

**Court File No. 32-2228804
Estate No. 32-2228804**

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP.,
MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC.**

**AND IN THE MATTER OF SECTION 47.1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

**MOTION RECORD
(Returnable April 6, 2017)**

April 5, 2017

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(as at April 4, 2017)

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TAB 1

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP.,
MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC.**

**AND IN THE MATTER OF SECTION 47.1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

**NOTICE OF MOTION
(Returnable April 6, 2017)**

MERIDION HIGHRISE LTD. (“Highrise”), MERIDION HOLDINGS CORP. (“Holdings”), MERIDION STRUCTURES LTD. (“Structures”), and 2437156 ONTARIO INC. (“243”) (collectively, **“Meridion”** or the **“Companies”**) will make a motion to a Judge of the Commercial List on Thursday, April 6, 2017 at 10:00 a.m., or as soon thereafter as the motion can be heard, at the Courthouse located at 330 University Avenue, Toronto, Ontario, Canada.

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

1. **THE MOTION IS FOR** an Order:
 - (a) Abridging the time for service of the Notice of Motion and Motion Record and declaring that this motion is properly returnable on Thursday, April 6, 2017, and dispensing with further service thereof;

- (b) Pursuant to s. 50.4(9) of the *Bankruptcy and Insolvency Act* (“**BIA**”), extending the time for the filing of a proposal by Highrise, Holdings, Structures and 243 from April 14, 2017, for a period of forty-five (45) days, to May 29, 2017;
- (c) Approving the First Report of A. Farber & Partners Inc., in its capacity as proposal trustee (in such capacity the “**Proposal Trustee**”), dated April 5, 2017 (the “**First Report**”) and the activities of the Proposal Trustee and Farber in its capacity as interim receiver (in such capacity the “**Interim Receiver**”) described therein;
- (d) Approving the Funding Letter Agreements (together the “**Funding Agreements**”) to be entered into by (i) Highrise, Structures and Daniels HR Corporation (“**Daniels**”), and (ii) Highrise and Madison Group, ratifying the execution of the Funding Agreements by Highrise, Structures and the Interim Receiver and authorizing Highrise, Structures and the Interim Receiver to perform their obligations as contained therein;
- (e) Releasing Farber in its capacity as court-appointed Interim Receiver from any and all liability that Farber now has or may hereafter have by reason of, or in any way arising out of, its acts or omissions while carrying out its obligations under the Funding Agreements, save and except for any gross negligence or wilful misconduct;
- (f) Declaring that, for certainty, reliance by the Interim Receiver on a Payment Direction (as defined in the Funding Agreements) shall not constitute gross negligence or wilful misconduct on the part of the Interim Receiver and any

liability of the Interim Receiver shall be limited to the amount then held in the applicable Disbursement Account (as defined in the Funding Agreements);

- (g) Declaring that the fees and disbursements of the Interim Receiver in carrying out the terms of the Funding Agreements shall be secured by the Interim Receiver's Charge (as defined in the Order of the Honourable Justice Hainey, dated March 22, 2017, as amended by the Order of the Honourable Justice Hainey, dated March 28, 2017 (the "**Interim Receivership Order**"));
- (h) Subordinating the Interim Receiver's Charge and the Interim Receiver's Borrowings Charge (each as defined in the Interim Receivership Order (defined below)) in favour of any security interest of the Royal Bank of Canada ("**RBC**") in the property of Highrise and Holdings;
- (i) Amending paragraph 11 of the Interim Receivership Order, as amended, to increase the amount the Interim Receiver is authorized to borrow from \$3,000,000 to \$5,000,000;
- (j) Authorizing and directing Meridion, *nunc pro tunc*, to redact from the version of the Supplementary Affidavit of Mark Mungo, to be sworn (the "**Supplementary Affidavit**"), served on any party other than this Honourable Court, the Funding Agreements to be attached as Confidential Exhibits "A" - "D";
- (k) Sealing the unredacted Supplementary Affidavit filed with this Honourable Court from the public record until further order of this Court; and

- (l) Such further and other relief as counsel may advise and this Honourable Court deems just.

2. **THE GROUNDS FOR THIS MOTION ARE:**

Background

- (a) Meridion's business consists of structural concrete formwork and tower crane services mainly for residential high-rise and commercial construction projects;
- (b) Meridion has eight ongoing construction projects (the "**Projects**") with various developers (the "**Developers**");
- (c) The Companies are insolvent and, on March 15, 2017 (the "**NOI Filing Date**"), each of the Companies filed a Notice of Intention to Make a Proposal in accordance with subsection 50.4(1) of the BIA and appointed Farber as Proposal Trustee;
- (d) Pursuant to the Interim Receivership Order, Farber was appointed Interim Receiver of the Companies for certain limited purposes;
- (e) Pursuant to the Order of this Honourable Court, dated March 28, 2017, the Interim Receivership Order was amended to increase the amount the Interim Receiver is permitted to borrow, from \$1 million to \$3 million, and clarify the powers of the Interim Receiver;

Funding Agreements and Borrowing Cap

- (f) Meridion has insufficient cash from operations to fund its ongoing payroll and other immediate payables, including suppliers and subcontractors;
- (g) The Funding Agreements are intended to set out the terms upon which certain of the Developers will accelerate Project progress payments on a go forward basis and provide advances under their respective contracts, plus any additional costs to complete the Project, over the life of the Project;
- (h) Negotiations with Developers as to the terms of the Funding Agreements are ongoing and certain of those agreements are expected to be finalized prior to the return date of the motion;
- (i) In the interim, until funding agreements with all participating Developers can be finalized, Meridion requires additional funds to pay payroll, suppliers and expenses necessary to preserve the ongoing Projects;
- (j) To date, certain of the Developers and 748492 Ontario Ltd. have funded \$1,140,926 to the Interim Receiver for the purpose of making critical payments to employees and suppliers. In addition, critical supplier payments in the approximate amount of \$500,000 need to be paid this week;
- (k) Pursuant to the Interim Receivership Order, as amended, the Interim Receiver is permitted to borrow monies from time to time, up to the aggregate maximum amount of \$3,000,000;

- (l) As set out in the cash flow forecasts, appended to the First Report, Meridion requires additional funding to continue operating while the Funding Agreements are negotiated. These amounts are expected to exceed the Interim Receiver's current borrowing cap. The funding requirements on the active Projects for this week alone amount to approximately \$1,400,000 (plus the \$500,000 in critical supplier payments). As such, Meridion requests an increase in the amount the Interim Receiver is permitted to borrow to \$5,000,000;
- (m) The Developers' continued support in the form of accelerated payments on the Projects is critical to Meridion's ability to continue operations. Failure to make payments to employees, subcontractors and suppliers will imperil the viability of the Projects to the detriment of all stakeholders including the Developers, the trades, sub-trades, employees, and others;

Stay Extension

- (n) The Proposal Trustee supports the request for a 45 day extension of the time to file a proposal to May 24, 2017 (the "**Extension Period**");
- (o) Meridion is acting in good faith and with due diligence. Since the filing of the NOIs, with the assistance of the Interim Receiver/Proposal Trustee, Meridion has focused on negotiating with Developers for the purpose of stabilizing its cash flow, funding its current obligations and ensuring it has necessary liquidity to meet its liabilities over the duration of the Projects;

- (p) As shown in the cash flow forecast, on the assumption that the Developers provide continued financial support in the form of advance progress payments, Meridion is expected to have sufficient liquidity to continue work at the funding Developers' Projects during the Extension period;
- (q) It is likely that Meridion will be able to make a viable proposal to its creditors if the extension for the time to file a proposal is granted. It requires more time to formulate and negotiate the terms of a proposal;
- (r) Meridion is not aware of any creditors that would be materially prejudiced if the extension is granted;
- (s) The extension of the time to file a proposal is in the best interests of all stakeholders, including Meridion's employees, the Developers and all contractors, subcontractors and other parties who rely on the continued success of the Projects;

