- 9.4.2 The *Owner* shall be responsible for construction health and safety at the *Place of the Project* in compliance with the rules, regulations and practices required by the applicable construction health and safety legislation.
- 9.4.3 The *Construction Manager* will:
- .1 establish, initiate, maintain, and supervise the health and safety precautions and programs required to be put in place at the *Place of the Project*; and
 - .2 review with the *Owner* the *Trade Contractor's* health and safety program for compliance.

GC 9.5 MOULD

- 9.5.1 If the *Trade Contractor*, the *Construction Manager*, the *Consultant*, or the *Owner* observes or reasonably suspects the presence of mould at the *Place of the Project*, the remediation of which is not expressly part of the *Work*,
- .1 the observing party shall promptly report the circumstances to the other parties in writing, and
 - .2 the *Trade Contractor* shall promptly take all reasonable steps, including stopping the *Work* if necessary, to ensure that no person suffers injury, sickness or death and that no property is damaged as a result of exposure to or the presence of the mould, and
 - .3 if the *Owner* and the *Trade Contractor* do not agree on the existence, significance or cause of the mould or as to what steps need be taken to deal with it, the *Owner* shall retain and pay for an independent qualified expert to investigate and determine such matters. The expert's report shall be delivered to the *Owner* and the *Trade Contractor*.
- 9.5.2 If the *Owner* and the *Trade Contractor* agree, or if the expert referred to in paragraph 9.5.1.3 determines that the presence of mould was caused by the *Trade Contractor's* operations under the *Contract*, the *Trade Contractor* shall promptly, at the *Trade Contractor's* own expense:
- .1 take all reasonable and necessary steps to safely remediate or dispose of the mould, and
 - .2 make good any damage to the *Work*, the *Owner's* property or property adjacent to the *Place of the Project* as provided in paragraph 9.1.3 of GC 9.1 – PROTECTION OF WORK AND PROPERTY, and
 - .3 reimburse the *Owner* for reasonable costs incurred under paragraph 9.5.1.3, and
 - .4 indemnify the *Owner* as required by GC 12.1 – INDEMNIFICATION.
- 9.5.3 If the *Owner* and *Trade Contractor* agree, or if the expert referred to in paragraph 9.5.1.3 determines that the presence of mould was not caused by the *Trade Contractor's* operations under the *Contract*, the *Owner* shall promptly, at the *Owner's* own expense:
- .1 take all reasonable and necessary steps to safely remediate or dispose of the mould, and
 - .2 reimburse the *Trade Contractor* for the cost of taking the steps under paragraph 9.5.1.2 and making good any damage to the *Work* as provided in paragraph 9.1.4 of GC 9.1 – PROTECTION OF WORK AND PROPERTY, and
 - .3 extend the *Contract Time* for such reasonable time as the *Construction Manager* may recommend in consultation with the *Trade Contractor* and the expert referred to in paragraph 9.5.1.3 and reimburse the *Trade Contractor* for reasonable costs incurred as a result of the delay, and
 - .4 indemnify the *Trade Contractor* as required by GC 12.1 – INDEMNIFICATION.
- 9.5.4 If either party does not accept the expert's finding under paragraph 9.5.1.3, the disagreement shall be settled in accordance with Part 8 of the General Conditions – DISPUTE RESOLUTION. If such disagreement is not resolved promptly, the parties shall act immediately in accordance with the expert's determination and take the steps required by paragraphs 9.5.2 or 9.5.3, it being understood that by so doing neither party will jeopardize any claim the party may have to be reimbursed as provided by GC 9.5 – MOULD.

PART 10 GOVERNING REGULATIONS

GC 10.1 TAXES AND DUTIES

- 10.1.1 The *Contract Price* shall include all taxes and customs duties in effect at the time of the bid closing except for *Value Added Taxes* payable by the *Owner* to the *Trade Contractor* as stipulated in Article A-4 of the Agreement – CONTRACT PRICE.
- 10.1.2 Any increase or decrease in costs to the *Trade Contractor* due to changes in such included taxes and duties after the time of the bid closing shall increase or decrease the *Contract Price* accordingly.

GC 10.2 LAWS, NOTICES, PERMITS, AND FEES

- 10.2.1 The laws of the *Place of the Project* shall govern the *Work*.
- 10.2.2 The *Owner* shall obtain and pay for development approvals, building permit, permanent easements, rights of servitude, and all other necessary approvals and permits, except for the permits and fees referred to in paragraph 10.2.3 or for which the *Contract Documents* specify as the responsibility of the *Trade Contractor*.
- 10.2.3 The *Trade Contractor* shall be responsible for the procurement of permits, licences, inspections, and certificates, which are necessary for the performance of the *Work* and customarily obtained by contractors in the jurisdiction of the *Place of the Project* after the issuance of the building permit. The *Contract Price* includes the cost of these permits, licences, inspections, and certificates, and their procurement.

- 10.2.4 The *Trade Contractor* shall give the required notices and comply with the laws, ordinances, rules, regulations, or codes which are or become in force during the performance of the *Work* and which relate to the *Work*, to the preservation of the public health, and to construction safety.
- 10.2.5 The *Trade Contractor* shall not be responsible for verifying that the *Contract Documents* are in compliance with the applicable laws, ordinances, rules, regulations, or codes relating to the *Work*. If the *Contract Documents* are at variance therewith, or if, subsequent to the time of bid closing, changes are made to the applicable laws, ordinances, rules, regulations, or codes which require modification to the *Contract Documents*, the *Trade Contractor* shall notify the *Construction Manager* in writing requesting direction immediately upon such variance or change becoming known. The *Owner*, through the *Construction Manager*, will issue the changes required to the *Contract Documents* as provided in GC 6.1 – OWNER’S RIGHT TO MAKE CHANGES, GC 6.2 – CHANGE ORDER and GC 6.3 – CHANGE DIRECTIVE.
- 10.2.6 If the *Trade Contractor* fails to advise the *Construction Manager* in writing, fails to obtain direction as required in paragraph 10.2.5, and performs work knowing it to be contrary to any laws, ordinances, rules, regulations or codes, the *Trade Contractor* shall be responsible for and shall correct the violations thereof; and shall bear the costs, expenses and damages attributable to the failure to comply with the provisions of such laws, ordinances, rules, regulations, or codes.
- 10.2.7 If, subsequent to the time of bid closing, changes are made to applicable laws, ordinances, rules, regulations, or codes of authorities having jurisdiction which affect the cost of the *Work*, either party may submit a claim in accordance with the requirements of GC 6.6 – CLAIMS FOR A CHANGE IN CONTRACT PRICE.

GC 10.3 PATENT FEES

- 10.3.1 The *Trade Contractor* shall pay the royalties and patent licence fees required for the performance of the *Contract*. The *Trade Contractor* shall hold the *Owner* harmless from and against claims, demands, losses, costs, damages, actions, suits, or proceedings arising out of the *Trade Contractor's* performance of the *Contract* which are attributable to an infringement or an alleged infringement of a patent of invention by the *Trade Contractor* or anyone for whose acts the *Trade Contractor* may be liable.
- 10.3.2 The *Owner* shall hold the *Trade Contractor* harmless against claims, demands, losses, costs, damages, actions, suits, or proceedings arising out of the *Trade Contractor's* performance of the *Contract* which are attributable to an infringement or an alleged infringement of a patent of invention in executing anything for the purpose of the *Contract*, or any model, plan or design which was supplied to the *Trade Contractor* as part of the *Contract*.

GC 10.4 WORKERS' COMPENSATION

- 10.4.1 Prior to commencing the *Work*, and again with the *Trade Contractor's* application for payment of the holdback amount following *Substantial Performance of the Work*, and again with the *Contractor's* application for final payment, the *Trade Contractor* shall provide evidence of compliance with workers' compensation legislation at the *Place of the Project*, including payments due thereunder.
- 10.4.2 At any time during the term of the *Contract*, when requested by the *Construction Manager*, the *Trade Contractor* shall provide such evidence of compliance with workers' compensation legislation at the *Place of the Project* by the *Trade Contractor* and any *Trade Subcontractors*.

PART 11 INSURANCE AND CONTRACT SECURITY

GC 11.1 INSURANCE

- 11.1.1 Without restricting the generality of GC 12.1 – INDEMNIFICATION, the *Trade Contractor* shall provide, maintain and pay for the following insurance coverages, the minimum requirements of which are specified in CCDC 41 – INSURANCE REQUIREMENTS in effect at the time of bid closing except as hereinafter provided:
- .1 Automobile Liability Insurance from the date of commencement of the *Work* until one year after the date of *Substantial Performance of the Work*;
 - .2 Aircraft or Watercraft Liability Insurance when owned or non-owned aircraft or watercraft are used directly or indirectly in the performance of the *Work*; and
 - .3 Contractors' Equipment Insurance from the date of commencement of the *Work* until one year after the date of *Substantial Performance of the Work*.

- 11.1.2 If the *Trade Contractor* fails to provide or maintain insurance as required by the *Contract Documents*, then the *Owner* shall have the right to provide and maintain such insurance and give evidence to the *Trade Contractor*, the *Construction Manager* and the *Consultant*. The *Trade Contractor* shall pay the cost thereof to the *Owner* on demand or the *Owner* may deduct the cost from any amount which is due or may become due to the *Trade Contractor*.
- 11.1.3 The *Owner* shall obtain, maintain and pay for 'wrap-up' general liability insurance in the joint names of the *Owner*, the *Construction Manager*, the *Consultant* and the *Trade Contractor* with limits of not less than \$10,000,000 per occurrence and a deductible not more than \$10,000. The insurance coverage shall be primary to all other insurance policies and shall not be substantially less than the insurance provided by IBC Form 2100 (including an extension for a standard provincial and territorial form of non-owned automobile liability policy) and IBC Form 2320, except for liability arising from damage to the *Project* during construction, which shall be limited to the completed operations period. The insurance shall be maintained from the date of commencement of the *Project* until 90 calendar days after the *Project In-Use Date*. The *Owner* is responsible to provide coverage for completed operations hazards from the *Project In-Use Date* for a period of 2 year. The *Trade Contractor* shall then provide, maintain and pay for liability insurance coverage for completed operations hazards with limits of not less than \$5,000,000 per occurrence and a deductible not more than \$5,000 on an ongoing basis for a further period of 4 years.
- 11.1.4 The *Owner* shall provide, maintain and pay for the following insurance coverages:
- .1 "Broad form" property insurance in the joint names of the *Owner*, the *Trade Contractor*, the *Construction Manager*, and the *Consultant*. The policy shall have limits of not less than the sum of 1.1 times *Contract Price*, and the full value, as stated in the *Contract*, of products and design services that are specified to be provided by the *Owner* for incorporation into the *Work*, with a deductible not exceeding \$10,000. The insurance coverage shall not be less than the insurance provided by the latest edition of IBC Forms 4042 and 4047 or their equivalent replacement. In addition to the exclusions identified in the latest edition of IBC forms 4042 and 4047, the *Owner* is not required to provide insurance coverage for Asbestos, Cyber Risk, Mould, or Terrorism. The "Broad form" property insurance shall be provided from the date of commencement of the *Work* until the earliest of:
 - (1) 10 calendar days after the date of *Substantial Performance of the Work*;
 - (2) on the commencement of use or occupancy of any part or section of *Work* unless such use or occupancy is for construction purposes, habitational, office, banking, convenience store under 465 square metres in area, or parking purposes, or for the installation, testing and commissioning of equipment forming part of the *Work*;
 - (3) when left unattended for more than 30 consecutive calendar days or when construction activity has ceased for more than 30 consecutive calendar days.
 - .2 Boiler and machinery insurance in the joint names of the *Owner*, the *Trade Contractor*, the *Construction Manager*, and the *Consultant*. The insurance shall have limits of not less than the replacement value of the permanent or temporary boilers and pressure vessels, and other insurable objects forming part of the *Work*. The insurance coverage shall not be less than the insurance provided by a comprehensive boiler and machinery policy. The coverage shall be maintained continuously from commencement of use or operation of the boiler and machinery objects insured by the policy and until 10 calendar days after the date of *Substantial Performance of the Work*.
 - .3 The "Broad form" property and boiler and machinery policies shall provide that, in the case of a loss or damage, payment shall be made to the *Owner*, the *Trade Contractor*, the *Construction Manager*, and the *Consultant* as their respective interests may appear. In the event of loss or damage:
 - (1) the *Construction Manager* shall act on behalf of the *Owner*, the *Trade Contractor* and the *Consultant* for the purpose of adjusting the amount of such loss or damage payment with the insurers. When the extent of the loss or damage is determined, the *Trade Contractor* shall proceed to restore the *Work*. Loss or damage shall not affect the rights and obligations of either party under the *Contract* except that the *Trade Contractor* shall be entitled to such reasonable extension of *Contract Time* relative to the extent of the loss or damage as the *Construction Manager* may recommend in consultation with the *Trade Contractor*;
 - (2) the *Trade Contractor* shall be entitled to receive from the *Owner*, in addition to the amount due under the *Contract*, the amount which the *Owner's* interest in restoration of the *Work* has been appraised, such amount to be paid as the restoration of the *Work* proceeds in accordance with the progress payment provisions. In addition the *Trade Contractor* shall be entitled to receive from the payments made by the insurer the amount of the *Trade Contractor's* interest in the restoration of the *Work*; and
 - (3) to the *Work* arising from the work of the *Owner*, the *Owner's* own forces or another contractor, in accordance with the *Owner's* obligations under the provisions relating to construction by *Owner* or other contractors, shall pay the *Trade Contractor* the cost of restoring the *Work* as the restoration of the *Work* proceeds and as in accordance with the progress payment provisions.

- 11.1.5 Prior to commencement of the *Work* and upon the placement, renewal, amendment, or extension of all or any part of the insurance,
- .1 the *Trade Contractor* shall promptly provide the *Construction Manager* with confirmation of coverage under the policies specified in paragraph 11.1.1 and, if required, a certified true copy of the policies certified by an authorized representative of the insurer together with copies of any amending endorsements applicable to the *Work*; and
 - .2 the *Owner*, through the *Construction Manager*, shall promptly provide the *Trade Contractor* with confirmation of coverage under the policies specified in paragraphs 11.1.3 and 11.1.4 and, if required, a certified true copy of the policies certified by an authorized representative of the insurer together with copies of any amending endorsements applicable to the *Work*.
- 11.1.6 The parties shall pay their share of the deductible amounts in direct proportion to their responsibility in regards to any loss for which the above policies are required to pay, except where such amounts may be excluded by the terms of the *Contract*.
- 11.1.7 All required insurance policies shall be with insurers licensed to underwrite insurance in the jurisdiction of the *Place of the Project*.
- 11.1.8 If a revised version of CCDC 41 – INSURANCE REQUIREMENTS is published, which specifies reduced insurance requirements, the parties shall address such reduction, prior to the insurance policy becoming due for renewal, and record any agreement in a *Change Order*.
- 11.1.9 If a revised version of CCDC 41 – INSURANCE REQUIREMENTS is published, which specifies increased insurance requirements, either party may request the increased coverage by way of a *Change Order*.
- 11.1.10 A *Change Directive* shall not be used to direct a change in the insurance requirements in response to the revision of CCDC 41 – INSURANCE REQUIREMENTS.

GC 11.2 CONTRACT SECURITY

- 11.2.1 The *Trade Contractor* shall, prior to commencement of the *Work* or within the specified time, provide to the *Construction Manager* any *Contract* security specified in the *Contract Documents*.
- 11.2.2 If the *Contract Documents* require surety bonds to be provided, such bonds shall be issued by a duly licensed surety company authorized to transact the business of suretyship in the province or territory of the *Place of the Project* and shall be maintained in good standing until the fulfillment of the *Contract*. The form of such bonds shall be in accordance with the latest edition of the CCDC approved bond forms.

PART 12 INDEMNIFICATION, WAIVER OF CLAIMS AND WARRANTY

GC 12.1 INDEMNIFICATION

- 12.1.1 Without restricting the parties' obligation to indemnify as described in paragraphs 12.1.4 and 12.1.5, the *Owner* and the *Trade Contractor* shall each indemnify and hold harmless the other from and against all claims, demands, losses, costs, damages, actions, suits, or proceedings whether in respect to losses suffered by them or in respect to claims by third parties that arise out of, or are attributable in any respect to, their involvement as parties to this *Contract*, provided such claims are:
- .1 caused by:
 - (1) the negligent acts or omissions of the party from whom indemnification is sought or anyone for whose acts or omissions that party is liable, or
 - (2) a failure of the party to the *Contract* from whom indemnification is sought to fulfill its terms or conditions; and
 - .2 made by *Notice in Writing* within a period of 6 years from the date of *Substantial Performance of the Work* as set out in the certificate of *Substantial Performance of the Work* issued pursuant to paragraph 5.4.2.2 of GC 5.4 – SUBSTANTIAL PERFORMANCE OF THE WORK or within such shorter period as may be prescribed by any limitation statute of the province or territory of the *Place of the Project*.
- The parties expressly waive the right to indemnity for claims other than those provided for in this *Contract*.
- 12.1.2 The obligation of either party to indemnify as set forth in paragraph 12.1.1 shall be limited as follows:
- .1 In respect to losses suffered by the *Owner* and the *Trade Contractor* for which insurance is to be provided by either party pursuant to GC 11.1 – INSURANCE, the insurance limit for the loss so covered in effect at the time of bid closing.
 - .2 In respect to losses suffered by the *Owner* and the *Trade Contractor* for which insurance is not required to be provided by either party in accordance with GC 11.1 – INSURANCE, the greater of the *Contract Price* as recorded in Article A-4 – CONTRACT PRICE or \$2,000,000, but in no event shall the sum be greater than \$20,000,000.

- .3 In respect to claims by third parties for direct loss resulting from bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, the obligation to indemnify is without limit. In respect to all other claims for indemnity as a result of claims advanced by third parties, the limits of indemnity set forth in paragraphs 12.1.2.1 and 12.1.2.2 shall apply.
- 12.1.3 The obligation of either party to indemnify the other as set forth in paragraphs 12.1.1 and 12.1.2 shall be inclusive of interest and all legal costs.
- 12.1.4 The *Owner* and the *Trade Contractor* shall indemnify and hold harmless the other from and against all claims, demands, losses, costs, damages, actions, suits, or proceedings arising out of their obligations described in GC 9.2 – TOXIC AND HAZARDOUS SUBSTANCES.
- 12.1.5 The *Owner* shall indemnify and hold harmless the *Trade Contractor* from and against all claims, demands, losses, costs, damages, actions, suits, or proceedings:
 - .1 as described in paragraph 10.3.2 of GC 10.3 – PATENT FEES, and
 - .2 arising out of the *Trade Contractor's* performance of the *Contract* which are attributable to a lack of or defect in title or an alleged lack of or defect in title to the *Place of the Project*.
- 12.1.6 In respect to any claim for indemnity or to be held harmless by the *Owner* or the *Trade Contractor*:
 - .1 *Notice in Writing* of such claim shall be given within a reasonable time after the facts upon which such claim is based became known;
 - .2 should either party be required, as a result of its obligation to indemnify the other, pay or satisfy a final order, judgment or award made against the party entitled by this contract to be indemnified, then the indemnifying party upon assuming all liability for any costs that might result shall have the right to appeal in the name of the party against whom such final order or judgment has been made until such rights of appeal have been exhausted.

GC 12.2 WAIVER OF CLAIMS

- 12.2.1 Subject to any lien legislation applicable to the *Place of the Project*, as of the fifth calendar day before the expiry of the lien period provided by the lien legislation applicable at the *Place of the Project*, the *Trade Contractor* waives and releases the *Owner* from all claims which the *Trade Contractor* has or reasonably ought to have knowledge of that could be advanced by the *Trade Contractor* against the *Owner* arising from the *Trade Contractor's* involvement in the *Work*, including, without limitation, those arising from negligence or breach of contract in respect to which the cause of action is based upon acts or omissions which occurred prior to or on the date of *Substantial Performance of the Work*, except as follows:
 - .1 claims arising prior to or on the date of *Substantial Performance of the Work* for which *Notice in Writing* of claim has been received by the *Owner* from the *Trade Contractor* no later than the sixth calendar day before the expiry of the lien period provided by the lien legislation applicable at the *Place of the Project*;
 - .2 indemnification for claims advanced against the *Trade Contractor* by third parties for which a right of indemnification may be asserted by the *Trade Contractor* against the *Owner* pursuant to the provisions of this *Contract*;
 - .3 claims for which a right of indemnity could be asserted by the *Trade Contractor* pursuant to the provisions of paragraphs 12.1.4 or 12.1.5 of GC 12.1 – INDEMNIFICATION; and
 - .4 claims resulting from acts or omissions which occur after the date of *Substantial Performance of the Work*.
- 12.2.2 The *Trade Contractor* waives and releases the *Owner* from all claims referenced in paragraph 12.2.1.4 except for those referred in paragraphs 12.2.1.2 and 12.2.1.3 and claims for which *Notice in Writing* of claim has been received by the *Owner* from the *Trade Contractor* within 395 calendar days following the date of *Substantial Performance of the Work*.
- 12.2.3 Subject to any lien legislation applicable to the *Place of the Project*, as of the fifth calendar day before the expiry of the lien period provided by the lien legislation applicable at the *Place of the Project*, the *Owner* waives and releases the *Trade Contractor* from all claims which the *Owner* has or reasonably ought to have knowledge of that could be advanced by the *Owner* against the *Trade Contractor* arising from the *Owner's* involvement in the *Work*, including, without limitation, those arising from negligence or breach of contract in respect to which the cause of action is based upon acts or omissions which occurred prior to or on the date of *Substantial Performance of the Work*, except as follows:
 - .1 claims arising prior to or on the date of *Substantial Performance of the Work* for which *Notice in Writing* of claim has been received by the *Trade Contractor* from the *Owner* no later than the sixth calendar day before the expiry of the lien period provided by the lien legislation applicable at the *Place of the Project*;
 - .2 indemnification for claims advanced against the *Owner* by third parties for which a right of indemnification may be asserted by the *Owner* against the *Trade Contractor* pursuant to the provisions of this *Contract*;

- .3 claims for which a right of indemnity could be asserted by the *Owner* against the *Trade Contractor* pursuant to the provisions of paragraph 12.1.4 of GC 12.1 – INDEMNIFICATION;
 - .4 damages arising from the *Trade Contractor*'s actions which result in substantial defects or deficiencies in the *Work*. "Substantial defects or deficiencies" mean those defects or deficiencies in the *Work* which affect the *Work* to such an extent or in such a manner that a significant part or the whole of the *Work* is unfit for the purpose intended by the *Contract Documents*;
 - .5 claims arising pursuant to GC 12.3 – WARRANTY; and
 - .6 claims arising from acts or omissions which occur after the date of *Substantial Performance of the Work*.
- 12.2.4 The *Owner* waives and releases the *Trade Contractor* from all claims referred to in paragraph 12.2.3.4 except claims for which *Notice in Writing* of claim has been received by the *Trade Contractor* from the *Owner* within a period of six years from the date of *Substantial Performance of the Work* should any limitation statute of the Province or Territory of the *Place of the Project* permit such agreement. If the applicable limitation statute does not permit such agreement, within such shorter period as may be prescribed by:
- .1 any limitation statute of the Province or Territory of the *Place of the Project*; or
 - .2 the Civil Code of Quebec, if the *Place of the Project* is the Province of Quebec.
- 12.2.5 The *Owner* waives and releases the *Trade Contractor* from all claims referenced in paragraph 12.2.3.6 except for those referred in paragraph 12.2.3.2, 12.2.3.3 and those arising under GC 12.3 – WARRANTY and claims for which *Notice in Writing* has been received by the *Trade Contractor* from the *Owner* within 395 calendar days following the date of *Substantial Performance of the Work*.
- 12.2.6 *Notice in Writing* of claim as provided for in GC 12.2 – WAIVER OF CLAIMS to preserve a claim or right of action which would otherwise, by the provisions of GC 12.2 – WAIVER OF CLAIMS, be deemed to be waived, must include the following:
- .1 a clear and unequivocal statement of the intention to claim;
 - .2 a statement as to the nature of the claim and the grounds upon which the claim is based; and
 - .3 a statement of the estimated quantum of the claim.
- 12.2.7 The party giving *Notice in Writing* of claim as provided for in GC 12.2 – WAIVER OF CLAIMS shall submit within a reasonable time a detailed account of the amount claimed.
- 12.2.8 Where the event or series of events giving rise to a claim made under paragraphs 12.2.1 or 12.2.3 has a continuing effect, the detailed account submitted under paragraph 12.2.7 shall be considered to be an interim account and the party making the claim shall submit further interim accounts, at reasonable intervals, giving the accumulated amount of the claim and any further grounds upon which it is based. The party making the claim shall submit a final account after the end of the effects resulting from the event or series of events.
- 12.2.9 If a *Notice in Writing* of claim pursuant to paragraph 12.2.1.1 is received on the seventh or sixth calendar day before the expiry of the lien period provided by the lien legislation applicable at the *Place of the Project*, the period within which *Notice in Writing* of claim shall be received pursuant to paragraph 12.2.3.1 shall be extended to two calendar days before the expiry of the lien period provided by the lien legislation applicable at the *Place of the Project*.
- 12.2.10 If a *Notice in Writing* of claim pursuant to paragraph 12.2.3.1 is received on the seventh or sixth calendar day before the expiry of the lien period provided by the lien legislation applicable at the *Place of the Project*, the period within which *Notice in Writing* of claim shall be received pursuant to paragraph 12.2.1.1 shall be extended to two calendar days before the expiry of the lien period provided by the lien legislation applicable at the *Place of the Project*.

GC 12.3 WARRANTY

- 12.3.1 Except for extended warranties as described in paragraph 12.3.7, the warranty period under the *Contract* is one year from the later of the date of *Substantial Performance of the Work* and the *Project In-Use Date*.
- 12.3.2 The *Trade Contractor* shall be responsible for the proper performance of the *Work* to the extent that the design and *Contract Documents* permit such performance.
- 12.3.3 The *Trade Contractor* shall submit to the *Construction Manager* for the *Owner*'s acceptance all written warranties and related documents required by the *Contract Documents*.
- 12.3.4 The *Owner*, through the *Construction Manager*, shall promptly give the *Trade Contractor* *Notice in Writing* of observed defects and deficiencies that occur during the one year warranty period.

- 12.3.5 Subject to paragraph 12.3.2, the *Trade Contractor* shall correct promptly, at the *Trade Contractor's* expense, defects or deficiencies in the *Work* which appear prior to and during the one year warranty period.
- 12.3.6 The *Trade Contractor* shall correct or pay for damage resulting from corrections made under the requirements of paragraph 12.3.5.
- 12.3.7 Any extended warranties beyond the one year warranty period as described in paragraph 12.3.1, shall be as specified in the *Contract Documents*. Extended warranties shall be issued by the warrantor to the benefit of the *Owner*. The *Trade Contractor's* responsibility with respect to extended warranties shall be limited to obtaining any such extended warranties from the warrantor. The obligations under such extended warranties are solely the responsibilities of the warrantor.

