

**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST**

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO) R.S.O. 1990, c.B.16, AS AMENDED

PHI KAPPA PI BUILDINGS, LIMITED

Applicant

PLAN OF ARRANGEMENT

1. Definitions:

- (a) "Interim Order" means the Order of the Superior Court of Justice (Commercial List) for directions given in the application for court approval of this Plan of Arrangement;
- (b) "Net Assets" means the assets of the Applicant, after realisation of the proceeds of the sale of the Property, less liabilities and expenses of the Applicant, including but not limited to taxes, secured and unsecured debts, trusts, liens, charges, encumbrances, fees (including professional fees and disbursements), and outstanding directors' fees;
- (c) "Property" means the land and buildings at Part of Lot 23, Concession 2 from The Bay Township of York and Part of Lot 39, Plan 371 Yorkville, designated as Parts 1 and 2, Plan 63R-4571, Toronto being all of PIN 21213-0058(LT), and known municipally as 85 Bedford Road/ 51 Elgin Avenue, Toronto, Ontario;
- (d) "Record Date" means the date of the Interim Order;
- (e) "Shareholders" means the common shareholders of the Applicant, there being no other class of shareholders;
- (f) "Special Meeting" means the special meeting of Shareholders as of the Record Date called to elicit a resolution of shareholders approving this Plan of Arrangement;
- (g) "Universities" means the University of Toronto and Ryerson University

2. The board of directors of the Applicant has resolved to sell the Property and to donate the Net Assets to the University of Toronto (two-thirds) and Ryerson University (one-third), and to pursue with the Universities the setting up of endowment funds and recognition in some form

of dedication of reading and meeting rooms to the members of the Phi Kappa Pi Fraternity and the shareholders of Buildings.

3. Notice to Shareholders of the Special Meeting shall be given by regular mail to Shareholders known to the board of directors of the Applicant, and by publication of newspaper advertisements in the Toronto Star and one national newspaper. Those advertisements shall include reference to this Plan of Arrangement, the Interim Order and the meeting materials for the Special Meeting, copies of each of which shall be posted on an advertised website maintained for such purpose. Notice to Shareholders shall be mailed and published by July 22, 2017.

4. Persons who do not receive notice of the Special Meeting addressed to them by mail, but who claim or believe themselves to be Shareholders and who wish to vote at the Special Meeting or to exercise rights of dissent, shall furnish evidence to the board of directors of their shareholdings as of the Record Date by August 9, 2017. The board of directors shall determine whether any such person is or is not a Shareholder as of the Record Date, and communicate such determination, by August 25, 2017. Any dispute as to the board of director's determination of a person's status as Shareholder as of the Record Date shall be heard and determined by the Superior Court of Justice (Commercial List) at Toronto by September 15, 2017.

5. The Special Meeting shall take place at 2 pm on September 22, 2017 at the office of counsel for the Applicant, 130 Adelaide Street West, Suite 2400, Toronto. Shareholders as of the Record Date shall vote on a special resolution approving this Plan of Arrangement, which will require approval of the holders of two-thirds of the common shares of the Applicant held by Shareholders as of the Record Date present or voting by proxy. Other business may be conducted at the Special Meeting.

6. Shareholders as of the Record Date may dissent to this Plan of Arrangement. If such dissenting Shareholders give notice of their dissent in accordance with the provisions of the Interim Order, and if this Plan of Arrangement is otherwise approved by Shareholders and the Superior Court of Justice, the Applicant shall pay such dissenting Shareholders fair value for their common shares. Such fair value shall be determined and paid in accordance with section 185 of the Ontario *Business Corporations Act*, regardless of whether such section would otherwise apply to the Arrangement described in this Plan of Arrangement. Fair value for a dissenting Shareholder's common shares shall be the pro rata value of the Net Assets, calculated following the sale of the Property and immediately prior to the Applicant's contemplated donation to the Universities.

7. If a resolution with respect to this Plan of Arrangement is passed by the Shareholders, the Applicant will return to the Superior Court of Justice (Commercial List) for approval of the Arrangement described in this Plan of Arrangement, which approval may contain additional terms relating to the timing, administration and implementation of this Plan of Arrangement (including as it may be amended) and the passing of accounts, and may include an order for dissolution of the Applicant.

July 2017

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Court File No. CV-17-578761-00CL

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Proceeding commenced at Toronto.

PLAN OF ARRANGEMENT

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