RBC Security

- (t) Meridion's bank accounts are held at a branch of RBC;
- (u) Prior to the NOI filing, Holdings and Highrise entered into leases in respect of two motor vehicles, which leases are financed by RBC. Meridion is current on all lease payments. Holdings and Highrise each also executed and delivered a general security agreement in favour of RBC;

- (v) RBC filed financing statements pursuant to the *Personal Property Security Act* (Ontario) against each of Holdings and Highrise;
- (w) RBC did not receive notice of Meridion's motions to appoint the Interim Receiver and to increase the amount the Interim Receiver is permitted to borrow pursuant to the Interim Receivership Order. In the circumstances, it is appropriate to subordinate the Interim Receiver's Charge (as defined in the Interim Receivership Order) and the Interim Receiver's Borrowings Charge to the security interest of RBC in the property of Highrise and Holdings;

Sealing

- (x) The Funding Agreements will contain commercially sensitive terms which should not be publicly available and, accordingly, should be sealed from the public record;
- (y) Rules 1.04, 2.03, 3.02, 14.05(2) and 16 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;
- (z) Section 50.4(9) of the BIA; and
- (aa) Such further and other grounds as counsel may advise and this Honourable Court may permit;

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

- (a) The Affidavit of Mark Mungo, sworn April 5, 2017;

- (b) Supplementary Affidavit of Mark Mungo, to be sworn;
- (c) The First Report; and
- (d) Such further material as counsel may advise and this Honourable Court may permit.

April 5, 2017

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Lawyers for, Meridion Highrise Ltd., Meridion Holdings Corp., Meridion Structures Ltd., and 2437156 Ontario Inc.

TO: THIS HONOURABLE COURT

AND TO: SERVICE LIST

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP., MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC. AND IN THE MATTER OF SECTION 47.1 OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED

ONTARIO

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

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION
(Returnable April 6, 2017)**

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TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP.,
MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC.**

**AND IN THE MATTER OF SECTION 47.1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

AFFIDAVIT OF MARK MUNGO
(Sworn April 5, 2017)

I, **MARK MUNGO**, of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the President of Meridion Holdings Corp. ("**Holdings**"), Meridion Highrise Ltd. ("**Highrise**") and 2437156 Ontario Inc. ("**243**"). Although I am not an officer or director of Meridion Structures Ltd. ("**Structures**" and together with Holdings, Highrise and 243, "**Meridion**" or the "**Meridion Group**"), I have been authorized by Gaspare Caia, the sole officer, director and shareholder of Structures to swear this affidavit seeking the relief outlined herein on behalf of Structures. As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

PURPOSE

2. I am swearing this affidavit in support of the motion by Meridion returnable April 6, 2017 (the "**April 6th Motion**").

BACKGROUND

3. Meridion's business consists of structural concrete formwork and tower crane services mainly for residential high-rise and commercial construction projects. The head office of the Meridion Group is located at leased premises in Acton, Ontario.

4. Meridion is insolvent and on March 15, 2017 (the "**NOI Filing Date**") each of Holdings, Highrise, 243, and Structures, filed a Notice of Intention to Make a Proposal (an "**NOI**") in accordance with subsection 50.4(1) of the BIA (the "**NOI Proceedings**") and appointed A. Farber & Partners Inc. ("**Farber**") as proposal trustee (the "**Proposal Trustee**"). The NOI certificates of each member of the Meridion Group are attached hereto as Exhibits "A", "B", "C", and "D".

5. Meridion is currently engaged on eight (8) construction projects located throughout the GTA (the "**Projects**"). The developers of the Projects include Daniels CM Corporation ("**Daniels**"), Sorbara Group, Madison Group, Freed and Guizzetti (the "**Developers**"). Work in respect of the Guizzetti Project was halted about two weeks ago, although Meridion continues to discuss re-commencing work on such Project.

6. Prior to the NOI Filing Date, Meridion entered into contracts with Daniels to provide work at three (3) separate Projects. Daniels recently informed Meridion that it will no longer require Meridion's services at one (1) of its Projects.

7. Pursuant to the Order of the Honourable Mr. Justice Hainey, dated March 22, 2017 (the "**Interim Receivership Order**"), Farber was appointed interim receiver (in such capacity "**Interim Receiver**") of Meridion for certain limited purposes. Those purposes include the

borrowing of funds in order to fund employee payroll and other payables required to ensure the continuation of current Projects. A copy of the Interim Receivership Order is attached hereto as Exhibit "E".

8. Pursuant to the Order of the Honourable Mr. Justice Hainey, dated March 28, 2017, the Interim Receivership Order was amended to, *inter alia*, increase the amount the Interim Receiver is permitted to borrow from \$1 million to \$3 million and clarify the powers of the Interim Receiver. A copy of the Order dated March 28, 2017 is attached hereto as Exhibit "F"

MERIDION'S CASH FLOW

9. Prior to the NOI Filing Date, Meridion was experiencing serious financial difficulties due to significant losses suffered over the past two years, totaling approximately \$10 million. It has insufficient cash flow from operations to pay its current liabilities. Meridion's ongoing cash requirements have been met by funding from 748492 Ontario Ltd. (an entity related to Highrise, Holdings and 243), and most recently monies from certain Developers payable to Meridion pursuant to the terms of the Project contracts.

10. Meridion's financial difficulties have been exacerbated, in part, by the current trade creditor payment terms and no bank operating loan to fund working capital.

11. Subsequent to the filing of the NOIs, in order to address its cash-flow problems, Meridion held a series of meetings with the Developers requesting their financial support in the form of advances on Project progress payments periodically due to Meridion over the course of each Project. As a result of these discussions, certain of the Developers and 748492 Ontario Ltd. agreed to fund Meridion's recent payroll and critical supplier obligations on the condition that the Interim Receiver be appointed to oversee the receipt and disbursement of funds, and the

advances be secured by the Interim Receiver's Borrowings Charge (as defined in the Interim Receivership Order).

APPROVAL OF FUNDING AGREEMENTS AND BORROWING CAP

12. Meridion has insufficient cash from operations to fund its ongoing payroll and other immediate payables. As set out in my Affidavits, sworn March 21, 2017 and March 24, 2017, attached hereto as Exhibits "G" and "H" (without exhibits), respectively, since the NOI Filing Date, certain of the Developers and 748492 Ontario Ltd. have advanced funds to the Interim Receiver for the purpose of funding payroll and other critical payables required to preserve their Projects.

13. To date, certain of the Developers and 748492 Ontario Ltd. have funded \$1,140,926 to the Interim Receiver for the purpose of making critical payments to employees and suppliers. The Interim Receiver issued Interim Receiver's Certificates (as defined in the Interim Receivership Order) in respect of such advances. In addition, critical supplier payments in the approximate amount of \$500,000 need to be paid this week.

14. Going forward, certain Developers are prepared to accelerate the Project progress payments and provide Meridion with ongoing advance progress payments, for the purpose of funding specific Project payables, plus any additional costs necessary to complete the Project. Meridion has been actively negotiating with certain of the Developers with a goal of settling the terms of such ongoing funding arrangements.

15. Meridion expects that prior to the motion date it will have executed Funding Letter Agreements (together, the "**Funding Agreements**") with each of Daniels and Madison Group

setting out the terms of the ongoing advances over the life of their respective Projects. It is intended that the final Funding Agreements will be attached to a supplementary affidavit, to be sworn and filed with the Court prior to the April 6th Motion.

16. As of the time of swearing this affidavit, Meridion is continuing its negotiations with Daniels, Madison Group and certain other Developers with a view to entering into separate funding agreements. In the interim, while those agreements are being negotiated, Meridion requires additional funding to pay expenses, including payroll, suppliers and overhead. Those amounts are set out in the cash flow forecasts appended to the First Report of the Proposal Trustee, dated April 5, 2017 (the “**First Report**”). In the absence of funding arrangements with each Developer providing advances, and depending on the timing of these payments (whether before or after the execution of the Funding Agreements), these additional amounts will need to be evidenced by Interim Receiver’s Certificates. The funding requirements on the active Projects for this week alone amount to approximately \$1,400,000 (plus the \$500,000 in critical supplier payments).