JUN-07-2011 08:32
Fax sent by : 416 291 1267

KENAI DAN
Structform

06-06-11 15:15 Pg: 2/23 P.01

MAY-31-2011 12:24

KENAI DAN

P.01



FIRST LEASIDE EXPANSION LIMITED PARTNERSHIP

130 Durran Rd. #8
Uxbridge, ON Canada L9P 1R1
905-552-1400 Tel/Fax : 866-681-9047
Fax : 905-552-3232

Structform International Limited
84 Passmore Avenue
Toronto, Ontario
M1V 4S9

April 18, 2011 May 31, 2011 JP
File 08-547-4-3-1
Letter of Intent

Phone 416 291-7576
FAX 416 291-1267

Attention: Mr. Oliver Belo, Project Manager

Re: First Leaside Head Office	(the "Project")
4 Victoria Drive, 144 & 168 Brock St. West	(the "Site")
Uxbridge, Ontario	
First Leaside Expansion Limited Partnership	(the "Owner")
Kenaidan Contracting Ltd.	(the "Construction Manager")
Concrete Works Package	(the "Work")

Subject: Letter of Intent

Dear Mr. Belo,

We confirm our intent to award Structform International Limited a subcontract to provide the Concrete Works Package (the "Work") for the Project, as outlined below, and as described and detailed on drawings and specifications issued by Routhwaite Dick and Hadley Architects Inc., prepared for First Leaside Expansion Limited Partnership, including addendum 1 to 6, for the Lump Sum Price of \$5,195,000.00, which excludes only the HST.

It is a condition of this Letter of Intent that Structform International Limited provides a 100% Performance Bond and a 50% Labour and Material Payment Bond ("Bonds"). The Bonds shall be in the current version of the Standard Construction Documents CCDC 221-2002 and CCDC 222-2002, issued by a recognized and accepted surety, and must be acceptable to Kenaidan Contracting Ltd., for the value of work provided by this agreement, excluding HST, the cost of which would be additional at Surety's invoice cost.

Mr. Oliver Belo, Initials

Dated

OB
6-6-11

Page 1 of 24

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KENAI DAN

P.02

Structform International Limited
Mr. Oliver Belo
First Leaside Head Office

May 31, 2011
April 18, 2011
File 08-547-4-3-1
Purchase Agreement

The Bonds are to be issued to "First Leaside Expansion Limited Partnership" within 5 business days from issue of this Letter of Intent.

Payments shall not be made to Structform International Limited until First Leaside Expansion Limited Partnership, has received the required Bonds, or other satisfactory form of security, from Structform International Limited.

Scope of Supply (the "Work")

With reference to the specifications, the scope of this agreement shall include all supervision, labour, material and equipment to supply and install the Concrete Works for the office structure, as outlined in

- Division 3 Concrete
- Section 01352 LEED General Lead Requirements
- Section 01355 LEED Waste Management Disposal
- Section 01359 LEED Indoor Air Quality Management
- Section 01611 LEED Product Requirements
- Section 02370 LEED Schedule A – Erosion and Sedimentation Control

Geotechnical Investigation reports including:

- Phase I and II Environmental Site Assessment Report, Prepared by Geo-Logic and Dated September 2008 (4 Victoria Drive)
- Phase II Environmental Site Assessment Report, Prepared by Geo-Logic and Dated April 2009 (144-168 Brock Drive West)
- Designated Substances Survey Report, Prepared by Geo-Logic and Dated September 2008 (4 Victoria Drive)
- Remedial Action Plan Report, Prepared by Geo-Logic and Dated May 2009, rev. August 2009 (144-168 Brock Street West)
- Phase I and Phase II Environmental Site Assessment, Prepared by CRA and Dated February 2009 (144 Brock Drive West)
- Phase I and Phase II Environmental Site Assessment, Prepared by CRA (169 Brock Drive West)
- Geotechnical Investigation Report, Prepared by Inspecsol and Dated January 19, 2011

as indicated on the drawings, all complete, and as otherwise governed by Division 1.

The plans and specifications of this project must be read as a whole and reference to other sections of the documents may be required to properly identify the scope and requirements of this agreement.

Mr. Oliver Belo Initials

Dated


6-6-11

MAY-31-2011 12:24

KENAI DAN

P.03

Structform International Limited
Mr. Oliver Belo
First Leaside Head Office

May 21, 2011
Approved: 2011
File 08-547-4-3-1
Purchase Agreement

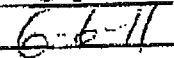
LEED Requirements for Project

Without limiting the requirements of the above, the Work for the LEED requirements generally includes,

- provide submittals, product data, and information relevant to LEED on specified products
- LEED Action Plan submission to fulfil requirements specification section 01352, in compliance to achieving LEED MR 2.1 and MR 2.2, MR 4.1 and MR 4.2, MR 5.1 and MR 5.2, MR 7, as applicable to the Work
- LEED documentation submittals which support LEED Action Plan
- LEED Waste Management Plan:
 - develop and submit waste management plan consisting of waste identification, waste reduction and includes cost / revenue analysis
 - include separate sections of the plan for demolition and construction waste
 - indicate estimated quantities of waste prior to actual work onsite and provide documentation of actual progress by weight
 - complete with reduction progress reports as specified complete with: materials category, generation point of waste, total quantity of waste in tonnes, quantity of waste salvaged, quantity of waste recycled, quantity of waste recovered (salvage plus recycled), and quantity of waste recovered as a percentage of total waste
 - waste reduction calculations for salvage, recycling, and disposal of a percentage of total waste generated by the Work diverting 75% of total waste by weight and 100% for uncontaminated packaging by weight
- LEED waste reduction / management progress report submission with the monthly basis with progress billing applications
- include in material and equipment purchasing agreements, of waste reduction provisions requesting that materials and equipment be delivered in packing made of recyclable material, that they reduce the amount of packaging, the packaging be taken back for reuse or recycling, and that all unused product is taken back
- records of donations
- records of sales
- recycling and process facility records
- landfill and incinerator disposal records
- list of proposed materials with recycled content
- list of proposed materials extracted, processed, and manufactured regionally
- list of certified wood products (if applicable to this Work)
- certificates of chain-of-custody (if applicable to this Work)
- construction indoor air quality management plan during construction and before occupancy (if applicable to this Work)
- attend LEED pre-construction meetings and monthly meetings thereafter (as applicable to this Work)
- LEED Facility Commissioning as Applicable to the Work

Mr Oliver Belo Initials

Dated

Structform International Limited
Mr. Oliver Belo
First Leaside Head Office

May 31, 2011
April 18, 2011
File 08-547-4-3-1
Purchase Agreement

Formwork, Concrete Placement and Finishing

Without limiting the requirements of the above, the Formwork and Concrete Placement Work specifically includes:

- comply with all requirements of the specifications. Do not deviate from specified materials without written authorization from the consultant
- form, pour, finish and strip all cast in place concrete
- formwork for all exposed architectural concrete areas not to be utilized more than twice on site
- form, pour, finish and strip all cast in place stairs complete with nosing inserts where noted in the drawings
- form, pour, finish and strip all housekeeping pads required for mechanical and electrical equipment, coordinate requirements with the Mechanical and Electrical Subcontractors
- form, pour and strip all roof curb plinths for solar panel system. As the solar panel system is still being designed the anticipated quantity and size of plinths are 120 locations @ 300mm x 300mm x 600mm with reinforcing steel
- form, pour, and finish all concrete on deck areas where noted on the drawings
- form, pour, strip all exterior planters as noted on the structural and architectural drawings including suspended slabs where noted
- form, pour, and strip all footings, raft slabs and foundation walls as indicated on the structural drawings for exterior stairs, planters and benches.
- form, pour, strip all closure/shrinkage/expansion strips as indicated on the drawings
- supply and installation of any detailed expansion joints as part of this work
- form, pour, finish and strip all cast in place benches
- supply and install precast panels for vertical loading dock assembly complete. Supply and install bearing plate material as noted on the drawings and in the specifications
- form, pour, finish and strip all concrete parking areas c/w with curbs as per specified OPSD details in the West and East Sides of the site. Line painting for concrete slab on grade areas where noted are to be included in this package
- remove, and replace sidewalk section at both the West and East side entrances of the site to OPSD requirements
- supply and place all grout and dry pack for structural steel base plates and inserts where detailed
- supply and place lean mix and cementitious details where noted on drawings and details i.e., detail 3/S.04
- supply and install 75mm rigid insulation and skim coat where noted for crash wall including control joint construction
- form, pour, finish and strip the crash wall as detailed on the drawings.
- saw cutting as indicated on the drawings and noted in the specifications
- pour break size as indicated on the drawings and specifications. Provide pour break layout drawings for review and approval

Mr. Oliver Belo Initials

Dated


6-6-11

MAY-31-2011 12:24

KENAI DAN

P.05

Structform International Limited
Mr. Oliver Belo
First Lease Head Office

May 31, 2011
April 10, 2011
File 08-547-4-3-1
Purchase Agreement

- coordinate and install all sleeving and block out requirements with Mechanical and Electrical Contractors. Provide sufficient time in schedule to allow work to be completed by other trades prior to concrete pours
- provide a detailed schedule for pour break and sequence of the work for all wall and slab pours for review and approval by the structural consultant
- provide weekly, 3 week look ahead schedules, in order to coordinate all work
- supply and installation of void form where noted on the drawings
- coordination work with other trades to ensure all required elements are completed in sequence
- supply and place skim slab and/or mud slab as noted on the drawings
- ensure formwork system is designed and supplied to meet any structural surcharge requirements noted on the drawings
- provide falsework and all re-shoring requirements for the work
- ensure all tie holes, if exposed follow an approved pattern from the architect. Fill and finish all tie holes upon formwork stripping with plastic cones or other method approved by the architect. Fill tie holes as required where cone caps are not to be used
- meet or exceed all plumb, alignment and flatness tolerances noted in the specifications for all concrete work
- complete pre-pour inspection and complete in format provided by the Construction Manager. Post-pour inspections which will indicate any variations in the work are to be completed on a 3 x 3 metre grid and submit to the Construction Manager for review and comment. Information must be accurate as other trades will rely on this. Any remedial work will be the responsibility of this trade and to be completed immediately
- exposed concrete to be free of laitance, staining and bug holes. Make good finish via First Class Sack Rub Finish to the satisfaction of the architect as required for exposed architectural areas. Unexposed areas with bugholes to be filled. A mockup of the rub up will be required for review and approval by the architect prior to continuing with the balance of the sack rub work
- complete sandblasting on structural columns, walls, benches, planters, sidewalks, and entrance driveway where noted on the drawings. Mockup of sandblasting finish to be completed on separate sample panels for review and approval by the architect
- provide protection to all architectural concrete during the scope of this work which will be removed once finishes are nearing completion by the Concrete Works Package trade.
- perform leak test on water cistern prior to waterproofing application
- crack repairs and injection as required to provide water tight structures for water cistern. All materials to be suitable for potable water
- supply and install waterstop where indicated on the drawings in vertical and horizontal application of all basement wall and slab pours. Both vinyl waterstop and volclay type waterstop are to be used at all locations.

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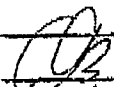
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- construct all formwork keys as noted on the drawings. No deviation will be permitted without approval from the Structural Engineer
- coordinate and install sleeving penetrations and bulkheads in formwork to accommodate other trade work as required
- supply, Forming and placement of control. expansion, fibre, pre-moulded and construction joints as noted on the drawings
- craneage as required for this scope. If using a tower crane, supply and installation of crane base and engineering to be included in this scope. Crane base will be placed outside the limits of the building and removal of crane base at completion of concrete work will be part of this scope unless it can remain buried if approved by the owner. Coordinate excavation for crane base with excavation trade. Provide shoring as required for installation of crane base
- coordinate with local neighbours and businesses to confirm tower crane swing above these building is no harm to them
- develop procedure for safe tower crane operation with adjacent power lines and property limits. This document to be provided to Construction Manager for review, comment and monitoring during the course of construction
- supply, maintenance of generator and fuel required to power tower cranes and portable panels is the responsibility of this trade for the duration of the concrete work
- provide portable generators as required for this work scope for tools
- supply all required concrete pumps, telebelts and other placing equipment required to carry out this scope
- supply of pumps and labour to complete all required surface dewatering. Filtered water to be discharged into area designated by the Site Supervisor
- coordinate with Curtainwall Contractor for placement of all curtainwall anchor inserts on suspended slab perimeter and roof locations. Similarly, coordinate for all balustrade and handrail anchors and assemblies. Items to be supplied by this trade for installation by the Concrete Works Package Trade.
- coordinate with Structural Steel and Miscellaneous Metals contractor for all metal embeds, angles, plates and other inserts required in formwork. Items to be supplied by this trade for installation by the Concrete Works Package Trade.
- coordinate with Mechanical and Electrical subcontractor to ensure all sleeves are placed correctly in wall and slab pours. Suspended Slab sleeves to be installed by the M&E Trades
- coordinate with Mechanical subcontract to ensure all drain bodies are set to required elevations to ensure slopes are maintained as designed
- provide cant strip edging on all exposed concrete corners
- set, place and concrete fill and finish for all bollards. Bollards will be supplied by the Metals Trade
- form, pour, finish and strip Transformer and Gas meter Pads
- provide block out forming for all entrance pedi grilles (depressed entrance mats)
- curing as specified

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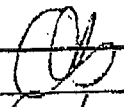
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- coordinate necessary tolerances and finish on vertical or horizontal surfaces with other Trade Contractors and Consultant
- use of water based "Eco Friendly" form release agent to ensure disposed of formwork plywood and other wood is diverted from landfill
- provide Separate Waste Management Bins for this work. Documentation to be provided as required by LEED
- all Surveying and Layout for this scope
- shop drawings for formwork sealed by a professional engineer and submittals as required by the specifications
- coordinate with all inspection companies for concrete, rebar, waterproofing etc. and provide appropriate and safe access
- supply and application of concrete sealer where indicated on the drawings for the concrete work
- application of hardener where indicated on the drawings for the concrete work
- stair tower supply, installation and subsequent removal for access to all levels of the work
- supply and maintain portable washroom for the concrete scope or work
- mock-ups as required by the specifications which will serve the purpose of the acceptable standard of work for this Work Scope
- supply and installation of perimeter slab grabs and barrier to comply with MOL standards. Perimeter slab edge safety fence to be left in place until no longer required, i.e. curtainwall work is completed. Barrier to be installed to allow modular curtainwall access. Steps at stair landing for grade difference to remain during course of construction and will be removed once access floor begins to be installed.
- cleaning of public roadways as required as a result of vehicle and delivery traffic
- flag persons as required for this scope
- tarping and winter protection included in this scope. This work includes installation and removal including heating fuel equipment and consumables. Connection to natural gas supply if available at the time or provision of propane fuel will be the responsibility of this trade. Cost for fuel consumption will also be the responsibility of this scope
- winter heat charges for enclosures and associated heating costs for the purposes of undertaking the work past November 1, 2011 will be included in your scope up to December 2, 2011. Any associated costs past the December 2, 2011 due legitimate delay outside of this trades control, if any, will be reviewed with the owner.
- spill kits for all equipment being refuelled on site. Location of bulk fuel storage, if required, to be coordinated with the Site Supervisor
- required TSSA, ESA and any other permits/fees required to carry out the work
- attendance at weekly coordination meetings by Foreman and/or individual with authority to provide decisions
- daily housekeeping and cleaning of the worksite to the satisfaction of the Construction Manager

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- for any metal shoes or assemblies on top of poured concrete work make good any high spots or low areas to insure a flat installation of the metal work.
- automobile, WSIB and all required insurance
- provide 100% Performance Bond and a 50% Labour and Material Payment Bond for the work. Cost to be paid separately from Contract Value via Change Order.
- include for all costs associated with increases in labour rates, material prices and equipment charges, and all other costs other than taxes as it applies to your scope of work.

The Formwork and Concrete Placement Work excludes only,

- baseline elevation layout and benchmarks
- asphalt Pavement and line painting in these areas
- granular material supply for backfilling requirements
- excavation and backfilling operations
- electrical duct banks
- light standard bases for parking lot lights

Reinforcing Steel Supply and Placement

Without limiting the requirements of the above, the Reinforcing Steel Supply and Placement Work specifically includes,

- supply and placement of all black rebar for the concrete reinforcement work
- supply and placement of all epoxy coated rebar required for this project
- supply and placement of all dowels as required by the project documents
- supply and placement of all reinforcing steel for concrete housekeeping pads
- supply and install dowels for all tie in to slab on grade sidewalks, slabs and stair areas
- supply and placement of all rebar for retaining walls
- supply and placement of all stud rails where noted for column punching shear
- supply and placement of all rebar for crash wall
- supply and placement of all wire mesh where indicated on the drawings
- supply and placement of all accessories required for spacing and placement of steel including chairing and rebar couplers where required. Use the specified materials noted in the specifications. Include for couplers at stair locations
- set in place all anchor bolts, angles and embedded plates etc. provided by other trades and tie into rebar. Supply and install support bars as required to complete this work.
- install all metal tie wire so that it does not encroach the nominal surface cover which may expose it to rusting. Any defective work noted must be addressed immediately to the satisfaction of the architect and structural engineer
- drill and grout as required for all dowels. Epoxy dowelled bars is acceptable provided written approval has been provided by the Structural Consultant
- supply and placement of all support bars required for reinforcement installation
- supply and placement of all reinforcing steel and foundation requirements for tower

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- crane base, and provision for openings for tower crane through the structure slabs if required
- supply and placement of all rebar for concrete sumps, pits, trenches, curbs, and machinery bases
 - supply only of reinforcing bars required for the construction of masonry lintels, beams, walls, columns and piers
 - provide all splices in accordance to the project specifications that are required to complete your work and as indicated in the project documents
 - coordinate testing and inspection prior to concrete pours with the owners Consultant representative
 - coordinate installations with mechanical and electrical contractors to prevent any interference with cast in materials and to ensure a continuous uninterrupted construction sequence
 - shop drawings, samples, mill certificates and test reports as required to meet the project submittals. Coordinate rebar shop drawings with approved pour break sequence
 - labour and hoisting requirements for the work
 - provide all labour, materials and equipment for traffic control of your deliveries.
 - supply of a quality control plan
 - provide all necessary labour and equipment to maintain the project schedule.
 - remove and dispose all waste generated by your forces including a routine cleanup of your stored materials
 - all taxes, duties, customs, freight and insurance as applicable
 - include for all costs associated with increases in labour rates, material prices and equipment charges, and all other costs other than taxes as it applies to your scope of work
 - provide ongoing as-built records as per project specifications including pre and post pour inspections as this information will be relied upon by Curtainwall and other building envelope trades for manufacturing of their products for installation.
 - automobile, WSIB and all required insurance
 - provide 100% Performance Bond and a 50% Labour and Material Payment Bond for the work. Cost to be paid separately from Contract Value via Change Order
 - disposal bins as required for the work and waste management tracking as required by LEED

The Reinforcing Steel Supply and Placement Work excludes only,

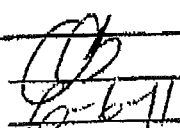
- reinforcing steel dowel extensions from caissons
- duct bank reinforcement
- light standard pier reinforcement

Concrete Supply

Without limiting the requirements of the above, the Concrete Supply Work specifically includes:

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- supply of the concrete types as per the drawings and specifications
- supply of 35MPa, class C-1 Exposure for crash wall with slag replacement as indicated by the drawings and specifications
- include for winter heat and admixtures for all mixes as required.
- slag replacement where noted in specifications and Concrete schedule to be 25% minimum as a baseline. Review and approval of mix designs will still be required for minimum amounts and amounts exceeding the 25%
- all loads with specified corrosion inhibitor will be tested. Owners Testing adjacent will confirm CI content for each load. Concrete Supplier to provide their own testing to ensure CI admixture is included in every specified load type
- concrete Loads not meeting project specifications requirements will be rejected and not accepted on site
- meet all project LEED requirements
- ensure all delivery trucks have audible backup signal
- provide quality control coordinator on site for large concrete pours as required
- delivery of concrete materials to suit the project schedule
- the mix designs are to meet or exceed the performance requirements of the specifications
- testing as required to demonstrate mix performance
- admixtures as required to provide the listed performance are included in the above noted mix designs
- provide pumpable mixes as required
- fuel surcharges due to fuel increases are part of this scope. No additional fuel surcharge costs for the duration of the project will be accepted
- prices to remain firm for the entire duration of the project
- provide quality control services as required by the specifications or request of Kenaidan Contracting Ltd. based on availability and notice given for QC personnel
- provide concrete material at no cost to perform sample testing, mock-ups and trial batches at the start of the project, or for yield testing through the course of the project as requested by the Site Supervisor
- engineer's approval must be obtained before using chemical admixtures.
- do not change the proportions of the mix design or the suppliers for components of the mix design without prior approval from the Project Consultant
- batching records shall be made available for inspection upon request however constituents will not be required
- supply the quantities requested within the time frames requested by the Site Supervisor
- do not supply a concrete mix to the project unless written approval has been provided by Construction Manager or by the Project Consultants
- provide test report as specified
- complete low shrinkage testing if requested
- coordinate quality control testing with the Owner's Consultant
- the mix designs noted above are performance based. The concrete supplier is

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responsible to establish proportions of cementing material, aggregates, water, and admixtures required to produce consistent workable concrete that meet or exceed the requirements of the specifications and ASTM guidelines

- the concrete mix designs noted in the drawings shall conform to the requirements of CAN/CSA-A23.1. The concrete mixes must be designed and proportion with strict adherence to the requirements of CAS A23.1 clause 14
- concrete shall conform to CSA A23.1-00 Section 8.9 Low Shrinkage Concrete
- submit shrinkage test results to ASTM C157 for each mix design as specified
- the mix proportions shall comply with clause 14.6-CSA A23.1-00 Volume Stability Considerations
- each of the mix designs must be tested by trial batch in accordance with CSA clause 14.5. The trial batch results must be undertaken in accordance with CSA Test Methods A23.2-2C
- the concrete aggregates shall be pre-cooled by water to ensure maximum temperature at discharge does not exceed 25 C, as per CSA A 23.1 Clause 7.4.3.
- the above noted mix designs are to be submitted by the supplier for review and approved by the structural engineer prior to delivery

The Concrete Supply Work excludes only,

- caisson foundations
- removal of concrete crane base once project is completed, provide not obstructing other services
- lean fill volumes based on contract drawings, any deviations over +/- 1" due to over excavation shall be extra to the contract
- founding elevations based on contract drawings, any deviations over +/- 1" shall be extra to the contract

The Work generally requires,

- mobilizations as required to meet the project schedule
- prices to remain firm for duration of project
- include for all costs associated with increases in labour rates, material prices and equipment charges, and all other costs other than taxes as it applies to your scope of work.
- sufficient resources to provide this work during normal business hours
- winter work as may be required by the schedule
- provide all necessary labour and equipment to maintain the project schedule including all costs associated with work to be completed after hours
- comply with all requirements of the specifications without substitution; do not deviate from specified materials without written authorization from the Consultant
- hardware and accessories as required for a complete installation
- installation of specified products to be as per manufacturer's requirements
- store and protect all materials in environmental conditions as recommended by the manufacturer

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- provide sufficient resources and manpower to meet the project schedule
- mobilizations as required to co-ordinate with the other trades, and as instructed by the Site Supervisor
- coordination of interconnecting details with adjacent trade work
- labour, materials and equipment to protect adjacent work areas
- supply and installation of signage and protection where necessary
- site equipment to have up to date certifications
- access, handling and hoisting required for this work
- access scaffolding as required for this work
- disposal bins as required for the Work
- daily housecleaning of the worksite, clean-up and disposal of construction generated garbage debris, separated into LEED requirements in Owner supplied bins
- provide for dust control as required
- clean up mud off of public roadways if caused by the Work
- final cleaning and touch-up of finishes, if required
- clean adjacent materials and surfaces of foreign material resulting from the work
- delivery of this work to satisfy the project schedule requirements
- coordinate your work with that of other trades as required
- protection of the work of other trades
- flagperson for Work of this trade as required
- attendance at safety and co-ordination meetings as requested
- comply with all safety codes while undertaking the Work
- perform all work to comply with Ministry of Labour requirements
- provide all work to meet or exceed industry standards
- quality assurance requirements as noted in the specifications
- submit a quality control plan for the Work
- duties, customs charges, royalties, freight, transportation, and insurance during transportation
- delivery, storage, handling and protection of materials
- required TSSA and any other fees/permits required to carry out the work
- submissions, product data, engineered shop drawings, pour break drawings, samples, mock-ups and mill certificates as specified
- testing inspections, certificates and reports as specified
- submit colour charts for approval as required
- maintenance manual information as specified
- maintain and provide As Built drawings as specified, including pre and post pour inspections
- supply of materials for maintenance as specified
- arrange and pay for all required permits to carry out the work
- warranties and guarantees as specified
- insurance certificates

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Price Breakdown:

Description of Work Item	Amount (excluding HST)
1. LEED Requirements for Project	Included in items below
2. Formwork, Concrete Placement and Finishing	\$3,429,000.00 /LS
3. Reinforcing Steel Supply and Placement	\$946,000.00 /LS
4. Concrete Supply	\$820,000.00 /LS
Total Price (excl. HST)	\$5,195,000.00 /LS

Unit Rates:

Unit Rates used where variation to the base scope of work is requested, and at the option of the Construction Manager.

Description of Work Item	Add Rate (excluding HST)	Delete Rate (excluding HST)
1. Cast in Place Concrete (Walls) - Including formwork, concrete placing and stripping	Form - \$205.00/m2 Place - \$45.00/m3	Form - \$153.00/m2 Place - \$33.75/m3
2. Cast in Place Concrete (Suspended Slab) - Including formwork, concrete placing and stripping	Form - \$185.00/m2 Place - \$35.00/m3	Form - \$138.00/m2 Place - \$26.25/m3
3. Rebar Supply and Install	\$2.53/kg	\$2.00/kg
4. West Side Parking Lot - Placed and Finished Complete including Concrete Supply and Curbs	\$89.00/m2	\$46.50/m2
5. OPSD 600.110 Concrete Curbs - Supply and Place	\$60.00/LM	\$45.00/LM
6. OPSD 608.010 Concrete Curbs - Supply and Place	\$100.00/LM	\$75.00/LM

Separate Prices:

The following Separate Prices are not included in the Lump Sum Price but are available for addition to this Agreement upon written notification by Kenaidan Contracting at the prices listed below which excludes only HST:

Description of Work Item	Amount (excluding HST)
1. Bonding - 100% Performance Bond for the work	\$6.25/1,000.00
2. Bonding - 100% Performance Bond and 50% Labour and Material Payment Bond for the work	\$8.75/1,000.00
3. Delete Agilia concrete for the all exposed columns, Stair #2 Exposed Beams, Silo Stair Formwork, and Elevator Shaft rear wall and other exposed concrete and	\$8,000.00/LS (Credit)

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Description of Work Item	Amount (excluding HST)
substitute concrete mix as currently specified for non-exposed areas.	
4. Add a smooth Reckli formliner, 2/81 Plafond to the formwork for the silo stair, all exposed beams at Stair #2, and the west wall and beams of the elevator shaft	\$48,500.00
5. Add a textured Reckli formliner, 1/176 Raba to the formwork for the crash wall on both sides in vertical pattern	\$53,000.00
6. Random Vertical Rustication F30487 ABS by Dayton Superior -- supply and install for crash wall on both sides	\$29,700.00 /LS
7. Delete sandblasting: a.) Columns b.) Silo stair (inside)	\$4,600.00 /LS (Credit) \$1,560.00 /LS (Credit)
8. Add sandblasting for crashwall	\$5,200.00 /LS
9. Delete solar panel columns -- 120 locations at roof c/w rebar	\$8,800.00 /LS (credit)

Itemized Pricing:

The following Itemized Breakout Prices are included in the Lump Sum Price and are available for deletion from this work package upon written notification by Kenaidan Contracting at the prices listed below excluding only HST.

