



Communications Package

In the matter of the CCAA proceedings of

Trinity Ravine Community Inc.

commenced on February 23, 2022

Frequently Asked Questions

1. What is the CCAA?

The Companies' Creditors Arrangement Act, or "CCAA" is a federal statute in Canada that enables debtor companies to restructure their financial affairs, including the sale of their business or assets, under the supervision of the Court.

As part of the CCAA Proceedings, the Court grants a "stay of proceedings" which prevents creditors, such as lenders and suppliers, from taking action against, or terminating contracts or agreements with the debtor company, giving it the time and stability to enable it to restructure or sell its assets.

2. Is the Company bankrupt?

No. Under Canadian insolvency and restructuring laws, "bankruptcy" is a specific type of proceeding under which an insolvent company's operations are terminated and a trustee is appointed by the Court to take control of, and sell, the debtor company's assets for the benefit of its creditors.

The CCAA proceedings, among other things, prevent creditors from forcing a company into bankruptcy. For this reason, CCAA proceedings are sometimes referred to as "bankruptcy protection" in Canada.

3. Why did the Company file CCAA?

The CCAA Proceedings were commenced to address TRC's short-term liquidity constraints and to effect a restructuring by evaluating options with respect to the Trinity Ravine Community development including a sale process to solicit bids on the development property.

4. What happens in a CCAA filing?

Generally, in a CCAA proceeding, a debtor company is given time to develop and propose a "plan of arrangement" to its creditors under which the financial affairs of the company are restructured. One restructuring alternative may include the sale of the business or assets of the company.

During the CCAA proceedings, there is a Court-ordered "stay of proceedings" which prevents creditors from taking actions that could destabilize the company or force it into bankruptcy.

Subject to the oversight of the Court, the Company remains in control of its business and operations while it takes steps to restructure its business and assess the possibility of a sale of the business and assets.

The Court appoints a Monitor to oversee the activities of the Company and assist stakeholders with the CCAA process. Deloitte Restructuring Inc. has been appointed as Monitor.

5. What is the Monitor?

The Monitor is an officer of the Court whose responsibilities include assisting the Company with its restructuring, reporting to the Court from time to time on the progress of the proceedings and restructuring and, ultimately, providing a recommendation on the plan of arrangement (if one is proposed) or on the sale of the business or assets of the Company. Any sale of the business or assets must be approved by the Court. Deloitte Restructuring has been appointed as Monitor.

The Company will be giving its full co-operation to the Monitor.

6. How long will the CCAA proceeding take to complete?

The Court has granted an initial stay of proceedings of 10 days, which is the maximum allowed by law on an initial application under the CCAA and will return to Court before the end of that period to request an extension of the stay period until July 22, 2022.

The Company may request additional extensions of the stay of proceedings as required in order to complete the restructuring process. Each request for an extension must be approved by the Court.

It's not possible to say with certainty how long the CCAA proceedings will last but they are expected to last a minimum of 6 months.

7. Who is now in charge of the Company?

The Board of Directors and the executive management team remain in control of the Company and its operations, subject to the specific requirements of the Initial Order and any further orders of the Court.

8. What does the filing mean for the Company's operations?

While in the CCAA Proceedings, the Company will continue its operations on a "business as usual" basis, recognizing the current impacts and restrictions imposed by the Covid-19 pandemic.

9. Does the Company have sufficient financing to complete its activities?

Yes. Based on the current cash flow forecasts prepared by the Company and reviewed by the Monitor, cash on hand as of the date of the filing combined with additional financing, if approved by the court, are expected to fund TRC through the CCAA Proceedings. The Company will prepare further cash flow forecasts in connection with any motions to extend the stay of proceedings, as required.

10. I have unpaid invoices for services rendered prior to the CCAA filing. Will these amounts be paid?

Claims against the Company in respect of services provided prior to the date of the Initial Order ("pre-filing claims") are subject to the stay of proceedings provided under the Initial Order and cannot be paid at this time.

If as a result of the CCAA Proceedings, there is a sale of the business or assets and it is determined that there are amounts available for distribution in respect of the claims of pre-filing creditors, the Company, with the approval of the Court, will initiate a claims process whereby creditors will be invited to submit a proof of claim, which if approved, will entitle the creditor to receive a distribution in respect of their claim(s) (subject to the priorities of other creditors).

11. How do I file a claim for amounts outstanding?

If a procedure for the filing of claims is implemented by the Company and approved by the Court, the Monitor is required to notify all known creditors of the claims process. Any materials would also be posted to the Monitor's Website.

Until a claims procedure has been approved, suppliers should ensure that all invoices in respect of pre-filing goods and services have been submitted to the Company.

12. Do I have to continue to provide services to the company?

The CCAA Initial Order provides that anyone having a written or oral agreement to provide goods or services to the Company is prohibited from terminating such arrangements, provided that the Company pays the agreed prices or charges for such goods or services from the date of the CCAA filing.

13. Will I be paid for goods and services provided in the future?

Yes. Payments will be made for goods and services requested by the company.

14. I am a Life Lease Holder with an unpaid deposit. Will the deposit be repaid?

Claims against the Company in respect on life lease deposits issued prior to the date of the Initial Order (“pre-filing claims”) are subject to the stay of proceedings provided under the Initial Order and cannot be re-paid at this time.

During the CCAA Proceedings the Company will determine the best course of action for the Company: either a sale of the development land or continuing with the Trinity Ravine Community development project.

If a sale of the development land occurs and it is determined that there are amounts available for distribution for pre-filing claims, the Company, with the approval of the Court, will initiate a claims process whereby creditors will be invited to submit a proof of claim, which if approved, will entitle the creditor to receive a distribution in respect of their claim(s) (subject to the priorities of other creditors).

Refer to question 11 regarding filing a claim.

If the Trinity Ravine Community development project continues (in its current or new form), Life Lease Holders will be contacted in advance to determine their future involvement with the project.

15. How will I be kept informed of developments during the proceedings?

We will provide periodic updates on the progress of the restructuring and any key developments via various means including email and phone calls. In addition, Court materials, including updates from the Monitor, will be available online at www.insolvencies.deloitte.ca/en-ca/trinityravine.

16. What do I do if I have other questions?

For questions relating to the CCAA Proceedings, you can call the Monitor’s hot line at 416-202-2800 or by sending an email to trinityravine@deloitte.ca.



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