17. Pursuant to the Interim Receivership Order, as amended, the Interim Receiver is currently permitted to borrow monies from time to time, up to the aggregate maximum amount of \$3,000,000. In order to ensure the Interim Receiver is permitted to borrow additional funds to pay the amounts set out in the cash flow forecasts, if required, the Interim Receiver’s Borrowings Charge must be increased to \$5,000,000 allow room for such further advances.

18. The Developers’ continued support in the form of accelerated payments on the Projects is critical to Meridion’s ability to continue operations. Without the continued supply of labour and materials to the Project job sites, the Meridion business will be crippled and no longer be able to

operate. Failure to make payments to employees, subcontractors and suppliers will imperil the viability of the Projects to the detriment of all stakeholders including the Developers, the trades, sub-trades, employees, and others.

STAY EXTENSION

19. Meridion filed the NOIs on March 15, 2017. The deadline for the filing of a proposal is therefore April 14, 2017.

20. The Proposal Trustee supports the request for an extension of the time to file a proposal to May 24, 2017 (the “**Extension Period**”).

21. Meridion is acting in good faith and with due diligence. Since the filing of the NOIs, with the assistance of the Interim Receiver and Proposal Trustee, Meridion has focused on negotiating with Developers for the purpose of stabilizing its cash flow, funding its current obligations and ensuring it has necessary liquidity to meet its liabilities over the duration of the Projects.

22. As shown in the cash flow forecasts, appended to the First Report, on the assumption that the Developers provide continued financial support in the form of advance progress payments, Meridion will have sufficient liquidity to continue work at the funding Developers’ Projects. The advances payable pursuant to any funding agreements with Developers will be utilized in respect of post-filing obligations relating to the ongoing Projects.

23. It is likely that Meridion will be able to make a viable proposal to its creditors if the extension for the time to file a proposal is granted. It requires more time to formulate and negotiate the terms of a proposal.

24. Meridion is not aware of any creditors that would be materially prejudiced if the extension is granted.

25. The viability of the Projects relies on Meridion's continued operations and its ability to continue to provide services at the Project job sites. The extension of the time to file a proposal is in the best interests of all stakeholders, including Meridion's employees, the Developers and all contractors, subcontractors and other parties who rely on the continued success of the Projects.

RBC SECURITY

26. Prior to the NOI filing, Holdings and Highrise entered into leases in respect of two motor vehicles, which leases are financed by the Royal Bank of Canada ("RBC"). The approximate amount owing on the two car leases is \$80,000. Meridion is current on all lease payments.

27. Pursuant to previous loan arrangements, each of Holdings and Highrise executed and delivered a General Security Agreement (the "GSAs") to RBC. RBC filed financing statements pursuant to the *Personal Property Security Act* (Ontario) against each of Holdings and Highrise in respect of the leases and the GSAs.

28. In addition, Meridion's bank accounts are held at a branch of RBC. Due to a timing issue with respect to payments flowing out of Meridion's bank account, Meridion's account was recently inadvertently put into an overdraft position of approximately \$500.

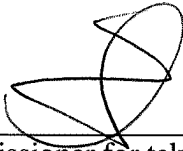
29. Due to a misunderstanding as to amounts owing, RBC did not receive notice of Meridion's motions to appoint the Interim Receiver and to increase the amount the Interim Receiver is permitted to borrow pursuant to the Interim Receivership Order. In the circumstances, Meridion is of the view that it is appropriate to subordinate the Interim Receiver's

Charge (as defined in the Interim Receivership Order) and the Interim Receiver's Borrowings Charge to the security interest of RBC in the property of each of Highrise and Holdings.

30. Farber has advised Meridion that it does not oppose this relief and Meridion is not aware of any creditors who will be prejudiced.

31. I swear this affidavit in support of Meridion's motion returnable April 6, 2017, and for no other or improper purpose.

SWORN before me at the City of Toronto in the Province of Ontario, this 5th day of April, 2017.



Commissioner for taking Affidavits, etc.



MARK MUNGO

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP., MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC. AND IN THE MATTER OF SECTION 47.1 OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED

ONTARIO

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF MARK MUNGO
(Sworn April 5, 2017)**

DENTONS CANADA LLP

77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

John Salmas (LSUC # 42336B)

Tel: (416) 863-4737

Fax: (416) 863-4592

john.salmas@dentons.com

Sara-Ann Van Allen (LSUC # 56016C)

Tel: (416) 863-4402

sara.vanallen@dentons.com

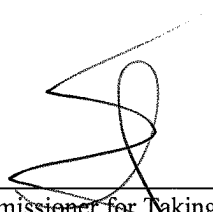
Vanja Ginic (LSUC # 69981W)

Tel: (416) 863-4673

vanja.ginic@dentons.com

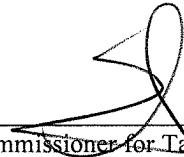
Lawyers for Meridion Highrise Ltd., Meridion Holdings Corp., Meridion Structures Ltd., and 2437156 Ontario Inc.

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF MARK MUNGO SWORN BEFORE
ME THIS 5th DAY OF APRIL, 2017.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

A Commissioner for Taking Affidavits, etc.

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF MARK MUNGO SWORN BEFORE
ME THIS 5th DAY OF APRIL, 2017.

A handwritten signature in black ink, consisting of a large loop and a horizontal stroke.

A Commissioner for Taking Affidavits, etc.



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-2228802
Estate No. 32-2228802

In the Matter of the Notice of Intention to make a
proposal of:

Meridion Holdings Corp.
Insolvent Person

A. FARBER & PARTNERS INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: March 15, 2017

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 16, 2017, 08:31

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF MARK MUNGO SWORN BEFORE
ME THIS 5th DAY OF APRIL, 2017.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal stroke and a vertical stroke.

A Commissioner for Taking Affidavits, etc.



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-2228801
Estate No. 32-2228801

In the Matter of the Notice of Intention to make a
proposal of:

Meridion Structures Ltd.
Insolvent Person

A. FARBER & PARTNERS INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: March 15, 2017

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 16, 2017, 08:17

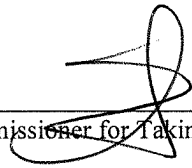
E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

THIS IS EXHIBIT "D" REFERRED TO IN THE
AFFIDAVIT OF MARK MUNGO SWORN BEFORE
ME THIS 5th DAY OF APRIL, 2017.

A handwritten signature in black ink, consisting of a large, stylized loop that crosses itself, positioned above a horizontal line.

A Commissioner for Taking Affidavits, etc.

THIS IS EXHIBIT "E" REFERRED TO IN THE
AFFIDAVIT OF MARK MUNGO SWORN BEFORE
ME THIS 5th DAY OF APRIL, 2017.



A Commissioner for Taking Affidavits, etc.

Court File Numbers: 32-2228804
Estate No. 32-2228804

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)



THE HONOURABLE MR.

)

WEDNESDAY, THE 22nd DAY

)

JUSTICE HAINEY

)

OF MARCH, 2017

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP.,
MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC.**

**AND IN THE MATTER OF SECTION 47.1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

ORDER
(Appointing Interim Receiver)

THIS MOTION made by Meridion Highrise Ltd., Meridion Holdings Corp. Meridion Structures Ltd. and 2437156 Ontario Inc. (collectively, the "**Companies**") for an Order pursuant to section 47.1 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") appointing A. Farber & Partners Inc. ("**Farber**"), as interim receiver (in such capacity, the "**Interim Receiver**") without security, in respect of the Companies, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Mark Mungo, sworn March 21, 2017 and the Exhibits thereto, and on hearing the submissions of counsel for the Companies, counsel for the proposed Interim Receiver, and those other counsel listed on the Counsel Slip, no other party having been served, and on reading the consent of Farber to act as the Interim Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 47.1 of the BIA, Farber is hereby appointed Interim Receiver, without security, in respect of the Companies for the limited purposes provided for herein.