Description of Work Item	Amount (excluding HST)
1. Stud Rail Supply (installation is part of base scope)	\$24,300.00/LS
2. West Side Parking Lot -- Complete including Curbs, Slab on Grade and Markings c/w concrete supply.	\$135,000.00/LS
3. East Side Exterior Architectural Concrete Sidewalks, Entrance Pads, Exterior Stairs, Slab on Grades, and Ramps including concrete supply, all complete with specified finish.	Not available. (Integral with structure)
4. OPSD 800.110 Concrete Curbs -- Supply and Place	\$30,000.00/LS
5. OPSD 608.010 Concrete Curbs -- Supply and Place	\$1,000.00/LS
6. Sidewalk Removal and Replacements at Entrance on West Side and at Entrance at East Side including Curb cut requirements	\$6,000.00/LS
7. Temporary Generator and Fuel Costs Associated with Powering a Tower Crane for Duration of the Concrete Work	\$70,000.00/LS

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Description of Work Item	Amount (excluding HST)
8. Temporary Handrails and Stairs at the Stairs and Stair Landing locations-- Includes all Labour and Materials to Install and Remove and Dispose at Completion (Building Perimeter barrier protection remains in Formwork scope)	\$18,200.00/LS
9. Tower Crane erection, dismantle and operation during course of concrete construction including operator. Includes design, engineering and construction of tower crane base	\$240,000.00/LS
10. Waste Management Bins for Wood, Plastics, Cardboard, Metals, Glass, Mixed Stream Waste etc. It would remain the responsibility of the Concrete Works Package to properly sort and load the bins with these materials. Note: Costs for Disposal of Concrete Waste including Bins is still part of the base scope	\$16,800.00/LS

List of Trade Contractor's Personnel & Equipment:

Item No.	Description	Hourly Rate
1.	Labourer	\$75.00/hr
2.	Carpenter	\$78.00/hr
3.	Tower Crane with Operator	\$250.00/hr

**Includes overhead and fee mark-up

Schedule

Meeting the schedule dates for the Project is a fundamental requirement of this agreement.

Schedule and deliver this work to ensure the project will achieve Substantial Performance as defined by the Construction Lien Act, by August 28, 2012.

Be prepared to commence formwork activities on site for the crash wall no later than May 16, 2011 or as directed by the Site Supervisor.

Ensure that the following are submitted for review by April 29, 2011 or earlier for review:

- Crash Wall Rebar Shop Drawings
- Crash Wall Mix Design

Ensure that the following are submitted for review for the balance of the work by May 9, 2011:

- Pour break drawings
- Reinforcing steel shop drawings coordinated with pour breaks

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- Concrete Mix Designs
- Miscellaneous hardware, i.e., water stop, stud rails, inserts, form release agent Shop Drawings and Catalogue Cuts
- Engineered Formwork and Falsework Drawings
- Tower Crane Base and Erection drawings
- Formwork schedule

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OB
Given a 27 week schedule nominated in your tender submission, ensure that the Concrete work for the Foundation and Superstructure is completed no later than November 21, 2011.

Within this time frame and as directed by the Site Supervisor complete the West Parking Lot work no later than end of October 2011.

All Curbs and Architectural concrete for the ground floor planters, and sidewalks to be completed no later than end of May 2012 or earlier.

The above dates are subject to the development of a detailed schedule which shall be mutually agreed upon and may be adjusted as needed.

Provide a list of key activity durations for use to develop the Project schedule.
Provide a detailed work plan for the Concrete Works for review.
The above noted submissions are required to be submitted and accepted by Kenaidan prior to submission of the first payment application.

Provide a three-week look ahead schedule on the Monday of each week when Structform International Limited is on Site. Provide manpower/equipment and progress reports as requested by the Site Supervisor.
A detailed project schedule will be provided shortly for your review.

The subcontract Work is to be co-ordinated with the Kenaidan Site Supervisor and schedule changes are subject to the terms and conditions of the Prime Contract for the Project.

The Drawings and Specifications are available at the following link:

- <https://extranet.kenaidan.com/ftp/leadSideOffice/default.aspx>
- Accept any security certificates and security warnings
- Login Name: Kenaidan\leadsidero
- Password: 5pr!@X
- The Drawings and Specifications for this Work Package are deposited in the Folders titled: "005. Issued for Tender - Concrete Work Package, dated January 28, 2011"
- The first time you log in it may take a few minutes to install some Java scripts. You

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- may be prompted to permit the installation of these scripts.
- If you have any technical difficulties, please contact Kenaidan IT Support at ISupport@kenaidan.com or #905.670.2660 ext.2706

Reference Drawings and Specifications (the "Project Documents")

DRAWING LIST			
PROJECT:	FIRST LEASIDE HEAD OFFICE		
PROJECT NO:	08-547		
	Issued for Foundation & Superstructure Tender		
Last Updated	03-Mar-11	Issue No.	Issue Date
Drawing No.	Description		
ARCHITECTURAL DRAWINGS			
A0.00	Cover Sheet	00	Mar 02/11
A0.01	OBC Matrix, General Notes & Symbols, Fire Separation Diagrams	06	Mar 02/11
A0.02	Wall Partition Schedule	06	Mar 02/11
A1.01	Survey Contoured	06	Mar 02/11
A1.02	Site Plan Contoured	06	Feb 25/11
A1.03	Site Plan - Building Site	06	Mar 02/11
A1.04	Site Plan - West Site	06	Jan 02/11
A1.05	Saw-Cut Layout	06	Mar 02/11
A1.06	Site Work & Roof Terrace, Plans & Elevations	06	Mar 02/11
A1.07	Site Work Details, Plans & Elevations	06	Mar 02/11
A2.00	Basement / Foundation / Pedimeter Drainage Plan	06	Mar 02/11
A2.00A	Under Raft Slab Drainage Plan	06	Mar 02/11
A2.01	100 Level Plan	06	Mar 02/11
A2.02	200 Level Plan	06	Mar 02/11
A2.03	300 Level Plan	06	Mar 02/11
A2.04	400 Level Plan	06	Mar 02/11
A2.05	Roof Level Plan	06	Mar 02/11
A2.11	100 Level Enlarged Floor Plans	06	Mar 02/11
A2.12	200, 300 & 400 Level Enlarged Floor Plans	06	Mar 02/11
A2.13	200 & 300 Level Enlarged Terrace Floor Plans	06	Mar 02/11
A2.14	400 Level Enlarged Terrace Floor Plans	06	Mar 02/11
A4.01	Northwest & Southwest Building Elevations	06	Mar 02/11
A4.02	South & Southeast Building Elevations	06	Mar 02/11
A4.03	North & East Building Elevations	06	Mar 02/11
A4.04	Hidden Elevations	06	Mar 02/11
A5.01	Building Sections	06	Feb 03/11
A5.02	Building Sections	06	Mar 02/11
A5.03	Building Sections	06	Mar 02/11
A5.04	Building Sections	06	Mar 02/11
A6.01	Stair 1 Enlarged Plans	06	Mar 02/11
A6.02	Stair 2 Enlarged Plans	06	Mar 02/11
A6.03	Stair 3 Enlarged Plans & Sections	06	Mar 02/11
A6.04	Stair 4 Enlarged Plans & Sections	06	Mar 02/11
A6.05	Stair 1 Sections	06	Mar 02/11
A6.06	Stair 2 Sections	06	Mar 02/11
A6.08	Stair 1 Plan Details	06	Mar 02/11
A6.09	Stair Plan and Sections - Details	06	Mar 02/11
A6.10	100 Level Plan Details	06	Mar 02/11
A6.11	Stair 3 Details	06	Mar 02/11
A6.12	Stair 2 Section Details	06	Mar 02/11
A7.01	100 Level Plan Details		

Mr Oliver Belo initials

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Structform International Limited
Mr Oliver Belo
First Lease Head Office

May 31, 2011
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Purchase Agreement

A7.02	100 Level Plan Details	06	Mar 02/11
A7.03	200 Level Plan Details	06	Mar 02/11
A7.04	300 Level Plan Details	06	Mar 02/11
A7.05	300 Level Plan Details	06	Mar 02/11
A7.06	400 Level Plan Details	06	Mar 02/11
A7.07	400 Level Plan Details	06	Mar 02/11
A9.01	Foundation Details	06	Mar 02/11
A9.02	Foundation Details	06	Mar 02/11
A9.03	Foundation Details	06	Mar 02/11
A9.04	Foundation and Section Details	06	Mar 02/11
A9.05	Foundation Details	06	Mar 02/11
A9.10	Section Details	06	Mar 02/11
A9.11	Section Details	06	Mar 02/11
A9.12	Section Details	06	Mar 02/11
A9.13	Section Details	06	Mar 02/11
A9.14	Section Details	06	Mar 02/11
A9.15	Section Details	06	Mar 02/11
A9.16	Section Details	06	Mar 02/11
CIVIL DRAWINGS:			
C-01	Existing Conditions	04	Jan 31/11
C-02	Existing Catchment Areas	04	Jan 31/11
C-03	Proposed Conditions	09	Jan 31/11
C-04	Proposed Catchment Areas	07	Jan 31/11
C-05	Grading and Drainage Plan	06	Jan 31/11
C-06	Proposed Regional Floodplain	05	Jan 31/11
C-07	Site Servicing Plan	08	Jan 31/11
C-08	Floodplain Pool Sections	05	Jan 31/11
C-08a	Sections 1 of 2	05	Jan 31/11
C-08b	Sections 2 of 2	04	Jan 31/11
C-10	Sediment and Erosion Control Plan	05	Jan 31/11
C-11	Details	05	Feb 18/11
STRUCTURAL DRAWINGS:			
S.01	General Notes & Specification	05	Mar 02/11
S.02	Specification	05	Mar 02/11
S.03	Specification	05	Mar 02/11
S.04	Site Plan and Detail Sections	06	Mar 02/11
S1.0	General Notes & Typical Details	05	Mar 02/11
S1.1	Typical Details	05	Mar 02/11
S1.2	Typical Details	05	Mar 02/11
S1.3	Typical Details	05	Mar 02/11
S2.0	Foundation Plan	05	Mar 02/11
S2.1	Ground Floor Framing Plan	05	Mar 02/11
S2.2	Second Floor Framing Plan	05	Mar 02/11
S2.3	Third Floor Framing Plan	05	Mar 02/11
S2.4	Fourth Floor Framing Plan	05	Mar 02/11
S2.5	Roof Framing Plan	05	Mar 02/11
S3.0	Core Wall/Shear Wall Typical Details	05	Mar 02/11
S3.1	Core Wall/Shear Wall Plans	05	Mar 02/11
S3.1A	Core Wall/Shear Wall Plans	05	Mar 02/11
S4.1	Foundation Sections	05	Mar 02/11
S4.2	Foundation Sections	05	Mar 02/11
S4.3	Sections	05	Mar 02/11
S4.4	Sections	05	Mar 02/11
S4.5	Sections	05	Mar 02/11

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S4.8	Sections	05	Mar 02/11
S5.0	Column & Footing Schedule	05	Mar 02/11
S6.0	Beam Schedule	05	Mar 02/11
LANDSCAPE DRAWINGS:			
L-1	Roof Gardens Key Plan (Levels 200, 300 & 400)	-	-
L-2	Roof Gardens Planting Plan (Levels 200 & 300)	-	-
L-3	Roof Gardens Planting Plan (Level 400)	-	-
L1	Landscape Plan Part 1 - Building Site	05	Oct 01/09
L2	Landscape Plan Part 2 - West Site	05	Oct 01/09
L3	Detailed Plan - Planters A & B	05	Oct 01/09
L4	Detailed Plan - Planters C,D,E	05	Oct 01/09
L5	Plant Lists	02	Oct 01/09
L6	Floodplain Area Pond Planting Ponds A,B & C	02	Oct 01/09
L7	Floodplain Area Pond Planting Ponds D,E & F	02	Oct 01/09
L8	Planting Details	02	Oct 01/09
MECHANICAL DRAWINGS:			
M1.1	Basement Plan - Plumbing	2	Mar 02/11
M1.2	100 Level Plan - Plumbing	2	Mar 02/11
M1.3	200 Level Plan - Plumbing	2	Mar 02/11
M1.4	300 Level Plan - Plumbing	2	Mar 02/11
M1.5	400 Level Plan - Plumbing	2	Mar 02/11
M2.1	Basement Level Ductwork Layout - HVAC	2	Mar 02/11
M2.2	100 Level Ductwork Layout - HVAC	2	Mar 02/11
M2.3	200 Level Ductwork Layout - HVAC	2	Mar 02/11
M2.4	300 Level Ductwork Layout - HVAC	2	Mar 02/11
M2.5	400 Level Ductwork Layout - HVAC	2	Mar 02/11
M2.6	Basement Level Piping Layout - HVAC	2	Mar 02/11
M2.7	100 Level Piping Layout - HVAC	2	Mar 02/11
M2.8	200 Level Piping Layout - HVAC	2	Mar 02/11
M2.9	300 Level Piping Layout - HVAC	2	Mar 02/11
M2.10	400 Level Piping Layout - HVAC	2	Mar 02/11
M3.1	Basement Plan - Sprinklers	2	Mar 02/11
M3.2	100 Level Plan - Sprinklers	2	Mar 02/11
M3.3	200 Level Plan - Sprinklers	2	Mar 02/11
M3.4	300 Level Plan - Sprinklers	2	Mar 02/11
M3.5	400 Level Plan - Sprinklers	2	Mar 02/11
ELECTRICAL DRAWINGS:			
E0.01	Legend & Details - Electrical	2	Mar 02/11
E1.01	Site Plan - Electrical	2	Mar 02/11
E1.02	Site Details - Electrical	2	Mar 02/11
E2.00A	000 Level Plan - Lighting	2	Mar 02/11
E2.00B	000 Level Plan - Power & Systems	2	Mar 02/11
E2.01A	100 Level Plan - Lighting	2	Mar 02/11
E2.01B	100 Level Plan - Power & Systems	2	Mar 02/11
E2.02A	200 Level Plan - Lighting	2	Mar 02/11
E2.02B	200 Level Plan - Power & Systems	2	Mar 02/11
E2.03A	300 Level Plan - Lighting	2	Mar 02/11
E2.03B	300 Level Plan - Power & Systems	2	Mar 02/11
E2.04A	400 Level Plan - Lighting	2	Mar 02/11
E2.04B	400 Level Plan - Power & Systems	2	Mar 02/11
E2.05	Roof Plan - Electrical	2	Mar 02/11
E3.01	Power System Riser	2	Mar 02/11
E3.02	Fire Alarm Riser & Schedule	2	Mar 02/11
E3.03	TEL/CATV & Security System Riser	2	Mar 02/11

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Mr. Oliver Belo
First Leaside Head Office

May 31, 2011
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Purchase Agreement

E4.01 Details - Electrical 2 Mar 02/11

Master Drawing List - Specifications

PROJECT:	FIRST LEASIDE HEAD OFFICE		
PROJECT NO:	08-547		
Issued for Foundation & Superstructure Tender - January 28, 2011			
Last Updated	March 3, 2011		
Section No.	Description	Rev. No.	Date
DIVISION 0 - BIDDING AND CONTRACT REQUIREMENTS		0	28-Jan-11
00050	List of Contents	0	28-Jan-11
00060	Directory	0	28-Jan-11
01000	General Instructions	0	28-Jan-11
01015	Examination and Protection of Property	0	28-Jan-11
01040	Co-ordination	0	28-Jan-11
01042	Mechanical and Electrical Co-ordination	0	28-Jan-11
01045	Cutting and Patching	0	28-Jan-11
01050	Layout Dimensions	0	28-Jan-11
01060	Regulatory Requirements	0	28-Jan-11
01100	Summary	0	28-Jan-11
01200 (CIVIL)	Price and Payment Procedures	0	28-Jan-11
01209	Meeting and Progress Records	0	28-Jan-11
01293	Inspection and Testing	0	28-Jan-11
01300	Submittals	0	28-Jan-11
01311	Construction Schedule	0	28-Jan-11
01340	Shop Drawings and Product Data	0	28-Jan-11
01351	Health and Safety	0	Jul-09
01352	General LEED Requirements	0	Jul-09
01355	Waste Management Disposal	0	Jul-09
01359	Indoor Air Quality Management	0	Jul-09
01359A	IAQ Management Schedules	0	28-Jan-11
01400	Quality Control	0	28-Jan-11
01400 (CIVIL)	Quality Requirements	0	28-Jan-11
01510	Temporary Facilities	0	28-Jan-11
01530	Hoardings and Barriers	0	28-Jan-11
01545	Construction Safety	0	28-Jan-11
01550	Safety Requirements	0	28-Jan-11
01560	Parking	0	28-Jan-11
01600	Products and Workmanship	0	28-Jan-11
01600 (CIVIL)	Product Requirements	0	Jul-09
01611	LEED Product Requirements	0	Jul-09
01611A	LEED Product Requirements Schedules	0	28-Jan-11
01630	Contractor's Options	0	28-Jan-11
01660	Equipment Start-Up Procedures	0	28-Jan-11
01661	Testing Systems	0	28-Jan-11
01700	Project Close-Out	0	28-Jan-11
01700 (CIVIL)	Execution Requirements	0	28-Jan-11
01710	Cleaning	0	28-Jan-11
01730	Operations and Maintenance Data	0	28-Jan-11
01740	Warranties	0	28-Jan-11
DIVISION 2 - SITE CONSTRUCTION		0	28-Jan-11
02074	Geotextile	0	28-Jan-11
02110	Excavation of Contaminated Soil	0	28-Jan-11
02120	Off-Site Transportation and Disposal	0	28-Jan-11
02200 (CIVIL)	Site Preparation	0	28-Jan-11

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Mr. Oliver Belo
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May 31, 2011
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File 08-547-4-3-1
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02200	Excavating, Backfilling and Rough Grading	1	28-Jan-11
02210	Site Grading	0	5-May-10
02310 (CIVIL)	Fill	0	28-Jan-11
02317 (CIVIL)	Excavating	0	28-Jan-11
02370	Schedule A - Erosion and Sedimentation Control	0	Jul-09
02370	Schedule B - ESC - Weekly Inspection Log	0	Jul-09
02373 (CIVIL)	Rock Lining	0	28-Jan-11
02601 (CIVIL)	Buried Utilities	0	28-Jan-11
02740 (CIVIL)	Flexible Pavement	0	28-Jan-11
02741 (CIVIL)	Concrete Pavement	0	28-Jan-11
02776 (CIVIL)	Curbs and Sidewalks	0	28-Jan-11
02834 (CIVIL)	Retaining Wall	0	28-Jan-11
DIVISION 3 - CONCRETE			
03 10 00	Concrete Formwork	0	28-Jan-11
31 63 28	Drilled Caissons	0	28-Jan-11
03 20 03	Concrete Reinforcement	0	28-Jan-11
03 30 00	Cast-In-Place Concrete	0	28-Jan-11
03305	Integral Waterproofing of Concrete - Admixture	1	18-Jan-11
03335	Architectural Concrete	1	10-Jul-10
03345	Concrete Floor Finishing	1	6-Jul-10
DIVISION 5 - METALS			
05 12 00	Structural Steel	0	28-Jan-11
05 32 00	Steel Floor Deck	0	28-Jan-11
DIVISION 7 - THERMAL AND MOISTURE PROTECTION			
07135	Foundation Wall Sheet Waterproofing Membrane	1	25-Jan-11
07138	Pre-Applied Integrally Bonded Sheet Membrane Waterproofing	1	25-Jan-11
07142	Hot Applied Rubberized Asphalt Waterproofing/Roofing Membrane	0	28-Jan-11
07200	Air/Vapour Barrier and Thermal Insulation	1	26-Jan-11
07900	Sealants	0	27-Jan-11
GEOTECHNICAL AND SOILS REPORTS			
Phase I and Phase II Environmental Site Assessment Report prepared by Geo-Logic, dated September 2008 (4 Victoria Street)			Sep-08
Phase II Environmental Site Assessment Report prepared by Geo-Logic, dated April 2009 (144-168 Brock Street West)			Apr-09
Designated Substances Survey Report, prepared by Geo-Logic, dated September 2008 (4 Victoria Street)			Sep-08
Remedial Action Plan Report, prepared by Geo-Logic, dated May 2009, rev. August 2009 (144-168 Brock Street West)			Aug-09
Phase I and Phase II Environmental Site Assessment prepared by CRA, dated February 2009 (144 Brock Street West)			Feb-09
Phase I and Phase II Environmental Site Assessment prepared by CRA (168 Brock Street West)			
Geotechnical Investigation Report prepared by Inspecol, dated January 19, 2011			19-Jan-11

Administration

Your Contract Number for this project is 08-547-4-3-1. Please refer to this number on all correspondence and payment applications. A schedule for performance of the subcontract Work will be enclosed with the subcontract documents.

Please provide a breakdown of the Lump Sum Price, for progress billing purposes, within 5 business days from the date of this letter, for our review. This breakdown shall be by Section and by material and installation, and be in sufficient detail to measure and

Mr Oliver Belo Initials

Dated

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10-6-11

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Mr. Oliver Belo
First Leaside Head Office

May 31, 2011
April 18, 2011
File 08-547-4-3-1
Purchase Agreement

monitor the progress of your Work. This breakdown shall be agreed to prior to processing the first payment application.

An amount of \$25,000.00 will be set aside until all LEED, closeout and As Built drawings required by this scope are submitted and accepted by the Owner.

Payments will be made in accordance with the Prime Contract Documents, which include applicable retention for the Statutory Holdback, the Maintenance Security and the Completion Retention.

Submit all additional Work quotations in sufficient detail to assess the cost and to identify the mark-up allowed by the Prime Contract. Provide supporting documentation for review to substantiate additional Work quotations with the initial submission. In compliance with Ontario Regulation 102 and 103, the Subcontractor is to submit a Waste Reduction Plan prior to release of its first payment and written assurance that the waste produced by the Work has been disposed of at a licensed facility. Assistance in the development of the project specific Waste Reduction Plan may be provided by Kenaidan upon request. The Subcontractor shall submit copies of all waste haulage tickets (with material breakdown details) on a monthly basis as part of the monthly payment application. Submission of a completed Waste Reduction Plan for the Work shall be a Project closeout requirement and satisfactorily completed prior to release of the final payment to the Subcontractor.

All waste produced by your construction activities is to be removed off Site and legally disposed by Structform International Limited on a regular basis. Arrangements for waste removal may be made with the Kenaidan Site Supervisor and any costs associated will be applied to your account.

Submit proof of General Liability in the amount of \$5.0 million and Auto Insurance in the amount of \$2.0 million with Kenaidan Contracting Ltd. as additionally insured prior to mobilising onto the Project.

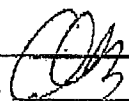
Submit proof of Contractor's Equipment Insurance in the amount equal to the value of equipment on the job Site, including rented equipment.

Submit a valid WSIB Clearance Certificate and a Statutory Declarations that all accounts have been paid in full with payment applications.

Payments shall not be made without proof of Liability Insurance, receipt of the WSIB Clearance Certificate and any required Statutory Declarations.

Mr. Oliver Belo Initials

Dated


6-6-11

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Structform International Limited
Mr. Oliver Belo
First Leasehold Head Office

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April 10, 2011
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Purchase Agreement

Project Staff

Structform International Limited shall assign a Site Supervisor for the Work, who shall be responsible and authorised to supervise the Work provided by this agreement. This person shall also enforce compliance with all safety regulations required in the performance of this Work. This person shall be on the Site at all times when Structform International Limited has Work being carried out on Site.

A safety orientation will be required for each new subcontractor and for all new workers on this Site. This orientation will be administered by the Site Supervisor. Please make arrangements for this orientation before mobilising the jobsite. A safety policy shall be submitted prior to mobilizing on-site. A complete list of all equipment required to complete the job must be submitted for review.

Structform International Limited is required, when requested by the Site Supervisor, to have a representative attend a weekly safety and co-ordination meeting. Be advised that failure to attend these meetings by your representative may result in termination of this agreement. Provide to the Site Supervisor copies of the minutes of any tailgate safety meetings held by your workers.

The Site Supervisor for this Project is Mr. Jeff Bedard, and he may be reached at (416) 574-5525. Please co-ordinate your work on site with the Site Supervisor directly.

The Project Administrator for this Project is Ms. Elisa Lui and she may be reached at the Mississauga office (905) 670-2660. Please contact the Project Administrator, regarding the status of your payment applications. Please forward all submissions for your Work to the attention of the Project Administrator at the Mississauga office. Contact the Project Administrator directly concerning the status of your submissions, samples and reports.

The Project Manager for this project is Mr. Benjamin Alves, and he may be reached at (416) 919-1537. Please direct schedule, design, cost and contractual issues concerning this project to the Project Manager's attention at our Mississauga Office.

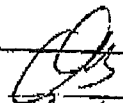
Quality Control

Provide all equipment and materials for this Project in conformance with the Reference Documents. Correct all deficient Work on detection and without prompting by Kenaidan or the Owner. Ensure that the end product is a quality installation, which meets or exceeds industry standards.

A warranty for the Work supplied by this agreement shall be provided in accordance with the Prime Contract requirements.

Mr. Oliver Belo Initials

Dated


10-6-11

Structform International Limited
Mr Oliver Belo
First Leaside Head Office

May 31, 2011
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Purchase Agreement

It is understood that this agreement requires the use of Qualified Personnel, the cost of which is included in the total price.

Successful Closeout

Achieving a successful project closeout is a critical contributor to developing long-term relationships with satisfied clients and Suppliers. As part of the team on this project, your help is encouraged and welcomed. Your participation in the planning and effort needed to reach these milestones is key. Closeout milestones are included in the schedule and must be included in your schedules. Please place a specific emphasis on the following items included in your scope of Work:

- As-built Drawings
- Specified Warranties
- Closeout Documents required by the Specifications

The scope and terms of this Letter of Intent supersedes all prior negotiations, representations, or agreements, either written or oral, relating in any manner to this Work.

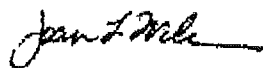
Kindly acknowledge receipt and acceptance of this Letter of Intent by signing below and returning a copy by fax to the attention of the undersigned by the end of business on April 27, 2011.

Should you have any questions regarding the above please contact the undersigned.

We look forward to working with you and your company toward a successful completion of this Project.

Yours truly,

FIRST LEASIDE EXPANSION LIMITED PARTNERSHIP



Joan L. Wilson, CA
Director of Real Estate

cc: Mr. Gian Fortuna (VP Contracts)
Mr. Benjamin Alves (PM)
Mr. Jeff Bedard (Site Supervisor)

Accepted by,


Mr. Oliver Belo
Structform International Limited
Authorised Signing Officer

Mr Oliver Belo Initials

Dated

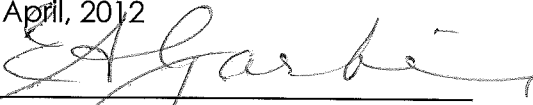
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TAB B

This is Exhibit "B" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012



A Commissioner, Etc.

Structform International Limited

Month of July, 2011
Progress Billing No.01

1st Lease, Uxbridge
Concrete Formwork, Place & Finish
Kenaidan
Job Number: 07020

PAY ITEM / WORK DESCRIPTION	ORIGINAL CONTRACT	% COMPLETE	TOTAL TO DATE	PREVIOUS APPLICATION	CURRENT APPLICATION	BALANCE ON CONTRACT
MOBILIZATION	\$ 171,450.00	50%	\$ 85,725.00		\$ 85,725.00	\$ 85,725.00
Demobilization	\$ 68,580.00	0%	\$ -		\$ -	\$ 68,580.00
Erection of Tower Cranes	\$ 30,000.00	0%	\$ -		\$ -	\$ 30,000.00
Dismantle of Tower Crane	\$ 40,000.00	0%	\$ -		\$ -	\$ 40,000.00
Crane Base	\$ 15,000.00	80%	\$ 12,000.00		\$ 12,000.00	\$ 3,000.00
Engineering/Drawings	\$ 15,000.00	0%	\$ -		\$ -	\$ 15,000.00
LEED/Closeout Docs	\$ 15,000.00	0%	\$ -		\$ -	\$ 15,000.00
Fabrication of wall/column forms	\$ 115,000.00	15%	\$ 17,250.00		\$ 17,250.00	\$ 97,750.00
Crash Wall	\$ 104,970.00	60%	\$ 62,982.00		\$ 62,982.00	\$ 41,988.00
Planters and Benches	\$ 100,000.00	0%	\$ -		\$ -	\$ 100,000.00
Foundations	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00
Raft Slab, Piers and Caps	\$ 45,000.00	0%	\$ -		\$ -	\$ 45,000.00
Cistern	\$ 25,000.00	0%	\$ -		\$ -	\$ 25,000.00
verticals u/s Ground	\$ 450,000.00	0%	\$ -		\$ -	\$ 450,000.00
Ground Floor	\$ 120,000.00	0%	\$ -		\$ -	\$ 120,000.00
verticals u/s 2nd Floor	\$ 180,000.00	0%	\$ -		\$ -	\$ 180,000.00
2nd Floor	\$ 155,000.00	0%	\$ -		\$ -	\$ 155,000.00
verticals u/s 3rd Floor	\$ 175,000.00	0%	\$ -		\$ -	\$ 175,000.00
3rd Floor	\$ 130,000.00	0%	\$ -		\$ -	\$ 130,000.00
verticals u/s 4th Floor	\$ 190,000.00	0%	\$ -		\$ -	\$ 190,000.00
3rd Floor	\$ 110,000.00	0%	\$ -		\$ -	\$ 110,000.00
verticals u/s Roof	\$ 160,000.00	0%	\$ -		\$ -	\$ 160,000.00
Roof	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00
Slab on Void	\$ 48,000.00	0%	\$ -		\$ -	\$ 48,000.00
Slab on Grade	\$ 37,000.00	0%	\$ -		\$ -	\$ 37,000.00
Curbs and Upturns	\$ 130,000.00	0%	\$ -		\$ -	\$ 130,000.00
Cast in Place Stair	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00
rubup & clean-up	\$ 140,000.00	0%	\$ -		\$ -	\$ 140,000.00
Waste Management	\$ 16,800.00	0%	\$ -		\$ -	\$ 16,800.00
Hand Rails	\$ 18,200.00	0%	\$ -		\$ -	\$ 18,200.00
Temp Generator for Tower Crane	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00
Stud Rail Supply	\$ 25,000.00	0%	\$ -		\$ -	\$ 25,000.00
West Side Parking Lot	\$ 150,000.00	0%	\$ -		\$ -	\$ 150,000.00
OPSD Curbs	\$ 35,000.00	0%	\$ -		\$ -	\$ 35,000.00
Sidewalk Removal & Replacement	\$ 100,000.00	0%	\$ -		\$ -	\$ 100,000.00
Reinforcing	\$ 950,000.00	4.07%	\$ 38,665.00		\$ 38,665.00	\$ 911,335.00
Concrete Supply	\$ 850,000.00	4.23%	\$ 35,955.00		\$ 35,955.00	\$ 814,045.00

1st Lease, Uxbridge Concrete Formwork, Place & Finish Kenaidan Job Number: 07020				Structform International Limited				Month of July, 2011 Progress Billing No.01			
TOTAL ORIGINAL CONTRACT	\$	5,195,000.00	5%	\$	252,577.00	\$	-	\$	252,577.00	\$	4,942,423.00
CHANGE ORDERS (SEE APPX- A)	\$	-		\$	-	\$	-	\$	-	\$	-
REVISED CONTRACT AMOUNT	\$	5,195,000.00		\$	252,577.00	\$	-	\$	252,577.00	\$	4,942,423.00
LESS 10% HOLDBACK				\$	25,257.70	\$	-	\$	25,257.70		
NET AFTER HOLDBACK				\$	227,319.30	\$	-	\$	227,319.30		
ADD: 13% HST				\$	29,551.51	\$	-	\$	29,551.51		
TOTAL CLAIM				\$	256,870.81	\$	-	\$	256,870.81		

TAB C

This is Exhibit "C" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012



A Commissioner, Etc.

Structform International Limited							Month of August, 2011 Progress Billing No.02	
1st Lease, Uxbridge Concrete Formwork, Place & Finish Kenaidan Job Number: 07020								
PAY ITEM / WORK DESCRIPTION	ORIGINAL CONTRACT	% COMPLETE	TOTAL TO DATE	PREVIOUS APPLICATION	CURRENT APPLICATION	BALANCE ON CONTRACT		
MOBILIZATION	\$ 171,450.00	90%	\$ 154,305.00	\$ 85,725.00	\$ 68,580.00	\$ 17,145.00		
Demobilization	\$ 68,580.00	0%	\$ -		\$ -	\$ 68,580.00		
Erection of Tower Cranes	\$ 30,000.00	100%	\$ 30,000.00		\$ 30,000.00	\$ -		
Dismantle of Tower Crane	\$ 40,000.00	0%	\$ -		\$ -	\$ 40,000.00		
Crane Base	\$ 15,000.00	100%	\$ 15,000.00	\$ 12,000.00	\$ 3,000.00	\$ -		
Engineering/Drawings	\$ 15,000.00	20%	\$ 3,000.00		\$ 3,000.00	\$ 12,000.00		
LEED/Closeout Docs	\$ 15,000.00	0%	\$ -		\$ -	\$ 15,000.00		
Fabrication of wall/column forms	\$ 115,000.00	70%	\$ 80,500.00	\$ 17,250.00	\$ 63,250.00	\$ 34,500.00		
Crash Wall	\$ 104,970.00	98%	\$ 102,870.60	\$ 62,982.00	\$ 39,888.60	\$ 2,099.40		
Planters and Benches	\$ 100,000.00	0%	\$ -		\$ -	\$ 100,000.00		
Foundations	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00		
Raft Slab, Piers and Caps	\$ 45,000.00	10%	\$ 4,500.00		\$ 4,500.00	\$ 40,500.00		
Cistern	\$ 25,000.00	0%	\$ -		\$ -	\$ 25,000.00		
verticals u/s Ground	\$ 450,000.00	0%	\$ -		\$ -	\$ 450,000.00		
Ground Floor	\$ 120,000.00	0%	\$ -		\$ -	\$ 120,000.00		
verticals u/s 2nd Floor	\$ 180,000.00	0%	\$ -		\$ -	\$ 180,000.00		
2nd Floor	\$ 155,000.00	0%	\$ -		\$ -	\$ 155,000.00		
verticals u/s 3rd Floor	\$ 175,000.00	0%	\$ -		\$ -	\$ 175,000.00		
3rd Floor	\$ 130,000.00	0%	\$ -		\$ -	\$ 130,000.00		
verticals u/s 4th Floor	\$ 190,000.00	0%	\$ -		\$ -	\$ 190,000.00		
3rd Floor	\$ 110,000.00	0%	\$ -		\$ -	\$ 110,000.00		
verticals u/s Roof	\$ 160,000.00	0%	\$ -		\$ -	\$ 160,000.00		
Roof	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00		
Slab on Void	\$ 48,000.00	0%	\$ -		\$ -	\$ 48,000.00		
Slab on Grade	\$ 37,000.00	0%	\$ -		\$ -	\$ 37,000.00		
Curbs and Upturns	\$ 130,000.00	0%	\$ -		\$ -	\$ 130,000.00		
Cast in Place Stair	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00		
rubup & clean-up	\$ 140,000.00	0%	\$ -		\$ -	\$ 140,000.00		
Waste Management	\$ 16,800.00	0%	\$ -		\$ -	\$ 16,800.00		
Hand Rails	\$ 18,200.00	0%	\$ -		\$ -	\$ 18,200.00		
Temp Generator for Tower Crane	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00		
Stud Rail Supply	\$ 25,000.00	0%	\$ -		\$ -	\$ 25,000.00		
West Side Parking Lot	\$ 150,000.00	0%	\$ -		\$ -	\$ 150,000.00		
OPSD Curbs	\$ 35,000.00	0%	\$ -		\$ -	\$ 35,000.00		
Sidewalk Removal & Replacement	\$ 100,000.00	0%	\$ -		\$ -	\$ 100,000.00		
Reinforcing	\$ 950,000.00	7.00%	\$ 66,500.00	\$ 38,665.00	\$ 27,835.00	\$ 883,500.00		
Concrete Supply	\$ 850,000.00	11.00%	\$ 93,500.00	\$ 35,955.00	\$ 57,545.00	\$ 756,500.00		

Structform International Limited											Month of August, 2011	
1st Lease, Uxbridge											Progress Billing No.02	
Concrete Formwork, Place & Finish												
Kenaidan												
Job Number: 07020												
TOTAL ORIGINAL CONTRACT	\$	5,195,000.00	11%	\$	550,175.60	\$	252,577.00	\$	297,598.60	\$	4,644,824.40	
CHANGE ORDERS (SEE APPX- A)	\$	-		\$	-	\$	-	\$	-	\$	-	
REVISED CONTRACT AMOUNT	\$	5,195,000.00		\$	550,175.60	\$	252,577.00	\$	297,598.60	\$	4,644,824.40	
LESS 10% HOLDBACK				\$	55,017.56	\$	25,257.70	\$	29,759.86			
NET AFTER HOLDBACK				\$	495,158.04	\$	227,319.30	\$	267,838.74			
ADD: 13% HST				\$	64,370.55	\$	29,551.51	\$	34,819.04			
TOTAL CLAIM				\$	559,528.59	\$	256,870.81	\$	302,657.78			

TAB D

This is Exhibit "D" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012


A Commissioner, Etc.

1st Lease, Uxbridge
Concrete Formwork, Place & Finish
Kenaidan
Job Number: 07020

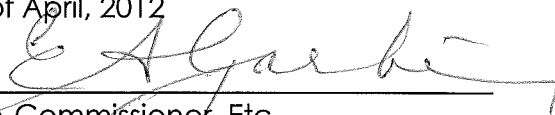
Structform International Limited
Month of September, 2011
Progress Billing No.03

PAY ITEM / WORK DESCRIPTION	ORIGINAL CONTRACT	% COMPLETE	TOTAL TO DATE	PREVIOUS APPLICATION	CURRENT APPLICATION	BALANCE ON CONTRACT
MOBILIZATION	\$ 171,450.00	100%	\$ 171,450.00	\$ 154,305.00	\$ 17,145.00	\$ -
Demobilization	\$ 68,580.00	0%	\$ -		\$ -	\$ 68,580.00
Erection of Tower Cranes	\$ 30,000.00	100%	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -
Dismantle of Tower Crane	\$ 40,000.00	0%	\$ -		\$ -	\$ 40,000.00
Crane Base	\$ 15,000.00	100%	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -
Engineering/Drawings	\$ 15,000.00	25%	\$ 3,750.00	\$ 3,000.00	\$ 750.00	\$ 11,250.00
LEED/Closeout Docs	\$ 15,000.00	15%	\$ 2,250.00		\$ 2,250.00	\$ 12,750.00
Fabrication of wall/column forms	\$ 115,000.00	90%	\$ 103,500.00	\$ 80,500.00	\$ 23,000.00	\$ 11,500.00
Crash Wall	\$ 104,970.00	100%	\$ 104,970.00	\$ 102,870.60	\$ 2,099.40	\$ -
Planters and Benches	\$ 100,000.00	0%	\$ -		\$ -	\$ 100,000.00
Foundations	\$ 70,000.00	10%	\$ 7,000.00		\$ 7,000.00	\$ 63,000.00
Raft Slab, Piers and Caps	\$ 45,000.00	20%	\$ 9,000.00	\$ 4,500.00	\$ 4,500.00	\$ 36,000.00
Cistern	\$ 25,000.00	0%	\$ -		\$ -	\$ 25,000.00
Verticals u/s Ground	\$ 450,000.00	0%	\$ -		\$ -	\$ 450,000.00
Ground Floor	\$ 120,000.00	0%	\$ -		\$ -	\$ 120,000.00
Verticals u/s 2nd Floor	\$ 180,000.00	0%	\$ -		\$ -	\$ 180,000.00
2nd Floor	\$ 155,000.00	0%	\$ -		\$ -	\$ 155,000.00
Verticals u/s 3rd Floor	\$ 175,000.00	0%	\$ -		\$ -	\$ 175,000.00
3rd Floor	\$ 130,000.00	0%	\$ -		\$ -	\$ 130,000.00
Verticals u/s 4th Floor	\$ 190,000.00	0%	\$ -		\$ -	\$ 190,000.00
3rd Floor	\$ 110,000.00	0%	\$ -		\$ -	\$ 110,000.00
Verticals u/s Roof	\$ 160,000.00	0%	\$ -		\$ -	\$ 160,000.00
Roof	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00
Slab on Void	\$ 48,000.00	0%	\$ -		\$ -	\$ 48,000.00
Slab on Grade	\$ 37,000.00	0%	\$ -		\$ -	\$ 37,000.00
Curbs and Upturns	\$ 130,000.00	0%	\$ -		\$ -	\$ 130,000.00
Cast in Place Stair	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00
rubup & clean-up	\$ 140,000.00	0%	\$ -		\$ -	\$ 140,000.00
Waste Management	\$ 16,800.00	0%	\$ -		\$ -	\$ 16,800.00
Hand Rails	\$ 18,200.00	0%	\$ -		\$ -	\$ 18,200.00
Temp Generator for Tower Crane	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00
Stud Rail Supply	\$ 25,000.00	0%	\$ -		\$ -	\$ 25,000.00
West Side Parking Lot	\$ 150,000.00	0%	\$ -		\$ -	\$ 150,000.00
OPSD Curbs	\$ 35,000.00	0%	\$ -		\$ -	\$ 35,000.00
Sidewalk Removal & Replacement	\$ 100,000.00	0%	\$ -		\$ -	\$ 100,000.00
Reinforcing	\$ 950,000.00	10.00%	\$ 95,000.00	\$ 66,500.00	\$ 28,500.00	\$ 855,000.00
Concrete Supply	\$ 850,000.00	13.00%	\$ 110,500.00	\$ 93,500.00	\$ 17,000.00	\$ 739,500.00

1st Lease, Uxbridge				Structform International Limited				Month of September, 2011			
Concrete Formwork, Place & Finish								Progress Billing No.03			
Kenaïdan											
Job Number: 07020											
TOTAL ORIGINAL CONTRACT	\$	5,195,000.00	13%	\$	652,420.00	\$	550,175.60	\$	102,244.40	\$	4,542,580.00
CHANGE ORDERS (SEE APPX- A)	\$	-		\$	-	\$	-	\$	-	\$	-
REVISED CONTRACT AMOUNT	\$	5,195,000.00		\$	652,420.00	\$	550,175.60	\$	102,244.40	\$	4,542,580.00
LESS 10% HOLDBACK				\$	65,242.00	\$	55,017.56	\$	10,224.44		
NET AFTER HOLDBACK				\$	587,178.00	\$	495,158.04	\$	92,019.96		
ADD: 13% HST				\$	76,333.14	\$	64,370.55	\$	11,962.59		
TOTAL CLAIM				\$	663,511.14	\$	559,528.59	\$	103,982.55		

TAB E

This is Exhibit "E" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012


A Commissioner, Etc.

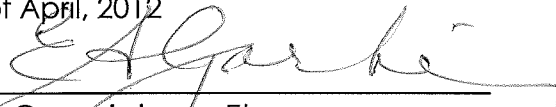
Structform International Limited

PAY ITEM / WORK DESCRIPTION	ORIGINAL CONTRACT	% COMPLETE	TOTAL TO DATE	PREVIOUS APPLICATION	CURRENT APPLICATION	BALANCE ON CONTRACT
MOBILIZATION	\$ 171,450.00	100%	\$ 171,450.00	\$ 171,450.00	\$ -	\$ -
Demobilization	\$ 68,580.00	0%	\$ -	\$ -	\$ -	\$ 68,580.00
Erection of Tower Cranes	\$ 30,000.00	100%	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -
Dismantle of Tower Crane	\$ 40,000.00	0%	\$ -	\$ -	\$ -	\$ 40,000.00
Crane Base	\$ 15,000.00	100%	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -
Engineering/Drawings	\$ 15,000.00	25%	\$ 3,750.00	\$ 3,750.00	\$ -	\$ 11,250.00
LEED/Closeout Docs	\$ 15,000.00	15%	\$ 2,250.00	\$ 2,250.00	\$ -	\$ 12,750.00
Fabrication of wall/column forms	\$ 115,000.00	100%	\$ 115,000.00	\$ 103,500.00	\$ 11,500.00	\$ -
Crash Wall	\$ 104,970.00	100%	\$ 104,970.00	\$ 104,970.00	\$ -	\$ -
Planters and Benches	\$ 100,000.00	0%	\$ -	\$ -	\$ -	\$ 100,000.00
Foundations	\$ 70,000.00	30%	\$ 21,000.00	\$ 7,000.00	\$ 14,000.00	\$ 49,000.00
Raft Slab, Piers and Caps	\$ 45,000.00	60%	\$ 27,000.00	\$ 9,000.00	\$ 18,000.00	\$ 18,000.00
Cistern	\$ 25,000.00	0%	\$ -	\$ -	\$ -	\$ 25,000.00
verticals u/s Ground	\$ 450,000.00	5%	\$ 22,500.00	\$ -	\$ 22,500.00	\$ 427,500.00
Ground Floor	\$ 120,000.00	0%	\$ -	\$ -	\$ -	\$ 120,000.00
verticals u/s 2nd Floor	\$ 180,000.00	0%	\$ -	\$ -	\$ -	\$ 180,000.00
2nd Floor	\$ 155,000.00	0%	\$ -	\$ -	\$ -	\$ 155,000.00
verticals u/s 3rd Floor	\$ 175,000.00	0%	\$ -	\$ -	\$ -	\$ 175,000.00
3rd Floor	\$ 130,000.00	0%	\$ -	\$ -	\$ -	\$ 130,000.00
verticals u/s 4th Floor	\$ 190,000.00	0%	\$ -	\$ -	\$ -	\$ 190,000.00
3rd Floor	\$ 110,000.00	0%	\$ -	\$ -	\$ -	\$ 110,000.00
verticals u/s Roof	\$ 160,000.00	0%	\$ -	\$ -	\$ -	\$ 160,000.00
Roof	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00
Slab on Void	\$ 48,000.00	0%	\$ -	\$ -	\$ -	\$ 48,000.00
Slab on Grade	\$ 37,000.00	0%	\$ -	\$ -	\$ -	\$ 37,000.00
Curbs and Upturns	\$ 130,000.00	0%	\$ -	\$ -	\$ -	\$ 130,000.00
Cast in Place Stair	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00
rubup & clean-up	\$ 140,000.00	0%	\$ -	\$ -	\$ -	\$ 140,000.00
Waste Management	\$ 16,800.00	0%	\$ -	\$ -	\$ -	\$ 16,800.00
Hand Rails	\$ 18,200.00	0%	\$ -	\$ -	\$ -	\$ 18,200.00
Temp Generator for Tower Crane	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00
Stud Rail Supply	\$ 25,000.00	0%	\$ -	\$ -	\$ -	\$ 25,000.00
West Side Parking Lot	\$ 150,000.00	40%	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 90,000.00
OPSD Curbs	\$ 35,000.00	55%	\$ 19,250.00	\$ -	\$ 19,250.00	\$ 15,750.00
Sidewalk Removal & Replacement	\$ 100,000.00	0%	\$ -	\$ -	\$ -	\$ 100,000.00
Reinforcing	\$ 950,000.00	23.00%	\$ 218,500.00	\$ 95,000.00	\$ 123,500.00	\$ 731,500.00
Concrete Supply	\$ 850,000.00	32.00%	\$ 272,000.00	\$ 110,500.00	\$ 161,500.00	\$ 578,000.00

1st Lease, Uxbridge				Structform International Limited				Month of October, 2011			
Concrete Formwork, Place & Finish								Progress Billing No.04			
Kenaidan											
Job Number: 07020											
TOTAL ORIGINAL CONTRACT	\$	5,195,000.00	21%	\$	1,082,670.00	\$	652,420.00	\$	430,250.00	\$	4,112,330.00
CHANGE ORDERS (SEE APPX- A)	\$	-		\$	-	\$	-	\$	-	\$	-
REVISED CONTRACT AMOUNT	\$	5,195,000.00		\$	1,082,670.00	\$	652,420.00	\$	430,250.00	\$	4,112,330.00
LESS 10% HOLDBACK				\$	108,267.00	\$	65,242.00	\$	43,025.00		
NET AFTER HOLDBACK				\$	974,403.00	\$	587,178.00	\$	387,225.00		
ADD: 13% HST				\$	126,672.39	\$	76,333.14	\$	50,339.25		
TOTAL CLAIM				\$	1,101,075.39	\$	663,511.14	\$	437,564.25		

TAB F

This is Exhibit "F" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012



A Commissioner, Etc.

1st Leaside, Uxbridge
Concrete Formwork, Place & Finish
Kenaidan
Job Number: 07020

Structform International Limited
Progress Billing No.05

Nov-11

PAY ITEM / WORK DESCRIPTION	ORIGINAL CONTRACT	% COMPLETE	TOTAL TO DATE	PREVIOUS APPLICATION	CURRENT APPLICATION	BALANCE ON CONTRACT
MOBILIZATION	\$ 171,450.00	100%	\$ 171,450.00	\$ 171,450.00	\$ -	\$ -
Demobilization	\$ 68,580.00	0%	\$ -	\$ -	\$ -	\$ 68,580.00
Erection of Tower Cranes	\$ 30,000.00	100%	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -
Dismantle of Tower Crane	\$ 40,000.00	0%	\$ -	\$ -	\$ -	\$ 40,000.00
Crane Base	\$ 15,000.00	100%	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -
Engineering/Drawings	\$ 15,000.00	25%	\$ 3,750.00	\$ 3,750.00	\$ -	\$ 11,250.00
LEED/Closeout Docs	\$ 15,000.00	15%	\$ 2,250.00	\$ 2,250.00	\$ -	\$ 12,750.00
Fabrication of wall/column forms	\$ 115,000.00	100%	\$ 115,000.00	\$ 115,000.00	\$ -	\$ -
Crash Wall	\$ 104,970.00	100%	\$ 104,970.00	\$ 104,970.00	\$ -	\$ -
Planters and Benches	\$ 80,576.80	0%	\$ -	\$ -	\$ -	\$ 80,576.80
Foundations	\$ 70,000.00	65%	\$ 45,500.00	\$ 21,000.00	\$ 24,500.00	\$ 24,500.00
Raft Slab, Piers and Caps	\$ 45,700.00	60%	\$ 27,420.00	\$ 27,000.00	\$ 420.00	\$ 18,280.00
Cistern	\$ 25,000.00	0%	\$ -	\$ -	\$ -	\$ 25,000.00
verticals u/s Ground	\$ 450,000.00	58%	\$ 261,000.00	\$ 22,500.00	\$ 238,500.00	\$ 189,000.00
Ground Floor	\$ 120,000.00	54%	\$ 64,800.00	\$ -	\$ 64,800.00	\$ 55,200.00
verticals u/s 2nd Floor	\$ 180,000.00	0%	\$ -	\$ -	\$ -	\$ 180,000.00
2nd Floor	\$ 155,000.00	0%	\$ -	\$ -	\$ -	\$ 155,000.00
verticals u/s 3rd Floor	\$ 175,000.00	0%	\$ -	\$ -	\$ -	\$ 175,000.00
3rd Floor	\$ 130,000.00	0%	\$ -	\$ -	\$ -	\$ 130,000.00
verticals u/s 4th Floor	\$ 190,000.00	0%	\$ -	\$ -	\$ -	\$ 190,000.00
3rd Floor	\$ 110,000.00	0%	\$ -	\$ -	\$ -	\$ 110,000.00
verticals u/s Roof	\$ 160,000.00	0%	\$ -	\$ -	\$ -	\$ 160,000.00
Roof	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00
Slab on Void	\$ 48,000.00	0%	\$ -	\$ -	\$ -	\$ 48,000.00
Slab on Grade	\$ 37,000.00	0%	\$ -	\$ -	\$ -	\$ 37,000.00
Curbs and Upturns	\$ 121,200.00	0%	\$ -	\$ -	\$ -	\$ 121,200.00
Solar panel piers **	\$ 8,800.00	100%	\$ 8,800.00	\$ -	\$ 8,800.00	\$ -
Cast in Place Stair	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00
rubup & clean-up	\$ 133,840.00	5%	\$ 6,692.00	\$ -	\$ 6,692.00	\$ 127,148.00
Sandblasting **	\$ 6,160.00	100%	\$ 6,160.00	\$ -	\$ 6,160.00	\$ -
Waste Management**	\$ 16,800.00	100%	\$ 16,800.00	\$ -	\$ 16,800.00	\$ -
Hand Rails	\$ 18,200.00	10%	\$ 1,820.00	\$ -	\$ 1,820.00	\$ 16,380.00
Temp Generator for Tower Crane**	\$ 70,000.00	100%	\$ 70,000.00	\$ -	\$ 70,000.00	\$ -
Stud Rail Supply **	\$ 24,300.00	100%	\$ 24,300.00	\$ -	\$ 24,300.00	\$ -
Cast in place Sumps **	\$ 10,063.28	100%	\$ 10,063.28	\$ -	\$ 10,063.28	\$ -
Basement Mech Trench **	\$ 9,359.92	100%	\$ 9,359.92	\$ -	\$ 9,359.92	\$ -
West Side Parking Lot	\$ 240,000.00	98%	\$ 235,200.00	\$ 60,000.00	\$ 175,200.00	\$ 4,800.00
OPSD Curbs	\$ 35,000.00	95%	\$ 33,250.00	\$ 19,250.00	\$ 14,000.00	\$ 1,750.00
Sidewalk Removal & Replacement	\$ 10,000.00	0%	\$ -	\$ -	\$ -	\$ 10,000.00
Reinforcing	\$ 950,000.00	35.00%	\$ 332,500.00	\$ 218,500.00	\$ 114,000.00	\$ 617,500.00
Concrete Supply	\$ 850,000.00	40.00%	\$ 340,000.00	\$ 272,000.00	\$ 68,000.00	\$ 510,000.00
** denotes items offset in Appendix A						

Structform International Limited											Nov-11
1st Leaside, Uxbridge											Progress Billing No.05
Concrete Formwork, Place & Finish											
Kenaidan											
Job Number: 07020											
TOTAL ORIGINAL CONTRACT	\$	5,195,000.00	37%	\$	1,936,085.20	\$	1,082,670.00	\$	853,415.20	\$	3,258,914.80
CHANGE ORDERS (SEE APPX- A)	\$	(140,283.20)		\$	(145,483.20)	\$	-	\$	(145,483.20)	\$	5,200.00
REVISED CONTRACT AMOUNT	\$	5,054,716.80		\$	1,790,602.00	\$	1,082,670.00	\$	707,932.00	\$	3,264,114.80
LESS 10% HOLDBACK				\$	179,060.20	\$	108,267.00	\$	70,793.20		
NET AFTER HOLDBACK				\$	1,611,541.80	\$	974,403.00	\$	637,138.80		
ADD: 13% HST				\$	209,500.43	\$	126,672.39	\$	82,828.04		
TOTAL CLAIM				\$	1,821,042.23	\$	1,101,075.39	\$	719,966.84		

TAB G

This is Exhibit "G" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012



A Commissioner, Etc.