INTERIM RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Interim Receiver is appointed for the limited purpose and is hereby empowered and authorized:

- (a) to borrow such funds as permitted herein for the purpose of funding (i) payroll and independent contractor amounts now owed or hereafter owing by the Companies, and (ii) such other accounts payable owed or hereafter owing by the Companies which are required to ensure the continuation of current projects;
- (b) to receive and collect all monies and accounts now owed or hereafter owing to the Companies; and
- (c) to control receipts and disbursements, including payment of amounts advanced by developers to pay specified obligations now owed or hereafter owing by any one of the Companies.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

4. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

EMPLOYEES

5. **THIS COURT ORDERS** that in carrying out the powers granted to it herein, the Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act* (“**WEPPA**”).

LIMITATION ON ENVIRONMENTAL LIABILITIES

6. **THIS COURT ORDERS** that nothing herein contained shall require the Interim Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the assets, undertakings and properties of the Companies (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 Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim Receiver'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.

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

7. **THIS COURT ORDERS** that the Interim Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under

sections 81.4(5) or 81.6(3) of the BIA or under the WEPPA. Nothing in this Order shall derogate from the protections afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

INTERIM RECEIVER'S ACCOUNTS

8. **THIS COURT ORDERS** that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the “**Interim Receiver's Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Interim Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges, holdbacks and encumbrances, statutory or otherwise, in favour of any individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being, “**Persons**” and each being a “**Person**”), but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

10. **THIS COURT ORDERS** that prior to the passing of its accounts, the Interim Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE INTERIM RECEIVER

11. **THIS COURT ORDERS** that the Interim Receiver be at liberty and it is hereby empowered and authorized to borrow from a lending entity (the “**Lender**”) by way of a revolving credit or otherwise, such monies (the “**Borrowed Funds**”) from time to time as it may

consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Interim Receiver by this Order, including interim expenditures. The Interim Receiver shall utilize the Borrowed Funds in the manner as set out in the Companies' cash flows in respect of a specific Project (as defined in the Interim Receiver's Certificate), unless otherwise agreed to by the Lender. The Project Receivables (as defined in each Interim Receiver's Certificate) in respect of the specific Project shall be and are hereby charged by way of a fixed and specific charge (the "**Interim Receiver's Borrowings Charge**") as security for the payment of the Borrowed Funds, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges, holdbacks and encumbrances, statutory or otherwise, in favour of any Person in respect of such Project Receivables, but subordinate in priority to the Interim Receiver's Charge in respect of such Project Receivables and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA. In the event that a Lender is not a developer in respect of a Project, the Interim Receiver's Borrowings Charge in respect of such Borrowed Funds shall be a charge on all the Project Receivables, subordinate to the Interim Receiver's Charge in respect of such Project Receivables and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subject to any charge in favour of the developer in respect of a specific Project Receivable.

12. **THIS COURT ORDERS** that neither the Interim Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

13. **THIS COURT ORDERS** that the Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Interim Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

14. **THIS COURT ORDERS** that the monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis

with respect to the applicable Project Receivables, unless otherwise agreed to by the holders of any prior issued Interim Receiver's Certificates.

SERVICE AND NOTICE

15. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

16. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Interim Receiver is at liberty to serve or distribute 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 facsimile transmission to the Companies' creditors or other interested parties at their respective addresses as last shown on the records of the Companies and that any such service or distribution by courier, personal delivery or facsimile 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.

GENERAL

17. **THIS COURT ORDERS** that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

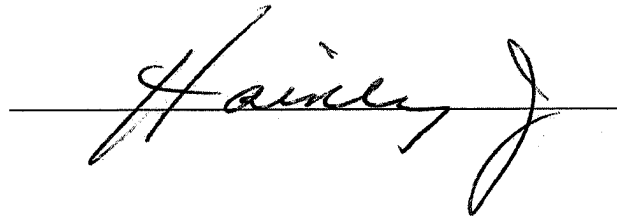
18. **THIS COURT ORDERS** that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Companies.

19. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

effect to this Order and to assist the Interim Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

20. **THIS COURT ORDERS** that the Interim Receiver 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 Interim Receiver 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.

21. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in cursive script, appearing to read "Haimy J.", is written over a horizontal line.

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

MAR 22 2017

PER / PAR:

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SCHEDULE "A"

INTERIM RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

PROJECT ADDRESS _____ (the "Project")

1. **THIS IS TO CERTIFY** that A. Farber & Partners Inc., the interim receiver (the "**Interim Receiver**") in respect of Meridion Highrise Ltd., Meridion Holdings Corp., Meridion Structures Ltd., and 2437156 Ontario Inc. appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 22nd day of March, 2017 (the "**Order**") made in a proceeding having Court file numbers, 32-2228804, 32-2228802, 32-2228801 and 32-2228806, has received as such Interim Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$1,000,000 which the Interim Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender.
3. Such principal sum is, by the terms of the Order, together with the principal sums of all other certificates issued by the Interim Receiver pursuant to the Order or to any further order of the Court, a charge upon the Project account receivables and proceeds thereof (together, the "**Project Receivables**"), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act* (Canada), and the right of the Interim Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Interim Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Interim Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Interim Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

A. FARBER & PARTNERS INC.,
solely in its capacity as Interim Receiver
of Meridion Highrise Ltd., Meridion
Holdings Corp., Meridion Structures Ltd.,
and 2437156 Ontario Inc., and not in its
personal or corporate capacity

Per _____

Name:

Title:

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MERIDION HIGHRISE LTD.
AND IN THE MATTER OF SECTION 47.1 OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>PROCEEDING COMMENCED AT TORONTO</p> <p>ORDER (Appointing Interim Receiver)</p> <p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1</p> <p>John Salmas (LSUC # 42336B) Tel: (416) 863-4737 Fax: (416) 863-4592 john.salmas@dentons.com</p> <p>Sara-Ann Van Allen (LSUC # 56016C) Tel: (416) 863-4402 sara.vanallen@dentons.com</p> <p>Vanja Ginic (LSUC # 69981W) Tel: (416) 863-4673 vanja.ginic@dentons.com</p> <p>Lawyers for Meridion Highrise Ltd., Meridion Holdings Corp., Meridion Structures Ltd., and 2437156 Ontario Inc.</p>	
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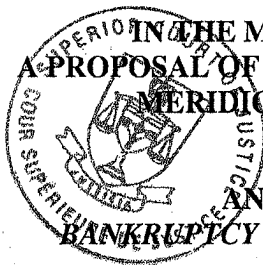
THIS IS EXHIBIT "F" REFERRED TO IN THE
AFFIDAVIT OF MARK MUNGO SWORN BEFORE
ME THIS 5th DAY OF APRIL, 2017.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

A Commissioner for Taking Affidavits, etc.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) TUESDAY, THE 28TH DAY
JUSTICE *HAINES*)
) OF MARCH, 2017

 IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP.,
MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC.
AND IN THE MATTER OF SECTION 47.1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED

ORDER
(Amending Interim Receivership Order)

THIS MOTION made by Meridion Highrise Ltd., Meridion Holdings Corp. Meridion Structures Ltd. and 2437156 Ontario Inc. (collectively, the “Companies”) for an Order amending the Order of the Honourable Justice Haines, dated March 22, 2017 (the “Interim Receivership Order”), and granting other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Mark Mungo, sworn March 24, 2017 and the Exhibits thereto, and on hearing the submissions of counsel for the Companies, counsel for the A. Farber & Partners Inc., in its capacity as interim receiver (the “Interim Receiver”), and any other party appearing,

SERVICE

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

AMENDMENT TO INTERIM RECEIVERSHIP ORDER

2. **THIS COURT ORDERS** that paragraph 3 of the Interim Receivership Order be and is hereby deleted in its entirety and replaced with the following:

INTERIM RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Interim Receiver is appointed for the limited purpose and is hereby empowered and authorized to borrow such funds as permitted herein for the purpose of funding the following accounts payable now owed or hereafter owing by the Companies: (a) payroll, independent contractor and critical supplier amounts; (b) overhead and professional fees; and (c) such other accounts payable now owed or hereafter owing by the Companies which are required to ensure the continuation of current projects. The Interim Receiver shall disburse such funds, borrowed in accordance with this provision, only upon receipt of, and pursuant to, written directions from the Companies and the applicable Lender (defined below).