Structform International Limited							FINAL DECEMBER DEMOBILIZATION Progress Billing No.06	
1st Lease, Uxbridge Concrete Formwork, Place & Finish Kenaidan Job Number: 07020								
PAY ITEM / WORK DESCRIPTION	ORIGINAL CONTRACT	% COMPLETE	TOTAL TO DATE	PREVIOUS APPLICATION	CURRENT APPLICATION	BALANCE ON CONTRACT	Comments	
MOBILIZATION	\$ 171,450.00	100%	\$ 171,450.00	\$ 171,450.00	\$ -	\$ -		
Demobilization	\$ 68,580.00	100%	\$ 68,580.00	\$ -	\$ 68,580.00	\$ -		
Erection of Tower Cranes	\$ 30,000.00	100%	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -		
Dismantle of Tower Crane	\$ 40,000.00	100%	\$ 40,000.00	\$ -	\$ 40,000.00	\$ -		
Crane Base	\$ 15,000.00	100%	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -		
Engineering/Drawings	\$ 15,000.00	100%	\$ 15,000.00	\$ 3,750.00	\$ 11,250.00	\$ -		
LEED/Closeout Docs	\$ 15,000.00	100%	\$ 15,000.00	\$ 2,250.00	\$ 12,750.00	\$ -		
Fabrication of wall/column forms	\$ 115,000.00	100%	\$ 115,000.00	\$ 115,000.00	\$ -	\$ -		
Crash Wall	\$ 104,970.00	100%	\$ 104,970.00	\$ 104,970.00	\$ -	\$ -		
Planters and Benches	\$ 80,576.80	0%	\$ -	\$ -	\$ -	\$ 80,576.80		
Foundations	\$ 70,000.00	65%	\$ 45,500.00	\$ 45,500.00	\$ -	\$ 24,500.00		
Raft Slab, Piers and Caps	\$ 45,700.00	60%	\$ 27,420.00	\$ 27,420.00	\$ -	\$ 18,280.00		
Cistern	\$ 25,000.00	0%	\$ -	\$ -	\$ -	\$ 25,000.00		
verticals u/s Ground	\$ 450,000.00	68%	\$ 306,000.00	\$ 261,000.00	\$ 45,000.00	\$ 144,000.00	58% Actual formed Completed - 10% added for non efficient use of form(forms were to be amortized over entire project)	
Ground Floor	\$ 120,000.00	69%	\$ 82,800.00	\$ 64,800.00	\$ 18,000.00	\$ 37,200.00	54% Actually decked formwork complete - 15% added for non efficient stripping of forms to unpoured deck	
verticals u/s 2nd Floor	\$ 180,000.00	11%	\$ 19,800.00	\$ -	\$ 19,800.00	\$ 160,200.00	cost for portion of Siloform	
2nd Floor	\$ 155,000.00	0%	\$ -	\$ -	\$ -	\$ 155,000.00		
verticals u/s 3rd Floor	\$ 175,000.00	11%	\$ 19,250.00	\$ -	\$ 19,250.00	\$ 155,750.00	cost for portion of Siloform	
3rd Floor	\$ 130,000.00	0%	\$ -	\$ -	\$ -	\$ 130,000.00		
verticals u/s 4th Floor	\$ 190,000.00	11%	\$ 20,900.00	\$ -	\$ 20,900.00	\$ 169,100.00	cost for portion of Siloform	
3rd Floor	\$ 110,000.00	0%	\$ -	\$ -	\$ -	\$ 110,000.00		
verticals u/s Roof	\$ 160,000.00	13%	\$ 20,000.00	\$ -	\$ 20,000.00	\$ 140,000.00	cost for portion of Siloform	
Roof	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00		
Slab on Void	\$ 48,000.00	0%	\$ -	\$ -	\$ -	\$ 48,000.00		
Slab on Grade	\$ 37,000.00	0%	\$ -	\$ -	\$ -	\$ 37,000.00		
Curbs and Upturns	\$ 121,200.00	0%	\$ -	\$ -	\$ -	\$ 121,200.00		
Solar panel piers **	\$ 8,800.00	100%	\$ 8,800.00	\$ 8,800.00	\$ -	\$ -	offset in Change Order	
Cast in Place Stair	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00		
rubup & clean-up	\$ 133,840.00	30%	\$ 40,152.00	\$ 6,692.00	\$ 33,460.00	\$ 93,688.00	includes site clean up	
Sandblasting **	\$ 6,160.00	100%	\$ 6,160.00	\$ 6,160.00	\$ -	\$ -	offset in Change Order	
Waste Management**	\$ 16,800.00	100%	\$ 16,800.00	\$ 16,800.00	\$ -	\$ -	offset in Change Order	
Hand Rails	\$ 18,200.00	10%	\$ 1,820.00	\$ 1,820.00	\$ -	\$ 16,380.00		
Temp Generator for Tower Crane**	\$ 70,000.00	100%	\$ 70,000.00	\$ 70,000.00	\$ -	\$ -	offset in Change Order	
Stud Rail Supply **	\$ 24,300.00	100%	\$ 24,300.00	\$ 24,300.00	\$ -	\$ -	offset in Change Order	
Cast in place Sumps **	\$ 10,063.28	100%	\$ 10,063.28	\$ 10,063.28	\$ -	\$ -	offset in Change Order	
Basement Mech Trench **	\$ 9,359.92	100%	\$ 9,359.92	\$ 9,359.92	\$ -	\$ -	offset in Change Order	
West Side Parking Lot	\$ 240,000.00	98%	\$ 235,200.00	\$ 235,200.00	\$ -	\$ 4,800.00	2% held back for deficiencies	
OPSD Curbs	\$ 35,000.00	95%	\$ 33,250.00	\$ 33,250.00	\$ -	\$ 1,750.00	5% held back roll up curbs	
Sidewalk Removal & Replacement	\$ 10,000.00	0%	\$ -	\$ -	\$ -	\$ 10,000.00		
Reinforcing	\$ 950,000.00	35.00%	\$ 332,500.00	\$ 332,500.00	\$ -	\$ 617,500.00		
Concrete Supply	\$ 850,000.00	40.00%	\$ 340,000.00	\$ 340,000.00	\$ -	\$ 510,000.00		
** denotes items offset in Appendix A								

Structform International Limited
APPENDIX 'A'

1st Lease, Uxbridge
Concrete Formwork, Place & Finish
Kenaidan
Job Number: 07020

[illegible]

1st Lease, Uxbridge			Structform International Limited			FINAL DECEMBER DEMOBILIZATION		
Concrete Formwork, Place & Finish						Progress Billing No.06		
Kenaidan								
Job Number: 07020								
TOTAL ORIGINAL CONTRACT	\$	5,195,000.00	\$	2,245,075.20	\$	1,936,085.20	\$	308,990.00
CHANGE ORDERS (SEE APPX- A)	\$	(127,250.60)	\$	(132,450.60)	\$	(145,483.20)	\$	13,032.60
REVISED CONTRACT AMOUNT	\$	5,067,749.40	\$	2,112,624.60	\$	1,790,602.00	\$	322,022.60
LESS 10% HOLDBACK			\$	211,262.46	\$	179,060.20	\$	32,202.26
NET AFTER HOLDBACK			\$	1,901,362.14	\$	1,611,541.80	\$	289,820.34
ADD: 13% HST			\$	247,177.08	\$	209,500.43	\$	37,676.64
TOTAL CLAIM	\$		\$	2,148,539.22	\$	1,821,042.23	\$	327,496.98

TAB H

This is Exhibit "H" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012



A Commissioner, Etc.



**FIRST LEASIDE EXPANSION
LIMITED PARTNERSHIP**



CERTIFICATE OF PAYMENT

Project Name: First Leaside Head Office, Uxbridge, ON

Date: November 1, 2011

Owner : First Leaside Expansion Limited Partnership

Project No: 08-547

Payment Certifier: Kenaidean Construction Management

Contractor: Structform International Limited

Contract No: 08-547-4-3-1

Progress Claim No: 004

Period Covered: October 1 - 31, 2011

CONTRACT BREAKDOWN

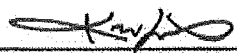
Original Contract Amount.....	\$5,195,000.00
Approved Changes	-\$140,283.20
Other Items.....	<u>\$0.00</u>
Approved Contract Amount To Date.....	<u>\$5,054,716.80</u>

STATEMENT OF WORK TO DATE

Total Value of Work To Date (as per attached summary)...	\$1,082,670.00
Less 10% Holdback.....	\$108,267.00
Less Previous Certificates.....	\$587,178.00
Amount Covered by this Certificate.....	\$387,225.00
Add 13% H.S.T.....	\$50,339.25
Net Amount Payable.....	<u>\$437,564.25</u>

Payments are subject to the receipt of the following documents:


Prepared By: Kenaidan Contracting Ltd.


Recommended by: RDH Architects Inc.

Approved by: First Leaside Expansion
Limited Partnership

Accepted by
Structform International Limited

Kenaidan Construction Management
Breakdown of Contractor Payment Certificate

Project No. 08-547
 Project Name: First Lease Side Head Office, Uxbridge, ON
 Contract No. 08-547-4-3-1
 Contractor: Structform International Limited
 Progress Claim # 004
 Period Covered: October 1 - 31, 2011

Item	Description	Contract Value	Current		To Date		Previous	
			%	Amount	%	Amount	%	Amount
Contract Breakdown								
1	Mobilization	\$171,450.00	0.00%	\$0.00	100.00%	\$171,450.00	100.00%	171,450.00
2	Demobilization	\$68,580.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
3	Erection of Tower Cranes	\$30,000.00	0.00%	\$0.00	100.00%	\$30,000.00	100.00%	30,000.00
4	Dismantle of Tower Crane	\$40,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
5	Crane Base	\$15,000.00	0.00%	\$0.00	100.00%	\$15,000.00	100.00%	15,000.00
6	Engineering/Drawings	\$15,000.00	0.00%	\$0.00	25.00%	\$3,750.00	25.00%	3,750.00
7	LEED/Closeout Docs	\$15,000.00	0.00%	\$0.00	15.00%	\$2,250.00	15.00%	2,250.00
8	Fabrication of wall/column forms	\$115,000.00	10.00%	\$11,500.00	100.00%	\$115,000.00	90.00%	103,500.00
9	Crash Wall	\$104,970.00	0.00%	\$0.00	100.00%	\$104,970.00	100.00%	104,970.00
10	Planters and Benches	\$100,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
11	Foundations	\$70,000.00	20.00%	\$14,000.00	30.00%	\$21,000.00	10.00%	7,000.00
12	Raft Slab, Piers and Caps	\$45,000.00	40.00%	\$18,000.00	60.00%	\$27,000.00	20.00%	9,000.00
13	Cistern	\$25,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
14	Verticals u/s ground	\$450,000.00	5.00%	\$22,500.00	5.00%	\$22,500.00	0.00%	0.00
15	Ground Floor	\$120,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
16	Verticals u/s 2nd Floor	\$180,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
17	2nd Floor	\$155,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
18	Verticals u/s 3rd Floor	\$175,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
19	3rd Floor	\$130,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
20	Verticals u/s 4th Floor	\$190,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
21	4th Floor	\$110,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
22	Verticals u/s Roof	\$160,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
23	Roof	\$70,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
24	Slab on Void	\$48,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
25	Slab on Grade	\$37,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
26	Curbs and Upturns	\$130,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
27	Cast in Place Stair	\$70,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
28	Rubup & Clean-up	\$140,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
29	Waste Management	\$16,800.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
30	Hand Rails	\$18,200.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
31	Temp Generator for Tower Crane	\$70,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
32	Stud Rail Supply	\$25,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
33	West Side Parking Lot	\$150,000.00	40.00%	\$60,000.00	40.00%	\$60,000.00	0.00%	0.00
34	OPSD Curbs	\$35,000.00	55.00%	\$19,250.00	55.00%	\$19,250.00	0.00%	0.00
35	Sidewalk Removal & Replacement	\$100,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
36	Reinforcing	\$950,000.00	13.00%	\$123,500.00	23.00%	\$218,500.00	10.00%	95,000.00
37	Concrete Supply	\$850,000.00	19.00%	\$161,500.00	32.00%	\$272,000.00	13.00%	110,500.00
Total Contract		\$5,195,000.00		\$430,250.00	20.84%	\$1,082,670.00		\$652,420.00

Kenaidan Construction Management
Breakdown of Contractor Payment Certificate

Project No. 08-547
 Project Name: First Lease Side Head Office, Uxbridge, ON
 Contract No. 08-547-4-3-1

Contractor: Structform International Limited
 Progress Claim # 004
 Period Covered: October 1 - 31, 2011

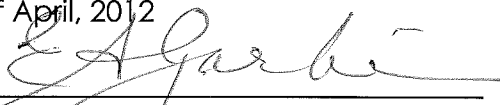
Item	Description	Contract Value	Current %	Current Amount	To Date %	To Date Amount	Previous %	Previous Amount
Item	Description	Change Order Value	%	Amount	%	Amount	%	Amount
Change Orders								
1.1	Delete sandblasting for interior/exterior columns & silo stair for which Agilita is being used	-\$6,160.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
1.2	Add medium grade sandblasting to both sides of crashwall	\$5,200.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
1.3	Delete solar panel columns - 120 locations at roof c/w rebar	-\$8,800.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
1.4	Delete stud rail supply	-\$24,300.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
1.5	Delete temporary generator & fuel costs associated with powering a Tower Crane	-\$70,000.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
1.6	Delete waste management bins	-\$16,800.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
1.7	Delete cast-in-place sump pits & substitute with precast requirement	-\$10,063.28	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
1.8	Delete basement trench construction & substitute with monolithic construction	-\$9,359.92	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00
Total C/O's		-\$140,283.20		\$0.00		\$0.00		\$0.00
Total Claim		\$5,054,716.80		\$430,250.00		\$1,082,670.00		\$652,420.00

1st Lease, Uxbridge			Structform International Limited			Month of October, 2011	
Concrete Formwork, Place & Finish						Progress Billing No.04	
Kenaidan							
Job Number: 07020							
PAY ITEM / WORK DESCRIPTION	ORIGINAL CONTRACT	% COMPLETE	TOTAL TO DATE	PREVIOUS APPLICATION	CURRENT APPLICATION	BALANCE ON CONTRACT	
MOBILIZATION	\$ 171,450.00	100%	\$ 171,450.00	\$ 171,450.00	\$ -	\$ -	
Demobilization	\$ 68,580.00	0%	\$ -		\$ -	\$ 68,580.00	
Erection of Tower Cranes	\$ 30,000.00	100%	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	
Dismantle of Tower Crane	\$ 40,000.00	0%	\$ -		\$ -	\$ 40,000.00	
Crane Base	\$ 15,000.00	100%	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	
Engineering/Drawings	\$ 15,000.00	25%	\$ 3,750.00	\$ 3,750.00	\$ -	\$ 11,250.00	
LEED/Closeout Docs	\$ 15,000.00	15%	\$ 2,250.00	\$ 2,250.00	\$ -	\$ 12,750.00	
Fabrication of wall/column forms	\$ 115,000.00	100%	\$ 115,000.00	\$ 103,500.00	\$ 11,500.00	\$ -	
Crash Wall	\$ 104,970.00	100%	\$ 104,970.00	\$ 104,970.00	\$ -	\$ -	
Planters and Benches	\$ 100,000.00	0%	\$ -		\$ -	\$ 100,000.00	
Foundations	\$ 70,000.00	30%	\$ 21,000.00	\$ 7,000.00	\$ 14,000.00	\$ 49,000.00	
Raft Slab, Piers and Caps	\$ 45,000.00	60%	\$ 27,000.00	\$ 9,000.00	\$ 18,000.00	\$ 18,000.00	
Cistern	\$ 25,000.00	0%	\$ -		\$ -	\$ 25,000.00	
verticals u/s Ground	\$ 450,000.00	5%	\$ 22,500.00		\$ 22,500.00	\$ 427,500.00	
Ground Floor	\$ 120,000.00	0%	\$ -		\$ -	\$ 120,000.00	
verticals u/s 2nd Floor	\$ 180,000.00	0%	\$ -		\$ -	\$ 180,000.00	
2nd Floor	\$ 155,000.00	0%	\$ -		\$ -	\$ 155,000.00	
verticals u/s 3rd Floor	\$ 175,000.00	0%	\$ -		\$ -	\$ 175,000.00	
3rd Floor	\$ 130,000.00	0%	\$ -		\$ -	\$ 130,000.00	
verticals u/s 4th Floor	\$ 190,000.00	0%	\$ -		\$ -	\$ 190,000.00	
3rd Floor	\$ 110,000.00	0%	\$ -		\$ -	\$ 110,000.00	
verticals u/s Roof	\$ 160,000.00	0%	\$ -		\$ -	\$ 160,000.00	
Roof	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00	
Slab on Void	\$ 48,000.00	0%	\$ -		\$ -	\$ 48,000.00	
Slab on Grade	\$ 37,000.00	0%	\$ -		\$ -	\$ 37,000.00	
Curbs and Upturns	\$ 130,000.00	0%	\$ -		\$ -	\$ 130,000.00	
Cast in Place Stair	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00	
rubup & clean-up	\$ 140,000.00	0%	\$ -		\$ -	\$ 140,000.00	
Waste Management	\$ 16,800.00	0%	\$ -		\$ -	\$ 16,800.00	
Hand Rails	\$ 18,200.00	0%	\$ -		\$ -	\$ 18,200.00	
Temp Generator for Tower Crane	\$ 70,000.00	0%	\$ -		\$ -	\$ 70,000.00	
Stud Rail Supply	\$ 25,000.00	0%	\$ -		\$ -	\$ 25,000.00	
West Side Parking Lot	\$ 150,000.00	40%	\$ 60,000.00		\$ 60,000.00	\$ 90,000.00	
OPSD Curbs	\$ 35,000.00	55%	\$ 19,250.00		\$ 19,250.00	\$ 15,750.00	
Sidewalk Removal & Replacement	\$ 100,000.00	0%	\$ -		\$ -	\$ 100,000.00	
Reinforcing	\$ 950,000.00	23.00%	\$ 218,500.00	\$ 95,000.00	\$ 123,500.00	\$ 731,500.00	
Concrete Supply	\$ 850,000.00	32.00%	\$ 272,000.00	\$ 110,500.00	\$ 161,500.00	\$ 578,000.00	

1st Leaside, Uxbridge		Structform International Limited				Month of October, 2011			
Concrete Formwork, Place & Finish						Progress Billing No.04			
Kenaidan									
Job Number: 07020									
TOTAL ORIGINAL CONTRACT	\$	5,195,000.00	21%	\$	1,082,670.00	\$	652,420.00	\$	430,250.00
CHANGE ORDERS (SEE APPX- A)	\$	-		\$	-	\$	-	\$	-
REVISED CONTRACT AMOUNT	\$	5,195,000.00		\$	1,082,670.00	\$	652,420.00	\$	430,250.00
LESS 10% HOLDBACK				\$	108,267.00	\$	65,242.00	\$	43,025.00
NET AFTER HOLDBACK				\$	974,403.00	\$	587,178.00	\$	387,225.00
ADD: 13% HST				\$	126,672.39	\$	76,333.14	\$	50,339.25
TOTAL CLAIM				\$	1,101,075.39	\$	663,511.14	\$	437,564.25

TAB I

This is Exhibit "I" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012



A Commissioner, Etc.



FIRST LEASIDE EXPANSION LIMITED PARTNERSHIP



CERTIFICATE OF PAYMENT

Project Name: First Leaside Head Office, Uxbridge, ON

Date: December 15, 2011

Owner : First Leaside Expansion Limited Partnership

Project No: 08-547

Payment Certifier: Kenaidan Construction Management

Contractor: Structform International Limited

Contract No: 08-547-4-3-1

Progress Claim No: 005

Period Covered: Nov. 1 to 30, 2011

CONTRACT BREAKDOWN

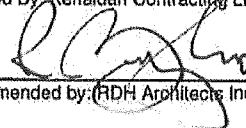
Original Contract Amount.....	\$5,195,000.00
Approved Changes	-\$140,283.20
Other Items.....	<u>\$0.00</u>
Approved Contract Amount To Date.....	<u>\$5,054,716.80</u>

STATEMENT OF WORK TO DATE

Total Value of Work To Date (as per attached summary)...	\$1,790,602.00	1,724,102.00
Less 10% Holdback.....	\$179,060.20	172,410.20
Less Previous Certificates.....	\$974,403.00	
Amount Covered by this Certificate.....	\$637,138.80	577,288.80
Add 13% H.S.T.....	\$82,828.04	75,047.54
Net Amount Payable.....	<u>\$719,966.84</u>	652,336.34 <i>KB</i>

Payments are subject to the receipt of the following documents:


Prepared By: Kenaidan Contracting Ltd.

 *As annotated*
Recommended by: RDH Architects Inc.

Approved by: First Leaside Expansion
Limited Partnership

Accepted by
Structform International Limited

1st Lease, Uxbridge		Structform International Limited				Nov-11	
Concrete Formwork, Place & Finish exp's comment #1:		Progress Billing No. 05					
Kenaidan		Approx. 32% of wall/column forms installed on site (u/s of ground), Note: Verified to have been 100% fabricated.				RB	
Job Number: 07020		need to be convinced with 100% fabrication of all wall/column forms					
PAY ITEM / WORK DESCRIPTION	ORIGINAL CONTRACT	% COMPLETE	TOTAL TO DATE	PREVIOUS APPLICATION	CURRENT APPLICATION	BALANCE ON CONTRACT	
MOBILIZATION	\$ 171,450.00	100%	\$ 171,450.00	\$ 171,450.00	\$ -	\$ -	
Demobilization	\$ 68,580.00	0%	\$ -	\$ -	\$ -	\$ 68,580.00	
Erection of Tower Cranes	\$ 30,000.00	100%	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	
Dismantle of Tower Crane	\$ 40,000.00	0%	\$ -	\$ -	\$ -	\$ 40,000.00	
Crane Base	\$ 15,000.00	100%	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	
Engineering/Drawings	\$ 15,000.00	25%	\$ 3,750.00	\$ 3,750.00	\$ -	\$ 11,250.00	
LEED/Closeout Docs	\$ 15,000.00	15%	\$ 2,250.00	\$ 2,250.00	\$ -	\$ 12,750.00	
Fabrication of wall/column forms	\$ 115,000.00	100%	\$ 115,000.00	\$ 115,000.00	\$ -	\$ -	
Crash Wall	\$ 104,970.00	100%	\$ 104,970.00	\$ 104,970.00	\$ -	\$ -	
Planters and Benches	\$ 80,576.80	0%	\$ -	\$ -	\$ -	\$ 80,576.80	
Foundations	\$ 70,000.00	65%	\$ 45,500.00	\$ 21,000.00	\$ 24,500.00	\$ 24,500.00	
Raft Slab, Piers and Caps	\$ 45,700.00	60%	\$ 27,420.00	\$ 27,000.00	\$ 420.00	\$ 18,280.00	
Cistern	\$ 25,000.00	0%	\$ -	\$ -	\$ -	\$ 25,000.00	
Verticals u/s Ground	\$ 450,000.00	58%	\$ 261,000.00	\$ 22,500.00	\$ 238,500.00	\$ 189,000.00	
Ground Floor	\$ 120,000.00	54%	\$ 64,800.00	\$ -	\$ -	\$ 55,200.00	
Verticals u/s 2nd Floor	\$ 180,000.00	0%	\$ -	\$ -	\$ -	\$ 180,000.00	
2nd Floor	\$ 155,000.00	0%	\$ -	\$ -	\$ -	\$ 155,000.00	
Verticals u/s 3rd Floor	\$ 175,000.00	0%	\$ -	\$ -	\$ -	\$ 175,000.00	
3rd Floor	\$ 130,000.00	0%	\$ -	\$ -	\$ -	\$ 130,000.00	
Verticals u/s 4th Floor	\$ 190,000.00	0%	\$ -	\$ -	\$ -	\$ 190,000.00	
3rd Floor	\$ 110,000.00	0%	\$ -	\$ -	\$ -	\$ 110,000.00	
Verticals u/s Roof	\$ 160,000.00	0%	\$ -	\$ -	\$ -	\$ 160,000.00	
Roof	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00	
Slab on Void	\$ 48,000.00	0%	\$ -	\$ -	\$ -	\$ 48,000.00	
Slab on Grade	\$ 37,000.00	0%	\$ -	\$ -	\$ -	\$ 37,000.00	
Curbs and Upturns	\$ 121,200.00	0%	\$ -	\$ -	\$ -	\$ 121,200.00	
Solar panel piers **	\$ 8,800.00	100%	\$ 8,800.00	\$ -	\$ 8,800.00	\$ -	
Cast in Place Stair	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00	
Finish & clean-up	\$ 133,840.00	5%	\$ 6,692.00	\$ -	\$ 6,692.00	\$ 127,148.00	
Sandblasting **	\$ 6,160.00	100%	\$ 6,160.00	\$ -	\$ -	\$ -	
Waste Management**	\$ 16,800.00	100%	\$ 16,800.00	\$ -	\$ -	\$ -	
Hand Rails	\$ 18,200.00	10%	\$ 1,820.00	\$ -	\$ -	\$ 16,380.00	
Temp Generator for Tower Crane**	\$ 70,000.00	100%	\$ 70,000.00	\$ -	\$ -	\$ -	
Stud Rail Supply **	\$ 24,300.00	100%	\$ 24,300.00	\$ -	\$ -	\$ -	
Cast in place Sumps **	\$ 10,063.28	100%	\$ 10,063.28	\$ -	\$ -	\$ -	
Basement Mech Trench **	\$ 9,359.92	100%	\$ 9,359.92	\$ -	\$ -	\$ -	
West Side Parking Lot	\$ 240,000.00	98%	\$ 235,200.00	\$ 60,000.00	\$ 175,200.00	\$ 4,800.00	
OPSD Curbs	\$ 35,000.00	95%	\$ 33,250.00	\$ 19,250.00	\$ 14,000.00	\$ 1,750.00	
Sidewalk Removal & Replacement	\$ 10,000.00	0%	\$ -	\$ -	\$ -	\$ 10,000.00	
Reinforcing	\$ 950,000.00	40.00%	\$ 380,000.00	\$ 218,500.00	\$ 161,500.00	\$ 568,500.00	
Concrete Supply	\$ 850,000.00	40.00%	\$ 340,000.00	\$ 277,000.00	\$ 63,000.00	\$ 510,000.00	

684,000.00

28% per exp comment on Progress Billing No. 06 RB

1st Lease, Uxbridge				Structform International Limited				Nov-11			
Concrete Formwork, Place & Finish								Progress Billing No.05			
Kenaidan											
Job Number: 07020											
TOTAL ORIGINAL CONTRACT	\$	5,195,000.00	37%	\$	1,936,685.20	\$	1,082,670.00	\$	853,415.20	\$	3,258,914.80
CHANGE ORDERS (SEE APPX- A)	\$	(140,283.20)		\$	(145,483.20)	\$	-	\$	(145,483.20)	\$	5,200.00
REVISED CONTRACT AMOUNT	\$	5,054,716.80		\$	1,791,202.00	\$	1,082,670.00	\$	707,932.00	\$	3,264,114.80
LESS 10% HOLDBACK	\$			\$	179,120.20	\$	108,267.00	\$	70,793.20	\$	
NET AFTER HOLDBACK	\$			\$	1,612,081.80	\$	974,403.00	\$	637,138.80	\$	
ADD: 13% HST	\$			\$	209,570.63	\$	126,672.39	\$	82,828.04	\$	
TOTAL CLAIM	\$			\$	1,821,652.43	\$	1,101,075.39	\$	719,966.84	\$	

1,869,585.20

1,724,102.00
172,410.20
1,551,691.80
201,719.93
1,753,411.73

RB

1st Lease, Uxbridge

Concrete Formwork, Place & Finish

Kenaidan

Job Number: 07020

Structform International Limited
APPENDIX 'A'

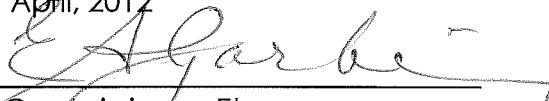
Nov-11

Progress Billing No. 05

[illegible]

TAB J

This is Exhibit "J" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012



A Commissioner, Etc.