3. **THIS COURT ORDERS** that the Interim Receivership Order be and is hereby amended to add the following paragraph:

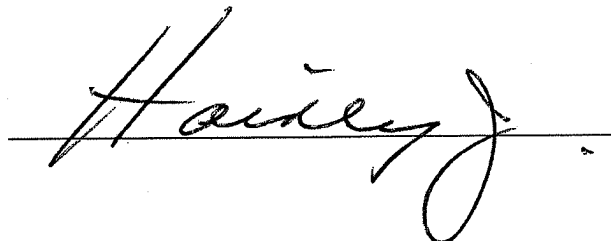
3(A) **THIS COURT ORDERS** that, despite any other provision of this Order, and for greater clarity, the Interim Receiver shall not be, or be deemed to be, in possession and control of the Companies' accounts, including all bank accounts held with Royal Bank of Canada, and the Companies shall retain full possession and control of all such accounts.

4. **THIS COURT ORDERS** that paragraph 11 of the Interim Receivership Order be and is hereby amended to increase the amount the Interim Receiver is authorized to borrow from \$1,000,000 to \$3,000,000.

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

MAR 28 2017

PER / PAR:



Court File Number: 32-2228804
Estate No. 32-2228804

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP., MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC. AND IN THE MATTER OF SECTION 47.1 OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER
(Amending Interim Receivership Order)

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

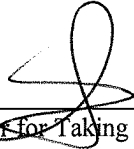
John Salmas (LSUC # 42336B)
Tel: (416) 863-4737
Fax: (416) 863-4592
john.salmas@dentons.com

Sara-Ann Van Allen (LSUC # 56016C)
Tel: (416) 863-4402
sara.vanallen@dentons.com

Vanja Ginic (LSUC # 69981W)
Tel: (416) 863-4673
vanja.ginic@dentons.com

Lawyers for, Meridion Holdings Corp., Meridion Highrise Ltd., Meridion Structures Ltd., and 2437156 Ontario Inc.

THIS IS EXHIBIT "G" REFERRED TO IN THE
AFFIDAVIT OF MARK MUNGO SWORN BEFORE
ME THIS 5th DAY OF APRIL, 2017.

A handwritten signature in black ink, consisting of a large loop at the top and several smaller loops and strokes below it.

A Commissioner for Taking Affidavits, etc.

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF MERIDION HIGHRISE LTD.**

**AND IN THE MATTER OF SECTION 47.1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

AFFIDAVIT OF MARK MUNGO
(Sworn March 21, 2017)

I, **MARK MUNGO**, of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the President of Meridion Holdings Corp. ("**Holdings**"), Meridion Highrise Ltd. ("**Highrise**") and 2437156 Ontario Inc. ("**243**"). While I am not an officer or director of Meridion Structures Ltd. ("**Structures**" and together with Holdings, Highrise and 243, "**Meridion**" or the "**Meridion Group**"), I have been authorized by Gaspare Caia, the sole officer, director and shareholder of Structures to swear this affidavit seeking the relief outlined herein on behalf of Structures. As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

PURPOSE

2. I am swearing this affidavit in support of a motion by Meridion for Orders (the "**Interim Receivership Order**") pursuant to s.47.1 of the *Bankruptcy and Insolvency Act* (Canada) (the

“BIA”) appointing A. Farber & Partners Inc. (“Farber”) as interim receiver (in such capacity, the “Interim Receiver”), without security, of Meridion for the purpose of: (i) authorizing the Interim Receiver to borrow funds to pay employee payroll and independent contractor amounts owing by Meridion and such other amounts payable of Meridion which are required to preserve the business of Meridion; and, (ii) procedurally consolidating the NOI Proceedings (as defined below).

3. On March 15, 2017 (the “NOI Filing Date”) each of Holdings, Highrise, 243, and Structures, filed a Notice of Intention to Make a Proposal (an “NOI”) in accordance with subsection 50.4(1) of the BIA (the “NOI Proceedings”) and appointed Farber as proposal trustee (“Proposal Trustee”). The NOI certificates of each member of the Meridion Group are attached hereto as Exhibits “A”, “B”, “C”, and “D”.

BACKGROUND

4. The head office of the Meridion Group is located at leased premises in Acton, Ontario. Meridion’s business consists of structural concrete formwork mainly for residential high-rise and commercial buildings.

5. The Meridion Group are privately held companies. I am the sole director of Holdings. My father, Dominic Mungo, is the sole director of Highrise and 243. Gaspare Caia is the sole director of Structures. Copies of the Corporate Profile Reports of the Meridion Group dated March 14, 2017 are attached hereto as Exhibits “E”, “F”, “G”, and “H”, respectively.

6. The Corporate Profile Report of 243 does not reflect the resignation of Ernest Bemister as director of 243 and the appointment of Dominic Mungo in his stead on March 3, 2017. A copy of the Confirmation evidencing this change is attached hereto as Exhibit "T".

7. Contracts for construction projects are entered into by Highrise and Structures, which are the only two entities in the Meridion Group that are engaged in performing formwork on construction projects. 243 is the employer company that employs most of the workers who are then subcontracted by 243 to Highrise and Structures. Holdings is an entity that subleases cranes to Highrise and Structures.

8. The Highrise projects include developments located at:
 - (a) 2255 Sheppard Ave E., Toronto, pursuant to a contract between Residences at Atria Inc. and Highrise (the "**Trio Atria Project**");

 - (b) 60 Colborne St., Toronto, pursuant to a contract between King Church Ltd. Partnership and Highrise (the "**60 Colborne Project**");

 - (c) 9612 Yonge St., Toronto, pursuant to a contract between Yonge Grand Palace Inc. and Highrise (the "**Grand Palace Project**");

 - (d) 5200 Yonge St., Vaughn, pursuant to a contract between Sorbara Group and Highrise (the "**Beacon Project**");

 - (e) 110 River St., Toronto, pursuant to a contract between Daniels CM Corporation and Highrise (the "**Regent Block 27 Project**");

(f) 223 St. Claire Ave W., Toronto, pursuant to a contract between Madison Group and Highrise (the **"Ziggs Project"**);

(g) 146 Sumach St., Toronto, pursuant to a contract between Daniels HR Corporation (together with Daniels CM Corporation, **"Daniels"**) and Highrise (the **"Regent Block 32 Project"**);

(h) 1100 Briar Hill Ave, Toronto, pursuant to a contract between Madison Group and Highrise (the **"Briar Hill Project"**);

(collectively, the **"Highrise Projects"**)

9. Structures has one project located at 132 Queens Quay E., Toronto, pursuant to a contract between Daniels and Structures (the **"Waterfront Project"**, and collectively with the Highrise Projects, the **"Projects"**).

MERIDION DEBT AND OTHER SECURITY

(a) SECURED CREDITORS

10. A copy of the search of registrations filed under the *Personal Property Security Act* (Ontario) (**"PPSA"**) against the Meridion Group with a file currency of March 19, 2017, is attached hereto as Exhibit "J".