**FIRST LEASIDE EXPANSION
LIMITED PARTNERSHIP**



CERTIFICATE OF PAYMENT

Project Name: First Leaside Head Office, Uxbridge, ON

Date: December 15, 2011

Owner : First Leaside Expansion Limited Partnership

Project No: 08-547

Payment Certifier: Kenaldan Construction Management

Contractor: Structform International Limited

Contract No: 08-547-4-3-1

Progress Claim No: 006

Period Covered: Dec. 1 to 31, 2011

CONTRACT BREAKDOWN

Original Contract Amount.....	\$5,195,000.00
Approved Changes	-\$126,450.60
Other Items.....	<u>\$0.00</u>
Approved Contract Amount To Date.....	<u>\$5,068,549.40</u>

STATEMENT OF WORK TO DATE

Total Value of Work To Date (as per attached summary)...	\$2,113,424.60	2,046,724.60
Less 10% Holdback.....	\$211,342.46	204,672.46
Less Previous Certificates.....	\$1,611,541.80	1,551,691.80
Amount Covered by this Certificate.....	\$290,540.34	290,360.34
Add 13% H.S.T.....	\$37,770.24	37,746.84
Net Amount Payable.....	<u>\$328,310.58</u>	328,107.18

RB

Payments are subject to the receipt of the following documents:


Prepared By: Kenaldan Contracting Ltd.

 As annotated
Recommended by: RDL Architects Inc.

Approved by: First Leaside Expansion
Limited Partnership

Accepted by
Structform International Limited

1st Lease, Uxbridge Concrete Formwork, Place & Finish Kenaidan Job Number: 07020	Structform International Limited	FINAL DECEMBER DEMOBILIZATION Progress Billing No.06
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PAY ITEM / WORK DESCRIPTION	ORIGINAL CONTRACT	% COMPLETE	TOTAL TO DATE	PREVIOUS APPLICATION	CURRENT APPLICATION	BALANCE ON CONTRACT	Comments
MOBILIZATION	\$ 171,450.00	100%	\$ 171,450.00	\$ 171,450.00	\$ -	\$ -	
Demobilization	\$ 68,580.00	100%	\$ 68,580.00	-	\$ 68,580.00	\$ -	
Erection of Tower Cranes	\$ 30,000.00	100%	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	
Dismantle of Tower Crane	\$ 40,000.00	100%	\$ 40,000.00	-	\$ 40,000.00	\$ -	
Crane Base	\$ 15,000.00	100%	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	
Engineering/Drawings	\$ 15,000.00	100%	\$ 15,000.00	\$ 3,750.00	\$ 11,250.00	\$ -	
LEED/Closeout Docs	\$ 15,000.00	100%	\$ 15,000.00	\$ 2,250.00	\$ 12,750.00	\$ -	
Fabrication of wall/column forms	\$ 115,000.00	100%	\$ 115,000.00	\$ 115,000.00	\$ -	\$ -	
Crash Wall	\$ 104,970.00	100%	\$ 104,970.00	\$ 104,970.00	\$ -	\$ -	
Planters and Benches	\$ 80,576.80	0%	\$ -	\$ -	\$ -	\$ 80,576.80	
Foundations	\$ 70,000.00	65%	\$ 45,500.00	\$ 45,500.00	\$ -	\$ 24,500.00	
Raft Slab, Piers and Caps	\$ 45,700.00	60%	\$ 27,420.00	\$ 27,420.00	\$ -	\$ 18,280.00	
Cistern	\$ 25,000.00	0%	\$ -	\$ -	\$ -	\$ 25,000.00	
verticals u/s Ground	\$ 450,000.00	68%	\$ 306,000.00	\$ 261,000.00	\$ 45,000.00	\$ 144,000.00	58% Actual formed Completed - 10% added for non efficient use of form(forms were to be amortized over entire project)
Ground Floor	\$ 120,000.00	69%	\$ 82,800.00	\$ 64,800.00	\$ 18,000.00	\$ 37,200.00	54% Actually decked formwork complete - 15% added for non efficient stripping of forms to unpaired deck
verticals u/s 2nd Floor	\$ 180,000.00	11%	\$ 19,800.00	-	\$ 19,800.00	\$ 160,200.00	cost for portion of Siloform
2nd Floor	\$ 155,000.00	0%	\$ -	\$ -	\$ -	\$ 155,000.00	
verticals u/s 3rd Floor	\$ 175,000.00	11%	\$ 19,250.00	\$ -	\$ 19,250.00	\$ 155,750.00	cost for portion of Siloform
3rd Floor	\$ 130,000.00	0%	\$ -	\$ -	\$ -	\$ 130,000.00	
verticals u/s 4th Floor	\$ 190,000.00	11%	\$ 20,900.00	\$ -	\$ 20,900.00	\$ 169,100.00	cost for portion of Siloform
3rd Floor	\$ 110,000.00	0%	\$ -	\$ -	\$ -	\$ 110,000.00	
verticals u/s Roof	\$ 160,000.00	13%	\$ 20,000.00	\$ -	\$ 20,000.00	\$ 140,000.00	cost for portion of Siloform
Roof	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00	
Slab on Void	\$ 48,000.00	0%	\$ -	\$ -	\$ -	\$ 48,000.00	
Slab on Grade	\$ 37,000.00	0%	\$ -	\$ -	\$ -	\$ 37,000.00	
Curbs and Upturns	\$ 121,200.00	0%	\$ -	\$ -	\$ -	\$ 121,200.00	
Solar panel piers **	\$ 8,800.00	100%	\$ 8,800.00	\$ 8,800.00	\$ -	\$ -	offset in Change Order
Cast in Place Stair	\$ 70,000.00	0%	\$ -	\$ -	\$ -	\$ 70,000.00	
rubup & clean-up	\$ 133,840.00	30%	\$ 40,152.00	\$ 6,692.00	\$ 33,460.00	\$ 93,688.00	includes site clean up
Sandblasting **	\$ 6,160.00	100%	\$ 6,160.00	\$ 6,160.00	\$ -	\$ -	offset in Change Order
Waste Management**	\$ 16,800.00	100%	\$ 16,800.00	\$ 16,800.00	\$ -	\$ -	offset in Change Order
Hand Rails	\$ 18,200.00	10%	\$ 1,820.00	\$ 1,820.00	\$ -	\$ 16,380.00	
Temp Generator for Tower Crane**	\$ 70,000.00	100%	\$ 70,000.00	\$ 70,000.00	\$ -	\$ -	offset in Change Order
Stud Rail Supply **	\$ 24,300.00	100%	\$ 24,300.00	\$ 24,300.00	\$ -	\$ -	offset in Change Order
Cast in place Sumps **	\$ 10,063.28	100%	\$ 10,063.28	\$ 10,063.28	\$ -	\$ -	offset in Change Order
Basement Mech Trench **	\$ 9,359.92	100%	\$ 9,359.92	\$ 9,359.92	\$ -	\$ -	offset in Change Order
West Side Parking Lot	\$ 240,000.00	98%	\$ 235,200.00	\$ 235,200.00	\$ -	\$ 4,800.00	2% held back for deficiencies
OPSD Curbs	\$ 35,000.00	95%	\$ 33,250.00	\$ 33,250.00	\$ -	\$ 1,750.00	5% held back roll up curbs
Sidewalk Removal & Replacement	\$ 10,000.00	0%	\$ 2,160,000.00	\$ 2,160,000.00	\$ -	\$ 10,000.00	
Reinforcing	\$ 950,000.00	135,000%	\$ 333,500.00	\$ 333,500.00	\$ -	\$ 617,500.00	60,000.00
Concrete Supply	\$ 850,000.00	140,000%	\$ 340,000.00	\$ 340,000.00	\$ -	\$ 510,000.00	

** denotes items offset in Appendix A

exp's comment #2:
% of reinforcing steel installed is at the range of 28%.
provide breakdown if not agree with this comment. RB

exp's comment #3:
% true if concrete supplied includes parking lot
Included. RB

1st Lease, Uxbridge		Structform International Limited		FINAL DECEMBER DEMOBILIZATION	
Concrete Formwork, Place & Finish				Progress Billing No.06	
Kenaidan					
Job Number: 07020					
TOTAL ORIGINAL CONTRACT	\$ 5,195,000.00	\$ 2,245,075.26	\$ 1,936,085.20	\$ 308,990.00	\$ 2,949,924.80
CHANGE ORDERS (SEE APPX- A)	\$ (127,250.60)	\$ (132,450.60)	\$ (145,483.20)	\$ 13,032.60	\$ 5,200.00
REVISED CONTRACT AMOUNT	\$ 5,067,749.40	\$ 2,112,624.66	\$ 1,790,602.00	\$ 322,022.60	\$ 2,955,124.80
LESS 10% HOLDBACK		\$ 211,262.46	\$ 179,060.20	\$ 32,202.26	
NET AFTER HOLDBACK		\$ 1,901,362.14	\$ 1,611,541.80	\$ 289,820.34	
ADD: 13% HST		\$ 247,177.08	\$ 209,500.43	\$ 37,676.64	
TOTAL CLAIM		\$ 2,148,539.22	\$ 1,821,042.23	\$ 327,496.98	

2,178,575.20

(126,450.60) per Kenaidan (131,850.60) per Kenaidan

RB

TAB K

This is Exhibit "K" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012


A Commissioner, Etc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF First Leaside Wealth Management Inc., First Leaside Finance Inc., First
Leaside Securities Inc., FL Securities Inc., First Leaside Management Inc.,
First Leaside Accounting and Tax Services Inc., First Leaside Holdings
Inc., 2086056 Ontario Inc., First Leaside Realty Inc., First Leaside Capital
Inc., First Leaside Realty II Inc., First Leaside Investments Inc., 965010
Ontario Inc., 1045517 Ontario Inc., 1024919 Ontario Inc., 1031628 Ontario
Inc., 1056971 Ontario Inc., 1376095 Ontario Inc., 1437290 Ontario Ltd.,
1244428 Ontario Ltd., PrestonOne Development (Canada) Inc., PrestonTwo
Development (Canada) Inc., PrestonThree Development (Canada) Inc.,
PrestonFour Development (Canada) Inc., 2088543 Ontario Inc., 2088544
Ontario Inc., 2088545 Ontario Inc., 1331607 Ontario Inc., Queenston Manor
General Partner Inc., 1408927 Ontario Ltd., 2107738 Ontario Inc., 1418361
Ontario Ltd., 2128054 Ontario Inc., 2069212 Ontario Inc., 1132413 Ontario
Inc., 2067171 Ontario Inc., 2085306 Ontario Inc., 2059035 Ontario Inc.,
2086218 Ontario Inc., 2085438 Ontario Inc., First Leaside Visions
Management Inc., 1049015 Ontario Inc., 1049016 Ontario Inc., 2007804
Ontario Inc., 2019418 Ontario Inc., FL Research Management Inc., 970877
Ontario Inc., 1031628 Ontario Inc., 1045516 Ontario Inc., 2004516 Ontario
Inc., 2192341 Ontario Inc., and First Leaside Fund Management Inc.
(collectively, the "Applicant" or "Applicants")**

**AFFIDAVIT OF GREGORY MACLEOD
(sworn April 23, 2012)**

I, **GREGORY MACLEOD**, of the City of Burlington, in the Province of
Ontario, **MAKE OATH AND SAY:**

1. I am the president of G.S. MacLeod & Associates Inc., the court-appointed
chief restructuring officer ("**CRO**") of First Leaside Wealth Management Inc. ("**FLWM**"),
and the other applicants (collectively, the "**Applicants**") as well as the limited
partnerships affiliated with the Applicants which are listed in **Exhibit "A"** hereto (the

"**Included LPs**"). (Hereafter, the Applicants and the Included LPs shall be referred to collectively as "**First Leaside**" or the "**Company**"). As such, I have knowledge of the facts deposed to in this affidavit. To the extent that this affidavit describes events or facts of which I do not have personal knowledge, I have identified the source of the information and, in all cases, believe it to be true.

Background

2. By order of the Honourable Mr. Justice Brown made February 23, 2012 ("**Initial Order**"), the Applicants applied for and were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("**CCAA**"). The stay of proceedings and other relief in the Initial Order was extended to include the Included LPs. A copy of the Initial Order is attached as **Exhibit "B"**. A copy of Justice Brown's reasons for decision dated February 26, 2012 is attached as **Exhibit "C"**.

3. Pursuant to the Initial Order, Grant Thornton Limited was appointed as monitor ("**Monitor**") of First Leaside, and Fraser Milner Casgrain LLP was appointed as representative counsel ("**Representative Counsel**") to represent the interests of clients of First Leaside Securities Inc. in these proceedings.

4. The Initial Order provides, at paragraph 16, that First Leaside shall have the right to pursue all avenues for the potential sale of its Business or Property (as such terms are defined in the Initial Order), subject to further approval of the court.

5. In affidavits sworn February 21, 2012 and March 21, 2012, and filed in these proceedings, I indicated that it was First Leaside's intention to return to court to seek approval of sale transactions related to the sale of First Leaside's interest in First Leaside Beverages Limited Partnership ("**Beverages**"), and Queenston Manor, a retirement living apartment building in St. Catharines, Ontario.

6. First Leaside entities have recently entered into sale agreements in respect of the divestiture of their interests in Beverages and Queenston Manor. Accordingly, this affidavit is sworn in support of a motion for:

- (a) an Order approving the Unit Purchase, Transfer of General Partner and Transfer of Property Agreement dated April 11, 2012 (the "**Beverages Agreement**"), and made between First Leaside Wealth Management Inc., First Leaside Progressive Limited Partnership, FLWM Holdings Limited Partnership, F.L. Beverages Group Limited Partnership (collectively, the "**CCAA Vendors**"), and 1045515 Ontario Inc. (together with the CCAA Vendors, the "**Vendor**"), as vendors, Provincial Beverages of Canada Inc. and Provincial Beverages Inc. (collectively, the "**Beverages Purchaser**"), as purchaser wherein the Beverages Purchaser is purchasing the Vendor's interest in Beverages;
- (b) an order vesting title to the interests of the CCAA Vendors in the Purchased Units 1 (as defined in the Beverages Agreement) in the Beverages Purchaser upon the closing of the Beverages Agreement;

- (c) an Order approving the agreement of purchase and sale dated March 16, 2012 ("**Queenston Agreement**"), and made between Queenston Manor General Partner Inc. ("**Queenston Manor**"), as vendor, and Starlight Investments Ltd., in trust, (the "**Queenston Purchaser**"), as purchaser, wherein the Queenston Purchaser is purchasing from Queenston Manor the property municipally known as 382 Queenston Street, St. Catherines ("**Property**") and
- (d) an order vesting title to the Property in the Queenston Purchaser upon the close of the transaction set out in the Queenston Agreement; and
- (e) an order authorizing and directing Queenston Manor to pay the sum of \$4,397,405.05 to the sole secured creditor and first registered mortgagee of the Property, Midland Loan Services Inc. ("**Midland**") (though its nominee Computershare Trust Company of Canada), on closing of the sale.

Beverages – Ownership and Operations

- 7. Beverages owns a majority interest in a brewery and cidery, and the land and building upon which the cidery is located. The business has ten employees.
- 8. Beverages is not an applicant in these CCAA proceedings.
- 9. First Leaside holds a controlling 50.45% position in Beverages through the Applicant FLWM (26.59%), and Included LPs First Leaside Progressive LP (10.17%), FLWM Holdings LP (11.56%), and F.L. Beverages LP (2.13%). Nominal units are also

held in the general partner, 1045515 Ontario Inc. and King Brewery LP. Minority interests in Beverages are held by current employees, former employees of the cidery, and a FLWM director.

10. Beverages acquired the following properties between December 2010 and February 2011, and remains the sole owner or shareholder, as the case may be:

- (a) *Beer Barons* – Based out of Nobleton, Ontario, Beer Barons is an importer and distributor of a German brand beer and also serves as the management arm of Beverages;
- (b) *King Brewery* – Located in Nobleton, Ontario, the brewery has an authentic German decoction which allows it to brew premium craft beer under its own label;
- (c) *Thornbury Cidery* – Thornbury Village Cidery produces “Thornbury Village Cider” as its flagship product; and
- (d) Land and building located at 90 King Street East, Thornbury, Ontario, which houses the cidery operations.

11. Beverages is in the early stages of its business development. Although it has established its beer and cidery brands in the market on a limited basis, it continues to operate below break-even, and has required significant operating cash flow support on a monthly basis since acquisition.

12. Further, Beverages will require major capital investment over the next 36 months to build productive capacity and to support the necessary product marketing initiatives. First Leaside is unable to provide such financial support and, consequently, Beverages' ability to continue as a going concern is in jeopardy.

13. Attached to my affidavit as **Exhibit "D"** is a combined income statement (unaudited) for Beverages' operating subsidiaries, Beer Barons, King Brewery and Thornbury Cidery for the years ended December 31, 2011 and 2010. As the combined income statement indicates, the Beverages operating subsidiaries reported a combined loss of \$1,412,148 in fiscal 2011 and \$1,140,798 in fiscal 2010. Management's projections for fiscal 2012 indicate that the operating loss will worsen.

Marketing and Sales Process

14. Prior to the CCAA proceedings, First Leaside initiated an effort to consult with potentially interested parties to gauge interest in purchasing Beverages.

15. I am advised by Leon Efraim, Corporate Counsel to First Leaside, that commencing in October of 2011, management of Beverages, led by Sean Fleming, the President of Beer Barons Inc., King Beer Inc. and Thornbury Village Cidery, undertook an ambitious marketing process designed to identify potential new investors in Beverages, or a potential acquirer of First Leaside's ownership interest in Beverages. The list of potential purchasers and investors contacted included a broad range of industry participants (including competitors) thought to have an interest in an acquisition opportunity similar to Beverages.

16. During the months of December 2011 and January 2012, non-disclosure agreements were signed by five potential acquirers. All five were permitted to review the corporate records, financial statements and projections, and the material contracts of Beverages. Of the five interested parties, four participated in tours of the facilities and had discussions and due diligence meetings with Beverages' management personnel.

17. I am further advised by Mr. Efraim that First Leaside's management undertook analysis and conducted numerous follow-up discussions with respect to the relative value proposed by potential acquirers, and their ability to complete a purchase. Consideration was also given to breaking up the various Beverages businesses and selling them individually.

18. Following completion of preliminary due diligence, as described above, four of the five initially interested parties gave notice that, for market or strategic reasons, they were not interested in acquiring the CCAA Vendors' interest in Beverages and would not be making an offer. These parties also advised that they had no interest in acquiring individual assets.

19. The only expression of interest received by First Leaside with respect to its interest in Beverages was a term sheet submitted by the Beverages Purchaser on January 20, 2012. The term sheet represented the only potentially viable fair market offer and I accordingly authorized First Leaside to execute the term sheet and proceed with negotiations with a view to finalizing a definitive sale agreement.

20. Due to inadequate cash reserves, and an inability to raise new funds, First Leaside is unable to provide ongoing financial support for Beverages after the date of

the Initial Order. At the same time, and consequently, Beverages was experiencing increasingly urgent cash requirements and was finding itself unable to sustain day to day operations. First Leaside and the Beverages Purchaser accordingly agreed, as a stop gap measure, that the Beverages Purchaser would fund Beverages operating cash requirements up to a maximum amount of \$500,000 by way of a secured demand loan.

21. There are no registered security interests against the CCAA Vendors in respect of the Purchased Units 1 (as defined in the Beverages Agreement) being sold. Ontario PPSA registry search results against each CCAA Vendor are attached hereto as **Exhibit "E"**.

Beverages Agreement - Transaction Terms and Conditions

22. After further discussions and negotiations between First Leaside, the Beverages Purchaser and minority investors, the Vendor entered into the Beverages Agreement with the Beverages Purchaser on April 11, 2012. A copy of the Beverages Agreement is attached to this affidavit as **Exhibit "F"**.

23. The key transaction terms are as follows:

- (a) the Beverages Purchaser will purchase the Vendor's collective ownership interest (the **"Beverages Purchased Assets"**) in Beverages in consideration of the payment of \$760,000 (the **"Purchase Price"**);
- (b) the Purchase Price is to be paid by certified cheque at closing;
- (c) the Beverages Agreement is conditional upon the CCAA Vendors

obtaining an order of the court approving the Beverages Agreement and vesting title in and to the Purchased Units 1 (as defined in the Beverages Agreement) in the Beverages Purchaser; and

- (d) the closing date shall take place on or before May 31, 2012, failing which the Beverages Agreement shall terminate, without obligation.

Beverages Agreement - Conclusion

24. I believe that the Beverages Agreement is in the best interest of First Leaside for the following reasons:

- (a) Beverages requires substantial operational funding and substantial capital funding, or it will fail. First Leaside is no longer willing or able to provide Beverages with any continued financial support;
- (b) First Leaside has canvassed the market with respect to those companies that would be interested in purchasing a start-up brewery business, and it is my belief that the Beverages Agreement represents the only commercially reasonable method to obtain the maximum realizable value for the CCAA Vendors' interests in the circumstances;
- (c) Beverages has extremely limited liquidity and the Beverages Purchaser has already injected significant cash into Beverages' business. Should the Beverages Agreement not close, the Beverages Purchaser would be in a position to enforce its secured loan;

- (d) There is no basis to expect that the CCAA Vendors would be able to obtain a better realization on their investment than what is offered in the Beverages Agreement;
- (e) I have had discussions with the Monitor with respect to the Beverages Agreement and understand that they support the transaction; and
- (f) The minority unitholders of Beverages similarly support the transaction and have agreed to execute the necessary consents authorizing the Vendor to complete the sale of the Vendor's interests in Beverages.

Queenston Manor – Background and Marketing Process

25. Queenston Manor owns and operates a 77-unit, retirement living apartment building located at 382 Queenston Street, St. Catharines Ontario (defined above as the Property). The Property is approximately 97% occupied.

26. Prior to these CCAA proceedings, in November 2011, First Leaside engaged Colliers International ("**Colliers**") to act as advisor and broker/agent in connection with the marketing and sale of Queenston. The Colliers' advisory team was headed up by Michael Betsalel, Associate Vice President, and founder and head (since 1995) of the Colliers' Apartment Team. A summary of Mr. Betsalel's professional qualifications and experience, as presented on the Colliers International website is attached to this affidavit as **Exhibit "G"**

27. Colliers prepared an "Opinion of Value & Marketability Report" ("**Value Opinion**") in respect of the Property. The Value Opinion, dated December 6, 2011, is a

comprehensive 33 page report that arrived at a highest and best use valuation of the Property based on Colliers' assessment of direct comparison, and income and cost approaches to valuation.

28. In furtherance of a sale, Colliers was also retained, in December of 2011, to undertake additional due diligence with respect to the Property and to prepare a "Confidential Investment Memorandum (the "CIM") for marketing purposes. The CIM described the Property in considerable detail. It provided an overview of the property, investment highlights, rent roll information and included a *pro forma* income statement. Attached to my affidavit as **Exhibit "H"** is a copy of the CIM.

29. I am advised by Mr. Betsalel that Colliers engaged in a focussed and thorough sales process, speaking directly with and presenting the CIM to approximately 40 to 50 potential acquirers over a period of six weeks between the beginning of December 2011 and mid-January, 2012. The list of potential acquirers included **private equity** investors, developers, multifamily real estate investment trusts, and first time investors and property owners across the Niagara region that had expressed an interest in assets similar to the Property. The contact list included Colliers' Apartment Team's network of local, national and international investors.

30. Of the persons contacted by Colliers, eight requested a tour of the Property and an opportunity to further review the books and records and undertake additional Property related due diligence.

31. During January 2012 First Leaside received three offers to purchase the Property. The offer submitted by the Queenston Purchaser was clearly the superior bid

in the circumstances, and First Leaside authorized Colliers to negotiate final business terms for the sale of the Property.

32. First Leaside filed for CCAA protection during the period in which negotiations between Colliers and the Queenston Purchaser were ongoing. At my direction, negotiations continued in February 2012, and a final form of agreement (subject to Court approval) was entered into on March 16, 2012. Attached to my affidavit as **Exhibit "I"** is a copy of the Queenston Agreement.

Queenston Agreement - Transaction Terms and Conditions

33. Pursuant to the Queenston Agreement:

- (a) the Queenston Purchaser has agreed to purchase the Property for \$7,100,000;
- (b) the Queenston Purchaser provided a \$100,000 deposit to Queenston Manor upon execution of the Queenston Agreement and a further \$100,000 deposit on April 17, 2012. The balance of the purchase price, subject to normal closing adjustments, will be paid by bank draft or certified cheque on closing;
- (c) there are two relevant conditions precedent to closing:
 - (i) Queenston Manor must obtain Court approval of the Queenston Agreement; and,

- (ii) Queenston Manor must deliver title free of all charges, liens and encumbrances;

- (d) Subject to Court approval, the sale is scheduled to close on May 1, 2012.

Midland Mortgage

34. Midland, through its nominee Computershare Trust Company of Canada, is the only secured creditor registered against the Property. Copies of the Ontario PPSA registry search results against Queenston Manor and a copy of the Land Registry Office PIN for the Property are attached hereto as **Exhibit "J"**.

35. At the hearing of First Leaside's initial application for relief under the CCAA, Midland opposed the inclusion of Queenston Manor in the proceedings, and has sought leave to appeal to the Court of Appeal from the Initial Order.

36. In connection with the sale of the Property, Queenston Manor and Midland have resolved their outstanding dispute and settled upon terms pursuant to which Midland has agreed to (a) accept prepayment of its mortgage loan (the "**Midland Loan**"), (b) withdraw its opposition to (and appeal of) the within CCAA proceedings, and (c) discharge its security against the Property, all provided that it receives payment in full (including a prepayment charge) of the outstanding amount owing by Queenston Manor under the Midland Loan on closing ("**Midland Settlement**").

37. It is a term of the Midland Settlement that Queenston Manor will obtain court approval of the repayment of Midland Loan to Midland on closing, which is anticipated to be on May, 1, 2012. There will be \$4,397,405.05 due and owing (subject

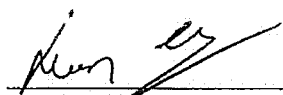
to any minor adjustments that may be agreed between the parties) to Midland on the Midland Loan as of May 1, 2012. A breakdown of the \$4,397,405.05 figure is set out in the Mortgage Discharge Statement attached as **Exhibit "K"**.

Queenston Manor - Conclusion

38. Over the last five months Colliers has engaged in a thorough sales and marketing process that targeted dozens of prospective purchasers. The highest and best offer to emerge from this process is the Queenston Purchaser's offer. The Queenston Purchaser's offer is supported by the Value Opinion. [The Value Opinion is not included in these motion materials, but can be made available upon request to the Court or to parties with a legitimate interest.]

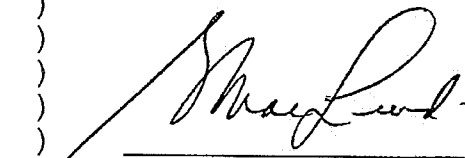
39. First Leaside has provided information to the Monitor related to the sales process and marketing of the Property, all of which the Monitor has reviewed. The Monitor's counsel has independently reviewed Midland's security and concluded, subject to the usual assumptions and qualifications, that Midland's security is valid, enforceable and first registered. Accordingly, the Monitor is supportive of the sale of the Property pursuant to the Queenston Purchase Agreement.

SWORN before me at the City of Toronto
In the Province of Ontario, this 23rd day of
April, 2012



A Commissioner, etc.

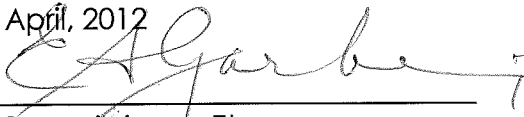
Leon Efram
LSUC #51809w

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Gregory MacLeod

TAB L

This is Exhibit "L" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012



A Commissioner, Etc.



ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) THURSDAY, THE 23RD
JUSTICE DAVID M. BROWN) DAY OF FEBRUARY, 2012

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF First Leaside Wealth Management Inc., First Leaside Finance Inc., First
Leaside Securities Inc., FL Securities Inc., First Leaside Management Inc.,
First Leaside Accounting and Tax Services Inc., First Leaside Holdings
Inc., 2086056 Ontario Inc., First Leaside Realty Inc., First Leaside Capital
Inc., First Leaside Realty II Inc., First Leaside Investments Inc., 965010
Ontario Inc., 1045517 Ontario Inc., 1024919 Ontario Inc., 1031628 Ontario
Inc., 1056971 Ontario Inc., 1376095 Ontario Inc., 1437290 Ontario Ltd.,
1244428 Ontario Ltd., PrestonOne Development (Canada) Inc., PrestonTwo
Development (Canada) Inc., PrestonThree Development (Canada) Inc.,
PrestonFour Development (Canada) Inc., 2088543 Ontario Inc., 2088544
Ontario Inc., 2088545 Ontario Inc., 1331607 Ontario Inc., Queenston Manor
General Partner Inc., 1408927 Ontario Ltd., 2107738 Ontario Inc., 1418361
Ontario Ltd., 2128054 Ontario Inc., 2069212 Ontario Inc., 1132413 Ontario
Inc., 2067171 Ontario Inc., 2085306 Ontario Inc., 2059035 Ontario Inc.,
2086218 Ontario Inc., 2085438 Ontario Inc., First Leaside Visions
Management Inc., 1049015 Ontario Inc., 1049016 Ontario Inc., 2007804
Ontario Inc., 2019418 Ontario Inc., FL Research Management Inc., 970877
Ontario Inc., 1031628 Ontario Inc., 1045516 Ontario Inc., 2004516 Ontario
Inc., 2192341 Ontario Inc., and First Leaside Fund Management Inc. (each,
an "Applicant" and collectively, the "Applicant")

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies'*
Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard
this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Gregory MacLeod sworn February 22, 2012 (the "MacLeod Affidavit") and the Exhibits thereto, and the Pre-filing Report of Grant Thornton Limited as the Proposed Monitor, and on hearing the submissions of counsel for the Applicant, the proposed Monitor, the proposed Representative Counsel, the Ontario Securities Commission, the Investment Industry Regulatory Organization of Canada, the Toronto-Dominion Bank, the Canadian Imperial Bank of Commerce, and KingSett Capital, no one appearing for the other parties on the service list although duly served as appears from the affidavit of service of Patricia Hoogenband sworn February 22, 2012 and on reading the consent of Grant Thornton Limited to act as the Monitor,

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies. Although not an Applicant, the limited partnerships listed in Schedule "A" to this Order (the "LPs") shall enjoy the benefits of and the protections provided to the Applicant by this Order. (The Applicant and the LPs are hereinafter referred to collectively as "First Leaside".)

3. THIS COURT ORDERS that, for greater certainty, the terms of this order shall not apply to the following limited partnerships (collectively, the "Excluded LPs"):

- (a) First Leaside Retirement Residences (Ottawa) Limited Partnership
- (b) First Leaside Retirement Residences (Okanagan) Limited Partnership
- (c) Cherry Park Retirement Residences Limited Partnership
- (d) Orchard Valley Retirement Residences Limited Partnership
- (e) The Shores Retirement Residences Limited Partnership

- (f) Redwood Retirement Residences (Ottawa) Limited Partnership
- (g) 100 Isabella Street (Ottawa) Limited Partnership and
- (h) 480 Metcalfe Street (Ottawa) Limited Partnership

(hereafter, the Excluded LPs identified in (a), (f), (g), and (h) above shall be referred to as the "Ottawa Excluded LPs" and the Excluded LPs identified in (b), (c), (d), and (e) above shall be referred to as the "Okanagan Excluded LPs").

4. THIS COURT ORDERS that the provisions of this order shall not extend to any general partner of the Excluded LPs to the extent that such general partner exercises powers for or on behalf of the Excluded LPs, holds property on behalf of the Excluded LPs, or owes liabilities in respect of the Excluded LPs
5. THIS COURT ORDERS that, for greater certainty, Canadian Imperial Bank of Commerce ("CIBC"), KingSett Mortgage Corporation ("KingSett") and Toronto-Dominion Bank ("TD") shall be unaffected creditors and not stayed by or otherwise subject to the terms of this Order in respect of the Excluded LPs.
6. THIS COURT ORDERS that that no payments, funds or other transfers of value shall be accepted or received by First Leaside from the Excluded LPs, save and except to the extent approved by agreement in writing by CIBC and KingSett with respect to the Ottawa Excluded LPs and by TD with respect to the Okanagan Excluded LPs.
7. THIS COURT ORDERS that the Applicant is at liberty, at any time, on seven days' notice to CIBC, KingSett, and TD, to seek an order extending the scope of these proceedings and the provisions of this order to include the Excluded LPs.

PLAN OF ARRANGEMENT

8. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

9. THIS COURT ORDERS that First Leaside shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, First Leaside shall continue to carry on its business in a manner consistent with the preservation of its business (the "Business") and Property. First Leaside shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

10. THIS COURT ORDERS that First Leaside shall be entitled to implement a central cash management system as described in the MacLeod Affidavit or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by First Leaside of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than First Leaside, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. The bank accounts of First Leaside Securities Inc. ("FLSI") shall not form part of the Cash Management System.

11. THIS COURT ORDERS that First Leaside shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by First Leaside in respect of these proceedings, at their standard rates and charges.

12. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, First Leaside shall be entitled but not required to pay all reasonable expenses incurred by First Leaside in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (b) payment for goods or services actually supplied to First Leaside following the date of this Order; and
- (c) payments of principal and interest in respect of real property mortgages.

13. THIS COURT ORDERS that First Leaside shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by First Leaside in connection with the sale of

goods and services by First Leaside, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by First Leaside.

14. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, First Leaside shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between First Leaside and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, in equal monthly payments on the first day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

15. THIS COURT ORDERS that, except as specifically permitted herein, First Leaside is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by First Leaside to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

16. THIS COURT ORDERS that First Leaside shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing; and
- (d) pursue all avenues for the potential sale of the Business or Property, in whole or part, subject to further approval of such sale by this Court,

all of the foregoing to permit First Leaside to proceed with an orderly restructuring of the Business (the "Restructuring").

17. THIS COURT ORDERS that First Leaside shall provide each of the relevant landlords with notice of First Leaside's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes First Leaside's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and First Leaside, or by further Order of this Court upon application by First Leaside on at least two (2) days notice to such landlord and any such secured creditors. If First Leaside disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to First Leaside's claim to the fixtures in dispute.

18. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective

tenants during normal business hours, on giving First Leaside and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against First Leaside in respect of such lease or leased premises and such landlord shall be entitled to notify First Leaside of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST FIRST LEASIDE OR THE PROPERTY

19. THIS COURT ORDERS that until and including March 23, 2012, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of First Leaside or the Monitor, or affecting the Business or the Property, except with the written consent of First Leaside and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of First Leaside or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

20. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of First Leaside or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of First Leaside and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower First Leaside to carry on any business which First Leaside is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

21. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by First Leaside, except with the written consent of First Leaside and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

22. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with First Leaside or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or First Leaside, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by First Leaside, and that First Leaside shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by First Leaside in accordance with normal payment practices of First Leaside or such other practices as may be agreed upon by the supplier or service provider and each of First Leaside and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

23. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to First Leaside. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

24. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of First Leaside with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

CHIEF RESTRUCTURING OFFICER

25. THIS COURT ORDERS that the appointment of G.S. MacLeod & Associates Inc. as chief restructuring officer of First Leaside (the "CRO") is hereby confirmed and approved and the CRO is hereby authorized and empowered to operate and manage the affairs of First Leaside during the pendency of these CCAA proceedings.

26. THIS COURT ORDERS that the CRO shall be paid its fees and disbursements (the "CRO Fees") in accordance with the CRO's engagement letter with First Leaside dated December 21, 2011.

27. THIS COURT ORDERS that the CRO and its officers, directors, employees, and servants shall incur no liability or obligation as a result of the appointment of the CRO or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on their part.

TRANSFER OF CLIENT ACCOUNTS

28. THIS COURT ORDERS that, to the extent that any client of FLSI ("FLSI Client") holds a "security" as defined in section 253 of the *Bankruptcy and Insolvency Act* and/or cash in an account or accounts with Penson Financial Services Canada Inc. (each, a "Client Account"), such FLSI Client shall immediately have the right to transfer any such

security or cash or the entire Client Account with Penson Financial Services Canada Inc. to another licensed securities dealer (an "FLSI Client Account Transfer").

29. THIS COURT ORDERS that FLSI and Penson Financial Services Canada Inc. shall take all reasonable steps to facilitate an FLSI Client Account Transfer.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

30. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

31. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for the indemnity provided in paragraph 30 of this Order as well as the fees and disbursements of counsel to the Independent Committee of the Board of Directors ("Independent Committee Counsel") to the extent that such fees and disbursements relate to services provided in respect of First Leaside. The Directors' Charge shall have the priority set out in paragraphs 50 and 52 herein. The Applicant is hereby authorized and directed to pay a \$50,000 retainer to Independent Committee Counsel.

32. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 30 of this Order.

APPOINTMENT OF MONITOR

33. THIS COURT ORDERS that Grant Thornton Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of First Leaside with the powers and obligations set out in the CCAA or set forth herein and that First Leaside and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by First Leaside pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

34. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor First Leaside's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise First Leaside in its preparation of First Leaside's cash flow statements;
- (d) advise and assist First Leaside concerning the potential sale of the Property and an orderly wind-down of the Business;
- (e) advise First Leaside in its development of the Plan and any amendments to the Plan;
- (f) assist First Leaside, to the extent required by First Leaside, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of First Leaside, to the extent that is necessary to adequately assess First

Leaside's business and financial affairs or to perform its duties arising under this Order;

- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) perform such other duties as are required by this Order or by this Court from time to time; and
- (j) consult with and assist First Leaside in its negotiations and discussions with investors, creditors, and other stakeholders.

35. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

36. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to

be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

37. THIS COURT ORDERS that the Monitor shall provide any creditor of First Leaside with information provided by First Leaside in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by First Leaside is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and First Leaside may agree.

38. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

39. THIS COURT ORDERS that the Monitor, counsel to the Monitor, and counsel to First Leaside shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by First Leaside as part of the costs of these proceedings. First Leaside is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for First Leaside on a bi-weekly basis and, in addition, First Leaside is hereby authorized to pay retainers of \$150,000 to the Monitor, \$100,000 to counsel to the Monitor, and \$150,000 to counsel to First Leaside, to be held by each of them as security for payment of their respective fees and disbursements outstanding from time to time.

40. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

41. THIS COURT ORDERS that the Monitor, counsel to the Monitor, First Leaside's counsel, and Representative Counsel (defined below) shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 50 and 52 hereof.

APPOINTMENT OF REPRESENTATIVE COUNSEL

42. THIS COURT ORDERS that Fraser Milner Casgrain LLP ("Representative Counsel") is appointed as representative counsel in these proceedings to represent the interests of clients of FLSI (the "Clients"), unless and until written notice is provided by a particular Client to Representative Counsel that such Client does not wish to be represented by Representative Counsel.

43. THIS COURT ORDERS that First Leaside shall provide to Representative Counsel the last known e-mail addresses (to the extent available) or other available contact information for each Client and, within ten days of the date of this Order, Representative Counsel shall provide the Clients with a copy of this Order, which shall constitute sufficient notice to Clients of this Order and the appointment of Representative Counsel and such step shall relieve the Monitor of its duty to provide notice to such Clients under section 23 of the CCAA.

44. THIS COURT ORDERS that Representative Counsel shall be paid its reasonable fees and disbursements by First Leaside, up to an initial maximum amount of \$150,000 (the "Representative Counsel Allowance") with any subsequent increases to the Representative Counsel Allowance being determined by further Order of this Court. Representative Counsel shall be paid by First Leaside in a timely manner for fulfilling its mandate in accordance with this Order, upon the provision of invoices to First Leaside, subject to such redactions to the invoices as are necessary to maintain solicitor-client privilege between Representative Counsel and the Clients.

45. THIS COURT ORDERS that First Leaside shall pay to Representative Counsel a retainer of \$25,000 to be held by it as security for payment of its fees and disbursements outstanding from time to time.

46. THIS COURT ORDERS that Representative Counsel is hereby authorized to take all steps and do all acts necessary or desirable to carry out the terms of this Order.

47. THIS COURT ORDERS that Representative Counsel shall be at liberty, and is hereby authorized, at any time, to apply to this Court for advice and directions in respect of its appointment or the fulfillment of its duties in carrying out the provisions of this Order or any variation of the powers and duties of Representative Counsel, which shall be brought on notice to First Leaside, the Monitor, and other interested parties, unless the Court orders otherwise.

48. THIS COURT ORDERS that Representative Counsel shall have no personal liability or obligations as a result of the performance of its duties in carrying out the provisions of this Order, save and except for liability arising out of gross negligence or wilful misconduct.

49. THIS COURT ORDERS that no action or other proceeding may be commenced against Representative Counsel in respect of the performance of its duties under this Order without leave of the Court on seven days' notice to Representative Counsel.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

50. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as between them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,000,000);

Second – Directors' Charge (to the maximum amount of \$250,000).

51. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge or the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to

the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

52. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, provided, however, that

- (a) the Directors' Charge shall not attach to any monies or other Property of FLSI ("FLSI Property") including, without limitation, property which constitutes "risk adjusted capital" plus the \$250,000 "minimum capital requirement" in accordance with applicable securities laws and regulations; and
- (b) the Administration Charge shall not attach to the FLSI Property in an amount exceeding the lesser of (A) \$1 million and (B) the portion of costs secured by the Administration Charge which are attributable to, or for the benefit of, FLSI.

53. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, First Leaside shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, or the Administration Charge, unless First Leaside also obtains the prior written consent of the Monitor and the beneficiaries of the Directors' Charge and the Administration Charge and further Order of this Court.

54. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e)

any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds First Leaside, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by First Leaside of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by the creation of the Charges; and
- (c) the payments made by First Leaside pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

55. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in First Leaside's interest in such real property leases.

56. THIS COURT ORDERS that the CRO Fees and the professional fees and expenses of the Monitor, counsel to the Monitor, First Leaside's counsel and Representative Counsel paid or incurred in accordance with the provisions of this Order shall be allocated by First Leaside with the assistance of the Monitor to the various business units pursuant to a protocol to be proposed by First Leaside with the assistance of the Monitor, which protocol shall be approved upon motion to this Court. First Leaside and the Monitor shall endeavour to make recommendations in respect of a protocol on or before March 30, 2012.

SERVICE AND NOTICE

57. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the national edition of the *Globe and Mail* a notice containing the information prescribed

under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against First Leaside of more than \$1000, and (C) prepare a list showing the aggregate amounts owed to equity investors, debt investors, and employees, but not names and addresses of those creditors, and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

58. THIS COURT ORDERS that First Leaside, Representative Counsel, and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to First Leaside's creditors or other interested parties at their respective addresses as last shown on the records of First Leaside and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

59. THIS COURT ORDERS that First Leaside, Representative Counsel, and the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.grantthornton.ca/firstleaside.

GENERAL

60. THIS COURT ORDERS that First Leaside or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

61. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of First Leaside, the Business or the Property.

62. 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 First Leaside, the Monitor and their respective 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 First Leaside and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist First Leaside and the Monitor and their respective agents in carrying out the terms of this Order.

63. THIS COURT ORDERS that each of First Leaside and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

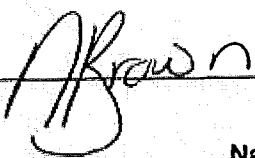
64. THIS COURT ORDERS that any interested party (including First Leaside and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

65. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

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

FEB 24 2012

NB



Natasha Brown
Registrar

TAB M

This is Exhibit "M" referred to in
the affidavit of James Greig
Sworn before me this 25th day
of April, 2012



A Commissioner, Etc.

CITATION: First Leaside Wealth Management Inc. (Re), 2012 ONSC 1299
COURT FILE NO.: CV-12-9617-00CL
DATE: 20120226

SUPERIOR COURT OF JUSTICE - ONTARIO

COMMERCIAL LIST

RE: IN THE MATTER OF a Plan of Compromise or Arrangement of First Leaside Wealth Management Inc., First Leaside Finance Inc., First Leaside Securities Inc., FL Securities Inc., First Leaside Management Inc., First Leaside Accounting and Tax Services Inc., First Leaside Holdings Inc., 2086056 Ontario Inc., First Leaside Realty Inc., First Leaside Capital Inc., First Leaside Realty II Inc., First Leaside Investments Inc., 965010 Ontario Inc., 1045517 Ontario Inc., 1024919 Ontario Inc., 1031628 Ontario Inc., 1056971 Ontario Inc., 1376095 Ontario Inc., 1437290 Ontario Ltd., 1244428 Ontario Ltd., PrestonOne Development (Canada) Inc., PrestonTwo Development (Canada) Inc., PrestonThree Development (Canada) Inc., PrestonFour Development (Canada) Inc., 2088543 Ontario Inc., 2088544 Ontario Inc., 2088545 Ontario Inc., 1331607 Ontario Inc., Queenston Manor General Partner Inc., 1408927 Ontario Ltd., 2107738 Ontario Inc., 1418361 Ontario Ltd., 2128054 Ontario Inc., 2069212 Ontario Inc., 1132413 Ontario Inc., 2067171 Ontario Inc., 2085306 Ontario Inc., 2059035 Ontario Inc., 2086218 Ontario Inc., 2085438 Ontario Inc., First Leaside Visions Management Inc., 1049015 Ontario Inc., 1049016 Ontario Inc., 2007804 Ontario Inc., 2019418 Ontario Inc., FL Research Management Inc., 970877 Ontario Inc., 1031628 Ontario Inc., 1045516 Ontario Inc., 2004516 Ontario Inc., 2192341 Ontario Inc., and First Leaside Fund Management Inc., Applicants

BEFORE: D. M. Brown J.

COUNSEL: J. Birch and D. Ward, for the Applicants

P. Huff and C. Burr, for the proposed Monitor, Grant Thornton Limited

D. Bish, for the Independent Directors

B. Empey, for Investment Industry Regulatory Organization of Canada

J. Grout, for the Ontario Securities Commission

R. Oliver, for Kenaidan Contracting Limited

J. Dietrich, the proposed Representative Counsel for the investors

E. Garbe, for Structform International Limited

N. Richter, for Gilbert Steel Limited

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M. Sanford, for Janick Electrick Limited

M. Konyukhova, for Midland Loan Services Inc.

C. Prophet, for the Canadian Imperial Bank of Commerce

HEARD: February 23, 2012

REASONS FOR DECISION

I. Overview: CCAA Initial Order

[1] On Thursday, February 23, 2012, I granted an Initial Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, in respect of the Applicants. These are my Reasons for that decision.

II. The applicant corporations

[2] The Applicants are members of the First Leaside group of companies. They are described in detail in the affidavit of Gregory MacLeod, the Chief Restructuring Officer of First Leaside Wealth Management ("FLWM"), so I intend only refer in these Reasons to the key entities in the group. The parent corporation, FLWM, owns several subsidiaries, including the applicant, First Leaside Securities Inc. ("FLSI"). According to Mr. MacLeod, the Group's operations centre on FLWM and FLSI.

[3] FLSI is an Ontario investment dealer that manages clients' investment portfolios which, broadly speaking, consist of non-proprietary Marketable Securities as well as proprietary equity and debt securities issued by First Leaside (the so-called "FL Products"). All segregated Marketable Securities are held in segregated client accounts with Penson Financial Services Canada Inc.

[4] First Leaside designed its FL Products to provide investors with consistent monthly distributions. First Leaside acts as a real estate syndicate, purchasing real estate through limited partnerships with a view to rehabilitating the properties for lease at higher rates or eventual resale. First Leaside incorporated special-purpose corporations to act as general partners in the various LPs it set up. The general partners of First Leaside's Canadian LPs – i.e. those which own property in Canada – are applicants in this proceeding. First Leaside also seeks to extend the benefits of the Initial Order to the corresponding LPs.

[5] First Leaside has two types of LPs: individual LPs that acquire and operate a single property or development, and aggregator LPs that hold units of multiple LPs. Investors have invested in both kinds of LPs. In paragraph 49 of his affidavit Mr. MacLeod detailed the LPs within First Leaside. While most First Leaside LPs hold interests in identifiable properties, for a few, called "Blind Pool LPs", clients invest funds without knowing where the funds likely were to be invested. Those LPs are described in paragraph 51 of Mr. MacLeod's affidavit.

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[6] The applicant, First Leaside Finance Inc. ("FL Finance"), acted as a "central bank" for the First Leaside group of entities,

III. The material events leading to this application

[7] In the fall of 2009 the Ontario Securities Commission began investigating First Leaside. In March, 2011, First Leaside retained the proposed Monitor, Grant Thornton Limited, to review and make recommendations about First Leaside's businesses. Around the same time First Leaside arranged for appraisals to be performed of various properties.

[8] Grant Thornton released its report on August 19, 2011. For purposes of this application Grant Thornton made several material findings:

- (i) There exist significant interrelationships between the entities in the FL Group which result in a complex corporate structure;
- (ii) Certain LPs have been a drain on the resources of the Group as a result of recurring operating losses and property rehabilitation costs; and,
- (iii) The future viability of the FL Group was contingent on its ability to raise new capital;

"If the FL Group was restricted from raising new capital, it would likely be unable to continue its operations in the ordinary course, as it would have insufficient revenue to support its infrastructure, staffing costs, distributions, and to meet their funding requirements for existing projects."

[9] As a result of the report First Leaside hired additional staff to improve accounting resources and financial planning. Last November the Board appointed an Independent Committee to assume all decision-making authority in respect of First Leaside; the Group's founder, David Phillips, was no longer in charge of its management.

[10] FLSI is regulated by both the OSC and the Investment Industry Regulatory Organization of Canada ("IIROC"). In October, 2011, IIROC issued FLSI a discretionary early warning level 2 letter prohibiting the company from reducing capital and placing other restrictions on its activities. At the same time the OSC told First Leaside that unless satisfactory arrangements were made to deal with its situation, the OSC almost certainly would take regulatory action, including seeking a cease trade order.

[11] First Leaside agreed to a voluntary cease trade, retained Grant Thornton to act as an independent monitor, informed investors about those developments, and made available the August Grant Thornton report.

[12] Because the cease trade restricted First Leaside's ability to raise capital, the Independent Committee decided in late November to cease distributions to clients, including distributions to LP unit holders, interest payments on client notes/debts, and dividends on common or preferred shares.

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[13] In December the Independent Committee decided to retain Mr. MacLeod as CRO for First Leaside and asked him to develop a workout plan, which he finalized in late January, 2012. Mr. MacLeod deposed that the downturn in the economy has resulted in First Leaside realizing lower operating income while incurring higher operational costs. In his affidavit Mr. MacLeod set out his conclusion about a workout plan:

After carefully analyzing the situation, my ultimate conclusion was that it was too risky and uncertain for First Leaside to pursue a resumption of previous operations, including the raising of capital. My recommendation to the Independent Committee was that First Leaside instead undertake an orderly wind-down of operations, involving:

- (a) Completing any ongoing property development activity which would create value for investors;
- (b) Realizing upon assets when it is feasible to do so (even where optimal realization might occur over the next 12 to 36 months);
- (c) Dealing with the significant inter-company debts; and,
- (d) Distributing proceeds to investors.

Mr. MacLeod further deposed:

[T]he best way to promote this wind-down is through a filing under the CCAA so that all issues -- especially the numerous investor and creditor claims and inter-company claims -- can be dealt with in one forum under the supervision of the court.

The Independent Committee approved Mr. MacLeod's recommendations. This application resulted.

IV. Availability of CCAA

A. The financial condition of the applicants

[14] According to Mr. MacLeod, First Leaside has over \$370 million in assets under management. Some of those, however, are Marketable Securities. First Leaside is proposing that clients holding Marketable Securities (which are held in segregated accounts) be free to transfer them to another investment dealer during the CCAA process. As to the value of FL Products, Mr. MacLeod deposed that "it remains to be determined specifically how much value will be realized for investors on the LP units, debt instruments, and shares issued by the various First Leaside entities."

[15] First Leaside's debt totals approximately \$308 million: \$176 million to secured creditors (mostly mortgagees) and \$132 million to unsecured creditors, including investors holding notes or other debt instruments.

[16] Mr. MacLeod summarized his assessment of the financial status of the First Leaside Group as follows:

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[S]ince GTL reported that the aggregate value of properties in the First Leaside exceeded the value of the properties, there will be net proceeds remaining to provide at least some return to subordinate creditors or equity holders (i.e., LP unit holders and corporation shareholders) in many of the First Leaside entities. The recovery will, of course, vary depending on the entity. At this stage, however, it is fair to conclude that there is a material equity deficit both in individual First Leaside entities and in the overall First Leaside group.

[17] In his affidavit Mr. MacLeod also deposed, with respect to the financial situation of First Leaside, that:

- (i) The cease trade placed severe financial constraints on First Leaside as almost every business unit depended on the ability of FLWM and its subsidiaries to raise capital from investors;
- (ii) There are immediate cash flow crises at FLWM and most LPs;
- (iii) FLWM's cash reserves had fallen from \$2.8 million in November, 2011 to \$1.6 million at the end of this January;
- (iv) Absent new cash from asset disposals, current cash reserves would be exhausted in April;
- (v) At the end of December, 2011 Ventures defaulted by failing to make a principal mortgage payment of \$4.25 million owing to KingSett;
- (vi) Absent cash flow from FLWM a default is imminent for Investor's Harmony property;
- (vii) First Leaside lacks the liquidity or refinancing options to rehabilitate a number of the properties and execute on its business plan; and,
- (viii) First Leaside generally has been able to make mortgage payments to its creditors, but in the future it will be difficult to do so given the need to expend monies on property development and upgrading activities

[18] In his description of the status of the employees of the Applicants, Mr. MacLeod did not identify any issue concerning a pension funding deficiency.¹ The internally-prepared 2010 FLWM financial statements did not record any such liability. Grant Thornton did not identify any such issue in its Pre-filing Report.

[19] First Leaside is not proposing to place all of its operations under court-supervised insolvency proceedings. It does not plan to seek Chapter 11 protection for its Texas properties

¹ MacLeod Affidavit, paras. 104 to 106.

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since it believes they may be able to continue operations over the anticipated wind-up period using cash flows they generate and pay their liabilities as they become due. Nor does First Leaside seek to include in this CCAA proceeding the First Leaside Venture LP ("Ventures") which owns and operates several properties in Ontario and British Columbia. On February 15, 2012 Ventures and Bridge Gap Konsult Inc. signed a non-binding term sheet to provide some bridge financing for Ventures. First Leaside decided not to include certain Ventures-related limited partnerships in the CCAA application at this stage,² while reserving the right to later bring a motion to extend the Initial Order and stay to these Excluded LPs. The Initial Order which I signed reflected that reservation.

[20] As noted above, over the better part of the past year the proposed Monitor, Grant Thornton, has become familiar with the affairs of the First Leaside Group as a result of the review it conducted for its August, 2011 report. Last November First Leaside retained Grant Thornton as an independent monitor of its business.

[21] In its Pre-filing Report Grant Thornton noted that the last available financial statements for FLWM were internally prepared ones for the year ended December 31, 2010. They showed a net loss of about \$2.863 million. The Pre-filing Report contained a 10-week cash flow projection (ending April 27, 2012) prepared by the First Leaside Group. The Cash Flow Projection does not contemplate servicing interest and principal payments during the projection period. On that basis the Cash Flow Projection showed the Group's combined closing bank balance declining from \$6.97 million to \$4.144 million by the end of the projection period. Grant Thornton reviewed the Cash Flow Projection and stated that it reflected the probable and hypothetical assumptions on which it was prepared and that the assumptions were suitably supported and consistent with the plans of the First Leaside Group and provided a reasonable basis for the Cash Flow Projection.