11. To the best of my knowledge, no PPSA registrations have been made against 243 and Structures.

12. The PPSA registrations against Highrise are:

- (a) Honda Canada Finance Inc., with Reference File No. 697606578 and Registration No. 20140702 0932 9221 5837 in respect of equipment with V.I.N. 5FPYK1F55EB502041;
- (b) Atco Structures & Logistics Ltd., with Reference File No. 716500161 and Registration No. 20160510 0903 9283 2066, in respect of a trailer home with V.I.N. 020154908;
- (c) Hardcastle Investment Corporation, with Reference File No. 725642559 and Registration No. 20170315 1535 1862 9970, in respect of all collateral classifications.
- (d) Royal Bank of Canada, with Reference File No. 702016002 and Registration No. 20141202 1439 1530 1632 in respect of all collateral classifications; and
- (e) Royal Bank of Canada, with Reference File No. 708520698 and Registration No. 20150729 1947 1531 0600 in respect of consumer goods and other, with V.I.N. 1C6RR7KG5FS679252;

13. The PPSA registrations against Holdings are:

- (a) Royal Bank of Canada, with Reference File No. 702016029 and Registration No. 20141202 1439 1530 1634, in respect of all collateral classifications; and
- (b) Royal Bank of Canada, with Reference File No. 702060156 and Registration No. 20141203 1439 1530 2806, in respect of consumer goods and other, with V.I.N. 1C6RR7PM8ES344743.

14. Meridion previously had a secured line of credit with Royal Bank of Canada (“RBC”). Shortly before the NOI Filing Date, the RBC line of credit was paid in full and Hardcastle Investment Corporation (“Hardcastle”) extended a secured loan to Highrise. Hardcastle is owned by a director of 243 and Highrise.

15. With the exception of the PPSA registrations in favour of RBC and Hardcastle, all remaining PPSA registrations against the Meridion Group are in favour of equipment lessors.

(b) OTHER CREDITORS

(i) Trade Creditors

16. Meridion has numerous trade creditors to whom it owes both pre-NOI Filing Date liabilities and continues to incur post-NOI Filing Date obligations.

17. To the best of my knowledge, none of Meridion’s trade creditors have registered liens or served a written notice of lien under the *Construction Lien Act* (Ontario) in respect of any of the Projects.

(ii) Employees

18. Meridion employs approximately 300 employees, the majority of which are unionized. It also employs 8 non-unionized employees at its head office. 243 has approximately 150 employees which it subcontracts to Highrise and Structures. Highrise has approximately 60 of its own unionized employees and Structures has approximately 60 unionized employees, which they use on the Projects in addition to employees subcontracted from 243. Holdings has approximately 25 unionized employees.

19. Meridion has collective bargaining agreements with the following unions:

(a) Liuna Local 183, pursuant to an agreement with all of the entities in the Meridion Group;

(b) IUOE Local 793, pursuant to an agreement with Holdings;

(c) Carpenters Local 27, pursuant to an agreement with Structures; and

(d) Liuna Local 501, pursuant to an agreement with Structures.

(collectively, the “Unions”).

20. Meridion is current in all of its payroll obligations with respect to its employees. Although Meridion was unable to make its monthly payment of \$800,000 to the Unions on March 15, 2017, in respect of, among other things, union dues and pensions administered by the Unions, it paid \$179,000 to the Unions in respect of its employees' vacation pay when due and is current in this regard.

21. Meridion's next payroll payment in the total approximate amount of \$550,000 is due on Thursday, March 23, 2017 and must be deposited by 10 a.m. on Wednesday, March 22, 2017.

MERIDION'S FINANCIAL POSITION

22. Meridion is experiencing serious financial difficulties due to significant losses suffered over the past two years, totaling approximately \$10 million. Meridion's financial difficulties have been exacerbated, in part, by the current trade creditor payment terms and no bank operating loan to fund working capital.

23. Prior to bringing this motion, Meridion met with the developers on the eight of its nine Projects (the “Developers”) to discuss accelerating the progress payments for the Projects to

provide the necessary liquidity to pay for the supply of work and materials on the projects, office overhead, and professional fees in connection with this proceeding and the NOI Proceedings. The Developers are prepared to consider providing Meridion with progress payments two weeks in advance in an effort to alleviate Meridion's cash flow problems. In the meantime, certain of the Developers have agreed to advance funds to pay employee payroll and other critical payables required to preserve their projects. Critical payables include services in respect of surveyors/layout and steel supervisors.

NEED FOR AN INTERIM RECEIVER

24. Meridion currently has no liquidity to make the payroll payment to be funded by 10 a.m. on Wednesday, March 22, 2017.

25. Meridion seeks the appointment of an interim receiver for the purpose of borrowing funds from Developers and others to pay the payroll and other critical accounts payable to preserve Meridion's business. It is proposed that any lender funding payroll and other critical payables in respect to a Project will be entitled to a charge on the Project receivables to secure repayment of their advancements. In order to provide comfort to the Developers that their funding will be used for their specific projects, it is proposed that the Interim Receiver will control all receipts and disbursements and make the payments on behalf of Meridion.

26. Certain of the Developers have agreed to provide Meridion with the interim funding required to satisfy this payroll obligation, on the condition that the Interim Receivership Order is granted.

27. Failure to make this payroll obligation will result in a serious disruption in Meridion's ability to carry on business and will likely imperil the viability of the Projects. Minimizing disruption to Meridion's business is critical to preserve the value of the Projects for the benefit of Meridion's stakeholders including the Developers, the trades, sub-trades, employees, and others relying on the continued success of the Projects.

28. Meridion's management has identified certain suppliers that are critical to the continued operation of its business. The appointment of the Interim Receiver will ensure that such suppliers are paid and continue to supply Meridion post-filing. Without their supply, the Meridion business will be crippled and it will be fatal to continued operations. It is currently estimated that such amounts payable are approximately \$162,000.

29. The Developers' continued support in the form of accelerated payments on the Projects is critical to Meridion's ability to continue operations. The Developers will only accelerate payments and provide such support if the Interim Receivership Order is granted.

30. Meridion is seeking the Interim Receivership Order at this time in order ensure ongoing operations and preserve its business.

31. In the event that the Interim Receivership Order is granted, Meridion expects to be back in court in the coming days seeking an interim financing order or orders in respect of all or some of the Projects.

32. Farber, the Proposal Trustee in Meridion's proposal proceeding pursuant to the BIA, has consented to act as the Interim Receiver of Meridion, if so appointed by this Honourable Court. I believe that Farber is qualified and competent to act in such capacity.

CONCLUSION

33. Meridion requires immediate funding on a priority basis in order to fund its payroll obligations and critical accounts payable.

34. Certain Developers are prepared to fund the Interim Receiver in respect of this amount pursuant to the terms of the form of Receiver's Certificate in the Interim Receivership Order. Conditions to such contemplated advance include the appointment of the Interim Receiver under the BIA and a priority charge pursuant to the contemplated Interim Receiver's Borrowings Charge under the Interim Receivership Order.

35. I am confident that granting the Interim Receivership Order is in the best interests of Meridion and its stakeholders. Meridion requires the Interim Receivership Order to preserve its business and continue operations.

36. In the absence of the granting of the relief sought, Meridion will likely face a cessation of going concern operations, the liquidation of its assets and the loss of work for approximately 300 unionized and non-unionized employees.

37. Meridion has acted in good faith and with due diligence since the issuance of the NOI.

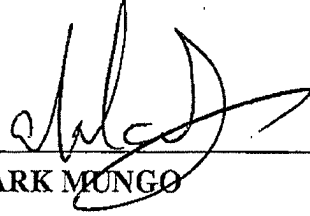
38. For the reasons set out above, I believe that it is just and equitable and in the interest of Meridion, the Developers, and other stakeholders of Meridion that the Interim Receivership Order sought be granted and that Farber be appointed as Interim Receiver.

39. I swear this affidavit in support of Meridion's motion to appoint Farber as Interim Receiver without security and for no other or improper purpose.

SWORN before me at the City of Toronto in
the Province of Ontario, this 21st day of
March, 2017.



Commissioner for taking Affidavits, etc.



MARK MUNGO

Court File No: 32-2228804
Estate No. 32-2228804

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MERIDION HIGHRISE LTD.
AND IN THE MATTER OF SECTION 47.1 OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>PROCEEDING COMMENCED AT TORONTO</p> <p>AFFIDAVIT OF MARK MUNGO (Sworn March 21, 2017)</p>	<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1</p> <p>John Salmas (LSUC # 42336B) Tel: (416) 863-4737 Fax: (416) 863-4592 john.salmas@dentons.com</p> <p>Sara-Ann Van Allen (LSUC # 56016C) Tel: (416) 863-4402 sara.vanallen@dentons.com</p> <p>Vanja Ginic (LSUC # 69981W) Tel: (416) 863-4673 vanja.ginic@dentons.com</p> <p>Lawyers for Meridion Highrise Ltd.</p>
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THIS IS EXHIBIT "H" REFERRED TO IN THE
AFFIDAVIT OF MARK MUNGO SWORN BEFORE
ME THIS 5th DAY OF APRIL, 2017.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and a small flourish.

A Commissioner for Taking Affidavits, etc.

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP.,
MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC.**

**AND IN THE MATTER OF SECTION 47.1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

**AFFIDAVIT OF MARK MUNGO
(Sworn March 24, 2017)**

I, **MARK MUNGO**, of the Town of Oakville, in the Province of Ontario, **MAKE
OATH AND SAY:**

1. I am the President of Meridion Holdings Corp. ("**Holdings**"), Meridion Highrise Ltd. ("**Highrise**") and 2437156 Ontario Inc. ("**243**"). Although I am not an officer or director of Meridion Structures Ltd. ("**Structures**" and together with Holdings, Highrise and 243, "**Meridion**" or the "**Meridion Group**"), I have been authorized by Gaspare Caia, the sole officer, director and shareholder of Structures to swear this affidavit seeking the relief outlined herein on behalf of Structures. As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

PURPOSE

2. I am swearing this affidavit in support of the motion by Meridion returnable March 28, 2017.

BACKGROUND

3. On March 15, 2017 (the “**NOI Filing Date**”) each of Holdings, Highrise, 243, and Structures, filed a Notice of Intention to Make a Proposal (an “**NOI**”) in accordance with subsection 50.4(1) of the BIA (the “**NOI Proceedings**”) and appointed Farber as proposal trustee (“**Proposal Trustee**”). The NOI certificates of each member of the Meridion Group are attached hereto as Exhibits “A”, “B”, “C”, and “D”.

4. Pursuant to the Order of the Honourable Mr. Justice Hainey, dated March 22, 2017 (the “**Interim Receivership Order**”), Farber was appointed interim receiver (in such capacity “**Interim Receiver**”) of the Companies for certain limited purposes. Those purposes include the borrowing of funds in order to fund employee payroll and other payables required to ensure the continuation of current projects. A copy of the Interim Receivership Order is attached hereto as Exhibit “E”.

5. The head office of the Meridion Group is located at leased premises in Acton, Ontario. Meridion’s business consists of structural concrete formwork and tower crane services mainly for residential high-rise and commercial construction projects.

6. Meridion is currently engaged on eight (8) construction projects located throughout the GTA (the “**Projects**”). Work in respect of one of the Projects was halted about a week ago, although Meridion continues to discuss re-commencing work on such Project. The developers of the Projects include Daniels CM Corporation, Sorbara Group, Madison Group, Freed and Guizzetti (the “**Developers**”).

7. Meridion is experiencing serious financial difficulties due to significant losses suffered over the past two years, totaling approximately \$10 million. It has insufficient cash flow from operations to pay its current liabilities. Meridion's ongoing cash requirements have been met by funding from 748492 Ontario Ltd., a related entity, and most recently monies from certain Developers payable to Meridion pursuant to the terms of the Project contracts.

8. Meridion's financial difficulties have been exacerbated, in part, by the current trade creditor payment terms and no bank operating loan to fund working capital.

MERIDION DEBT AND SECURITY

(a) SECURED CREDITORS

9. A copy of the search of registrations filed under the *Personal Property Security Act* (Ontario) ("PPSA") against the Meridion Group with a file currency of March 19, 2017, are attached hereto as Exhibit "F".

10. The PPSA search results show no registrations against 243 and Structures.

11. The PPSA registrations against Highrise and Holdings are summarized in my affidavit sworn March 21, 2017 (the "**March 21, 2017 Affidavit**"), attached hereto as Exhibit "G" (without Exhibits).

12. The PPSA search results show a registration in favour of Royal Bank of Canada ("**RBC**") over all collateral classifications. This registration was in respect of a line of credit which Meridion held with RBC. Shortly before the NOI Filing Date, the RBC line of credit was paid in full and Hardcastle Investment Corporation ("**Hardcastle**") extended a secured loan to Highrise. Hardcastle is owned by a director of 243 and Highrise.

13. With the exception of the PPSA registrations in favour of RBC and Hardcastle, all remaining PPSA registrations against the Meridion Group are in favour of equipment lessors.

14. Highrise has entered into bonding arrangements with Zurich Insurance Company Ltd. and executed and delivered a General Indemnity Agreement, dated January 22, 2015 in respect of the bond. There are no PPSA registrations in favour of Zurich against Meridion.

(b) TRADE CREDITORS

15. Meridion has numerous trade creditors to whom it owes both pre-NOI Filing Date liabilities and continues to incur post-NOI Filing Date obligations.

16. To the best of my knowledge, none of Meridion's trade creditors have registered liens or served a written notice of lien under the *Construction Lien Act* (Ontario) in respect of any of the Projects.

EMPLOYEES AND CRITICAL SUPPLIERS

17. Meridion employs approximately 300 employees, the majority of which are unionized. It also employs 8 non-unionized employees at its head office. Meridion administers a pension plan for its employees. Due to its liquidity issues, Meridion had insufficient cash to fund its most recent pension payment, along with employee benefits and union dues. These pre-filing payments totalling approximately \$800,000, were payable March 15, 2017.

18. Meridion's payroll is paid on a weekly basis. Its next payroll payment in the total approximate amount of \$465,000 is due on Thursday, March 30, 2017 and must be deposited by 10 a.m. on Wednesday, March 29, 2017.

19. Meridion's management has identified certain suppliers and subcontractors that are critical to the continued operation of its business. Without the continued supply of materials to the Project job sites, the Meridion business will be crippled and no longer able to operate. As stated in my March 21, 2017 Affidavit, it was previously estimated that such amounts immediately payable were approximately \$162,000. Since that date, certain other suppliers have threatened to cease supply if they are not immediately paid amounts owing. The total amount needed to satisfy these parties, plus subcontractors not included in Meridion's payroll, is now estimated to be \$1.1 million.

20. Meridion has insufficient cash from operations to fund its ongoing payroll and other immediate payables. Certain of the Developers and 748492 Ontario Ltd. agreed to fund Meridion's most recent payroll obligations on the condition that the Interim Receiver be appointed to oversee the receipt and disbursement of funds, and the advances be secured by the Interim Receiver's Borrowings Charge (as defined in the Interim Receivership Order). Immediately following the issuance of the Interim Receivership Order, that funding was received by the Interim Receiver and applied against Meridion's payroll.

21. To date, the Developers and 748492 Ontario Ltd. have funded \$632,000 to Meridion for the purpose of making critical payables to employees and certain suppliers. Their funds were advanced to the Interim Receiver who has undertaken to apply the funds against payables for specific Projects, as directed by each funding entity. The funds from Developers represent advances on the Project progress payments that are periodically due to Meridion over the course of the Project.

22. As of this date, one developer, Tridel, informed Meridion that it is no longer prepared to continue with Meridion on its Project. Without funding to pay the employees working at Tridel's construction site, Meridion has ceased all work at Tridel's Project. I understand that subsequent to the termination of our involvement in the Tridel Project, a lien claim has been filed against the Tridel's property.

NEED FOR INCREASE IN INTERIM RECEIVER'S BORROWING CHARGE

23. Meridion's next payroll payment must be funded by 10 a.m. on Wednesday, March 29, 2017, and certain critical supplier and subcontractor payments are immediately due and payable. Meridion's cash flow forecasts show that it is expected to have insufficient liquidity to meet its ongoing obligations to employees and critical suppliers.