[22] Grant Thornton reported that certain creditors, specifically construction lien claimants, had commenced enforcement proceedings and it concluded:

Given creditors' actions to date and due to the complicated nature of the FL Group's business, the complex corporate structure and the number of competing stakeholders, it is unlikely that the FL Group will be able to conduct an orderly wind-up or continue to rehabilitate properties without the stability provided by a formal Court supervised restructuring process.

...

As the various stakeholder interests are in many cases intertwined, including intercompany claims, the granting of the relief requested would provide a single forum for the numerous stakeholders of the FL Group to be heard and to deal with such parties' claims in an orderly manner, under the supervision of the Court, a CRO and a Court-appointed Monitor. In particular, a simple or forced divestiture of the properties of the

² The Excluded LPs were identified in paragraph 134 of Mr. MacLeod's affidavit.

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FL Group would not only erode potential investor value, but would not provide the structure necessary to reconcile investor interests on an equitable and ratable basis.

A stay of proceedings for both the Applicants and the LPs is necessary if it is deemed appropriate by this Honourable Court to allow the FL Group to maintain its business and to allow the FL Group the opportunity to develop, refine and implement their restructuring/wind-up plan(s) in a stabilized environment.

B. Findings

[23] I am satisfied that the Applicants are "companies" within the meaning of the *CCAA* and that the total claims against the Applicants, as an affiliated group of companies, is greater than \$5 million.

[24] Are the Applicant companies "debtor companies" in the sense that they are insolvent? For the purposes of the *CCAA* a company may be insolvent if it falls within the definition of an insolvent person in section 2 of the *Bankruptcy and Insolvency Act* or if its financial circumstances fall within the meaning of insolvent as described in *Re Stelco Inc.*, which include a financially troubled corporation that is "reasonably expected to run out of liquidity within reasonable proximity of time as compared with the time reasonably required to implement a restructuring".³

[25] When looked at as a group the Applicants fall within the extended meaning of "insolvent": as a result of the cease trade their ability to raise capital has been severely restricted; cash reserves fell significantly from November until the time of filing, and the Cash Flow Projection indicates that cash reserves will continue to decline even with the cessation of payments on mortgages and other debt; Mr. MacLeod estimated that cash reserves would run out in April; distributions to unit holders were suspended last November; and, some formal mortgage defaults have occurred.

[26] However, a secured creditor mortgagee, Midland Loan Services Inc., submitted that to qualify for *CCAA* protection each individual applicant must be a "debtor company" and that in the case of one applicant, Queenston Manor General Partner Inc., that company was not insolvent. In his affidavit Mr. MacLeod deposed that the Queenston Manor LP is owned by the First Leaside Expansion Limited Partnership ("FLEX"). Queenston owns and operates a 77-unit retirement complex in St. Catharines, has been profitable since 2008 and is expected to remain profitable through 2013. Queenston has been listed for sale, and management currently is considering an offer to purchase the property. Midland Loan submitted that in light of that financial situation, no finding could be made that the applicant, Queenston Manor General Partner Inc., was a "debtor company".

[27] Following that submission I asked Applicants' counsel where in the record one could find evidence about the insolvency of each individual Applicant. That prompted a break in the

³ (2004), 48 C.B.R. (4th) 299 (Ont. S.C.J.).

hearing, at the end of which the Applicants filed a supplementary affidavit from Mr. MacLeod. Indicating that one of the biggest problems facing the Applicants was the lack of complete and up-to-date records, in consultation with the Applicants' CFO Mr. MacLeod submitted a chart providing, to the extent possible, further information about the financial status of each Applicant. That chart broke down the financial status of each of the 52 Applicants as follows:

Insolvent	28
Dormant	15
Little or no realizable assets	5
More information to be made available to the court	3
Other: management revenue stopped in 2010; \$70,000 cash; \$270,000 in related-company receivables	1

Queenston Manor General Partner Inc. was one of the applicants for which "more information would be made available to the court".

[28] As I have found, when looked at as a group, the Applicants fall within the extended meaning of "insolvent". When one descends a few levels and looks at the financial situation of some of the aggregator LPs, such as FLEX, Mr. MacLeod deposed that FLEX is one of the largest net debtors – i.e. it is unable to repay inter-company balances from operating cash flows and lacks sufficient net asset value to settle the intercompany balances through the immediate liquidation of assets. The evidence therefore supports a finding that the corporate general partner of FLEX is insolvent. Queenston Manor is one of several assets owned by FLEX, albeit an asset which uses the form of a limited partnership.

[29] If an insolvent company owns a healthy asset in the form of a limited partnership does the health of that asset preclude it from being joined as an applicant in a *CCAA* proceeding? In the circumstances of this case it does not. The jurisprudence under the *CCAA* provides that the protection of the Act may be extended not only to a "debtor company", but also to entities who, in a very practical sense, are "necessary parties" to ensure that that stay order works. Morawetz J. put the matter the following way in *Prizm Income Fund (Re)*:

The *CCAA* definition of an eligible company does not expressly include partnerships. However, *CCAA* courts have exercised jurisdiction to stay proceedings with respect to partnerships and limited partnerships where it is just and convenient to do so. See *Lehndorff, supra*, and *Re Canwest Global Communications Corp.*, 2009 CarswellOnt 6184 (S.C.J.).

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The courts have held that this relief is appropriate where the operations of the debtor companies are so intertwined with those of the partnerships or limited partnerships in question, that not extending the stay would significantly impair the effectiveness of a stay in respect of the debtor companies.⁴

[30] Although section 3(1) of the *CCAA* requires a court on an initial application to inquire into the solvency of any applicant, the jurisprudence also requires a court to take into account the relationship between any particular company and the larger group of which it is a member, as well as the need to place that company within the protection of the Initial Order so that the order will work effectively. On the evidence filed I had no hesitation in concluding that given the insolvency of the overall First Leaside Group and the high degree of inter-connectedness amongst the members of that group, the protection of the *CCAA* needed to extend both to the Applicants and the limited partnerships listed in Schedule "A" to the Initial Order. The presence of all those entities within the ambit of the Initial Order is necessary to effect an orderly winding-up of the insolvent group as a whole. Consequently, whether Queenston Manor General Partner Inc. falls under the Initial Order by virtue of being a "debtor company", or by virtue of being a necessary party as part of an intertwined whole, is, in the circumstances of this case, a distinction without a practical difference.

[31] In sum, I am satisfied that those Applicants identified as "insolvent" on the chart attached to Mr. MacLeod's supplementary affidavit are "debtor companies" within the meaning of the *CCAA* and that the other Applicants, as well as the limited partnerships listed on Schedule "A" of the Initial Order, are entities to which it is necessary and appropriate to extend *CCAA* protection.

C. "Liquidation" *CCAA*

[32] While in most circumstances resort is made to the *CCAA* to "permit the debtor to continue to carry on business and, where possible, avoid the social and economic costs of liquidating its assets" and to create "conditions for preserving the *status quo* while attempts are made to find common ground amongst stakeholders for a reorganization that is fair to all", the reality is that "reorganizations of differing complexity require different legal mechanisms."⁵ That reality has led courts to recognize that the *CCAA* may be used to sell substantially all of the assets of a debtor company to preserve it as a going concern under new ownership,⁶ or to wind-up or liquidate it. In *Lehndorff General Partner Ltd. (Re)*⁷ Farley J. observed:

It appears to me that the purpose of the *CCAA* is also to protect the interests of creditors and to enable an orderly distribution of the debtor company's affairs. This may involve a winding-up or liquidation of a company or simply a substantial downsizing of its

⁴ 2011 ONSC 2061, paras. 26-27.

⁵ *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60, paras. 15, 77 and 78.

⁶ *Nortel Networks Corp. (Re)*, 2009 ONCA 833, para. 46; see Kevin P. McElcheran, *Commercial Insolvency in Canada, Second Edition* (Toronto: LexisNexis, 2011), pp. 284 et seq.

⁷ [1993] O.J. No. 14 (Gen. Div.). In *Brake Pro, Ltd. (Re)*, [2008] O.J. No. 2180 (S.C.J.), Wilton-Siegel J. stated, at paragraph 10: "While reservations are expressed from time to time regarding the appropriateness of a "liquidating" *CCAA* proceeding, such proceedings are permissible under the *CCAA*."

business operations, provided the same is proposed in the best interests of the creditors generally. See *Assoc. Investors, supra*, at p. 318; *Re Amiraault Co.* (1951), 32 C.B.R. 1986, (1951) 5 D.L.R. 203 (N.S.S.C.) at pp. 187-8 (C.B.R.).

[33] In the decision of *Associated Investors of Canada Ltd. (Re)* referred to by Farley J., the Alberta Court of Queen's Bench stated:

The realities of the modern marketplace dictate that courts of law respond to commercial problems in innovative ways without sacrificing legal principle. In my opinion, the Companies' Creditors Arrangement Act is not restricted in its application to companies which are to be kept in business. Moreover, the Court is not without the ability to address within its jurisdiction the concerns expressed in the Ontario cases. The Act may be invoked as a means of liquidating a company and winding-up its affairs but only if certain conditions precedent are met:

1. It must be demonstrated that benefits would likely flow to Creditors that would not otherwise be available if liquidation were effected pursuant to the Bankruptcy Act or the Winding-Up Act.
2. The Court must concurrently provide directions pursuant to compatible legislation that ensures judicial control over the liquidation process and an effective means whereby the affairs of the company may be investigated and the results of that investigation made available to the Court.
3. A Plan of Arrangement should not receive judicial sanction until the Court has in its possession, all of the evidence necessary to allow the Court to properly exercise its discretion according to standards of fairness and reasonableness, absent any findings of illegality.⁸

The editors of *The 2012 Annotated Bankruptcy and Insolvency Act* take some issue with the extent of those conditions:

With respect, these conditions may be too rigorous. If the court finds that the plan is fair and reasonable and in the best interests of creditors, and there are cogent reasons for using the statute rather than the *BIA* or *WURA*, there seems no reason why an orderly liquidation could not be carried out under the *CCAA*.⁹

[34] Mr. MacLeod, the CRO, deposed that no viable plan exists to continue First Leaside as a going concern and that the most appropriate course of action is to effect an orderly wind-down of First Leaside's operations over a period of time and in a manner which will create the opportunity to realize improved net asset value. In his professional judgment the *CCAA* offered the most appropriate mechanism by which to conduct such an orderly liquidation:

⁸ *First Investors Corp. (Re)* (1987), 46 D.L.R. (4th) 669 (Alta Q.B.), para. 36.

⁹ Houlden, Morawetz & Sava, *The 2012 Annotated Bankruptcy and Insolvency Act*, N§1, p. 1099.

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[T]he best way to promote this wind-down is through a filing under the *CCAA* so that all issues – especially the numerous investor and creditor claims and the inter-company claims – can be dealt with in one forum under the supervision of the court.

In its Pre-filing Report the Monitor also supported using the *CCAA* to implement the “restructuring/wind-up plan(s) in a stabilized environment”.

[35] Both the CRO and the proposed Monitor possess extensive knowledge about the workings of the Applicants. Both support a process conducted under the *CCAA* as the most practical and effective way in which to deal with the affairs of this insolvent group of companies. No party contested the availability of the *CCAA* to conduct an orderly winding-up of the affairs of the Applicants (although, as noted, some parties questioned whether certain entities should be included within the scope of the Initial Order). Given that state of affairs, I saw no reason not to accept the professional judgment of the CRO and the proposed Monitor that a liquidation under the *CCAA* was the most appropriate route to take.

[36] Moreover, I saw no prejudice to claimant creditors by permitting the winding-up of the First Lease Group to proceed under the *CCAA* instead of under the *BIA* in view of the convergence which exists between the *CCAA* and *BIA* on the issue of priorities. As the Supreme Court of Canada pointed out in *Century Services*:

Because the *CCAA* is silent about what happens if reorganization fails, the *BIA* scheme of liquidation and distribution necessarily supplies the backdrop for what will happen if a *CCAA* reorganization is ultimately unsuccessful.¹⁰

As the British Columbia Court of Appeal observed in *Caterpillar Financial Services Ltd. v. 360networks corp.* interested parties also use that priorities backdrop to negotiate successful *CCAA* reorganizations:

While it might be suggested that *CCAA* proceedings may require those with a financial stake in the company, including shareholders and creditors, to compromise some of their rights in order to sustain the business, it cannot be said that the priorities between those with a financial stake are meaningless. The right of creditors to realize on any security may be suspended pending the final approval of the court, but this does not render their potential priority nugatory. Priorities are always in the background and influence the decisions of those who vote on the plan.¹¹

[37] I therefore concluded that the *CCAA* was available to the Applicants in the circumstances, and I so ordered.

¹⁰ *Century Services*, *supra*, para. 23.

¹¹ (2007), 279 D.L.R. (4th) 701 (B.C.C.A.), para. 42.

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V. Representative Counsel, CRO and Monitor

[38] The Applicants sought the appointment of Fraser Milner Casgrain ("FMC") as Representative Counsel to represent the interests of the some 1,200 clients of FLSI in this proceeding, subject to the right of any client to opt-out of such representation. The proposed Monitor expressed the view that it would be in the best interests of the FL Group and its investors to appoint Representative Counsel. No party objected to such an appointment. I reviewed the qualifications and experience of proposed Representative Counsel and its proposed fees, and I was satisfied that it would be appropriate to appoint FMC as Representative Counsel on the terms set out in the Initial Order.

[39] The Applicants sought the appointment of G.S. MacLeod & Associates Inc. as CRO of First Leaside. No party objected to that appointment. The Applicants included a copy of the CRO's December 21, 2011 Retention Agreement in their materials. The proposed Monitor stated that the appointment of a CRO was important to ensure an adequate level of senior corporate governance leadership. I agree, especially in light of the withdrawal of Mr. Phillips last November from the management of the Group. The proposed Monitor reported that the terms and conditions of the Retention Agreement were consistent with similar arrangements approved by other courts in *CCAA* proceedings and the remuneration payable was reasonable in the circumstances. As a result, I confirmed the appointment of G.S. MacLeod & Associates Inc. as CRO of First Leaside.

[40] Finally, I appointed Grant Thornton as Monitor. No party objected, and Grant Thornton has extensive knowledge of the affairs of the First Leaside Group.

VI. Administration and D&O Charges and their priorities**A. Charges sought**

[41] The Applicants sought approval, pursuant to section 11.52 of the *CCAA*, of an Administration Charge in the amount of \$1 million to secure amounts owed to the Estate Professionals – First Leaside's legal advisors, the CRO, the Monitor, and the Monitor's counsel.

[42] They also sought an order indemnifying the Applicants' directors and officers against any post-filing liabilities, together with approval, pursuant to section 11.51 of the *CCAA*, of a Director and Officer's Charge in the amount of \$250,000 as security for such an indemnity. Historically the First Leaside Group did not maintain D&O insurance, and the Independent Committee was not able to secure such insurance at reasonable rates and terms when it tried to do so in 2011.

[43] The Monitor stated that the amount of the Administration Charge was established based on the Estate Professionals' previous history and experience with restructurings of similar magnitude and complexity. The Monitor regarded the amount of the D&O Charge as reasonable under the circumstances. The Monitor commented that the combined amount of both charges (\$1.25 million) was reasonable in comparison with the amount owing to mortgagees (\$176 million).

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[44] In its Pre-filing Report the Monitor did note that shortly before commencing this application the Applicants paid \$250,000 to counsel for the Independent Committee of the Board. The Monitor stated that the payment might "be subject to review by the Monitor, if/when it is appointed, in accordance with s. 36.1(1) of the CCAA". No party requested an adjudication of this issue, so I refer to the matter simply to record the Monitor's expression of concern.

[45] Based on the evidence filed, I concluded that it was necessary to grant the charges sought in order to secure the services of the Estate Professionals and to ensure the continuation of the directors in their offices and that the amounts of the charges were reasonable in the circumstances.

B. Priority of charges

[46] The Applicants sought super-priority for the Administration and D&O Charges, with the Administration Charge enjoying first priority and the D&O Charge second, with some modification with respect to the property of FLSI which the Applicants had negotiated with IIROC.

[47] In its Pre-filing Report the proposed Monitor stated that the mortgages appeared to be well collateralized, and the mortgagees would not be materially prejudiced by the granting of the proposed priority charges. The proposed Monitor reported that it planned to work with the Applicants to develop a methodology which would allocate the priority charges fairly amongst the Applicants and the included LPs, and the allocation methodology developed would be submitted to the Court for review and approval.

[48] In *Indalex Limited (Re)*¹² the Court of Appeal reversed the super-priority initially given to a DIP Charge by the motions judge in an initial order and, instead, following the sale of the debtor company's assets, granted priority to deemed trusts for pension deficiencies. In reaching that decision Court of Appeal observed that affected persons – the pensioners – had not been provided at the beginning of the CCAA proceeding with an appropriate opportunity to participate in the issue of the priority of the DIP Charge.¹³ Specifically, the Court of Appeal held:

In this case, there is nothing in the record to suggest that the issue of paramountcy was invoked on April 8, 2009, when Morawetz J. amended the Initial Order to include the super-priority charge. The documents before the court at that time did not alert the court to the issue or suggest that the *PBA* deemed trust would have to be overridden in order for Indalex to proceed with its DIP financing efforts while under CCAA protection. To the contrary, the affidavit of Timothy Stubbs, the then CEO of Indalex, sworn April 3, 2009, was the primary source of information before the court. In para. 74 of his affidavit, Mr. Stubbs deposes that Indalex intended to comply with all applicable laws including "regulatory deemed trust requirements".

¹² 2011 ONCA 265.

¹³ *Ibid.*, para. 155.

While the super-priority charge provides that it ranks in priority over trusts, "statutory or otherwise", I do not read it as taking priority over the deemed trust in this case because the deemed trust was not identified by the court at the time the charge was granted and the affidavit evidence suggested such a priority was unnecessary. As no finding of paramountcy was made, valid provincial laws continue to operate: the super-priority charge does not override the *PBA* deemed trust. The two operate sequentially, with the deemed trust being satisfied first from the Reserve Fund.¹⁴

[49] In his recent decision in *Timminco Limited (Re)*¹⁵ ("Timminco I") Morawetz J. described the commercial reality underpinning requests for Administration and D&O Charges in *CCAA* proceedings:

In my view, in the absence of the court granting the requested super priority and protection, the objectives of the *CCAA* would be frustrated. It is not reasonable to expect that professionals will take the risk of not being paid for their services, and that directors and officers will remain if placed in a compromised position should the Timminco Entities continue *CCAA* proceedings without the requested protection. The outcome of the failure to provide these respective groups with the requested protection would, in my view, result in the overwhelming likelihood that the *CCAA* proceedings would come to an abrupt halt, followed, in all likelihood, by bankruptcy proceedings.¹⁶

[50] In its Pre-filing Report the proposed Monitor expressed the view that if the priority charges were not granted, the First Leaside Group likely would not be able to proceed under the *CCAA*.

[51] In my view, absent an express order to the contrary by the initial order applications judge, the issue of the priorities enjoyed by administration, D&O and DIP lending charges should be finalized at the commencement of a *CCAA* proceeding. Professional services are provided, and DIP funding is advanced, in reliance on super-priorities contained in initial orders. To ensure the integrity, predictability and fairness of the *CCAA* process, certainty must accompany the granting of such super-priority charges. When those important objectives of the *CCAA* process are coupled with the Court of Appeal's holding that parties affected by such priority orders be given an opportunity to raise any paramountcy issue, it strikes me that a judge hearing an initial order application should directly raise with the parties the issue of the priority of the charges sought, including any possible issue of paramountcy in respect of competing claims on the debtor's property based on provincial legislation.

[52] Accordingly I raised that issue at the commencement of the hearing last Thursday and requested submissions on the issues of priority and paramountcy from any interested party. Several parties made submissions on those points: (i) the Applicants, proposed Monitor and proposed Representative Counsel submitted that the Court should address any priority or

¹⁴ *Ibid.*, paras. 178 and 179.

¹⁵ 2012 ONSC 506.

¹⁶ *Ibid.*, para. 66.

paramountcy issues raised; (ii) IIROC advised that it did not see any paramountcy issue in respect of its interests; (iii) counsel for Midland Loan submitted that a paramountcy issue existed with respect to its client, a secured mortgagee, because it enjoyed certain property rights under provincial mortgage law; she also argued that the less than full day's notice of the hearing given by the Applicants was inadequate to permit the mortgagee to consider its position, and her client should be given seven days to do so; and, (iv) counsel for a construction lien claimant, Structform International, who spoke on behalf of a number of such lien claimants, made a similar submission, contending that the construction lien claimants required 10 days to determine whether they should make submissions on the relationship between their lien claims and any super-priority charge granted under the CCAA.

[53] I did not grant the adjournment requested by the mortgagee and construction lien claimants for the following reasons. First, the facts in *Indalex* were quite different from those in the present case, involving as they did considerations of what fiduciary duty a debtor company owed to pensioners in respect of underfunded pension liabilities. I think caution must be exercised before extending the holding of *Indalex* concerning CCAA-authorized priority charges to other situations, such as the one before me, which do not involve claims involving pension deficiencies, but claims by more "ordinary" secured creditors, such as mortgagees and construction lien claimants.

[54] Second, I have some difficulty seeing how constitutional issues of paramountcy arise in a CCAA proceeding as between claims to the debtor's property by secured creditors, such as mortgagees and construction lien claimants, and persons granted a super-priority charge by court order under sections 11.51 and 11.52 of the CCAA. At the risk of gross over-simplification, Canadian constitutional law places the issue of priorities of secured creditors in different legislative balliwicks depending on the health of the debtor company. When a company is healthy, secured creditor priorities usually are determined under provincial laws, such as personal property security legislation and related statutes, which result from provincial legislatures exercising their powers with respect to "property and civil rights in the province".¹⁷ However, when a company gets sick - becomes insolvent - our *Constitution* vests in Parliament the power to craft the legislative regimes which will govern in those circumstances. Exercising its power in respect of "bankruptcy and insolvency",¹⁸ Parliament has established legal frameworks under the *BIA* and CCAA to administer sick companies. Priority determinations under the CCAA draw on those set out in the *BIA*, as well as the provisions of the CCAA dealing with specific claims such as Crown trusts and other claims.

[55] As it has evolved over the years the constitutional doctrine of paramountcy polices the overlapping effects of valid federal and provincial legislation: "The doctrine applies not only to cases in which the provincial legislature has legislated pursuant to its ancillary power to trench on an area of federal jurisdiction, but also to situations in which the provincial legislature acts within its primary powers, and Parliament pursuant to its ancillary powers."¹⁹ Since 1960 the

¹⁷ *Constitution Act, 1867*, s. 92 ¶13.

¹⁸ *Ibid.*, s. 91 ¶21.

¹⁹ *Canadian Western Bank v. Alberta*, [2007] 2 S.C.R. 3, para. 69.

Supreme Court of Canada has travelled a "path of judicial restraint in questions of paramountcy".²⁰ That Court has not been prepared to presume that, by legislating in respect of a matter, Parliament intended to rule out any possible provincial action in respect of that subject,²¹ unless (and it is a big "unless"), Parliament used very clear statutory language to that effect.²²

[56] I have found that the Applicants have entered the world of the sick, or the insolvent, and are eligible for the protection of the federal *CCAA*. The federal legislation *expressly* brings mortgagees and construction lien claimants within its regime – the definition of "secured creditor" contained in section 2 of the *CCAA* specifically includes "a holder of a mortgage" and "a holder of a ...lien...on or against...all or any of the property of a debtor company as security for indebtedness of the debtor company". The federal legislation also *expressly* authorizes a court to grant priority to administration and D&O charges over the claims of such secured creditors of the debtor.²³ In light of those express provisions in sections 2, 11.51 and 11.52 of the *CCAA*, and my finding that the Applicants are eligible for the protection offered by the *CCAA*, I had great difficulty understanding what argument could be advanced by the mortgagees and construction lien claimants about the concurrent operation of provincial and federal law which would relieve them from the priority charge provisions of the *CCAA*. I therefore did not see any practical need for an adjournment.

[57] Finally, sections 11.51(1) and 11.52(1) of the *CCAA* both require that notice be given to secured creditors who are likely to be affected by an administration or D&O charge before a court grants such charges. In the present case I was satisfied that such notice had been given. Was the notice adequate in the circumstances? I concluded that it was. To repeat, making due allowance for the unlimited creativity of lawyers, I have difficulty seeing what concurrent operation argument could be advanced by mortgagee and construction lien claims against court-ordered super-priority charges under sections 11.51 and 11.52 of the *CCAA*. Second, as reported by the proposed Monitor, the quantum of the priority charges (\$1.25 million) is reasonable in comparison with the amount owing to mortgagees (\$176 million) and the mortgages appeared to be well collateralized based on available information. Third, the Applicant and Monitor will develop an allocation methodology for the priority charges for later consideration by this Court. The proposed Monitor reported:

It is the Proposed Monitor's view that the allocation of the proposed Priority Charges should be carried out on an equitable and proportionate basis which recognizes the separate interests of the stakeholders of each of the entities.

The secured creditors will be able to make submissions on any proposed allocation of the priority charges. Finally, while I understand why the secured creditors are focusing on their specific interests, it must be recalled that the work secured by the priority charges will be performed for

²⁰ *Rothmans, Benson & Hedges Inc. v. Saskatchewan*, [2005] 1 S.C.R. 188, para. 21

²¹ *Canadian Western Bank*, *supra*, para. 74.

²² *Rothmans*, *supra*, para. 21.

²³ *CCAA* ss. 11.51(2) and 11.52(2).

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the benefit of all creditors of the Applicants, including the mortgagees and construction lien claimants. All creditors will benefit from an orderly winding-up of the affairs of the Applicants.

[58] In the event that I am incorrect that no paramountcy issue arises in this case in respect of the priority charges, I echo the statements made by Morawetz J. in *Timminco I* which I reproduced in paragraph 49 above. In *Indalex* the Court of Appeal accepted that "the CCAA judge can make an order granting a super-priority charge that has the effect of overriding provincial legislation".²⁴ I find that it is both necessary and appropriate to grant super priority to both the Administration and D&O Charges in order to ensure that the objectives of the CCAA are not frustrated.

[59] For those reasons I did not grant the adjournment requested by Midland Loan and the construction lien claimants, concluding that they had been given adequate notice in the circumstances, and I granted the requested Administration and D&O Charges.

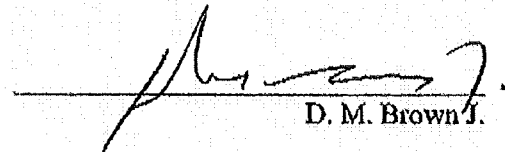
VII. Other matters

[60] At the hearing counsel for one of the construction lien claimants sought confirmation that by granting the Initial Order a construction lien claimant who had issued, but not served, a statement of claim prior to the granting of the order would not be prevented from serving the statement of claim on the Applicants. Counsel for the Applicants confirmed that such statements of claim could be served on it.

[61] At the hearing the Applicants submitted a modified form of the model Initial Order. Certain amendments were proposed during the hearing, the parties had an opportunity to make submissions on the proposed amendments.

VIII. Summary

[62] For the foregoing reasons I was satisfied that it was appropriate to grant the CCAA Initial Order in the form requested. I signed the Initial Order at 4:08 p.m. EST on Thursday, February 23, 2012.


D. M. Brown J.

Date: February 26, 2012

²⁴ *Indalex, supra*, para. 176.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c c.367, AS AMENDED;
AND IN THE MATTER OF FIRST LEASIDE WEALTH MANAGEMENT INC.

COURT FILE NO. CV-12-9617-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

SUPPLEMENTARY MOTION RECORD

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