24. Certain of the Developers have agreed to advance additional funds to pay Meridion's upcoming employee payroll and other critical payables required to preserve their Projects. The Developers will only provide immediate further financial assistance if the Interim Receiver's Borrowings Charge is increased from \$1,000,000 to \$3,000,000 to allow room for further advances. An increased Interim Receiver's Borrowings Charge is a key function in Developers' deliberations regarding accelerating payments.

25. The Developers' continued support in the form of accelerated payments on the Projects is critical to Meridion's ability to continue operations. Failure to make payments to employees, subcontractors and critical suppliers will imperil the viability of the Projects to the detriment of all stakeholders including the Developers, the trades, sub-trades, employees, and others.

26. In an effort to alleviate Meridion's cash flow problems, certain Developers have indicated that they are prepared to consider accelerating the Project progress payments and provide Meridion with ongoing progress payments two weeks in advance (rather than on 45 day terms).

27. As set out in my March 21, 2017 Affidavit, it was previously contemplated that Meridion would return to court to seek an interim financing order. After discussions with the Interim Receiver and the Developers committed to providing funding, Meridion has determined the best and most cost-effective course of action at this time is to request an extension of the Interim Receiver's Borrowings Charge to extend the current funding arrangements for the short-term while it negotiates the terms of additional ongoing funding with the Developers and works towards a proposal to all creditors.

AMENDMENT TO INTERIM RECEIVERSHIP ORDER

28. As an administrative matter, the Interim Receiver has requested that the Interim Receivership Order be amended to clarify that the Interim Receiver does not have control of Meridion's bank accounts. Meridion requests that this relief be granted as it does not prejudice any party.

CONCLUSION

29. Meridion requires immediate additional funding on a priority basis in order to fund its payroll obligations, critical suppliers and subcontractors.

30. Certain Developers and 748492 Ontario Ltd. are prepared to advance further funds to the Interim Receiver on the condition that such advances are secured by the Interim Receiver's Borrowings Charge.

31. In the absence of the granting of the relief sought, Meridion will likely face a cessation of going concern operations, the liquidation of its assets and the loss of work for approximately 300 unionized and non-unionized employees.

32. Meridion is seeking an increase in the Interim Receiver's Borrowings Charge from \$1,000,000 to \$3,000,000 at this time in order ensure ongoing operations and preserve its business while it works to put together a proposal.

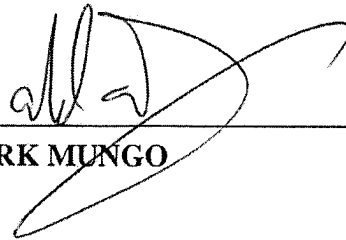
33. Meridion has acted in good faith and with due diligence since the issuance of the NOI.

34. I swear this affidavit in support of Meridion's motion returnable March 28, 2017, and for no other or improper purpose.

SWORN before me at the City of Toronto in
the Province of Ontario, this 24th day of
March, 2017.



Commissioner for taking Affidavits, etc.



MARK MUNGO

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP., MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC. AND IN THE MATTER OF SECTION 47.1 OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO
AFFIDAVIT OF MARK MUNGO
(Sworn March 24, 2017)

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Lawyers for, Meridion Holdings Corp., Meridion Highrise Ltd., Meridion Structures Ltd., and 2437156 Ontario Inc.

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)
)
JUSTICE) **THURSDAY , THE 6th DAY**
) **OF APRIL, 2017**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP.,
MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC.**

**AND IN THE MATTER OF SECTION 47.1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

ORDER

THIS MOTION made by Meridion Highrise Ltd. ("**Highrise**"), Meridion Holdings Corp. ("**Holdings**"), Meridion Structures Ltd. ("**Structures**") and 2437156 Ontario Inc. ("**243**") (collectively, "**Meridion**"), extending the time for the filing of a proposal pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act* (Canada) R.S.C. 1985, c B-3, as amended (the "**BIA**"), and granting other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion dated April 4, 2017, the Affidavit of Mark Mungo sworn April 5, 2017, the Supplementary Affidavit of Mark Mungo, sworn April ●, 2017 ("**Supplementary Affidavit**") and the First Report of A. Farber & Partners Inc. ("**Farber**") in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**"), dated April 5, 2017, and on hearing the submissions of counsel for Meridion, the Proposal Trustee and any other party appearing.

SERVICE

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

STAY EXTENSION

2. **THIS COURT ORDERS** that the time for the filing of a proposal by Highrise, Holdings, Structures and 243 be and is hereby extended in accordance with Section 50.4(9) of the BIA from April 14, 2017, for a period of forty-five (45) days, to May 29, 2017.

APPROVAL OF FIRST REPORT

3. **THIS COURT ORDERS** that the First Report and the activities of the Proposal Trustee and Farber in its capacity as interim receiver (in such capacity, the “**Interim Receiver**”) described therein be and are hereby approved.

FUNDING AGREEMENTS

4. **THIS COURT ORDERS** that (a) the Funding Letter Agreements, attached as Confidential Exhibits “A” - “D” to the Supplementary Affidavit (together, the “**Funding Agreements**”), be and are hereby approved, (b) the execution of the Funding Agreements by Highrise, Structures and the Interim Receiver is hereby ratified, and (c) Highrise, Structures and the Interim Receiver are each hereby authorized to perform their obligations as contained in the Funding Agreements.

5. **THIS COURT ORDERS** that Farber, in its capacity as Interim Receiver of Meridion, is hereby released and discharged from any and all liability that Farber now has or may hereafter have by reason of, or in any way arising out of, its acts or omissions while carrying out its obligations under the Funding Agreements, save and except for any gross negligence or wilful misconduct on the part of the Interim Receiver. For certainty, reliance by the Interim Receiver on a Payment Direction (as defined in the Funding Agreements) shall not constitute gross negligence or wilful misconduct on the part of the Interim Receiver and any liability of the

Interim Receiver shall be limited to the amount then held in the applicable Disbursement Account (as defined in the Funding Agreements).

6. **THIS COURT ORDERS** that the fees and disbursements of the Interim Receiver in carrying out the terms of the Funding Agreements shall be secured by the Interim Receiver's Charge (as defined in the Order of the Honourable Justice Hainey, dated March 22, 2017, as amended).

RBC SECURITY

7. **THIS COURT ORDERS** that, despite any provision in the Order of this Court, dated March 22, 2017, as amended by Order dated March 28, 2017 (the "**Interim Receivership Order**"), the Interim Receiver's Charge and the Interim Receiver's Borrowings Charge (each as defined in the Interim Receivership Order) shall be subordinate to any security interest of the Royal Bank of Canada ("**RBC**") in the property of Highrise and Holdings.

AMENDMENT TO INTERIM RECEIVERSHIP ORDER

8. **THIS COURT ORDERS** that paragraph 11 of the Order of the Honourable Justice Hainey, dated March 22, 2017, as amended by the Order of the Honourable Justice Hainey, dated March 28, 2017, be and is hereby amended to increase the amount the Interim Receiver is authorized to borrow from \$3,000,000 to \$5,000,000.

SEALING

9. **THIS COURT ORDERS** that Meridion is hereby authorized, *nunc pro tunc*, to redact from the Supplementary Affidavit served on any party other than this Honourable Court the Funding Agreements attached as Confidential Exhibits "A" - "D".

10. **THIS COURT ORDERS** that the unredacted version of the Supplementary Affidavit filed with this Honourable Court be sealed from the public record until further order of this Court.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP., MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC. AND IN THE MATTER OF SECTION 47.1 OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED

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

PROCEEDING COMMENCED AT TORONTO

ORDER

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Court File Number: 32-2228804
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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MERIDION HIGHRISE LTD., MERIDION HOLDINGS CORP., MERIDION STRUCTURES LTD., AND 2437156 ONTARIO INC.
AND IN THE MATTER OF SECTION 47.1 OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

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

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD
(Returnable April 6, 2017)**

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